

MAKING THE COST OF INVESTMENT CLEAR



This document explains the roles of each of the parties involved in your investment and how their charges or fees are calculated and taken.

For specific details of how much your own charges will be, and their effect on your investment, please refer to your personalised **Key Features Illustration**. For **Collective Investment Bonds**, this also includes a detailed **Costs and Charges statement**. For details of fund and other asset charges, you should also refer to the **Asset Lists** for **Charge Basis 2**.

WHO IS INVOLVED AND WHAT DO THEY DO?

The following parties are typically involved, in addition to you as the investor:



YOUR FINANCIAL ADVISER – Depending on your financial needs and attitude to risk, they will agree with you the services you require. Working closely with you, they can recommend solutions to help you reach your financial goals.

DISCRETIONARY INVESTMENT MANAGERS – Depending upon your situation, your financial adviser may recommend the services of a discretionary investment manager who will monitor and manage the assets you hold in your account.



OLD MUTUAL WEALTH – Our role involves setting up and administering your investment. This includes giving you access to a single, web-based location where you and your financial adviser can build, manage and monitor your investments. We provide online access to a wide choice of assets and a range of tax-efficient ways to invest.



ASSET MANAGERS – The managers of the assets in your account or bond are responsible for creating and managing them; researching, selecting and buying the investments that make up the asset; and additional administrative duties such as appointing trustees and auditors.

HOW THE CHARGES ARE CALCULATED AND TAKEN



PAYMENTS TO YOUR FINANCIAL ADVISER

It is for you and your financial adviser to agree the amount and frequency of any charges for their services.

You can either pay these fees directly to your adviser, or at your request we can pay the following types of fee for you by taking the money from your investment.

ADVISER INITIAL FEE – this will be deducted from a lump sum or cash transfer payment, before the balance is invested into your choice of assets.

ADVISER INITIAL REGULAR FEE – this fee is for advice given in respect of a regular investment. The overall fee is deducted in instalments over a set period of time.

ADVISER ONGOING SERVICING FEE – this is for ongoing monitoring and management of your investment.

ADVISER AD HOC FEES – we can also pay ad hoc (one-off) fees you agree with your adviser for other reasons, related to advice provided to you.

Where you have agreed to pay your financial adviser an ongoing servicing fee, the fee will be accrued daily and will be deducted on your chosen frequency, typically on the anniversary of the date you opened your first account with us. If you were to encash your account prior to the charge deduction date, your financial adviser would receive a pro rata payment, based on the fee accrued up until the closure of your account.

Adviser fee arrangements can be cancelled by informing Old Mutual Wealth, however it is not possible to cancel fees that have already been taken from your investment. We always recommend speaking to your financial adviser before cancelling any adviser fees.

DISCRETIONARY MANAGEMENT PORTFOLIO FEE

Typically a discretionary investment manager will charge a fee for their services. For investments held on Charge Basis 2 we do not facilitate this charge. If you choose to use the services of a discretionary investment manager you will need to arrange an alternative means of paying for these services, which you can discuss with your financial adviser.



See what you are paying your adviser in your illustration.

Your personalised [Key Features Illustration](#) will include details of any fees we are paying your adviser*, together with the potential effect of these and all other investment costs on its future value.



OLD MUTUAL WEALTH CHARGES

Investor Charge

The Investor Charge is an annual charge, which covers all accounts held by you on Charge Basis 1 or 2. So if you have more than one product on the same Charge Basis you only pay one Investor Charge. It is taken from just one of your products, on the following basis:

- For the Collective Investment Bond, proportionally from the funds you hold.
- For the Collective Retirement Account, from cash held in your account, where available and then proportionally from the funds you hold.

We take the charge every six months based on the day you opened your first account with us. The payment deducted will be equal to half of the Investor Charge applicable on the date the deduction is made. The charge is currently £80.38 a year, increasing each June, in line with the increase in average weekly earnings as published by the Office of National Statistics over the previous year.

If you also hold a product jointly with your spouse or civil partner, a separate Investor Charge may apply.



ADDITIONAL CHARGES APPLICABLE ONLY TO THE COLLECTIVE INVESTMENT BOND (CIB):

Life Fund Tax Charge

We are taxed by HM Revenue & Customs on taxable income and gains arising from the investments we make on your behalf. The amount we charge is based on the estimated tax liability to us.

The taxation charge is additional to the Investor Charge above. For more information on this please see your [Terms and Conditions for the Collective Investment Bond](#).

Capital Protected Death Benefit Charge

If you apply and are accepted for this option, we will make a charge based on the difference between the value of the death benefit and 101% of the value of the bond. If the death benefit value is greater than 101% of the value of the bond then this charge is calculated daily and deducted monthly by cashing in units. For more information please see your [Terms and Conditions for the Collective Investment Bond](#).



See what you are paying Old Mutual Wealth in your illustration.

Details of your Old Mutual Wealth charges are shown in your personalised [Key Features Illustration](#) together with the potential effect of these and all other investment costs on the future value of your account or bond.

Costs and Charge Statement.

If you are investing in a Collective Investment Bond, a forecast of your fees and charges during the first and future years is included in the [Costs and Charges Statement](#) provided with your Key Features Illustration. We will also send bond holders a Cost and Charges Statement every year showing the actual costs involved over the previous 12 months.

** Your Key Features Illustration will not show any payments you choose to make directly to your financial adviser.*



FUND CHARGES

You don't pay fund manager charges as separate monetary amounts. Instead, fund managers deduct their charges on a daily basis from the overall value of their funds and this is reflected in the changing daily fund prices.

Included in the fund charge are:

- one-off costs, such as the charge some funds make when you buy or sell them. The majority of funds available to you do not make this charge
- ongoing costs – these are the fund manager's administrative costs, such as their annual management charge (AMC)
- transactional costs, when managers buy and sell the underlying investments in their funds
- incidental costs such as performance fees, if applicable.

The annual management charge plus some other expenses are referred to in the [Asset Lists](#) as the TER (Total Expense Ratio) or OCF (Ongoing Charge Figure). Where a TER is disclosed this includes the asset's AMC plus any additional costs including performance related fees that the asset manager may charge. The OCF will include these additional costs except for performance fees.

Both figures give an indication of the ongoing cost of a fund.



FUND MANAGER REBATES

Charge Basis 2 involves an arrangement whereby fund managers repay us a proportion of their annual charge. This is known as the rebate. The amount of rebate varies from fund to fund and can change over time.

We retain a proportion of this rebate to offset our administrative costs and pay a proportion to you in the form of extra fund units. This has the effect of reducing the fund manager charge on your chosen funds.

Details of the fund manager charges and rebates for the funds you have chosen are shown in your personalised [Key Features Illustration](#) in a table like this:

Fund Name	Fund manager charge before rebate (TER**)	Rebate paid to you as additional fund units†	Rebate retained by Old Mutual Wealth	Effective annual fund manager charge you pay
Fund A	2.80%	0.50%	0.37%	2.30%
Fund B	1.70%	0.35%	0.28%	1.35%
Fund C	0.80%	0.00%	0.13%	0.80%

** The average TER of all the funds available to Old Mutual Wealth investors is 1.70% a year, before any rebate.

† When you invest in a fund, you buy 'units'. The number of units you own represents your share of the fund's total value. As the fund's price rises and falls, so does the value of your units.



See what you are paying for your assets in your illustration.

Details of the asset charges and rebates that apply to the assets you have chosen are shown in your personalised [Key Features Illustration](#), together with the potential effect of these and all other investment costs on the future value of your account or bond.

For details of TERs/OCFs, annual management charges, and the rebates for all funds available for you to invest in, please refer to our Fund Centre at www.oldmutualwealth.co.uk/funds/fund-information, or our Asset Lists.

The charging basis described in this document is Charge Basis 2. Details of Charge Bases 1 and 3 can be found on our website at www.oldmutualwealth.co.uk/Library/charges/platform/ Your adviser can explain when these might apply.

Your investment may fall or rise in value and you may not get back what you put in.

www.oldmutualwealth.co.uk

Please be aware that calls and electronic communications may be recorded for monitoring, regulatory and training purposes and records are available for at least five years.

Old Mutual Wealth is the trading name of Old Mutual Wealth Limited which provides an Individual Savings Account (ISA), Junior ISA (JISA) and Collective Investment Account (CIA) and Old Mutual Wealth Life & Pensions Limited which provides a Collective Retirement Account (CRA) and Collective Investment Bond (CIB).

Old Mutual Wealth Limited and Old Mutual Wealth Life & Pensions Limited are registered in England and Wales under numbers 1680071 and 4163431 respectively.

Registered Office at Old Mutual House, Portland Terrace, Southampton SO14 7EJ, United Kingdom. Old Mutual Wealth Limited is authorised and regulated by the Financial Conduct Authority. Old Mutual Wealth Life & Pensions Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Their Financial Services register numbers are 165359 and 207977 respectively. VAT number 386 1301 59.