

# Investing in Funds.

## Examples of costs.

### How will charges affect my investment?

Any charges you pay will reduce the value of your investment. The table below shows how charges would affect an investment of £10,000 if it didn't change in value at all, or it grew by 2%, 5% or 8% over the course of three years (these are just example growth rates provided by our regulator, the Financial Conduct Authority). This example assumes the investment is sold at the end of the third year and charges include dealing commission for this trade.

The value of any investment can go down as well as up and you could get back less than you originally invested.

Amount invested £10,000					
Example growth rate per year	Value of investment after 3 years: before charges	Impact of charges on return	Value of investment after 3 years: after charges	Total growth after 3 years: Amount before charges	Total growth after 3 years: after charges
0%	£10,000.00	£-469.49	£9,530.51	0.00%	-4.69%
2%	£10,612.08	£-496.70	£10,115.38	6.12%	1.15%
5%	£11,576.25	£-539.52	£11,036.73	15.76%	10.37%
8%	£12,597.12	£-584.82	£12,012.30	25.97%	20.12%

### Examples of costs

When you invest in a fund, you'll pay some charges to us, and some charges to the fund manager.

The example on the next page shows how much you'd pay in charges if you invested £10,000 in a fund with our Stocks and Shares ISA and it grew by 5% each year. This is just an example rate of growth and isn't a prediction or guarantee of growth. We've split this into how much you'd pay in your first year including any opening charges, what you'd pay the second year you held the investment, and what you'd pay if you sold your investment at the end of the third year. Fund managers' charges are different for each fund. They are usually a percentage of your investment, so can vary depending on how much your investment is worth – we've shown the percentages in the table overleaf.



## When you first invest – set up charges and first year

Amount invested	£10,000	
<b>Our charges</b>		
Dealing commission	£12.50	
ISA administration charge	£12.50	
<b>Fund managers' charges</b>		
Initial charge	£0.00	0.00%
Transaction costs	£50.41	0.50%
Ongoing charges	£90.74	0.90%
Performance fees	£0.00	0.00%
<b>Plus growth – 5% assumed</b>	<b>£10,495.28</b>	
<b>Less total charges</b>	<b>£166.15</b>	
<b>Investment after charges</b>	<b>£10,329.13</b>	

## The second year you hold your investment (we've assumed it's grown by 5%)

<b>Our charges</b>		
ISA administration charge	£12.50	
<b>Fund managers' charges</b>		
Transaction costs	£52.13	0.50%
Ongoing charges	£93.84	0.90%
Performance fees	£0.00	0.00%
<b>Plus growth – 5% assumed</b>	<b>£10,841.37</b>	
<b>Less total charges</b>	<b>£158.47</b>	
<b>Investment after charges</b>	<b>£10,682.90</b>	

## The year you sell your investment (we've assumed it's grown another 5% and you sell after 3 years)

<b>Our charges</b>		
Dealing commission	£12.50	
ISA administration charge	£12.50	
<b>Fund managers' charges</b>		
Transaction costs	£53.92	0.50%
Ongoing charges	£97.06	0.90%
Performance fees	£0.00	0.00%
Exit charges	£0.00	0.00%
<b>Plus growth – 5% assumed</b>	<b>£11,212.71</b>	
<b>Less total charges</b>	<b>£175.98</b>	
<b>Investment after charges</b>	<b>£11,036.73</b>	

That means that if you held the investment for 3 years, your charges would total £500.60.