



User Guide

Client Ex Post Costs and Charges Reports

Integrated Financial Arrangements Ltd

A firm authorised and regulated by the Financial Conduct Authority

The Markets in Financial Instruments Directive (MiFID II) introduced new rules to improve transparency on costs and help you better understand the costs and charges you incur. This included a requirement to send you an annual ex post costs and charges report covering all the cost and charges you have incurred in your Portfolio. We have produced this user guide to help you get more from your ex post costs and charges reports.

There are two ex post reports available to you from the end of April. A summary report included in your Annual Statement and a more detailed report available on request.

The reports cover your entire Portfolio, providing a single aggregated percentage and cash amount for all the Service and Investment Costs and Charges you incurred.

In addition to this, you can also run a costs and charges report on Transact Online any time throughout the year. You can produce this at wrapper level rather than only Portfolio level, with all service and investment costs and charges incorporated (including fund manager fees), with the inclusion of pension wrapper costs and charges. This will provide greater flexibility for you by allowing this report to match your specific requirements.

Service Charges, such as those paid to Transact or your adviser, are deducted from your Portfolio cash balance(s).

Investment Costs and Charges can be incurred in two ways. They can be periodically deducted from the value of the investments by an investment provider, such as a fund manager. Charges can also be applied by fund managers or market makers when you buy or sell investments. This has the effect of increasing the price you pay when purchasing investments and reducing the cash you receive when selling investments.

We rely on investment providers and other third parties to provide us with information to calculate some of the Investment Costs and Charges contained within the ex post reports. Where we do not receive this information we calculate an estimate to ensure the reports are as accurate as possible. We highlight in the Detailed Report where we have used estimates.

Reports are created annually to tie in with the production of your Annual Statements at the end of the tax year or the bespoke report available on Transact Online can be generated at any time via Reports > Costs & Charges Summary from 1st January 2018 at the earliest.

The following pages provide further information on the Summary and Detailed ex post reports.

The Summary Report

Summary Report(s) are included within your Annual Statement. Your costs and charges are broken down as follows:

1. Service Charges

These are your:

- Transact Charges: Wrapper fees, Annual Commission, Buy Commission.
- Adviser Charges: Initial and annual payments.
- Discretionary Investment Manager (DIM) Charges: Incurred if you have appointed a DIM to undertake investment decisions.
- Third Party Charges: HMRC, stamp duty and stockbroker fees.

2. Investment Costs and Charges

These are charges typically reflected in the price or value of your investments.

Fund manager rebates are credited to your Portfolio and used to purchase units in the Rebate Reinvestment Fund.

3. Total Portfolio Costs and Charges

4. The Impact of Costs and Charges

We also show how costs and charges reduce the value of your Portfolio and the impact they have on your investment performance.

Where there are very short holding periods or very low asset returns then you may see zero values in the above.

It is worth noting that while you may be able to reduce costs and charges by selecting different service providers or investments, it is impossible to incur no costs or charges when investing.

5. Breakdown of Costs and Charges at Wrapper Level

Here we show how your costs and charges are applied to each of your open wrappers.

Like the main report, the total costs and charges for each wrapper are shown as a percentage and a monetary amount in the final two columns. The first two columns provide the % growth before and after costs and charges have been deducted to help you see their impact on your return.

Transact charges are fees for holding your investments, acting on instructions and creating reports. Fees are deducted from the relevant Wrappers or a Fee Payment Wrapper.

Adviser charges are the amounts your adviser will receive for the advice he or she has given you.

Third Party Charges depend upon investment activity. For example, if a stockbroker is used or if an extra levy has been applied due to the size of investments placed.

This section includes the charges deducted by the investment provider such as:

- Purchase Costs
- Ongoing Charges
- Fund Manager Rebates
- Transactional Costs
- Incidental Charges
- Sales Costs.

In this section, the charges from 1. and 2. above are added together.



Mrs Ivy Miggins
24 June 2021

Portfolio No: 123-456-789
Adviser: IFA Ltd

Costs and Charges Summary from 6 April 2020 to 5 April 2021

Portfolio Costs and Charges

This report shows the costs and charges incurred during the above period. Percentages have been calculated based on an average portfolio value of £278,692.61 over the reporting period.

Service Charges - These charges are deducted from cash in your Portfolio and include charges applied by Transact, your adviser and third parties including HMRC and Discretionary Investment Managers.

Transact Charges	£657.11
Adviser Charges	£1,436.06
Discretionary Investment Manager Charges	£307.90
Third Party Charges	£0.00
Total Service Charges	0.86% £2,401.07

Investment Costs and Charges - These costs and charges are typically reflected in the price of investments. Any rebates received from investment providers during the period are invested in the Rebate Reinvestment Fund and their value is deducted from this total.

Total Investment Costs and Charges	0.77% £2,149.02
---	------------------------

Total Portfolio Costs and Charges	1.63% £4,550.09
--	------------------------

The Impact of Costs and Charges

If it had been possible to hold the cash and investments without incurring any costs or charges, the value of your Portfolio would have been £235,916.39 rather than £231,366.30, a difference of £4,550.09. Similarly, your Portfolio would have grown in value over the period by 26.64% rather than 24.20%, a difference of 2.44%.

Breakdown of Costs and Charges at Wrapper Level

	Growth before Costs and Charges	Growth after Costs and Charges	Reduction in Growth	Amount
General Investment Account	0.00%	0.00%	0.00%	£0.00
ISA (Stocks/Shares)	10.53%	9.65%	0.88%	£268.93
Personal Pension	29.77%	27.03%	2.74%	£4,281.16
Total Portfolio Costs and Charges				£4,550.09

A Detailed Breakdown of Costs and Charges is available on request.

Notes:

1. Please note that the performance and charges for some of these wrappers are for periods of less than one year.
2. Investment Costs and Charges are incurred and/or applied by investment providers or other firms involved in buying and selling your investment. When calculated these can sometimes be negative values. Examples include annual management charges, performance charges, operational costs and/or transactional costs associated with trading activity within collective investment schemes.
3. If investment costs are incurred in a foreign currency, they are converted using the published 24-hour rolling average exchange rate from the previous day.
4. We rely on investment providers giving us information because we do not apply these costs or charges to your Portfolio. When we are not given costs and charges we usually have enough information to estimate the relevant costs and charges. Therefore, some numbers in this statement might not be entirely accurate.
5. We have not included any deductions for tax due on investment income or capital gains. Where applicable, these transactions are detailed in your Cash Summary.

The Detailed Report

The Detailed Report contains the same sections as the Summary Report but provides a more detailed breakdown of the service charges and the costs and charges incurred for each investment you held in the period. The Investment Costs and Charges are explained below.

Purchase Costs – Costs and charges incurred when purchasing the investment including, where applicable, any initial charge deducted by an investment provider, half the bid-offer spread* and currency conversion costs.

Ongoing Charges – Annual management charge and operational expenses deducted from an investment by the investment provider.

Fund Manager Rebates – Some investments return part of the annual management charge which is reinvested in the Rebate Reinvestment Fund. This is shown as a negative value because it is used to offset other charges and increases the value of your portfolio.

Transactional Costs – Costs associated with carrying out transactions of underlying assets within the investment. These can sometimes have a negative value because the regulation allows investment providers to offset with swing pricing which protects current investors.

ISIN – Unique code to identify which version of the investment you hold.

Current Investments – the investments you held at the end of the reporting period.

Previous Investments – the investments you have sold during the reporting period.

	ISIN (Unique Identifier)	Purchase Costs	Ongoing Charges	Fund Manager Rebates	Transactional Costs	Incidental Charges	Sales Costs	Total Costs
Current Investments								
Amazon.com (XNAS:AMZN)	USD231351067	£0.00	£0.00	N/A	£0.00	£0.00	£0.00	£0.00
Apple Inc Com Slk (XNAS:AAPL)	USD378331005	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Dimensional Emerging Markets Value GBP (Acc) IRE	IE00B0HCGX34	£0.00	£123.42	£0.00	£17.88	£0.00	£0.00	£141.30
Threadneedle American Smaller Companies (Acc)	GB0001530129	N/A	£182.64*	£0.00	£63.53	£0.00	£0.00	£246.17
Previous Investments								
Vanguard Emerging Markets Stock Index GBP(Acc) IRE	IE00B50MZ724	£0.00	£80.80	£0.00	£8.93	-	£0.00	£89.73
Total Investment Costs and Charges								£477.20

Incidental Charges – Typically performance fees deducted from the investment’s value by the investment provider. In certain limited circumstances incidental charges may be negative.

Sale Costs – Costs and charges incurred when selling the investment including, where applicable, half the bid-offer spread**, exit fees deducted by the investment manager and currency conversion costs.

N/A means the cost or charge category is not applicable for this investment.

***** means the investment provider or data provider has not supplied the information so we have estimated the associated costs and charges on the most appropriate basis to ensure you charges are not significantly understated.

- means the data was not provided to us and we were unable to calculate an estimate.

** For investments that have different prices for buying (the 'bid price') and selling (the 'offer price'), the sale and purchase costs will include half the difference between the bid price and the offer price (the 'bid-offer spread').

Detailed Questions

How do you deal with Fee Payment Accounts between different Portfolios?

A note will appear in your ex post reports if you have instructed us to set up a fee payment account between two Portfolios. This is where one Portfolio pays some of the service charges of another Portfolio. An example is where a joint Portfolio GIA Wrapper pays the adviser and Transact charges for the ISAs held in their individual Portfolios.

The relevant charges will appear in the ex post report of the Portfolio generating the charges rather than the Portfolio paying them. If this applies to you it will mean the ex post cost and charges report will not correspond with the cash summary in your Annual Statement.

Are taxes treated as costs and charges?

Transaction based taxes are included as costs and charges under the third party section. Examples include stamp duty reserve tax applied when you purchase some exchange traded investments such as shares.

Taxes relating to your personal circumstances, such as PAYE deducted from pension income, are treated as withdrawals and not included in the costs and charges report.

This marketing communication is for general guidance only and should not be viewed as a recommendation to use or rely on any features contained therein. It does not, and is not intended to, constitute or substitute professional advice.

For further details please speak to your financial adviser.



M195 Version (5) July 2021

"Transact" is operated by Integrated Financial Arrangements Ltd, 29 Clement's Lane, London EC4N 7AE.

Tel: (020) 7608 4900 Fax: (020) 7608 5300 email: info@transact-online.co.uk web: www.transact-online.co.uk

Registered office: as above; Registered in England and Wales under number: 3727592

Authorised and regulated by the Financial Conduct Authority (entered on the Financial Services Register under number: 190856).