

# Your Cost & Charges Disclosure Report Explained

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**This guide explains the information in your Cost and Charges Disclosure Report and the terms used in relation to your investment. If you have any questions, please speak with your Financial Adviser or call our Customer Services Centre on the number shown in your covering letter.**

## **WHY AM I BEING SENT THIS REPORT?**

Under the regulations known as MIFID II, investment firms such as Link Financial Investments Limited are required to provide their clients with details of the actual cost and charges incurred in relation to the products and services provided to them during the previous year. This information is known as a 'Cost and Charges Disclosure Report'.

Where you have given your permission, a copy of this report is available to your Financial Adviser on the Prudential Digital ISA System.

## **WHEN IS MY REPORT ISSUED?**

The Cost and Charges Disclosure Report is issued on an annual basis for the previous year within four months of the end of the year. This may be issued separately from your usual valuation statements.

Should you close your investment, you will receive a final Cost and Charges Disclosure Report in the year following closure.

## **WHAT INFORMATION IS SHOWN IN MY REPORT?**

The report is set out into three sections;

### **Section One – Cost and charges relating to your investment product(s)**

This provides information on the total cost and charges in relation to the investment product(s) held in your account.

### **Section Two – Payments received from others**

This provides information on the amount paid to Link Financial Investments Limited in relation to the operation of your account.

### **Section Three – Breakdown of Individual Investment product costs**

This provides a detailed breakdown of the individual cost and charges in relation to each individual investment product held.

## Explanation of terms

Term	Explanation
Account	We open an Account for you when you invest with us. This account is your unique reference with us and is to hold each and every investment made by you, as described in the Terms and Conditions.
Average daily holding value	The daily value of your holding divided by the number of calendar days you held the investment in the reporting period.
Initial adviser set-up charge	The charge that you agreed to pay your adviser when you invested into an investment product. It is paid out of the amount you sent to us to invest on your behalf.
Investment Product	In the report the term 'investment product' is used to refer to both the PruFund Funds and the LFI Prudential Investment Funds (1) OEIC.
Holding	Your holding is the number of units/shares you hold in your investment product. You will have a different holding for each product in which you are invested.
One-off charges	All costs and charges (included in the price or in addition to the price of the investment product) paid to product providers at the time of investment.
Ongoing costs	Ongoing costs and charges related to the day to day operation of your investment product.
Ongoing adviser charge	The charge that you agreed to pay your adviser on a regular ongoing basis. This is paid by the sale of units/shares from within your investment product. This charge is detailed in your valuation statement.
Transaction costs	Costs and charges incurred when the product in which you are invested buys or sells its underlying investments.
Unit Encashment	The term 'unit encashment' means the sale of 'units' and /or 'shares' from your account. For the purposes of this report, units are sold to meet charges relating to the annual management charge (AMC) of the PruFund Funds, and/or to settle ongoing adviser costs (OAC).
Units / Shares	When you invest in a PruFund you buy 'units' in that fund. The value of your account is the number of units held multiplied by the price per unit.  When you invest in an LF Prudential Investment Fund (1) OEIC, you are buying 'shares'. The value of your account is the number of shares held multiplied by the price per day.



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Mr A Investor  
 123 Any Street  
 Any Town  
 LEEDS  
 LS11 0NE

Date: 02 Oct 2018  
 Investor ID: 1234567

Dear Mr Investor,

**Costs and Charges Disclosure information – no action required.**

This is your "Costs and Charges Disclosure Report" for the period [insert period start date] to [insert period end date].

It is a regulatory requirement to report these costs and charges to you at least annually. **You do not need to take any action** – this report is for information purposes only and sets out the costs and charges that have been incurred during this period in respect of your investment(s).

Please note, should you close your investment, you will receive a final "Costs and Charges Disclosure Report" in the year following closure.

A guide explaining the report can be found on our website [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk) and is also available upon request.

If you have any questions about your report please contact your financial adviser or telephone our enquiry line on 0344 3358936 quoting your investor ID which is printed at the top of this letter. Alternatively, you can write to us at: PO Box 385, Darlington DL1 9UA.

Yours sincerely,

*Grainne Bamforth*

Grainne Bamforth  
 Customer Service Centre

This communication is available in large print or Braille upon request.

Link Fund Solutions Limited (registered in England and Wales No. 01164888) acts as Authorised Corporate Director / Authorised Fund Manager / Alternative Investment Fund Manager. Link Financial Investments Limited (registered in England and Wales No. 02622962) acts as an SCA Manager and Link Fund Administrators Limited (registered in England and Wales No. 09754028) provides fund administration services. These three companies are authorised and regulated by the Financial Conduct Authority; register numbers: Link Fund Solutions Limited 199397; Link Financial Investments Limited 649586 and Link Fund Administrators Limited 121295.

Registered office for all three companies: 6th Floor, 65 Credothen Street, London, EC2N 7WQ

Our postal address, telephone number and email address should you need to contact us.

  

Your unique Investor Identification Number.

  

If any of your details (including your name and address) have changed or are incorrect, please write to us at the address quoted in the last paragraph of the covering letter.

  

Alternative formats are available upon request.

**Investment product(s) and period ended for information sources**

Investment product name	Period ended
1	2

**Explanation of terms**

Term	Explanation
One-off charges	All costs and charges (included in the price or in addition to the price of the investment product) paid to product providers.
Ongoing costs	Ongoing costs and charges related to the day to day management of the investment product.
Transaction costs	Costs and charges incurred as a result of the acquisition and disposal of the underlying assets by the investment product.
Account	Please refer to the Terms and Conditions which provides a full explanation of an account.
Unit Encashment	The term 'units' is used to describe any investment into any PruFund Fund, as described more fully in the Terms and Conditions. When you invest in the LF Prudential Investment Funds (1) OEIC you are investing in 'shares' (again as described more fully within the Terms and Conditions). For the purposes of this report, the term 'unit encashment' means the sale of 'units' and /or 'shares' to meet charges relating to the management of the PruFund Funds and/or to settle advice costs.

**Section One – Costs and charges relating to your investment product(s)**

**The investment product costs**

This table shows the total costs and charges relating to your investment product(s). The percentage value shown is based on the average value of your holding over the period. Where more than one investment product has been held within your account in the period a breakdown of the total costs and charges at an individual holding level can be found in Section Three of this report.

NOTE: The calculations for the total costs as a percentage and the percentages attributable to costs incurred as a result of encashment of units or charged against investments are calculated independently. This can mean on occasion that the total figure may not equate to the sum of the remainder, when rounded to two decimal places.

Cost type and description	Total		of which, is settled by unit encashment or deducted from investment amount		of which, is charged against investments held in your account or accounted for in their return	
	£	%	£	%	£	%
3 One-off charges						
Ongoing costs						
Transaction costs						
Total investment product costs						

- 1 Details of all investments held during the reporting period.
- 2 The date to which the latest product costs information has been produced. This is not the date of the report itself.
- 3 This table provides the combined total of product costs which are itemised in the tables in Section Three.

The % figures are calculated by dividing the actual product cost by the average daily holding value of all investments.

NOTE: The calculations for the total costs as a percentage and the percentages attributable to costs incurred as a result of encashment of units or charged against investments are calculated independently. This can mean on occasion that the total figure may not equate to the sum of the remainder, when rounded to two decimal places.

- 4 These are charged against your investment and are paid through unit encashment.
- 5 These are charged against the whole investment product and are not paid directly by you through unit encashment.

### The cost of investment advice

During the period, we have facilitated the following adviser charges on your behalf:

	£	%
Deducted from initial investment amount (initial adviser set up charge)		
Taken via encashment of units (ongoing adviser charge)		
<b>Total</b>		

When aggregated with the investment product costs, the total costs, including adviser charges facilitated by us, represent £xxx.xx (xx.xx% of your account).

### The impact of Costs and Charges on return

The charges deducted from your account over the period have an impact on your investment return, the table below is intended to illustrate the impact of this by comparing the actual net return with a simulation of the potential gross return that might have been achieved without the investment product and investment advice costs (facilitated by us) being charged. The difference between the gross and net return is often referred to as the "reduction in yield".

	£	%
Return before the deduction of charges (Gross)		
Return after the deduction of charges (Net)		
Reduction in Yield		

### Section Two - Payments received from others

#### Third party payments

This table shows the total amount paid to us (Link Financial Investments Limited) in relation to the operation of your account over the reporting period.

Description	Amount paid to us (£)
Fees for administering your account	
Fees resulting from transactions undertaken by you	
<b>Total amount charged to Prudential Distribution Limited</b>	

#### Inducements

From time to time, and in line with applicable regulatory requirements and the policies we have implemented, we may receive or provide hospitality or other acceptable "non-monetary benefits" of a reasonable nature and scale and which do not impair our ability to act in our clients' interests. In particular, we are reimbursed for the costs of two investor mailings each year by Prudential Distribution Limited and may be reimbursed further should mailings be undertaken at the behest of the Prudential group of companies.

6 The £ figure shows the actual adviser charges paid over the period of the report from your account. The % figures are calculated by dividing the actual adviser charges paid by the average daily holding value.

This may result in a slightly different % to your agreed ongoing adviser charge rate, as this is calculated based on the value of your investment on the day the fee is due.

7 The difference between £ value and % of return before (gross) and after (Net) charges is the Reduction in Yield. The Reduction in Yield shows the additional amount that you would have received if there were no charges on your account.

8 The amount paid by Prudential Distribution Limited to Link Financial Investments Limited for operating your account.

We do not charge you separately for operating your account, and these values are not deducted from your investment.

### Section Three - Breakdown of individual investment product costs

The following table(s) provides more detailed information in relation to the disclosure of the costs and charges that were incurred for each investment product held during the reporting period. An explanation of the terms used can be found on Page 1 of this report.

NOTE: The calculations for the total costs as a percentage and the percentages attributable to costs incurred as a result of encashment of units or charged against investments are calculated independently. This can mean on occasion that the figure may not equate to the sum of the remainder, when rounded to two decimal places.

Product name printed here

Share Class Name

Cost type and description	Total		of which, is settled by unit encashment or deducted from investment amount		of which, is charged against investments held in your account or accounted for in their return	
	£	%	£	%	£	%
One-off charges						
Ongoing costs						
Transaction costs						
<b>Total investment product costs</b>						

9 This table shows an itemised breakdown of product costs at an individual investment product level. There will be a table for every investment product held during the report period.

The % figures are calculated by dividing the actual product cost by the average daily holding value.

**Important note:** The value of the investment and any income from it may go down as well as up and investors may not get back the original amount they invested. Past performance should not be seen as a guide to future performance.

Link Fund Solutions Limited is authorised and regulated by the Financial Conduct Authority (FCA Register Number 119197)