RENASCENCE CAPITAL

THE INVESTMENT TRANSPARENCY GUIDE

Understanding what you own, what you pay, and whether your investments are working for you.

Do You Really Know What You're Paying?

"If you were asked today to explain exactly how much you pay each year for your investments, could you?"

For many internationally mobile investors, the honest answer is no. Investment costs are rarely presented as a single, comprehensible figure. They are layered — an adviser's fee here, a platform charge there, fund expenses and product costs quietly embedded elsewhere — and the structures that hold investments can be genuinely complex.

None of this means that complex arrangements are necessarily inappropriate. Investment bonds, structured products and actively managed funds can all serve legitimate purposes when they are well selected and properly understood. But arrangements established years ago, perhaps in another country and under different circumstances, deserve periodic reassessment — particularly when life across borders continues to change.

This guide sets out the questions worth asking: what you own, what it costs, how your advisers and providers are remunerated, and whether your portfolio remains aligned with your objectives. Its purpose is not to alarm, but to encourage a healthy curiosity about your own investments.

Five Layers of Charges

The total cost of an investment portfolio is seldom a single number. It is usually the sum of several distinct layers, each charged by a different party and each disclosed in a different way.

01 **Initial adviser fees**
One-off charges for establishing an investment or transferring existing assets, sometimes expressed as a percentage of the amount invested.

02 **Ongoing adviser fees**
The annual charge for continuing advice and portfolio oversight, typically a percentage of assets under management.

03 **Platform and bond charges**
Administration, custody and policy charges levied by the platform, investment bond or insurance wrapper that holds the assets.

04 **Underlying fund costs**
The ongoing charges of the funds themselves, including management fees and expenses deducted within the fund.

05 **Other costs**
Dealing charges, foreign-exchange costs, exit penalties and incidental expenses that arise from time to time.

Upfront remuneration, quietly embedded

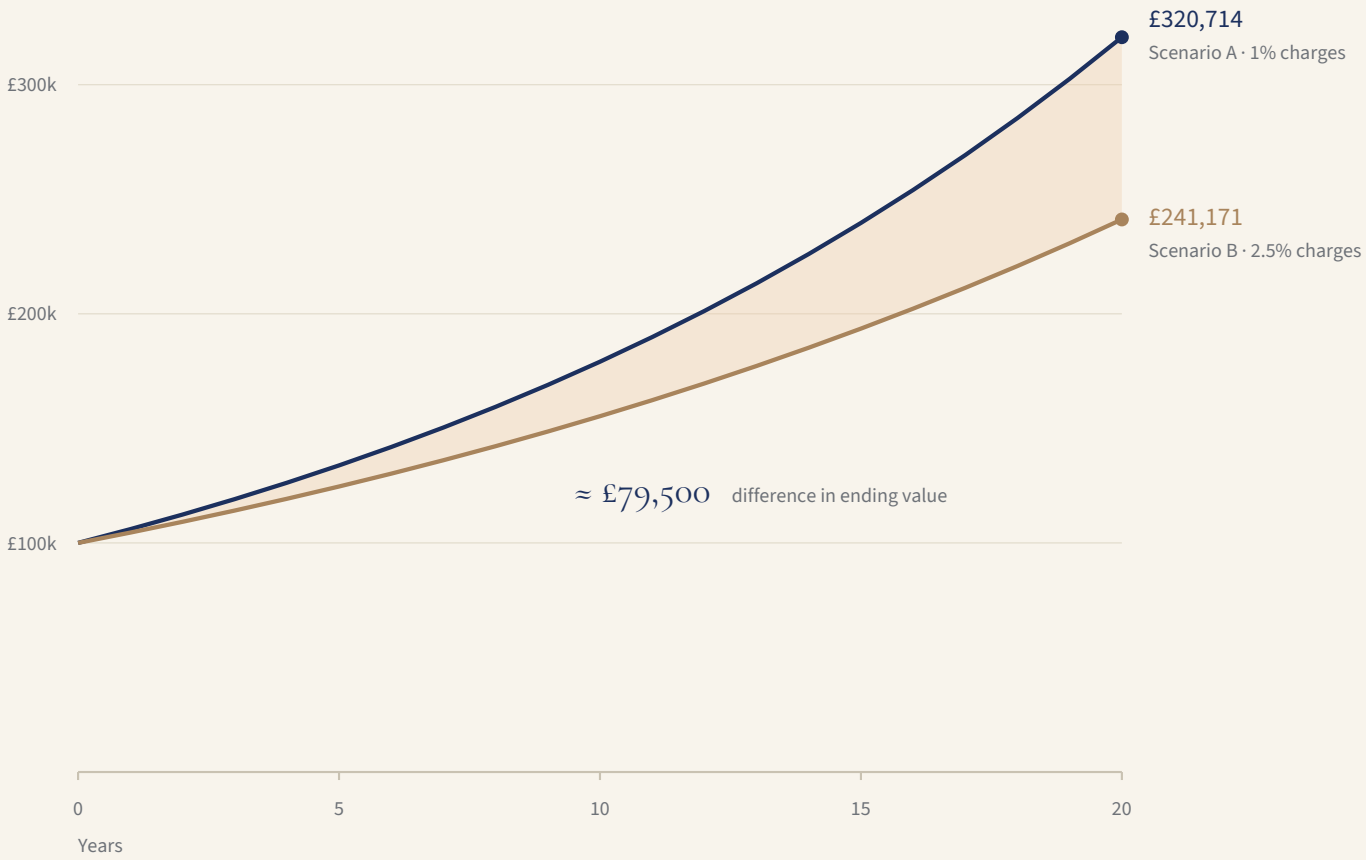
Certain investment bonds and insurance-based arrangements incorporate upfront adviser remuneration into their own charging structures. Rather than appearing as a visible deduction on day one, the cost may be recovered through higher ongoing charges, establishment fees or contractual arrangements spread over the life of the product. The adviser is paid at the outset; the economic cost is borne by the investor over time.

Such arrangements are not universal, nor necessarily inappropriate — but they do mean that the absence of an obvious upfront charge does not mean the absence of cost.

Do you know the total cost of your investment arrangements — not just your adviser's annual fee?

Twenty Years, Two Outcomes

Relatively modest differences in annual costs can compound into substantial differences in the wealth an investor retains. The illustration below follows two identical investments over twenty years — the only difference between them is the level of total annual charges.



Assumptions: initial investment of £100,000 held for 20 years; a hypothetical gross annual return of 7%; total annual charges of 1% (Scenario A) and 2.5% (Scenario B); no additional contributions or withdrawals; no taxes or transaction costs. Ending values are calculated using full-precision annual compounding.

The difference that matters is not the annual charge itself, but the wealth you retain. A gap of 1.5 percentage points in annual costs leaves the lower-cost investor with roughly a third more capital after twenty years.

This illustration is hypothetical. The scenarios and the constant annual return are assumptions, not forecasts; they do not represent actual Renascence Capital charges or the fees paid by any particular client. Investment returns vary and can be negative; values can fall as well as rise and are not guaranteed.

Clean Share Classes and Trail Commissions

"Two investors may hold essentially the same investment fund, yet pay different annual charges simply because they hold different share classes."

Most mutual funds are offered in several share classes. The underlying portfolio is identical; what differs is the charging structure. Certain share classes incorporate an ongoing trail commission — a payment built into the fund's annual charge and passed to the adviser or intermediary who arranged the investment. Clean share classes generally exclude these payments, leaving advice to be charged separately and explicitly.

Neither structure is inherently wrong. What matters is that the comparison is made properly: the appropriate measure is the total cost of investing, including any separately charged advice or portfolio management fees — not simply whether a commission appears inside the fund.

Where commission-paying share classes are held, it is worth asking what service the payment supports, whether a clean equivalent exists, and how the combined cost compares with the alternatives.

WHAT LIES BENEATH YOUR PORTFOLIO?

Investment Bonds and Contractual Restrictions

Offshore investment bonds and insurance-based wrappers can offer legitimate benefits: administrative simplicity, estate-planning advantages and, in certain jurisdictions, favourable tax treatment. For internationally mobile investors they remain widely used — and often appropriately so.

However, certain products also carry establishment charges, ongoing policy charges, surrender penalties or long-term contractual commitments. These features are not always obvious at the outset, and their practical consequences only become apparent when circumstances change — a relocation, a change of objectives, or simply a wish to move assets elsewhere.

Understanding the cost — and the practical consequences — of transferring or withdrawing an investment is as important as understanding the cost of holding it.

Could you transfer or withdraw your investments today — and what would it cost?

Understanding Structured Products

Structured notes are investments whose returns are linked to the performance of an underlying index, market or asset, typically issued by a bank and subject to defined conditions. Used thoughtfully, they can play a legitimate role within a diversified portfolio.

The risk arises less from any single product than from accumulation. Holding several different structured products does not necessarily mean a portfolio is adequately diversified: multiple notes may depend on similar underlying indices, markets, issuers or economic outcomes, so that a single market event affects all of them at once.

What to examine

- **Underlying market exposure** which indices or assets each note depends on, and how much they overlap.
- **Conditional capital protection** protection that applies only if specified barriers or conditions are not breached.
- **Issuer credit risk** the note is an obligation of the issuing bank; its strength matters.
- **Liquidity limitations** secondary-market exit may be difficult or costly before maturity.
- **Correlation between products** notes that appear different may fall together in the same scenario.
- **Aggregate concentration** the combined exposure across all structured products in the portfolio.
- **Potential downside scenarios** what the portfolio would be worth if conditions turned against it.

> Renascence Capital generally prefers structured products to represent approximately 30% or less of a portfolio. This is a portfolio-construction guideline, applied subject to individual suitability, objectives and risk tolerance — not a regulatory maximum or a universally appropriate limit.

How much of your portfolio is exposed to structured products — and how diversified is that exposure?

A More Transparent Approach to Wealth Management

Renascence Capital helps internationally mobile individuals build, preserve and manage wealth accumulated while living overseas. Four principles shape our current preferred investment approach, applied subject to individual suitability and applicable regulatory requirements.

01

Cost Efficiency

We favour low-cost, diversified ETFs and index funds where appropriate, and assess the total cost of investing — adviser fees, platform charges, investment wrappers and underlying fund expenses. Our objective is to minimise unnecessary costs without compromising suitability.

02

Transparent Remuneration

Clients should understand how advisers and investment providers are remunerated. Our preferred approach avoids share classes paying ongoing trail commissions and remuneration structures that introduce unnecessary conflicts of interest. Charges should be clearly disclosed and understood.

03

Flexibility and Control

We generally favour arrangements that preserve flexibility and control over client assets, seeking to avoid unnecessary long-term commitments, excessive surrender penalties and restrictions that provide no clear client benefit — particularly relevant for investors whose country of residence may change.

04

Disciplined Portfolio Construction

We emphasise diversification, appropriate risk exposure and long-term discipline. Structured products may have a role, but their aggregate allocation, underlying exposures, issuer risks and potential downside scenarios should be carefully considered.

"The value of investment advice should be reflected in the quality of the portfolio, the transparency of its costs and its suitability for the client — not the complexity of the products recommended."

A CHECKLIST FOR INVESTORS

Five Questions Every Investor Should Ask

These questions are not an indictment of any adviser or arrangement. They are an invitation to look at your own portfolio with fresh eyes — many investors find the answers reassuring, and some find them worth a conversation.

01

What am I paying in total?

Have all adviser, platform, policy, fund and product-related charges been accounted for?

02

Do any of my investments pay commissions?

Could equivalent investment exposure be obtained through more cost-efficient share classes or investment vehicles?

03

What do I actually own?

Do I understand my underlying funds, structured products, asset allocation and principal investment risks?

04

How flexible are my arrangements?

Are there surrender penalties, contractual restrictions or other costs associated with transferring or withdrawing my assets?

05

Are my investments still suitable for me?

Do the portfolio's costs, risks, diversification and investment objectives remain appropriate for my circumstances?

A Clearer Understanding of Your Investments

Request a confidential investment cost and portfolio review.

Understanding your investments begins with understanding their costs, structure and risks. At Renascence Capital, our partners can help you establish the total annual cost of your investments, identify any embedded commissions or contractual restrictions, and assess whether your portfolio remains appropriately diversified and aligned with your objectives.

Whether you intend to maintain your existing arrangements or are considering a change, a professional second opinion can help you make a more informed decision. There is no obligation to make any changes or transfer your investments.

REQUEST A CONFIDENTIAL INVESTMENT REVIEW

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This publication is provided for general information and educational purposes only and does not constitute personalised investment, legal or tax advice. Investment values and returns may fall as well as rise. Product suitability, charges and restrictions depend on individual circumstances and applicable jurisdictions. Illustrations are hypothetical and do not represent guaranteed outcomes.

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