



Client Agreement - Investment & Protection Planning

Part 2 - Services & Charges

(v05.18)

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1. INTRODUCTION

This part of our Client Agreement provides an overview of services we offer, our charges for delivering those services and payment methods. Our Client Agreement consists of four parts.

This Part 2 must be read in conjunction with our:

• Client Agreement (Investment & Protection Planning) – Part 1 – General Information and Responsibilities	which sets out the terms under which our services are to be provided
• Client Services Brochure	which provides full details of what is included in each of our services
• Client Agreement (Investment & Protection Planning) – Part 3 – Client Consent	which records what specific services and charges have been agreed with you

If you have not been provided with copies of any of these documents, please ask your adviser for one or view them on our website at www.investorsplanning.co.uk

Investors Planning Associates Limited is focussed on helping you understand and plan for your financial future. We are able to act on your behalf in advising you on investments, non-investment insurance contracts and mortgages (both residential and non-residential).

We offer you an initial discussion (at our expense) at which we will describe our services more fully and explain the payment options. Following our initial discussion, should you decide to go ahead there is a cost for our advice and services.

If we intend to advise you on mortgages, we will provide you with a separate document detailing the home finance advice services we offer and the costs of those services.

2. FINANCIAL PLANNING AND HOW WE CHARGE FOR IT

For any aspect of our financial planning, all actual charges and fees will be fully disclosed to you.

We will not charge you until we have discussed your payment options and agreed with you how we are to be paid.

We will also let you know if there are any other costs that might arise in connection with the services we provide to you.

Our charges will be VAT exempt unless the work we provide for you only involves advice and/or preparing a report, in which case VAT may be applicable. We will always tell you if you have to pay VAT before we undertake any work for you.

Charges for our ongoing service will not be liable to VAT (unless the initial service was liable to VAT) where both the initial and ongoing services are part of the same package.

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2. FINANCIAL PLANNING AND HOW WE CHARGE FOR IT (*cont'd*)

2.1 Investment Planning

We provide a **restricted** investment advice service. This means that we have chosen to limit the range of products and/or providers that we will consider before recommending a suitable solution for you.

In our case, we do not advise on certain types of investments because we believe these are unlikely to be suitable for the majority of our clients. We will not advise on non-mainstream investments such as unregulated collective investment schemes or structured products where capital is placed at risk. We will also not advise on individual share holdings, options, futures, other derivative contracts, investment trusts, exchange traded funds, enterprise investment schemes, venture capital trusts or peer-to-peer lending.

However, we are not tied to any financial institution which means that we are able to give objective and impartial advice on investments (including pensions) from the spectrum of financial providers.

For further details, please refer to our Client Services Brochure or website.

2.1.1a Investment Planning - Our Initial Charges

Our initial charges relating to new work such as new client establishment, new investments and analysis of existing portfolios are as follows:

Financial Planning Analysis (Standard)

Initial Service	Initial Charges
An initial financial planning analysis with a view to you committing to our ongoing Financial Planning Review Service.	Our initial charge for our Standard Financial Planning Analysis is 2% of any funds invested or transferred in accordance with our analysis subject to a minimum fee per client of £1,000.
This will apply where we are analysing: <ol style="list-style-type: none"> i. monies that you hold in bank or deposit accounts only; ii. existing portfolios where you hold five or fewer plans already; iii. whether to establish a pension plan for you as a self-employed individual. 	Examples of how our charges could apply:
	<ul style="list-style-type: none"> • If you invest or transfer funds of £40,000, our charge would be our minimum fee = £1,000
	<ul style="list-style-type: none"> • If you invest or transfer funds of £70,000, our fee would be 2% of £70,000 = £1,400 • If you invest or transfer funds of £100,000, our fee would be 2% of £100,000 = £2,000

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2. FINANCIAL PLANNING AND HOW WE CHARGE FOR IT (*cont'd*)

2.1.1a Investment Planning - Our Initial Charges (*cont'd*)

Financial Planning Analysis (Complex)

Initial Service

An initial financial planning analysis with a view to you committing to our ongoing Financial Planning Review Service.

This will apply where we are analysing:

- i. existing portfolios where you hold six or more plans already;
- ii. any existing pension plans or arrangements (please note the separate charge applicable to our analysis of defined benefit pension schemes);
- iii. whether to establish a pension plan for you as an employed individual;
- iv. whether to establish a trust for you or your family;
- v. whether to make arrangements for tax efficient planning of your estate in the event of your death;
- vi. whether to make arrangements to hold your investments offshore.

Initial Charges

Our initial charge for our Complex Financial Planning Analysis is **3% of any funds invested or transferred** in accordance with our analysis subject to a **minimum fee per client of £1,500**.

Examples of how our charges could apply:

- If you invest or transfer funds of **£40,000**, our charge would be our minimum fee = **£1,500**
- If you invest or transfer funds of **£70,000**, our fee would be 3% of £70,000 = **£2,100**
- If you invest or transfer funds of **£100,000**, our fee would be 3% of £100,000 = **£3,000**

Financial Planning Report (One Off)

Initial Service

A one-off financial planning analysis with no commitment to our ongoing Financial Planning Review Service.

This will apply where we are analysing:

- i. monies that you hold in bank or deposit accounts only;
- ii. existing portfolios regardless of numbers of plans;
- vii. any existing pension plans or arrangements (please note the separate charge applicable to our analysis of defined benefit pension schemes);
- iii. whether to establish a pension plan for you regardless of your employment status;
- iv. whether to establish a trust for you or your family;
- v. whether to make arrangements for tax efficient planning of your estate in the event of your death;
- vi. whether to make arrangements to hold your investments offshore.

Initial Charges

Our charge for our One Off Financial Planning Report is **3% of any funds invested or transferred** in accordance with our analysis subject to a **minimum fee per client of £1,500**.

Examples of how our charges could apply:

- If you invest or transfer funds of **£40,000**, our charge would be our minimum fee = **£1,500**
- If you invest or transfer funds of **£70,000**, our fee would be 3% of £70,000 = **£2,100**
- If you invest or transfer funds of **£100,000**, our fee would be 3% of £100,000 = **£3,000**

Please note that as there is no commitment to our ongoing Financial Planning Review Service, then if you require any subsequent financial advice this will be charged on the basis of our one-off Financial Consultancy service as detailed below.

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2. FINANCIAL PLANNING AND HOW WE CHARGE FOR IT (*cont'd*)

2.1.1a Investment Planning - Our Initial Charges (*cont'd*)

Financial Consultancy (One Off) – Defined Benefit Occupational Pension Schemes

Initial Service	Initial Charges
<p>Advising on a defined benefits pension scheme ('DBPS'). This review will not involve a full financial planning analysis of your other plans or arrangements. There is no commitment to our ongoing Financial Planning Review Service.</p> <p>This will include:</p> <ul style="list-style-type: none"> Analysing the existing benefits available to you from your defined benefit pension scheme; Establishing the suitability of these benefits for your personal circumstances; Making a recommendation about whether you should remain in your DBPS or transfer the funds to an alternative arrangement; If the recommendation arising from this analysis is to transfer to alternative arrangements and you decide to proceed with that recommendation, we will then provide you with either our Financial Planning Analysis (Complex) Service or our Financial Planning Report (One Off) Service which will involve a full financial planning analysis of all of your plans and may involve a commitment to our ongoing Financial Planning Review Service. 	<p>Our charge for our One Off Financial Consultancy is a fixed fee per DBPS analysed of £4,950 + VAT.</p> <p>How our charges will apply:</p> <p>On agreeing to proceed with this service, you will be issued with an invoice for £4,950 + VAT per DBPS analysed. This must be paid within 10 business days of invoice date. No work will be commenced until this invoice is settled in full. This fee is not refundable.</p> <p>If the recommendation arising from this analysis is to transfer to alternative arrangements and you decide to proceed with that recommendation, we will then provide you with either our Financial Planning Analysis (Complex) Service or our Financial Planning Report (One Off) Service. We will then offset the fixed fees that you have paid for our DBPS Service against the fee for those services of 3% funds transferred.</p> <p>Examples of how this offset could apply:</p> <ul style="list-style-type: none"> You have paid us £4,950 + VAT to analyse your DBPS. Your funds in that arrangement are £200,000 and you wish to transfer your fund to an alternative arrangement as recommended. Our charge for that service = £6,000. We will offset the £5,940 you have already paid for our DBPS service leaving a balance of £60 to settle. As this subsequent service is VAT-exempt, we will issue you with a credit note for the £4,950 + VAT originally invoiced and paid. You have paid us £4,950 + VAT to analyse your DBPS. Your funds in that arrangement are £100,000 and you wish to transfer your fund to an alternative arrangement as recommended. Our charge for that service = £3,000. We will offset part of the £5,940 you have paid for our DBPS service leaving no balance to settle. Please note however that there will be no refund due to you as the fee for our DBPS service is non-contingent on our recommendation or your subsequent actions. As this subsequent service is VAT-exempt, we will issue you with a credit note for £2,500 + VAT (being £3,000 gross).

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2. FINANCIAL PLANNING AND HOW WE CHARGE FOR IT (*cont'd*)

2.1.1a Investment Planning - Our Initial Charges (*cont'd*)

Administration Service (One Off)

Initial Service	Initial Charges
Suitable if you just want assistance on a specific area but do not need financial planning or advice.	Our charge for One-Off Administration is based on an hourly rate of £175 + VAT subject to a minimum fee per client of £1,000 + VAT .
This may include (but is not limited to):	Examples of how our charges could apply:
<ul style="list-style-type: none"> Assisting with the administration of major life events such as probate or divorce (<i>please note that does not include advising on these areas which would be chargeable as per Financial Consultancy</i>) 	<ul style="list-style-type: none"> If it takes 2 hours to assist you with your administration, our charge would be our minimum fee = £1,000 + VAT
	<i>It is difficult to estimate how long it would take assist you with such administrative matters because that depends on your particular circumstances.</i>
	<i>We will always present you with a personalised quote before undertaking any work that might be charged for.</i>
	<i>This can include an agreement that we will report to you when we have completed an agreed number of hours and seek your approval to continue.</i>



2. FINANCIAL PLANNING AND HOW WE CHARGE FOR IT (*cont'd*)

2.1.1b Investment Planning – Paying our Initial Charges

Our charges are payable on completion of our work and must be settled within 10 business days of invoice.

Payment can be made by:

1. Cheque or BACS (we do not accept payments by cash or card).
2. You may pay our charges via deductions from the financial product(s) that you might invest in, where the platform or product provider allows this.

Please note that if you choose to pay by deduction from a financial product this will reduce the amount left for investment and may, depending on your circumstances, have other consequences (which we will discuss with you beforehand if applicable).

Although you may pay nothing directly to us up front that does not mean that our service is free. You still pay us indirectly through deductions from the amount you pay into your product.

3. If your investments are held on a platform (which is an online investment administration service) you may choose to pay our charges out of the funds held within the platform cash account (where the platform provider offers this facility), although it is important to maintain sufficient funds in the account to cover our charges as they become payable.

If you select option 2 or 3 we will discuss how it works and the implications of using this payment method with you prior to putting it in place.

Paying for our services with a regular payment (e.g. in a savings or pension plan)

If you invest in a regular contribution product (where contributions are made on a monthly, quarterly or annual basis), we may be able to arrange to have our initial charge deducted from the product in instalments (where the product / platform provider is able to offer this facility).

Our normal approach will be for the payment to be spread over the agreed period of the contract.

We are able to take our initial financial planning charge from each regular payment you make to your product.

The example below shows how this works for a £1,000 per month offshore savings plan which will be in place for ten years:

- Total cost of our initial service to set up the product is **£3,600**.

The payment is taken over the 10 year period of the contract, so we divide the total advice cost by 120.

The monthly charge each month is therefore £3,600 divided by 120 = **£30**.

- Each month you pay your contribution of **£1,000**.

Each month throughout the contract your product provider pays us **£30** of that £1,000.

- So, each month your payments are split as follows:

Invested	£9,970	Our initial financial planning charge	£30
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Exact details will be confirmed in writing with you once it has been established what is suitable for your circumstances.

Where you are paying our charge by instalments, if the regular contributions to your contract are cancelled before the charge has been paid in full we reserve the right to request full payment of any outstanding balance of the charges for our services in which case they must be settled within 10 business days of the date of the invoice.

2. FINANCIAL PLANNING AND HOW WE CHARGE FOR IT (*cont'd*)

2.1.2a Investment Planning - Our Ongoing Charges

Any products we have arranged for you will only be kept under review as part of an agreed ongoing service for which you agree to pay.

Full details of what is included in our ongoing Financial Planning Review Service are available in our Client Services Brochure.

Any ongoing service will be agreed with you and confirmed in our Client Agreement – Part 3 - Confirmation.

The charge for this service will commence monthly, one month after your first initial investment.

Ongoing Service

Financial Planning Review

Our ongoing Financial Planning Review Service is designed to proactively review your portfolio to ensure that it remains suitable for your particular circumstances.

This service includes an annual meeting with your Associate to review and update your financial plan as well as telephone and email access to your Associate and the support team in between those meetings.

Ongoing Charges

Our annual ongoing charge for our Financial Planning Review Service is **1% of the value of the funds in your portfolio** subject to a **minimum fee per client of £1,000 per annum**.

Examples of how our charges could apply:

- For a portfolio valued at **£50,000**, our ongoing charge would be our minimum fee = **£1,000 per annum**
- For a portfolio valued at **£150,000**, our fee would be 1% of £100,000 = **£1,500 per annum**

Please note that the amount of our annual ongoing charge will vary as the value of your portfolio fluctuates.

Examples of how our charges could vary:

- For a portfolio valued at **£100,000**, our fee would be 1% of £100,000 = **£1,000 per annum**
- If the value of this portfolio increases to **£105,000**, then our ongoing charge would rise to **£1,050 per annum**
- Alternatively, if the value of this portfolio falls to **£95,000**, then our ongoing charge would fall to **our minimum fee of £1,000 per annum**

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 will discuss and agree this with you where relevant.



2. FINANCIAL PLANNING AND HOW WE CHARGE FOR IT (*cont'd*)

2.1.2b Investment Planning – Paying our Ongoing Charges

The charges for our ongoing service will commence monthly, one month after your first initial investment. They are payable within 10 business days of the end of the relevant period.

Payment of our ongoing charges can be made by one or a combination of the following methods:

1. A monthly fee paid by standing order with any balancing adjustment (up or down) for the next 12 months to be agreed at the annual review
2. Deduction from your investments on a monthly basis, where the platform or product provider is able to offer this facility
3. If your investments are held on a platform you may choose to pay our charges out of the funds held within the platform cash account (where the platform provider offers this facility) although it is important to maintain sufficient fund in the account to cover our charges as they become payable.

If you select option 2 or 3 we will discuss how it works and the implications of using this payment method with you prior to putting it in place.

Our ongoing service can be cancelled at any time by informing us in writing at our Head Office (see Part 1 - Section 6 – Cancellation and Amendments). Please note that we do reserve the right to charge you for services we have provided before cancellation in which case they must be settled within 10 business days of the date of the invoice.

2.1.3 Referrals to a Discretionary Fund Manager (DFM)

As part of our Financial Planning Analysis Service, we may decide that the most suitable recommendation given your circumstances is for a Discretionary Fund Manager (DFM) to manage some of your investments.

If having assessed your requirements we consider that a DFM is an appropriate solution for you, we will:

- Undertake appropriate due diligence and recommend a DFM that we believe best meets your requirements
- Explain to you in writing:
 - why we have recommended the services of a DFM in general
 - why we have recommended the selected DFM
 - how that DFM will manage your money
- Attend initial meetings with you and the DFM
- Ensure that your relationship with the DFM is established correctly
- Review the DFM's performance on a six monthly basis
- Attend annual review meetings to ensure the DFM service continues to meet your agreed goals and mandate

Our charge for providing this service is covered by our initial charges for our Financial Planning Analysis Service and our ongoing charges for our Financial Planning Review Service (if applicable).



2. FINANCIAL PLANNING AND HOW WE CHARGE FOR IT (*cont'd*)

2.1.4 Other Charges

Depending on the services we provide, there may be costs and charges (including taxes) not charged by us but related to the financial products we arrange for you. These charges may be one-off charges (payable up front) or charges payable on an ongoing basis.

For example:

- Service Costs – if your investments are held on a platform or by a DFM, the platform provider or DFM will make a charge for administering / managing your investments.
- Investment Costs – these are the costs relating to the manufacturing and managing of your investments such as fees charged by the investment fund manager or costs related to investment transactions.
- We will always disclose any third party costs as part of making our recommendations.

2.1.5 Aggregated Costs and Charges

Before we provide you with our advice, we will add together all the costs of charges payable to all parties at outset and over the course of the following year so that you are able to understand the overall costs of our services and recommendations. This is referred to as the aggregated costs and charges information.



2. FINANCIAL PLANNING AND HOW WE CHARGE FOR IT (*cont'd*)

2.2 Protection Planning

Our advised protection planning services are suitable if you are looking for the best way to protect you, your family or your business through products such as critical illness cover, health insurance and life cover.

We advise on non-investment protection products eg term assurance, income protection and critical illness based on a fair and personal analysis of the market.

You can pay for our advised protection planning services by:

1. A fee
2. Commission (where this is available)
3. A combination of fee and commission

2.2.1 Paying by Fee only

Our fee will be based on an **hourly rate of £275** subject to a **minimum fee of £1,000**.

Any commission we receive from the product provider can be used to offset this fee and any surplus above our fee will be refunded to you.

We will always present you with a personalised quote before undertaking any work that might be charged for.

The following example shows what our typical costs would be:

Average charge to a client requiring family protection against death and critical illness based on £360,000 of cover	7 hours at £275 per hour = £1,925
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If we received commission from your chosen product provider of £1,750 this would reduce the fee you pay directly to us to **£175**.

Our charges are payable on completion of our work and must be settled within 10 business days of invoice.

Payment can be made by cheque or BACS (we do not accept payments by cash or card).

2.2.2 Paying by Commission only

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

Although you may pay nothing to us up front that does not mean that our protection planning service is free. You still pay us indirectly through deductions from the amount you pay into your product.

In respect of any regular premium policy which we have arranged for you, should you subsequently cease to pay premiums on the policy and in consequence we are obliged to refund the commission that has been paid to us (in part or full payment of our charges), we will charge you a fee representing the amount we have to repay for a period of up to four years after commencement of the policy. We will issue you with an invoice which must be settled in full within 10 business days of the invoice date.

We will confirm the exact amount that will need to be repaid by you and the timescale over which it will need to be repaid in the Protection Planning Report we will send you when a recommendation is made.

We will not charge any such fee if you exercise your right to cancel in accordance with any cancellation notice sent to you by the life insurance company.