

## KINGSGATE INDEPENDENT FINANCIAL ADVISERS LTD

### TERMS OF BUSINESS

2020

Kingsgate Independent Financial Advisers Ltd is authorised and regulated by the Financial Conduct Authority (FCA), 12 Endeavour Square, London E20 1JN. FCA reference 187835. You may verify this on the FCA register at <https://register.fca.org.uk>

We adhere to the regulatory, ethical and professional requirements of the FCA and consequently provide these terms to all clients for their acceptance, information and retention. Please sign and return the last page (adviser copy) to evidence delivery.

These terms set out the general principles of practice that will govern our business dealings and commercial relationships, within the framework of standard UK law and practice.

Both parties agree to abide by these terms and any verbal or written instruction from the client to act on their behalf will constitute terms acceptance.

Periodic updates to these terms shall be issued on our website and remain binding. The client agrees to always be bound by the latest valid terms and may terminate business arrangements at any time, without penalty.

Please read these terms carefully. We shall be pleased to answer any queries.

### CLIENT OBLIGATION & CONSENT

Our aim is to continually improve our clients financial standing ...

We achieve this via advanced financial planning and a commitment to periodic ongoing reviews. To competently perform this role, we ask all clients to register the following:

- Clients are not obliged to act on advice and consent to work at their discretion.
- We apply no service lock-ins or financial exit penalties.
- Successful planning demands extensive client collaboration, we can only provide appropriate guidance if we possess sufficient understanding of all relevant details.
- We shall require information relating to past, present and future incomes, expenditures, assets and liabilities, in order to place context on present circumstance relative to financial needs, objectives and priorities.
- Best advice and best outcomes will rest upon full disclosure of personal tax and employment status, medical history, family details and succession preferences.
- We rely on the information provided by the client and accept no responsibility for non-disclosure, oversight or inaccuracy on their part.
- The client consents to provide personal data we shall hold and share for the express purpose of financial planning functions only. The client retains right of access to their data, which we shall update, amend or delete upon request, subject to any statutory restriction. Data requests may attract a small administration fee.
- The client consents to be contacted by telephone, letter, text or email.
- Where investment stewardship is applicable, the client consents for their portfolio(s) to periodically be rebalanced, to maintain the recommended asset allocation and avoid strategic drift, provided such rebalancing is notified as soon as possible.

## OUR MISSION

**To consistently improve the long term financial standing of our clients ...** via an ongoing program of sound planning and holistic advice.

To ensure that clients will profit from our collective wisdom and technical product knowledge within a first class customer service experience.

To deliver robust planning strategies and sound wealth management in a legitimate, cohesive and tax efficient manner, using 'best in class' investment and insurance services.

To provide ongoing services of:

- Monitor & Review
- Data Collection
- Independent Research & Analysis
- High Quality Products
- Investment Stewardship
- Cash Flow Forecasts

## OUR COMMITMENT TO YOU

- Maintain the professional knowledge required to permit sound financial engineering
- Provide independent advice and guidance (for UK regulated financial products)
- To always act in client best interests - This is our primary duty of care
- Develop long term business relationships – with focus on value and service
- Act as your agent and maintain confidentiality in all dealings
- Confirm advice and guidance in writing
- Work in conjunction with other professional services as required
- Comply with all general data protection regulations (GDPR)
- We shall not use social media for business
- We shall adhere to all statutory requirements

## SCOPE OF ADVICE

**We offer independent financial advice & professional holistic planning services to individual, private and corporate clients ..**

We do not provide mortgage or accountancy services and shall refer these as necessary.

We operate unrestricted "whole of market" research for products and investments.

We are authorised to advise on and arrange all UK regulated investments and non-investment insurance contracts, *including Defined Benefit Pension Transfers*.

The financial products and investments we recommend are tailored to individual need, to reflect peer group comparison, trading experience and prevailing market conditions.

Our guidance shall reflect today's UK financial regulations and Inland Revenue practice.

We are an advisory practice and do not transact Execution Only or Insistent Client business.

## OUR SERVICES

We offer two client service levels:

### **1. Stewardship Service:**

Our standard fully comprehensive management service, for complete peace of mind.

This service is specifically for clients seeking a complete ongoing management service.

Our Stewardship provides ongoing investment management and forward planning reporting in a holistic, cohesive and cost-effective manner, to keep financial plans on track amid ever evolving personal, legislative and economic circumstance.

The service can encompass existing financial products to manage and monitor all wealth, retirement and estate planning strategies.

Centred on regular meetings held at client discretion (preferably annually), the service maintains effective lifetime planning through the regular assessment of plan performance, suitability, tax efficiency and costs, relative to changing circumstance, need and objectives.

Stewardship includes:

- Regular estate valuation summaries
- Continued holistic planning and ongoing tactical product suitability
- Investment & fund management performance monitoring
- Re-balancing of asset allocations for Central Investment Propositions (CIP)
- Strategic investment, retirement, tax and succession planning
- Cash flow forecasting
- Open access to ongoing financial guidance, with 24/7 online access

Where we believe an investment or financial service merits your attention, we will inform and promote this information to you at our review or interim meetings.

### **2. Transaction Only:**

This is a 'one-off' arrangement to cater for those who prefer a 'DIY' approach to financial planning, do not require ongoing financial management assistance, and simply wish to arrange a single business transaction without further dialogue. In this event we offer no ongoing reporting, advice, assistance or guidance and the client accepts full responsibility for continued product suitability, performance and outcome.

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**Products:** As independent advisers, we offer research and analysis for protection and investment products from the entire marketplace.

Protection products include all forms of Term Insurance and Life Assurance, Critical Illness and Income Replacement policies, whether single, joint, group, individual or corporate.

Investment products include all forms of discretionary and non-discretionary fund management, whether active, passive or factor based, for all regulated Onshore and approved Offshore products, across all UK tax wrappers and regulated investment plans.

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**Platforms:** Wherever practical and in client interest, we provide online investment and administration services via 'platform services'. Our preferred platform suppliers are 'Transact' and 'Novia' Financial Plc, selected as independent award winning specialists providing superior technical functionality.

**Client Monies:** We do not handle client cash and shall only accept cheques in settlement of third party investment, fees, charges or disbursements, or our own invoices.

## **COST PROTECTION**

In a regulated business environment, the costs of research and documenting planning alternatives for smaller transactions can be disproportionately expensive; Where we identify such work is not financially viable for the client, we may restrict research and reporting scope to limit client costs; In that event we ask the client to accept that the resultant advice may differ from that of a more costly research and analysis process.

## **STATUTORY RIGHTS PROTECTION**

To ensure that clients qualify for all appropriate FCA regulated product protections, we routinely classify clients as Retail Clients for investment business and Consumers for non-investment insurance business. Should you wish to be considered as a different category for investment business, such as a Professional Client or Eligible Counterparty, you must inform us in writing. We will then confirm your statutory protections.

## **NON-INVESTMENT INSURANCE**

We offer independent market research and analysis for single, joint and group life assurance products from the whole open market.

These include Level & Decreasing Term Insurance, Whole of Life Assurance, Relevant Life Term Assurance, Critical Illness Protection & Income Replacement policies.

## **CENTRAL INVESTMENT PROCESS (CIP)**

We operate five truly global multi-asset 'all weather' portfolios, with bi-annual reviews.

Each portfolio is risk governed, highly diversified, robustly built and well costed.

Portfolios display empirical evidence of superior performance relative to more than 500 portfolios from 77 major independent investment companies.

All portfolios contain some 14,000 individual holdings, with global diversification.

Portfolio construction employs a systematic set of rules and filters applied to combine empirical data, Nobel prize acclaimed academia, ongoing market insight and continued intellectual rigour to best effect.

To ensure the portfolios remain market appropriate and cost effective, our investment committee employs the services of an independent third-party research agency, Albion Consulting Ltd of Exeter, to supply ongoing research, governance and oversight within a rolling program of market insight and communications. Albion proprietor Tim Hale is the author of "Smarter Investing", a highly respected publication in its 3<sup>rd</sup> edition. We consult with Tim bi-annually to monitor and evaluate all portfolios relative to market, and will rebalance annually or as necessary to reflect ongoing research.

In addition to Albion services, we employ various leading proprietary softwares to apply risk governance and monitor global fund data from across the whole market. In this manner we maintain risk governed portfolios with proven investment strategies, to match investment risk attitudes discussed and understood prior to investment.

As independents we can augment or replace our core portfolio offerings with any UK regulated investment fund or service, including discretionary fund management services, other model portfolio services or any passive, active or factor based investment strategy.

## COST OF SERVICES

We provide prior written confirmation of all product, advice and service costs.

All fees and charges fall due upon transaction/service completion, unless by prior invoice or by a written alternative issued by a company director.

### TOTAL ANNUAL SERVICE COSTS:

The following illustrates sample costs\* for our core global multi-asset portfolios, including full stewardship services, as delivered via the Transact investment platform. For clarity, these percentages are total costs, there are no other costs incurred from any source.

Portfolio	Equity/Fixed Interest Ratio	£1K<£60K	£60K <£600K	£600K<£1mill	£1mill <£1.2mill	£1.2mill <£5mill	>£5mill
Global Cautious	20/80	1.74	1.74	1.52	1.23	1.22	1.10
Global Defensive	40/60	1.77	1.77	1.55	1.26	1.25	1.13
Global Moderate	60/40	1.81	1.81	1.59	1.31	1.29	1.17
Global Adventurous	80/20	1.84	1.84	1.62	1.33	1.32	1.21
Global Aggressive	100/00	1.88	1.88	1.66	1.37	1.36	1.24

\*Costs are rounded up to nearest decimal place. Actual costs will vary according to the amount invested due to tiered charging discounts.

## PAYMENT FOR SERVICES

We charge fees for all time and financial planning services relating to Consultation, Research, Advice, Transaction, Implementation, Compliance and Stewardship. We do not accept cash payment and routinely expect to be reimbursed for services by one of the methods shown below. Any cheques issued to Kingsgate IFA Ltd are non-refundable.

We operate two payment options ...

1/ **Standard fees\***: 1% initial and 1% of funds under management - (i.e. £10 per £1,000)  
Reducing to 0.75% for funds managed in excess of £1 million – (i.e. £7.50 per £1,000)

2/ **Hourly fee**: Discretionary and transaction specific, subject to bespoke engagement terms

\*Standard Fees are levied monthly pro-rata and paid directly from client funds under management.

As a broad guide to initial fee costs, an investment of £100,000 would generally be charged at 1% for all advice, research, portfolio construction and plan set up transactions; smaller investments may attract a charge of 2<3%. Cases of technical complexity may incur additional charges. All costs and charges are notified in advance. e.g.

Initial Investment	Typical charges		Total Cost	Amount Invested
	< £100,000 @ 2%	>£100,000 @ 1%		
£ 50,000	£1,000		£1,000	£ 49,000
£ 100,000	£1,000		£ 1,000	£ 99,000
£ 250,000	-	£ 2,500	£ 2,500	£247,500
£ 500,000	-	£ 5,000	£ 5,000	£495,000
£1,000,000	-	£10,000	£ 10,000	£990,000

\*These figures are for guideline example only, the actual costs may be lower or higher subject to case specifics and the complexity of work involved.

## HOURLY RATES & FIXED FEES

Hourly fees reflect the time required to undertake and complete works and the consultancy, technical and administration services involved. Where hourly fees apply you may elect to set a budget limit, alternatively we may agree a fixed fee. Hourly charge rates are \*..

Staff Role	Hourly Rate
Director	£200
Pension Transfer Specialist	By Arrangement#
Adviser	£175
Administration	£55

*\*Actual fees will depend on the technical and administrative complexity of the work involved.*

*#Occupational Pension Transfer Analysis is a specialist subject with separate agreement terms issued in conjunction with standard terms and conditions. Please ask for details.*

## IMPLEMENTATION FEES FOR REGULAR INVESTMENT

Regular premium investment plans are costed on an individual basis. All such fees shall be deducted directly from client funds invested and paid to Kingsgate IFA Ltd by the product provider. Alternatively, we may request advance payment from the client, by cheque made payable to 'Kingsgate IFA Ltd'. .. Example regular investment fees are ...

Monthly Premium	£50	£75	£150
Fund value x 1%	£0.50pm	£0.75pm	£1.50pm
Initial implementation fee	£500	£500	£500
Total annual fee Yr1	£506.00	£509.00	£518.00
Total annual fee Yr2	£6.00	£9.00	£18.00

## NON-INVESTMENT INSURANCE & OTHER FEES

We typically receive commission from insurance providers for life assurance or other regular premium contracts. Full details will be included in your client specific illustration.

Where we are paid by commission, any subsequent policy cancellation shall not absolve the client from the cost of works or transaction liabilities and in that instance Kingsgate may invoice the client for appropriate proportionate payment at the applicable hourly rate; Similarly, a policy cancellation shall not constitute a client refund of any kind.

If occasion arises where we need to set a separate fee for a specific piece of work such as annuity product research or a more complex technical, product or offshore arrangements, we may agree a fixed fee based on complexity of works and time demand.

## STEWARDSHIP SERVICE CHARGES

The standard 'Stewardship Service' charge is 1% per annum, levied monthly pro-rata (1/12<sup>ths</sup>) and deducted directly from funds under management. This charge is discounted for funds exceeding £1 million. i.e.

Funds <£1million attract a charge of 1% (i.e. £10 per annum per £1,000).

Funds >£1million attract a tiered charge of 0.75% (i.e. £7.50 per annum per £1,000).

Example charges\* ..

Investment	Annual Charge	Annual Cost
£50,000	1.00%	£500
£250,000	1.00%	£2,500
£1,000,000	1.00%	£10,000
£2,000,000	0.875%	£17,500
£3,000,000	0.66%	£20,000

\*Actual cost is wholly dependent on investment performance; Proportionate cost never varies but the actual fee deducted will rise or fall in line with fund performance.

## ACCOUNTING TO YOU

Any personal documents we hold shall be returned to you as soon as practicable after receipt; Where a series of investment transactions is involved, we shall generally hold all documents until the series is complete and forward them together.

## CONFLICT OF INTEREST

If we identify that Kingsgate or another client has some form of interest in our business dealings, or if our interests or those of another client should conflict with your own, we will notify you and propose steps to ensure fair treatment; In this event we will seek written consent to proceed with any further action.

## DATA PROTECTION – PRIVACY NOTICE

Confidentiality is paramount in our dealings and our systems are designed to ensure data privacy and the secure maintenance of all client data in a sensitive manner. We adhere to all statutory data protection regulations.

## TERMINATION OF SERVICES

You, or we, may terminate our authority to act on your behalf at any time, effective from date of receipt.

Termination shall not absolve the client from any fees, commissions or charges due for the arrangement of policies or investments yet to issue, nor from any outstanding fees, charges or financial liabilities incurred prior to termination. For clarity, the client shall remain liable for all works, service and product charges incurred prior to termination date. Standard business tariffs shall apply to the date of termination.

Where client assets are held within a third party online Platform/Wrap service, the client may need to issue separate instructions to that service provider in order to remove assets or appoint other advisory services. We shall be happy to assist with this.

**LOANS AND OWNERSHIP**

Kingsgate IFA Ltd has no loans and is wholly owned by the Directors of the company.

**COMPLAINTS**

To register any service or product complaint, please write to The Compliance Officer at 22 London Road, Horsham, West Sussex, RH12 1AY, or call 01403 242324.

We will always endeavour to resolve any discord as soon as possible, however if our response fails to satisfy the issue you may be entitled to refer it to the Financial Ombudsman Service. <http://www.financial-ombudsman.org.uk>

**FINANCIAL PROTECTION**

If a product provider or ourselves should fail to meet our obligations, you may be entitled to compensation from the FSCS, dependent on claim circumstance and business type. Most of the financial products we recommend or advise on are covered by the Financial Services Compensation Scheme (FSCS) who may compensate for financial loss. Compensation limits are classified per person, per firm, and per claim category.

You can find further compensation information at [www.fscs.org.uk](http://www.fscs.org.uk) .

**CLIENT CONSENT - CLIENT COPY**

Please sign below to confirm your receipt and acceptance of these business terms ...

**NAME 1: CLIENT / TRUSTEE / GUARDIAN / POA**

.....

**SIGNATURE ..... DATE .....**

**NAME 2: CLIENT / TRUSTEE / GUARDIAN / POA**

.....

**SIGNATURE ..... DATE .....**

**NAME 3: CLIENT / TRUSTEE / GUARDIAN / POA**

.....

**SIGNATURE ..... DATE .....**

**ENGAGEMENT CONFIRMATION**

**Consultant Name .....**

**SIGNATURE ..... DATE .....**

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**SIGNATURE ..... DATE .....**

**NAME 3: CLIENT / TRUSTEE / GUARDIAN / POA**

.....

**SIGNATURE ..... DATE .....**

**ENGAGEMENT CONFIRMATION**

**Consultant Name .....**

**SIGNATURE ..... DATE .....**