



Ayres · Punchard

Client Agreement for Investments & Insurances

This agreement is made between: **Ayres Punchard Investment Management Limited** and:

Whose correspondence address is:

1. Authorisation Statement and Regulation

Ayres Punchard Investment Management Limited (APIML) is Authorised and Regulated by the Financial Conduct Authority (FCA). The FCA regulates financial services in the UK and you can check our authorisation and permitted activities on the Financial Services Register by visiting the FCA's website www.fca.org.uk/firms/systems-reporting/register or by contacting the FCA on 0800 111 6768. Our Financial Services Register number is 492377.

1.1 Your Aims & Objectives

Unless we notify you in writing to the contrary, we will be treating you as a "retail client" for investment business. 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.

Any advice or recommendation(s) we offer to you will only be given after we have assessed your needs and considered your financial objectives, attitude to risk and capacity to bear any losses. We will also take into account any restrictions that you wish to place on the types of products or investment strategy you would be willing to consider.

1.2 Compensation Scheme

If you make a complaint and we are unable to meet our liabilities, you may be entitled to compensation from the Financial Services Compensation Scheme. For investment business you will be covered up to a maximum of £50,000.

Further information about these amounts and limits for all other product types are available from the FSCS at <http://www.fscs.org.uk/what-we-cover/products>

You should be aware that investments carry varying degrees of risk and as their underlying value can fall as well as rise you may not get back the full amount invested.

2. Our Ethical & Sustainability Policy

We are committed to providing the highest standard of financial advice and service possible. The interest of our clients is paramount to us and to achieve this we have designed our systems and procedures to place you at the heart of our business. In doing so, we will:

- be open, honest and transparent in the way we deal with you
- provide a fees structure that reduces conflicts of interest within the business
- not place our interests above yours
- communicate clearly, promptly and without jargon
- seek and welcome your views and perception of our dealings with you to ensure we meet your expectations and to identify any improvements required and where possible implement those improvements
- enable our staff to volunteer in the community and be on call for emergencies during the working day
- divert an element of profit from the company to help tackle homelessness each year
- Behave in an environmentally responsible way having declared a Climate Emergency implemented a zero carbon and zero waste policy by:
 - Heating and powering our office from solar electricity and using a renewable energy supplier
 - Insulating our office to reduce energy consumption
 - Reducing our paper and plastic use and waste by reusing, recycling, composting and using TerraCycle facilities for waste that is not currently recycled conventionally
 - Using an electric vehicle or public transport for all business journeys and recharging using our own Solar energy or renewable energy supplied charging points
 - Creating a carbon sink around our office through the use of regenerative land management and rainwater sequestration
 - Where possible working from home and communicating with other using means that do not involve travel
 - Banning the use of flights by company executives when other forms of public or sustainable travel are available
 - Banning 'single-use' plastic in our business
 - Deleting emails and other digital documents that would otherwise unnecessarily consume energy when stored on a server
 - Banning fossil fuel intensive industries from our sustainable investment portfolios
 - Developing and recommending a profitable and sustainable approach to investment for all our client portfolios

3. Our Services

3.1 Overview

Ayres Punchard Investment Management Limited provide independent investment advice. We will consider a range of regulated products from the available market that can meet the investment objectives of a retail client but we will only provide a recommendation to you when we know the product is suitable for your personal circumstances.

You should be aware that investments carry varying degrees of risk and as their underlying value can fall as well as rise you may not get back the full amount invested.

For **Non-investment protection contracts** we provide advice and will make our recommendation after considering a range of insurers for term assurance, income protection, critical illness.

Full details of the products we recommend will be confirmed in the product literature you will receive before it is arranged. We will inform you if any investment we recommend restricts future access to your capital.

We are a Dementia friendly firm.

We have extensive experience of supporting individuals, their spouses, partners and families, who are all affected by dementia.

As well as holding the Chartered Institute of Insurance's CF8 Long Term Care Certificate, Chris Welsford has undertaken 5 days intensive dementia training: "Communication and Care Giving in Dementia – A Positive Vision" and "Lighting DARC (Dementia Awareness Reaching Communities) provided by Dr .Gemma MM Jones, an internationally known dementia care educator, director of The Wide Spectrum – which develops and promotes dementia education resources and is the founding and current chair of the Alzheimer Café UK.

3.2 Our Approach to the Financial Planning Process

3.2.1 Stage 1: Initial Consultation

Our initial consultation is exploratory, free of charge and can be expected to last approximately 1 hour. Neither party will be under any obligation to proceed. During this session we will:

- Describe our services more fully.
- Explain the charging and payment options.
- Discuss your financial objectives and how we can support you in working towards these.
- Provide you with an opportunity to ask questions about us and our services.

If you decide to proceed you will be asked to sign this Client Agreement to signify acceptance of our terms. This agreement contains a broad indication of the likely cost of advice and the process we need to go through to provide that advice. In the rare instance where the costs are likely to be higher than the range indicated in this agreement, we will provide you with an updated estimate of the expected cost at the end of stage 2 when we have carried out the initial financial review and recommendations.

You may want us to provide our initial advice on a fixed fee basis in which case we will provide you with a quotation for that fixed fee and what it will cover.

To avoid any misunderstandings or ambiguity, we require clients to give us instructions in writing (paper or by email). We will accept verbal instructions provided they are confirmed in writing at the earliest opportunity.

3.2.2 Stage 2: Initial Financial Review and Recommendations

This stage entails an extensive assessment of your personal and financial circumstances to establish your financial planning requirements. This can be a continuation from the initial discussion, and/or a further meeting or meetings, supplemented by email, mail and telephone communications.

This will involve:

- Gathering information about your existing financial arrangements, personal circumstances and tax situation.
- Obtaining letters of authority to enable us to approach the product providers to obtain specific product information.
- Reaching an understanding of your investment knowledge and attitude and tolerance towards investment risk and return and your capacity for loss.
- Identifying your investment goals and objectives, including any ethical requirements.

Once the information collection stage has been fully completed, we will then undertake an analysis of your financial situation encompassing financial protection, investment and tax planning requirements. Where appropriate we will discuss existing arrangements with product providers, talk to your accountant and solicitor and discuss with you the way in which we are interpreting your situation and requirements as part of our analysis.

We use specialist online tools to ensure the whole of the market is analysed to find the most suitable products and complete a thorough cost analysis prior to making a recommendation.

Finally, we will report our findings and recommendations to you. Initially, this will be in the form of an preliminary report that outlines our view of your situation and our recommendations. This is then subject to further discussion with you to enable you to decide whether to move to the next stage and implement our recommendations.

3.2.3 Stage 3: Arrangement & Implementation

This could include rearranging your existing investments and other financial arrangements; lump sum or regular premium investments; ISA's and pensions; cash savings accounts and the setting up of protection policies or establishing long term care arrangements. It all depends on your requirements.

Should you instruct us to proceed with any of our recommendations we will:

- Produce a final Suitability Report to support our recommendations
- Discuss and agree these formal recommendations
- Handle the application process on your behalf.
- Provide confirmation of all actions taken on your behalf in writing.
- Ensure any documents are issued in line with your expectations.

Where it is appropriate to do so we will utilise investment wrap platforms. These may allow all your investments to be held in one place providing advantages such as:

- Ease of administration, review and valuation.
- Cost savings due to economies of scale.
- Access to institutional class shares and units in investment funds that would otherwise not be available to most individual investors investing directly with the product providers.
- Access to our 'Key to the Future' Model Portfolio Service where this is suitable for you.

Selection of platform providers and specific investment solutions are subject to suitability in respect of individual client requirements.

Important Note

Ayres Punchard Investment Management Limited is not permitted to handle client money and we cannot accept a cheque made out to us (unless it is in respect of an item for which we have sent you an invoice) or handle cash.

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.

Sometimes documents are sent you directly without us seeing them first. If this happens or you do not receive expected documents then please let us know as a matter of urgency.

3.2.4 Ongoing Service and Reviews.

Our on-going services are designed to provide you with review and support relevant to your personal circumstances and may include:

- Structured reviews to keep you apprised of your investments;
- An annual assessment of:
 - your circumstances
 - the suitability of your existing financial products
 - any changes to your plans that are needed

- Regular updates and information in accordance with your service plan regarding your investments
- A choice of differing levels of support depending on your needs, which may include assistance with correspondence, administration issues and support for those clients that have difficulties with online or telephone banking and other technological challenges

We will agree the level of on-going services either on outset if we are taking over an existing arrangement, or when we make our recommendation(s) to you.

We recognise that not all clients have the same service requirements. We have designed three standard levels of service, named after the animals from our logo, that may meet your needs without adaptation. However, many clients require a more tailor made, bespoke service plan. Key Plan, allows you to create a level of on-going service that best suits your precise needs where this is not possible using one of the three standard service level agreements. These are outlined in section 4.3 of this agreement.

Additional work on an ad hoc basis, outside the scope of your chosen ongoing service, is charged at the hourly rate which is currently £138.50 and we will agree this with you before proceeding.

4. OUR FEES

4.1 Fees Overview

The way that we charge for our work has always been designed to reduce conflicts of interest and provide you with a clear and transparent service in which charges are not hidden and we are not incentivised to take a particular course of action because we earn more than way or receive benefits from product providers as a result of using their products and services.

This resulted in our fees being calculated on an hourly rate meaning that we charge for our time and not on the basis of your wealth. This worked well where each client receives bespoke and entirely individual service, which is always the case in providing financial planning advice and personal individual investment advice and reviews. It works less well when applied to our centralised investment portfolio strategy “The Key to the Future” model portfolio service, which is available for all our clients and provides the benefit of economies of scale, reduced costs and efficient management on a discretionary investment management basis.

The alternative, bespoke advisory managed service has proved extremely complex and time consuming to run. Simple tasks such as rebalancing portfolios, releasing cash to invest in ISAs and switching funds has become a very lengthy and report intensive process for which we have not charged a realistic fee in many cases. As a result we have decided to change the way we charge for advisory managed portfolios to make it possible for us to continue to offer this service. The revised costs are outline below.

In summary there are three possible elements to our fees:

1. Financial planning, support and personal ongoing review service fees – these will continue to be hourly rate charged for initial planning and ongoing service via Stag, Bull, Bear and Key Plan service level agreements (please see section 4.3).
2. Investment management service fees will in addition be provided on a percentage basis:
 - a. Outsourced discretionary managed “Key to the Future” Model portfolio service 0.20% (0.24% if VAT becomes applicable)
 - b. Bespoke advisory managed service 0.80% (1.00% if VAT becomes applicable)

4.1.1 Financial Planning, Support and Individual Investment Reviews

We charge for all our financial planning, support and individual investment review services by way of a fee agreed with you in advance. These fees are based on our hourly rate and with effect from 1st January 2020 this is set at £138.50 per hour.

We will always provide an estimate of the number of hours likely to be incurred prior to commencing the work and seek your authorisation to proceed. Should the work transpire to be in excess of the estimated hours, we will fully justify the reasons why and seek further authority from you to continue.

4.1.2 Ongoing Investment Management Fees

To offer cost effective solutions, we are introducing a choice of service for investment management: either the current Bespoke Advisory Investment Management Service or the outsourced “Key to the Future” Discretionary Managed Model Portfolio Service (managed collaboratively on our behalf by a carefully selected discretionary fund manager under contract and subject to annual review and our ongoing supervision, scrutiny, research and engagement).

The percentage fee is 0.80% (1.00% if VAT becomes applicable in the future) for clients opting to use our Bespoke Advisory Investment Management Service. For those choosing to make use of our outsourced “Key to the Future” Discretionary Managed Model Portfolio Service, the percentage fee will be 0.20% (0.24% if VAT becomes applicable in the future). On all portfolios, the percentage fee is applied to all cash and investments held.

The likely cost differences between these two services are described in detail in 4.3 Ongoing Fees.

4.2 Initial Fees

The table below sets out the typical fees for carrying out the Initial Financial Review and Recommendations (ref 3.2.2 above) and Policy Arrangement and Implementation (ref: 3.2.3 above). This shows typical range of hours necessary to complete the information gathering, analysis and presentation of findings/recommendations stages of the process and shows the likely charges resulting in the Initial Charges (Sub-Total) column.

The Total Initial Charges show a typical range of fees should the recommendations be implemented:

Table 1.

SUMMARY OF INITIAL CHARGES	Gathering information		Financial Analysis		Presentation of findings/ recommendations		INITIAL CHARGES (SUB-TOTAL)		implementation		TOTAL INITIAL CHARGES	
	Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper
Illustrative time range												
Estimated Hours Required	4	8	8	16	2	4	14	28	4	8	18	36
Estimated cost in £'s	£554	£1,108	£1,108	£2,216	£277	£554	£1,939	£3,878	£554	£1,108	£2,493	£4,986

*Please note that Table 1 is for illustrative purposes only and provides an indication only of fee ranges based on typical client portfolio. For simple cases the fee could be less and for complex cases, the fee required may be significantly more.

4.3 On-going Fees

As described in section 4.1, ongoing fees are charged in respect of: Financial Planning, Support and Individual Investment Reviews and are subject to hourly rate costed charges. Investment Management, Discretionary or Advisory, is subject to a percentage fee.

4.3.1 Financial Planning, Support and Individual Investment Reviews.

As detailed in Para. 3.2.4, we have designed 3 standard levels of service named after the animals on our logo and a bespoke Key Plan service that allows us to design a service to meet your specific requirements where these are not met by the standard service plans. Table 2 describes the key elements of each and the associated fees, except Key Plan which is costed according to your specific requirement:

Table 2.

Service Level Agreements:	Stag Plan	Bull Plan	Bear Plan	Key Plan
Monthly Investment Review Meeting			✓	*
Monthly Desktop Investment Portfolio Review			✓	*
Monthly Investment Portfolio Report			✓	*
Monthly Investment Portfolio Valuation			✓	*
Monthly Admin Support			✓	*
Quarterly Investment Review Meeting		✓		*
Quarterly Desktop Investment Portfolio Review		✓		*
Quarterly Investment Portfolio Report		✓		*
Quarterly Investment Portfolio Valuation		✓		*
Quarterly Admin Support		✓		*
Annual Financial Planning Review Meeting	✓	✓	✓	*
Annual Investment Portfolio Report	✓	✓	✓	*
Annual Investment Portfolio Valuation	✓	✓	✓	*
Telephone, Postal and Email Support	✓	✓	✓	*
Hours Annually for each Service Plan	8	24	36	*
Fee for each Service Plan	£1108	£3324	£4986	*

4.3.2 Investment Management.

%age Research and Funds Engagement Fee	%age annual fee	Example Portfolio Value:					
		£ 50,000	£ 100,000	£ 250,000	£ 500,000	£1,000,000	£5,000,000
Bespoke Advisory Investment Management Service	0.80%	£ 400	£ 800	£ 2,000	£ 4,000	£ 8,000	£ 40,000
Key to the Future Discretionary Managed Portfolio Service	0.20%	£ 100	£ 200	£ 500	£ 1,000	£ 2,000	£ 10,000

4.4 Payment Methods.

APIML are not authorised to offer credit services and therefore all invoices are issued in advance. Invoices can either be paid directly or deducted from your investment. We offer the following payment methods:

- Initial fee payment in full directly through cheque or bank transfer
- Ongoing service payment by Standing Order direct from your bank on a quarterly or monthly pay-as-you-go basis.
- Initial fee payment deducted from your investment in full
- Ongoing service payment deducted periodically from your investment on a quarterly or monthly pay-as-you-go basis.

Where you elect to have the payments deducted from your investment or insurance policy, the payment of the fee will be arranged by the investment house or platform or insurance provider when the investment or insurance policy is established. You should note that payment of our fees from insurance company capital investment bonds forms part of the annual 5% withdrawal allowance and is therefore potentially disadvantageous to you or your beneficiaries. Furthermore payment of our fees from pensions ISAs and other tax advantaged structures may also be disadvantageous to you or your beneficiaries as these payments will reduce the capital available to you in the future and reduce the tax efficiency of the arrangement. You should discuss this with us or your tax advisers before authorising such payments.

Commission or adviser charges may be paid by product providers, typically life insurance companies. In such cases we will use these commissions to pay your fees and adjust any balance accordingly. At the end of each calendar year we will check what has been received in this way on your account and any balance will either be added to or subtracted from the coming year's fees.

If payment should not be received by the due dates, we reserve the right to cease providing you with our services and ask that you make alternative arrangements. We are not obliged to work without payment.

4.4.1 VAT

Currently there is no VAT charged on any of our fees. Fees in respect of intermediation (arranging or attempting to arrange financial services products on your behalf with a third party product provider) are exempted from VAT. Other services are potentially subject to VAT. If VAT does become due, we will notify you before conducting any further work.

4.5 Fee Reviews

Our fees are typically reviewed annually and our annual hourly rate amended accordingly to reflect increases in our operating costs and expenses. We will notify you in advance about any increases. Each year we will review your requirements based on past experience, future expectations and requirements as discussed with you during your review(s). Where appropriate we will then issue a new Service Level Agreement and Request for Payment. An invoice will be raised for each payment made. These will be supplied on request or if VAT is applied then we will send you the invoice in accordance with the HMRC requirements.

4.6 Additional Fees, Disbursements and Expenses

We reserve the right to charge for travelling, accommodation and disbursements associated with providing you with our services. We will be happy to discuss this with you when agreeing your fees to ensure that any such charges for travelling are fair, mutually acceptable and agreed in advance.

5. Termination of our Agreement

The authority to act on your behalf may be terminated at any time without penalty by either party giving 28 business days notice in writing to that effect to the other, but without prejudice to the completion of transactions already initiated.

In the event that you die your executors or administrators will take legal control of your affairs. This agreement will terminate on the date of your death and your executors or administrators will need to contact us so that a new agreement between them and us can be made.

Any transactions effected before termination shall be completed and a due proportion of any charges for services shall be settled to that date. Where fees have been paid in advance we will account for time spent on your account to that date and refund the balance. It is your responsibility to cancel any standing order or other regular payment to us and transfer all servicing rights to an alternative adviser in a timely fashion. We will cease provision of services and responsibility for any arrangements within 28 business days and after collection of any due proportion of any outstanding charges.

6. Cancellation Rights for Regulated Products

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, pure protection, payment protection or pension policy and a 14 day cancellation period for all other policies.

For pure protection policies the start of the cancellation period will normally begin when you are informed that the contract has been concluded or, if later, when you have received the contractual terms and conditions. In other cases, the cancellation period will begin on the day the contract is concluded or, if later, the day on which you receive the contractual terms and conditions. Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product disclosure information, which will be issued 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.

7. Material Interest

We will act honestly, fairly and professionally known as conducting business in 'Client's best interest' regulations. Occasionally situations may arise where we or one of our other clients have some form of interest in business transacted for you. If this happens or we become aware that our interests or those of one of our other clients conflict with your interest, 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. Where this cannot be achieved, we will not conduct the business.

8. Complaints

If you wish to register a complaint, please write to **Ayres Punchard Investment Management Limited, Tudor Meade, Newport Road, Niton, Isle of Wight, PO38 2DF** or telephone **01983 730755**. A summary of our internal complaints handling procedures for the reasonable and prompt handling of complaints is available on request and 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 4 567**.

9. Data Protection

Please refer to our Data Protection and Privacy Notice and our Privacy Policy supplied separately.

10. Anti-money laundering

We are required by the anti-money laundering regulations to verify the identity of our clients, to obtain information as to the purpose and nature of the business which we conduct on their behalf, and to ensure that the information we hold is up-to-date. For this purpose 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.

11. Law

This client agreement is governed and shall be construed in accordance with English Law and the parties shall submit to the exclusive jurisdiction of the English Courts.

12. Force Majeure

Ayres Punchard Investment Management Limited, shall not be in breach of this Agreement and shall not incur any liability to you if there is any failure to perform its duties due to any circumstances reasonably beyond its control.

13. Engagement, Agreement & Declaration

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 are aware of the likely costs of the initial and on-going financial reviews, recommendation(s), and where appropriate, the policy arrangement and implementation services and agree to the method and timing of these.

I/We confirm that we wish to use a Service Level Plan on the basis selected below for any on-going service **or*** we wish to defer this decision until after we have received any initial advice, recommendations and implementation. (*please delete as applicable).

Payment Options:	Annually in advance by cheque or bank transfer	Monthly in advance by Standing Order	Monthly by Deduction from Pension or Platform	Total Service Level Agreement annual amount	Advisory Investment Portfolio Service 0.80% /an Deducted monthly from platform ✓	Key to the Future MPS 0.20% /an deducted monthly from platform ✓
Service Level Agreement:						
Stag Plan						
Bull Plan						
Bear Plan						
Key Plan						

Where applicable please complete and tick the appropriate boxes above to confirm your preferred method(s) of payment and then sign below:

Client Name	
Signature	
Date Signed	

Issued by post / email / hand by	C Welsford
Date Issued	
Signed for and on behalf of Ayres Punchard Investment Management Limited by an officer of the company	