

# INVESTMENT TRUSTS AND ETFs

## Examples of charges

### Investment Trusts

#### How will charges affect my investment?

Any charges you pay will reduce the value of your investment. The table below shows how charges would affect an investment of £10,000 in an Investment Trusts if it didn't change in value at all, or it grew by 2%, 5% or 8% over the course of three years (these are just example growth rates provided by our regulator, the Financial Conduct Authority). This example assumes the investment is sold at the end of the third year and charges include dealing commission for this trade.

The value of any investment can go down as well as up and you could get back less than you originally invested.

Amount invested	£10,000				
Example growth rate per year	Value of investment after 3 years: before charges	Impact of charges on return	Value of investment after 3 years: after charges	Total growth after 3 years: before charges	Total growth after 3 years: after charges
0%	£10,000.00	-£510.58	£9,489.42	0.00%	-5.11%
2%	£10,612.08	-£538.11	£10,073.97	6.12%	0.74%
5%	£11,576.25	-£581.34	£10,994.91	15.76%	9.95%
8%	£12,597.12	-£627.65	£11,969.47	25.97%	19.69%

#### Examples of costs and charges

When you invest in an Investment Trust or Exchange Traded Fund (ETF), you'll pay some charges to us, and some charges to the provider of the investment.

The example on the next page shows how much you'd pay in charges if you invested £10,000 in an Investment Trust with our Share Dealing ISA and it grew by 5% each year. This is an example rate of growth and isn't a prediction or guarantee. We've split this into how much you'd pay in your first year, what you'd pay in the second year you kept the investment, and what you'd pay if you sold the investment at the end of the third year. Actual charges are different for each Investment Trust and are usually a percentage of your investment, so will vary depending on how much your investment is worth – we've used average percentages of 0.45% for management fees and 0.65% for ongoing charges in the table overleaf.



**LLOYDS BANK**

When you first invest – set up charges and first year		
<b>Amount invested</b>	<b>£10,000</b>	
<b>Our charges</b>		
Dealing commission	£11.00	
ISA administration charge (2 x £20)	£40.00	
<b>Other trading charges</b>		
Stamp Duty	£49.94	0.5%
<b>Investment Trust charges</b>		
Initial charge	£0.00	0.00%
Management fees	£45.20	0.45%
Ongoing charges	£65.29	0.65%
Performance fees	£0.00	0.00%
<b>Plus growth – 5% assumed</b>	<b>£10,492.74</b>	
<b>Less total charges</b>	<b>£211.43</b>	
<b>Investment after charges</b>	<b>£10,281.31</b>	
The second year you have the investment (we've assumed it's grown by 5%)		
<b>Our charges</b>		
ISA administration charge (2 x £20)	£40.00	
<b>Investment Trust charges</b>		
Management fees	£46.76	0.45%
Ongoing charges	£67.55	0.65%
Performance fees	£0.00	0.00%
<b>Plus growth – 5% assumed</b>	<b>£10,791.07</b>	
<b>Less total charges</b>	<b>£154.31</b>	
<b>Investment after charges</b>	<b>£10,636.76</b>	
The year you sell your investment (we've assumed it's grown another 5%)		
<b>Our charges</b>		
Dealing commission	£11.00	
ISA administration charge (2 x £20)	£40.00	
<b>Investment Trust charges</b>		
Management fees	£48.38	0.45%
Ongoing charges	£69.89	0.65%
Performance fees	£0.00	0.00%
Exit charges	£0.00	0.00%
<b>Plus growth – 5% assumed</b>	<b>£11,164.19</b>	
<b>Less total charges</b>	<b>£169.27</b>	
<b>Investment after charges</b>	<b>£10,994.92</b>	

That means that if you held the investment for 3 years, your charges would total **£535.01**.

## Exchange Traded Funds (ETFs)

### How will charges affect my investment?

Any charges you pay will reduce the value of your investment. The table below shows how charges would affect the investment in the example if it didn't change in value at all, or it grew by 2%, 5% or 8% over the course of three years (these are just example growth rates provided by our regulator, the Financial Conduct Authority). This example assumes the investment is sold at the end of the third year and charges include dealing commission for this trade.

The value of any investment can go down as well as up and you could get back less than you originally invested.

Amount invested	£10,000				
Example growth rate per year	Value of investment after 3 years: before charges	Total charges	Value of investment after 3 years: after charges	Total growth after 3 years: before charges	Total growth after 3 years: after charges
0%	£10,000.00	-£347.41	£9,652.59	0.00%	-3.47%
2%	£10,612.08	-£353.63	£10,247.14	6.12%	2.47%
5%	£11,576.25	-£363.20	£11,183.83	15.76%	11.84%
8%	£12,597.12	-£373.05	£12,175.77	25.97%	21.76%

### Example of charges for ETFs

Exchange-traded funds have different charges to Investment Trusts, and the example below shows how much you might pay in charges if you invested £10,000 in an ETF using a Share Dealing ISA. ETFs usually have two charges; an ongoing charge and a transaction cost, and we've used average figures of 0.20% and 0.50%. The example is based on holding the investment for 3 years, and it growing in value by 5% each year. This is an example growth rate only and isn't a prediction or guarantee.

### When you first invest – set up charges and first year

<b>Amount invested</b>	<b>£10,000</b>	
<b>Our charges</b>		
Dealing commission	£11.00	
ISA administration charge (2 x £20)	£40.00	
<b>ETF charges</b>		
Transaction costs	£50.68	0.50%
Ongoing charges	£20.27	0.20%
<b>Plus growth – 5% assumed</b>	<b>£10,496.21</b>	
<b>Less total charges</b>	<b>£121.95</b>	
<b>Investment after charges</b>	<b>£10,374.26</b>	

### The second year you have the investment (we've assumed it's grown by 5%)

<b>Our charges</b>		
ISA administration charge (2 x £20)	£40.00	
<b>ETF charges</b>		
Transaction costs	£52.64	0.50%
Ongoing charges	£21.06	0.20%
<b>Plus growth – 5% assumed</b>	<b>£10,889.66</b>	
<b>Less total charges</b>	<b>£113.70</b>	
<b>Investment after charges</b>	<b>£10,775.96</b>	

### The year you sell your investment (we've assumed it's grown another 5%)

<b>Our charges</b>		
Dealing commission	£11.00	
ISA administration charge (2 x £20)	£40.00	
<b>ETF charges</b>		
Transaction costs	£54.68	0.50%
Ongoing charges	£21.87	0.20%
<b>Plus growth – 5% assumed</b>	<b>£11,311.38</b>	
<b>Less total charges</b>	<b>£127.55</b>	
<b>Investment after charges</b>	<b>£11,183.83</b>	

That means that if you held the investment for 3 years, your charges would total **£363.20**.

#### Important information

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