



## Making the cost of investment clear

*This document explains the roles of each of the parties involved in your investment and how their charges, fees or commission 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 our Asset Lists for Charge Basis 1.

### *Who is involved in your investments?*

#### 1 Your financial adviser

They will work closely with you to understand your financial needs and to implement a plan that will help you reach your financial goals.

#### 2 Discretionary investment managers

Your financial adviser may recommend the services of a discretionary investment manager who will monitor and manage the assets you hold in your account.

#### 3 Quilter

We provide you and your financial advisers with access to tax efficient products and online services, helping you to seamlessly implement and manage your financial plan.

#### 4 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

## 1 *Payments to your financial adviser*

**Trail Commission** – is accrued daily on your account and is paid monthly on an ongoing basis for the period of your investment.

Different commission arrangements may apply depending upon what you initially discussed with your financial adviser. The commission options include:

Either	Or
<p><b>Fund-Based Trail Commission (FBTC)</b></p> <p>This is a regular commission payment which we pay monthly to your financial adviser out of a rebate we receive from the managers of the funds you choose to invest in. It does not represent an additional cost to you.</p> <p>The amount of fund-based trail commission we pay your adviser varies depending on the types of funds you have invested in:</p> <ul style="list-style-type: none"><li>0.50% a year - equity/managed and property funds</li><li>0.35% a year - fixed Interest funds</li><li>0.25% a year - tracker funds</li><li>0.00% a year - cash funds and cash deposits</li></ul> <p>Read more about rebates from fund managers on page 3.</p>	<p><b>Nominated Trail Commission (NTC)</b></p> <p>This is a fixed percentage rate of commission that you have agreed with your adviser. It can be up to 1.5% of the value of your investment.</p> <p>NTC is inclusive of the fund-based trail commission (see left). This means that if nominated trail commission is greater than the fund-based trail commission, your adviser receives the FBTC plus the difference between that and the NTC. We make up this difference by deducting cash from your investments, where available, or by selling units from your account or bond each month. If the agreed level of NTC is less than the level of FBTC, we will reinvest the difference into your account or bond.</p>

As both of the above types of commission are accrued daily on your account, if you were to close your account your financial adviser would receive the commission that had accrued up until the point of closure. Both of these commission options work on a 1 for 1 basis with your investment, meaning if any commission wasn't being paid to your financial adviser, going forward you would receive the value of that commission back onto your account.

## 2 *Discretionary management portfolio fee*

Typically a discretionary investment manager will charge a fee for their services. For investments held on Charge Basis 1 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.

## 3 *Quilter 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, from transactional cash held in your bond where available, and then 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 £89.22 a year, increasing each June, in line with the increase in average weekly earnings.

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

### **CashHub Savings**

There is no investor charge applied to the CashHub.

Bondsmith are paid directly by the savings account provider. This is up to 0.25% of the account values held with the savings account by the trustee. It is deducted from the interest rates before they are displayed to you so that the rate on the CashHub is the rate you will receive. Bondsmith pay Quilter a distribution fee of up to 0.15%.

### **How we share the interest on cash**

We pay you a rate of interest on the cash in your account and we are paid by retaining a proportion of the interest we receive from our banking partners. For more information on our external banking partners, interest rates paid on cash and details of the rate we retain, please see [Interest rates on cash](#).

If you invest in our Collective Investment Bond cash cannot be selected as investment option and is only used transactionally to fund fees and charges.

## 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 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.

## 4 Asset manager 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.

The fund charge includes:

- 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 our 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.**

### Asset manager rebates

Charge Basis 1 involves an arrangement whereby fund managers repay us a proportion of their annual management charge (known as the rebate). We use part of this rebate to offset our administrative costs and the rest to pay ongoing trail commission to your financial adviser (see Payments to your financial adviser). This represents a further saving on the overall cost of your investment.

The amount of rebate varies from fund to fund and can vary over time. Typically the amounts we receive vary between 0% and 1.2% of the fund investments made by Quilter customers.

The charging basis described in this document is Charge Basis 1. Details of Charge Bases 2 and 3 can be found on our website at [quilter.com/products-and-services/platform-fees-and-charges/](https://quilter.com/products-and-services/platform-fees-and-charges/). Your adviser can explain when these might apply in the future.

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

[quilter.com](https://quilter.com)

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.

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

Quilter Investment Platform Limited and Quilter Life & Pensions Limited are registered in England and Wales under numbers 1680071 and 4163431 respectively.

Registered Office at Senator House, 85 Queen Victoria Street, London, EC4V 4AB, United Kingdom. Quilter Investment Platform Limited is authorised and regulated by the Financial Conduct Authority. Quilter 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.

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