


Economico Flash ⚡ #30

Efficient implementation: Determination of transaction costs

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Chart of the week: Composition of entry costs

Weight & Investment category Description	Brokerage / Commission Custodian Bank	Issue Fees (anti dilution)	Bid-ask spread (ETFs)	Currency Exchange Surcharge	Stamp Tax	Stock exchange fees	Total entry costs
55% Bonds CHF UBS (CH) Index Fund - Bonds CHF ESG NSL I-A-acc	-	0.400%	-	-	-	-	0.400%
14% Equities Switzerland UBS ETF (CH) SPI® ESG (CHF) A-acc	-	-	0.066%	-	0.075%	0.015%	0.156%
21% Equities World iShares MSCI USA ESG Enhanced UCITS ETF USD	-	-	0.066%	-	0.150%	0.015%	0.231%
10% Swiss Real Estate UBS ETF (CH) SXI Real Estate® Funds (CHF) A-dis	-	-	0.151%	-	0.075%	0.015%	0.241%
Total entry costs							0.31% CHF 943

Sources: Extract from [Economico detailed analysis](#)

A week ago, I had the pleasure of reporting on the expansion of Economico's cost comparison logic to include set-up and dismantling costs.

In this Flash, we now provide the basics of calculating transaction costs in the [Economico Marketplace](#) in detail for readers interested in the details. The calculation is carried out at the level of the investment vehicles used in the portfolio. The chart of the week shows a concrete overview of the set-up costs. You can view this overview in the provider-specific detailed analysis (step 4 of the [Economico Marketplace](#)). The dismantling costs are calculated and displayed in the same way. Cost parametrization is not carried out decentrally by the individual providers, but centrally by system experts from the operating company [c-alm](#). This ensures the best possible quality and comparability of the data. The cost components in detail:

- Bank commissions/court fees:** If the bank charges brokerage fees on the transactions in the asset management mandate, this is shown for each product.
- Issuing fees:** Subscription and redemption commissions of the investment vehicles (only applicable in the case of over-the-counter index funds).
- Bid-ask spread (ETFs):** Half of the "30-day median bid/ask spread" as published by the exchange on which the ETF is primarily traded. This spread data is updated quarterly.

- Fixed currency spread:** If the product currency is not the same as the account currency, a currency transaction is required. If the asset manager or custodian bank charges a fixed spread, this will be displayed here.
- Stamp duty:** ETF transactions via the stock exchange are charged at 0.075% (CH ISIN) or 0.15% (foreign ISIN). The subscription of off-exchange, foreign fund units is also charged at 0.15%.
- Stock exchange fees:** Finally, ETF trading incurs a small stock exchange fee for each trading venue.

Those who use Economico to achieve attractive conditions in asset management can forget about these details in the cost arithmetic. It is important that the effect of transaction costs is displayed transparently in the cost comparison and taken into account when deciding on a provider.

Takeaways

- Transaction costs are a significant component of asset management costs
- The Economico comparison of round-trip costs takes transaction costs into account.