

## MANAGED INVESTMENT ACCOUNT SERVICES

### UNITISED PORTFOLIO MANAGEMENT FEES

Initial Fee Charge	Nil - 100% invested from outset
Exit or Redemption Fee Charged	Nil - Immediate access
Minimum Term	None - Daily liquidity
Investment Management Partner Fee	0.50% per annum
Private Fund Management Fee	0.50% per annum
<b>Total Annual Management Fee</b>	<b>1.00% per annum</b>

### DISCRETIONARY INVESTMENT MANAGEMENT FEES

Initial Fee Charge	Nil - 100% invested from outset
Exit or Redemption Fee Charged	Nil - Immediate access
Minimum Term	None - Daily liquidity
Investment Management Partner Fee	0.75% per annum
Private Fund Management Fee	0.50% per annum
<b>Total Annual Management Fee</b>	<b>1.25% per annum</b>

For investment amounts of £5 million or above, please contact us.

Management fees are charged quarterly in arrears, based on the value of the portfolio as at the quarter end. A pro-rata fee is made for portfolios which are transferred into or out of the Investment Management Service during the quarter.

For this fee, you will gain the following benefits:

- Direct access to the person managing your investments (Rathbone investment accounts only)
- Personalised Portfolio designed to meet your unique investment requirements
- 24/7 online access to your investment portfolio via the Investment Partner's online portal
- Experienced Investment Managers in offices throughout the UK, Channel Islands and Switzerland
- Peace of mind from having your money managed by the largest and reputable investment companies

The investment management fee is completely transparent and you will not be charged the following:

- Fixed and minimum fees
- Dealing and commission charges
- Third party brokerage charges
- Set-up and exit fees
- Transfer in or out charges
- Custody or platform fees
- Performance fees

### **How are Private Fund Management fee terms beneficial for you**

Our Total Expense Ratio (TER) is a maximum of 1.25%. Compare this to other forms of investments:

Company	Product Charge	Investment Fee	Exit Penalty	Disbursements
Private Fund Management	Nil	Maximum 1.25% pa	None	Included in annual fee
Typical Wrapper or Bond	1.00% per year	0.75% to 2.75% pa	9.5% reducing over 5/10 years	Charged to investor



#### PFM Managed Investment Account Services

Proactive Investment Management  
Low Charges  
Flexibility  
Investment managers available to meet on a one to one basis  
Liquidity - Withdrawals credited within 3 banking days  
No Investment restrictions  
No exit/encashment penalties

#### Insurance Bond/Wrappers

Reactive/Passive Investment Management  
High charges  
Inflexible - contractual terms & conditions  
Inaccessible investment managers - no advice or contact  
Illiquid - Withdrawals concluded within 2 to 3 weeks & exit costs  
Investment restrictions  
High exit penalties often for the first 10 years & as high as 10%

The effect of fees and/or investment charges may appear to be a small sum or percentage today, but can compound over time to a larger number that substantially reduces the returns investors get back in their pockets.

If a fund manager is going to produce high performance the difference in cost between one investment and another may be relatively immaterial. However, if the overall returns are likely to be low, then total costs should be a key determinant in an investor's decision-making process. There has been extensive research proving an inverse relationship between fund charges and performance, i.e. the less you pay, the more your investment tends to grow. So the higher the costs incurred the lower the statistical probability that an investor will receive healthy returns.

There will of course be fund managers producing excellent returns that charge high fees, just as there will be funds charging very low fees that produce disappointing returns but evidence shows there is a very strong relationship between the overall costs and charges and the actual performance received. It is also important to remember that in any investment decision process it is important to consider not just costs, as risk and performance are just as important, along with the service an investor receives from the investment company with whom they entrust their capital investment.

#### Portuguese Tax Liability - Capital Gains Tax (Cat E)

Dividends and/or investment gains are subject to taxation once they become due when they are at the holder's disposal, and are subject to a flat rate of 28%. Taxpayers can opt for taxation on the progressive rate basis, from 14.5% up to 48%.

#### UK Tax Liability - Capital Gains Tax

An annual allowance is applied on the capital gain - currently £11,300 per person as per tax year in 2017/2018. Those who pay basic rate income tax pay CGT at 10%, but higher rate taxpayers are charged CGT at 20%. If you are a basic rate taxpayer by virtue of your income, but have made large enough taxable capital gains to push you over the threshold above which income tax is levied at 40%, you will pay the higher rate of CGT on the portion of gains that takes you over the threshold.

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