



BEING “UPFRONT” WITH CHARGES

Open architecture needn't cost the earth and by opting for the PIMS Upfront charge option, which ensures all set-up costs are paid at the start of the plan, clients can gain access to a multitude of investment opportunities with an Average Ongoing Cost from less than 0.24%* per year.

If your client employs a frequent trading or market timing approach, dealing and custody costs will have a significant effect on the ongoing cost of their investment so perhaps PIMS is not the right option.

If, however, your clients employ a buy and hold approach, or one which utilises a moderate annual trading volume, then you may be surprised to know that PIMS offers a cheaper alternative to traditional investment platforms, as well as offering tax efficiency.

This table shows the initial allocation rate and average ongoing cost based on 0% initial commission.

| Payment amount(s) | Asset deals per year | Initial allocation rate | Average ongoing cost (10 years) |
|-------------------|----------------------|-------------------------|---------------------------------|
| USD350,000 | 5 | 99.25% | 0.24% p.a. |
| USD700,000 | 5 | 99.50% | 0.12% p.a. |
| USD1,000,000 | 5 | 99.50% | 0.09% p.a. |
| USD1,500,000 | 5 | 99.50% | 0.06% p.a. |

If the number of deals is increased to 10 per year, the Average Ongoing Cost increases.

| Payment amount(s) | Asset deals per year | Initial allocation rate | Average ongoing cost (10 years) |
|-------------------|----------------------|-------------------------|---------------------------------|
| USD700,000 | 10 | 99.50% | 0.17% p.a. |

If initial commission is taken, it reduces the allocation rate on a 1 for 1 basis but it does not affect the Average Ongoing Cost at the rate shown below.

The example here shows the initial allocation rate and average ongoing cost at 3% initial commission taken.

| Payment amount(s) | Initial commission | Asset deals per year | Initial allocation rate | Average ongoing cost (10 years) |
|-------------------|--------------------|----------------------|-------------------------|---------------------------------|
| USD700,000 | 3% | 5 | 96.50% | 0.12% p.a. |

*The “Average Ongoing Cost” is based on:

- Initial payment amount(s) applied at allocation rate(s) above
 - Takes both PIMS’ fixed dealing and custody charges into account (including 10 free deals)
 - USD560 annual servicing charge (inflation linked – 3.5% p.a.)
 - Uses an annual growth rate of 7%.
 - No withdrawals or Adviser fees taken
 - Benefits/costs spread over 10 years
- All Figures as at 1st January 2020

FOR MORE INFORMATION ON PIMS’ UPFRONT CHARGE OPTION, PLEASE CONTACT YOUR RL360 SALES MANAGER.