



# GUIDE TO INVESTMENT PLATFORMS

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*The choice you need*



# Contents

<b>INTRODUCTION</b>	<b>03</b>
<b>HOW THINGS USED TO BE</b>	<b>04</b>
<b>INVESTMENT PLATFORMS – THE CONTROLLED WAY TO INVEST</b>	<b>05</b>
<b>INVESTMENT PLATFORMS – THE TAX IMPLICATIONS</b>	<b>06</b>
<b>INVESTMENT PLATFORMS – THE COSTS</b>	<b>07</b>
<b>HOW WE CAN HELP REDUCE YOUR CHARGES</b>	<b>08</b>
<b>PROTECTING YOUR MONEY</b>	<b>09</b>
<b>WHICH APPROACH WILL SUIT ME BEST?</b>	<b>10</b>
<b>HERE TO HELP YOU</b>	<b>11</b>

# INTRODUCTION

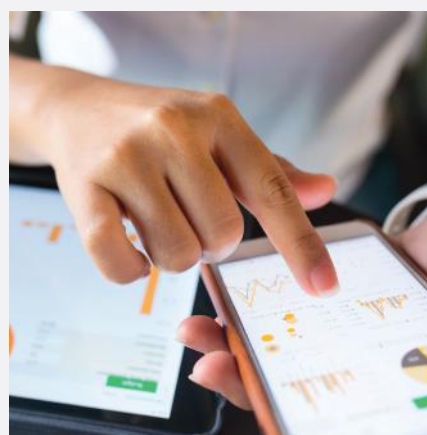
*Change for the better ...*

**In a relatively short space of time, the Internet has changed the way we run our lives. We now bank online, shop online, book our holidays online, and communicate with our friends online. However, the Internet and financial technology are also changing the way we invest our savings.**

Technology, in the form of investment platforms, has reinvented the way we invest and you now have far more flexibility and choice available at your fingertips. In the past you might have held pension plans with multiple pension providers, unit trusts with different fund managers, and ISAs with various banks. If you wanted to find out how your investments were performing, you had to contact each provider in turn and wait for paper valuations to arrive in the post.

The Internet and financial technology have changed this. In this guide we will explain how investment platforms give you more control over your investments, allowing you, and your adviser, to manage your investments in real time and in one place.

**MODERN  
TECHNOLOGY HAS  
CHANGED THE WAY  
WE INVEST MAKING  
THINGS SIMPLE AND  
EASIER TO MANAGE**



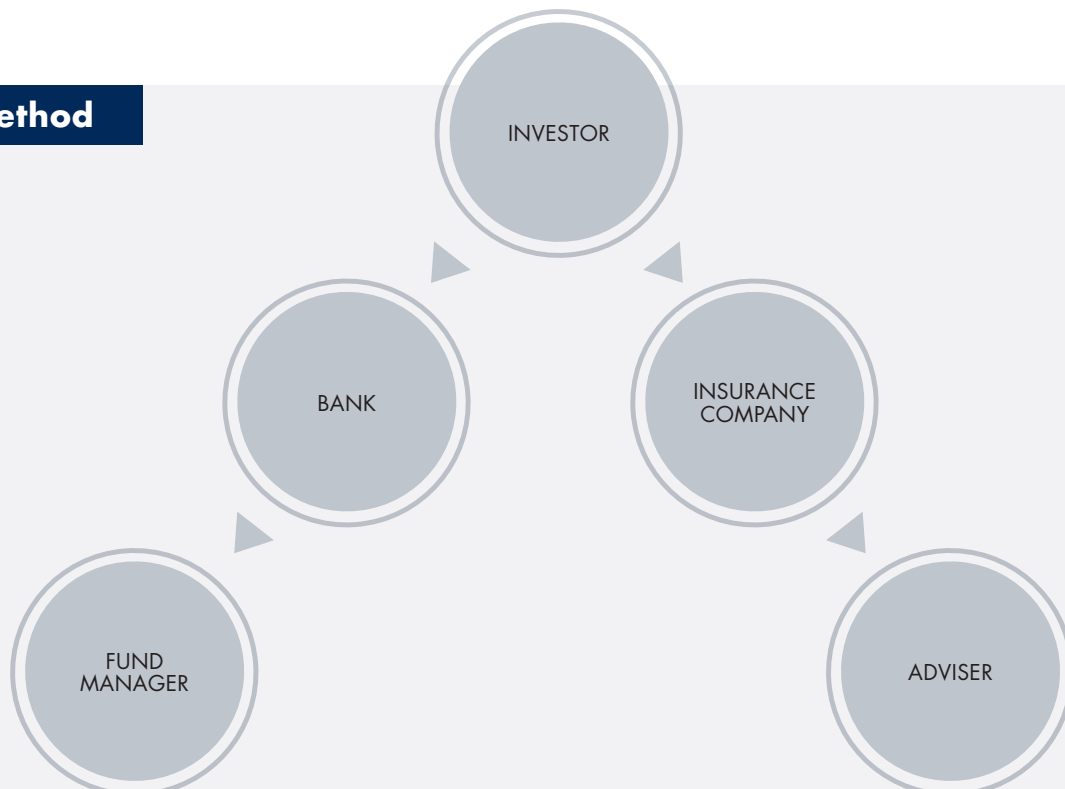
# HOW THINGS USED TO BE

**You probably remember a time when, if you wanted to invest, you would seek advice from a financial adviser who would recommend certain investment products to suit your needs. You would then buy the investment product from a product provider (usually an insurance company or bank) and make payments to the provider.**

From these payments, your provider deducted charges to pay your adviser and cover its own costs before passing the balance to your chosen investment fund, typically managed by an in-house fund manager.

While this method was commonplace for decades, it lacked a certain transparency as you couldn't pinpoint exactly what you were paying for. It also lacked flexibility as you might use one provider for your pension savings, another for your ISA, and possibly another for lump sum investment savings.

## Past method



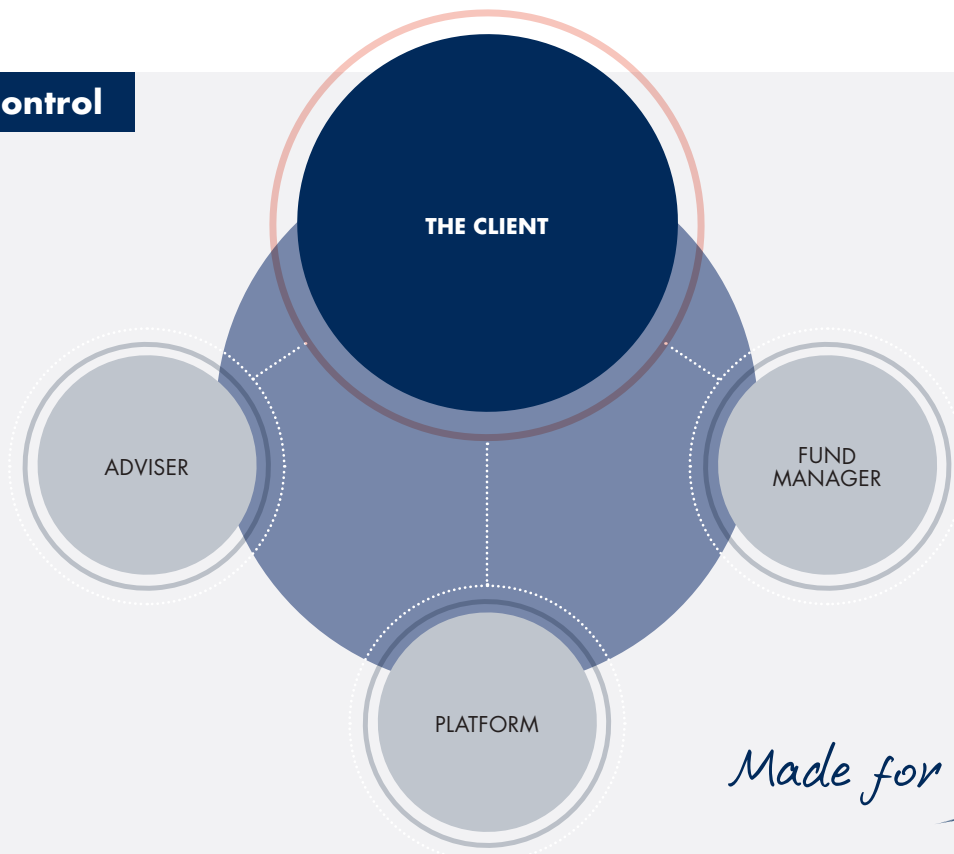
# INVESTMENT PLATFORMS – THE CONTROLLED WAY TO INVEST

**An investment platform is rather like having a single account where you place all your savings, regardless of what those savings are for. It also creates a more modern way of paying for your adviser.**

The first thing you will do is agree with your adviser exactly what services you require and how much you will pay for these services – you are now paying for the advice you receive rather than paying for products. Your adviser will offer advice and recommend funds from a range of fund managers that you can hold on your platform. These funds will charge separately and you will be able to see exactly how much you're paying for investment management services.

The key advantage of using a platform is the control it gives you. You can see all your investments in one place and, with your adviser's help, buy and sell funds as you see fit. What's more, everything happens in real time. And you still benefit from all the relevant tax advantages that you always received by holding individual pension, ISA, and investment products.

## Platform control

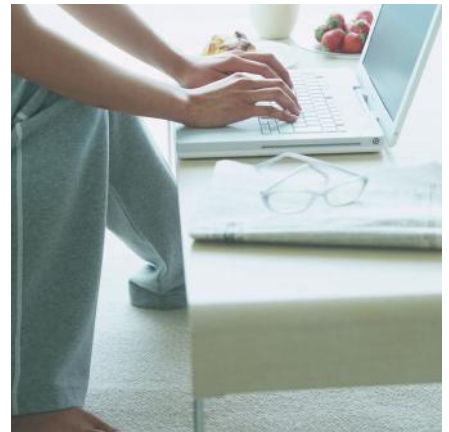


# INVESTMENT PLATFORMS - THE TAX IMPLICATIONS

**The government has, for a long time, incentivised certain savings behaviours by offering tax advantages. These advantages can apply to money you pay in, growth on your investments, money you take out, or a combination of all these. Investing in a platform changes nothing.**

Although when you use a platform you have all your assets in one place rather than in separate products, you notionally identify what is pension investment, what is ISA investment, and what is unit trust investment. You may sometimes see this described as a tax wrapper, and it enables each part of your investments to receive the correct tax treatment. This means you still benefit from all the tax advantages to which you're entitled; and where you do need to pay tax, you pay the correct amount.

**YOUR INVESTMENTS  
RECEIVE THE CORRECT  
TAX TREATMENT,  
LEAVING YOU  
WITHOUT ANY  
SURPRISES.**



# INVESTMENT PLATFORMS - THE COSTS

## **When you invest in a platform you will incur charges from three service providers:**

- Your financial adviser, who helps you invest your money by offering professional advice and recommendations
- Your platform provider, who provides the technology and administers the platform
- Your fund managers, who provide and administer the funds in which you invest your savings.



## **You will agree with your adviser at outset how you will pay for the services you receive.**

The fees you pay your platform provider and fund managers will typically take the form of a percentage of your total platform assets, often on a sliding scale so the larger your assets the lower the percentage fee. Here lies one of the advantages of a platform: instead of having several smaller funds each incurring charges, by amalgamating them into one large fund you can achieve savings by paying lower fees.

**YOU CAN ACHIEVE  
A COST-EFFECTIVE  
RESULT BY  
AMALGAMATING  
YOUR ASSETS INTO  
ONE FUND.**

# HOW WE CAN HELP REDUCE YOUR CHARGES

**When you invest in a platform you can also benefit from Quilter Financial Planning's buying power which helps drive down costs from providers and partners.**

Each individual product has to be administered and paid for but we are all familiar with the idea that if we buy in bulk, or pool our resources with someone else, we can buy goods more cheaply. This is also true of investing.



**There are three ways that you can benefit from Quilter Financial Planning buying in bulk for you:**

1. As one of the largest financial advice communities in the UK Quilter Financial Planning has negotiated significant discounts
2. Putting all your various investments under one roof can help to reduce overall costs and charges
3. Should you have a family member who also invests on the same platform you can sometimes secure a discount for you both – effectively applying charges as if all your money was invested together.





# PROTECTING YOUR MONEY

## **The security of your money is at the forefront of our minds at all time.**

You benefit from knowing the Financial Services Compensation Scheme (FSCS) is there for you as a last resort. It's available to compensate consumers if an authorised financial services provider becomes insolvent or has insufficient assets to meet its obligations to you.

### **Platform**

The assets you invest are held completely separately from the platform's own company assets.

The cash on the platform is 'ringfenced' from the companies money and held in a client money account usually spread across a number of banks.

Each holding with an FCA authorised UK based fund manager on the platform will qualify for protection from the FSCS. Which means, if that fund manager became insolvent and was unable to return your money, you would be protected for 100% of the first £85,000 held by that fund manager.

### **Pension**

Where the Pension is a contract of insurance, the maximum amount an investor can claim for under the FSCS, in the event of the operator defaulting, is 100% of the value of the pension. This amount is currently uncapped.

### **UK Life Assurance Bonds**

The Life Assurance company that runs the bond would be protected by up to 90% of the claim with no upper limit.

The individual funds within the bond are owned by the Life Assurance Co and so the FSCS protection is divided between all the investors via that life company.

This applies equally to bonds held on the platform and/or individually.

### **Offshore Life Assurance Bonds**

The Life Assurance company that runs the bond would be protected by an equivalent to the FSCS in its jurisdiction e.g.:

Dublin:  
FSCS same as UK

Chanel Islands:  
Jersey Depositors'  
Compensation Scheme

Isle of Man:  
Isle of Man Depositors'  
Compensation Scheme

### **ISAs and Direct Investment in Funds**

Each holding with an FCA authorised UK based fund manager on the platform will qualify for protection from the FSCS. Which means, if that fund manager became insolvent and was unable to return your money, you would be protected for 100% of the first £85,000 held by that fund manager.

**WE TAKE PRIDE IN  
PROVIDING THE BEST  
SECURITY FOR YOUR  
ASSETS**

# WHICH APPROACH WOULD SUIT ME BEST?



**Here are some of the key differences that you should consider when thinking about using a platform:**

PLATFORM	NON - PLATFORM
You could benefit from a platform if:	You could benefit from holding individual products if:
You have more than one financial product or 'tax wrapper'	You may only need a single product and don't expect to have more
You don't like receiving lots of paperwork and statements	You are unconcerned about receiving paperwork or having to log onto different provider websites with multiple passwords
You tend to have a longer-term plan and relationship with your adviser and expect to add further investments in the future	You may only want to buy a product and not have an ongoing relationship with an adviser
You want your adviser to provide advice on all of your investments	You want to take advantage of a particular special offer or special feature that meets your particular needs
You would enjoy having the ability to view your investments online	You like the idea of having different products with different providers
You would feel more comfortable having all your money in one place.	You are not comfortable having all your investments in the same place.

# HERE TO HELP YOU

**Managing your finances effectively can be a confusing business. The financial world is complex, and making the right decisions for your future can seem a daunting prospect.**

We take pride in offering a personal service that considers your individual circumstances. Your financial situation is unique, so we work hard to understand your goals and aspirations, and make financial recommendations based on a comprehensive and detailed analysis of your needs.

**As well as helping you to manage your finances through an investment platform, our comprehensive offer means we will have an adviser who is able to help you with more of your financial planning needs, including:**

- Saving and investing for the future
- Planning for your retirement
- Estate and trust planning
- Owning your own home
- Protecting against risk.



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