

OUR INVESTMENT SERVICES AND FEES

INTRODUCING OUR INVESTMENT SERVICES

Taking financial advice can be one of the most important things you consider doing to work towards a financially secure future. The aim of such advice is therefore to help protect you and your family from whatever life has in store, if applicable increase the value of your assets and the quality of your life as you get older and in some cases even save you money.

Kingston Independent Financial Advisers offer a fully independent service in relation to investments and pensions along with a very broad range of other services to compliment that advice. Our advice to you could therefore cover a wide range of financial planning areas and many different types of product either already held by you, or required for the future. Indeed, it may also require that we take account of your taxation situation and to this end you may find our separate taxation and accountancy services available via Kingston PTM Limited, relevant.

Please see the full Kingston PTM Limited company brochure or web site at; www.kingston-solutions.com or even contact us by phone to discuss your requirements in more detail.

TREATING YOU AS AN INDIVIDUAL

Importantly, in relation to all services and advice, we recognise that all individuals are different and believe strongly that they should be treated as such.

Whilst whatever we do will always be based on a thorough analysis of your financial situation, it may be that you only require advice in one or more particular financial planning area(s), for example, an audit of your current retirement income potential, or a review of existing investment and retirement arrangements at retirement. Alternatively a full initial financial planning review report might be more appropriate before the priorities and most actions can be identified.

Such a review may also take into account of your estate planning and tax position but also where relevant include consideration of your arrangements for life and sickness protection.

Please note the Financial Conduct Authority does not regulate the Taxation and Trust advice, Deposit Accounts, National Savings and Accounting Services that we are able to offer as part of our work with clients.

Equally, pure protection insurance such as term life and sickness provision where there is no investment element but which may also be relevant to you is not covered under the fee arrangements shown here and so we would therefore refer you to our separate Key Facts about our Insurance Services document for services and payment in relation to such areas.

Most importantly in terms of all services, we do not “shoe horn” our clients in to one advice process, or way of paying for services and instead tailor both the services and the way we charge for them according to the advice required and your circumstances as well as what is simplest and most convenient for you. This applies to on-going advice and reviewing arrangements in the future as much as it does to initial advice.

WHAT ABOUT THE COST?

The bespoke tailored nature of our advice service means that it is very difficult to give a precise estimate of the cost of any advice in advance of meeting with you or even sometimes after commencing work on your behalf as there are a number of different factors that may affect how much it might ultimately cost.

This may range from:

- Your personal experience and understanding of financial planning matters
- Your personal situation such as health and tax status
- The number of plans you hold already that require review
- The complexity of those plans
- The nature of the potential solutions open to you to achieve your objectives
- Whether information regarding the provider and plan can be accessed on line
- And even, with which insurers or investment providers your existing arrangements are held.

This is why, prior to commencing any chargeable work we always offer all clients a first meeting for which there will be no charge made in order that we can properly assess their individual needs and requirements and from that prepare a full personalised “Scope of Work Statement” outlining the work you wish us to undertake / have instructed and outlining clearly the method of payment and if not a fixed amount, an estimate of the cost.

No fees will be due from you until you have signed the Scope of Work Statement.

To assist you in understanding what work may be involved and therefore how much our advice for both initial and on-going services might cost, you will find below examples of our services and costs. Please note, these relate to investment advice services only.

OUR ADVICE PROCESSES:

Initial Investment Services:

Any new financial advice for new clients will normally require that we undertake a full review of your circumstances and needs.

Such a review will normally involve:

- An initial consultation and the review and confirmation of income, expenditure, assets and liabilities along with details of your existing plans, estate planning arrangements and of course a discussion with you about your plans, aspirations and financial objectives.

For existing clients who have on-going service agreements in place with us, we like to undertake regular updates of this information so that we can ensure that there have been no changes that might affect our on-going advice to you or indeed, new advice which they may require.

For those clients seeking to consider any form of investment or retirement planning, this first review will also involve consideration of their feelings and experience of investment risk and most specifically what level of investment loss they would be comfortable accepting and indeed can afford to have relative to the purpose of the investment.

- Following such a review, we would normally expect to contact existing providers to check options and details of those arrangements and ensure that they are what they appear to be. This also allows us to check hidden features that we may wish to use in your planning without commencing new plans
- If appropriate, fully independent research of appropriate new financial solutions and products will be undertaken in order to meet identified objectives taking account of existing plans
- A report to you will then be prepared of those findings and if applicable our specific plan and / or fund recommendations and if appropriate a further meeting may be required to discuss the findings and recommendations made
- Depending on what is agreed at outset we may include then move to the implementation of any new plans and arrangements or indeed, adjustment to existing ones (For example arranging fund changes).
- Finally, we will follow through to completion any new arrangements or changes that have been made to existing plans ensuring that you have the appropriate documentation. This would include following up on any taxation issues that may arise

If however you prefer that our advice is limited to one specific area of your financial planning as outlined above, then the same process would be followed but only in relation to the relevant plans / financial planning area(s). We would advise however that this approach is considered to be “limited advice” and runs the risk that there may be other actions you should consider or even that the advice we give would be different had we been aware of other arrangements or circumstances that have not been disclosed to us.

On-Going Services

Following any initial advice, whether or not that involved the implementation of new financial products, changes to existing plans or the recommendation of new funds, it is important that those arrangements are kept under

review. We therefore recommend that all clients who have engaged our initial services do consider on-going services with us.

Please note we will not keep plans / funds we have arranged for you under review unless an on-going servicing agreement is agreed accordingly.

Such services would therefore be agreed as soon as the appropriate level and the content of service to be delivered is known and usually before the finalisation of the initial advice.

On-Going Investment Services would normally relate to keeping investments and pension funds and contracts under review on a pre-determined time basis. This may be set up at any interval according to need and affordability but we do recommend at least annual reviews to ensure that arrangements set up have the best chance of remaining in line with both expectations and financial planning objectives.

Such reviews would typically include:

- Updating the values of your existing investments
- Analysing the performance of the portfolio and funds within it on a quarterly basis
- Reviewing the risk of the portfolio relative to your feelings on investment risk
- Reviewing your Asset Allocation relative to your target risk
- Recommending fund switches due to poor performance or the need to adjust risk
- Preparing a Portfolio Report and recommendations including any recommended fund switches
- With your permission and authorisation, transacting any recommended changes with the relevant investment contract providers
- Following through on any recommended changes

In preparing this review work, it may also be appropriate for us to make contact with you to discuss any changes in your financial situation and / or risk approach. If retirement options involving investment have been arranged we can also include looking at the performance of those investments in the context of your retirement objectives and the options available taking account of changes in legislation that might affect your plans.

SO WHAT MIGHT YOU HAVE TO PAY US FOR OUR SERVICES?

You will pay for our services on the basis of an “*Adviser Charge*”.

The actual amount will depend on the service(s) provided to you and will be agreed with you before we carry out any work that we will charge for.

We will therefore prepare a *Scope of Work Statement* that will contain details of how much you will be charged and how payment is to be made after we have meet with you to determine your particular needs and instructions.

All fee options referred to below are exclusive of VAT, expenses and disbursements. These will be added to the invoice if applicable. Our services may be VAT exempt

It should be noted that our advice may only be exempt from VAT if the intention at outset is to complete a financial transaction with a product provider of some kind.

Payment for Initial Services - Examples:

We offer the following methods of payment:

1. An adviser charge based on the number of hours spent working on your behalf as per the following typical rates:

Director / Chartered Financial Planner:	£175 - £250 per hour
<i>The Adviser responsible for constructing the investment solution and providing and coordinating the advice which you require and always referred to for more technical case work</i>	
Other Adviser:	£140 - £165 per hour
<i>As above but may also be working in support of the above</i>	
Technical Research and Planning Support:	£115 - £165 per hour
<i>Usually responsible for entering data, conducting basic research under the direction of your adviser.</i>	
Administration:	£40 - £60 per hour
<i>Packaging of plans, typing, file maintenance, initial application submissions and updating valuations and fund information for the Adviser and Technical / Planning support</i>	

For Example:

If the total amount of time taken to provide and transact the appropriate typical advice for your circumstances is:

Director / Chartered Financial Planner	4 hours @ £175 per hour
Research / preparation of report and applications	8 hours @ £115 per hour
Administration to include typing of recommendations and following up applications	3 hours @ £60 per hour

The total Adviser Charge would therefore be: £1,800

The actual level of hourly rate we offer may be different due to such things as:

- Annual increases in our costs (due to inflation and increasing insurance and regulatory charges)
- The complexity / technical knowledge required in giving the advice required.

Where an hourly rate is used it will however always be subject to a “cap” so that you know that the final amount cannot exceed the cap. A capped fee may be used where the amount of work involved cannot be precisely identified at outset.

This would typically be where there are a number of plans to audit before advice can be given and / or where the product solution and the time required to research and document the recommendation to you is complex. For example, retirement options or detailed calculation of Lifetime and Annual Allowance tax implications.

OR

2. An Adviser Charge based on a one off “fixed fee” based on your specific needs and circumstances.

A fixed fee will typically be used where the advice required is limited to a particular area and the work involved is easily identifiable at outset. Typical examples may be “limited advice” where only one product area or action is instructed.

For Example:

- Recommendation and implementation of a new pension contract in relation to a Court Pension Sharing Order following a divorce
- An initial review and report only or to help you set up a new pension arrangement or consider consolidation of existing plans.
- The investment of a specified sum of money with no other considerations

Once agreed, a fixed Adviser Charge amount will not change, except where your needs or circumstances differ from our initial expectations.

Examples of costs arranged on a capped hourly rate or fixed rate basis are provided below based on our estimate of time normally required assuming existing and proposed arrangements are relatively straight forward:

- £850 Initial meeting and review of all existing arrangements and objectives only resulting in a summary of existing plans
- £1,800 An initial meeting and review of all existing arrangements and recommendations for financial

- £800 planning actions in line with objectives discussed.
- £800 Research the market and identify suitable products / services to meet objectives including the preparation of a written report relating to the resulting recommendation (s)
- £400 To assist with the completion of application forms and act between you and the relevant product provider with a view of arranging an already agreed investment or pension product and finalising the application following an initial report
- £800 For a specific purpose for example, initial meeting, documentation, research, recommendations and implementation of a Pension Sharing Order already approved by the Court

As noted above, more complex cases or potential difficulties in obtaining information (e.g. multiple plans and various providers) and additional meetings required may however cost more.

OR

3. A Percentage (%) of the investment under review

Finally, where new investment advice is required in relation to new money (including top ups to existing investment and pension arrangements) we also facilitate a one off Adviser Charge expressed as a percentage of the initial investment. Our standard charge of 1.5% of the lump sum to be invested.

Where a percentage of the investment is used as the payment we will always tell you how much the initial Adviser Charge will be in accordance with the above before you complete an investment but you may ask for this information earlier. This will also be confirmed in the formal Scope of Work Statement provided to you before chargeable work commences.

Payment for On-Going Services - Examples

As with initial advice, the cost of such on - going services will depend upon the complexity of the plans under review and the extent to which the above services are adopted / relevant to you. Depending on the outcome of our initial advice and if not included in the initial advice *Scope of Work Statement* a new agreement for such services will need to be arranged.

Payment for on-going services will normally be by way of:

1. Hourly rates as calculated for initial advice and / or
2. An agreed percentage of the investments under review (where this can be arranged so as to reasonably cover the cost of the advice required and agreed at outset)
3. A combination of both

Examples:

1. Using hourly rates:

- For annual reviews of both investments and pension accounts (values and asset allocations) including checking income, expenditure, asset and liabilities, followed by recommendations and implementation of fund changes and ad hoc queries relating thereto throughout year: £2,100 per annum.

Made up of using hourly rates:

- 4 hours of consultancy / adviser time @ £175 per hour = £700
- 8 hours of planning support time @ £115 per hour = £920
- 8 hours of administration (valuations and update of information) @ £60 per hour = £480
- For annual review of value, asset allocation and risk in relation to investments only with no recommendations and implementation: £990 per annum. Made up of:
 - 2 hours of consultant / adviser time @ £175 per hour = £350
 - 4 hours of planning support and research time @ £115 per hour = £460
 - 3 hours of administration (updating values and typing) = £180

As with initial advice, how long each member of staff is involved will vary from case to case depending on the complexity of the work and the ease with which information regarding existing plans is available to us.

For Example:

The time to secure valuations, a task performed at administration rates, will be higher if investments are distributed across a number of different investment contracts and contract types than if they are all held on one investment platform able to automatically download that information direct into our systems. Likewise, a number of different types of pension contracts are more complex to review than investments.

2. Using an agreed percentage of the investment. Our standard ongoing Adviser charge is 1% of the funds under review:

- For annual investment and / or retirement portfolio and asset allocation reviews and implementation of fund changes only, it may be appropriate to use a percentage of the investments or pension funds under review as follows:
 - Based on a percentage of £100,000 an ongoing charge of 1% of this amount would mean that it would cost £1,000 per annum to provide an ongoing service (£100,000 X 1% =£1,000). ***Please note, using this approach only, if the fund value increases over time, the ongoing charge then increases accordingly.***

Please note however, pension fund based fees cannot be used to pay for advice in relation to non-pensions contracts and advice due to the tax rules applicable to pensions. Investment based fees can however be used to pay for any advice we agree.

3. Using a combination of both hourly rates and % fund based

- In this case, a client account statement will be provided to you to show the amount of fund based % fees actually received since the last review.
- An invoice (as referred to below) will only be raised for any shortfall after your review has been completed.
- Any excess will normally be carried forward to cover the cost of on-going administration and accounted in the next statement but if more than £250, the amount and subject to your agreement, will be repaid to you. It may then be necessary to adjust the level of fund based fees being paid accordingly.

For Example:

- A full on-going service for the review of £100,000 of investment contracts and has been agreed using hourly rates as outlined above but we agree to also use fund based % fees received on those investments at 1% to offset the final review cost.
- The full cost of the advice is therefore £2,100
- Fund based fees received over the period since outset - £1,000 (*paid at 1% of the actual value throughout the year on a monthly basis*)
- Total shortfall to pay by invoice £1,100

Whatever option is adopted however, we will agree the content of the services required, the method of payment and the estimated cost of the advice before any ongoing service is provided in either the initial advice "Scope of Work Statement" or if this is not clear at outset, a separate an "On-going services Scope of Work Statement".

Scope of Work Statements for on-going services will normally be subject to annual review and update as either your needs and / or our charges change.

PAYING THE FINAL FEE

Your Payment Options

1. Settling your adviser charge in a single payment:

Whether you buy a product or not you will pay us an Adviser Charge for our advice and services which will become payable on completion of our work.

You will be required to settle the payment of your Adviser Charge on completion of our work within 20 working days. We accept cheques or you may pay by direct credit. Please ask us for account details accordingly. Please note we do not accept payment by cash. You may of course also ask us to provide a receipt.

Alternatively, where we recommend a single premium investment product, it is possible for you to have the Adviser Charge deducted from the sum invested. ***It is important to note that if you do, your investment will be reduced by an amount directly in proportion to the amount of Adviser Charge.*** Furthermore there may be other implications (for example in relation to tax and income) for you to note. If so we will inform you before any charge is deducted.

2. Settling your Adviser Charge by instalments:

The option to pay by instalments is only available for the payment of the Adviser Charge on regular premium products. Payment by instalments does not relate to any on-going charges payment which we may charge for providing an on-going service.

3. Paying instalments through your recommended product:

If you buy a regular premium financial product (investment), you can choose to have your Adviser Charge deducted from the product through instalments. Although you pay nothing 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 in to your product. These deductions will pay towards the settling of the Adviser Charge but you should note that they could reduce the amount left for investment.

How your payment works:

- Total monthly premium payable: £250
- Total cost of advice £600
- Monthly payment for advice: £50
- Length of repayment period for the Advice Charge 12 months

Under this example, the amount of premium invested will therefore be £200 for the first 12 months. From month 13, the full £250 will be invested.

If you choose to pay for the advice you receive through instalments, these instalments will be deducted from the premium you pay each month and allocated towards settlement the Adviser Charge.

For example:

If the cost of advice is £600 and you have been recommended a regular premium product of which £250 will be paid each month, £50 will be taken from this amount to pay off your adviser charge over 12 months. The remaining £200 will be invested during this time. At the end of this period, the Adviser Charge would have been settled in full. From month 13, the full £250 will be invested.

Keeping up with your payments:

If you choose to pay for the advice you receive via instalments, the full amount of the Adviser Charge will need to be paid irrespective of whether:

- The recommended product (s) is / are cancelled before the full amount is paid;
And / or
- You subsequently decide to transfer your business to another firm / financial adviser

Any outstanding amounts, as at the date of cancelling the recommended product / transferring to another firm or adviser, will be due to be paid in full within 20 working days of the termination / transfer date. An invoice will be raised for the full outstanding amount.

OTHER INFORMATION REGARDING OUR FEES

Other benefits we may receive

We advise and arrange on a range of products from a variety of firms; we may receive certain non-monetary support from these firms, which is used to enhance the quality of service we provide to you. This year we expect to receive in total 30 hours' worth of training from some or all of these firms. Other support we may receive includes access to technical services, information technology support or the supply of product literature. Further information regarding any of these arrangements is available on request.

Information about other costs and associated charges

There may be other costs, including taxes, that are payable through other parties (such as the product provider) that we may not be party to. Such charges are normally disclosed in relevant third party documentation, for example a Key Features Documents.

Other relevant documentation

This document should always be read in conjunction with our *Client Agreement* and if applicable, our *Key Facts about our Insurance Services*.

A personal *Scope of Work Statement* will always be prepared documenting the services agreed with you before any chargeable work is commenced.