M&G Platform

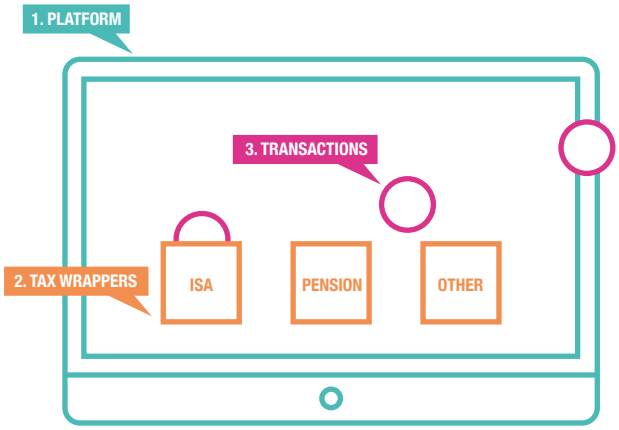
UK Platform Group

WHAT PLATFORMS DO

Investment platforms have been designed to help you and your Financial Adviser manage your savings and investments and your financial plan.

Platforms are used to administer your savings and investments; they provide three main services:

- A platform will provide 'custody', which means that cash and investments are held for safekeeping, by a nominee. The platform facilitates the administration of investments and provides reports, information and online access and management.
- Tax wrappers are available on platforms in which investments are held. These are accounts such as an Individual Savings Account (ISA) or pensions which have different rules about tax and access and can be used for tax planning within your financial plan.
- Platforms are also used to arrange and manage the trading of investments – the buying and selling of different types of investment such as funds and shares.



TAX WRAPPERS (or other financial plans) sit inside a PLATFORM. You and your Financial Adviser may make TRANSACTIONS, or trades, on the platform, by buying and selling investments in the tax wrappers or accounts held within the platform.

HOW PLATFORMS CHARGE

Jargon in financial services can be confusing and make it difficult to understand what you are paying for on a platform and so to decide which would be good value for you. There are different types of charge on a platform and here we explain what these are and what they cover, also the different names which platforms use for them.

1 THE ANNUAL PLATFORM CHARGE

All platforms charge an annual fee for the use of their services. This can be a percentage of the amount of money you have on the platform, or a fixed annual fee. This is usually described as a charge 'per annum' and is calculated and taken monthly. Platforms may refer to this charge in various ways, such as:

Service Charge | **Platform Charge** | **Custody Charge** | **Platform Management Fee** | **Account Fee**

Annual Management Fee | **Administration Fee** | **Ongoing Platform Fee** | **Portfolio Charge**

M&G Platform calls this the Annual Platform Charge.

2 CHARGES FOR TAX WRAPPERS

Some platforms charge separately for tax wrappers or accounts such as ISAs, pensions or bonds. These charges can be calculated as a percentage of the amount you hold within the wrapper or as a fixed amount. Some names for these are:

Wrapper Charge | **Portfolio Charges** | **Investment Wrapper Charge** | **Account on-going Charges**

Pension or ISA Fee | **Custody Charge**

M&G Platform does not make a separate charge for its own tax wrappers and accounts. Third Party Products held on the platform may apply their own wrapper charges.

3 TRADING CHARGES

Some platforms charge separately for trading, buying and selling funds and shares for you. These charges can be calculated as a percentage of the amount you hold in the wrapper, or as a fixed amount, per trade. These may be called:

Transaction Fees | **Buy Commission** | **Dealing Charges** | **Equity Dealing Charges**

Asset Transaction Charge | **Funds Dealing** | **Stockbroker Trading Charge**

M&G Platform does not make a separate additional charge for buying and selling funds and shares for you.

UNDERSTANDING PLATFORM CHARGING

HOW WE CHARGE

1 THE ANNUAL PLATFORM CHARGE



Applied to invested assets only
(cash excluded)

2 CHARGES FOR TAX WRAPPERS



Not applicable
(except for third-party products, where charges may apply)

3 TRADING CHARGES



Not applicable

M&G Platform applies an Annual Platform Charge (APC) to the invested assets in your Account(s). Cash held in your Cash Account(s) are not included when we calculate the APC. Charges are calculated monthly in arrears based on the average daily value of investments in each Account. If the calculated APC for an Account is below £15, we apply a £15 minimum charge instead.

Our APC is tiered, which means the percentage you pay depends on the total value of your invested assets across your portfolio:

- On investments up to and including £1 million
- On investments from £1 million and up to and including £3 million
- On investments from £3 million and up to and including £5 million

The APC for Accounts exceeding £5 million in value is available on request.

Your Financial Adviser will be able to tell you the level of Annual Platform Charge which would apply to your Accounts.

M&G Platform also has a Family Group facility which may be used to enable you to benefit from a lower charge basis. The values of Accounts held by close relatives, on the M&G Platform, are combined enabling all members of the group to potentially benefit from more favourable charges.

OTHER THINGS YOU MAY NEED TO KNOW TO UNDERSTAND YOUR PLATFORM'S CHARGING STRUCTURE

Percentages or £s?

Charges may be expressed either as percentages or in pounds. For an account valued at £100,000, a charge of '£200 a year' or '0.2% per annum' are the same thing.

Tiered charges

The charges may also change depending on the value of an account or the size of a transaction. For example, a £50,000 account may attract a different charge rate than a £500,000 account. Different charge levels for different 'tiers' may also apply to your account. For example, a £500,000 account may be charged one rate for the first £50,000 and a different rate for the remaining £450,000.

Additional activity-based charges which may apply

Not every investor is the same and people have different needs at different times, which can lead to one-off costs and charges. These are mostly in relation to pensions or moving cash. Some of the more common examples are below, but there may be others:

Drawdown Fee | **Annuity Charge** | **Cheque Handling Fee** | **Manual Communication Charge**

Phased Transactions | **Dividend Reinvestment** | **Payment by CHAPS** | **Regular Income Drawdown**

M&G Platform does not apply any activity based charges.

Beyond the platform – the bigger picture

This document explains how platform charging models work. For ease, included here are details of other costs and charges which may apply to your account, which are administered or facilitated by the platform but are not charges kept by the platform.

Your Financial Adviser

In addition to these platform charges, you will agree a charge with your Adviser for his/her service. In some cases, your platform may be able to arrange for some or all of these charges to be paid from your platform account, for ease. This will be at your instructions and the amounts depend on what has been agreed with your Adviser. This is not a fee levied by your platform – the platform would facilitate the collection and payment to your Adviser.

Investment funds

The investments that you hold in your platform account may be subject to charges applied by the asset manager. For example, unit trusts and mutual funds have such charges – but most shares don't. If there are charges associated with the investments you hold, they will be deducted from the value of your investment to pay the investment provider. This is not a charge taken by the platform.

Please ask your Financial Adviser if you would like clarification on what charges apply to your account.