

FundZone Charges

Guide to fund, product
and adviser charges

For advisers' use only
(not to be relied on by anyone else).

Standard Life

There's a lot to look forward to

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This guide explains the charging structure that applies to your client's FundZone account. It aims to guide you through the different charges available to help you get the most out of the platform.

Our charges at a glance

We offer a flexible charging structure for you and your clients:

- We don't charge you to set up a FundZone account
- We don't charge to switch, so your clients are not penalised for making regular changes to keep their investment on track
- There is an explicit product charge that reduces when your clients invest more with us
- Adviser charging options provide flexibility and choice when determining your remuneration with your client
- Adviser charges can be deducted from the Supermarket Cash Account, therefore protecting the tax wrapper

Fund management charge

A charge applies to money invested in funds to cover the costs of running them. This is known as the fund management charge (FMC) and is shown as an annual rate. However, the FMC is deducted from each fund on a daily basis, which has the effect of reducing its unit price. Please note that the FMC is also sometimes referred to as the annual management charge (AMC).



**For a full list of FMCs please visit
adviserzone.com**

Product charges

FundZone pricing is fully unbundled which means we apply one simple product charge that rewards your client's buying power by reducing when they invest more with us. We apply a product charge for the Stocks & Shares ISA and a product charge for the Investment Funds. Each of these charges is based on the combined values of the funds as shown in the table below.

Funds (excluding cash) held in ISA and/or Investment Funds	Annual Product Charge
£0 to £49,999	0.35%
£50,000 to £99,999	0.30%
£100,000 to £499,999	0.25%
> £500,000	0.20%

The product charge is calculated daily and deducted monthly from the Supermarket Cash Account. A separate charge will be applied for each product. Product charges will be shown in the transaction history on the platform.

Cash management administration charge

We apply a cash management administration charge on the various cash accounts held within your client's FundZone account. This charge is taken directly from the interest received from the bank(s) used to provide these accounts and so is not deducted from any interest we may pay to customers.

The charges vary depending on the interest received from the bank(s) and may go up and down regularly.

This charge is deducted from the interest received from the bank account provider(s). Details of the applicable cash management administration charges can be found at www.standardlife.co.uk/clientinfo

Order of charges

Where one or more charges are due on the same day the charges will be deducted in the following order:

- Funded initial commission
- Funded initial charge
- Product charge – ISA
- Product charge – Investment Funds
- Initial adviser charge – ISA
- Initial adviser charge – Investment Funds
- Regular initial adviser charge – ISA
- Regular initial adviser charge – Investment Funds
- Ad hoc adviser charge – ISA
- Ad hoc adviser charge – Investment Funds
- Ongoing adviser charge – ISA
- Ongoing adviser charge – Investment Funds
- Adviser charge adjustment (for correction only)

To help you manage your clients' cash, the 'Cash Balances' report on FundZone shows available cash balances, the percentage of cash held and the rate of any ongoing adviser charges set up. This will help you to plan ahead for ongoing adviser charges and ensure that a sufficient cash balance is maintained to facilitate future payments.

Important information about our charges

- Additional charges will also continue to apply to recover past commission payments funded by Standard Life eg, funded initial commission
- We regularly review our charges and may alter them to reflect changes in our overall costs or assumptions. Any increases to our charges won't increase our profits above reasonable levels.

Adviser remuneration

We have designed our remuneration options to allow you to have an open discussion with your client about how they wish to pay for your valuable services.

We will keep your client fully informed of any adviser charges that are set up and will always confirm any charges set up or amendments that are made to them in writing.

All adviser charges will be deducted from the Supermarket Cash Account. You will need to ensure they have enough cash available to cover the adviser charges.

Adviser charge for single and transfer payments

If your client will be making a single payment or transfer payments (including re-registration), they may agree a charge for any advice given. We call this the initial adviser charge. This can either be a monetary amount or a percentage of the single or transfer payment.

Adviser charge for regular payments

If your client is making regular payments, they can agree the monetary amount they will pay (either as one payment or spread over a period of time). This is known as the regular initial adviser charge, and may be paid every month, quarter, half-year or year.

Ongoing adviser charge

Your client may agree to pay for ongoing advice in relation to their product. The ongoing adviser charge can either be a monetary amount or a percentage of their product value. This charge can be taken once a year or split across a different time period (every month, quarter, half-year or year).

Ad hoc adviser charge

Your client can agree to pay a one-off adviser charge at any time. This can be a monetary amount or a percentage of their product value.

Cancelling adviser charges

Your client can cancel any ongoing or regular adviser charges at any time either through you or by contacting us.

Adviser charges - reports

We have a suite of reports that allow you to keep track of your adviser charging for a number of different clients. The reports show you how much each of your clients have paid to date and you can see if any action needs to be taken for any unpaid charges.

These reports are available from the 'Business Management' tab, with the data being collated from the 'Adviser Payments' tab from each client's account.

- Paid adviser charges – the total adviser charges paid from each of your clients
- Pending adviser charges – adviser charges due to be deducted from your clients
- Outstanding adviser charges – shows clients who have insufficient funds to pay your adviser charges
- Failed/cancelled adviser charges – shows adviser charges which have failed after 60 days of attempting to be paid or any that have been cancelled

There is also a report which is available at individual client level called the 'Charges and Rebates' report. It provides a summary and detailed breakdown of all the product charges and adviser charges that have been applied to a client's account.

Keeping cash healthy

It is important to keep enough money in the Supermarket Cash Account to pay product charges and any adviser charges that have been set up. We suggest keeping enough money in the Supermarket Cash Account to cover 12 months of charges.

Cash held in the Supermarket Cash Account will receive a specific rate of interest, which may be zero. For information on the current interest rate, please see our website www.standardlife.co.uk/clientinfo

Insufficient cash to pay product charges

Where there are insufficient funds in the Supermarket Cash Account to pay our product charges, any outstanding amount will be deducted from the Investment Funds cash account or the ISA cash account. If there is still an amount outstanding, we will sell units on a last in first out basis from the Investment Funds. If there is still an amount outstanding, we will take this from the ISA. We call this automatic disinvestment.

Where we have to disinvest (sell funds) we disinvest a minimum amount of £20. For any charges over £20 we disinvest that amount plus £2 to reduce the likelihood of market movements resulting in sales settling below the amount outstanding. For example, if the charge was £54, automatic disinvestment would disinvest £56. Any money remaining after any charges are deducted will remain in the Supermarket Cash Account.

Insufficient cash to pay adviser charges

Where there are insufficient funds in the Supermarket Cash Account to pay your adviser charges we will inform you of this via email, if you have set up e-alerts. We will also create a new action on the 'To Do' page on FundZone showing the failed charge. It is your responsibility to ensure there is enough money to pay your adviser charges.

We will continue to try to pay a failed charge for 60 days, after which we will cancel the entire payment schedule. You will be notified of any cancelled payments via email, if you have set up e-alerts. You can also view this information from either the client's FundZone account or from the 'Failed/Cancelled Adviser Charges' report.



Dedicated adviser support

Standard Life is committed to providing you and your clients with the highest levels of service.

Our dedicated FundZone Customer Centre is on hand to service administration enquiries from 9am to 5pm Monday to Friday.

Tel: 0345 279 2002

Calls may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.

Find out more

If you'd like more information on the products or services within this literature, or if there's anything more we can help you with, just call us on this number or visit our website.

Call us on 0345 279 2002

(Mon-Fri, 9am to 5pm). Calls may be monitored and/or recorded to protect both you and us and help with our training.

www.adviserzone.com

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