



Our Fees Explained

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Do you know how much financial advice is costing you?

The cost of financial advice and investments can be a minefield and you should take the time to understand what you're paying. You would be surprised how many people don't.

All the charges for different elements of financial support can vary widely.

Also, to add to this confusion, there are usually numerous parties involved when you invest, like platforms and brokers, and all have to charge for their services.

These parties come in all shapes and sizes, with different cultures, beliefs and values.. Some are more ethical than others. Some are more transparent about their fees and their commitment to delivering value for money.

So it is important to make sure you know what's going on, and to choose providers whose values match your own.

“Always remember, it's your money they're investing, not theirs.

Most importantly, it's your money at risk if invested incorrectly.”



The problem is, it can be difficult to know what questions to ask, or can feel awkward.

Or you forge ahead without clarity on the cost of your financial support, simply trusting your provider to act in your best interests.

That's where we're different.

Because we charge a flat fee based on the complexity of your needs, not the level of your wealth, you know exactly what you're paying for financial support.

Any money your investments make is yours to keep – we don't charge percentages and, unlike the majority of providers in our industry, we really don't want a cut! It's as simple as that.

What we're about is helping you achieve your goals.

Whether that's to repay your mortgage early, pay for university fees or build a nest egg for your retirement, making the right choices on who invests for you and how much it costs you is crucial.

As you can see from the illustrations, fees and charges can build up over time, eroding your financial well-being.

STANDARD IFA MODEL

Investment of £500,000 with 5% growth over 20 years

Total advisor fee (1%)

£223,335.59

Total return

£1,580,126.90

XENTUM MODEL

Investment of £500,000 with 5% growth over 20 years

Total advisor fee (£6k p/a fixed)

£120,000

Total return

£1,711,978.62

Common Charges

We're passionate about our UNUSUAL flat fee approach because the world of financial services is so murky.

It can be difficult for us as professionals to see clearly what some providers are charging. Indeed, there are some large providers whom themselves say they do not understand their own fee structure! So, alongside our flat fee for creating and managing your lifestyle financial plan, we'll give you a crystal clear account of any other charges that would apply.

So you know what the range of charges can be, we outline the main ones below. The key is not to avoid charges where the services provided are helpful, but to be aware of them so that if they do not add value to your financial support, they can be excluded. All too often people simply don't know what they're being charged for and why – we want to change that!

There are 3 main categories of fees:

- Charges relating to planning
- Charges relating to investment strategy
- Charges relating to your adviser fees.

Charges relating to planning

- **Platform/provider charge**

You will pay a fee for using an investment platform.

The investment platform is an online location where you can buy and sell shares and fund, review and manage your investments. The platform will also provide access to a range of research tools. Typically, platforms charge a percentage annual fee, but some may levy a fixed amount each year.

The difference in fees between the cheapest and most expensive platforms can add up to thousands of pounds for a large portfolio.

Some platforms also charge a few pounds when you buy or sell an investment and some charge 'exit fees', although these are increasingly rare.

Dealing charges

In addition to the platform charge, you may also pay dealing charges – when you buy or sell funds. Most platforms don't charge anything for trading investment funds, but some do – so you need to watch out for that.

All platforms charge for share trades, with the price range varying widely – but in most cases, the more trades you do, the cheaper it gets.

Wrapper charge

Depending on the types of plans you hold on the platform there can be an additional charge called a wrapper charge. This will vary depending on the type of plan it is applied to.

Charges relating to investment strategy

Investment charges

If you're investing in funds, there are various charges associated with the underlying funds which are represented as Ongoing Charges Figure (OCF).

This covers all ongoing costs involved in running an investment fund. It includes charges such as the Annual Management Charge (AMC), administration fees, transaction fees, regulatory fees and other expenses.

The OCF is always quoted as a single percentage figure. For example, if a fund has an OCF of 0.50%, then for every £1,000.00 you invest, £50.00 goes towards the costs of running the fund.

Typically, this might be around 0.10%-0.30% for a tracker fund, but as much as 0.80% or more for actively managed funds.

Different platforms are able to negotiate different deals, so you may find that one investment has a higher platform charge but a lower charge for the fund you want to invest in. Also, not all investment strategies are available on all platforms.

Additional investment charges

There can also be some additional costs not covered by the Ongoing Charges Figure such as transaction costs relating to buying and selling the fund's investments, commission paid to stockbrokers for trading and stamp Duty Reserve Tax.

This can vary widely depending on the types of investments/portfolios you invest in.

Some funds also include exit fees if you were to disinvest or transfer away.

Discretionary fund management charge

If you chose to utilise the expertise of a discretionary investment manager (DFM) for your investment strategy this can add an additional charge.

A DFM can buy and sell funds within your plan without direct permission from you.

The charge covers the expertise and research the DFM carries out to pick and choose the most suitable funds for you.

Charges relating to adviser fees

Adviser charges

Many advisory firms will charge you a percentage fee for managing your investments these can vary widely from 0.50% all the way up to 4%.

This would mean if your investment was £500,000 at 0.50% you would pay your adviser £2,500 a year.

Alternatively, if your investment is charged at 4% you would pay your adviser £20,000 a year.

These figures are to demonstrate the cost of having a financial adviser and it's important to make sure you understand cost and service levels before making any choices.

The reason we do not operate on a percentage basis is because we don't think it's fair.

The support you receive should have little correlation to the level of your wealth. It should, rather, reflect the complexity of your financial arrangements and the amount of time and expertise required to help you.

Just because you're wealthy doesn't mean you necessarily need more time of your financial advisor each year – you may have relatively simple wants and needs that can be serviced in a few hours every month.

“Good financial advice can be really valuable to you and your family but you must make sure you understand the full cost of your commitment before making a decision about whom to work with.

Take the time to understand how fees will affect you across the term of your investment, not just in the first few years.

Your investment has been created by YOUR hard work, don't let someone take this away from you in hefty standard charges.”

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