



# SELF INVESTMENTS **CHARGES APPENDIX**

## ANNUAL CHARGES AND INVESTMENT CHARGES

These charges are applicable as at **April 2018** and they are exclusive of VAT unless otherwise stated.

For details of current charges, please contact Royal London, Royal London House, Alderley Road, Wilmslow, Cheshire SK9 1PF.

### ANNUAL CHARGES

#### 1. Administration charges

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.

	Online Investments	Full Investments
Annual administration charge	£385 a year	£715 a year

### INVESTMENT CHARGES

#### 2. Fund supermarket charges

Charge type	Charge
Annual fund supermarket charge (based on the following fund values)	
Up to £500,000	0.18%
The next £500,000	0.15%
Over £1 million	0.05%
Annual fund management charge	Typically between 0.25% – 2.5% each year based on the value of the investment

For Self Investments started after 31 December 2012 and before 6 April 2014, some of the management charge may be rebated back to you and, where applicable, will be paid into your Pension Portfolio Bank Account. Contact us if you want details on a specific investment.

## INVESTMENT CHARGES

### 3. Full Investments trading charges

Full Investment type		Charge (per transaction)
Funds, equities and other securities/instruments	Online (no application form required)	£22
	Paper (not available online and requiring an application form, e.g. tax exempt unit trust)	£54
	Set-up fee (per account)	£105
Trustee investment plans	Online transaction (no application form required)	£22
	Paper transaction (not available online and requiring an application form)	£54

The charges increase each year in line with Average Weekly Earnings based on the change during the 12 months to October each year.

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

### 4. Execution only stockbrokers

We have selected the following stockbrokers to make up our panel:

- Equiniti
- Charles Stanley.

Charles Stanley apply an annual service charge of £150 plus VAT. No such annual service charge is applied by Equiniti.

Any other charges levied by your selected stockbroker will be fully disclosed by them and will be subject to separate contractual terms between you and your selected stockbroker.

These charges may be subject to VAT.

### 5. Discretionary Fund Manager (DFM) charges and expenses

We have selected the following DFMs to make up our panel:

- Brewin Dolphin
- Cazenove Capital
- Tilney
- Quilter Cheviot
- Rathbone Investment Management

Charges levied by your selected DFM will be fully disclosed by them and will be subject to separate contractual terms between you and your selected DFM.

These charges may be subject to VAT.

## INVESTMENT CHARGES

### 6. Property charges

Charge type		Charge
Purchase and in specie transfers in	Initial charge (payable once parties are instructed) <sup>1</sup>	£560
	Completion charge	£400
	Charge for a new mortgage <sup>2</sup>	£210
Administration	Property annual administration charge	£795
	If VAT registered (annual charge)	£175
	If rent is in arrears (charged per quarter)	£105
	New lease or lease renewal	£425
	Rent review (member)	£425 per review
	Rent review (non-member)	£765 per review
	Deed of variation	£765 per variation
	Development or refurbishment	The higher of £1,355 or 0.5% of final contract price.
	Additional property services	£150 per hour
	Assignment	£765
	Sublet (whole or part)	£765
License to alter/change of use	£765	
Sale	Sale or transfer out	£765

The charges increase each year in line with Average Weekly Earnings based on the change during the 12 months to October each year.

<sup>1</sup> Payable when you instruct a solicitor, surveyor, financial institution or any other party (as appropriate) and is not refundable if the transaction does not proceed to completion for any reason.

<sup>2</sup> This charge also applies for further loans (mortgage) that are required to cover landlord works and/or member buy-outs.

## INVESTMENT CHARGES

### 7. Example panel solicitor expenses

#### **7.1 Purchases (legal costs)**

Value of property	Guideline fees
Up to £300,000	£1,750 plus VAT and disbursements
£300,001 to £400,000	£2,500 plus VAT and disbursements
£400,001 to £750,000	£4,000 plus VAT and disbursements
£750,001 to £1 million	£5,000 plus VAT and disbursements
Over £1 million	To be quoted separately

**The actual fees charged may be more or less than the amount above.**

These fees are inclusive of borrowing and a lease to member tenants. A third party lease will be subject to negotiation. Surveys will be charged for separately and an individual quote will be required for each property.

#### **7.2 In Specie transfers in (legal costs)**

Value of property	Guideline fees
Any amount	£1,750 plus VAT and disbursements

**The actual fee charged may be more or less than the amount above.**

These fees are inclusive of borrowing and a lease to member tenants. A third party lease will be subject to negotiation. Surveys will be charged for separately and an individual quote will be required for each property.

### **7.3 Sales and transfers out**

These will be negotiated separately and individual quotes will be required per sale/transfer.

### 8. Example environmental specialist reports expenses

If we deem that an environmental report is needed for any proposed property or land purchase, the cost of this report will be paid from the Pension Portfolio Bank Account. A report of this type costs in the region of £1,100 plus VAT.

## **OTHER CHARGES**

### **9. Overdue charges to Royal London**

The interest rate applying for charges that are overdue to Royal London will be the base rate plus 8%. The base rate will be as determined by the Bank of England.

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

#### **10.1 Interest rates**

Credit balances in your 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).

#### **10.2 Overdraft charges**

Overdrafts are not permitted on any of the 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.

### **11. Adviser charges**

For Self Investments started after 31 December 2012, any payments to your financial adviser must come from the Core Investments arrangement as described in your Core Investments Plan Booklet.

### **12. In Specie transfer charge**

	<b>Online Investments</b>	<b>Full Investments</b>
In Specie transfer charge	£175 per transfer	£175 per transfer

This charge does not apply to in specie transfers in of property from other registered pension schemes. An in specie transfer of property into the Pension Portfolio is charged as a property purchase, see page 4.

### **13. Paper reconciled valuation**

	<b>Online Investments</b>	<b>Full Investments</b>
Paper reconciled valuation	Not available	£155 per request

## **GLOSSARY**

### **Custodian**

A financial institution that holds securities and other assets for safe keeping and record keeping on behalf of investors.

### **Deed of variation**

Varies the terms of an existing document affecting the title of land usually relating to leasehold properties. For example, a deed of variation may vary the length of a lease or the rent payable.

### **Discretionary Fund Manager (DFM)**

An investment manager which manages money on your behalf. Usually, you provide the discretionary fund manager with investment aims and objectives to follow. They will then select investments for you.

### **Equities**

Another name for company shares. Some company shares can be bought and sold on stock markets.

### **Execution only stockbroker**

Is a Stockbroker that carries out trades on your or your Adviser's instructions.

### **In Specie/In Specie transfer**

Means the transfer of ownership of an investment or asset from one Registered Pension Scheme to another without the need for it to be sold and then re-bought.

### **Securities**

A general name given to shares and bonds of all types.

### **Trustee Investment Plan**

Allows trustees of Registered Pension Schemes to invest a lump sum, where the scheme rules allow such an investment.



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