



# GLOSSARY OF TERMS: **ACCOUNT TEMPLATE**

This document provides a glossary of terms used in the **ACCOUNT TEMPLATE** for investors and their advisers.

(It is not intended to replace the technical guidance, included in the machine readable codification but instead could be used alongside this as an aide to understanding).

## INTRODUCTION

The CTI provides the new industry standard for institutional investment cost data. The CTI templates and tools are a framework for investors to receive detailed, consistent and standardised cost and charges information from asset managers and other service providers. This information can be used to help assess the value for money of investments.

The **ACCOUNT TEMPLATE** covers most product types and captures relevant data all in one place. Some of this information is populated directly into this template, whereas some specialist costs have relevant sub-templates which map across to the cells. You should expect to receive cost information presented in a standard format, irrespective of asset class, asset manager or mandate structure (e.g. pooled/segregated).

The **ACCOUNT TEMPLATE** also contains non-cost information including asset values, sales, purchases and performance figures.

## HOW INFORMATION IS PROVIDED

You can request the **ACCOUNT TEMPLATE** either:

- ▶ Independently; By asking asset managers(s) to complete the **ACCOUNT TEMPLATE** and relevant sub-templates.
- ▶ By using a third party; This could include an adviser, data vendor or other third party to collect the data across all your asset managers and consolidate/aggregate the responses.

The **USER SUMMARY** represents an aggregation of more detailed underlying cost data which has been compiled in a standard format **ACCOUNT TEMPLATE** by the asset manager. For further information on how to construct and interpret a **USER SUMMARY** see the relevant guidance -

<https://www.plsa.co.uk/Policy-and-Research-Investment-Cost-Transparency-Initiative>

## SCOPE AND COVERAGE

The **ACCOUNT TEMPLATE** is designed to capture costs of managing investments by relevant investment managers. It therefore can be used as part of a wider exercise seeking to understand the total cost of ownership which encompasses all costs, both direct and indirect, of running a pension scheme or investment vehicle.

Over time it is anticipated that the **ACCOUNT TEMPLATE** will increase in scope and provide standardised framework for the disclosure of, for example, more non-mainstream asset classes and ancillary services. Where this is the case all relevant materials will be updated to reflect this.

For further information on any of the work ongoing at the CTI and how you can get involved please contact:

[Alyshia.Harrington-Clark@plsa.co.uk](mailto:Alyshia.Harrington-Clark@plsa.co.uk)

## OTHER INVESTMENT COSTS

It is important to remember that there are several other components of costs of investment outside of asset management costs. These could include investment consultancy costs, performance measurement, investment administration, risk reporting and investment committee expenses. For further information on custody costs particularly, see the 'Basic notes on interpretation' below.

## FORMAT

The asset manager may use the machine readable format to provide the cost information which enables the manager to automate the data collection and disclosure to their client. Other asset managers may use a different format. You should work with your asset manager to understand their processes.

If your asset manager has used the machine readable codification you may receive the data as a stream of data. For help interpreting this information refer to the guide [www.plsa.co.uk/Policy-and-Research-Investment-Cost-Transparency-Initiative](http://www.plsa.co.uk/Policy-and-Research-Investment-Cost-Transparency-Initiative) or speak to an adviser.

## DEFINITION OF DATA ITEMS

This glossary provides a detailed specification for each item provided in the template. Cost data is provided as a percentage of the total value invested and, at a client level, monetary expressions of costs are calculated by reference to the average value of the client's holding.

Section No.	Item name	Definition	Reference	Example
1	<b>ACCOUNT INFORMATION</b>	This section identifies the fund or investment mandate to which the data relates and the period covered by the report. In the case of an investment mandate the report will be specific to a single client and for pooled vehicles it will normally be provided on a generic basis such that the data is applicable to any client.		
	Client name	Name of the client to which the report relates. Only used in a client specific report	02010	
	Average value of client holding	Average total net asset value of the investment mandate or average value of the client's holding in a pooled vehicle. This figure is used to convert cost data to monetary amounts. The accuracy of this average should be sufficient to ensure converting in this way does not distort the figures. Only used in a client specific report.	02020	
	Portfolio issuer name	Name of the fund or segregated mandate manager.	00040	XYZ Portfolio Name
	Portfolio or share class name	Name of the portfolio or fund/share class.	00030	UK Equity Fund, Share Class IV
	Portfolio identifier	Identifier for the fund or share class or segregated mandate.	00010	ISIN

Section No.	Item name	Definition	Reference
1	Period of report	<p>The basis of reporting is annual data delivered once a year. This will typically be by reference to the pension scheme's year end for segregated investments and by reference to the pooled vehicle's year end for pooled vehicles. The actual period covered is indicated by the specified start and end date fields.</p> <p>For a segregated mandate that has been in operation for less than a full year, the data should relate to the shorter period. The specified start and end dates will indicate that the period is less than a year.</p> <p>Annual data should always be given for pooled funds. This facilities users of the information to tailor the generic fund data to their own holding period as appropriate. Where a new share class been added the transaction costs should be the same as for existing share classes (subject to adding any share class hedging transaction costs estimated based on a similar hedging strategy) and the ongoing fees and charges should be estimated by adjusting for the management fee differential compared to an established share class. The specified start and end dates will indicate that the data represents a year's worth of costs and charges.</p> <p>The name of each field in the main account template is accompanied by its five-digit source reference in the machine-readable codification.</p>	
	Start	Date of the first day to which the data refers.	00050
	End	Date of the last day of the reporting period to which the data relates.	00060
	Currency or report	Currency in which monetary cost data is denominated. Specifies the currency used for costs and charges data. For pooled funds this will be the currency in which the share class is denominated.	00070

Section No.	Item name	Definition	Reference
<b>2</b>	<b>PORTFOLIO INVESTMENT ACTIVITY</b>	This section is intended to provide additional context for the transaction cost data. Data in this section is given in monetary amounts and, in the case of a pooled vehicle, should relate to the vehicle as a whole.	
	Start asset value	The opening net asset value of a pooled fund or the value provided in client reports for a segregated mandate. Converted from base currency to reporting currency using the end of period valuation exchange rate. Additional analysis by asset class may be provided (12x10). It should be noted that the total start asset value will not be the summation of the value invested in each asset class due to uninvested cash, receivables and payables.	08110
	End asset value	The closing net asset value of a pooled fund or the value provided in client reports for a segregated mandate. Converted from base currency to reporting currency using the end of period valuation exchange rate. Additional analysis by asset class may be provided (12x20). It should be noted that the total end asset value will not be the summation of the value invested in each asset class due to uninvested cash, receivables and payables.	08120
	Purchases	The total consideration paid for the purchase of assets during the reporting period. Converted from base currency to reporting currency using the end of period valuation exchange rate. Additional analysis by asset class may be provided (12x30).	08130
	Sales	The total consideration received from the sale of assets during the reporting period. Converted from base currency to reporting currency using the end of period valuation exchange rate. Additional analysis by asset class may be provided (12x40).	8140

Section No.	Item name	Definition	Reference
2	Inflows	Net inflow of new money to the fund during the period calculated across all share classes at each valuation point and then summed for each valuation point with net inflows over the year. Converted from base currency to reporting currency using the end of period valuation exchange rate. Only used in a pooled vehicle report.	8150
	Outflows	Net outflow of money from the fund during the period calculated across all share classes at each valuation point and then summed for each valuation point with net outflows over the year. Converted from base currency to reporting currency using the end of period valuation exchange rate.	8160
3	<b>PORTFOLIO TRANSACTION COSTS</b>	This section provides a detailed analysis of transaction costs which are defined as the costs incurred as a result of the acquisition and disposal of investments. It includes indirect transaction costs incurred within underlying holdings of pooled vehicles.	
	<b>EXPLICIT TRANSACTION COSTS</b>	Total of all explicit transaction costs. This figure should be broken down into the following components:	03020
	Transaction Taxes	Transaction taxes such as stamp duty and other financial transaction taxes. Additional analysis by asset class may be provided (10x30).	03030
	Broker Commissions	Fees and commissions paid to brokers or equivalent (e.g. agent's fees). Other levies, such as exchange fees, settlement fees and clearing fees are normally covered by broker commissions but if they are billed separately such amounts should be added to the broker commissions figure. Additional analysis by asset class may be provided (10x40).	03040
	Transaction Related Services	Transaction service costs such as appraisals, surveys, and studies, searches, due diligence, legal and notary services. Additional analysis by asset class may be provided (10x50).	03050

Section No.	Item name	Definition	Reference
<b>3</b>	Other Explicit Costs	Other explicit transaction cost not included elsewhere. Includes any entry or exit charges for investing in underlying pooled funds. Additional analysis by asset class may be provided (10x60).	03060
	Implicit Transaction Costs	Implicit transaction costs represent the loss of value implied by the difference between the buying or selling price and the mid-market price of the asset. A number of methodologies exist for calculating implicit costs and the methodology used should be aligned with the asset managers' MiFID II or other regulatory cost disclosures. Additional analysis by asset class may be provided (10x70).	03070
	Indirect Transaction Costs	Transaction costs incurred indirectly when part of the portfolio is invested in one or more pooled funds, reflecting the costs those pooled funds incur when they buy and sell their underlying investments (look-through transaction costs). For this purpose, investment trusts should be regarded as being pooled funds and their look-through transaction costs should be included here. Additional analysis by asset class may be provided (10x80).	03080
	Anti-Dilution Offset	Amounts collected in the period from dilution levies and dilution adjustments (in the case of swinging prices) or the equivalent amounts in relation to the issue and cancellation prices of dual priced funds. Shown as a positive figure but is a reduction to total transaction costs. Only used in a pooled vehicle report.	03090
	<b>TOTAL TRANSACTION COSTS</b>	This figure represents the total of the transaction cost components given in this section.	03010



Section No.	Item name	Definition	Reference	Example
<b>4</b>	<b>ONGOING CHARGES</b>	This section provides an analysis of ongoing charges and charges for other ancillary services. Where an asset manager has directed the client to the services of a third party, the asset manager should also report the costs of those services in this section.	04010	
<b>4.1</b>	Fund and Investment Management	Total fees for managing an investment mandate or total ongoing charges as defined by relevant product regulation for pooled vehicles. This figure represents the total of the following components:		
<b>4.2</b>	Administration	Where an asset manager provides additional administrative services, or directs the client to third party providers of such services, and the costs of those services are not covered by the fund and investment management fees above, the asset manager should report the costs of those services in this section. The asset manager may elect to quantify specific items of administration charges under the headings: investment administration, custody and depositary fees, collateral management fees, facility fees and other administration charges	04200	9800000
<b>4.3</b>	Governance, Regulation & Compliance	The cost of governance to ensure regulatory compliance, among other factors.	04300	9800000
<b>4.4</b>	Distribution, Communications and Client Service	Fees for intermediaries involved in sales and taking on new investors.	04400	9800000
<b>5</b>	<b>INCIDENTAL COSTS</b>	This figure represents the total of the ongoing and other ancillary service charges components given in this section and the total lending and borrowing costs section below.	05010	9800000

Section No.	Item name	Definition	Reference
<b>5</b>	Performance fees invoiced	Performance fees invoiced to the client by the manager. Amounts should be included in the period to which the invoice relates.	5020
	Performance fees paid through NAV	Performance fees for the period incurred within the NAV where the reporting entity is a pooled fund. Any indirect performance fees incurred in underlying investment vehicles should be included in “indirect fees and charges”.	5030
	Carried interest charged	Carried interest charges for the period incurred within the NAV where the reporting entity is a pooled fund. Any indirect carried interest charges incurred in underlying investment vehicles should be included in “indirect fees and charges”.	5030
	<b>TOTAL INCIDENTAL COSTS</b>	Total of all performance related charges. This figure represents the total of the figures given in this section.	5010
<b>6</b>	<b>LENDING AND BORROWING COSTS</b>	This section provides an analysis of lending and borrowing costs.	4200
	Stock lending fees not retained	Calculated as the sum of the amounts of securities lending revenue retained by the custodian, manager or third party lending agent (as quantified in the stock lending section below). This represents the amount not retained by the client or fund.	2030

Section No.	Item name	Definition	Reference
6	Stock borrowing fees	The total amount paid for borrowing securities.	6080
	Interest on borrowing fees	The total interest paid on cash borrowings.	6100
	Borrowing and arrangement fees	Fees for setting up debt facility	6110
	<b>TOTAL LENDING AND BORROWING COSTS</b>	Total of all lending and borrowing costs. This figure represents the total of the figures given in this section.	6010
7	<b>PROPERTY EXPENSES</b>	This figure represents the total of the ongoing and other ancillary service charges components given in this section and the total lending and borrowing costs section below.	
	Property expenses	This section provides an analysis of expenditure related to real estate assets to the extent not recoverable from tenants, and including any incentivised fees in relation thereto. The asset manager may elect to quantify specific items of property expense under the headings: property management fees, leasing costs, maintenance and repairs, utilities and service charges, void costs, insurance costs, valuation fees, failed transaction costs and other property expenses. This figure includes any indirect property expenses.	7010
	Indirect property expenses	Property expenses incurred indirectly when part of the portfolio is invested in one or more pooled funds with direct property exposure (look-through property expenses). For this purpose investment trusts should be regarded as being pooled funds and their look-through property expenses should be included here.	

Section No.	Item name	Definition	Reference
8	<b>ONE-OFF COSTS</b>	This section provides an analysis of charges levied directly to an investor in a pooled vehicle by deduction either from contributions before they are invested or from the proceeds realised before they are paid to the investor.	
	Entry costs	Charges deducted from a client's contributions before they are paid into the fund. Only used in a client specific report.	2030
	Exit costs	Charges deducted from the proceeds realised at the end of an investment before they are paid to the client. Only used in a client specific report.	2040
	Client FX costs	Transaction costs for converting client inflows or outflows to the currency of the fund or share class. These are foreign exchange costs of translating client flows where translation takes place outside the fund. Only used in a client specific report.	2050
	<b>TOTAL ONE-OFF COSTS</b>		
9	<b>PERFORMANCE INFORMATION</b>		
	Gross return	For segregated portfolios the primary measure is the gross return calculated using the same methodology as for client reports. In substance this represents the return on the portfolio before management fees. The gross return is calculated after "portfolio transaction costs" and takes into account "indirect fees and charges", "lending and borrowing costs" and "property expenses". Therefore, the gross return does not take into account (i.e. is gross of) performance fees and direct ongoing charges.	8010

Section No.	Item name	Definition	Reference
9	Net return	The return for the share class for the period. Net return is calculated as the change in the net asset value per unit over the period to which the report relates. The net return does not take into account the effect of “fees invoiced” or “fees rebated” outside the fund. It does not take into account any one-off charges (which are client specific).	8020
10	<b>STOCK LENDING</b>		
	Value on stock loan	Value of assets on loan at the end of the period	6020
	Total stock lending revenue	The amounts paid by the ultimate borrowers in respect of securities lent during the period.	6030
	Revenue retained by portfolio	The amount of income retained by the client or fund from securities lending activities.	6040
	Revenue paid to custodian	The amount of securities lending revenue retained by the custodian.	6050
	Revenue paid to manager	The amount of securities lending revenue retained by the manager.	6060
	Revenue paid to lending agent	The amount of securities lending revenue retained by a third party securities lending agent that is neither the manager nor the custodian.	6070

## **NOTES**

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### **TRANSACTION COSTS**

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Description of the methodology used to estimate implicit transaction costs.

### **PERFORMANCE FEES**

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Description of the methodology used to calculate performance fees or carried interests.

### **PERFORMANCE INFORMATION**

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Description of the methodology used to calculate returns. The narrative should make it clear which cost items have and have not been taken into account in calculation the return.

### **GENERAL NOTES**

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Additional information concerning the data in the report.

## BASIC NOTES ON INTERPRETATION

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As there are standard definitions for the information disclosed in the **ACCOUNT TEMPLATE** format these should be used to aid understanding. Please note that the above is a summary only, and detailed codification information can be found in the machine readable format: <https://www.plsa.co.uk>. In the first instance this can be helpful should investors have questions about the cost components of a particular field.

## TOTAL COST OF OWNERSHIP

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Investment costs are also not the full picture; the total cost of ownership also include pension management costs including executive costs, administration and processing costs, advisory and control costs and rent, for example.

## DIFFERING METHODOLOGIES FOR SOME COST ITEMS

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A small number of the fields in the **ACCOUNT TEMPLATE** rely on third party definitions or regulatory requirements as the standard for disclosure. Your service provider will be disclosing information reflecting their approach to that standard. For the avoidance of doubt different approaches or methodologies, despite being utilised correctly, may result in quite different absolute levels of costs being disclosed in some fields. Investors are advised to refer to any notes their provider has included alongside their disclosure and discuss this further with their advisers and investment managers as appropriate.

## ANCILLARY SERVICES - CUSTODY

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The disclosure of custody costs will vary depending on the nature of the investor's mandate. In particular, it relates to whether those custody costs are incurred by the asset manager or through a third party employed directly by the institutional fund. Where an investor is unsure, advisers will be able to provide guidance.

For those custody costs incurred on behalf of the institutional fund by asset managers, these will be compiled within the **ACCOUNT TEMPLATE** completed by the Asset Manager. Where the institutional fund contracts directly with a custodian (e.g. for segregated mandates) the Custodian will need to be approached separately to complete the relevant information for every relevant segregated mandate.

## FURTHER INFORMATION AND GUIDANCE

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Further information and guidance can be found on the CTI website. You are able to access:

- ▶ **USER SUMMARY** PDF
- ▶ **USER SUMMARY** Excel
- ▶ **ACCOUNT TEMPLATE** 'machine readable' Excel
- ▶ **ACCOUNT TEMPLATE** PDF
- ▶ **ACCOUNT TEMPLATE** Excel
- ▶ **PRIVATE EQUITY TEMPLATE** PDF
- ▶ **PRIVATE EQUITY TEMPLATE** Excel
  
- ▶ Investor's 'How to' Guide
- ▶ Investor's Glossary of Terms
- ▶ Investor's Private Equity Glossary of Terms
- ▶ FAQs

You will also find web-links to other organisations and other useful information.

## FEEDBACK

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The CTI relies on your feedback to improve and update guidance, templates and other tools.

If you have any feedback or questions, please contact:

[alyshia.harrington-clark@plsa.co.uk](mailto:alyshia.harrington-clark@plsa.co.uk)