

Direct investment in shares or use of a fund

Assumptions

- £ 100,000 Initial investment
- 8.0% Total return pa
- 2.0% Dividend yield, retained and spent
- 6.0% Capital growth = difference
- 20.0% CGT rate
- Direct investment, all capital return subject to CGT, tax paid following year, except in final period for simplicity

Variable

- 0.53748% Annual charge in fund as % of b/f value

Direct investment in shares

Year	B/F	Capital return	CGT on PY Capital Return	C/F
1	£ 100,000.00	£ 6,000.00		£ 106,000.00
2	£ 106,000.00	£ 6,360.00	-£ 1,200.00	£ 111,160.00
3	£ 111,160.00	£ 6,669.60	-£ 1,272.00	£ 116,557.60
4	£ 116,557.60	£ 6,993.46	-£ 1,333.92	£ 122,217.14
5	£ 122,217.14	£ 7,333.03	-£ 1,398.69	£ 128,151.47
6	£ 128,151.47	£ 7,689.09	-£ 1,466.61	£ 134,373.96
7	£ 134,373.96	£ 8,062.44	-£ 1,537.82	£ 140,898.58
8	£ 140,898.58	£ 8,453.91	-£ 1,612.49	£ 147,740.00
9	£ 147,740.00	£ 8,864.40	-£ 1,690.78	£ 154,913.62
10	£ 154,913.62	£ 9,294.82	-£ 1,772.88	£ 162,435.56
11	£ 162,435.56	£ 9,746.13	-£ 1,858.96	£ 170,322.73
12	£ 170,322.73	£ 10,219.36	-£ 1,949.23	£ 178,592.86
13	£ 178,592.86	£ 10,715.57	-£ 2,043.87	£ 187,264.56
14	£ 187,264.56	£ 11,235.87	-£ 2,143.11	£ 196,357.32
15	£ 196,357.32	£ 11,781.44	-£ 2,247.17	£ 205,891.59
16	£ 205,891.59	£ 12,353.50	-£ 2,356.29	£ 215,888.79
17	£ 215,888.79	£ 12,953.33	-£ 2,470.70	£ 226,371.42
18	£ 226,371.42	£ 13,582.29	-£ 2,590.67	£ 237,363.04
19	£ 237,363.04	£ 14,241.78	-£ 2,716.46	£ 248,888.37
20	£ 248,888.37	£ 14,933.30	-£ 2,848.36	£ 260,973.31
21	£ 260,973.31	£ 15,658.40	-£ 2,986.66	£ 273,645.05
22	£ 273,645.05	£ 16,418.70	-£ 3,131.68	£ 286,932.08
23	£ 286,932.08	£ 17,215.92	-£ 3,283.74	£ 300,864.26
24	£ 300,864.26	£ 18,051.86	-£ 3,443.18	£ 315,472.93
25	£ 315,472.93	£ 18,928.38	-£ 3,610.37	£ 330,790.93
26	£ 330,790.93	£ 19,847.46	-£ 3,785.68	£ 346,852.72
27	£ 346,852.72	£ 20,811.16	-£ 3,969.49	£ 363,694.39
28	£ 363,694.39	£ 21,821.66	-£ 4,162.23	£ 381,353.82
29	£ 381,353.82	£ 22,881.23	-£ 4,364.33	£ 399,870.71
30	£ 399,870.71	£ 23,992.24	-£ 9,374.69	£ 414,488.26

Investment via a fund

Year	B/F	Capital return	Annual charge on b/f	CGT on final gain	C/F
1	£ 100,000.00	£ 6,000.00	-£ 537.48		£ 105,462.52
2	£ 105,462.52	£ 6,327.75	-£ 566.84		£ 111,223.43
3	£ 111,223.43	£ 6,673.41	-£ 597.81		£ 117,299.03
4	£ 117,299.03	£ 7,037.94	-£ 630.46		£ 123,706.51
5	£ 123,706.51	£ 7,422.39	-£ 664.90		£ 130,464.00
6	£ 130,464.00	£ 7,827.84	-£ 701.22		£ 137,590.62
7	£ 137,590.62	£ 8,255.44	-£ 739.52		£ 145,106.53
8	£ 145,106.53	£ 8,706.39	-£ 779.92		£ 153,033.00
9	£ 153,033.00	£ 9,181.98	-£ 822.52		£ 161,392.46
10	£ 161,392.46	£ 9,683.55	-£ 867.46		£ 170,208.55
11	£ 170,208.55	£ 10,212.51	-£ 914.84		£ 179,506.22
12	£ 179,506.22	£ 10,770.37	-£ 964.81		£ 189,311.78
13	£ 189,311.78	£ 11,358.71	-£ 1,017.52		£ 199,652.97
14	£ 199,652.97	£ 11,979.18	-£ 1,073.10		£ 210,559.05
15	£ 210,559.05	£ 12,633.54	-£ 1,131.72		£ 222,060.88
16	£ 222,060.88	£ 13,323.65	-£ 1,193.54		£ 234,190.99
17	£ 234,190.99	£ 14,051.46	-£ 1,258.73		£ 246,983.72
18	£ 246,983.72	£ 14,819.02	-£ 1,327.49		£ 260,475.25
19	£ 260,475.25	£ 15,628.51	-£ 1,400.01		£ 274,703.76
20	£ 274,703.76	£ 16,482.23	-£ 1,476.48		£ 289,709.50
21	£ 289,709.50	£ 17,382.57	-£ 1,557.14		£ 305,534.93
22	£ 305,534.93	£ 18,332.10	-£ 1,642.19		£ 322,224.83
23	£ 322,224.83	£ 19,333.49	-£ 1,731.90		£ 339,826.42
24	£ 339,826.42	£ 20,389.59	-£ 1,826.51		£ 358,389.50
25	£ 358,389.50	£ 21,503.37	-£ 1,926.28		£ 377,966.59
26	£ 377,966.59	£ 22,678.00	-£ 2,031.50		£ 398,613.09
27	£ 398,613.09	£ 23,916.79	-£ 2,142.47		£ 420,387.40
28	£ 420,387.40	£ 25,223.24	-£ 2,259.51		£ 443,351.14
29	£ 443,351.14	£ 26,601.07	-£ 2,382.93		£ 467,569.27
30	£ 467,569.27	£ 28,054.16	-£ 2,513.10	-£ 78,622.07	£ 414,488.26

Fund outcome minus direct outcome

£ 0.00