For Immediate Release: 16 April 2014

EU 'Tornado Tuesday' - One day of votes that gives millions of UK savers hope. True and Fair Campaign welcomes raft of legislation that will sweep away industry abuses and herald a revolution in pension and investment cost transparency across Europe.

- **PRIIPs - EU calls for swift take-up of online calculators across Europe modelled on the True and Fair Calculator**
- **MiFID II - final vote demands that UK investment companies provide the TOTAL cost of their investments from start to finish of the investment journey**

The True and Fair Campaign (www.trueandfaircampaign.com) welcomes yesterday's unprecedented day of voting in the European Parliament that closed 30 files and will bring in landmark changes to UK financial services. In particular, the vote that confirmed EU legislation on Packaged Retail and Insurance Based Investment Products (PRIIPs), calling for the swift take-up of online fund calculators across Europe is most welcomed. The decision follows the launch last May of the UK's first independent investment calculator launched by The True and Fair Campaign (www.trueandfaircalculator.com) and cites it as an example of an effective and practical consumer tool.

Of particular note, the EU Parliament adopted the following:

- PRIIPS – text sends strong signal to Member States that they must take steps to set up reliable and accurate online calculators, otherwise the European Commission has the power to step in
- MIFID II - UK investment companies must provide consumers with a TOTAL cost of their investments including ALL layers of charges - fund related charges, adviser charges, investment platform charges and the previously hidden transaction charges, all added up.
- UCITS on pay and remuneration
- Deposit Guarantee Schemes Directive (establishes a new scheme which credit institutions will have to pay into upfront to ensure depositors get protection of the first EUR 100,000 of their savings)
- Bank Recovery and Resolution Directive (so shareholders and bondholders bear the brunt of failing banks and not tax payers)
- Single Resolution Mechanism (establishes a single resolution authority for Eurozone banks)
- Securities settlement and central securities depositaries (sets uniform requirements for the settlement of financial instruments specified in MiFID and rules on the organisation and conduct of central securities depositories to promote safe, transparent, efficient and smooth settlement).

Under the new PRIIPs Regulation, it is stated that investment product calculators are already being developed at national level in a few member states, and that these calculators should cover the costs and fees charged by the various investment product providers, together with any further costs or fees charged by intermediaries or other parts of the investment chain, for them to be useful to consumers. Furthermore, the European Commission is required, within four years of the Regulation's entry into force, to conduct a market survey on whether these tools are available

online in each Member State and whether they provide for reliable and accurate computations of aggregate costs and fees for all products within the scope of the Regulation.

If the survey concludes that no such tools exist or that existing tools do not enable retail investors to understand the aggregate amount of costs and fees of PRIIPS, the European Commission is obliged to assess the feasibility of EBA, ESMA and EIOPA, through the Joint Committee, developing draft regulatory technical standards setting out the specifications applicable to such European level tools.

Gina Miller, spearhead of the True and Fair Campaign and founder of SCM Private said: *"On behalf of consumers across Europe we are thrilled this day has finally come. From the point of view of our tenacious campaign, we are delighted that the EU has recognised in legislation that online fund calculators have a key role to play in putting consumers in the driving seat when it comes to making investment decisions. The EU have also clearly understands that fund calculators must allow consumers to enter all costs, at all intermediary levels so they can see the total effect on returns back in their pockets.*

BUT – I urge the public, politicians and regulators to be vigilant as the mighty industry's lobby machinery will no doubt now go into overdrive in an effort to derail these rules pretending they are either unworkable or too expensive to enforce. After five years of encountering reprehensible excuses, I am convinced that the cost of enactment to these huge profitable organisations pales into insignificance compared to the enhanced consumer protection they afford hard working individuals."

"The vote on MiFID II is also extremely encouraging and demonstrates that the EU has taken the lead on fee transparency. These votes are a major step forward for our campaign and for investors across Europe, and is much more than we dared hope for. EU policy-makers are well aware that these industries have been pulling the wool over the eyes of consumers for far too long and overwhelmingly voted that enough is enough."

Sharon Bowles, UK Liberal Democrat and Chairman of the European Parliament's Economic and Monetary Affairs Committee, who introduced amendments on the online fund calculator into the debates at an earlier stage, commented: *"The European Parliament has strongly supported the idea of an independent online calculator which allows European savers and investors to check for themselves and directly compare the information which is provided to them by fund managers. While the Parliament had sought to go even further, I believe that the outcome sends a strong signal to Member States that they must now take steps to set up reliable and accurate online calculators, or otherwise the European Commission has the power to step in and do the job for them together with the European regulatory authorities."*

The PRIIPs legislation will enter into force two years after the date of publication in the EU's Official Journal and will be directly applicable in all EU Member States.

The PRIIPs text follows a two year campaign initiated by the founders of investment house SCM Private ('SCM'). They have been calling on UK and European politicians, regulators and fund providers to introduce savers with a Total Cost of Investing that will give consumers 100% transparency on all implicit and explicit pension and investment fees and ALL other intermediary costs; together with full disclosure of all investment holdings.

In May 2013 SCM Private's True and Fair Campaign funded, built and launched a free online calculator (www.trueandfaircalculator.com), which shows UK investors the impact of costs and fees on their investments, in one number, at all levels and lists over 7,500 UK retail products including investment funds, investment trusts and ETFs. The Calculator provides users with a true a Total Cost of Investing number, in pounds and pence and as a percentage; as well as risk and performance numbers.

Since launch The True and Fair Calculator has received over 63,603 views from consumers all over the globe, but particularly from the UK and Europe.

The text of the final PRIIPS Regulation, now confirmed in the European Parliament's vote, reads:

Recital 11a

Investment product calculators are already being developed at national level. However, for those calculators to be fully useful for consumers they should cover the costs and fees charged by the various investment product manufacturers, together with any further costs or fees charged by intermediaries or other parts of the investment chain, not already included by the product manufacturers. The Commission is mandated in this Regulation to report on whether these tools are available on-line in each MS and whether they provide for reliable and accurate computations of aggregate costs and fees for all products within the scope of this Regulation.

Article 24a

Four years after entry into force of this Regulation, the Commission shall conduct a market survey to determine whether there are online calculator tools available which allow the retail investor to compute the aggregate costs and fees of PRIIPs and whether these tools are made available free-of-charge. The Commission shall report on whether these tools provide for reliable and accurate calculations for all products within the scope of this Regulation.

In the event that the survey concludes that no such tools exist or that existing tools do not enable retail investors to understand the aggregate amount of costs and fees of PRIIPS, the Commission shall assess the feasibility of EBA, ESMA and EIOPA, through the Joint Committee, developing draft regulatory technical standards setting out the specifications applicable to such European level tools.

Article 29

A review of this Regulation should be carried out four years after the entry into force of this Regulation in order to take account of market developments, such as the emergence of new types of ***PRIIPs***, as well as developments in other areas of Union law and the experiences of Member States. The review should ***also assess the feasibility, costs and possible benefits of introducing a label for social and environmental investments. Furthermore, the review should*** assess whether the measures introduced have improved the average retail investors' understanding of ***PRIIPSs*** and the comparability of the ***PRIIPs***. It should also consider whether the transitional period applying to UCITS ***or non-UCITS*** should be extended, or whether other options for the treatment of ***such funds might be considered. In addition it should assess whether the exemption of products from the scope of this Regulation should be maintained, in view of sound standards for consumer protection including comparisons between financial products. The Commission***

should also carry out a market survey to determine whether there are online calculator tools available in the market, which allow the retail investor to compute the aggregate costs and fees of PRIIPs and whether these tools are made available free-of-charge. On the basis of all the aforementioned reviews, the Commission should submit a report to the European Parliament and the Council accompanied, if appropriate, by legislative proposals.

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For further information please contact:

Gina Miller
Tel: +44 (0)207 838 8650
Email: gina@scmprivate.com
www.scmprivate.com
www.trueandfaircampaign.com

Andrew Adie / Sophie Morello
Tel: +44 (0)207 680 6550
Email: andrew.adie@newgatecomms.com
sopie.morello@newgatecomms.com

The True and Fair Campaign – www.trueandfaircampaign.com

The True and Fair Campaign was initiated by SCM Private in 2012 to raise awareness of the lack of transparency within the UK investment management industry. It has been calling on UK and European politicians, regulators and fund providers to introduce a Code of Ethics which would invoke new 100% transparency measures on all transaction costs and management fees via a labelling system, and full disclosure on where funds are invested.

The True and Fair Calculator – www.trueandfaircalculator.com

The True and Fair Calculator is a completely stand-alone not-for-profit business, with profits earned going to support small grassroots charities in the UK undertaking vital work in the areas of financial education and care and support for the elderly. No member or partner organisation will benefit from The True and Fair Calculator, with the founders and suppliers providing their services either pro-bono or at reduced cost.

SCM Private.

SCM Private was established in 2009 as an investment company focussed on putting clients' best interests at the heart of all it does; especially stripping away layers of costs and inefficiencies; and providing 100% transparency to all clients.

For the last five years SCM has been fighting to raise awareness about lack of transparency, and conflicts of interest within the investment industry. They have met with much resistance, but the tide is turning as more stakeholders take up the mantle for a more ethical and honest industry.

The founders, Alan Miller and Gina Miller, have over 40 years' experience in the retail financial services industry. Their combined knowledge gave them the knowledge and expertise to launch the True and Fair Campaign because:

a) They know the industry inside out
b) They are determined to radically improve things and are committed to changing the status quo
c) They are completely independent and free to fight for what they believe is right