



# MAKING THE COST OF INVESTMENT CLEAR

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## THE PURPOSE OF THIS DOCUMENT.

The purpose of this document is to explain the separate 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 **ISA** and **Collective Investment Accounts**, this also includes a detailed **Costs and Charges Statement**. You should also refer to the **Funds List for Charge Basis 3**.

## WHO IS INVOLVED AND WHAT DO THEY DO?

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**When you make an investment into an Individual Savings Account (ISA), Collective Investment Account (CIA), Collective Investment Bond (CIB) or Collective Retirement Account (CRA) there are three main parties involved, in addition to you as the investor:**



**YOUR FINANCIAL ADVISER** – Your adviser can help you manage your money better at every stage in your life. Depending on your financial needs and attitude to risk, they will agree with you the services you require – whether it's reviewing your savings and investments, planning for retirement or advice on tax matters. Working closely with you, they can recommend solutions that match your criteria and help you reach your financial goals.



**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 funds and a range of tax-efficient ways to hold them in a single place.



**FUND MANAGERS** – The funds held in your account or bond are from our SelfSelect fund range. The managers of these funds are responsible for creating and managing them; researching, selecting and buying the investments that make up the funds; and additional administrative duties such as appointing trustees and auditors.



**OLD MUTUAL**  
WEALTH

# HOW THE CHARGES ARE CALCULATED AND TAKEN

The following information applies to investments on Charge Basis 3.



## YOUR FINANCIAL ADVISER'S FEES

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

Your adviser will explain their scale of fees for the services they provide. You can either pay these fees directly to your adviser, or you can ask us to pay them for you by taking the money from your investment. Your adviser will tell you which method of payment is the most suitable, depending on the type of investment you are making and your tax situation.

### Options if you want us to pay your financial adviser's fees by taking money from your investment

If you ask us to pay your financial adviser's fees from your investment, we can do so according to the options below, in any combination you choose. You can specify these fees either as monetary amounts or as percentages.

**ADVISER INITIAL FEE** – this will be taken from each regular contribution or lump sum payment.

**ADVISER AD HOC FEES** – if you ask us to do so, we can also pay your financial adviser for other reasons.

**ADVISER SERVICING FEE** – this is for ongoing monitoring and management of your investments.

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



### See what you are paying your adviser in your illustration and in the Costs and Charges Statement\*.

Details of any fees you have asked us to pay your adviser will be 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. If you choose to make payments directly to your financial adviser, your Key Features Illustration will not show this.

\*If you are investing in an ISA or a Collective Investment Account, a forecast of your adviser's fees during year one and in future years is included in the [Costs and Charges Statement](#) provided with your Key Features Illustration. We will also send you a Cost and Charges Statement every year showing the actual costs involved over the previous 12 months.



## OLD MUTUAL WEALTH CHARGES

This table shows the charges you pay to us for your investment(s):

WHAT IS THE CHARGE CALLED?	SERVICE CHARGE*	PRODUCT CHARGE*
Which investments does it apply to?	Individual Savings Accounts (ISA) and Collective Investment Accounts (CIA).	Collective Retirement Account (CRA) and Collective Investment Bond (CIB).
Who provides the account/bond?	The Old Mutual Wealth ISA and CIA are provided by Old Mutual Wealth Limited. Old Mutual Wealth Limited is part of Quilter plc.	The Old Mutual Wealth CRA and CIB are provided by Old Mutual Wealth Life & Pensions Limited. Old Mutual Wealth Life & Pensions Limited is part of Quilter plc.
What's the charge for?	The Service Charge is for providing and servicing your account and giving you direct access to invest in a range of funds.	The Product Charge is for providing and administering your bond or pension product, through which you can invest in a range of funds.

\* The 'Service Charge' and the 'Product Charge' were previously known as the 'Platform Charge'.

## HOW OLD MUTUAL WEALTH CHARGES ARE CALCULATED

**A Service or Product Charge is taken separately from each investment you hold. These charges work like tax bands, and are calculated based on how much you have invested:**

Total amount invested	Service or Product charge each year
First £25,000	0.50%
From £25,000 to £100,000	0.35%
From £100,000 to £500,000	0.30%
From £500,000 to £1,000,000	0.25%
More than £1,000,000	0.15%

For example, if you have £125,000 invested in an ISA, your Service Charge would be calculated like this:

- the first £25,000 is charged at 0.50%
- the next £75,000 is charged at 0.35% and
- the last £25,000 is charged at 0.30%

**creating an overall charge of 0.37%.**

This means that the Service Charge that we would apply to your ISA would be:

- $(0.37\% \times £125,000)$  or £462.50 a year.

### Combining investments can reduce your overall charge rate

You can benefit from having more than one investment with us because we look at the combined value of all of your investments in determining the charge rate you pay, and then apply that rate to each of your investments:

For example, if you had £125,000 invested in an ISA and £100,000 in a Collective Retirement Account, we would calculate the actual charge for each of these based on the aggregate amount of £225,000:

- the first £25,000 is charged at 0.50%
- the next £75,000 is charged at 0.35% and
- the last £125,000 is charged at 0.30%

**creating an overall Service and Product charge of 0.34%.**

This means that the Service Charge that we would apply to your ISA would be:

- $(0.34\% \times £125,000)$  or £425 a year

And the Product Charge that we would apply to your Collective Retirement Account would be:

- $(0.34\% \times £100,000)$  or £340 a year.

The amount you pay for each investment you hold is divided into 12 monthly instalments.

You can also request 'clientlinking' which will also take into account the combined value of the investments you and your spouse/civil partner hold directly (or in some cases indirectly) with Old Mutual Wealth at the time the charge is made. Your financial adviser will be able to help you with this.

## CHARGES APPLICABLE ONLY TO THE CIB

**LIFE FUND TAX CHARGE** – As the bond provider, we are taxed by HM Revenue & Customs on taxable income and gains arising from the investments we make on your behalf. We make charges to your bond based on the estimated tax liability to us.

The taxation charge is additional to the Old Mutual Wealth charges described 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 made 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 and in the Costs and Charges Statement\*.

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.

\*If you are investing in an ISA or a Collective Investment Account, a forecast of the Old Mutual Wealth charges during year one and in future years is included in the Costs and Charges Statement provided with your Key Features Illustration. We will also send you a [Cost and Charges Statement](#) every year showing the actual costs involved over the previous 12 months.



## 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
- ongoing costs – these are the fund manager's administrative costs, such as their annual management charge (AMC)
- transactional costs, such as those incurred by managers when they buy and sell the underlying investments in their funds
- incidental costs, such as performance fees, if applicable.

This combination of costs is referred to in the [Funds List](#) as the TER (Total Expense Ratio). This term is now increasingly being replaced by the OCF (Ongoing Charge Factor).

## FUND MANAGER REBATES

The rebate is the percentage of the fund charges paid back to us each year by the fund manager. The SelfSelect fund range includes funds with and without rebates.

We pass all rebates on to you in the form of additional fund units, so it is effectively a discount on the fund manager's charges. Where no rebate is available, the fund's annual management charges (AMC) is usually reduced to take account of this, again resulting in a lower cost to you.

Details of the fund manager charges and any rebates that are payable are shown in your personalised [Key Features Illustration](#) in the table headed like this:

FUND NAME	PROPORTION INVESTED	FUND MANAGER CHARGE BEFORE REBATE (TOTAL EXPENSE RATIO: TER)	REBATE PAID TO YOU AS ADDITIONAL FUND UNITS	EFFECTIVE ANNUAL FUND MANAGER CHARGE AFTER REBATES
Fund A	25%	1.60%	0.75%	0.85%
Fund A - Unbundled	25%	0.85%	0.00%	0.85%
Fund B	25%	1.65%	0.83%	0.82%
Fund B - Unbundled	25%	0.90%	0.08%	0.82%

Please note that rebates on funds held in Collective Investment Accounts are taxed as income by HM Revenue & Customs.

For details of TERs, annual management charges, and the rebates for all SelfSelect funds available for you to invest in, please refer to the [SelfSelect Funds List](#) available from the literature library on our website: [www.oldmutualwealth.co.uk/fundslist](http://www.oldmutualwealth.co.uk/fundslist)



### See what you are paying for your funds in your illustration and in the Costs and Charges Statement\*.

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

\* If you are investing in an ISA or a Collective Investment Account, a breakdown of the year one and future years' fund charges, is included in the [Costs and Charges Statement](#) provided with your Key Features Illustration. We will also send you a [Cost and Charges Statement](#) every year showing the actual costs involved over the previous 12 months.

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

### [www.oldmutualwealth.co.uk](http://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) 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.