

## 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

- 0.0% 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 amount	CGT on final gain	C/F
1	£ 100,000.00	£ 6,000.00	£ -	£	106,000.00
2	£ 106,000.00	£ 6,360.00	£ -	£	112,360.00
3	£ 112,360.00	£ 6,741.60	£ -	£	119,101.60
4	£ 119,101.60	£ 7,146.10	£ -	£	126,247.70
5	£ 126,247.70	£ 7,574.86	£ -	£	133,822.56
6	£ 133,822.56	£ 8,029.35	£ -	£	141,851.91
7	£ 141,851.91	£ 8,511.11	£ -	£	150,363.03
8	£ 150,363.03	£ 9,021.78	£ -	£	159,384.81
9	£ 159,384.81	£ 9,563.09	£ -	£	168,947.90
10	£ 168,947.90	£ 10,136.87	£ -	£	179,084.77
11	£ 179,084.77	£ 10,745.09	£ -	£	189,829.86
12	£ 189,829.86	£ 11,389.79	£ -	£	201,219.65
13	£ 201,219.65	£ 12,073.18	£ -	£	213,292.83
14	£ 213,292.83	£ 12,797.57	£ -	£	226,090.40
15	£ 226,090.40	£ 13,565.42	£ -	£	239,655.82
16	£ 239,655.82	£ 14,379.35	£ -	£	254,035.17
17	£ 254,035.17	£ 15,242.11	£ -	£	269,277.28
18	£ 269,277.28	£ 16,156.64	£ -	£	285,433.92
19	£ 285,433.92	£ 17,126.03	£ -	£	302,559.95
20	£ 302,559.95	£ 18,153.60	£ -	£	320,713.55
21	£ 320,713.55	£ 19,242.81	£ -	£	339,956.36
22	£ 339,956.36	£ 20,397.38	£ -	£	360,353.74
23	£ 360,353.74	£ 21,621.22	£ -	£	381,974.97
24	£ 381,974.97	£ 22,918.50	£ -	£	404,893.46
25	£ 404,893.46	£ 24,293.61	£ -	£	429,187.07
26	£ 429,187.07	£ 25,751.22	£ -	£	454,938.30
27	£ 454,938.30	£ 27,296.30	£ -	£	482,234.59
28	£ 482,234.59	£ 28,934.08	£ -	£	511,168.67
29	£ 511,168.67	£ 30,670.12	£ -	£	541,838.79
30	£ 541,838.79	£ 32,510.33	£ -	-£ 94,869.82	£ 479,479.29

Fund outcome minus direct outcome

£ 64,991.03