

Managed Portfolio Service

Application Pack for a Self Invested
Personal Pension (SIPP)

Suitability Responsibility: Professional Adviser



BROOKS MACDONALD

Completing this Application Pack

Welcome to Brooks Macdonald Asset Management Limited (**Brooks Macdonald**). This is an Application Pack for the Brooks Macdonald Managed Portfolio Service (MPS). Brooks Macdonald requires this Application Pack to be completed by the underlying member of a SIPP (**the beneficial owner**). Brooks Macdonald will be treating the **beneficial owner** as its **client**.

As a client, you should only complete this if you have a Professional Adviser, who will need to conduct a full Suitability assessment.

Brooks Macdonald will not be seeking enough information in this Application Pack to conduct its own Suitability assessment.

The beneficial owner should understand that the legal owner of assets held within the Account is likely to be the SIPP Trustee (**the provider**).

Brooks Macdonald may have agreements in place with specific providers. The beneficial owner may be required to sign agreements with providers.

The beneficial owner should complete this Application Pack where indicated on pages 6 to 16.

The provider should complete this Application Pack where indicated on pages 5 and 16.

Professional Advisers should complete this Application Pack where indicated on pages 15 and 17.

The beneficial owner and the provider

This Application Pack is important both at the commencement of our Services and on an ongoing basis.

As a client you should:

- read the Application Pack carefully
- ensure that answers to questions or requests for information are **completed accurately and in full**
- inform us immediately if your circumstances change. You should also discuss this with your Professional Adviser who may wish to review the Suitability of your Portfolio Investment Strategy

Your Professional Adviser is responsible for:

- collecting information about your financial position
- carrying out a Suitability assessment for the MPS
- advising you on the Portfolio Investment Strategy

Brooks Macdonald is responsible for:

- creating and managing the MPS Portfolio on a discretionary basis in accordance with your Portfolio Investment Strategy

If you have any questions relating to the Application Pack you should contact your Professional Adviser.

Important: This Application Pack forms part of the legal agreement governing the provisions of Brooks Macdonald's Services. The provider and the beneficial owner should read Section 2 of the Brooks Macdonald Terms and Conditions for an explanation of the legally binding obligations applicable to the client.

This Application Pack is designed to collect information to ascertain:

- details of the Account holder(s)
- Portfolio Investment Strategy
- Professional Adviser details
- identity and verification information
- important information relating to the operation of your Account(s)

The completed Application Pack should be returned to:

Transitions Team
Brooks Macdonald Asset Management Limited
21 Lombard Street
London
EC3V 9AH

Important: The Application Pack should only be returned to Brooks Macdonald once all sections have been completed, including those sections to be completed by the Professional Adviser.

For Professional Advisers

This Application Pack forms part of our legal agreement with a Professional Adviser and enables our respective client to understand the extent of our respective roles and responsibilities. Professional Advisers are required to complete this Application Pack on pages 15 and 17 in order to:

- confirm appointment as a Professional Adviser
- confirm that a Suitability assessment of the client for the MPS has been undertaken
- confirm agreement to the Adviser charges applicable to the client

The Professional Adviser is responsible for:

- carrying out a Suitability assessment of the client for the MPS
- advising the client on the Portfolio Investment Strategy
- completing the Adviser charges section on the fees and charges page

The Professional Adviser accepts responsibility for the ongoing obligations to assess that the investment service is suitable for the client.

Brooks Macdonald is responsible for managing the client portfolio in accordance with the client's Portfolio Investment Strategy.

Important: Professional Advisers should **only** complete those sections of this Application Pack marked **'To be completed by the Professional Adviser'**.

This Application Pack may be used to open one or more accounts for individual(s) and joint account(s) as long as the Portfolio Investment Strategy is the same.

Verification of identity

It is important that Brooks Macdonald has access to appropriate information about you in order to meet its obligations to identify and verify clients. Your Professional Adviser will collect this information.

We will attempt to verify your identity using our online electronic verification system. However, in instances where this is unsuccessful, we will require certified copies of two of the following items for each individual covered in this Application Pack. These documents should be included when returning this Application Pack to Brooks Macdonald. Please ensure at least one form of ID contains a photograph and one other states your address.

- driving licence (certified copy)
- passport (certified copy)
- national identity card (certified copy)
- a recent utility bill or bank statement (within the last three months)

Original bills and statements will be returned immediately. Where originals are unavailable Brooks Macdonald will require certified copies of original documentation.

Certified copies

Where Brooks Macdonald requires certified copies of original documentation such certification must be made by a regulated professional person having sight of the original documentation. This can include a FCA registered individual, Solicitor, Barrister, Justice of the Peace, Accountant, Notary public, who is a member of a recognised professional body, or persons equivalent to such persons in other jurisdictions.

These should always bear a stamp or hand written declaration in addition to a signature that follows the requirements detailed below:

1. that the original document has been seen
2. that the document is a certified copy of the original
3. in the case of Photo ID, the photo on the document bears a good and true likeness to the individual

SIPP provider details

Account name

Full name of SIPP:

SIPP provider details

Full name:

Address:

Postcode:

Country:

SIPP plan reference:

Personal details

Title: Forename(s):

Surname:

Permanent residential address:

Postcode:

Alternative mailing address (*only complete if you would like Brooks Macdonald to correspond with you at a different address. All communications will be sent to the address given below*):

Postcode:

Nationality:

Country of birth:

Second nationality
(if applicable):

Citizenship:

Date of birth:

National insurance number: | | | | | | | |

Daytime telephone number:

Mobile telephone number:

Contact email address:

I am happy to receive market related news and articles by email:

Gender: Male Female

Marital status: Single Married Civil partnership

Widowed Divorced Separated

Personal status

You may have accumulated and continue to accumulate wealth throughout your lifetime. In this section, please confirm the following information in order to assist with the anti-money laundering verification in relation to the source of your wealth.

Employment status: Employed Self-employed Retired Not employed
 Student Partner/Director Other (*please specify*):

Previous occupation, if retired
or not employed:

Name of employer/business/
self-employed trading name:

Job title/Occupation:

Please tick if your employer needs to receive contract notes:

If so, please confirm the contact address and email address to which contract notes should be sent:

Contact address:

Postcode:

Email address:

Estimated total annual income

Salary (*or equivalent e.g. pension*): £

Other income (*please specify source*): £

Estimation of net worth

(*assets e.g. pension/property/investments*

minus liabilities e.g. mortgages/loans): £

Source of wealth

Please indicate the source(s) of your entire wealth including wealth outside of the investment you are making with Brooks Macdonald (*tick all sources which apply as appropriate*):

Salary (or equivalent) over lifetime

Family inheritance

(*please specify circumstances*):

Sale of business or property

(*please specify circumstances*):

Other (*please explain the origins of
your wealth if not covered above*):

Your MPS Portfolio Investment Strategy

Initial investment amount £
or anticipated transfer value:

Anticipated further investments: £

Through the Managed Portfolio Service (MPS) Brooks Macdonald manages a range of MPS Portfolios each with its own pre-determined Investment Objective and Risk Profile. Each MPS Portfolio is managed on a discretionary basis with the aim of meeting its stated objective.

Please refer to the ‘Investment Profile’ section of the Client Investing Guide for more information about the different types of investments that a Brooks Macdonald portfolio might own.

Please refer to the MPS Brochure and the MPS Client factsheet detailing the features of the different MPS Portfolios.

If you are a ‘no risk’ investor i.e. someone who is not prepared to risk losing any money, then you need to seek advice from a Professional Adviser who is authorised to give financial advice as none of the products and services offered by Brooks Macdonald will be suitable for your needs.

If you wish to open multiple accounts with different investment strategies or designations you will be required to complete an ‘Additional Account’ form for each additional account. Please speak to your Professional Adviser who can provide you with this.

Set out below are the different Risk Profiles and Objectives for each of the MPS Portfolios that are available. Once you have read through the descriptions, please make your selection in the table on page 12.

MPS Low Risk Portfolio

MPS Low Risk (Income)

time horizon 3 years+

The primary objective of the portfolio is provide income over the longer term, while maintaining capital. The portfolio provides exposure to capital markets through a diversified range of UK and international investments. Equity exposure is likely to range between 0-30%.

This portfolio is likely to be suitable for the following type of investor:

- A cautious investor seeking to protect their wealth, through investing in a wide range of asset types, in order to try and maintain the value of their assets when adjusted for inflation or to receive a higher income than cash
- An investor more interested in avoiding losing money than in maximising potential investment returns who is prepared to tolerate small fluctuations in the value of the portfolio in order to achieve greater investment returns than a bank or building society deposit

Your MPS Portfolio Investment Strategy (continued)

MPS Low Risk (Passive) (Income)

time horizon 3 years+

The primary objective of the portfolio is provide income over the longer term, while maintaining capital. The portfolio provides exposure to capital markets through a diversified range of UK and international investments. Equity exposure is likely to range between 0-30%.

A passive investment portfolio mostly owns investments that aim to replicate the investment performance of a particular investment market. Such investments are neither likely to materially underperform nor materially outperform the investment market they aim to track. Investment management fees for passive investments are likely to be lower because there is less management of underlying assets. The exception is the absolute return sector in which exposure can only be gained efficiently via active funds, in our opinion.

This portfolio is likely to be suitable for the following type of investor:

- A cautious investor seeking to protect their wealth, through investing in a wide range of asset types, in order to try and maintain the value of their assets when adjusted for inflation or to receive a higher income than cash
- An investor more interested in avoiding losing money than in maximising potential investment returns who is prepared to tolerate small fluctuations in the value of the portfolio in order to achieve greater investment returns than a bank or building society deposit

MPS Low-to-Medium Risk Portfolios

MPS Low-to-Medium Risk (Income)

time horizon 5 years+

The primary objective of the portfolio is to provide income over the longer term, with the potential to grow capital. The portfolio provides exposure to capital markets through a diversified range of UK and international investments. Equity exposure is likely to range between 30-55%.

This portfolio is likely to be suitable for the following type of investor:

- A conservative investor seeking to produce greater income than inflation whilst maintaining capital over a rolling 5-year period
- An investor who is prepared to accept a lower investment return than equity markets over the longer term in exchange for trying to minimise potential losses, but who accepts that the portfolio will be subject to fluctuations in value

MPS Low-to-Medium Risk (Income & Growth)

time horizon 5 years+

The primary objective of the portfolio is to provide a combination of income and capital growth over the longer term. The portfolio provides exposure to capital markets through a diversified range of UK and international investments. Equity exposure is likely to range between 30-55%.

This portfolio is likely to be suitable for the following type of investor:

- A conservative investor seeking to maintain capital over a rolling 5-year period
- An investor who is prepared to accept a lower investment return than equity markets over the longer term in exchange for trying to minimise potential losses, but who accepts that the portfolio will be subject to fluctuations in value

MPS Portfolio Investment Strategy (continued)

MPS Low-to-Medium Risk (Passive) (Income & Growth)

time horizon 5 years+

The primary objective of the portfolio is to provide a combination of income and capital growth over the longer term. The portfolio provides exposure to capital markets through a diversified range of predominately passive UK and international investments. Equity exposure is likely to range between 30-55%.

A passive investment portfolio mostly owns investments that aim to replicate the investment performance of a particular investment market. Such investments are neither likely to materially underperform nor materially outperform the investment market they aim to track. Investment management fees for passive investments are likely to be lower because there is less management

of underlying assets. The exception is the absolute return sector in which exposure can only be gained efficiently via active funds, in our opinion.

This portfolio is likely to be suitable for the following type of investor:

- A conservative investor seeking to maintain capital over a rolling 5 year period
- An investor who is prepared to accept a lower investment return than equity markets over the longer term in exchange for trying to minimise potential losses, but who accepts that the portfolio will be subject to fluctuations in value

MPS Medium Risk Portfolios

MPS Medium Risk (Income)

time horizon 5 years+

The primary objective of the portfolio is to provide income over the longer term, with the potential to grow capital. The portfolio provides exposure to capital markets through a diversified range of UK and international investments. Equity exposure is likely to range between 55-75%.

This portfolio is likely to be suitable for:

- An investor who is comfortable with owning a significant proportion of higher risk investments in order to have the opportunity for a greater investment return from the portfolio
- An investor who is prepared to accept investment losses in order to achieve potentially greater investment returns over the longer term. The value of the portfolio may fluctuate significantly
- An investor who principally seeks a higher level of regular income, and accepts less potential for capital growth

MPS Medium Risk (Income & Growth)

time horizon 5 years+

The primary objective of the portfolio is to provide a combination of income and capital growth over the longer term. The portfolio provides exposure to capital markets through a diversified range of UK and international investments. Equity exposure is likely to range between 55-75%.

This portfolio is likely to be suitable for the following type of investor:

- An investor who is comfortable with owning a significant proportion of higher risk investments in order to have the opportunity for a greater investment return from the portfolio
- An investor who is prepared to accept investment losses in order to achieve potentially greater investment returns over the longer term. The value of the portfolio may fluctuate significantly

Your MPS Portfolio Investment Strategy (continued)

MPS Medium Risk (Passive) (Income & Growth)

time horizon 5 years+

The primary objective of the portfolio is to provide a combination of income and capital growth over the longer term. The portfolio provides exposure to capital markets through a diversified range of predominately passive UK and international investments. Equity exposure is likely to range between 55-75%.

A passive investment portfolio mostly owns investments that aim to replicate the investment performance of a particular investment market. Such investments are neither likely to materially underperform nor materially outperform the investment market they aim to track. Investment management fees for passive investments are likely to be lower because there is less management

of underlying assets. The exception is the absolute return sector in which exposure can only be gained efficiently via active funds, in our opinion.

This portfolio is likely to be suitable for the following type of investor:

- An investor who is comfortable with owning a significant proportion of higher risk investments in order to have the opportunity for a greater investment return from the portfolio
- An investor who is prepared to accept investment losses in order to achieve potentially greater investment returns over the longer term. The value of the portfolio may fluctuate significantly

MPS Medium-to-High Risk Portfolios

MPS Medium-to-High Risk (Growth)

time horizon 5 years+

The primary objective of this portfolio is to provide capital growth over the longer term. The portfolio provides exposure to capital markets through a diversified range of UK and international investments. Equity exposure is likely to range between 75-95%.

This portfolio is likely to be suitable for the following type of investor:

- An investor who aims to produce significant long term investment returns and is not concerned if the portfolio sustains regular large fluctuations in value
- An investor who is willing and can afford to sustain significant investment losses over a prolonged period of time

MPS Medium-to-High Risk (Passive) (Growth)

time horizon 5 years+

The primary objective of this portfolio is to provide capital growth over the longer term. The portfolio provides exposure to capital markets through a diversified range of predominately passive UK and international investments. Equity exposure is likely to range between 75-95%.

A passive investment portfolio mostly owns investments that aim to replicate the investment performance of a particular investment market. Such investments are neither likely to materially underperform nor materially outperform the investment market they aim to track. Investment management fees for passive investments

are likely to be lower because there is less management of underlying assets. The exception is the absolute return sector in which exposure can only be gained efficiently via active funds, in our opinion.

This portfolio is likely to be suitable for the following type of investor:

- An investor who aims to produce significant long term investment returns and is not concerned if the portfolio sustains regular large fluctuations in value
- An investor who is willing and can afford to sustain significant investment losses over a prolonged period of time

Your MPS Portfolio Investment Strategy (continued)

MPS High Risk Portfolios

MPS High Risk (Growth)

time horizon 5 years+

The primary objective of the portfolio is to provide capital growth over the longer term. The portfolio provides exposure to capital markets through a diversified range of UK and international investments. Equity exposure is likely to range between 90-100%.

This portfolio is likely to be suitable for the following type of investor:

- An investor who aims to maximise long term investment returns and is not concerned if the portfolio sustains substantial fluctuations in value
- An investor who is willing to sustain and can afford substantial investment losses over a prolonged period of time

MPS High Risk (Passive) (Growth)

time horizon 5 years+

The primary objective of the portfolio is to provide capital growth over the longer term. The portfolio provides exposure to capital markets through a diversified range of UK and international investments. Equity exposure is likely to range between 90-100%.

A passive investment portfolio mostly owns investments that aim to replicate the investment performance of a particular investment market. Such investments are neither likely to materially underperform nor materially outperform the investment market they aim to track. Investment management fees for passive investments are likely to be lower because there is less management of underlying assets. The exception is the absolute return sector in which exposure can only be gained efficiently via active funds, in our opinion.'

This portfolio is likely to be suitable for the following type of investor:


- An investor who aims to maximise long term investment returns and is not concerned if the portfolio sustains substantial fluctuations in value
- An investor who is willing to sustain and can afford substantial investment losses over a prolonged period of time

Your MPS Portfolio Investment Strategy (continued)

The investment strategy for each available MPS Portfolio is set out below. Following a discussion with your Professional Adviser, please select the MPS Portfolio Investment Strategy best suited to your Investment Objectives and Risk Profile. Please tick **one** box to indicate the MPS Portfolio Investment Strategy that you want to invest in. Brooks Macdonald do not offer a service for investors wishing to take no risk. Some combinations of risk and objective are not provided for in these portfolios and therefore cannot be selected.

Please speak to your Professional Adviser if your investment profile is not available for selection.

PLEASE TICK ONE BOX ONLY

		Income	Income & Capital Growth	Capital Growth
Less risk  More risk	Low Risk		-	-
	Low Risk – Passive		-	-
	Low-to-Medium Risk			-
	Low-to-Medium Risk – Passive	-		-
	Medium Risk			-
	Medium Risk – Passive	-		-
	Medium-to-High Risk	-	-	
	Medium-to-High Risk – Passive	-	-	
	High Risk	-	-	
	High Risk – Passive	-	-	

The amount of income accumulated in your MPS Account might not always be sufficient to cover the amount of your regular fixed payment. In these circumstances some or all of your regular fixed payment will be paid out of your invested capital. This will erode your total investment which may reduce future capital growth or income receipts.

Operation of the account

Third party authority

In this section you can authorise another party to view your account(s) online and request information and valuation statements regarding the current value and performance of your account(s). Please note, the Professional Adviser and SIPP provider will automatically be granted view access to your online account(s).

The Professional Adviser will also be able to receive information upon request regarding the current value and performance of your account(s) including valuation statements and tax packs.

Authority to another person

Name of other person with authority:

Relationship of other person with authority
(*e.g. spouse, family member, solicitor, other*):

Address:

Postcode:

Date of birth:

Telephone number:

Email address:

View access

We will require certified copies of two of the items below in order to verify the identity of the authorised person.

These documents should be included when returning this Application Pack to Brooks Macdonald. Please ensure at least one form of ID contains a photograph and a signature and one other states the third party address.

- driving licence (certified copy)
- passport (certified copy)
- national identity card (certified copy)
- a recent utility bill or bank statement (within the last three months)

Original bills and statements will be returned immediately. Where originals are unavailable Brooks Macdonald will require certified copies of original documentation. Please see page 4.

Valuation statements

Clients receive quarterly valuations. If you require an additional copy of the valuation statements please tick the box below and give the address to which they should be sent.

Copy of the valuation statements

Please note, if details of the person named below change, it is your responsibility to let Brooks Macdonald know so we can amend the details we have on file.

Title:

Forename(s):

Surname:

Company name
(if applicable):

Address:

Postcode:

Email address:

Circumstances on death

In the event of your death Brooks Macdonald will continue to manage your investments in line with your chosen investment strategy until we receive further instructions from the SIPP provider.

Fees and charges

Brooks Macdonald fees and charges

I confirm **(by ticking this box)** that I am receipt of the Brooks Macdonald Fee Schedule

Please do refer to this before completing the below.

Brooks Macdonald will not charge an initial fee for transfers in cash. The initial fee payable to Brooks Macdonald for transferring assets in specie, now and in future, is 0.5% + VAT of the value. For internal transfers from our BPS to MPS service, this fee is not applicable.

The annual management charge is an ongoing percentage of the total assets under management.

The ongoing annual management charge for this service is _____ % of the total assets under management.

VAT is exempt for Brooks Macdonald's MPS ongoing management charge.

Adviser charges

The Professional Adviser should complete the Adviser charges with the client.

Please only complete this section if the charge will be paid by Brooks Macdonald. Do not complete this section if the charge will be paid directly to you by the SIPP Provider.

Initial charge: £ _____ / _____ % of all new funds invested into your portfolio.

Is VAT applicable to the initial charge? Yes No

Ongoing charge: £ _____ / _____ % of the total assets under management on a continuing basis.

Is VAT applicable to the ongoing charge? Yes No

It is the responsibility of the Adviser to determine whether or not VAT should be applied to any Adviser charge. Brooks Macdonald will not accept any liability arising out of any decision to charge or not to charge VAT on any Adviser charge.

Adviser details

Adviser name:

Adviser firm name:

Address:

Postcode:

Email address:

Declarations and authority

It is important that you understand the MPS, and the Terms and Conditions applicable to the MPS.

Therefore, please read these declarations and consents carefully. They are important and if inaccurate may affect Brooks Macdonald's ability to provide the Service requested or any Service at all.

I/We have received:

- Brooks Macdonald Terms and Conditions
- Client Investing Guide

I/We acknowledge that:

1. Brooks Macdonald is required to provide the MPS only on and subject to the Terms
2. Brooks Macdonald relies on the information provided in this Application Pack being full and accurate and failure to provide full and accurate information may adversely affect the ability of Brooks Macdonald to perform its Services and may mean that it could cease to provide Services (in whole or part)
3. when Brooks Macdonald is providing the MPS it is not acting as a Tax Adviser, Financial Planner or Pensions Adviser
4. where specific consents in relation to Instructions by Email or Electronic Communication have been given there are risks associated with such means of communication (see section 14.2 of the Terms)
5. there is a right to cancel or withdraw from the Terms in accordance with section 14.8
6. all charges will be paid in accordance with the amounts detailed on page 15
7. my/our Personal Data may be retained and/or processed in accordance with section 14.11 of the Terms

I/We consent to the following:

1. the Order Execution Policy which has been provided as part of the Terms and Conditions and, in particular, to the explicit disclosure that orders may, in certain circumstances, not be executed other than through a regulated market, exchange or multilateral trading facility

Please check that all required boxes are completed before signing below.

Beneficial owner to sign

Signature:

Date:

Full name:

SIPP Provider to sign

First Trustee

Signature:

Date:

Full name:

Second Trustee

Signature:

Date:

Full name:

Declarations and authority

The Professional Adviser is required, as part of the legal agreement between Brooks Macdonald and the Professional Adviser to confirm the following:

- I have carried out anti-money laundering identification and verification to the standards required by the Money Laundering Regulations 2017
- I have been appointed by the client as their Professional Adviser
- I have carried out an assessment of the Suitability of the MPS for the client in accordance with applicable requirements
- I have discussed the MPS with the client and advised them based on their Portfolio Investment Strategy
- I have full and continuing authority from the client in respect of any Instructions given by me in the context of my agreement with the client

Signature:

Date:

Full name:

Adviser firm name:

FCA reference number:

(TC874.6-R)

Managed Portfolio Service
Costs & Charges

Fee Schedule



BROOKS MACDONALD

Overview

Brooks Macdonald's Managed Portfolio Service (MPS) is a service through which we create and manage client investment portfolios on a discretionary basis. By 'discretionary', we mean that our clients allow us to make investment decisions for them.

In this document, we have estimated the costs of our MPS over one and two years. We've done this to give you a clear picture of the costs that can be incurred, and we've shown these costs in both monetary and percentage terms.

We've based the costs and charges described in this document on the assumption that the money to be invested will be transferred to Brooks Macdonald in cash. If you transfer an in specie holding (ie assets rather than cash), you'll incur an additional initial charge of 0.5% plus VAT.

Professional adviser fees

This document only covers our investment management service. We allow access to our MPS only through professional advisers, and we haven't included advisers' own costs (also referred to as adviser charges) in the disclosure below. Please ask your professional adviser for a complete breakdown of all the costs and charges you could incur.

If you instruct us to do so in your Application Pack, we can pay your adviser's fees from your portfolio. Any fees you pay to your adviser from your portfolio will appear in your valuation.

Service costs

Service costs are the costs we charge for providing clients with an investment service.

Initial fee: This is applied if you make an *in specie* transfer (ie of assets rather than cash), at 0.5% of the investment amount plus VAT. This figure is not estimated in this disclosure.

Annual management charge (AMC): This is a percentage charge based on the portfolio assets under management. It's levied in return for Brooks Macdonald providing investment management services. The percentage stated is an annual charge, but we apply it quarterly in arrears. As a percentage, the monetary amount will vary as the value of the portfolio rises and falls.

Transaction charges: All costs and charges that are incurred for buying and selling investments.

Foreign-exchange charges: For transactions in currencies other than sterling.

Product costs

These cover the cost of manufacturing and managing underlying financial instruments such as funds. Costs are taken directly from these instruments.

One-off charges: These are fees that apply to the underlying funds when entering an investment arrangement. One-off charges will reduce the actual amount being invested. For example, £1,000 paid into a fund with a 3% entry cost will result in £970 being invested.

Ongoing charges: These are the management charges for running the underlying funds.

Transaction charges: Transaction costs are the costs of dealing in the underlying investments in the underlying fund's portfolio. Transaction costs can be explicit or implicit:

- **Explicit costs:** These are the 'direct' charges incurred when a fund manager buys or sells the underlying instruments in their funds such as stamp duty and the Panel of Takeover and Mergers levy (the cost the Panel of Takeover and Mergers automatically charges investors when they buy or sell shares with a total value of over £10,000 - currently just £1).
- **Implicit costs:** These are not directly incurred by the fund manager but represent the difference between the price of a security (eg a stock or bond) immediately before an order is placed in the market and the price at which the trade is actually executed. Implicit costs can be positive or negative, depending on market movements.

Incidental costs: These are fees that apply if certain performance levels are achieved within a set time period.

Administration charges

These are the administration charges that apply to all of our MPS accounts:

- Transfer of holdings to another institution (by CREST, electronically or into a paper share certificate) - £25 per stock + VAT
- Foreign-exchange transactions - £40 for transactions over £1,000 and the company's current banker's prevailing rate for transactions below £1,000
- CHAPS payments - £10 per transaction
- Same-day faster payments - £2.75 per transaction
- Historic valuation and probate services - 0.2% of the value of the portfolio (minimum £100/maximum £250) + VAT

Lifetime ISA-specific administration charges

- Withdrawal of funds for purchase of first house - £250 + VAT
- Other withdrawal of funds - £50 + VAT

Variations

From time to time, we may change the fees and charges set out in this document. But before we apply any changes, we'll let you know at least 30 days in advance. We'll only make changes for good reasons. These can include the following:

- to reflect legitimate increases or reductions in the cost of providing a service to you
- to provide for the introduction of new systems and services or changes in technology and products
- to reflect a change in the applicable laws or regulations

Portfolio breakdowns

In the following pages, we show how the various fees and charges would be applied to each of our MPS strategies, from 'low risk' (defensive income) to 'high risk' (growth).

We give the impact over both the first and second year of investment. This so that we can show you the cumulative effect of these costs and how they affect your investment returns over a longer period.

Low risk (defensive income)

Based on a minimum investment value of £20,000 and an annual gross return of 5.20%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.75%	0.75%	£150	£156
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.75%	0.75%	£150	£156

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.34%	0.34%	£68	£71
Transaction charges	0.11%	0.11%	£22	£23
Incidental costs	0.01%	0.01%	£1	£1
Total	0.46%	0.46%	£92	£95

Total costs and charges	1.21%	1.21%	£242	£251
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,040	5.20	22,134	10.67
What you might get back after charges	20,798	3.99	21,628	8.14
Cumulative effect of costs and charges on return	-242	-1.21	-506	-2.53

As you can see from the illustration, the return you could achieve in year one is 5.20% without charges and 3.99% after charges have been deducted. This is a reduction in your return of £242. Over two years, the return you could achieve is 10.67% without charges and 8.14% after charges have been deducted. This is a reduction in your return of £506. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

Low to medium risk (income)

Based on a minimum investment value of £20,000 and an annual gross return of 7.45%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.75%	0.75%	£150	£159
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.75%	0.75%	£150	£159

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.40%	0.40%	£80	£85
Transaction charges	0.12%	0.12%	£25	£26
Incidental costs	0.01%	0.01%	£2	£3
Total	0.53%	0.53%	£107	£114

Total costs and charges	1.28%	1.28%	£257	£273
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,490	7.45	23,091	15.46
What you might get back after charges	21,234	6.17	22,544	12.72
Cumulative effect of costs and charges on return	-256	-1.28	-547	-2.73

As you can see from the illustration, the return you could achieve in year one is 7.45% without charges and 6.17% after charges have been deducted. This is a reduction in your return of £256. Over two years, the return you could achieve is 15.46% without charges and 12.72% after charges have been deducted. This is a reduction in your return of £547. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

Low to medium risk (income and growth)

Based on a minimum investment value of £20,000 and an annual gross return of 7.45%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.75%	0.75%	£150	£159
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.75%	0.75%	£150	£159

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.43%	0.43%	£85	£91
Transaction charges	0.11%	0.11%	£23	£24
Incidental costs	0.01%	0.01%	£2	£3
Total	0.55%	0.55%	£110	£117

Total costs and charges	1.30%	1.30%	£260	£277
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,490	7.45	23,091	15.46
What you might get back after charges	21,230	6.15	22,536	12.68
Cumulative effect of costs and charges on return	-260	-1.30	-555	-2.78

As you can see from the illustration, the return you could achieve in year one is 7.45% without charges and 6.15% after charges have been deducted. This is a reduction in your return of £260. Over two years, the return you could achieve is 15.46% without charges and 12.68% after charges have been deducted. This is a reduction in your return of £555. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

Low to medium risk (passive) (income and growth)

Based on a minimum investment value of £20,000 and an annual gross return of 7.45%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.50%	0.50%	£100	£106
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.50%	0.50%	£100	£106

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.12%	0.12%	£25	£27
Transaction charges	0.04%	0.04%	£7	£8
Incidental costs	0.00%	0.00%	£0	£0
Total	0.16%	0.16%	£32	£34

Total costs and charges	0.66%	0.66%	£132	£140
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,490	7.45	23,091	15.46
What you might get back after charges	21,358	6.79	22,808	14.04
Cumulative effect of costs and charges on return	-132	-0.66	-283	-1.41

As you can see from the illustration, the return you could achieve in year one is 7.45% without charges and 6.79% after charges have been deducted. This is a reduction in your return of £132. Over two years, the return you could achieve is 15.46% without charges and 14.04% after charges have been deducted. This is a reduction in your return of £283. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

Medium risk (income)

Based on a minimum investment value of £20,000 and an annual gross return of 7.89%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.75%	0.75%	£150	£160
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.75%	0.75%	£150	£160

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.46%	0.46%	£91	£97
Transaction charges	0.13%	0.13%	£27	£28
Incidental costs	0.02%	0.02%	£4	£4
Total	0.61%	0.61%	£121	£129

Total costs and charges	1.36%	1.36%	£271	£289
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,578	7.89	23,281	16.40
What you might get back after charges	21,306	6.53	22,697	13.48
Cumulative effect of costs and charges on return	-272	-1.36	-584	-2.92

As you can see from the illustration, the return you could achieve in year one is 7.89% without charges and 6.53% after charges have been deducted. This is a reduction in your return of £272. Over two years, the return you could achieve is 16.40% without charges and 13.48% after charges have been deducted. This is a reduction in your return of £584. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

Medium risk (income and growth)

Based on a minimum investment value of £20,000 and an annual gross return of 7.89%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.75%	0.75%	£150	£160
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.75%	0.75%	£150	£160

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.52%	0.52%	£103	£110
Transaction charges	0.13%	0.13%	£26	£27
Incidental costs	0.02%	0.02%	£4	£4
Total	0.66%	0.66%	£133	£142

Total costs and charges	1.41%	1.41%	£283	£302
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,578	7.89	23,281	16.40
What you might get back after charges	21,296	6.48	22,676	13.38
Cumulative effect of costs and charges on return	-282	-1.41	-605	-3.03

As you can see from the illustration, the return you could achieve in year one is 7.89% without charges and 6.48% after charges have been deducted. This is a reduction in your return of £282. Over two years, the return you could achieve is 16.40% without charges and 13.38% after charges have been deducted. This is a reduction in your return of £605. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

Medium risk (passive) (income and growth)

Based on a minimum investment value of £20,000 and an annual gross return of 7.89%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.50%	0.50%	£100	£107
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.50%	0.50%	£100	£107

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.12%	0.12%	£23	£25
Transaction charges	0.03%	0.03%	£6	£7
Incidental costs	0.03%	0.03%	£6	£7
Total	0.18%	0.18%	£36	£38

Total costs and charges	0.68%	0.68%	£136	£145
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,578	7.89	23,281	16.40
What you might get back after charges	21,448	7.24	23,001	15.00
Cumulative effect of costs and charges on return	-130	-0.65	-280	-1.40

As you can see from the illustration, the return you could achieve in year one is 7.89% without charges and 7.24% after charges have been deducted. This is a reduction in your return of £130. Over two years, the return you could achieve is 16.40% without charges and 15.00% after charges have been deducted. This is a reduction in your return of £280. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

Medium to high risk (growth)

Based on a minimum investment value of £20,000 and an annual gross return of 9.51%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.75%	0.75%	£150	£162
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.75%	0.75%	£150	£162

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.57%	0.57%	£115	£124
Transaction charges	0.07%	0.07%	£14	£15
Incidental costs	0.03%	0.03%	£5	£6
Total	0.67%	0.67%	£134	£145

Total costs and charges	1.42%	1.42%	£284	£308
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,902	9.51	23,985	19.92
What you might get back after charges	21,618	8.09	23,367	16.83
Cumulative effect of costs and charges on return	-284	-1.42	-618	-3.09

As you can see from the illustration, the return you could achieve in year one is 9.51% without charges and 8.09% after charges have been deducted. This is a reduction in your return of £284. Over two years, the return you could achieve is 19.92% without charges and 16.83% after charges have been deducted. This is a reduction in your return of £618. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

Medium to high risk (passive) (growth)

Based on a minimum investment value of £20,000 and an annual gross return of 9.51%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.50%	0.50%	£100	£108
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.50%	0.50%	£100	£108

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.11%	0.11%	£22	£24
Transaction charges	0.03%	0.03%	£6	£6
Incidental costs	0.00%	0.00%	£0	£0
Total	0.14%	0.14%	£28	£30

Total costs and charges	0.64%	0.64%	£128	£139
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,902	9.51	23,985	19.92
What you might get back after charges	21,774	8.87	23,705	18.53
Cumulative effect of costs and charges on return	-128	-0.64	-280	-1.40

As you can see from the illustration, the return you could achieve in year one is 9.51% without charges and 8.87% after charges have been deducted. This is a reduction in your return of £128. Over two years, the return you could achieve is 19.92% without charges and 18.53% after charges have been deducted. This is a reduction in your return of £280. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

High risk (growth)

Based on a minimum investment value of £20,000 and an annual gross return of 10.41%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.75%	0.75%	£150	£164
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.75%	0.75%	£150	£164

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.64%	0.64%	£128	£140
Transaction charges	0.09%	0.09%	£18	£20
Incidental costs	0.04%	0.04%	£7	£8
Total	0.77%	0.77%	£154	£168

Total costs and charges	1.52%	1.52%	£304	£332
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	22,082	10.41	24,381	21.90
What you might get back after charges	21,778	8.89	23,714	18.57
Cumulative effect of costs and charges on return	-304	-1.52	-667	-3.33

As you can see from the illustration, the return you could achieve in year one is 10.41% without charges and 8.89% after charges have been deducted. This is a reduction in your return of £304. Over two years, the return you could achieve is 21.90% without charges and 18.57% after charges have been deducted. This is a reduction in your return of £667. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

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