

# Santander Investment Hub - Fees, Charges & Interest rates

## What are the charges for using the Hub?

Santander ISA Managers Limited (SIM) and other companies involved with the investments available on the Hub take charges and fees to allow the Hub services to be offered.

We pride ourselves in being transparent and clear on what you pay and why. If anything is unclear, please contact us.

We list all of the costs in the tables below, and provide more details on these in the following sections.

Charge	Who charges the fee?
<b>Advisory Service Fee</b>	Santander UK plc
<b>Platform Service Fee</b>	Santander ISA Managers Limited (SIM)
<b>Ongoing Charge Figure (OCF)</b>	The OCF is taken from the fund by the underlying fund management companies. This isn't received by SIM or Santander UK plc.
<b>Fund transaction costs</b>	They are taken by different organisations such as stockbrokers used by the fund managers to buy and sell investments. These aren't received by SIM or Santander UK plc.

In addition, the costs in the table below are applicable if you've been advised to invest in the Model Portfolio Service. These charges will be taken on a monthly basis. More details on these charges can be found on pages 3 and 4.

Charge	Who charges the fee?
<b>Ongoing Adviser Services Fee</b>	Santander UK plc
<b>Model Portfolio Service Fee</b>	Santander Asset Management UK Limited (SAM UK)

## What is the Advisory Service Fee?

The Advisory Service Fee is a one-off amount paid to Santander UK plc for the provision of advice.

If you get advice from a Santander UK plc adviser, there'll be an Advisory Service Fee, which will be explained to you as part of the advice process. You only pay the Advisory Service Fee if you go ahead with the recommendation and invest with us. In relation to the Model Portfolio Service, this fee is inclusive of any VAT that may be payable.

If you don't receive advice from a Santander UK plc adviser, then no Advisory Service Fee is charged. You must have received advice before you can invest in the Model Portfolio Service.

## What is the Platform Service Fee?

The Platform Service Fee is taken half yearly to allow SIM, as the Hub provider, to pay for the following costs:

- Payments to the technology supplier, who supports the systems that underpin the Hub.
- Payments to others for arranging the purchase and safe keeping of funds.
- The costs of running our Investments Centre Helpline.
- Other costs in operating and managing SIM, including support functions.

Where you have the Model Portfolio Service, the Platform Service Fee also pays for the cost to us of hosting this service on the Hub and the services that we provide in relation to it.

The Platform Service Fee is based on the value of your investments held on the Hub. The fee is calculated daily and taken half yearly in arrears on, or just after, 1 May and 1 November each year. The amount will vary depending on the value of your investments held on the Hub. The Platform Service Fee is the same, irrespective of which fund you've invested in. The actual amount you pay half yearly will vary as the value of your investments can change on a daily basis due to market movements, further investments and any withdrawals made.

When calculating the Platform Service Fee, only the value of your investments in funds is taken into account. No fee is charged on any money held in your Cash Only Account or on any cash held in either the Stocks and Shares ISA or the Investment Account.

In addition, where you have the Model Portfolio Service, the value of your investments and cash in your Portfolio(s) will be taken into account when calculating your Platform Service Fee.

The Platform Service Fee is calculated and collected separately for each Hub Account you hold (e.g. fees for a Hub Account in your sole name will be calculated and collected separately from a Hub Account you hold jointly with someone else).

## How much is the Platform Service Fee and how is it taken?

You can arrange for your Platform Service Fee to be paid by variable Direct Debit. If you haven't arranged a variable Direct Debit, or where that variable Direct Debit isn't set up in time or the fee isn't successfully collected, then the Platform Service Fee is taken in the following order:

- First from any cash held in the Cash Only Account.
- When this has run out, they're next taken from any cash in the Investment Accounts.
- If this isn't enough, we'll start to sell your investments from the Investment Account. If you've invested in the Model Portfolio Service, we'll next take it from your Portfolio(s) in your Investment Account.
- If this isn't enough, they'll next be taken from any cash in the ISA.
- We'll then sell your investments from the ISA. If you've invested in the Model Portfolio Service, we'll then take it from your Portfolio(s) in your ISA.

Please note that any money removed from your ISA will lose its tax-efficient status and, if replaced by you, will count towards your ISA limit in the current tax year. This Stocks and Shares ISA does not offer flexible features. This means that you can't replace any money withdrawn in the same tax year without it counting towards your annual ISA limit.

Note that the percentage fee applies to the amount in that band. So, for example if the total amount invested in funds is worth £200,000, the annualised total fee is calculated as follows:

	Value of Investment Hub	% p.a. on this slice	Platform Service Fee on this slice per year
Example	The first £50,000	0.35%	£175 (0.35% x £50,000)
	Above £50,000 to £500,000	0.20%	£300 (0.20% x £150,000)
	Above £500,000	0.10%	£0 (0.10% x £0)
	Total Platform Service Fee per year:		£475

In the example above, this is equivalent to a percentage charge of 0.24% each year (or 0.12% per half year).

It's up to you how much you want to put into either the Cash Only Account, or cash in the Investment Account and/or the ISA, subject to annual ISA limit. Where you haven't arranged to pay charges by variable Direct Debit, the more you put in, the longer the cash will be able to pay for charges, and so fewer investments will need to be sold. However your total returns may be lower because the interest on cash may be less than the potential return on the investment. If you put in small amounts, or even zero, there will be half yearly selling of your investments to pay for the charges, which may not be desirable, particularly if market values are low.

### The Platform Service Fee (expressed as annualised amounts) is:

Value of Investment Hub	% p.a. on this slice
The first £50,000	0.35%
Above £50,000 to £500,000	0.20%
Above £500,000	0.10%

## What is the Ongoing Charge Figure?

The Ongoing Charge Figure is an industry standard measure of the fund management and the operational charges that are applied to a fund by the fund manager and others, such as auditors and the regulator. It's taken into account before the daily share price is calculated. It's not taken by SIM. It's always shown as an annual figure, as a percentage, so you can compare the charges of different funds.

It's important that you know about the Ongoing Charge Figure for each fund you invest in – they vary by fund and can be found in the KIID or KID for each fund you'd like to buy or in the relevant Model Portfolio Factsheet(s) if you've been advised to invest in the Model Portfolio Service.

The different elements that make up the Ongoing Charge Figure are shown below:

- Payments to the manager of the fund, called an 'Annual Management Charge'.
- Payments to supporting companies who perform functions for the fund, such as auditors and the regulator.
- Other costs, depending on what the fund invests in.

The Ongoing Charge Figure is separate from the Platform Service Fee.

Where you've invested in the Model Portfolio Service, each Model Portfolio has a target maximum Ongoing Charge Figure that it aims to not exceed. This figure is not guaranteed as the reference assets in the Model Portfolios may increase their Ongoing Charge Figures from time to time. Please see the relevant Model Portfolio Factsheet(s) for details of the Ongoing Charge Figures.

## What are fund transaction costs?

There are also other costs associated with investing in funds which are important for you to be aware of. These are known as fund transaction costs and they:

- apply on top of the Ongoing Charge Figure;
- are costs that are directly related to the investment activities of buying and selling the underlying investments inside the fund;
- may be offset against the improved returns you may receive as a result of this buying and selling activity; and
- may also be triggered by new investors buying shares in the fund, or by investors leaving the fund. In these cases, the fund's performance may not be affected, as these types of transaction costs may be borne by those customers.

Details of the transaction costs may not always be available for all funds available through the Hub. Where they are available, these are shown as a percentage of the fund and are taken into account before the daily share prices are calculated.

## What is the Ongoing Adviser Services Fee?

This fee only applies if you've invested in the Model Portfolio Service.

One of the key features of the Model Portfolio Service is the ongoing advisory services. These are required so that your Santander UK plc adviser can regularly assess the suitability of your Portfolio in meeting your needs. The Ongoing Adviser Services Fee is the amount charged by Santander UK plc for providing this service to you. Please see the separate ongoing advisory service terms that your Santander UK plc adviser provided to you when they first gave you advice on the service.

The fee is based on the total value of your investments and cash held in all of your Portfolio(s). So the actual amount you pay will vary as the value of your Portfolio(s) can change on a daily basis due to market movements and any further investments or withdrawals that are made. This fee is calculated daily. We collect this fee on your behalf and facilitate its payment to Santander UK plc on a monthly basis. The fee is collected by applying the same process as described in the 'How much is the Platform Service Fee and how is it taken?' section. This fee includes VAT, where VAT is payable.

As with other fees, this fee is calculated and collected separately for each Hub Account you hold (e.g. fees for a Hub Account in your sole name will be calculated and collected separately from a Hub Account you hold jointly with someone else).

### What is the Model Portfolio Service Fee?

This fee only applies if you've invested in the Model Portfolio Service.

This fee is charged by SAM UK for managing the Model Portfolios that your Portfolio(s) reference.

The Model Portfolio Service Fee is 0.30% p.a. and is based on the total value of your investments and cash held in all of your Portfolio(s). It is calculated daily and taken monthly.

The actual amount you pay monthly will vary as the value of your Portfolio(s) can change on a daily basis due to market movements, further investments and any withdrawals made. We collect this fee on your behalf and facilitate its payment to Santander UK plc as your agent, who pays it on to SAM UK. The fee is taken by applying the same process as described in the 'How much is the Platform Service Fee and how is it taken?' section. This fee is inclusive of any VAT that may be payable. For information on what 'acting as agent' means please see the Santander Investment Hub - Terms and Conditions.

### Are there any other charges?

There may be other charges associated with any funds in which you invest which aren't taken by SIM. For more information, please refer to the relevant Key Investor Information Document or Key Information Document for any funds in which you invest, or the relevant Model Portfolio Factsheet(s) if you've been advised to invest in the Model Portfolio Service.

### What interest will I receive on cash?

Interest is currently calculated at a rate of 0.20% AER/gross (variable) on your Cash Only Account and cash in your Investment Account (if you've invested in the Model Portfolio Service, this includes any cash that might be held in your Portfolio(s)). Interest is currently calculated at a rate of 0.20% AER/tax-free (variable) on cash in your Stocks and Shares ISA (if you've invested in the Model Portfolio Service, this includes any cash that might be held in your Portfolio(s)). Please see the Santander Investment Hub – Key Features Document for information on the tax treatment of interest.

AER stands for Annual Equivalent Rate and shows what the interest rate would be if we paid interest and added it to your account each year. The gross rate is the interest rate we pay where no Income Tax has been deducted. The tax-free rate is the rate of interest payable where interest is exempt from Income Tax. Interest is calculated daily and paid monthly. Fees and interest rates can vary. Information correct as at 28 April 2020.

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