

# STANDARD CHARGING STRUCTURE EASY TO UNDERSTAND CHARGES AT A GLANCE

## Scottish Widows Platform – Openwork

For Professional Advisers only

We understand that it's important to keep things simple when it comes to charges. The Scottish Widows Platform has a straightforward, easy to understand charging structure, so you and your clients are clear on what the charges are and when they apply.

### Scottish Widows Platform Account(s) charge

This is a percentage charge based on the value of the assets under administration in the client's Scottish Widows Platform Account(s).

The percentage charge is:

- On a reducing scale, so the greater the value of assets under management the lower the overall percentage charge will be.
- Calculated and accrued daily and is deducted on the monthly anniversary of the date you first set up your client's Scottish Widows Platform Account(s). This may be prior to the date you submitted the application.
- Paid from available cash in the accounts, in proportion to the overall value of the client's Scottish Widows Platform Account(s).

The following table shows the current standard Scottish Widows Platform Account(s) charge for Openwork.

The first band of assets held is charged at an initial percentage rate and subsequent bands at lower percentage rates as follows:

Scottish Widows Platform Portfolio Charge					
Band	Min	Max	Charges per year ISA & GIA	Charges per year Pension	Charges per year Junior Pension
Band 1	£0.00	£24,999	0.35%	0.50%	0.35%
Band 2	£25,000	£99,999	0.23%	0.23%	0.23%
Band 3	£100,000	£249,999	0.18%	0.18%	0.18%
Band 4	£250,000	£499,000	0.13%	0.13%	0.13%
Band 5	£500,000	n/a	0.05%	0.05%	0.05%

## Interest charges

Any Cash held in an Account may be eligible for interest payments. We will retain the difference between our published interest rate and the fluctuating rates paid by banking partner(s) and therefore the rate of interest which is applied to your client's Account will be determined by us. This treatment of interest by us is detailed in the Key Features Document and in the Charges Information Document. We reserve the right to change the rate of interest we pay at any time.

Our expected interest earned on the cash deposits is expected to be in the region of 3.75%-4% for Q3 2023. The customer rate will be set at 2% from 17 July 2023, with the platform retaining the balance.

Where interest is being earned, it is accrued daily by the platform based on the rate that we define and calculated against the client's cash holdings that day. On the first of each month, the total of these accruals for all days in the prior month is applied to the client's account on platform, increasing their cash balance. The corresponding cash balance is paid into the client bank account on the same day.

If a client transfers out of their scheme mid-month, the total interest accrued up to that day is applied to the client's account on platform, increasing their cash balance. The corresponding cash balance is paid into the client bank account on the same day.

## Charges on assets

The following charges will be deducted by mutual fund managers, or our nominated stockbroker and will depend on the assets that your client is invested in.

### Mutual fund charges

The annual management charge and annual expenses are included in the mutual fund prices we quote. In addition there may be:

- An initial charge which applies each time an investment is made into a fund. Although for the vast majority of mutual funds we have negotiated a zero charge.
- A bid/offer spread.
- A performance related fee.
- A dilution levy or adjustment.

We have negotiated preferential terms for your clients on most of the mutual funds available. These come in the form of 'discounted initial charges'. We have also negotiated preferentially priced terms for over 100 funds on the platform.

## Charges Information Document

A Charges Information Document will be produced from the platform to give the details of the charges applicable to your client each time a disclosure point is triggered.

## Disinvestment strategy

Where there is insufficient available cash to meet a charge due on a client's account(s), we will immediately sell mutual funds held in the account(s) to cover the amount outstanding.

The charges this applies to are the:

- Scottish Widows Platform Account(s).
- Scottish Widows Personal Pension ongoing charge.

Also triggers for certain adviser charges:

- Ongoing adviser charge
- Regular initial advisers charge

We will sell mutual fund assets equivalent to the value required, subject to a minimum disinvestment of £10 or 110% of the debt, whichever is greater. This applies to each account.

When a client's Scottish Widows Platform Account(s) is set up, a proportionate disinvestment strategy is automatically applied to all new accounts to determine the basis we sell mutual fund holdings. There are three disinvestment options available:

- Least volatile fund first.
- Most recently purchased fund first.
- Proportionately.

As part of a disinvestment strategy, we will not automatically sell:

- Assets that are held within a model portfolio, unless you have chosen the proportionate disinvestment strategy.
- Assets that have been specifically excluded from the disinvestment strategy. For example, those that have been marked as treasured.

We may also choose to exclude mutual funds where we believe this is appropriate, such as where they are not priced daily.

If the client does not have sufficient value held in mutual funds to cover an amount due, we will contact you to determine the action needed.

Where a customer is invested in a model portfolio managed by an investment adviser and there is insufficient cash inside the model to pay the investment adviser's charges then the least volatile fund will be sold first to pay this charge.

Where the disinvestment strategy on your client's Scottish Widows Platform Account(s) is Proportionately it will include any assets held within the investment adviser's model portfolio. In this case the investment adviser's sell strategy would be used to generate the cash required to cover the platform charges.

Further information on charges is included in the Scottish Widows Platform Account(s) terms and conditions, the applicable account Key Features Document and the client specific Charges Information Document.

**For more information on the Scottish Widows Platform, please contact your Openwork Business Development Manager, or alternatively the Openwork Support Team on 0330 6782 545.**



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