

Report on the cumulative effect of costs on performance in the provision of order receipt and transmission, order execution on regulated markets and/or clearing services

INTRODUCTION

Pursuant to the provisions of Article 50, paragraph 10 of EU Delegated Regulation 2398, which supplements Directive 2014/65/EU (MiFID II) of the European Parliament and Council with regard to the organisational requirements of investment companies, the following is an *ex ante* illustration of the cumulative effect on profitability of the costs attributable to the provision by Directa of services for the receipt and transmission of orders, execution of orders on regulated markets and clearing (the latter where applicable).

This representation is based on a series of assumptions related to: hypothetical returns of the instruments, typical service costs, and 4 hypotheses of time horizons for holding the instrument (2 in the case of investment in shares). No cost increases or fluctuations are contemplated in the hypotheses, as Directa's commission rates are standard.

The information provided is to be considered as indicative only. In any case, at the end of every year, Directa SIM will draft a report containing a precise indication of the costs actually applied for the provision of order receipt and transmission services, execution of orders on regulated markets and/or clearing (where applicable).

EXAMPLES OF THE CUMULATIVE COST EFFECT ON PERFORMANCE IN ORDER RECEIPT AND TRANSMISSION SERVICES, EXECUTION OF ORDERS ON REGULATED MARKETS AND CLEARING, PROVIDED BY DIRECTA SIM TO CLIENTS.

Example of cumulative cost effect on performance in the provision of the service of receipt, transmission and execution of orders on regulated markets for ETFs, fund units and certificates		HOLDING PERIOD			
		3 months	1 year	2 years	3 years
Value	30,000 €	30,375 €	31,500 €	33,000 €	34,500 €
Yield	5%	375 €	1,500 €	1,500 €	1,500 €
Commission per order executed	5€	-	-	-	-
<i>Cumulative effect of cost on yield</i>		1.333%	0.3325%	0.16625%	0.1108%

The data given are to be considered as examples and, more specifically, refer to the following main assumptions:

- average value of the operation € 30,000
- constant annual yield of 5%
- commission per order executed € 5.

Example of cumulative cost effect on yield in the provision of the service of receipt, transmission and execution of orders on regulated bond markets		HOLDING PERIOD			
		3 months	1 year	2 years	3 years
Value	50,000 €	50,500 €	52,000 €	54,000 €	56,000 €
Yield	4%	500 €	2,000 €	4,000 €	6,000 €
Commission per order executed	5 €	-	-	-	-
<i>Cumulative effect of cost on yield</i>		1%	0.2500%	0.12500%	0.08333%

The data shown are to be considered as examples and refer specifically to the following main assumptions:

- average value of the operation € 50,000
- constant annual yield of 4% (in the absence of reinvestment of yield)
- commission per order executed € 5.

Example of cumulative effect of cost on yield in the provision of the service of receipt, transmission and execution of orders for Shares		HOLDING PERIOD			
		3 months	1 year	-	-
Value	40,000 €	41,000 €	44,000 €	-	-
Capital gain	10%	1,000 €	4,000 €	-	-
Commission per order executed	€ 5.00	-	-	-	-
<i>Cumulative effect of cost on yield</i>		0.5%	0.0125 %	-	-

The data given are to be considered as examples and refer specifically to the following main assumptions:

- average value of the operation € 40,000
- capital gain 10%
- commission per order executed € 5.