



Investment Platforms

What is an Investment Platform?

An investment platform is a means of consolidating and managing an investor's investment portfolio and financial plans such as pensions and ISA's. A number of financial institutions offer these. This type of service is also known as a WRAP or fund supermarket.

Over many years clients have typically invested into a number of investment contracts with various providers, these may include a various pension plans, ISA's and unit trust holdings, individual share certificates and investment bonds. These can all be transferred onto An Investment platform WRAP and held in the individual tax wrappers therefore allowing consolidation, ease of administration and providing just one reporting system. Therefore you as the client and your adviser can see the total value of your investments by tax vehicle, asset class and funds

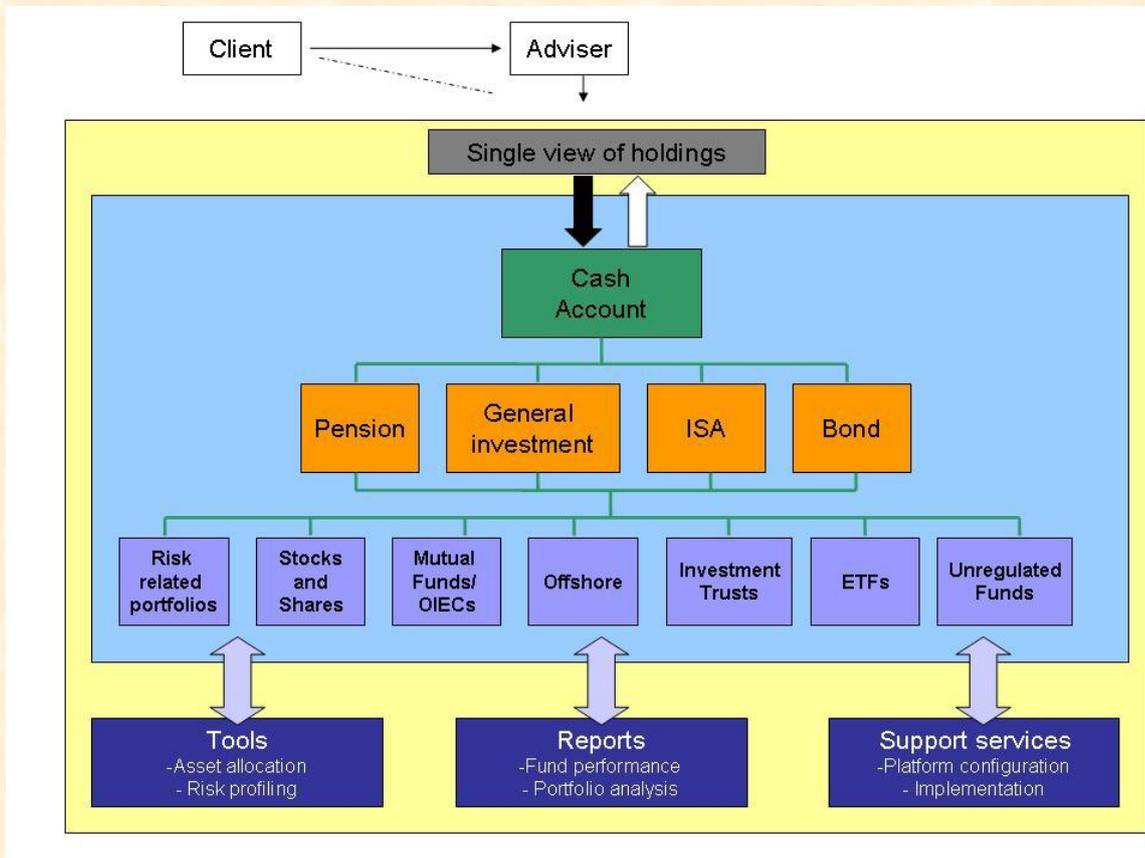
The following can typically be held on an Investment Platform.

- Pension funds
- ISA funds
- Unit Trusts/OEICs
- Investments Trusts
- Cash deposits
- International investments
- Stocks and shares
- Offshore Investment Bonds
- Discretionary fund management

The advantages of an Investment Platform are:

- The ability to hold all your investments on one hub.
- Access to a far wider range of investment funds than most products provide.
- The ability to re-register existing share holdings and unit trusts onto a platform without additional costs.
- Electronic access to current and past valuations at the press of a button
- Capital gains and other calculators

How they work



*ETF = Exchange Traded Funds, OIEC = Open Ended Investment funds

Charges

There are a number of charges associated with an Investment Platform.

1. Platform fee

The Investment Platform will make a charge for operating the platform, this will either be a flat fee or expressed as a percentage of the assets held. For certain transactions such as share purchase, an additional one off stockbrokers fee is payable.

2. Fund Manager Fee

As with any investment, an amount is deducted from your investment to cover the individual fund manager's fee; this is expressed as a percentage of the investment and is factored within the daily unit price of the fund. These can typically range from 0.10% for an Exchange Traded Fund to 1.5% for a unit trust fund.

3. Financial Adviser fee.

If you employ the services of a financial adviser for ongoing services in relation to your WRAP account and any associated services, they will charge a fee, which can either be paid directly by you or from your portfolio. This may either be a set amount or a percentage of the assets.

Suitability

An Investment platform will not be suitable for everyone. Typically clients with at least £50,000 invested in other products such as ISA's, pensions, unit trusts or held in cash should consider if an investment platform account is suitable. If you employ the services of a financial adviser they will always undertake a feasibility study, which includes understanding your objectives, the assets you hold and provide a detailed report that includes the advantages and disadvantages before deciding if a Wrap is the best solution.

The following are also reasons why some clients consider a Wrap platform.

- An investor who currently has a variety of investments products with a number of providers and would like to consolidate their investments in within place, to provide ease of administration and have the ability of one reporting structure.
- An investor who currently has a restricted range of funds within their product and would like access to the whole marketplace
- An investor who wants more manageable administration and paperwork
- The availability of on-line access to real time valuations

Other considerations

When transferring assets onto an investment platform, your existing product provider(s) may impose transfer penalties and these need to be taken into account, as part of the initial costs of setting up a Wrap.

- If you use a financial adviser, there will normally be a cost to cover the professional fees for the work involved in providing advice and implementation of the Investment Platform.
- The ongoing costs associated with an investment platform, maybe more expensive than some of the current products you hold or alternative solutions.

*This information is a brief guide on Wraps and in no way constitutes a recommendation or any form of advice and was correct as at 20th April 2014. The information contained in this booklet is not to be used by any third parties without our express permission.

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