

Your options for paying fees from ISAs and Investment Accounts

When you invest with us, there are usually some fees to pay that are deducted from your accounts (such as ISAs and Investment Accounts). These include any ongoing fees you agree to pay your adviser, discretionary fund manager fees (if you use such a service) and our platform service fee. There are two options for paying these fees, which we explain here (your adviser can also run you through your options).

Please note there are also charges that relate to the investments you hold with us (these are paid to the companies responsible for the management of your investments). These fees are normally deducted directly from the value of your investment and so there no need to make a separate payment.

Option 1 (the default)

Fees deducted from the respective product wrapper (ISA or Investment Account)

On the Fidelity platform, fees are typically taken from any cash within the account that generates the fee. Where there is insufficient cash held within the account to pay the fee, your adviser can nominate a fund from where the payment will be taken (an appropriate number of shares or units are sold in order to raise the required amount). Alternatively, we'll sell from the largest fund, and then the largest Exchange Traded investment, in order to raise the required amount.

Option 2

Fees deducted from the Cash Management Account

Alternatively, you and your adviser can choose to have fees paid from your Cash Management Account (CMA). The CMA is a cash account which sits outside of the product wrapper. This may be beneficial for a number of reasons depending on the product type (see table over the page). If you choose to use your CMA to fund fee payments, then it is important to periodically keep the CMA topped up to ensure the fees can be deducted from here. Topping up your CMA can easily be done via the Fidelity website or our App.

The benefits of taking fees from the Cash Management Account (CMA)

If you hold ISA accounts only	If you hold sole-named Investment Accounts only	If you hold ISA and sole-named Investment Accounts	If you hold joint Investment Accounts
<p>By taking fees from the CMA and not the ISA, this will maximise the amount held in the tax-free ISA wrapper.</p>	<p>Selling assets in an Investment Account could affect your Capital Gains Tax (CGT) position. Therefore, choosing fees to be taken from the CMA could help to minimise the impact of CGT.</p>	<p>Choosing fees to be taken from the CMA could help to maximise the amount held in the tax-free ISA as well as minimise the impact of Capital Gains Tax (CGT).</p>	<p>CMA not available for joint accounts.</p>

What happens if the CMA is depleted or has a zero balance?

We will default back to the ISA account. Within the ISA account, we will take fees from any cash available, or where there is insufficient cash, your adviser can nominate one fund, or we'll sell from the largest fund, and then the largest Exchange Traded investment.

We will default back to the Investment Account. Within the Investment Account, we will take fees from any cash available, or where there is insufficient cash, your adviser can nominate one fund, or we'll sell from the largest fund, and then the largest Exchange Traded investment.

We will default to using the Investment Account. Within the Investment Account, we will take fees from any cash available, or where there is insufficient cash, your adviser can nominate one fund, or we'll sell from the largest fund, and then the largest Exchange Traded investment.

Whilst we default to the largest Investment Account when you have multiple accounts, you have the flexibility to specify which account we use for any shortfall, which may be the ISA account should that be more appropriate. We will then take fees from any cash available, or where there is insufficient cash, your adviser can nominate one fund, or we'll sell from the largest fund, and then the largest Exchange Traded investment.

Not applicable.

Within the joint account, we take fees from any cash available, or where there is insufficient cash, your adviser can nominate one fund, or we'll sell from the largest fund, and then the largest Exchange Traded investment.

As stated above, selling investments in an Investment Account could potentially affect your Capital Gains Tax (CGT) position, so using cash available or nominating a specific fund will help to minimise this.

How is the Investor Fee collected?

Our Investor Fee is separate from our platform service fee and is normally taken from the Cash Management Account. If there is not enough cash in the Cash Management Account to pay a fee, then you and your adviser can choose which account we look to take fees from, or else we will look in the largest Investment Account, then the next largest and so on, followed by the largest ISA and finally the largest Pension Account.

If there is not enough cash in an account to pay a fee, then we will sell investments as shown in the diagram on the right.

Is interest earned on money held in cash?

Yes, we pay interest on money held in cash for the following products; ISA and Junior ISA, Investment Accounts, Cash Management Account (CMA) and Pension (including Junior Pension). The latest interest rate information can be found on the Fidelity website.

Are fees paid on cash holdings?

No, the platform service fee is not charged for any balances held within cash (either cash within the product wrapper or cash held within the Cash Management Account). Adviser ongoing fees however, may still be applied.

How do I top up the CMA?

Adding money to a Cash Management Account can easily be done via the Fidelity website or our App.

The Investor Fee deduction hierarchy when using the Cash Management Account

