

CashCalc Specification Sheets (Client Facing)

Total Expense Ratio / Ongoing Charges Figure Calculator

Overview

The Total Expense Ratio (TER) Calculator is used for showing the client what percentage TER that they will encounter in their funds. This calculator takes the name of each fund, their percentage holding, their TER, any Ongoing Adviser Charges and any Platform Charges.

Assumptions

Below is a list of all assumptions made in order to perform the calculation:

- Figures are rounded up to the nearest 2 decimal places
- Growth is assumed to be linear
- Ongoing adviser charge is optional
- Platform charge is optional

Calculations Breakdown

The calculations require four parameters in order to calculate the given output, these being:

- Percentage Holding %
- Ongoing Adviser Charge %
- TER %
- Platform Charge %

The Total Expense Ratio Calculator uses these values to calculate the total TER that the client will encounter in their funds. This is done by taking the average TER and then adding the Ongoing Adviser Charge and Platform Charge to this value.

To calculate the average TER, a total is taken from adding up the products of the following calculation, which is run on every fund:

$$\text{Average TER}_n = \text{TER}_n \times \text{Percentage Holding}_n$$

The total fund is taken by using the formula:

$$\text{Total TER} = \text{Average TER} + \text{Ongoing Adviser Charge} + \text{Platform Charge}$$

A PDF report can be created from this calculator which contains detailed information about the relevant client's details and the outputs of the calculations performed.