TrinityBridge

Direct Investment Service glossary of terms

Account. The Account (consisting of one or more of the Investment Account, ISA Account(s) and/or SIPP Account as applicable) in which your investments will be held and be opened in your name and identified by an individual account number.

Annual Management Charge (AMC). The AMC is the fee paid to a fund manager for managing the fund.

Annuity. An annuity is an insurance product which pays income to the annuitant for a pre-determined period. Often purchased at retirement with the proceeds of a pension, these can be set up to pay a guaranteed income until the death of the annuitant, alongside other valuable options.

Assets. An item of property owned by a person or company, regarded as having value and available to meet debts, commitments, or legacies.

Asset allocation. An investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame.

Asset class. A group of securities that exhibit similar characteristics, behave similarly in the marketplace, and are subject to the same laws and regulations. The three main asset classes are Equities (stocks), fixed-income (Bonds) and Cash Equivalents.

Assets under management. The market value of assets that an investment company manages on behalf of its investors.

BACS Direct Credit (BACS). Formerly know as the Bankers' Automated Clearing Services, BACS allows payment to be made directly to a designated bank account through an automated process.

Benchmark Portfolio. A reference/standard portfolio that serves as a basis for comparison of the performance of the actual portfolio.

Bonds. Securities issued by a company, government or local authority, where the amount of interest to be paid each year is set on issue.

Bottom up investing. An investment approach which focuses on the analysis of individual stocks and a specific company rather than on the industry or on the economy as a whole.

Bundled (commission-paying) share classes. A share class of a fund which may pay a commission payment to a platform or agent, e.g. TrinityBridge as an intermediary.

Capital. Wealth in the form of money or other assets.

Capital Gains Tax. A tax levied on profit from the sale of property or investment.

Cash equivalents. Securities that are for short-term investing, have high credit quality and are easily and readily converted into a know amount of cash.

CASS rules. The FCA rules relating to client assets.

Clean (commission-free) share classes. A share class of a fund which only includes payment to the Manager via an annual management charge. The platform and Intermediary are paid separately.

TrinityBridge Funds. Our own range of funds with different risk and return profiles. These are pooled vehicles and are available in three forms. Available for clients who have £1,000 or more to invest.

Collective Investment Scheme. Collective Investment Scheme (Collective) is an arrangement that enables a number of investors to 'pool' their assets and have these professionally managed by an independent manager. Investments may typically include gilts, bonds and quoted equities, but depending on the type of scheme may go wider. For example, some investments may be in unquoted investments or property.

An example of a Collective is a Unit Trust. A Unit Trust is an investment vehicle that issues 'units' to its subscribers. A unit will always be priced according to the value of the underlying investments in the fund. The Trust holds a collection of underlying investments of bonds and cash, equities and alternative investments in varying amounts, depending on the profile of the fund.

Corporate action. A corporate action is any event which results in material changes to a stock. In its strictest sense the term refers to any event which affects the number of shares in issue. This would include events such as takeovers, bonus issues, rights issues and consolidations. These actions will generally change the number or percentage of a company's shares you hold.

Diversification. A risk management strategy that includes a wide variety of investments within a portfolio. This strives to reduce unsystematic risk events so that the positive performance of some investments will neutralise the negative performance of others.

Equities. A stock, or any other security, representing an ownership interest.

Estate planning. The act of preparing for the transfer of a person's wealth and assets after his or her death. Assets, life insurance, pensions, real estate, cars, personal belongings, and debts are all part of one's estate.

Exchange Traded Funds (ETFs). An Exchange Traded Fund is an investment fund which is traded on a stock market and designed to track, for instance, a specific index.

FCA. The UK Financial Conduct Authority which regulates our investment business.

Financial planning. A comprehensive and continuing analysis of an individual's current and future financial state which allows ongoing realistic plans to be made.

Fixed Interest Securities. Securities (more commonly referred to as bonds) issued by a company, government or local authority, where the amount of interest to be paid each year is set on issue.

Fixed Term Deposits. A deposit held at a financial institution for a set amount of time with a fixed rate paid at maturity.

Fund. A type of Collective Investment Scheme.

Gilts. Bonds that are issued by the UK Government and generally considered low risk.

HM Revenue & Customs (HMRC). A government department formed on 18 April 2005 following the merger of Customs and Excise and the Inland Revenue.

ICVC. Investment companies with variable capital; another form of collective investment.

Index. A measurement of the value of a section of the stock market that is computed from the prices of selected stocks.

Individual Savings Account (ISA). A tax-efficient savings account, which allows individuals to hold cash, shares and unit trusts free of tax on dividends, interest and capital gains.

In-specie. Transferring an asset 'in specie' means to transfer the ownership of that asset from one person/company/entity to another person/company/entity in its current form without the need to convert the asset to cash.

Interest rate. A rate which is charged or paid for the use of money. An interest rate is often expressed as an annual percentage of the principal. It is calculated by dividing the amount of interest by the amount of principal. Interest rates often change as a result of inflation and Bank of England monetary policies. For example, if a lender (such as a bank) charges a customer £90 in a year on a loan of £1000, then the interest rate would be 9% per annum (p.a.).

Investment. The investments you are able to buy or sell through us under our Terms and Conditions, which include OEICs, Unit Trusts, SICAVs, Investment Trusts and Companies, Funds, Fixed Interest Securities, Exchange Traded Funds and Equities.

Investment Account. An Investment Account made available through our platform, containing investments that are not held in a tax wrapper.

Investment Trusts. A public listed company that invests in the shares of other companies is an investment trust.

Lifetime Allowance. The Lifetime Allowance is the maximum amount of pension and/or lump sum you can receive from your SIPP that will benefit from tax relief. The amount of Lifetime Allowance depends on your circumstances.

Lifetime Allowance Charge. If you build up pension benefits with a value in excess of the Standard Lifetime Allowance, you may be subject to a tax charge on the excess benefits value known as the Lifetime Allowance charge.

Liquidity. The degree to which an asset or security can be quickly bought or sold in the market without affecting the asset's price.

Macroeconomic. The field of economics that studies the behaviour of the wider economy. Macroeconomics examines economy-wide phenomena such as changes in unemployment, national income, rate of growth, gross domestic product, inflation and price levels.

Managed Funds. An investment fund run on behalf of an investor by a professional fund manager.

National Insurance (NI) contributions. Regular payments to the State to help build up entitlement to benefits, including Jobseeker's Allowance, Incapacity Benefit and State Pension.

OCF. The Ongoing Charges Figure (OCF) is the annual cost of an investment fund and includes the transaction charges for the buying and selling of investments over a single year.

OEICs. Open Ended Investment Companies – a UK investment vehicle established under the OEIC Regulations 2001 as amended.

Overweight. When a portfolio holds an excess amount of a particular security in comparison to the security's weight in the Benchmark Portfolio. Actively managed portfolios may make a certain security overweight – with the aim of curtailing losses in particular economic circumstances or seeking additional growth.

Platform. Enables the execution of trading (the buying and selling of investments and financial products) and account administration, accessed via the online portal.

Platform fee. A charge that you agree to pay to the platform provider offering the investment platform through which you manage your investments. This charge pays for the dealing, administration, custody and reporting of your assets.

Portal. A secure online area where clients can access their account(s) and view their investments.

Portfolio. A grouping of financial assets such as stocks, bonds and cash equivalents. Portfolios are held directly by investors and/or managed by financial professionals.

Ready-made portfolios. A ready-made portfolio is a combination of different investments, which are grouped together in one fund. Each ready-made portfolio is created by us and invests in a diverse mix of assets across a range of countries and sectors – helping to balance risk with the opportunity to invest in the right places.

Securities. All investments that are not funds, including equities, fixed interest securities, Investment Trusts, Exchange Traded Funds and fixed term deposits.

Self-Invested Personal Pension (SIPP). A type of personal pension scheme that allows a wide range of assets to be held in a tax-efficient form.

Shares. Shares or equities issued by companies representing a right of ownership.

Stocks and Shares ISA. A type of ISA in which you can invest in funds, bonds and shares in individual companies.

Tax wrapper. A product that provides specific tax benefits (such as an ISA or SIPP) in which the underlying investment is held.

UCITS. The Undertakings for the Collective Investment of Trading Securities – an EU directive that sets out regulatory and investor protection standards for collective funds.

UFPLS payment. Defined contribution (DC) pension users can now make direct withdrawals from their pots, known as uncrystallised funds pension lump sums (UFPLS). There is a 25% tax-free element and the balance is taxed at the member's marginal rate of tax.

Unit Trusts. Unit Trusts are collective investment schemes that are set up under a trust deed that allow investors to pool their money together in a Fund.

Valuation statement. A report showing the value of investments held on the platform.

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