

MAKING THE COST OF INVESTMENT CLEAR



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
- Old Mutual Wealth, the provider of your account or bond
- The managers of the funds you choose for your account or bond

The purpose of this document is to explain the separate roles of each of them and how their charges or fees are calculated and taken.

This information applies to investments on Charge Basis 3.

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](#) and to the [Funds List](#) for Charge Basis 3.

WHO IS INVOLVED AND WHAT DO THEY DO?



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. If your financial adviser has recommended using the SelfSelect Managed Portfolio Service, they will provide you with regular clients reports.



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



YOUR FINANCIAL ADVISER'S FEES

Your financial adviser is independent of Old Mutual Wealth. We do not pay them any commission for arranging your investment. 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 SERVICING FEE – this is for ongoing monitoring and management of your investments.

ADVISER FUND SWITCH FEE – this is for arranging fund switches within your investment.

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

Details of any fees you have asked us to pay will be shown in your personalised **Key Features Illustration** together with their effect 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.



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 the Old Mutual Wealth Group.	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 the Old Mutual Wealth Group.
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	Percentage 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 charged at 0.50%
- the next £75,000 charged at 0.35% and
- the last £25,000 charged at 0.30%
- ... creating an overall charge of 0.37%.

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 £25,000 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 £125,000:

- the first £25,000 charged at 0.50%
- the next £75,000 charged at 0.35% and
- the last £25,000 charged at 0.30%
- ... creating an overall Service and Product charge of 0.37%.

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

- $(0.37\% \times £25,000)$ or £92.50 a year

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

- $(0.37\% \times £100,000)$ or £370 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 COLLECTIVE INVESTMENT BOND

TAXATION 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 on this 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 on this charge please see your [Terms and Conditions for the Collective Investment Bond](#).

CHARGES APPLICABLE ONLY TO THE COLLECTIVE RETIREMENT ACCOUNT

PHASED INITIAL CHARGE – If you selected the phased initial charge (PIC) option on an investment made before 10 December 2012, that charge is spread over five years. If you are upgrading from Charge Basis 1 or 2 to Charge Basis 3, any outstanding PIC will continue to be deducted until the end of the five year period. For more information on this please refer to your [Terms and Conditions for the Collective Retirement Account](#).

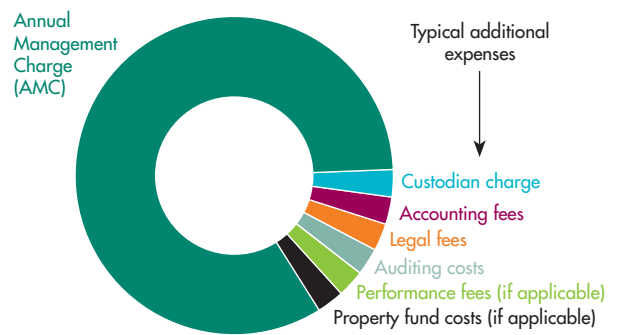


FUND MANAGER CHARGES AND REBATES

You don't pay fund manager charges as monetary amounts. Instead, the charges are reflected in the changing daily prices of funds.

The annual percentage charge made to investors by each fund manager is known as the fund's 'Total Expense Ratio' (or TER). It is made up of the various costs and expenses of running the fund (see Figure 1).

Figure 1 . Total Expense Ratio (TER)



NEW REGULATIONS MAKE FUND CHARGES CLEARER

Until relatively recently, fund manager charges typically included an amount (around half of the AMC) that was rebated by the fund manager to the product provider. This rebate was used by the provider to pay costs such as financial advisers' commission and our charges.

On 31 December 2012, new regulations were introduced to make the costs of financial services more 'transparent' to investors. For new investments since then, any rebates from fund managers must be repaid in full to the investor. Financial advisers' fees and our charges are now paid separately, as described on pages 2 and 3.

As a result of these changes, most fund managers have now adapted their pricing methods and are pricing their funds both with and without the traditional large rebates. These latter funds are known as the 'unbundled' or 'clean' versions of the funds, and have much lower AMCs and, if they include rebates, these are also much smaller.

The SelfSelect range includes funds with and without rebates. Where rebates are available they will be returned to you in the form of extra fund units. * They are effectively a discount on the fund manager's annual charge.

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/fundlist

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Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

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.