

# RATES AND CHARGES

Below are interest and foreign exchange rates as well as ancillary charges such as foreign exchange, transfers and proxy voting. Charges that apply if you are no longer receiving services from a wealth manager are also included, in addition to information relevant to fund trail. For further detail about our rates and charges please refer to our Terms of Business and the Schedule of Fees and Charges provided by your wealth manager.

## CREDIT INTEREST RATES

### *Raymond James Cash Account*

Effective 15 February 2016, the interest rates applicable to the Raymond James Cash Account are tiered as follows:

| BALANCES              | INTEREST PAID |
|-----------------------|---------------|
| £0 - £5,000           | 0.00%         |
| £5,000 - £250,000     | 0.05%         |
| £250,000 - £1,000,000 | 0.10%         |
| £1,000,000 +          | 0.15%         |

Interest is accrued daily and credited gross to your Raymond James Cash Account every 6 months in April (for period 1st October – 31st March) and in October (for period 1st April – 30th September). Interest will be credited only if the interest amount is greater than £10 within the period. Rates apply to each tier. For example, for a cash balance of £1,500,000, interest is calculated at 0% for the first £5,000, at 0.05% for £5,000 to £250,000, at 0.10% for £250,000 to £1,000,000, and at 0.15% for £1,000,000 to £1,500,000.

### *Accounts held at Pershing Securities Limited (Pershing)*

The interest rate paid on GBP cash held in accounts at Pershing, our primary custodian, is currently 0%.

## DEBIT INTEREST RATE

Debit positions in client accounts are not allowed. Any debit position that does occur will be charged interest at a rate of 6.5%.

## CHARGES ASSOCIATED WITH HOLDING CERTAIN FOREIGN CURRENCIES

As a result of negative or low interest rates set by the central banks of certain countries or regions, the Custodian may make a charge for holding cash in the currency of those countries. Raymond James will pass on that charge to you. This situation will apply to cash held on your accounts in Euros or Swiss Francs, for which the charges as noted below will apply. Please note these charges, and the currencies for which charges apply, are subject to change.

|  |        |
|--|--------|
| Cash held on your account denominated in Euros:        | -0.25% |
| Cash held on your account denominated in Swiss Francs: | -0.75% |

## FOREIGN EXCHANGE RATES

If some of your investments are held outside of the UK, the costs and charges associated with those investments may be denominated in a currency other than Sterling. For your reference, over the past 12 months to April 2016, the US dollar has traded in a range of approximately 1.39 to 1.59 against Sterling; the Euro has traded in a range of approximately 1.23 to 1.44 against Sterling over the same period.

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## FOREIGN EXCHANGE CHARGES

A margin is applied on the value of all currency transactions, based on our reference exchange rate at the time of trade, as follows:

| TRADE SIZE                           | CHARGE |
|--------------------------------------|--------|
| < £100,000 or equivalent             | 0.50%  |
| £100,001 to £250,000 or equivalent   | 0.40%  |
| £250,001 to £500,000 or equivalent   | 0.30%  |
| £500,001 to £1,000,000 or equivalent | 0.20%  |
| £1,000,000+ or equivalent            | 0.10%  |

The charge is not tiered. For example, for a trade in an amount of £300,000, the charge equals 0.30% X £300,000.

## TRANSFER CHARGES

We do not charge clients any exit penalties but do apply the following administrative charges:

### Money Transfer Charges

|  |   |
|--|---|
| BACS 3 day payment                                   | No charge   |
| Same day payment within UK                           | £20 per payment   |
| Foreign payment                                      | £25 per payment   |
| Third party payment                                  | £35 per payment   |
| Rejection, repair or recall on an electronic payment | £15 per instance  |
| Stopped / cancelled cheque                           | £15 per instance  |
| Bounced cheque                                       | £15 per instance  |
| Cheque disbursement (£,\$,€)                         | £15 per cheque (only available on accounts at Pershing) |
| Cash journal transfers                               | £2.50 per journal entry <sup>1</sup>                    |

### Stock Transfer Charges

|  |  |
|--|--|
| Stock transfers into Raymond James               | No charge <sup>2</sup>                         |
| Stock transfers out of Raymond James             | £25 per line of stock per account <sup>2</sup> |
| Stock journal transfers                          | £5 per journal entry <sup>1</sup>              |
| Transfers of restricted stock into Raymond James | £200 per line of stock <sup>2</sup>            |

<sup>1</sup> Not charged when entries are between accounts of same client name.

<sup>2</sup> Plus any applicable global agent charges that typically apply to foreign securities. Please refer to your wealth manager for further information.

## PROXY VOTING CHARGES\*

### UK Securities

|  |     |
|--|-----|
| Per event per request > 5 business days notice                           | £30 |
| Per event per request < 5 days > 2 business days (best endeavours basis) | £50 |

### International Securities

|  |              |
|--|--------------|
| Per event per request > 5 business days notice                           | £50          |
| Per event per request < 5 days > 2 business days (best endeavours basis) | £75          |
| Proxy Voting Card photocopies  | £20 per copy |

- Details of the vote are typically on company websites. As stocks are held in nominee, Pershing will be required to process your vote.

# RATES AND CHARGES

## CLIENTS WHO NO LONGER HAVE A WEALTH MANAGER

Raymond James only services clients through a wealth manager working in either a Raymond James branch or with a firm using our Wrap Platform. If you are a client of a firm using our Wrap Platform and if you are no longer receiving services from your wealth manager, the Raymond James standard charges will apply to you without notice from the date your wealth manager ceases to provide services to you. In addition to the charges described above, the Raymond James standard charges also include:

### *Trade Execution Charges*

|   |  |
|---|--|
| CREST Securities (including Equities, bonds, ETFs and Investment Trusts settled in CREST) and Funds (including Unit Trusts, OEICs & Other Collective Investments) | £27 per trade  |
| Overseas (Non-CREST) Trades   | £52 per trade (plus applicable global agent charges) |
| Exception Trades (for example, hedge funds)   | £50.00 per trade                                     |

### *Account Maintenance*

£100+VAT per year per account for ISAs and General Investment Accounts. Nil on pension, offshore bond and onshore bond accounts.

### *Custody Charges*

0.50% custody charge on assets held in your accounts per annum.

## FUND TRAIL ON LEGACY BUSINESS

As noted in the Raymond James Terms of Business, as long as it is allowed by the Regulator, fund rebates received by Raymond James on behalf of client assets held with us, are credited to the client's account. However, it is important to note that, in accordance with the Retail Distribution Review (RDR), cash rebates are only payable on legacy business, i.e. purchases of retail share classes made prior to, and held on our platform since 31 December 2012. As such, Raymond James is not able to systematically support rebate payments for retail share class holdings transferred onto the platform after this date. We therefore encourage clients, where possible, to convert their holdings to clean share classes prior to transferring them to Raymond James.

Raymond James has been and will continue to offer unit conversions from rebate paying share classes to clean (non-rebate paying) share classes in preparation for the sunset ban in April 2016.

Another important point to note is that HMRC ruled that with effect from 6 April 2013, both cash and unit rebates would be subject to income tax. This applies to non-tax wrapped accounts only. Raymond James deducts the relevant amount of tax prior to paying out a rebate. Raymond James does not support unit rebates.

Raymond James typically processes rebate payments on a quarterly basis. An administrative charge of £10 per account will apply to each rebate we process. Where the amount to be credited is less than £10, it is uneconomical to distribute the rebate and Raymond James will retain it. Rebates relevant to ISAs will be credited directly to the ISA account. No rebate payments will be made until we have received payment from the relevant fund company.

The amount rebated to clients reflects the amount Raymond James calculates we are owed based upon the terms agreed with the fund company, the number of units held and a commonly used trail payment methodology. Regardless of the rebate calculation methodology used by the fund company, for practical reasons Raymond James uses a standard method, rounding where necessary, when allocating rebates to client accounts. This can result in nominal amounts of rebates being retained by Raymond James.

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## FUND HOLDINGS – UNIT CONVERSIONS

In accordance with Financial Conduct Authority (FCA) requirements, trail commission is no longer paid by fund companies to wealth managers and platforms distributing their funds, on investments made from 31 December 2012. Historically these trail commission payments represented a portion of the annual management charge (AMC) of the fund. While this change currently does not apply to purchases made prior to 31 December 2012 (legacy assets), the FCA has made it clear that fund trail on legacy holdings will also cease in the future. Therefore, the majority of fund companies have launched 'clean' share classes that have a lower AMC and no trail commission. Since 31 December 2012, Raymond James has allowed new investments to be made only into clean share classes.

Raymond James provides an efficient means for wealth managers to convert clients' holdings in retail share classes into clean share classes. This conversion process is ongoing and at the time of writing, over 99% of our holdings are in clean, non-trail paying investments.

Conversions are not considered a disposal for tax purposes so do not give rise to Capital Gains Tax (CGT), nor should they give rise to Stamp Duty Reserve Tax (SDRT). A conversion is not compulsory. Wealth managers will be notified before the conversion date for each fund company and will have an opportunity to evaluate what is right for clients. Where clients have discretionary accounts, the wealth managers will make the decision as part of the discretionary mandate. For advisory and execution only accounts, the wealth managers will liaise with clients to agree whether to convert. Decisions to convert will take into account the following factors:

- If the total cost of the fund after conversion is more favourable or neutral;
- The fact that HMRC has ruled that any fund trail rebated after 6 April 2013 will be taxable if held within non-tax wrapped accounts;
- We can, where the trail is related to periods up to 5 April 2016, credit fund trail to your account in the form of a cash rebate. However, due to the cost of administration, we make a charge of £10 per account to process these rebates;
- Following a two-year grace period from 2014, the FCA has introduced a sunset clause banning legacy rebates as of 5 April 2016 for funds held on platforms; and
- New purchases will be in clean share classes which means you could end up with two share classes of the same fund. Therefore, if you were to sell the fund, you may incur a double transaction charge, one for each share class.

While the move to clean share classes is a positive development, clearly there are costs involved. We have negotiated the charge with Pershing, our custodian, who will execute the conversion process. Pershing's charge will be no more than £10 per line of stock, per account. This is, in most cases, a significantly reduced cost compared to a buy and a sell transaction, to achieve the same outcome. Raymond James will not charge a separate fee; we will simply pass through the Pershing charge. If during this process we are able to reduce Pershing's charge in any way, we will do so and pass through the reduced cost to investors.

Please contact your wealth manager if you have any questions regarding the unit conversion process.

**Please refer to your wealth manager for a full list of all fees and charges.**