



**AT YOUR SERVICE**  
Client Agreement

“ Our role is to help you identify, achieve and maintain your desired lifestyle, without the fear of running out of money.”



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Prosperity IFA believes that professional advice can add significant value to individuals and businesses. Therefore, choosing your Financial Planner is one of the most important decisions you will ever make. Take your time, choose wisely, and we hope that we can earn the right to work with you into the future.

Welcome to Prosperity IFA, the home of holistic financial planning across Sussex, Surrey, Kent and beyond.

Our aim is to help you achieve your long term financial circumstances by using both our expertise and the technology available, we always work hard to make sure that we understand your wishes and work closely with you to try seek the right outcome for all of our clients.

We cover all aspects of your financial circumstances and understand the implication of having a full financial plan that is reviewed regularly to measure the progress to your goals. Everyone is different, and everybody's circumstances are different. We will be with you every step of the way to make sure that your requirements are the focus of our service. We are unique in our approach and believe that our service is one that will not disappoint. We want to work with you for many years to come and guide you as circumstances change. We look forward to welcoming you as a valued client of Prosperity IFA and to a long future together.



*At Prosperity IFA we keep your financial goals as our main focus, our team is committed to providing you with the best advice to suit you and your wishes*

*We look forward to working for you and to you becoming part of the 'Prosperity family', our friendly and approachable team are ready to guide you through all the options available and will provide the best advice at all times.*

**Simon Munday Dip PFS, Cert SMP - Managing Director**



## YOUR PROSPERITY PLAN

As your partner in building wealth and financial security, our role is to help you identify, achieve and maintain your desired lifestyle, without the fear of running out of money.

By engaging Prosperity IFA, you assure yourself of regular financial check-ups, and access to new ideas brought to you by the Prosperity team. Our comprehensive, ongoing financial planning service is designed to create real value for you. We call this Your Prosperity Plan.

## THE DISCOVERY MEETING

Our two different service propositions are described over the following pages. At your first Discovery meeting with one of our qualified Financial Planners, we will help you to select the service that best meets your needs. This meeting is without obligation, and at our expense and is the first step in getting to know you well. By the end of this meeting, our Financial Planner will have demonstrated our empathy, experience and expertise to support you on your financial journey and:



Understand where you are now.



Know what you want to achieve financially in the years ahead.



Be clear about what is important to you, and what you want your money to do.

## ADVICE AND RECOMMENDATION

Once we know what you are trying to achieve, we undertake an all-encompassing financial planning process, analysing your existing investments to identify the current and future value of what you have already. We also consider your lifetime expenditure requirements to create reasonable assumptions about what your financial future looks like and to build a blueprint for your future financial strategy. In other words Financial Planning as it should be.

Should you decide to proceed, we will ask your permission for us to commence chargeable work for you by signing and returning our fee agreement.

At this stage, we will thoroughly analyse the information we have collected from you and research potential solutions to meet your objectives. We use technology to ensure this process is as accurate and efficient as possible. We will also gather and analyse information on any existing financial products that you hold, if required. We will also assess and discuss your attitude to investment risk and your understanding of how such risks may affect you and your financial objectives.

## SIMPLYFYING INVESTMENT MANAGEMENT

We use the very latest technology to deliver a consolidated view of your entire wealth, helping to facilitate decision making and day-to-day investment management.

From the picture we have created, we construct your personal financial plan, utilising the expertise within our team and sophisticated research tools. We analyse funds and products, and aim to ensure tax advantages are maximised where appropriate. Once we've done this we prepare a personal report with our recommendations and discuss and agree this with you.

In producing your report, we have:

- Established your financial objectives and requirements
- Identified any shortfall in your protection arrangements
- Discussed and agreed your attitude to investment risk
- Gathered all relevant information and data
- Constructed an investment portfolio with due regard to tax efficiency
- Provided a written report
- Agreed how and when to review the plan
- Identified any further action required

## REVIEW AND ONGOING SERVICES

Financial planning goes beyond recommending a product or providing the initial advice. In fact, only through regular monitoring and review is it normally possible to ensure that your arrangements remain relevant and on track. Our systems help us to monitor clients' individual portfolios. Our review process checks that plans continue to meet objectives and then incorporates any changes in a client's situation.

Please note that there is no requirement to agree to an ongoing service.

Our review services include:

- Contact with you to request up to date information
- Arrangement of review meeting if appropriate – we will contact you to arrange a convenient time
- Review of your financial objectives
- Review of your attitude to risk and capacity for loss
- Portfolio valuations provided
- Written review report generated
- Investment portfolio health check carried out
- Going through your documents to minimise paperwork

## IMPLEMENTATION

Once you feel able to make a fully informed decision, and have given your consent to proceed, we handle the implementation of the plan as quickly and smoothly as possible. We will assist you in completing the necessary forms and ensure your applications are processed by any relevant investment houses and providers in a timely manner.

We will:

- Help you with any necessary forms
- Answer any queries you might have
- Arrange for the paperwork to be processed efficiently
- Check information produced by the providers/investment houses
- Finalise the details and issue the contract documentation



## VALUE OF ADVICE

These are examples of the value of the advice we provide:

The fact find stage **“getting to know you”** –helps us to understand your goals and the provision that you have made so far.

We can then begin the process of building your **“personal financial plan”**- this is the first step helping you to build confidence in your future.

Using our **“robust Investment Process”** – we will be able to show you how we add value in ways such as keeping you on track / avoiding the costly mistakes made by many investors.

A key element of this is **“your overall risk level”** - using modern technology and our expertise we will accurately assess your need for, attitude to and capacity to tolerate risk.

This will make sure your plan meets both your short term and long term needs.

By using **“diversified portfolios”** – we avoid your **“having all your eggs are in one basket”**

We **“locate and combine”** the best range of options/products to meet your needs in combination with your existing portfolio. We use technology to screen over 9,000 investment products saving you time and money and giving you confidence.

Our **“rebalancing process”** will ensure your Financial Plan stays on track – with the aim of delivering returns in line with expectations, while keeping your investment risk profile constant.

Our **“regular review Service”**- will help ensure you stay on track and that you don't miss out on opportunities – like tax reliefs that once lost are lost forever.

We have **over 20 years “experience” across the team** in helping clients through difficult times – divorce, death, business sale – and can be there to support you when you need it.

As **“professionally qualified”** advisers we stay up to date with tax rules, legislative changes and product innovations – we can help maximise the effectiveness of your financial plan.

As part of **“our service”** we can help ensure your investments have cover under compensation schemes – so the risk of loss from fraud etc. is lowered.

**“Our service”** includes the use of modern technology platforms to keep your investments in one safe place – providing low cost, quick ways to move between investments if needed.



## HOW WE CHARGE FOR OUR SERVICES

You will always know our fees before you make a decision to proceed. We don't hide our costs and have a transparent charging structure, so you can be sure we are working efficiently for your benefit.

Our fees are based wholly upon the provision of our qualified and professional expertise; the time taken to analyse your circumstances and devise an appropriate strategy going forward and the design of an appropriate summary report to communicate this strategy to you.

We have different fees for implementation and the different service levels we offer.

Should you agree to proceed and we go ahead with the implementation of your strategy, it can be arranged for your total fees to be deducted from the investment amount at outset, via the product provider. Alternatively, you may prefer to make your payment to us by cheque or bank transfer. We will discuss the options with you and help you decide which the most appropriate payment method is.

## OUR INITIAL FEES

Our initial fees cover the advice, recommendation and implementation parts of our service to new clients or for new investments, as detailed above. We believe in a charging structure that is clear and easy to understand. We will always aim to charge you an initial fee that is relevant to the amount and complexity of the work involved.

Our standard initial fees are detailed in the following table:

Service	Fee
Initial meeting	At our expense
Analysis, research, recommendation and implementation of advice	3% of assets being reviewed or invested up to £250,000, subject to a minimum fee of £500. For example, the initial fee for an investment of £50,000 would be £1,500
	2% of assets being reviewed or invested from £250,001 to £750,000. For example, the initial fee for an investment of £500,000 would be £10,000.
	1% of assets being reviewed or invested from £750,001 to £1,500,000. For example, the initial fee for an investment of £1,000,000 would be £10,000
	0.5% of assets being reviewed or invested from £1,500,000. For example, the initial fee for an investment of £2,000,000 would be £10,000



## DEFINED BENEFIT TRANSFER ANALYSIS

If you require us to analyse your Defined Benefit or Final Salary Pension then a different charging structure applies as the fee is capped at £3,000. We will complete the fact finding process with you to ascertain your goals and objectives and your case will then be passed to a pension Transfer Specialist at our compliance provider True Potential for analysis and recommendation.

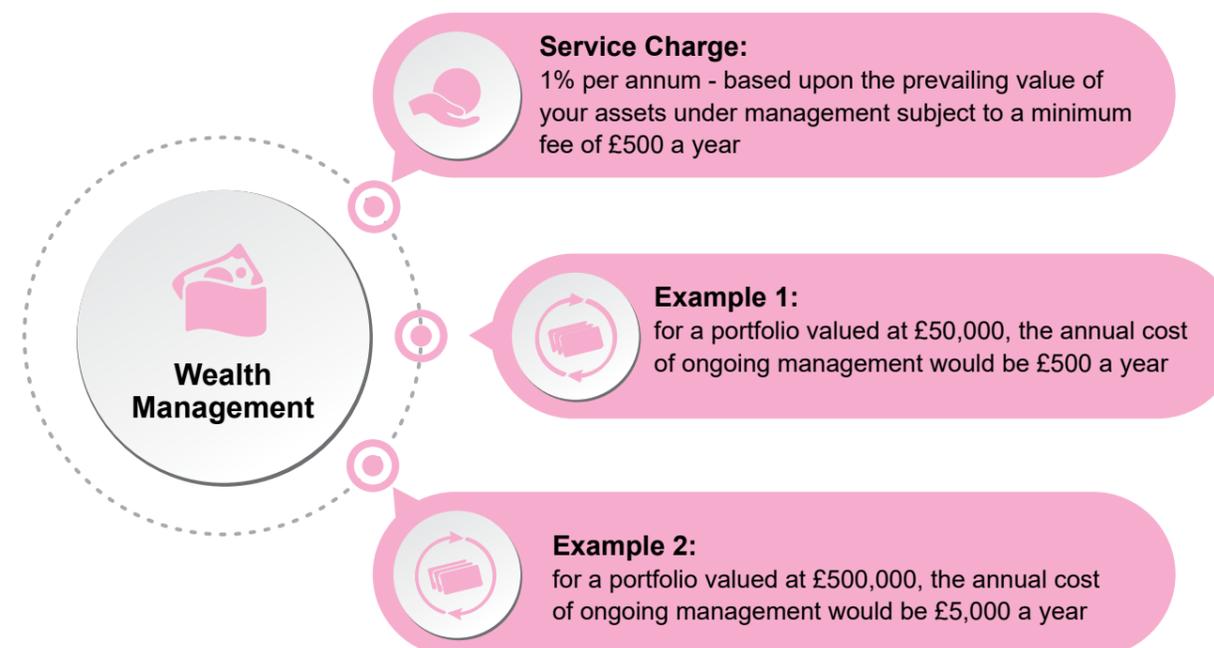
## NON-INVESTMENT INSURANCE CONTRACTS

Non-insurance insurance contracts such as life assurance, we receive commission from the product provider. We do not charge a fee for advising on or arranging insurance business as we will receive this commission from the product provider. However if the policy is later cancelled by you and we have to repay that commission back to the provider then we will charge you the amount of the repayment. We will always disclose the commission payable to us to you in your illustration.

## OUR ONGOING FEES

We provide an on-going services designed to maintain and monitor your portfolio and to ensure that your objectives and attitude to risk are correctly aligned with your holdings over an extended period of time. In addition, on-going advice services ensure that developing and future financial objectives are taken into account. Reviews are important as aspects of your financial arrangements can change over time, including your goals and risk profile as well as the underlying asset's risk characteristics. Ongoing service can help adapt and position your arrangements to manage such changes and influencing factors.

Example of our typical ongoing fees are shown below.



Where we have agreed that you will pay the ongoing fee directly, by standing order or cheque, the yearly fee will be calculated based on the value of your assets under management on the 1st of the month, or the next working day thereafter, following the issue date of our advice or recommendation report. Each year thereafter, we will recalculate the fee based on the value of your assets under management at the anniversary date.

## SERVICE LEVELS

Different clients require different levels of service and we have two options to meet your individual requirements.

The ongoing service levels available to you are :

1. Wealth Management at a charge of 1% per annum; or
2. Transactional Only (no ongoing service) any follow up work is chargeable at our prevailing hourly rate.

Please note that ongoing fees are subject to minimums which will be disclosed to you in advance.



## WHAT'S INCLUDED

What is included under each service level is detailed in the following table:

Service offer	Wealth Management	Transactional
Annual fee	1.0% a year	No Ongoing Service
Strategic Planning meeting	✓	✗
Comprehensive Financial Health Check	✓	✗
Financial plan (basic)	✓	£995
Financial Plan (inc estate plan)	✓	✗
Review meeting	Annually	£750
Update of personal and financial information	Annually	✗
Review and update attitude to investment risk	Annually	£500
Personalised investment review report	Annually	£995
Cash flow modelling	✓	£500
Monitor and review of investment portfolios	✓	✗
Portfolio investment recommendation	Annually	✗
Investment valuation and plan summary	Annually	£500
Response to phone/email queries	✓	✗
Processing regular investment withdrawals	✓	✗
Processing partial surrenders	✓	✗
Processing increments to regular investments	✓	✗
Processing additional investments	✓	✗
Quarterly newsletter	✓	✗
Sourcing of other professionals	✓	✗
Administration of Death Claims	✓	Valuation only
Managed portfolio service	✓	✗
Minimum Fee	£500	As Above

## TRANSACTIONAL

You may decide that you do not require an ongoing management and choose the Transactional service, which you are free to do. However, please take note of the following:

If your financial circumstances, objectives and attitude to risk change over time, the structure of your investment portfolio may no longer be suitable for your needs.

As financial markets fluctuate, the way your assets are allocated in your portfolio may become unbalanced and ultimately expose you to more or less equity risk than you wish to accept.

Whichever option you select you may change to an alternative service level at any time.

## NOTES

We will contact you to arrange the review meetings as agreed above.

Regular premiums. If you pay with regular premiums we will calculate your fees based on 12 times the premium.

Example of regular premium fees:

If you paid £1000 per month the fees would be 10.5% of £12,000 (12 x 1000) i.e. £1,260.00. These would be added to any asset based fees. Increments are treated in the same way i.e. an increase of £300 per month would attract the same fee of 10.5% (12 x 300) i.e. £375. These are subject to the minimum fees.

Example of the annual fees:

### Wealth Management 1.0 %pa Transactional

£50000	£150000	£50000
£500 (minimum) £0	£1500 £0	£5000 £0

Wealth Management 1.0 %pa Transactional

## FEES MAY FLUCTUATE

Many of the fees that we charge are based on the value of your assets. These fees will therefore fluctuate up and down as markets move. The table below shows an example of how these might move (but is for illustration only).

	Asset level	% Fee	£s Fee
Year 1	£120,000	1.0%	£1200
Year 2	£135,000	1.0%	£1350
Year 3	£110,000	1.0%	£1100
Year 4	£145,000	1.0%	£1450



## ANNUITIES AND IMMEDIATE CARE PLANS

A flat fee of 3% of the funds being advised is charged for advice relating to annuities or immediate care plans. For example:



## ADDITIONAL FEES

Where specialist advice or advice over and above or outside of the scope of our two service levels is required, a fee will be charged based on a number of factors:

- The complexity of the matter and the research involved.
- The specialised knowledge and responsibility involved.
- The time spent on the query.
- The number and importance of the documents prepared or considered.

This will be set out in writing and agreed prior to the commencement of any work.

Hourly rates will be charged as follows:

Financial Planner	<b>£250 per hour</b>
Paraplanner	<b>£ 95 per hour</b>
Administrator	<b>£ 45 per hour</b>

Our fees relating to advice on:

Property Purchase Via Sipp (in Addition to Commitment Fee)	<b>From £2,500</b>
Initial Research & Analysis of Long Term Care Planning	<b>£500*</b>
Initial Retirement Options Advice (including Pensions Drawdown Implementation)	<b>From £997</b>
Recommendation for and Facilitation of Access to Existing Pension Drawdown Funds	<b>£750**</b>
Inheritance Tax Advice (as Stand Alone Advice)	<b>From £1,750</b>

\* This will be offset against the commitment fee or the Implementation Fee.

\*\* We have allowed for the cost of one annual access point (in addition to annual planning meetings) in relation to the new "pension access" rules, in our standard 1% fee.



## HOW YOU CAN PAY US

There are a variety of ways by which we can be remunerated for our services. As part of the overall financial planning process we will also take into account how best to charge for our service.

You should note that when paid through the investments it may reduce your personal tax thresholds and/or exemption levels. Where this happens we will discuss it with you and confirm it in your personal recommendation report. In other cases it may be in your best interest to pay us directly from your own bank account by cheque, standing order or direct credit.

## VALUE ADDED TAX (VAT)

As we act on your behalf as an intermediary, with a view to arranging an investment product, our fees are currently exempt from VAT. This means we do not usually have to make an additional charge of 20%. If we do have to charge you for a service which is subject to VAT we will inform you in advance.

## INVOICE PROCEDURE

Invoices are issued within 10 days of either an advice service being finalised and/or a report being issued. We expect all invoices to be settled within 7 days.

## REFUNDS AND CANCELLATION POLICY

Fees are payable subsequent to our advice services being provided, and therefore refunds are not available in normal circumstances.

Fees paid in respect of regular or annual services are not refundable; however, any on-going services may be cancelled upon request subject to 14 days' notice in writing. Please also see your Cancellation Rights below, in respect of cancelling individual products or policies, within the given cancellation period.





## Frequently Asked Questions

### Q1 Would it be cheaper to consult a planner who charges a flat fee?

Possibly. There are so many variables available and the quality of advice has far reaching consequences, not immediately apparent. Usually a flat fee structure is cheaper where the advice is for more immediate needs.

For longer term planning, our approach – helping you identify whether your income and capital will be sufficient to meet your financial objectives, using financial planning and our Cashflow Modelling technique – is we believe far superior.

### Q2 How do I pay your Ongoing Planning Fee?

Most clients use “adviser charging” and deduct the fee from their investment portfolio. If you prefer, you can pay this directly to us by cheque.

### Q3 So I don't have to write out a cheque to Prosperity IFA?

No, although if our advice does not lead to implementation you may still be invoiced our initial fee depending on how far through the process we are. This will need to be paid directly to us by either electronic transfer or cheque.

### Q4 What about continuity – what happens if my Financial Planner leaves?

Your agreement is with Prosperity IFA, so if your Financial Planner leaves the business, he or she is unable to deliver any further services to you. However, because our Financial Planning Team works collaboratively, you have ready access to our team of qualified Financial Planners to ensure continuity of your Financial Plan. All of our Financial Planners are fully trained in our investment processes and wealth proposition to ensure that it is delivered in a consistent manner to all clients.





## OUR SERVICE COMMITMENT TO YOU

We said earlier that our clients are partners. Together we have a single objective and that is to reach your financial goals today, and in retirement. As partners, we share the responsibility for success.

Our commitment is simple and that is to provide you with a financial planning service supported by our first class team and leading edge technology, to deliver consistently on that promise.



### Planning Meetings

It is critical that we meet regularly to discuss your financial plan, assess any changes in your circumstances and keep you abreast of any issues that may affect your financial future. As a valued client, you can expect us to review your financial plan regularly. We will additionally contact you by email or telephone when urgent action is felt to be necessary.

We believe that the key to reaching your goals is your Cashflow Model. As described earlier we provide a complete financial planning service and our commitment is to review your plan every year. That process may take a considerable amount of your time, but is critical to staying on track and providing us with the information we need to provide sound advice.



### Full Range of Services

We provide or facilitate all services to support you throughout your financial journey including:

- Inheritance Tax Planning.
- Business Succession Planning.
- Wills and Powers of Attorney.
- Trusts and Charitable Giving.
- Retirement Planning.
- Asset Protection, Insurance.

- Tax Planning.
- Multi-generational Financial Planning.
- Referral network for accounting and legal services.



### Your Team

We have assembled an outstanding team and each individual plays an important role in meeting your needs. You will be looked after by a specialist Financial Planner and their support team behind them.



### Your Education

We believe that your interests are best served when you have a better understanding of some key financial issues. While it is our role to look out for your best interests, it is helpful if you are acquainted with the financial concepts we discuss.

To that end, we will provide newsletters that will focus on a range of topical and easy to understand issues. When appropriate, we will point you to articles of specific relevance to your situation. Our website [www.prosperityifa.com](http://www.prosperityifa.com) includes a section on “Client Guides” which provides much more detail on the more common financial products available.



### Our Education

This is a complex and dynamic profession. To ensure that our Financial Planners, Paraplanners and Client Services Team are competent and qualified, Prosperity IFA commits to at least 35 hours of continuing education every year. You can expect your Financial Planner to be qualified, have integrity and offer objective advice at all times. Trust between you and your Financial Planner is central to a successful financial plan. The Financial Planning Team provides advice in a co-ordinated and professional way and best practice is always shared.



### Your Commitment

We have outlined our service commitment to you in detail. In return we ask that you commit to meeting with us, provide us with all the information that we need and ensure that we are managing all of your assets. It is only with full disclosure that we can fulfil our promises to provide the best advice.



### Code of Ethics

Our Financial Planners adhere to the Code of Ethics and Professional Practice of professional bodies such as the Personal Finance Society and Institute of Financial Planning and will provide you with the highest level of service. However, if on any occasion our service falls short of that which you would expect of a professional firm, please notify the Compliance Officer at our address noted on the first page, as soon as possible in order that we may seek to rectify the situation to your satisfaction.

## YOUR CONSENT

For your own benefit and protection you should also read our Terms of Business carefully before signing this Letter of Engagement. If you do not understand any point, please ask for further information.

I/We agree that the Letter of Engagement and the accompanying Terms of Business will come into effect from the date of issue.

## SIGNATURES

\_\_\_\_\_  
Client Name

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Client Name

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Position

\_\_\_\_\_  
Signature for firm

\_\_\_\_\_  
Date

Service offer	Wealth Management	Transactional
Annual fee	1.0% a year	No Ongoing Service
Agreed Service		