

## **What is the Impact of Fees on Your Investments?**

The amount of fees applied on your transactions or investments may vary depending on the size of your portfolio and transactions. You may find the details on our Costs & Charges table. There may be different types of fees payable on your investments.

### **These include:**

- Annual custody fees, advisory fees, service charges based on the value of your portfolio.
- Fixed annual maintenance fees.
- Transaction fees for buying and selling different types of investment products.
- Other costs if applicable such as taxes or stamp duty as well as costs for administrative actions.

## **Examples of Fees**

### **1. Bond Transactions (government bonds, corporate bonds)**

For example, you buy USD 200.000 (nominal) of a bond with 5.00% coupon, 2 years maturity at price of 100.00. Let's assume bond transaction fee is 0.40%, which is calculated based on the cash amount.

The amount you will pay excluding accrued interest on the bond is USD 200,800.00.

Also, an annual custody fee is charged on the yearly average value of the bonds in your portfolio. Let's assume annual custody fee is 0.30% and average price is 100.00 throughout the year. Assuming you hold the bond in the portfolio the whole year, the amount of custody fee to be paid for this bond will be USD 600.00 per year.

Furthermore, an annual advisory fee may be charged on the yearly average value of the bonds in your portfolio. Let's assume annual advisory fee is 0.08% and average price will be 100.00 throughout the year. Assuming you hold the bond in the portfolio whole year, the amount of advisory fee paid for this bond will be USD 160.00 per year.

After deducting the transaction fee, advisory fee and annual custody fee, return on your investment will be lower, as there is difference between the gross yield and net yield of the bond.

Principal Amount	USD 200,000.00
Annual Coupon	USD 10,000.00
Transaction Fee	USD 800.00
Annual Custody fee	USD 600.00
Annual Advisory fee	USD 160.00
Net Annual Income for The First Year	USD 8,440.00
Net Annual Income for The Second Year	USD 9,240.00

Furthermore, the secondary market price of the bond may fluctuate during the life time of the transaction. If you sell the bonds prior to maturity market price may be lower than the purchase price and your return can be negative.

**2. Equity Transactions ( Single Stocks, ETFs )**

For example, you buy 1.000 shares of Apple at price of USD 150.00. Let’s assume equity transaction fee is 0.50% which is calculated based on the total size of the transaction.

The amount you will pay for the purchase is USD 150,750.00

Principal Amount	USD 150,000.00
Transaction Fee	USD 750.00
Annual Custody Fee	USD 450.00
Annual Advisory Fee	USD 120.00

Also, an annual custody fee is charged on the yearly average value of the equities in your portfolio. Let’s assume annual custody fee is 0.30% and average price will be USD 150.00 throughout the year. Assuming you hold Apple in the portfolio whole year, the amount of custody fee to be paid for this stock will be USD 450.00 per year.

Furthermore, an annual advisory fee may be charged on the yearly average value of the bonds in your portfolio. Let’s assume annual advisory fee is 0.08% and average price will

be 150.00 throughout the year. Assuming you hold the bond in the portfolio whole year, the amount of advisory fee paid for this bond will be USD 120.00 per year.

After deducting the transaction fee, advisory fee and annual custody fee, there is difference between the gross return and net return of the stock performance. There might be other costs if applicable such as taxes or stamp duty as well as costs for administrative actions.

### 3. FOREX Spot Transactions (Ancillary Services)

For example, you sell 500.000 EUR and buy USD at 1.1700 exchange rate. Let's assume forex transaction fee is 0.20% which is calculated based on the total size of the transaction and deducted from the quote currency in the parity, USD in this case.

The calculation will be as follows:

You sell	EUR	500,000.00
You buy	USD	584,000.00
Market Rate		1.1700
Transaction Fee		0.20%
Fee Amount	USD	1.170
Your Rate (Inc. fee)		1.16766

### 4. FOREX Forward & Swap Transactions

For example, you sell 500.000 EUR and buy USD at 1.1700 forward exchange rate with 1 month maturity. Let's assume forward transaction fee is 1.50% per annum. The fee is calculated based on the total size of the transaction and deducted from the quote currency of the parity, which is USD in this case.

The calculation is as follows:

You sell	EUR	500,000.00
You buy	USD	584,268.75
Market Rate		1.1700
Transaction Fee		1.50% per annum
Fee Amount	USD	731.25 (USD 585.000 * 1.5% * 30/360 )
Your Forward Rate (Inc. fee)		1.16854

## 5. Futures Transactions

For example, you buy 10 contracts of WTI Oil at a price of USD 50 per barrel in futures market. Total value of one WTI Oil contract is USD 50.000, so your total position is USD 500.000. You pay transaction fee per contract. Let's assume fee is 50 USD per contract and you are able to sell your 10 contracts at USD 51 in the market.

Your net profit calculation will be as follows:

Buying 10 contracts at USD 50	USD 500.000
Selling 10 contracts at USD 51	USD 510.000
Gross Profit	USD 10.000
Transaction Fee	50 * 20 = USD 1.000
Net Profit	USD 9.000

## 6. Options Transactions

For example, you sell vanilla call option on USD/TRY with notional amount of 1 million USD. Let's assume that the premium amount for the option is USD 5.000 and your option transaction fee is 12% of the premium amount.

You receive USD 4.400 net premium amount, which consists of:

Gross Premium Amount	USD 5.000
Transaction Fee	USD 600
Net Premium Amount	USD 4.400