

Client Agreement: Investment & Protection Advice

REEVES | The Pension Specialists

30 High Street, Gosforth, Newcastle upon Tyne, NE3 1LX

1. INTRODUCTION

This agreement sets out the terms under which our services are to be provided, including details of the specific services and a summary of our charges for those services.

Reeves – The Pension Specialists are a financial planning business, focused on helping you understand and plan for your financial future. We are also able to act on your behalf in advising you on investments, pensions and non-investment insurance contracts (protection).

This agreement provides details about our services to you and how we charge, so it is important that you read it fully. This information is designed to give you an idea of:

-  What we do and how we do it (our services)
-  What it is likely to cost and how you can pay us

2. OUR ADVICE

We offer **independent investment advice**. This means that we consider a wide range of financial strategies and products. Our recommendation will be based on a comprehensive and fair analysis of the market, which is reviewed regularly to ensure that the services and products we offer are appropriate for our clients.

Where we recommend investment strategies and products to you, these will be selected based on your personal circumstances, financial goals and objectives.

We offer you an initial discussion (without charge) at which we will describe our services more fully and explain the payment options. Following our initial discussion, should you decide to proceed with advice there is a cost for registering as a new client and for our advice and services.

The standard process is listed below. The **'base service'** is initially **provided at no cost**. This normally takes place over a period of weeks or even months giving you time to consider the facts. We aim to produce early work by telephone and online but can include face to face as and where needed. This involves:

-  **IFA1:** Telephone call to discuss matters relevant to you and complete an initial fact find
-  **Policy information:** With your written agreement (using a standard letter of authority) we will write to your existing investment/pension providers to gain all facts on existing relevant investments/pensions and other products where needed
-  **"Know Your Client" Call:** Telephone call where we gather more details on your circumstances and goals. We will complete an initial "Attitude to Risk" questionnaire to help us understand your investment experience, appetite for investment risk and capacity for loss, in line with the FCA's compliance requirements.
-  **Policy analysis:** Assessment of the information gained from your schemes
-  **Proposal Summary:** We will draft an initial report based on our fact finding and detailed policy analysis to date. All fees and costs will be included within this report, as well as initial recommendations. This report may include a proposal to prepare a case for a third-party specialist, for example for mortgage or defined benefit pension scheme advice.
-  **IFA 2:** Telephone call to discuss the Proposal Summary, answer any questions which it raises, discuss our ongoing Portfolio Management Service with you and assist you to decide on how to proceed in response to Reeves proposals.

- R Client Decision:** At this stage you will have the full information to decide how to proceed, including future costs. No action should be taken until we have formally completed due diligence
- R Due Diligence:** We will confirm all relevant facts before clients sign relevant forms for transactions. We will also need to confirm your identity which we will try and do using online tools
- R Face to Face meeting:** This is where we go through the whole file and confirm important points of understanding. If the client wants to proceed all forms are completed and signed
- R Business Submission and tracking:** We will administer and complete all required administration requirements to complete client agreements. Instances that include Third Parties may have to be submitted via their administration teams
- R Portfolio Management Service:** For clients selecting an ongoing service then this will commence when new policies / transactions are complete

The above helps us to understand your financial objectives and will confirm how we can support you in working towards this. We will also discuss the cost, and levels, of our services both initially and throughout our relationship with you.

Portfolio Management Service (PMS)

As part of our ongoing service we will:

- R** Handle all fund and policy administration on your behalf
- R** Provide regular updates to keep you informed of progress
- R** Ensure all your documents are issued in line with your expectations
- R** Provide confirmation of our advice and actions in writing, generally by email
- R** An outline of Reeves PMS is available on our website

PMS is subject to change and we will upgrade and amend this ongoing service on a regularly basis.

Non-Standard Clients

- R** We may decide, or you may request an alternative process. We classify this as a non-standard process. These cases are unusual and require very different circumstances. Typically, these cases may be where a special situation arises early in the process, for example there may be a specific area of work identified, a cautious client that may be too risk averse to benefit from our services or clients that want help in areas different to our main processes.
- R** In the event of a non-standard discussion then we may break away from the above process. We may decide to only continue our work by charging a fixed fee. This will always be agreed by you if work is to commence.

Throughout our advice process we will consider several factors, including the services you need, the cost of investing, how much risk you are prepared to accept in an investment product and how much of a drop in its value you could withstand.

The areas we can advise on includes:

- | | | |
|---|---|--|
| <ul style="list-style-type: none"> ■ Open ended investment companies (OEICs) ■ Unit trusts ■ Enterprise investment scheme ■ Pensions ■ Term assurance ■ Business protection | <ul style="list-style-type: none"> ■ Individual Savings Accounts (ISAs) ■ Investment trusts ■ Venture capital trusts ■ Phased retirement/drawdown ■ Critical illness cover | <ul style="list-style-type: none"> ■ Structured products (including structured deposits) ■ Investment bonds ■ Exchange traded funds ■ Annuities ■ Income protection |
|---|---|--|

We do not provide advice in relation to individual share holdings. If this is something you need assistance with, we can refer you to a stockbroker.

In addition, we do not assist in the purchase of options, futures and other derivative contracts as we believe that these are unlikely to be suitable for our clients.

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.

Where we provide protection planning services we are an insurance intermediary and will provide advice which is based on a fair and personal analysis of the market from a range of insurers.

3. OUR SERVICE

We offer **initial advice** and an **ongoing service**. Any products that we arrange for you will only be reviewed as part of an agreed ongoing service, for which we charge a fee.

Our **ongoing services are optional**. However, where clients **purchase an ongoing service, our initial fees are discounted**.

We will only provide **formal recommendations** and provide advice when we have assessed your goals /needs, personal and financial circumstances and performed due diligence where needed. We will assess your risk profile before finalising any advice and consider any restrictions that you wish to place on the type of products you would be willing to consider.

As part of our advice process we produce a series of 'interim reports' to assist client understanding and confirm our thoughts at that point in time. When we are aware that some valuable information is still outstanding then we will mark these reports as draft. **No actions should be taken based on a draft document.**

In some circumstances, we may provide you with a non-advised service where you will **not** receive advice or a recommendation from us. Where this is the case we will provide details of our non-advised services and charges separately.

Service Proposition

Our service proposition is for clients who have accumulated a significant pension fund alongside other assets and recognise the need for expert advice This will include the following initial and ongoing advice:

-  A limited initial Financial Review with a focus on Retirement Planning
-  Presentation of an initial report
-  Regular Portfolio valuations (available online via client portals)
-  Regular meetings to review investments, objectives and your current situation
-  Access to expertise and experience

Ongoing Service and Review

Our ongoing service includes a review of your investments under our advice.

An annual review is not the only service you will receive. Once you are engaged as a client, you will have access to expertise and experience at any time, via telephone, email or letter (additional fees may be charged, but only after agreement with you once we have a clear identification of the project to be undertaken).

Other areas of advice we are usually asked to consider include:

-  Protection for you, and if appropriate, for your business
-  Taxation Planning, to ensure that you maximize the use of allowances and investment structures
-  Inheritance Tax, Will and Estate planning including the use of Trusts

Full details of our ongoing service proposition are included in the table below:

List of Services	Ongoing Service Included	Transactional Only
Annual statement of holdings	✓	✓
Access to our support team	✓	
Ongoing access to your adviser	✓	
Review meetings at agreed intervals including:	✓	
<i>Review of Objectives/Financial Situation</i>	✓	
<i>Review of Risk Profile & Capacity for Loss</i>	✓	
<i>Review of Investment Suitability</i>	✓	
<i>Review of Asset Allocation (if required)</i>	✓	
<i>Review of tax and legislative changes</i>	✓	
<i>Confirmation of aggregated costs & charges</i>	✓	
Cost based on the total value of your investments	1%: £0 - £500,000 0.5%: thereafter	Not applicable

Reeves Portfolio Management Service (PMS) provides monthly reviews of your portfolio reviewing financial, political and environmental events, proposing changes when suitable. This is communicated to clients via email to provide an understanding of the changes proposed.

4. FINANCIAL PLANNING AND HOW WE CHARGE FOR IT

- R** We will **always inform you of our specific advice fees in advance**. This will be in writing. Normally within the proposal summary report and confirmed in a suitability letter.
- R** Most clients prefer to pay their advice fees through their policies. This is not always possible. Some clients prefer to make payments through direct payments from their own accounts. In this case we will issue invoices. It is the client's choice how they pay.
- R** We will also let you know if there are any other costs that might be incurred in connection with the services we provide to you. This may include third party work.
- R** Financial advice and arrangement of investments are exempt of VAT. For report writing only, the fees may attract vat. We will always tell you if you must pay VAT before we undertake any work for you. In the event of the HMRC charging retrospective VAT then we reserve the right to come back and do the same for clients.
- R** Charges for the 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.

A. Pension and Investment Advice Fees

We **charge for our services by charging a fee**. This is known as an **'adviser charge'**. The adviser charges

will be shown as a fixed fee or a fee based on a percentage of the amount you invest.

There are two types of adviser charges which may apply, **'Initial' and 'Ongoing'**.

The table below shows the advice cost of arranging and implementing agreed actions where new money is invested. This generally applies where new money is placed onto a platform or new product. We do not charge for switches of funds already held within a platform. For example, ISA to Pension and/or fund switches.

Our initial charges are discounted for clients who agree to utilise our ongoing Portfolio Management Service and thus pay an ongoing fee to Reeves. We discount our initial fees for clients wishing to build a long-term relationship with us.

Table of Initial Advice Fees		
	No Ongoing Service	Discounted Fees Where Ongoing Service Applies
Standard fees are based on investment amounts being advised on at that time.	3%	<ul style="list-style-type: none"> Funds up to £250,000 @ 2.5% Over £250,000 @ 0.5%
For advising and setting up Regular Payments	3% (minimum £500.	<ul style="list-style-type: none"> The above fees apply with no minimum
Example 1: New client with a total investment/transfer value of £100,000.	£3,000 (@3%)	<ul style="list-style-type: none"> Initial £100,000 at 2.5% = £2,500
Example 2: New client with a total investment/transfer value of £350,000	£10,500 (@3%)	<ul style="list-style-type: none"> First £250,000 at 2.5% = £6,250 Remaining £100,000 at 0.5% = £500 Total Initial Adviser Charge = £6,750 (1.93%)
Example 3: New client with a total investment/transfer value of £500,000	£15,000 (@3%)	<ul style="list-style-type: none"> First £250,000 at 2.5% = £6,250 Remaining £250,000 at 0.5% = £1,250 Total Initial Adviser Charge = £7,500 (1.5%)
Example 4: Existing client with £250,000 or more already with us, not utilising PMS, with a further £50,000 to invest.	£1,500 (@3%)	<ul style="list-style-type: none"> The £250,000 already with us ensures these additional funds attract a 0.5% charge (£250)

Notes:

Single policy discount: For clients wishing to bring pensions or investments to us which involve only one plan or policy, a 50% discount will be available where our ongoing Portfolio Management Service applies.

Minimum Fee: We have a minimum fee of £1,000 per NEW client in all cases. This does not apply to existing clients making incremental investments.

£1 Million Discount: Reeves only charge Initial Fees on the first £1 million worth of transactions completed. Advice on funds that exceed £1 million are completed free of charge increasing the cost efficiency of Reeves services for high wealth clients.

Non-advised services: Some plans can be switched without the need for formal advice. Where clients wish to move this type of plan to Reeves and take advantage of our Portfolio Management Service, this can be done without any initial fees. However, we do recommend that any plans valued above £30,000 should receive a fully advised service.

VAT: Our fees are not subject to VAT and can be taken from your investment upon receipt by the policy provider or can be paid directly by you.

Ongoing Service Charges – The Reeves Portfolio Management Service

Fees are calculated and paid monthly, based on the value of your investment(s) on a specific date each month depending on the provider chosen. The annual rate is 1% per year.

The fees payable will fluctuate monthly due to changing fund values of your investment; if your investment increases in value, the amount you pay us will also increase and if your investment falls in value, the amount you pay us will also decrease.

Table of Ongoing Service Charges – The Reeves Portfolio Management Service	
Standard fees are based on fund value at each fee review	<ul style="list-style-type: none"> • 1% of Funds up to £500,000 • 0.5% of all funds over £500,000
Example 1: If your investments are valued at £250,000	<ul style="list-style-type: none"> • £250,000 x 1% = £2,500 pa (£208 pm)
Example 2: If your investments are valued at £750,000	<ul style="list-style-type: none"> • £500,000 x 1% = £5,000 pa (£417 pm) • £250,000 x 0.5% = £1,250 pa (£104 pm) • Total = £6,250 pa (£521pm, 0.83%pa)
Example 3: If your investments are valued at £1,000,000	<ul style="list-style-type: none"> • £500,000 x 1% = £5,000 pa (£417 pm) • £500,000 x 0.5% = £2,500 pa (£208pm) • Total = £7,500pa (£625pm, 0.75%pa)

B. 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 non-investment insurance contracts such as critical illness cover, health insurance and life cover. We advise on non-investment insurance contracts from a large range of insurers.

You can pay for our advised protection services by:

-  Commission (where this is available – a fee may be charged if commission is unavailable)
-  A fixed fee

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, this does not mean that our services are free. You still pay us indirectly through deductions from the amount you pay into your product.

We may agree to rebate any commission due into the plan and invoice you directly for an agreed fee. This would be negotiated after any recommendation that was made.

C. 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:

- R Service costs** – if your investments are held on a platform (an online investment administration service), the platform provider will make a charge for administering / managing your investments
- R Investment costs** – these are the costs relating to the manufacturing and managing of your investments – for example, fees charged by the investment fund manager, costs relating to investment transactions

We will always disclose any third-party costs as part of making our recommendations.

Aggregated costs and charges

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

5. OUR OBLIGATIONS

Recommendations

Before providing advice, we will assess your needs, consider your financial objectives and assess your attitude to any risks that may be involved. If you do not wish to discuss an area of financial planning and do not want that area to form part of the advice given, we can exclude it, if you instruct us to do so. This might of course have a bearing on the advice that might have been given.

Before making any recommendations, we will carry out a suitability assessment so that we are able to act in your best interests.

We will confirm any recommendations we make in writing (our suitability report) along with details of any special risks that may be associated with the products or investment strategies we have recommended.

Where we agree to provide you with a service that includes an ongoing review of the suitability of the investments we have recommended, we will carry out this review at least annually. To do this we will need to contact you to assess whether the information we hold about you remains accurate and up to date. We will issue you with a report setting out the results of our assessment and, if relevant, any updated recommendations.

Please be aware that investments can fall, as well as rise, and that you may not get back the full amount invested. The price of investments we may recommend may depend on fluctuations in the financial markets, or other economic factors, which are outside our control. Past performance is not necessarily a guide to future performance.

Specific warnings relevant to the investments, investment strategies or other products we arrange are provided in the relevant product literature provided.

We may occasionally recommend investments that are not readily realisable. We will only do this where appropriate but, if we do, we will draw your attention to the risks associated with the investments in our suitability report. There is a restricted market for such investments, and in some circumstances, it may not be possible to deal in the investment or obtain reliable information about its value.

Best execution

In transmitting investment applications on your behalf to third parties, we will take all reasonable steps to ensure that we obtain the best possible result for you. This is referred to as 'best execution'.

Anti-money laundering – We need to check your identity

We are obliged to put in place controls to prevent our business from being used for money laundering and other forms of financial crime.

We will verify your identity before undertaking any business with you. To do this we may use electronic identity verification systems and we may conduct these checks from time to time throughout our relationship, not just at the beginning. The check may leave a 'footprint' on your credit file but it will not affect your credit rating.

Conflict of interests – We must legally declare any that affect our advice

We will endeavour always to act in the best interests of you our client. However, circumstances can arise where we or one of our other clients may have some form of interest in business being transacted for you.

If this happens or we become aware that our interests or those of one of our other clients conflict with your interests, we will write to you and obtain your consent before we carry out your instructions and detail the steps we will take to ensure fair treatment.

Other benefits we may receive

From time to time we may attend training events funded and /or delivered by product providers, fund managers and platforms. These events are designed to enhance our knowledge and ultimately therefore enhance the quality of service we provide to our clients. Further details are available on request.

Communicating with you

We may communicate with you by telephone, post, e-mail or in person. In certain circumstances, we may ask you to confirm any instructions in writing prior to implementation. All our communications with you will be in English.

Client money

We are not permitted to handle client money and we cannot accept a cheque made out to us (unless it is in respect of a service for which we have sent you an invoice) or handle cash.

6. COMMENCEMENT

This agreement shall commence on the date of signature and shall remain in force until terminated in accordance with Section 7 – Cancellation below.

7. CANCELLATION

Termination of this Agreement

We may terminate this agreement by giving you at least 20 business days' written notice.

You may terminate this agreement at any time, without penalty. Notice of termination must be given in writing and will take effect from the date of receipt.

Any transactions already initiated will be completed according to this agreement unless otherwise agreed in writing.

You will be liable to pay for any services we have provided before cancellation and any outstanding fees, if applicable.

Product cancellation rights - standard rights as per all authorised forms

Full details of the products we recommend to you including, for example, the minimum duration of the product, information on your right to cancel or whether no right to cancel exists, and any other early termination rights and penalties, will be covered in the relevant product disclosure information you will receive before the conclusion of any contract.

In most cases you can exercise a right to cancel by withdrawing from the contract. In general terms you will normally have a **30-day cancellation** period for a life, protection, payment protection or pension policy and a **14-day cancellation** period for all other policies.

Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product disclosure information which will be provided to you.

If you cancel a **single premium** contract, you may be required to pay for any loss you might reasonably incur in cancelling it which is caused by market movements. This means that, in certain circumstances, you might not get back the full amount you invested if you cancel the policy.

8. HOW YOU ARE PROTECTED

All our clients are treated as **retail clients unless otherwise advised in writing**. This means that you are afforded the highest level of protection under the regulatory system and should have the right to take any complaint to the Financial Ombudsman Service.

Financial Conduct Authority (FCA)	Financial Services Compensation Scheme
<p>We are authorised and regulated by the FCA, 12 Endeavour Square, Stratford, and London, E20 1JN. Our Financial Services Register number is 839943.</p> <p>Reeves - The Pension Specialists is a trading style of Reeves Independent Limited, which is the authorised firm.</p> <p>The firms permitted business is advising on and arranging investments, pensions and non-investment insurance contracts. You can check this on the Financial Services Register by visiting the FCA's website</p>	<p>We are also covered by the Financial Services Compensation Scheme ('FSCS'). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.</p> <p>Deposits - a maximum compensation limit of £85,000 per person per firm (£170,000 for joint accounts).</p> <p>Investments - a maximum compensation limit of £85,000 per person per firm.</p> <p>Insurance - a maximum compensation limit of 90% of the claim with no upper limit*</p> <p>* Long term insurance benefits are protected 100% (e.g. annuities)</p> <p>We may also, on occasion, advise on other financial products which are not regulated by the Financial Conduct Authority (FCA). The Financial Services</p>

	Compensation Scheme does not apply to any of these products.
www.fca.org.uk/firms/systems-reporting/register or by contacting the FCA on 0800 111 6768.	Further information about compensation scheme arrangements is available from the FSCS at www.fscs.org.uk/consumer

Complaints

If you are dissatisfied with a recommendation, we have made you are entitled to make a complaint. If you wish to register a complaint, please contact us:

- In writing:** Compliance Officer, Reeves – The Pension Specialists, 147 High Street, Gosforth, Newcastle upon Tyne, NE3 1HA
By phone: 0191 281 9862
By e-mail: nigel@reevesifa.com

Please be assured we treat complaints seriously. A summary of our internal complaints handling procedures for the reasonable and prompt handling of complaints is available on request.

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service at www.financial-ombudsman.org.uk or by contacting them on **0800 023 4567**.

Introduced work

Where we send your business to a third party for advice then the complaint and claims are with that company. Reeves are not liable for their advice.

9. GENERAL

Providing information about your circumstances

As our advice will be based on the information that you provide, it is important that you provide us with accurate and up to date information when we request details about your circumstances and objectives. This will allow us to provide you with suitable advice. If the information you provide is inaccurate or if you limit the information provided this could affect the suitability of the advice we give.

For protection planning, where you are buying insurance as an individual, this means that you must take 'reasonable care' to answer all questions asked by the insurer fully and accurately. Failure to disclose material information may invalidate your insurance cover and could mean that a claim may not be paid.

Jurisdiction

This agreement is governed by and should be interpreted in accordance with English law and you agree to submit to the non-exclusive jurisdiction of the English Courts.

Legal and accounting advice

Our firm is not able to render specific legal or accounting advice or to prepare any legal or accounting documents.

It is hereby understood and agreed that the onus is on you, the client, to refer to a solicitor or accountant any point of law or accountancy that may arise during the course of discussions with us.

Investment Related Documentation

We will endeavour to make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. All policy documents will be forwarded to you as soon as practicable after we receive them. If there are a number of documents relating to a series of transactions, we will normally hold each document until the series is complete and then forward them to you.

Investment Performance & Risks

Please be aware that investments can fall, as well as rise, and that you may not get back the full amount invested. The price of investments we may recommend may depend on fluctuations in the financial markets, or other economic factors, which are outside our control. Past performance is not necessarily a guide to future performance.

Specific warnings relevant to the investments, investment strategies or other products we recommend will be confirmed to you in your suitability report. Under the terms of this agreement, we may, if appropriate, advise you on investments which are not readily realisable. We would draw your attention to the risks associated with these investments as there is a restricted market for them. In some circumstances it may therefore not be possible to deal in the investment or obtain reliable information about its value.

Unregulated financial products

Our services may also include advice on investments relating to or executing transactions in unregulated financial products. Accordingly, you should carefully consider whether such investments are suitable for you in light of your personal circumstances and the financial resources available to you.

Benefits we may receive

Under the rules of the FCA, as a firm providing independent advice, we are unable to accept or retain payments or benefits from other firms (e.g. product providers) as this would conflict with our independent status.

We may attend training events which are funded and/or delivered by product providers, fund managers and investment platforms. These events are designed to enhance our knowledge and enhance the quality of service we provide to our clients. As such this does not affect our obligation to act in your best interests. Please ask us if you require further details.

CLIENT AGREEMENT DECLARATION

Your Consent

This is our standard client agreement upon which we intend to rely. For your own benefit and protection, you should read these terms carefully before signing them. If you do not understand any point, please ask for further information.

I/We acknowledge that the client agreement will come into effect from the date of issue.

This agreement is governed and shall be interpreted in accordance with English law and both parties shall submit to the exclusive jurisdiction of the English Courts.

Client Name(s) _____

Client Signature(s) _____

Date _____

Signed on behalf of firm _____

Date _____