



# **Client Service Proposition and Tariff of Charges**

# Discovery

## **‘Where do you want to get to?’**

You may need advice on one or a number of financial areas. You may live or work near our offices in Petts Wood or we may have been recommended to you by one of our existing clients. Whatever path has led you to contacting us, our relationship with you will always begin with our Discovery process.

We will meet with you, so that we can establish that we are able to help and that we are the right adviser firm for you.

Together we will then establish your needs and objectives. These may be short-term and achieved by a transaction, such as the purchase of an annuity or they may be long-term, such as saving for retirement or investment planning.

Understanding your current income and expenditure is of paramount importance to us and will underpin all the advice we will ultimately provide. Most clients do not regularly review their income and expenditure and therefore cannot, with any degree of certainty, confirm their level of affordability. We understand that for many reasons this is a difficult task and will therefore assist you during the Discovery process, in gathering this vital source of information.

Regarding investment, we understand that you will probably already have some sense of what level of risk you wish to take. Our discussions with you, aided by a questionnaire, will **not** seek to ‘pigeonhole’ you, but will ultimately lead to an agreement on what level of investment risk and capital risk is acceptable to you. During our discussions we will also consider inflation risk and how the purchasing power of cash can reduce significantly over time if left on deposit.

The needs and objectives we have established will provide us with a time frame of short, medium or long term. Your attitude to risk may be appropriate for your needs and objectives - for example, adventurous or higher risk, while saving for retirement in 30 years time – or it may not. Therefore, we may, following further discussion, agree that in order to achieve your needs and objectives, a more adventurous or more cautious approach should be taken.

For over 30 years Metcalf Moat has been meeting with people, establishing their needs and objectives and working alongside them to achieve them. We greatly value the relationships we have built with clients over this time and are proud that they value us as their ‘trusted adviser’. We will endeavour to become yours.

# Research

## **'You are here'**

Having established your needs and objectives, your attitude to investment risk, your ability to bear loss and your current level of disposable income, we then turn our attention to your current financial arrangements.

Re-establishing what you have in place and discussing why it may have been put there, is empowering, in the same way that calculating your income and expenditure can be.

Clarifying the type of plan or arrangement you currently hold - who provides it; what is it supposed to do and by when; how is it performing; are there any penalties imposed or guarantees lost if a change is made - is often found by clients to be both an enlightening and liberating experience.

Plans, be they Pension, ISA, Bond or otherwise, are 'tax wrappers'. They wrap around funds and the wrapper title (Pension, ISA etc.) denotes the tax advantages and treatment the funds will receive. We will explain how the wrappers work, what the tax treatments are and whether the wrapper is still appropriate for your current situation and to meet your needs and objectives.

Data Protection legislation prohibits us from contacting your provider without your written permission. We will therefore obtain this from you and will seek answers to the questions posed earlier regarding your existing arrangement.

Armed with this information we can assess the appropriateness of the plans and arrangements you currently have in place, against your needs and objectives and attitude to investment risk. We will also assess how well your current arrangements are performing in respect of performance and cost against their competitors.

Once we have established the type of wrapper your plan incorporates, we will then determine whether the fund or mix of funds held within the wrapper is appropriate when considering your attitude to risk. We achieve this by obtaining details of the Asset Allocation of the fund or funds held. Asset Allocation is the process of dividing an investment amongst various asset classes, such as equities (shares), property or fixed interest (gilts, corporate bonds etc.) in order to diversify the risk. The assets are 'allocated' a certain percentage holding within a fund and this determines the level of risk a fund carries.

The Research process will then progress onto formulating recommendations as to whether the existing arrangements are left unchanged, adapted or replaced. We will also outline what new arrangements could be considered by you, to meet your needs and objectives.

# Implementation

## **‘Embarking upon the journey’**

Having discussed the outcome of our research and having established that you wish us to implement arrangements for you, we will then present our detailed recommendations.

We will attempt to clarify the options that are available to you and dispel the myths that often surround financial planning.

One of the most commonly held misconceptions is that one particular plan, for example an ISA, is better than another, such as a pension; when in fact, as we have discussed, they are tax wrappers, delivering completely different outcomes; while possibly holding a very similar range of funds within them.

Your needs and objectives, current level of affordability and present situation, especially in respect of tax, will enable us to determine what type of plan is appropriate for you.

The plan we recommend will be constructed around sound Asset Allocation models which, as we described earlier, will map out what type of asset (equity, fixed interest, etc.) a plan should consist of and what percentage of the overall plan should be allocated to it.

Your attitude to investment risk and ability to bear loss will lead us to select a fund or range of funds, appropriate to your outlook.

We believe diversification is the key to controlling the level of risk of any arrangements we recommend. Therefore, the fund or funds around which the tax wrapper (ISA, Pension, etc.) is placed will be spread or diversified over a range of different asset classes and geographical regions.

Investment markets will rise and fall over time and having exposure to various markets, in various parts of the world, can simply be summed up as ‘not having all your eggs in one basket’.

Should you accept our recommendations, we will then implement arrangements which are appropriate to your needs. We will recommend providers who, following research of all the options available to you, we conclude are the most appropriate in terms of performance, cost and service.

We will undertake all the paperwork required to implement the arrangements, which may include moving investments or pensions you hold with other providers over to a new arrangement.

Rest assured, we will always aim to match the asset allocation, diversification of funds and tax wrapper, to your agreed needs and objectives.

# Reviews

## **‘Keeping on track’**

We believe our clients value the guidance we give, not just at the outset of our relationship with them, but along the whole journey towards their needs and objectives.

Having discussions at defined times, such as scheduled annual reviews or when you feel the need to discuss a particular aspect of your arrangements with us, will enable you and us to reaffirm your needs and objectives and monitor the progress towards achieving them.

When markets are turbulent and the resulting ‘ups and downs’ may lead you to question your initial decisions or the agreed strategy, you will discover the real value of having a ‘trusted adviser’ working with you, to keep you on track.

Arrangements for you, that we control, will also need to be kept on track, as a good investment fund today may not be so tomorrow and vice versa. The funds invested within your arrangements, be they ISAs, Pensions or other tax wrappers, will be actively managed on a daily basis by the individual fund managers, who will in turn have their performance reviewed frequently throughout the year.

Depending upon the make-up of your arrangements with us, rebalancing is likely to take place to ensure that the original asset mix stays true to its original allocated percentage (Asset Allocation). This is vitally important, as your agreed attitude to investment risk has probably not changed; therefore the original asset allocation should not.

Rebalancing is achieved by selling down units in a fund or funds, held within your arrangement, which have grown in percentage terms, larger than the percentage originally allocated to it and by buying additional units in a fund or funds, which now occupies a lower percentage of the arrangement than was originally allocated to it.

Whilst tax is an inevitable part of life, the ongoing guidance we offer, through regular reviews, can help you to minimise its impact and take advantage of savings and investments which are tax efficient.

Having established where you want to be, where you are now and having agreed to embark on an adviser/client journey with us, we would hope that we have demonstrated our trustworthiness.

By keeping you on track we aim to prove our reliability.

*“Obstacles are those frightful things you see when you take your eyes off your goal”*

*Henry Ford*

We are here to help keep your eyes on your goal.

## Tariff of Charges

<b>Discovery</b> 'Where do you want to get to?'	Our initial meeting is at our expense; however, if the meeting is arranged at your home or place of work or is conducted outside of normal working hours (9am-5pm Monday – Friday) a £250 charge may be levied.
<b>Research</b> 'You are here'	<b><u>Investment and Pension</u></b> Our standard charge to review an existing pension or investment plan is £200 per plan.
<b>Implementation</b> 'Embarking upon the journey'	<b><u>Investment and Pension Lump Sum</u></b> The Initial Adviser Charge will range from 1% to 3%.  <b>Example:</b> If £100,000 were to be invested the fee would be as follows: 1% = £1,000 2% = £2,000 3% = £3,000
<b>Implementation</b> 'Embarking upon the journey'	<b><u>Regular Pension Contributions</u></b> To arrange a new regular contribution pension plan, we will charge a minimum Adviser Charge of £1,000.  <b><u>Regular ISA contributions</u></b> We will charge a fee of 3% of your annual or monthly contribution (example £10,000 = £300 charge).  <b><u>General Investment Account (GIA) to ISA Transfer</u></b> If you already have funds invested within our portfolios and wish to maximise your annual ISA Allowance, the charge will be £250; however, this charge is waived if your total funds under management with us exceed £200,000.
<b>Reviews</b> 'Keeping on track'	<b><u>Annual Review</u></b> Our Ongoing Adviser Charge ranges from 0.5% to 1%, therefore if you have £100,000 invested with us, the Ongoing Adviser Charge would range from £500 to £1,000 per annum.