



IG SMART PORTFOLIOS ILLUSTRATION OF COSTS AND CHARGES

These illustrations are not forecasts or projections, but simply show the impact of the likely costs and charges on returns for different growth rates. It is important to understand that these forecasts or illustrations are not a reliable indicator of future performance. The value of investments can go up as well as down and you may not get back the amount you have invested.

These illustrations are based on a lump sum of £10,000.00 invested in an IG Smart Portfolio. Clients with balances greater than £50,000.00, or who qualify for discounted fees, will benefit from a lower IG Annual Management Fee

	Charges % p.a	Charges over 12 months
IG Annual Management Fee (incl VAT) [1]	0.65%	£65.00
Estimated ETF Fund Fees & Charges [2]	0.14%	£14.00
Estimated Transaction Costs [3]	0.07%	£7.00
Custody & Administration Fee [4]	0.00%	£0.00
Foreign Exchange Fees [5]	0.00%	£0.00
Total	0.86%	£86.00

Illustration showing the Impact of ALL Costs & Charges on Returns over five years

Annualised Return before ALL Costs and Charges	1.50%	4.50%	7.50%
Initial Investment (£)	£10,000.00	£10,000.00	£10,000.00
Sum of Monthly Investments over 5 years	£0.00	£0.00	£0.00
Total Invested over 5 years	£10,000.00	£10,000.00	£10,000.00
Return BEFORE all Costs and Charges over 5 years	£10,772.84	£12,461.82	£14,356.29
Impact of Costs and Charges	£448.68	£504.37	£565.09
Return AFTER all Costs and Charges over 5 years	£10,324.16	£11,957.45	£13,791.21
Net of costs annual percentage return (%)	0.64%	3.64%	6.64%

1. The IG Smart Portfolios Annual Management Fee is 0.65%, which includes VAT, thereby making the split 0.54% to IG and 0.11% in VAT.
2. The average IG Smart Portfolios underlying ETF fee is 0.14%, correct as of 15.06.2019, taken from the KIID document. Asset allocations will change over time which could lower or increase these costs.
3. Transaction costs are almost exclusively due to the small difference between market BUY and SELL prices (the 'bid-ask spread'). We estimate those to be 0.07% across the portfolios; 0.06% for IG dealing in ETFs and 0.01% for costs within the ETFs. The spread costs associated with the buying and selling of ETFs has been conservatively estimated by multiplying 100% portfolio turnover (this is rather higher than is to be expected) by the weighted realised average bid-ask spread experienced within IG Smart Portfolios, using data from April 2019. The iShares transaction costs use BlackRock data (as of 30 April 2019) and are asset weighted.
4. IG bears the cost of all third party Custody and Administration fees within the Annual Management Fee.
5. Occasionally ETFs pay dividends in Euros and US Dollars. IG Smart Portfolios applies a 0.5% FX fee to these over the market spot rate. We estimate that these costs will be less than 1/20th of 0.01%, an equivalent cost of £0.05 per £10,000 invested.