

# Terms of Business and Client Agreement

## Appendix 1 – Services and Fee Structure

*Please note these prices are accurate May 2021*

Our Independent Financial Advisory service is broken down into two elements as follows:

1. Initial advice services
2. Ongoing monitoring of the services we have recommended

When taking on a new client, we look to create a plan that meets their initial financial objectives. Changes in legislation, tax allowances and the investment markets over time mean that it is imperative to monitor the plan on an ongoing basis.

### Initial Advice Services

We offer an initial consultation free of charge, to discuss your needs and our services. This allows you to understand the process involved and provides us with an understanding of how we can best help you.

After the initial meeting, our initial advice services are completed on a fee basis using hourly rates. We believe that every case is different and that you deserve to be treated as an individual, therefore our service will be tailored to your specific requirement and the level of complexity will dictate the fee charged.

We will help you decide which services is the most appropriate for you and we will provide you with a fee and service agreement confirming the services we are looking to provide you with the costs specific to your circumstances.

We will ask you to sign the fee and service agreement as agreement to the fees before any work begins. This document is in addition to these general terms and conditions and will be provided separately.

### Basic Costs

In line with regulatory requirements, all our analysis and any advice will be documented in a personalised report. The basic cost for a report and therefore our fee for initial services start from £750.

Fees in addition to this £750 will be charged dependent upon the service required. The greater the number of existing products that are being analysed and reviewed, the greater the time spent thus the larger the fee. Examples of additional services are as follows:

## 1. Pension Planning Service

| Service Provided  | Our Cost*   |
|---|---|
| Cash Flow Planning Services   | £500  |
| Review of existing Defined Contribution Pension Plan                                    | 1 <sup>st</sup> plan £500<br>2 <sup>nd</sup> plan £450<br>3 <sup>rd</sup> plan £400<br>4 <sup>th</sup> plan £375<br>5 <sup>th</sup> plan + £320 |
| Implement a new Personal Pension Plan and advise upon an underlying investment strategy | 1 <sup>st</sup> plan £850<br>2 <sup>nd</sup> plan £325<br>3 <sup>rd</sup> plan + £320   |
| Implement a new Occupational Pension Plan such as a Small Self Administered Scheme      | £3,750  |
| Advise upon and implement a Discretionary Investment Manager*                           | £500  |
| Lifetime Allowance Planning   | £500  |
| Pension Carry Forward Planning  | £500  |
| Flexi-Access Drawdown   | £500  |
| Pension Annuity (Underwritten)  | £850  |

Therefore, should you wish for us to complete cash flow planning, review 3 defined contribution pension plans and implement 1 new pension with advice on the underlying investment strategy, our cost would be £2,950. This includes the £750 base cost for a report.

Should you wish for us to provide advice on a defined benefit pension regarding the possibility of a transfer, we will need to undertake cash flow planning as part of the process, therefore our costs would be £5,350 including the £750 case costs for a report.

Where this advice leads to a transfer into a new pension plan with advice on an underlying investment portfolio, additional fees would apply as detailed below in section 2, investment planning.

*\*We may, where appropriate, recommend holding some, or all, of your investments with a discretionary fund manager (DFM), a professional investment manager appointed to monitor your portfolio and make investment decisions on your behalf. In such cases we'll explain the respective responsibilities of ourselves and the DFM in relation to your investments.*

*In some circumstances we may need to act as your 'agent' in relation to the part of your portfolio held with a DFM. This means that you won't have a direct contractual relationship with the DFM and the DFM will instead treat our firm as its client. Before setting up this type of arrangement we'll explain the implications to you.*

## 2. Investment Planning

| Service Provided  | Our Cost*   |
|---|---|
| Cash Flow Planning Services   | £500  |
| Review of existing Investment Plans   | 1 <sup>st</sup> plan £450<br>2 <sup>nd</sup> plan £400<br>3 <sup>rd</sup> plan £350<br>4 <sup>th</sup> plan £325<br>5 <sup>th</sup> plan + £320 |
| Implement a new Individual Savings Plan   | 1 <sup>st</sup> plan £750<br>2 <sup>nd</sup> plan £675  |
| Implement a new General Investment Account  | 1 <sup>st</sup> plan £750<br>2 <sup>nd</sup> plan £675  |
| Implement a new Insurance Bond  | Onshore £1,000<br>Offshore £1,250   |
| Implement a new Enterprise Investment Scheme / Venture Capital Trust / Inheritance Tax Investment Service | 1 <sup>st</sup> plan £900<br>2 <sup>nd</sup> plan £800<br>3 <sup>rd</sup> plan £700<br>4 <sup>th</sup> plan + £600                              |
| Implement an underlying investment portfolio  | £0-£499,000: £250<br>£500,000 - £999,999: £500<br>£1m - £1,999,999: £1,000<br>£2m+: £2,000  |

Therefore, should you wish for us to review 1 existing investment plan and provide advice on £400,000 of assets using 1 General Investment Account and 2 ISA's we would charge £3,100. This includes the £750 base cost for a report.

Where we are completing the same advice as above, but the level of assets is £600,000 our costs would be £3,350.

### 3. Insurance Planning / Individual & Corporate Plans

We will look to complete the work for protection policies on a fee basis. However, some insurance providers still offer the option of paying using a commission basis. Where this is possible, we will highlight the commission due and offer a comparison for taking the policy on a fee basis or on a commission basis and ask that you confirm which is your preference. If the commission is less than our fee, we can take the commission and invoice the difference.

The table below sets out how the fee basis would work:

| Service Provided  | Our Cost*  |
|---|--|
| Implementing a new insurance policy, including life cover, critical illness cover, income replacement (same provider) | 1 <sup>st</sup> plan £750<br>2 <sup>nd</sup> plan £450<br>3 <sup>rd</sup> plan+ £350 |
| Advising on and implanting a suitable trust arrangement   | £250   |

Therefore, should you wish for us to set up 2 life policies under a trust arrangement our costs would be £2,200. This includes the £750 base cost for a report.

Where we are paid by commission we will tell you the amount before we carry out any business for you.

A typical life assurance plan for a non-smoking male aged 45, with a level sum assured of £250,000 and a term of 20 years may generate a commission in the region of £514. However, if our fee for the time spent on this work is £1,750 then you would be liable to pay the £1,236 shortfall to meet our advisory costs.

If we add critical illness cover to the above example, the commission may increase to £2,500. In this example the cost of the advice will have covered our time costs and therefore no further fee would be due from you.

It is important to note that premiums and commissions payable are dependent upon the individual, incorporating various factors such as age, health, occupation, smoking status and whether or not you undertake any hazard sports.

Commission and premium values are dependent upon the individual, incorporating various factors such as age, health, occupation, smoking status and whether or not you undertake any hazard sports.

If the commission payment relates to a regular contribution policy and you stop paying premiums on that policy, we may be obliged to refund the commission received back to the policy provider. In such cases, we reserve the right to request the full payment of any outstanding balance of charges for our services.

In some circumstances we may receive ongoing payments (commission) from product providers relating to existing investments you hold. Such payments may be taken into account when determining the charges for ongoing services. We'll discuss and agree this with you where relevant.

We prefer to work on a fee basis which can reduce the regular premiums payable. This reduction can produce significant savings over the longer term.

Example:

Life Protection Level Term Assurance guaranteed to age 65 with £500,000 death benefit, standard monthly premium £40.36. Initial commission £989.40.

*\*Where VAT is applicable this will be discussed with you and will be clearly stated on our Fee Agreement.*

## Protection business

You can pay for our advised protection services by fee, commission or a combination of these.

- In relation to non-investment protection contracts, if you wish us to work on a fee basis the fee will be based on an hourly rate basis subject to a starting fee of £750. Any commission can be used to offset this fee and any excess will be used to reduce your premiums.
- Where we are paid by commission we will tell you the amount before we carry out any business for you.
- A typical life assurance plan for a non-smoking male aged 45, with a level sum assured of £250,000 and a term of 20 years may generate a commission in the region of £514. However, if our fee for the time spent on this work is £1,750 then you would be liable to pay the £1,236 shortfall to meet our advisory costs.
- If we add critical illness cover to the above example, the commission may increase to £2,500. In this example the cost of the advice is likely to have covered our time costs and therefore no further fee would be due from you.
- It is important to note that premiums and commissions payable are dependent upon the individual, incorporating various factors such as age, health, occupation, smoking status and whether or not you undertake any hazard sports.
- Commission and premium values are dependent upon the individual, incorporating various factors such as age, health, occupation, smoking status and whether or not you undertake any hazard sports.
- We prefer to work on a fee basis which can reduce the regular premiums payable. This reduction can produce significant savings over the longer term.
- In some limited circumstances (for protection planning business only) we may receive a commission payment from a product provider. Typically, the commission payment will be offset against the charges you owe us for our services. If the commission payment relates to a regular contribution policy and you stop paying premiums on that policy, we may be obliged to refund the commission received back to the policy provider. In such cases, we reserve the right to request the full payment of any outstanding balance of charges for our services.
- In some circumstances we may receive ongoing payments (commission) from product providers relating to existing investments you hold. Such payments may be considered when determining the charges for ongoing services. We'll discuss and agree this with you where relevant.

## Ongoing Advice / Monitoring

If you decide that you wish for any recommended products to be managed on an ongoing basis, we will levy an ongoing charge equal to the total market value of the investment funds that we manage on your behalf. This would typically work on the following basis:

| Underlying pension / investment value | Charge                                       |
|---------------------------------------|--|
| 0-£999,999                            | 0.6% of the value of money under management  |
| £1m +                                 | 0.45% of the value of money under management |

Confirmation of our ongoing servicing costs will be provided to you in our Fee and Service issued separately. We will issue this to you prior to providing formal advice.

An example of how our ongoing service fees are charged is as follows:

Where we advise upon assets valued at £400,000, we will receive 0.6% per annum leading to a fee £2,400 per annum.

Where we advise on assets that are valued at £1,200,000, we will receive 0.6% on the first £999,999 and 0.45% on the remaining £20,001. This would lead to a fee of £6,090 per annum.

It is important to state that where your investment increases in value, so will our fee, and vice versa.

Subject to a starting fee of £650, the level of fee income received will dictate the level of service that you can expect to receive from us. Our service falls into three levels as follows: -

### **Goodwood Client**

A client whose annual fee is £2,400\*, can expect the following service: -

- Six monthly consolidated valuation
- Annual consolidated valuation with comment on investment suitability which will also include:
  - Review of your personal objectives
  - Review of your risk profile
  - Review / update on investment performance
  - Review of any tax and legislative changes
  - Update to cash flow projections as required
- Annual Investment Seminar
- Access to our support team
- Liaison with accountant / solicitor as required

\*Where a Goodwood client is withdrawing money by way of an income from their investment and / or pension, we will consider them to be in decumulation. To manage decumulation clients effectively we will include additional cash flow analysis and regulatory reporting. These additional tasks will require an annual fee starting from £3,000 per annum.

### **Arundel Client**

A client whose annual fee is between £1,200 and £2,399\*\*, can expect the following service:

- Annual consolidated valuation with comment on investment suitability
- Biennial review meeting which will include: -
  - Review of your personal objectives
  - Review of your risk profile
  - Review / update on investment performance
  - Review of any tax and legislative changes
  - Update to cash flow projections as required
- Liaison with accountant / solicitor as required
- Access to our support team

\*\*Where an Arundel client is withdrawing money by way of an income from their investment and / or pension, we will consider them to be in decumulation. To manage decumulation clients effectively we will include additional cash flow and regulatory reporting. Where this is carried out on a biennial basis, our starting fee will be £1,800 per annum. Where ad-hoc withdrawals or additional income is required between the 2 yearly review there will be a further charge.

### **Bramber Client**

A client whose annual fee is less than £1,199, subject to a £650 starting fee can expect the following service:

- Annual consolidated valuation with comment on investment suitability and details of charges
- Access to our support team
- Liaison with accountant / solicitor as required

Ongoing fees can be charged to your pension or investment plan if applicable. Alternatively, you can ask to be invoiced directly for these or a mixture of both.

## Aggregated Costs and Charges

To help you understand the overall costs of our services that are specific to your personal circumstances, we will add together all the costs and charges payable. This is referred to as aggregated costs and charges information and this will be fully detailed within the suitability report that is provided to you during the advice process.

We appreciate that some clients prefer to work on a transactional basis with no formal set review. We therefore offer the facility for ad hoc review work time-costed on an hourly rate basis as detailed on the following page. You should however be aware that this can result in a VAT liability if your service is not agreed at outset.

### Hourly Rates

All of our fees quoted are based on the level of expertise, risk and time spent on each task. Our financial advisers will not necessarily undertake all of the work involved. Instead this will be allocated to the most appropriate member of our team commensurate with the level of skill involved. Our hourly rates are as follows:

| Team Member                       | Hourly Rate |
|-----------------------------------|-------------|
| Partner/Consultant                | £250        |
| Director/Associate                |             |
| Chartered Financial Planner       |             |
| Senior Financial Planning Manager | £190        |
| Financial Planning Manager        |             |
| Paraplanner                       | £130        |
| Support Team                      | £85         |

- It is possible to work on a purely time costed basis, based on the rates quoted. We will endeavour to provide you with an estimate of the time involved and we will record our time in 15-minute periods. We will always present you with a personalised quote before undertaking any work that might be charged for based on the above hourly rates.
- If we are close to the estimated cost and we think that we may go over, we will contact you and let you know to ensure you still wish to proceed past this point.
- We can invoice you at the end of the matter or intermittently at an agreed time/fee limit if you prefer.

As mentioned previously all initial and ongoing fees will be clearly laid out in our fee agreement prior to any work commencing.