

# Alliance Trust Savings Charges Guide

April 2018



## ABOUT OUR CHARGES

When you invest through Alliance Trust Savings you can expect to pay two different types of charge. This guide explains the charges for our services and how we apply them to your Alliance Trust Savings Account.

Charges for our services	Charges for your investments
<p>We charge you for holding an Account with us and for using the different Services we provide.</p> <p>This guide gives the details of our charges.</p>	<p>Most investments on our platform incur a charge. For funds (OEICs, Unit Trusts and ETFs) and PRIIPs (Packaged Retail and Insurance-based Products) such as Investment Trusts, the details of these charges are contained in the <i>Fund Prospectus</i> or the <i>Key Investor Information Document (KIID)/Key Information Document (KID)</i> for each investment available at <a href="http://alliancetrustsavings.co.uk">alliancetrustsavings.co.uk</a>.</p> <p>You may also have to pay a tax charge (e.g. UK stamp duty or foreign taxes) when you buy certain types of investment.</p>

### We charge flat fees

We charge flat fees for our Accounts and Services. The idea is that you cover your own costs. So the amounts you pay depend on the Accounts you hold, the Services you use and how often you use them. The only exception to flat fees is for foreign exchange because of the way that particular service works, and the SIPP transfer out charge due to the regulatory cap.

Many other platforms charge for at least some of their services based on the value of your investments. This means that people with larger Account values pay more and end up subsidising the costs for those with smaller ones.

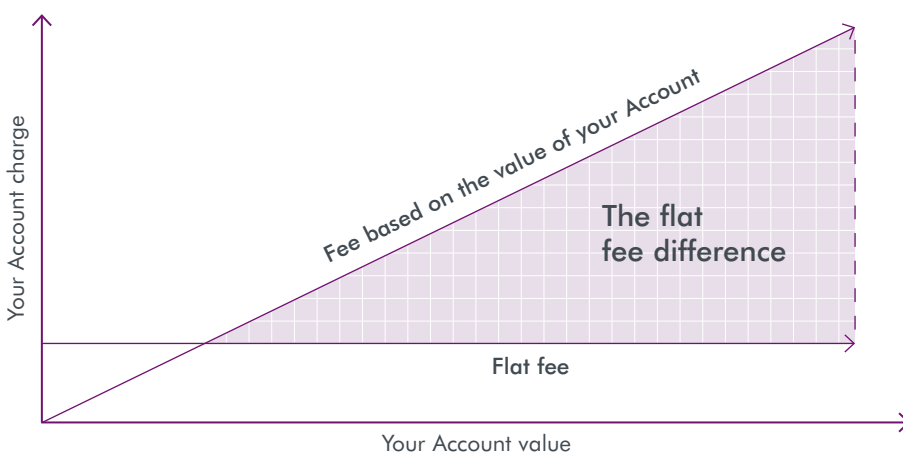
We don't do this because we don't think it is fair. No matter what the value of your Account, it costs us roughly the same to manage it and to provide Services to you.

### A balanced view of flat fees

If you only plan to invest a small amount of money through us and not add to it over time, flat fees may mean you pay more than to some other platforms, especially if you plan to buy and sell investments very frequently. But if you plan to make a larger investment, or build a smaller investment into a larger one over time, the opposite is more likely to be true.

Alliance Trust Savings can't give you financial advice. If you feel you need advice to decide whether our flat fees approach is right for you and don't already have a Financial Adviser, you can search for one near you at [www.unbiased.co.uk](http://www.unbiased.co.uk).

## THE FLAT FEES DIFFERENCE



As your wealth grows, the charges you pay to us won't.

Please remember the value of your investments and any income from them can go down as well as up and you may get back less than the amount you originally invested.



## WHAT OUR CHARGES COVER

We have three different types of charges. This table gives you an idea of what each covers.

1. Account charges	2. Dealing Service charges	3. Other Service charges
<p>Covering the basic ongoing cost to us of managing an Account for you on an online service basis:</p> <ul style="list-style-type: none"> <li>– includes 4 online trades a year</li> <li>– arranging safe custody of your standard investments</li> <li>– maintaining and regularly checking your Account records</li> <li>– preparing your statements and valuations</li> <li>– preparing your annual statement and illustration (for SIPP Accounts)</li> <li>– preparing your consolidated tax statement (for IDA Accounts)</li> <li>– making reports to HMRC (for ISA and SIPP Accounts)</li> <li>– claiming tax relief for you from HMRC (for SIPP Accounts)</li> <li>– a contribution towards the running of our technology platform and the client support services available to you</li> </ul>	<p>Covering the costs to us of arranging to buy and sell standard Investments through your Account:</p> <ul style="list-style-type: none"> <li>– taking all sufficient steps to get the best price for you when buying or selling standard Investments, in line with the <i>Order Execution Policy</i> in your <i>Terms and Conditions</i> document</li> <li>– arranging for payment (when you buy), or collecting the proceeds (when you sell), and changing the ownership of the investments ('settlement')</li> <li>– updating your Account records</li> <li>– sending you <i>Contract Notes</i> to confirm that your orders have been completed</li> </ul>	<p>Covering the costs to us of other types of one off transaction we might arrange for you:</p> <ul style="list-style-type: none"> <li>– transferring standard Investments on and off of our platform</li> <li>– sending you paper documents</li> <li>– managing income payments to you from a SIPP Account</li> <li>– managing the impact of a divorce or death</li> <li>– a few other one-off administration Services you might ask us to provide</li> <li>– supplementary Account charge, may apply for non-standard accounts and non-standard investments</li> </ul>

## COLLECTING OUR CHARGES

We collect our Account charges in advance. We don't refund them if you close your Account during the period to which they apply.

Day of the month	Action
1st of each month	We collect the IDA, ISA and SIPP Account (Savings or Income) charge

Account charges are collected on the 1st of each month or the next available Business Day.

Service charges are all collected when we provide the Service to which they relate.

It is your responsibility to ensure there is enough money in your Account to cover your charges when they fall due. If we are not able to collect your charges when they fall due, your *Terms and Conditions* document explains what we will do.

We do not currently pay interest on cash deposits within our platform product range. Alliance Trust Savings may itself earn and retain interest on amounts which are placed on deposit. The amount of such interest may vary from time to time.



## 1. Standard Account charges

Type of Account	Charge
ISA Account	£10.00 a month
Individual Dealing Account (IDA)	£10.00 a month
SIPP Account 'Savings'*	£17.50 plus VAT a month
SIPP Account 'Income'*	£23.75 plus VAT a month
Junior ISA Account	£3.33 per month
First Steps IDA	£3.33 per month
Child SIPP Account	£6.65 plus VAT a month

Your Standard Account charge includes 4 online trades a year (does not apply to child accounts). Trades are applied to your Account in the following way;

For Accounts opened prior to 1 February 2017 – 4 trades are applied to your Account on 1 February each year, and any remaining trades expire on 31 January each year.

For Accounts opened after 1 February 2017 – 4 trades are applied to your Account on the anniversary of your Account opening each year, and any remaining trades expire at close of business on the day before that anniversary.

Your inclusive trades can be used as online trades to buy or sell investments in accordance with your *Terms and Conditions*. Regular online trading through our Monthly Online Dealing Service, cross account trading or dividend reinvestment trades, are not counted towards your inclusive trades, these will be charged in line with our normal transaction charges (please see Section 2). If you buy a bundle of additional trades, we will use your inclusive trades first, before those in your bundle.

### \* Note about SIPP Accounts

Because more work is involved for us, your monthly Standard Account charge increases at the next collection date after you have taken any income or tax free lump sums from your SIPP Account (which you can do from the age of at least 55). This charge applies if:

- you are currently in capped drawdown
- you are currently in flexi-access drawdown or
- you ask us to make 'uncrystallised funds pension lump sum' payments on anything other than a one off or very occasional basis.

Once you are on the 'Income' annual Account charge, this will be the charge that applies monthly thereafter. If you are not familiar with the terminology we have used here and need an explanation, please visit [alliancetrustsavings.co.uk/glossary](http://alliancetrustsavings.co.uk/glossary) or contact us.



Unless we show otherwise, you don't pay VAT on our charges.

## 1.1 Supplementary Account charge

There are some cases in which more work is involved than others for us to look after your Account and we must take on more risk than usual in doing so. Three such cases are:

### 1. Where you are a non-UK resident for tax purposes or your permanent address is not in the UK

Our services are designed to meet the needs of UK tax resident investors and this is covered in clauses 3.1.3 to 3.1.5 of our *Terms and Conditions*. For the purpose of the Supplementary Account charge, UK includes Republic of Ireland, Guernsey, Jersey and Isle of Man.

Serving investors resident outside of the UK requires additional and complex administration, including additional Anti-Money Laundering checks and manual reporting.

### 2. Where you hold non-standard Investments

Our services are designed for trading in funds (Unit Trusts and OEICs) and listed securities (including Investment Trust and ETF shares) that can be settled in Sterling (£) through CREST (UK-based central securities depository).

Supporting other types of investment (non-standard investments) means additional, manual administration for us, as well as increased custody and transaction costs.

For a list of investments that we consider to be non-standard, please see [alliancetrustsavings.co.uk/non-standard-investments](https://alliancetrustsavings.co.uk/non-standard-investments).

### 3. Where the Account is held by a Corporate entity or Trust

Our services are designed to meet the needs of UK Individuals. Servicing Accounts that are held by Corporate entities or by Trusts requires additional ongoing entity-specific administration, including regular reviews of the entities and registration details.

In addition to your Standard Account charge, the Supplementary Account charge detailed in the table below will be applied to all Accounts outlined in points 1-3 above.

Account type	Annual charge
ISA	£375
Individual Dealing Account (IDA)	£375
SIPP Account 'Savings'	£375 + VAT
SIPP Account 'Income'	£375 + VAT

The Supplementary Account charge will be applied to your Account within 14 days of you either:

- Notifying us of a change of address or tax residency to a non-UK country
- Purchasing a non-standard Investment, or
- Changing your Account to be held by a Corporate entity or Trust

This charge will then be applied to your Account every year on the anniversary of the Supplementary Account charge date.

The Supplementary Account charge will not be refunded if you move your address or tax residency back to the UK, sell the non-standard Investment, or you change your Account to not be held by a Corporate entity or Trust within the year. This is due to the fact that the administration for these accounts is ongoing throughout the year.

Unless you notify us, at least 7 working days in advance of your annual charge being taken, of a change of permanent address to the UK, you become a UK resident for tax purposes, you sell the non-standard Investment, or you change your Account to not be held by a Corporate entity or Trust, we will continue to collect the Supplementary Account charge annually on your charge anniversary date, or the following business day.

Your Standard Account charge will continue to be taken on a monthly basis.

## 2. Dealing Service charges

The charges you pay to buy and sell UK and international standard Investments depend on:

- how you give us instructions (online, by phone or by post)
- whether you are buying or selling on a one-off basis or have asked us to make regular investments on your behalf
- for online or telephone deals, how long you have continuously held an Account with Alliance Trust Savings (loyalty discount).
- for international deals a Foreign Exchange rate will apply

These charges apply to each individual transaction we arrange on your behalf. If you want to 'switch' an investment – sell one type of investment and replace it with another – you pay one charge for the sell transaction and one charge for the buy transaction.

Type of Transaction	Charge
Buy or sell online (without any loyalty discount)	£9.99
Buy or sell over the phone	£50.00
Buy or sell by post	£50.00
Regular dividend reinvestment	£5.00
Regular phased investment from cash	£5.00
Regular buy (direct debit) instructed by post	£5.00
Regular buy (direct debit) instructed by online monthly dealing service	£1.50

A loyalty discount starts to apply for online or telephone trading if you have continuously held an Account with Alliance Trust Savings for 5 years or more.

Type of Transaction	With loyalty discount (based on Account age)*			
	5-10 years	11-15 years	16-20 years	>20 years
Buy or sell online	£8.99	£8.49	£7.99	£7.49
Buy or sell by telephone	£45.00	£42.50	£40.00	£37.50

\* Our loyalty discount only applies to online market orders. If you place limit orders online (orders with conditions attached to them) you will still pay £9.99 for each transaction. Find out about market and limit orders in our *Platform Guide* at [alliancetrustsavings.co.uk](http://alliancetrustsavings.co.uk).



For one off deals, it's always more cost effective to deal online.

## 2.1 Government taxes and levies

Where government taxes and levies apply to any deals you make we collect these following each relevant transaction.

Tax or Levy	Transaction	Charge
UK Stamp duty	Buying UK shares	0.50%
Irish Stamp duty	Buying Irish shares	1.00%
French Financial Transactions tax	Buying French shares	0.30%
Italian Financial Transactions tax	Buying Italian shares	0.12%
Greece Financial Transactions tax	Buying Greek shares	0.15%
Greece Transfer tax	Buying and redeeming Greek shares	0.16%

Charges correct as at the February 2018.

## 2.2 Foreign exchange rate

International investments are bought and sold at our standard dealing charges (on previous page). Where trades are made in a currency other than Sterling, prices are converted to Sterling at a rate based on the prevailing interbank exchange rate. This is done by a specialist UK-based 'market maker' to get the best rates we can. We then add a fee to cover our costs in arranging this for you. Because of the way the foreign exchange market works in practice, this is the only time we have to charge you a percentage fee.

Value of trade	International Trading Fee
£0 – £24,999	1.50%
£25,000 – £49,999	1.00%
£50,000 – £99,999	0.50%
£100,000+	0.35%

### 3. Other service charges

Your Standard Account charge covers the cost of many of the Services we provide. But where Services are more complicated and can take more time without any realistic prospect of covering costs through your Standard Account charge (transferring investments out is a good example of this) we do ask you to pay for those.

That goes back to our flat fees philosophy. You cover the costs of the Services you use. It's only fair.

#### 3.1 Transferring investments in and out of your ISA or IDA

The re-registration or transfer of investments into your Account is free except for the following specialist cases.

Account	Transaction	Charge
ISA, Junior ISA	Transferring investments in from a maturing employee share scheme	£15 per investment
IDA, First Steps	Transferring investments held in your own name into an IDA using our Share Exchange service	£40 per investment

When it comes to transferring out, we charge for transferring investments out of your Account and directly to either another provider or in to your personal ownership.

If you are transferring out your account to another provider in its current form (any existing Investments are transferred in-specie), because it is a one-off process for us, you just pay a one-off charge regardless of how many Investments you hold in each Account. If you decide to sell Investments to transfer as Cash and you do not carry this out yourself online, a postal/phone dealing charge will be applied to each sell transaction.

Transaction	ISA, Junior ISA	IDA, First Steps IDA
Any transfer out to another provider	£100 plus VAT	£60 plus VAT
Transferring an investment out into a share certificate in your name	£20 per investment	£20 per investment

#### 3.2 Transferring investments in and out of your SIPP Account

There is no charge to transfer investments into your SIPP Account from another provider, except for the following specialist cases.

Transaction	SIPP, Child SIPP
Transferring investments in from a maturing employee share scheme	£15 per investment
Transfer in of any pension that contains "safeguarded benefits" in excess of £30,000. Safeguarded benefits include defined benefit pensions (sometimes referred to as final salary or career average schemes) and pensions with guaranteed annuity rates (GARS). Alliance Trust Savings only accepts these transfers where financial advice has been given by a Financial Adviser, with the required regulatory permissions and who has advised that the transfer is in your best interests. We do not accept transfers in respect of "insistent clients".	£150 plus VAT

If you are transferring out your account to another provider in its current form (any existing Investments are transferred in-specie), because it is a one-off process for us, you just pay a one-off charge regardless of how many Investments you hold in each Account. If you decide to sell Investments to transfer as Cash and you do not carry this out yourself online, a postal/phone dealing charge will be applied to each sell transaction.

A change in legislation means that the fee that we charge you for moving to another pension provider will depend on when you opened your SIPP and what age you are at the date of transfer. This applies to transfers out and annuity purchases.

Opened SIPP prior to 31 March 2017		Opened SIPP on or after 31 March 2017	
Under 55	55 and over	Under 55	55 and over
1% of transfer value or annuity purchase price up to a maximum of £150+VAT	1% of transfer value or annuity purchase price up to a maximum of £150+VAT	1% of transfer value or annuity purchase price up to a maximum of £150+VAT	No charge

The following transfer scenario is also chargeable.

Transaction	SIPP, Child SIPP
Any transfer out to an overseas pension scheme	£200 plus VAT



### 3.3 Issuing paper documents

Paper document	Charge
All paper documents including statements and valuations, contract notes and tax certificates (if appropriate)*	£25 plus VAT
A one-off valuation	£10 plus VAT
A paper duplicate of any document we have already issued to you, either online or in paper form	£15 plus VAT

Our platform is designed to work as an online service, so we don't charge for issuing any documents to you online.

\* This charge will be taken from the fees Account by deducting £12.50 + VAT twice a year when your statement is produced, and will be taken in the following order – Investment Dealing Account, SIPP, Stocks and Shares ISA. If you hold multiple Accounts you will only be charged for one Account. We will not allocate this charge to a child Account (Junior ISA, First Steps or Child SIPP Accounts). You can choose to receive all your documents online free of charge.

### 3.4 Other one-off events

Finally, we charge for managing the following types of one-off event.

Event	Charge
Valuing your Account and making future arrangements for it following your death	£200 plus VAT per Account
Implementing a 'Sharing Order' following a divorce (only applicable to SIPP Accounts)	£200 plus VAT per Account
For ISAs and Junior ISA Accounts only, 'repairing' or 'voiding' your ISA when required under HMRC rules	£100 plus VAT per Account
Writing to a third party (a mortgage provider for example) to confirm the value of your Account	£30 plus VAT per letter
Making a one-off cash payment to you using CHAPS (we don't charge for payments by cheque or BACS)	£20 per payment
Make a one-off 'uncrystallised funds pension lump sum' (UFPLS)	£40 plus VAT
Sending any money (for example, a late payment from your employer or any late income from your investments) to a receiving pension scheme after your Account has closed	£50 plus VAT

## SERVICE CHARGES – SOME EXAMPLES

### Getting started with a SIPP Account (Savings)

Mr Smith has two personal pensions that he would like to transfer to a SIPP Account with Alliance Trust Savings. One of the pensions is worth £60,000 and the other is worth £80,000. In both cases they are currently invested in a single fund each and these are funds that Alliance Trust Savings does offer, so the transfer in will be made in the form of investments rather than cash.

Mr Smith has decided to spread his risk in future by splitting his money across six different funds. He sets up his SIPP Account online and, once the transfers have been made, sells out of his two original funds and then buys into his six new funds online.

#### Mr Smith's Alliance Trust Savings (ATS) charges at set-up

Total monthly account charges for the year ahead (£17.50 plus VAT x 12)	£252 (£210 plus VAT)
Fund sale charges x 2 (utilises two included trades)	£0
Fund buy charges x 6 (utilises two included trades + £9.99 x 4)	£39.96
<b>Total charges paid to ATS</b>	<b>£291.96</b>

### Taking money out of a SIPP Account (Income)

After a number of years, Mr Smith reaches the age of 55 and decides to start taking money out of his SIPP.

He decides to use flexi-access drawdown, selling investments online from one of his funds to generate the maximum allowed tax-free lump sum. He asks for this to be paid to his bank account. He then switches three of his remaining investments into two new funds which he feels are better suited to the future drawdown strategy he has decided on, which is to take a quarterly income payment from the next year onwards.

#### Mr Smith's Alliance Trust Savings (ATS) ongoing charges

Total monthly account charges for the year ahead (£23.75 plus VAT x 12)	£342 (£285 plus VAT)
Fund sale charges x 4 (utilises four included trades)	£0
Fund buy charges x 2 (£9.99 x 2)	£19.98
<b>Total charges paid to ATS</b>	<b>£361.98</b>

### Service charges

Mrs Jones has had an ISA and an IDA with Alliance Trust Savings for the past 3 years. Her Accounts are run online. She pays into both of them monthly using the online monthly dealing service, buying into three different funds in each Account every month. Her monthly Account charge also includes four online trades a year per Account. So if she wants to change one of her funds or rebalance her portfolio she has 4 trades available to support this before she would need to pay any further dealing charges.

#### Mrs Jones' Alliance Trust Savings (ATS) charges this year

ISA Account charge (12 x £10.00)	£120
IDA Account charge (12 x £10.00)	£120
ISA Monthly buys (12 x £1.50) x 3	£54
IDA Monthly buys (12 x £1.50) x 3	£54
<b>Total charges paid to ATS</b>	<b>£348</b>

These examples are for illustrative purposes only and should not be relied upon when making investment decisions. If you are unsure you should consult a Financial Adviser before investing.

## INCREASES, CHANGES AND SPECIAL OFFERS

We may increase or change our charges from time to time. We will normally tell you at least 30 days in advance. Full details can be found in your *Terms and Conditions* document.

Sometimes we run special offers to waive or suspend our charges for a set period of time. If you have not stopped us sending promotional information to you we will tell you about these. We will also advertise them on our website.

## YOU SHOULD READ THIS DOCUMENT ALONG WITH:

- the *Terms and Conditions* for Alliance Trust Savings Accounts
- the *Key Facts Document* for your Account
- if you have a SIPP Account, the *SIPP Scheme Rules*


Together with your Application they give the full picture of how we manage your Account and the legal relationship between us.

If you have questions please contact us. We may update this guide from time to time. You will always find the most up to date version at [alliancetrustsavings.co.uk](http://alliancetrustsavings.co.uk).

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## Alliance Trust Savings

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