



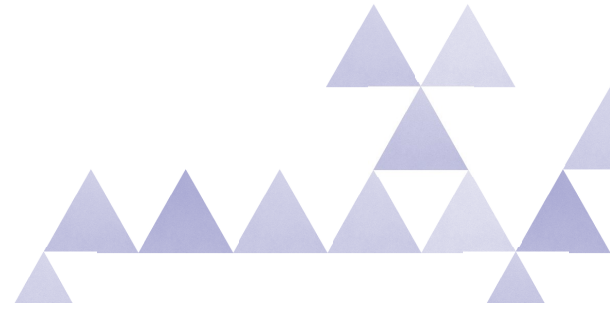
Investments • Pensions • Financial Planning

A background image of a tram track at night, with tracks receding into the distance under streetlights. A semi-transparent dark blue rectangle is overlaid on the image, containing the title text.

Guide to: Investment Cost, Flexibility and Service Levels

Introduction

What is this guide for and who should read it?



This guide is intended for clients of Atkins Bland considering investment options and should be read in conjunction with personalised advice.

It summarises the key issues Atkins Bland considers before reaching a conclusion on the investment strategy we recommend to you.

The issues at stake apply to most types of investments, such as:

- Pension plans
- ISAs
- Collective investments (e.g. unit trusts)
- Life insurance bonds
- Portfolio management services

While the specific extent of the range of options will differ from one type of investment to another, the principles remain the same, as do the core questions:

- Which investment solution will produce the best outcome?
- Is cheapest best?
- Is it worth paying for advice?

This guide is, therefore, of relevance to anyone seeking advice on investing money for growth, income or a combination of both and anyone who already has money invested but wants help with the administration of their portfolio and with future decision-making over how their money is allocated.



Is it worth paying more than the minimum?



There is no definitive answer to this question because we cannot know, until we have the benefit of hindsight, which factor will have the most impact on results.

For instance, we can't know in advance whether using a low-cost strategy operated by a computer and just tracking a market index will produce better net returns than paying a fund manager for their research and analysis.

Likewise, we can't know in advance if paying for advice will produce better results, or even exactly how this should be measured. It could be measured purely in terms of the net return on money invested, or in terms of the additional free time released by paying someone else to do all the research needed, rather than doing it yourself.

Perhaps it could even be measured with reference to the reduced stress and potentially improved health from knowing someone is monitoring your investments and keeping an eye on them, helping to ensure they remain suited to you and the economic background, and are adjusted to reflect any changes in either of these.

On top of that, paying for ongoing advice can often include access to advice well beyond that, relating to your investment strategy, adding an ingredient which certainly can't be measured against a benchmark.

We really can't know in advance how to fully measure the value of advice, let alone what the actual outcome from doing so will be compared with going it alone.

A good way to illustrate this is to consider the home you live in. You can't possibly know what it will be worth in 5 years', or 10 years' time, or whether another home in a different place, worth the same now, will change in value by more or less. You may be able to make a reasoned judgment, but you can't be certain.

You also can't know if, along the way, your home will give you more headaches, or cost more to maintain, than one down the road, or in another town. Some things always remain a mystery, until the facts are revealed by the passage of time.

The inability to know what will actually turn out best means it really comes down to what you feel most comfortable with. Do you prefer to know you have a low-cost option and are not paying anyone to do anything more than the minimum needed, or would you feel more comfortable knowing someone is monitoring your investments and keeping an eye on them for you, and will let you know if changes seem prudent?

It's all down to personal values and preferences, with no right or wrong answers.

However, it is helpful to have a clear understanding of the factors and issues to consider, and how these interact. That way you can assess the pros and cons of the driving forces behind any decisions and, together, we can use this analysis to determine which issues should be given most weight and which are less important to you.

What are the driving forces I should look at?

The three main considerations when selecting a suitable style of investment are:

- Costs
- Investment flexibility
- Level of on-going servicing and advice

We look at these below.

Costs -What are you paying for?

The costs applying to an investment generally relate to either **administration**, **fund management** or **advice**.

Administration

These are the costs associated with the company providing the underlying investment product, and the facilities to allow individual investors access to the investments available within the product. They also include the costs of generating any periodic statements and other communications, reporting to HM Revenue and Customs (if applicable), and ensuring that everything is done in compliance with all the regulations governing the financial services industry.

These costs cannot usually be avoided entirely but they can vary a little, while the quality of the administration can vary substantially.

Fund management

These are the costs of actually running an investment fund. They can be avoided if someone wants to only invest directly, such as buying the shares of trading companies, but this is not normally practical, especially if a global spread is required. They can, however, vary a good deal. The lowest cost options will not involve any research and analysis but will simply track a given stock market index or, perhaps, a commodity price.

The most expensive options are usually quite specialist funds investing in complex markets, or overseas areas where the research and analysis is more labour intensive and requires a particularly high level of expertise. Costs can also be higher due to the small size of a fund, since small funds do not enjoy the same economies of scale as much larger funds.

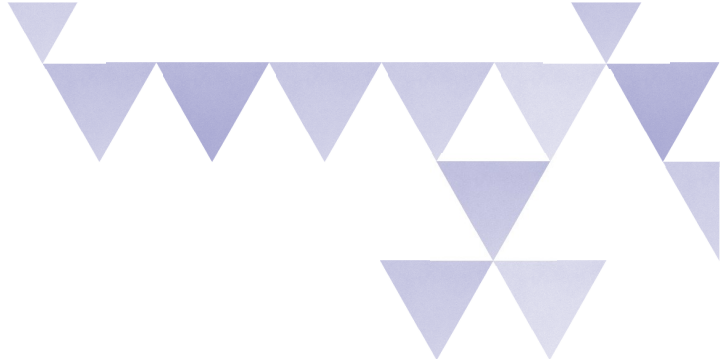
Advice

This is the cost of any advice needed in the initial selection of suitable investments and reviewing the on-going suitability of any put in place. This is not compulsory, although most people do not have the expertise to feel comfortable working without any advice at all. The cost of advice can vary substantially, depending on the type wanted and, to some extent, the person or company providing it.

Every investor has a choice concerning the nature and cost of each of these three ingredients.

At one end of the scale is the cheapest and simplest administration, the lowest cost investment management using index trackers and the lowest level of advice which can be applied, which could be none at all. At the other end is the highest standard of administration, the highest level of investment freedom and a high level of ongoing advice.

We therefore need to look at each in more detail.



Administration

This was traditionally carried out by the same company that provided the investment management, which was usually either a fund management company or a life insurance company. However, the marketplace has evolved a great deal in the last few decades, and most companies now recognise that they can make their plans far more attractive to investors by giving access to funds managed by different companies.

Initially, this concept was introduced by the life insurance companies linking up with a few fund management groups to give their pension or investment bond holders access to a selection of funds from each. This led to others offering an even wider range and, in time, new companies coming to the market and separating out the administration and fund management completely.

These companies are known as either “platform” providers or “wrap” providers.

There used to be a distinction between these, whereby a platform provider would usually offer access to a large, but still restricted, range of collective investments while a wrap provider gave access to the full marketplace, so a much broader choice, but that distinction has become blurred at the edges with the passage of time.

There are now administration companies calling themselves a “platform” that do offer access to the full market, and others that do not.

There are also companies that still offer a very restricted choice so don't really qualify as either a wrap or a platform.

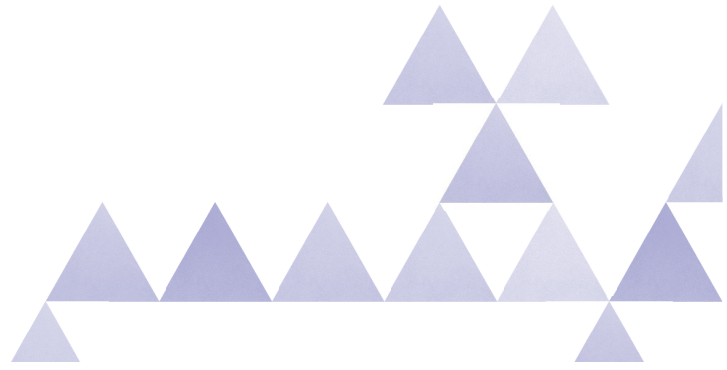
As well as the investment choice, the level of service offered varies to a large degree, as does the quality of that service.

Some administration companies still offer very little access to information on personal holdings through the internet while others offer highly sophisticated and comprehensive access to information and transactions online. Most fall somewhere in between these two extremes.

Where a company provides both administration and fund management services, a breakdown of the cost of each is not readily available. However, as a general guide, overall administration costs will tend to range between 0.2% and 0.6% p.a. and will typically be between 0.25% to 0.50% p.a., or less for very large portfolios.

There is not, therefore, a very significant difference in administration costs, even though the quality of this administration varies hugely.

In turn, there is not very much to be gained by selecting an administration company purely based on low cost. If companies offer similar administration services and standards, then cost can clearly be the deciding factor in a selection process but putting cost first and standards second can lead to false economies and disappointment.



Fund management

Unless someone is choosing to buy shares or other investments directly, there will always be some costs associated with the ongoing management of the investment funds being used.

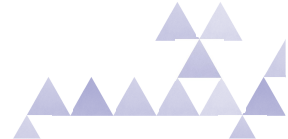
The lowest cost options are normally called “passive” or “tracker” funds. This means there is no research or analysis carried out by investment specialists since the fund simply tracks a market index or a set mixture of indices. Since there is no cost for research and analysis and the funds are largely run by computers, these can be very low cost. Typical management fees are between 0.1% and 0.4% p.a.

Generally, where a fund’s management involves a team of research analysts and one or more manager’s making day to day decisions on how the money should be invested and what should be bought or sold, this adds to the cost. Funds in this category are usually called “active”, as opposed to “passive”. The costs for these vary quite considerably, depending on where the fund is invested, its size and other factors. Most actively managed funds have costs in the range of 0.5% to 1.5% p.a. but there are some that fall outside this range, in either direction.

In theory, active management should allow a fund to produce better returns, but this clearly depends on the quality of the managers and the success of their decision making. Many active funds have failed to out-perform a passive equivalent after their higher costs are taken into account, but many others have achieved it, sometimes quite substantially.

Without the benefit of hindsight, it’s impossible to know whether any particular active fund will do better or worse than a passive alternative in the same market sector. However, although past performance is never a guarantee for the future, there is a wealth of historical data available to show us which investment fund managers have consistently performed well in particular market areas and, of course, which have not.

For someone feeling low cost is a top priority, using passive instead of actively managed funds can reduce costs by 0.5% p.a. or more, so can create a meaningful saving. It is, though, important to be mindful that the differences between the performance of different funds, even in the same market, can massively exceed that figure, as demonstrated in the tables later in this guide.



Advice

The advice relating to an investment includes the selection of the most suitable plan and the way the money is allocated within that plan.

The initial cost is usually a one-off charge, reflecting the time and expertise needed to provide personalised advice on a suitable solution.

This cost can vary from one adviser to another, but the same adviser should charge broadly the same amount regardless of the specific investment selection. This is because the work involved does not normally pivot on the actual selection made.

There are some exceptions to this since some types of investment are more complex than others and involve more detailed analysis. However, the cost of advice should not alter with reference to the selection of one option or another in the same broad category of investments.

The second cost, relating to ongoing advice, does vary, mostly because:

- One advice firm might offer a very different level and style of ongoing advice than another
- Fees vary between firms even for the same broad service
- The level of work and expertise needed can differ depending on how the money is invested and the level of ongoing advice and reporting, if any, the investor wishes to receive

At the lowest cost end of the spectrum an investor can use what is generally known as a “multi asset managed” fund and combine this with no pro-active ongoing advice, but just periodic reports. Since Atkins Bland believes ongoing monitoring of the suitability of investments is important, we do not normally offer an arrangement which excludes monitoring, but other advisers may.

At the highest cost end of the spectrum there is usually an extra tier of management, in the form of a third-party discretionary fund management (DFM) service, which adds on an entire new level of costs.

Atkins Bland does not normally offer services using a DFM, so do not generally offer services at the highest end of the cost spectrum.

Instead, we offer in-house investment advice, usually taking an active role in the asset allocation and providing ongoing advice on both investment fund choice and distribution amongst different sectors and geographic regions.

However, we also offer a service based on combining multi asset managed funds with our ongoing advice but with that restricted to periodic reviews of the suitability of the specific fund or funds being used. This removes us from involvement in the issue of how much to invest in different economic sectors or geographic regions so simplifies the work we carry out, thus enabling us to offer our services at lower cost.

The cost of ongoing advice will tend to range between 0.50% and 2.0% p.a, depending on the advice company used, the amount of money invested, and the service level required.

At Atkins Bland, we set our standard ongoing fees at 1% for our full service or 0.8% for our multi asset managed fund service, but will pro-actively apply discounts for larger portfolios, where appropriate.

The difference in advice costs from one company to another and depending on the style of advice needed can be quite significant, and should be given full consideration, but with very careful focus on what is being provided in exchange for these costs.

At Atkins Bland, we set our ongoing fees at a level designed to be very competitive, both in actual terms and when compared with the high level of ongoing servicing and access to general financial advice we incorporate within this annual fee.

The fee options available with Atkins Bland are explained in our ***Guide to the Costs of Our Services***, which you should already have if you are reading this guide.



Investment flexibility

Does it matter?

History shows, quite convincingly, that the long-term success of an investment is determined far more by the underlying results from the investment fund than it is by any difference in charges.

The underlying results will be the consequence of two key factors:

- The success or otherwise of the asset allocation by broad market sector
- The success or otherwise of decisions on which investments to hold within each sector being used from time to time

It is, therefore, important to consider the level of flexibility an investment strategy offers.

The main advantages of having a high level of flexibility are being able to:

- Spread your money between a good range of different fund managers and markets, to help mitigate risk
- Move to different fund managers as conditions change and to take advantage of specialist expertise
- Include some exposure to sectors which may not be available at all with less flexible plans, such as gold, natural resources, agriculture, frontier markets, real estate investment trusts, clean energy and private equity

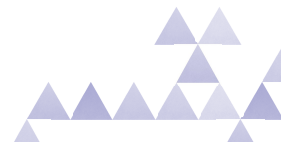
The disadvantages are:

- The plans can have higher ongoing administration costs than the very cheapest and most restricted options available
- The advice costs can be higher, since a higher level of monitoring and reporting may be needed

Given the potential advantages and disadvantages, it is helpful to have a look at the possible impact of the factors.

Unfortunately, no one is able to do this with any certainty since we are dealing with an unknown future. However, with that proviso, we can look at the impact of both broad sector allocation decisions and individual fund manager selections, by assessing past results from the collective investment market.

A good way of doing this is to assess the actual past performance data within the main investment sectors, looking at the best, worst and average in each category. This can be found in the tables below.



The following was taken from Financial Express Analytics with data to 11th July 2025. The figures refer to the past and past performance is not a reliable indicator of future results. The figures are shown on a “bid to bid” basis, so there is an assumption that there has not been an initial cost for investment, to ensure we are comparing on a like for like basis and purely looking at investment results.

Table A: 5 year data

Sector	General risk category*	Annualised growth achieved (%)			Difference in annual growth rate (%)	
		Best fund	Worst fund	Average fund	Best to worst	Best to average
UK All Companies	6	20.05	-1.04	9.06	21.09	10.99
UK Smaller Companies	7	14.90	-0.27	5.67	15.17	9.23
UK Equity Income	5	17.09	5.16	10.99	11.93	6.10
UK Direct Property	4	6.35	-3.61	1.54	9.96	4.81
UK Gilts	4	1.06	-13.52	-5.46	14.58	6.52
Sterling Corporate Bond	4	3.26	-7.42	-0.18	10.68	3.44
Sterling High Yield	4	9.68	2.75	5.09	6.93	4.59
Global Mixed Bonds	3	5.84	-5.87	0.16	11.71	5.68
Global Equity	5	23.79	-11.94	9.35	35.73	14.44
Specialist	8	31.47 (Specialist - Financials)	-55.97 (Emerging Europe)	5.90	87.44	25.57
Europe Ex UK	7	19.90	0.11	9.88	19.79	10.02
North America	7	22.94	-0.73	12.05	23.67	10.89
Japan	7	24.24	-7.6	6.05	31.84	18.19
China	8	1.36	-9.39	-4.99	10.75	6.35
Asia ex Japan	7	11.14	-4.07	4.27	15.21	6.87
Emerging Markets	7	23.7	-3.38	4.33	27.08	19.37

All data is calculated by Atkins Bland Limited Source: FE Analytics (data as of 11 July 2025).

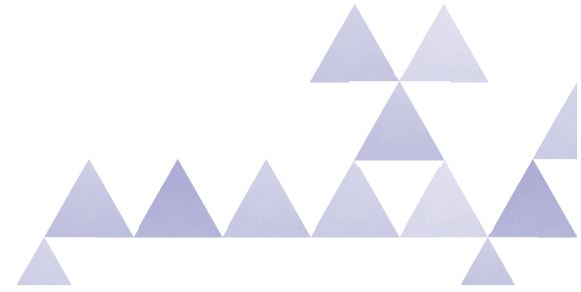


Table B: 10 year data

Sector	General risk category*	Annualised growth achieved (%)			Difference in annual growth rate (%)	
		Best fund	Worst fund	Average fund	Best to worst	Best to average
UK All Companies	6	10.44	-0.47	5.71	10.91	4.73
UK Smaller Companies	7	9.12	2.55	5.76	6.57	3.36
UK Equity Income	5	8.59	2.57	5.70	6.02	2.89
UK Direct Property	4	6.28	-3.61	1.80	9.89	4.48
UK Gilts	4	0.96	-2.22	-0.37	3.18	1.33
Sterling Corporate Bonds	4	4.52	1.11	2.36	3.41	2.16
Sterling High Yield Bonds	4	5.83	2.97	4.10	2.86	1.73
Global Mixed Bonds	3	5.65	-1.65	2.48	7.30	3.17
Global equity	5	16.55	1.66	10.05	14.89	6.50
Specialist	8	18.36 (Gold fund)	-30.61 (Emerging Europe)	6.09	48.97	12.27
Europe Ex UK	7	13.74	3.71	8.73	10.03	5.01
North America	7	20.08	5.41	12.98	14.67	7.10
Japan	7	11.89	4.44	7.60	7.45	4.29
China	8	7.92	0.04	3.71	7.88	4.21
Asia Ex Japan	7	11.15	3.08	7.45	8.07	3.70
Emerging Markets	7	9.94	1.6	6.55	8.34	3.39

All data is calculated by Atkins Bland Limited Source: FE Analytics (data as of 11 July 2025).

Both of the previous tables clearly demonstrate that the difference in results from one sector to another, and from one fund manager to another, can be substantially more than the difference in overall charges, even between the very cheapest and the most expensive options.

The tables also show that, generally, the gaps get wider as you move up the risk ladder, as is expected.

However, even looking at a typical core sector in most investment portfolios, UK Equity Income, the range of past results from the worst to the best over a 5-year period is nearly 12% p.a. and from best to average is over 6% p.a.

When the maximum difference in overall costs for running an investment portfolio is probably under 2% p.a., this helps put the issue of costs into perspective.

It is also interesting to use the same approach but looking at multi asset managed fund sectors.

Table C: 5 year data

Sector	General risk category*	Annualised growth achieved (%)			Difference in annual growth rate (%)	
		Best fund	Worst fund	Average fund	Best to worst	Best to average
Mixed Investment (0-35% shares)	4	5.23	-0.67	2.11	5.9	3.12
Mixed Investment (20-60% shares)	5	10.20	-0.21	4.44	10.41	5.76
Mixed Investment (40-85% shares)	6	14.38	1.51	6.27	12.87	8.11
Flexible Managed	8	11.79	-1.82	6.49	13.61	5.3

All data is calculated by Atkins Bland Limited Source: FE Analytics (data as of 11 July 2025).

Table D: 10 year data

Sector	General risk category*	Annualised growth achieved (%)			Difference in annual growth rate (%)	
		Best fund	Worst fund	Average fund	Best to worst	Best to average
Mixed Investment (0-35% shares)	4	4.63	1.34	2.76	3.29	1.87
Mixed Investment (20-60% shares)	5	7.43	1.37	4.08	6.06	3.35
Mixed Investment (40-85% shares)	6	10.89	0.58	5.86	10.31	5.03
Flexible Managed	8	10.6	1.19	6.23	9.41	4.37

All data is calculated by Atkins Bland Limited Source: FE Analytics (data as of 11 July 2025).

Tables C and D demonstrate that the impact the choice of fund manager can have is potentially much more significant than differences in management costs.

* An explanation of our risk categorisations can be found in our Guide to Atkins Bland's Fund Specific Risk Classifications. If you do not already have this but would like a copy, please let us know.

Level of ongoing advice and servicing

Do you need it and, if so, how much?

This is an area which depends largely on personal preferences although, as a general observation, we feel it can be unwise to invest outside deposit accounts with no ongoing advice and servicing at all, even though that may be the very lowest cost option.

The decision on servicing levels should reflect a number of factors such as:

- The amount you wish to invest
- The level of your interest in investments
- The extent to which you wish to be involved in on-going decision making
- Your investment time frame
- Your investment objectives, such as whether you want income, or are investing just for capital growth
- Your personal preferences

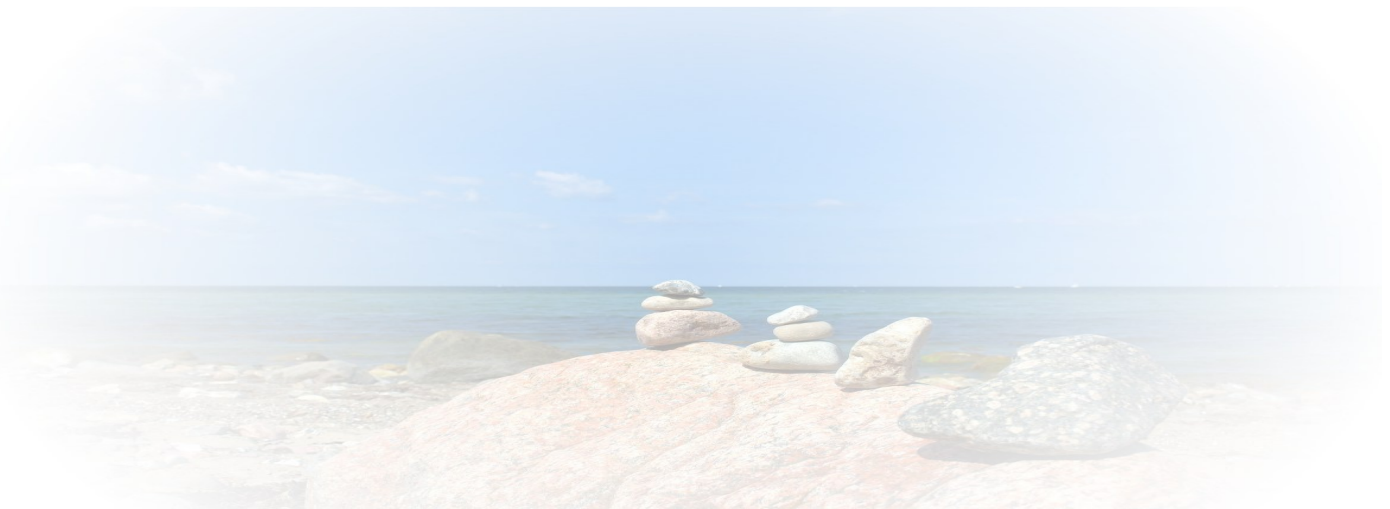
While low cost can often be attractive the benefit needs to be weighed up against the potential advantage of paying a little more for a higher level of ongoing advice and support.

Since future investment results are always unknown, it is impossible to know if paying more for a higher level of ongoing advice will produce better results or, if it does, whether the difference will be sufficient to cover the additional cost.

However, many investors consider the comfort of having an ongoing personal service and knowing someone is keeping an eye on the ongoing suitability of their investments is important in its own right.

We cannot advise you which option is best in terms of the eventual results, since no one can ever know that in advance. However, once we have assessed and discussed your circumstances, objectives, preferences and aspirations, we can recommend the solution we feel is most suited to you, although we are always happy to work on a different basis than that if you prefer, so long as we feel comfortable that the alternative is still appropriate for you.

Any recommendation will be subject to a full suitability assessment and is not implied by this guide.



Overview and summary of what we offer

Flexibility is important, and it's why we offer it

Atkins Bland will always try to match what we offer with what each individual client needs or wants.

If there is a priority for low cost, and this is practical in terms of objectives, we can set up a portfolio where the total of the fund management fees and administration costs are well below 1% p.a., and sometimes as low as 0.5% p.a. where economies of scale are available, and the strategy uses just low-cost tracker funds.

However, unless low cost is the priority, and is suitable, the total of administration and fund management costs will typically fall between 1.2% and 1.6% p.a., depending on the size and nature of a portfolio.

It is worth remembering that fund performance records are always shown after fund management charges, as is the case in the tables earlier.

When looking at past records over a reasonable time frame, investors have been well rewarded for investing, but exactly how well has tended to pivot on other factors than just the management costs.

Our advice costs are set out in our Guide to the Cost of Our Services. Our standard charge for full ongoing advice on asset allocation and general financial planning and taxation advice relating to your investments is 1% p.a., before any scale discounts, the figure for using a multi asset managed fund solution is 0.8% p.a., again excluding any discounts for larger portfolios.



Important notes

Any opinions expressed on the merits or disadvantages of any options are intended as a general comment only and not as specific advice to the reader.

This document is intended as a supplement to full independent advice and not as a replacement for it and should be read in conjunction with any personalised recommendations provided by Atkins Bland Ltd and with any product brochures supplied.

The value of investments will fall as well as rise, as can any income generated or produced will fall as well as rise. An investor may, therefore, get back less than the amount invested.

Inflation can reduce the real value of capital and the income it generates.

Past investment performance is not a reliable guide to the future.

Any reference to taxation, regulation or legislation is based on our current understanding and details should be checked before any reliance is placed upon its accuracy.

The impact of taxation and tax planning depends on individual circumstances and may be subject to change, which can be retrospective.

Errors and omission excepted.

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