



## SELF INVESTMENTS CHARGES SUMMARY

We want you to be able to understand our charges. To help achieve this, we've made the charging structure for the Pension Portfolio as transparent as possible. This leaflet explains the charges for the Self Investments part of your plan. You should read it alongside your **Key Features of the Pension Portfolio Self Investments document** and your **illustration**.

### OVERVIEW

The Self Investments within the Pension Portfolio allows you to direct your own investment strategy and select the assets to hold within your plan. If you activate this part of the plan you will incur charges in addition to those applying to the Core Investments. These charges are applicable as at **April 2017**.

The charges relating to the Self Investments fall into two categories:

#### 1. Our charges

We apply charges for offering a self investment facility and for providing access to particular investments. These charges will be deducted from your Pension Portfolio Bank Account, unless otherwise stated. These charges are not subject to Value Added Tax (VAT).

#### 2. Third party charges

Additional third party charges are applied for purchasing specific assets, such as unit trusts, and also to cover the fees applied for particular services, such as discretionary fund management.

The external investment/service provider that applies these charges will disclose them to you in advance of you purchasing the particular asset or using a specific service. These charges may be subject to VAT.

This leaflet explains all of the charges applied by us and provides indicative transaction and service charges applied by third parties involved in elements of the Self Investments.

Charges applying specifically for the use of direct property investment is covered separately in our **Guide to Property Purchase**.

Charges applying specifically for the use of discretionary fund managers or execution only stockbrokers will be fully disclosed by them and will be subject to separate contractual terms between you and your selected discretionary fund manager or stockbroker.

### ADMINISTRATION

In setting up and administering the Self Investments we incur costs in addition to those for managing the Core Investments. We apply an annual administration charge to cover these costs.

The administration charge varies depending on the investment options selected. Please refer to your **Key Features of the Pension Portfolio Self Investments** for a description of these options.

	Online Investments	Full Investments
Administration charge	£375 a year	£695 a year

The annual administration charge is payable in advance from your Pension Portfolio Bank Account. It is deducted from your Pension Portfolio Bank Account when you first start the Self Investments and on each subsequent anniversary of starting the Self Investments. The charge increases each year in line with Average Weekly Earnings based on the change during the 12 months to October each year.<sup>1</sup>

**You need to make sure that you have enough money in your Pension Portfolio Bank Account to cover the annual administration charge when it is due.**

<sup>1</sup>If you opt to move between full and online investments the annual administration charge will be adjusted at the renewal date.

## ONLINE INVESTMENTS

If you select the Online Investments option the following charges may apply, depending on the specific assets held.

### Fund supermarket

The fund supermarket allows you to invest in a range of collective investments, including unit trusts and open ended investment companies (OEICs). We provide access to these funds, but don't actually manage them.

If you invest in the fund supermarket, there is an annual charge. The underlying fund manager for the fund(s) chosen will also normally impose an initial charge and an annual management charge.

Some funds have an initial fund management charge which is a percentage of the amount invested in each fund. The annual management charge is a percentage of the value of your investment in each fund. These charges vary between funds and fund managers.

The number of funds available through the fund supermarket is continually being revised, as are the charges, however, the fund charges will typically fall within the following range.

Annual fund supermarket charge	Fund size
0.18%	Up to £500,000
0.15%	The next £500,000
0.05%	Over £1 million

A full list of the funds and associated charges is available on request.

### Execution only stockbroker charges

By selecting Self Investments you can access a panel of execution only stockbrokers should you wish to invest directly in stocks and shares (equities).

The execution only stockbroker will charge you for dealing and for the other services they provide. If you are intending to use an execution only stockbroker they will provide you with the charges that apply.

## FULL INVESTMENTS

If you opt for the Full Investments you will be able to invest in the full range of permitted assets, including all the online options. The charges relating to the fund supermarket and online share dealing charges are the same as for the Online Investments. Additional charges apply for the non-online investments.

### Trading charges

Some investments that are not available through the online share dealing service can be purchased through a dealing desk. If transactions are conducted through the dealing desk the following trading charges apply.

Investment	Fee per transaction
Funds/equities not available online and requiring application form (e.g. tax exempt unit trusts)	Paper instruction £53
Funds/equities/other securities available online (no application form required)	Online instruction £21
Investment Manager Account (if required)	Set-up Fee (per account) £100
Trustee investment plans	Online instruction £21 Paper instruction £53

These fees are deducted from your Pension Portfolio Bank Account.

## **Discretionary fund management**

By selecting the Full Investments option you can access a panel of discretionary fund managers should you wish to delegate investment decisions.

The discretionary fund manager will charge you for the services they provide. If you are intending to use a discretionary fund manager they will provide you with the charges that apply.

## **Property purchase**

If you inform us that you want to invest in commercial property we will provide you with our **Guide to Property Purchase** which details the charges that will apply.

## **Paper valuations**

Each year you will be provided with a paper statement showing the value of your Pension Portfolio, you will also be able to access an online valuation at any time. If you request an additional paper valuation you will be charged £150. This charge is deducted directly from your Pension Portfolio Bank Account.

## **Custody of assets**

Some of the assets available through the Full Investments may require a custodian. Where this is the case there will be an associated custody charge. We will inform you of the charge in advance of you purchasing the asset.

## **FINANCIAL ADVICE**

If your financial adviser is advising you on the assets to hold within your Self Investments, there will normally be a charge for this. You can either pay them directly or alternatively the cost of the investment advice can be taken from your plan. If you choose the latter option you must agree the adviser charge payment with your adviser in advance. We will deduct the agreed adviser charge payment from the Pension Portfolio Core Investments and then make a payment to your adviser.

There are limits on the adviser charge payments that can be deducted from your plan.

## **OTHER CHARGES**

There are a number of additional charges that may apply to your Self Investments in specific circumstances. These will depend on the services and investments involved.

Where a third party charges us as part of the administration of your Self Investments this charge will be applied to your plan. If we incur additional administration costs because of something you ask us to do we will also deduct these from your plan.

Examples of these charges would be where you ask us to purchase investments that can't be traded regularly and we need to do extra work in order to provide that investment or if we were required to deal with a pension sharing order. We would agree the cost of any work with you in advance of carrying it out.

## **In Specie transfers**

It is possible for you to make an In Specie transfer to the Self Investments within your plan. This involves the transfer of ownership of an asset from one registered pension scheme to another.

A charge of £175 will be deducted from your Pension Portfolio Bank Account for each In Specie transfer to or from your plan that we agree to.

If you have selected the Online Investments option and make an In Specie transfer, the asset transferred must be able to be held within the fund supermarket or execution only share dealing platform. Alternatively, the transfer may be accepted but your plan would be converted to the Full Investments option, with a corresponding increase in the annual administration charge.

### **Pension Portfolio Bank Account and Pension Portfolio Property Bank Account**

Credit balances in the bank accounts will attract interest. Royal London retain a portion of any interest paid to help cover the costs of running your SIPP. For example, if your bank account balance is £1,000 throughout the year and the retained interest charge is 1.00% the amount we keep in the year would be £10. You will receive the remaining interest. The rate may change twice a year, April and then October. You can get the current rate by contacting the SIPP administration team, phone 0345 600 7477 Monday to Friday 8am – 6pm or by email at [SIPPAdministrationTeam@royallondon.com](mailto:SIPPAdministrationTeam@royallondon.com).

Overdrafts are not permitted on any bank accounts within your Pension Portfolio.

We may receive and keep payments from banks based on the aggregate cash balances held across all cash accounts with them.

### **CORE INVESTMENTS**

If you are intending to use the Self Investments within your plan you must retain at least **£1,000** in the Core Investments (**£15,000** if Income Release is also being used). A management charge will apply to the money remaining in the Core Investments.

If you move money from the Core Investments to the Self Investments, any management charge discount applying to the Core Investments may reduce. Please read your **Core Investments Charges Summary** for more information.

## CHARGES SUMMARY

Here's a summary of the charges for the Self Investments:

### Annual charges

These are the charges we take each year for setting up and administering the Self Investments.

Charges	Online Investments	Full Investments
Administration charge	£375 a year	£695

### Investment charges

Depending on the investment options selected, the following charges may apply.

Charges	Online Investments	Full Investments
Fund supermarket	0.18% on funds up to £500,000. 0.15% on the next £500,000. 0.05% on funds over £1 million.	0.18% on funds up to £500,000. 0.15% on the next £500,000. 0.05% on funds over £1 million.
Full Investments trading charges	Not available	Investment Manager Account set-up fee (if required): £100 Online instruction fee (no application form required): £21 Paper instruction fee (not available online and application form required): £53
Discretionary fund managers (DFM)	Not available	Management charge: varies depending on your contract with the DFM.
Execution only stockbroker	No annual charge for stockbroker services provided by Equiniti. Charles Stanley charge £150 plus VAT.	No annual charge for stockbroker services provided by Equiniti. Charles Stanley apply an annual service charge of £150 plus VAT.
Property purchase	Not available	See <b>Guide to Property Purchase and Self Investment Charges Appendix</b>

### Other charges

These additional charges may also apply to your Self Investments in specific circumstances.

Charges	Online Investments	Full Investments
Additional paper valuation charge	Not available	£150 per valuation
Advice charge	As agreed between you and your financial adviser	As agreed between you and your financial adviser
In Specie transfer charge	£175 per transfer (in or out)	£175 per transfer (in or out)



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