

Discretionary management involves three cost elements: our fee (by service element); a set of 'platform' charges and the costs of products used as portfolio building blocks. The last two are 'third-party' costs charged by others but it is our job to select them.

Fowler Drew fees

Initial planning:

- Fixed (in £) as a function of scope and complexity (typically between £2,500 and £5,000)
- Independent of asset values
- Once only

Discretionary portfolio management:

- 0.5% (0.6% after VAT) pa of assets assigned to all goal-based portfolios
- Subject to negotiable cap above £7m of assets and floor of £3,000 after VAT (to minimise cross subsidy)
- Includes regular replanning of goals throughout the plan
- Subject to cost-based flat-rate uplifts for non-standard service features

New financial planning:

- New goals or radical changes to planning: flat fees (as for initial planning)
- Defined Benefit Transfers: fixed plus asset-based
- Collaborating with third-party specialist advisers: time based

Arranging life insurance policies:

- Percentage, with £ caps (paid as commission by insurers, part rebated)

+ Platform charges

Assets are held on an independent 'platform' providing custody and transaction functions. We minimise costs by selecting a platform that provides the most appropriate scale of charges for our clients, including family units. Platform charges are applied by client but also by type of account or tax-favoured 'wrapper', such as SIPP and ISA, or taxable General Investment Account. The cost will vary as a function of the total amount (because the fee scales are partly fixed and partly asset-based) and (to a lesser extent) the mix of accounts.

+ Product costs

A goal-based 'virtual' portfolio, made up of money in these different accounts (and possibly including off-platform assets) for a single person or spouses, is constructed using a combination of risk free assets (cash and index linked gilts matched to the duration of the cash flows) and globally-diversified equity market index trackers for each market or region we allocate to at any time. Because these exposures are dynamic and carry different costs, these 'product' costs will vary at different stages of a plan, independently of market movements.

= Total third-party costs

Total third-party costs across our business can be expected to range between 0.13% pa (larger accounts and/or more risk free holdings) and 0.30% (smaller accounts, all in equities).

An estimate of all-in costs (Fowler Drew plus third-party costs), in £ and as a % of assets, will be provided before commencing any services