



EQUILIBRIUM

# Retail client agreement



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# An introduction from Debbie Jukes Head of Client Care

Terms of business and fee disclosure documents in financial services are almost always long-winded, complicated and generally as dull and incomprehensible as the rules that govern their content. Our approach when writing this booklet was to attempt the opposite and provide a useful, jargon free guide that presents the information you need clearly and concisely.

In addition to this goal we also wanted to achieve full transparency, whilst seeking to avoid information overload. Not an easy compromise to achieve! If you are a prospective client, I suggest you read this alongside our **Managing your investments** booklet, which explains how our investment services work. Once you become a client, I recommend keeping this guide to hand as it will be referred to in our reports and annual reviews.

If you would like anything explaining further, please feel free to contact your client manager or financial planner. It's really important to us that everything makes sense.

If you have any comments or feedback on this guide, I would love to hear from you at: [debbie.jukes@eqllp.co.uk](mailto:debbie.jukes@eqllp.co.uk).



**Debbie Jukes**  
Head of Client Care



# Equilibrium service and fees

This guide will help your financial planner to explain the costs of our services and the terms of how we deliver them. This is presented in two main sections:



The fees due for the services we provide will vary depending on how your portfolio is set up. That said, every client is likely to pay the three types of charges indicated above. These charges often have two elements:

**Initial:** one off fees and charges due when becoming a client or sometimes when making a specific investment.

**Ongoing:** fees that cover the costs of your investments once your portfolio has been established.

**! Important to know**

Under fee disclosure rules we must confirm the total fees that you will pay before any investments are made.

The following pages of this guide provide an overview of how we approach our fees and services. Our logos are used as a key throughout so it is clear what we are referring to.

**EFP** **Equilibrium Financial Planning LLP**  
The financial planning arm of Equilibrium

**EIM** **Equilibrium Investment Management LLP**  
The investment management arm of Equilibrium

# Our five guiding principles

These five principles define our approach to charges:

**1 No Bias**

At Equilibrium, we want to be paid for managing your money, not moving it around. Our ongoing fees are therefore based on a percentage of your portfolio value, rather than a transactional based charge. A single fee covers all aspects of our financial planning service and, as a result, you can be confident that if we decide to recommend any changes, this is with the sole aim of improving your portfolio.

**2 Transparency**

At each annual review meeting, we will provide you with a detailed schedule of any income we have received in relation to your portfolio during the year. Where commissions have been received by us in relation to existing investments, they will be offset against the fees we charge.

**3 Added Value**

We believe that fees should be justified by the results achieved. At each annual review meeting, we will seek to explicitly demonstrate the ways in which we have enhanced your portfolio during the year.

**4 Consistently Fair**

We will be consistent with our fees; we will not offer a discount to one client that we would not be prepared to offer to other clients with similar circumstances. You can be sure that you are being treated fairly.

**5 Control**

We have confidence in the quality of our advice and the value that we add. We also believe it is critical that you share in this confidence, which is why we developed our unique guarantees, explained opposite.



## Fee guarantee

At each annual review meeting we will ask you to confirm we have delivered what we promised and if we may retain our fees. In simple terms, if you are not satisfied with what we have done, we will offer you a full advice fee refund.

### Why do we do this?

We have confidence in the quality of our advice and the value that we add. We also believe it is critical that you share that confidence. This is especially true for new clients where our guarantee offers peace of mind in the event that our service does not live up to your expectations.

### ! Important to know

This guarantee covers all ongoing advice fees paid to Equilibrium Financial Planning during the year in question, In the first year, the guarantee applies to advice fees paid before the first annual review, even if this period is longer than a year (usually this is a fifteen month period), including any planning or implementation fees collected.

Provider and investment fees are not covered by the guarantee.



## Service promise

We promise to fix any mistakes promptly and put your portfolio back to the position it would have been in had the mistake not occurred. This is not linked to our fees, but instead the cost of the mistake.

We make this promise because we know that mistakes will happen, no matter how carefully we set up our systems and processes. We feel a strong moral obligation to identify these errors, learn from them and ensure our client portfolios are not disadvantaged. The continuous evolution of our service is at the heart of everything we do.

### E Key point

For this promise to work, we ask for your commitment to notify us as soon as possible if you notice an error and allow us the opportunity to rectify the problem.



# Initial advice process & charges

There is a significant amount of work involved in taking on a new client. This can take place over an extended timescale which we call the **Planning period**. To make our initial fees clear and easy to understand, we charge them on reaching two clear milestones, set out below.

## Planning



**Planning fee**  
Payable on signing our **Letter of engagement** contained within the **Service agreement**.



**Implementation fee**  
Due on acceptance of our **Investment report**.

### Getting to know you

### Constructing your portfolio



⌚ As long as it takes

⌚ **Three months**

Includes:

- All meetings with your planner and implementation manager
- Fact finding process
- Establishing objectives and requirements
- Assessing your views on risk
- Introduction to cashflow modelling

#### **Important to know**

This first part of the planning period is provided with no obligation to proceed to the next phase. You can exit the process at any time at no cost.

Includes:

- Tax efficiency review
- Product flexibility assessment
- Investment strategy and asset allocation review
- Provision of advice and recommendations
- Investment and planning reports

## Implementation

Could include:

- Carrying out fund switches to existing investments
- Surrendering existing products
- Arranging new products
- Undertaking transfer strategies while managing out of market risk
- Completion of documentation and all administration
- Regular progress updates and problem solving



# Annual advice process & charges

The **Planning period** ends at your first review, which takes place roughly three months after becoming an Equilibrium client. Your ongoing fees will then commence exactly three months following the receipt of your planning fee.



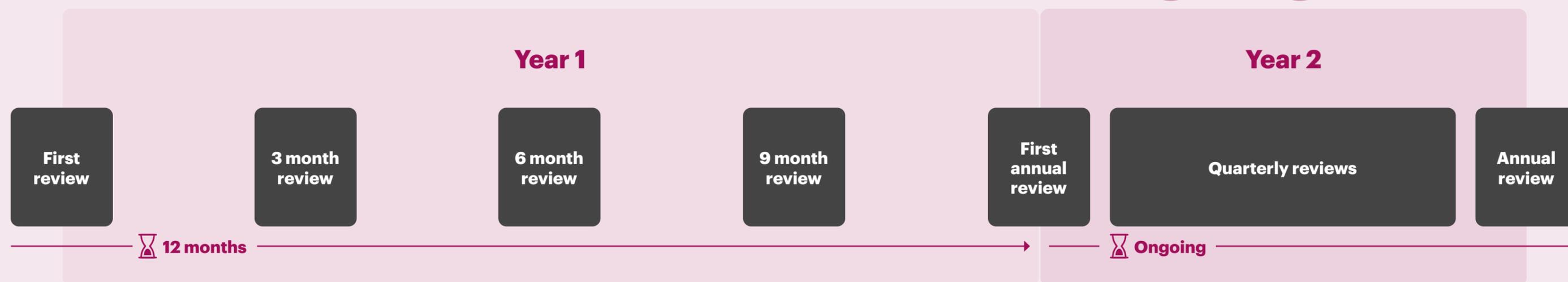
## Ongoing fees

Commence three months after receipt of your planning fee.



Debbie Jukes (Head of Client Care) will contact you at around the 3 month review point to see how things are going.

## Ongoing advice



## Ongoing advice service includes

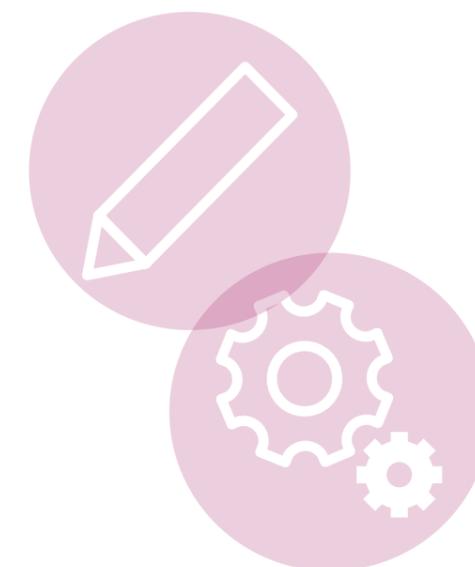
- Quarterly reviews and valuations
- One meeting a year with additional meetings as required, usually two to four meetings are needed in the first year
- Financial and tax planning strategies as required
- Quarterly investment briefings and other special events
- Equinox magazine twice yearly
- Regular newsletters
- All administration:
  - Unlimited access to our dedicated client manager team
  - Providing information to help with tax returns as needed
  - Support with systems and correspondence
  - Reports as required
  - Completion of agreed actions and bespoke requests

## Excludes

- Ongoing investment management (see page 26)

## Annual review and meeting includes

- Update of:
  - Circumstances
  - Objectives
  - Risk
- Reviews of:
  - Financial plan and strategy
  - Performance
  - Cashflow forecast
- Assessment of continuing suitability





**Initial & ongoing  
advice charges**

**EFP**

**Portfolios below  
£1,250,000**



# Portfolios below £1,250,000

## Initial advice charges

### Planning fee



£ Payable on signing our **Letter of engagement** and usually paid by cheque or direct transfer.

### Implementation fee



£ Due on acceptance of our **Investment report** and usually deducted from your new investments. It can also be paid by cheque or direct transfer, if you prefer.

## Annual advice charges

### Ongoing fees



£ Commence exactly three months following the receipt of your planning fee. These fees are usually collected monthly in arrears from your products.



## Example new client charges

The tables below show the total initial and ongoing advice costs for different portfolio sizes up to the first annual review.

### Initial advice charges

Portfolio size £	Planning fee £	Implementation fee £	Total initial fees £
100,000	375 0.375%	2,500 2.500%	2,875 2.875%
200,000	750 0.375%	2,500 1.250%	3,250 1.625%
400,000	1,500 0.375%	5,000 1.250%	6,500 1.625%
800,000	3,000 0.375%	9,375 1.172%	12,375 1.547%
1,200,000	3,125 0.260%	9,375 0.781%	12,500 1.042%

### Annual advice charges

Portfolio size £	Ongoing fees £ (per annum)
100,000	1,250 1.250%
200,000	2,500 1.250%
400,000	5,000 1.250%
800,000	9,375 1.172%
1,200,000	9,375 0.781%

### Planned fee reviews

We regularly review our fee structure to ensure that we remain competitive and provide value for money. We are due to review our tiering structure in September 2022, at which point an inflationary increase is likely to be applied.

### Important to know

If you combine the totals shown on this page, this will cover the planning period and then the first year of ongoing advice charges. It's important to understand that this is a **fifteen month period** between signing your letter of engagement and your first annual review. Please bear this in mind if you compare our fees with a competitor to ensure a like for like comparison.

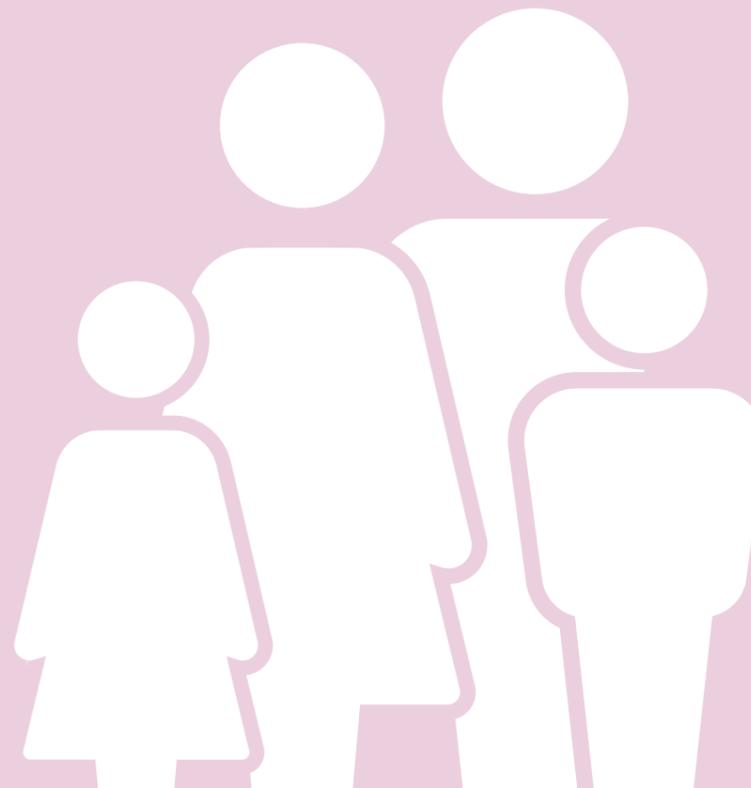
Please note that the amount of ongoing fees we actually receive may be more or less than the typical costs shown above due to fluctuations in the value of your portfolio over the year.



**Initial & ongoing  
advice charges**

**EFP**

**Portfolios of  
£1,250,000 and above**





# Portfolios of £1,250,000 and above

## Initial advice charges

### Planning fee



£ Payable on signing our **Letter of engagement** and usually paid by cheque or direct transfer.

### Implementation fee



£ Due on acceptance of our **Investment report** and usually deducted from your new investments. It can also be paid by cheque or direct transfer, if you prefer.

## Annual advice charges

### Ongoing fees



£ Commence exactly three months following the receipt of your planning fee. These fees are usually collected monthly in arrears from your products, or for more complex portfolios, quarterly in advance.

## Example new client charges

The tables below show the total initial and ongoing advice costs for different portfolio sizes up to the first annual review.

### Initial advice charges

Portfolio size £	Planning fee £	Implementation fee £	Total initial fees £
1,250,000	3,125 0.250%	9,375 0.750%	12,500 1.000%
2,000,000	5,000 0.250%	15,000 0.750%	20,000 1.000%
3,000,000	7,500 0.250%	15,000 0.500%	22,500 0.750%
4,500,000	9,375 0.208%	15,000 0.333%	24,375 0.542%
6,000,000	11,250 0.188%	15,000 0.250%	26,250 0.438%
8,000,000	13,750 0.172%	15,000 0.188%	28,750 0.359%

### Annual advice charges

Portfolio size £	Ongoing fees £ (per annum)
1,250,000	9,375 0.750%
2,000,000	15,000 0.750%
3,000,000	22,500 0.750%
4,500,000	26,250 0.583%
6,000,000	30,000 0.500%
8,000,000	35,000 0.438%

### Planned fee reviews

We regularly review our fee structure to ensure that we remain competitive and provide value for money. We are due to review our tiering structure in September 2022, at which point an inflationary increase is likely to be applied.

### Important to know

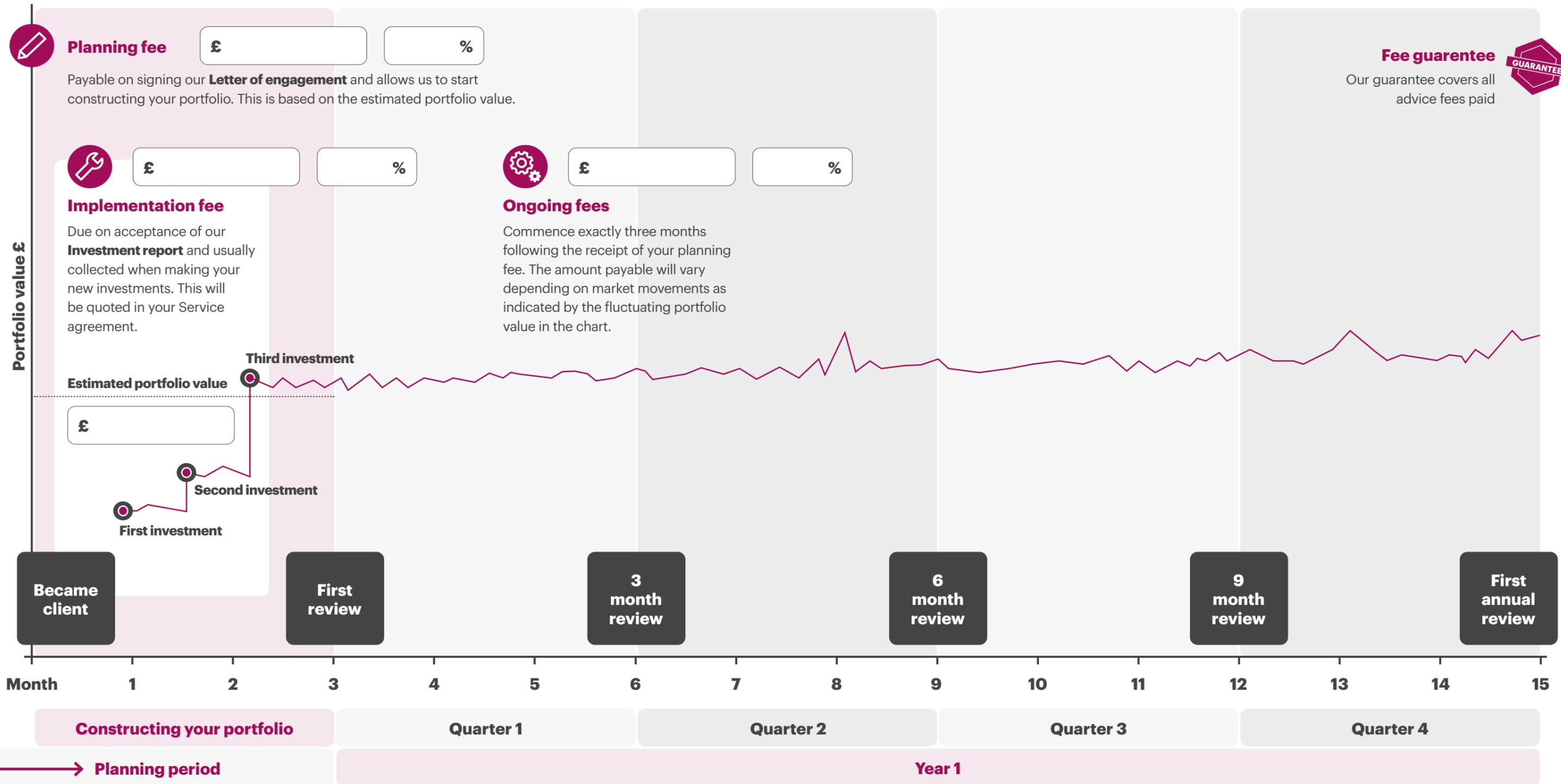
If you combine the totals shown on this page, this will cover the planning period and then the first year of ongoing advice charges. It's important to understand that this is a **fifteen month period** between signing your letter of engagement and your first annual review. Please bear this in mind if you compare our fees with a competitor to ensure a like for like comparison.

Please note that the amount of ongoing fees we actually receive may be more or less than the typical costs shown above due to fluctuations in the value of your portfolio over the year.

# Advice fee timeline



The chart below overlays our initial and ongoing advice fees onto a representation of a typical new portfolio. This runs from the date of becoming a client to the **first annual review**, a period of approximately fifteen months. We'll help you to work out your personal fees in your first meeting with us which you can write on this chart for reference.





# Paying your advice fees

We will always discuss your payment options with you and only collect our fees once we have agreed how we are to be paid and at what frequency. Ongoing charges are typically collected monthly but this may also be quarterly or annually.

## Directly paid fees

Fees can be paid directly via one of the following methods (we do not accept cash payments):

- Bank transfer
- Direct debit (facilitated by GoCardless, a third party fee payment service)
- Cheque

We will issue an invoice should you pay by one of the above methods.

## Facilitated fees

Alternatively, our preferred product providers can facilitate fee payment. In terms of implementation fees, we can simply request that a fixed percentage or £ amount is paid to us when contributing to a product.

For ongoing fee collection, there are two methods of deducting fees from your products:

- Monthly in arrears deductions based on a daily fluctuating value
- Ad-hoc fee deductions usually based on a quarterly valuation and collected in advance

Specific paperwork would be required to arrange these facilitated fee options. All facilitated fees reduce the amount that remains invested.

## Commission

Payment by commission is no longer allowed for advised investment business and we therefore cannot accept this method of payment. There may be limited situations where commission is payable, including:

- Non-advised investment business, or
- Trail commission from a product provider for pre 1 January 2013 products.

In the unlikely event that we receive such commission, the amount received will be offset against our ongoing fees.

## Value added tax (VAT)

It is our belief that the majority of services provided to you by Equilibrium Financial Planning (EFP) are exempt from VAT.



### Important to know

If it is confirmed by HM Revenue & Customs at some point in the future that any aspect of our service is subject to VAT, then we reserve the right to charge VAT retrospectively in addition to the fees paid under the terms of this agreement.

There are certain situations where VAT is immediately payable, including:

- Where you do not intend to enter into the purchase of a financial product and simply require a financial planning proposal with a view to carrying out the implementation yourself
- If you would like us to review a pension under our defined benefit pension review service

You would always be informed at the outset if VAT will need to be paid.

There are two additional service options that are not covered by our ongoing fees:

## Defined benefit pension review service

The review of a defined benefit (final salary) scheme is an in-depth and lengthy exercise. To cover the costs associated with reviewing each pension scheme, we will charge:

### Module 1

**£1,750 plus VAT** for the first scheme plus **£500 plus VAT** for each additional scheme. This fee is payable prior to commencing any work.

### Modules 2-4

To calculate our fees, we total the transfer values of all schemes reviewed together:

- Total below £1.25m: **1.25%** subject to a cap of £9,375 (minimum total transfer value of £250,000).
- Total above £1.25m: **0.75%** subject to a cap of £15,000

These fees are charged on completion of module 4. VAT will be charged in addition if no transfer takes place.

If a transfer is recommended and you decide to proceed, we would typically recommend that your replacement pension is managed on an ongoing basis. If you appoint Equilibrium for this service, our standard ongoing fees will apply to the transferred assets once received. Please ask for a copy of our **Defined benefit pension review service** brochure if you require any further information.

## Protection service

When we are asked to arrange non-investment insurance products to meet a specific client requirement, such as life assurance, income protection, critical illness or long-term care policies, we will charge:

**£1,500** for the first application, plus **£500** for each additional application.

These fees can be paid by direct payment, via commission received from the product provider, or a combination of both. If the commission due exceeds these fees, the excess may be used to reduce the premiums payable or can be rebated to you where appropriate. In some circumstances, we might decline to accept commission where we feel this might expose the business to undue financial risk.

# Our centralised investment proposition

The providers of our centralised investment proposition are set out on pages 18 and 19 in **Managing your investments**. The table below extends that section to include the costs of each provider.



	Provider	Details	Standard fee tiering	Additional product fees
Investment platform	<b>Nucleus Financial Services</b> Nucleus HQ, Greenside, 12 Blenheim Palace, Edinburgh EH7 5JH t: 0131 226 9535 e: client.contact@nucleusfinancial.com w: www.nucleusfinancial.com/client-home	Nucleus was founded in 2006 by a number of Independent Financial Advisers (IFAs) who wanted to create a platform where the client is the central focus of its service.	First £500,000 <b>0.350%</b> Next £500,000 <b>0.175%</b> Above £1,000,000 <b>0.050%</b>	<b>Ongoing fees</b> Onshore bond <b>+0.10%</b> Offshore bond <b>+0.15%</b>  <b>Initial fees</b> Offshore bond <b>£100</b>
	<b>Seven Investment Management (7IM)</b> 55 Bishopsgate, London EC2N 3AS t: 0203 823 8599 e: ps3@7im.co.uk w: www.7im.co.uk	7IM was founded in 2002 and offers a variety of different investment services, including their wrap platform. The platform was originally developed to provide a discretionary management service to 7IM's high net worth clients. In 2005, it was then opened up to other financial advisers, who were looking for a cost effective way to manage their clients' assets.	First £500,000 <b>0.300%</b> Next £500,000 <b>0.250%</b> Next £1,000,000 <b>0.150%</b> Next £3,000,000 <b>0.080%</b> Above £5,000,000 <b>0.050%</b>	None. Investment bonds are not available.
	<b>Transact</b> 29 Clement's Lane, London EC4N 7AE t: 0207 608 4900 e: info@transact-online.co.uk w: www.transact-online.co.uk	Launched in 2000, Transact is a well established platform providing various financial products to investors. The platform holds over £30bn of assets for more than 150,000 investors.	<b>Portfolios below £100k</b> First £60,000 <b>0.500%</b> Next £40,000 <b>0.280%</b>  <b>Portfolios £100k and above</b> First £600,000 <b>0.280%</b> Next £600,000 <b>0.180%</b> Next £3,800,000 <b>0.070%</b> Above £5,000,000 <b>0.050%</b>	<b>Quarterly admin charges</b> ISA, JISA & LISA <b>£3</b> Onshore bond <b>£18</b> Pension <b>£20</b> Offshore bond <b>£60</b>  <b>Portfolios below £400,000</b> 0.05% charged for each fund purchase
Investment fund provider	<b>Investment Fund Services Limited (IFSL)</b> Marlborough House, 59 Chorley New Road, Bolton BL1 4QP t: 0808 178 9321 e: ifslclientsupport@ifslfunds.com w: www.ifslfunds.com	IFSL is part of the Marlborough group of companies which has been managing funds since 1986 and has £10bn of assets under management. IFSL are the Authorised Corporated Director (ACD) of the Equilibrium Portfolio Funds and provide a full range of fund administration services.	IFSL do not charge any provider fees.	None

Provider fees commence as money is invested into each product. They are usually based on daily values and collected monthly in arrears. Share dealing will incur additional charges on Nucleus and Transact. 7IM offers UK share dealing at no charge.

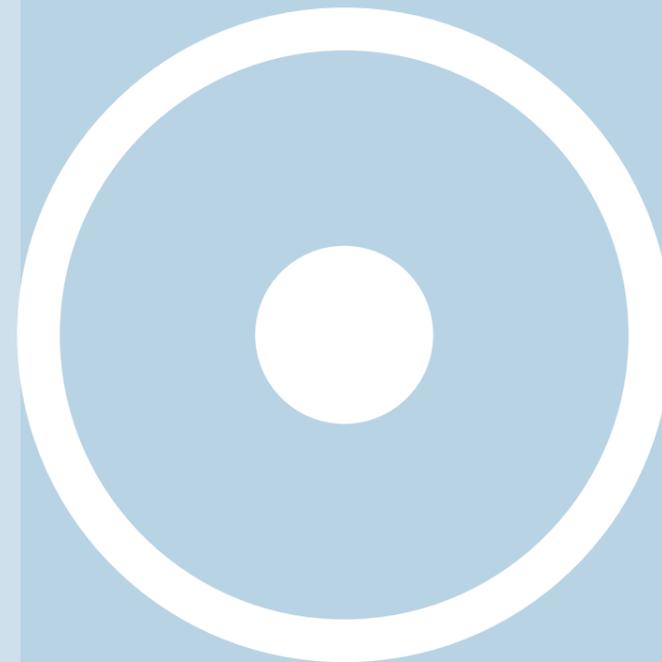
All our preferred platforms allow you to link family accounts together to obtain combined tiering discounts. Also, certain platforms offer a discounted fee structure should you only hold our Core funds. This would be explained in advance should it apply to you.



## Ongoing investment management

**EIM**

## Core portfolio charges



# Core portfolio charges

Our Core investment proposition is a range of five unique funds that correspond to our strategic asset allocations. Each fund is managed by Equilibrium Investment Management (EIM) and administered by Investment Fund Services Limited (IFSL).

Fund name	Asset allocation*	Ongoing charges figures
IFSL Equilibrium Defensive Portfolio A Acc (GBOOBMYC7159)		1.07% (including 0.25% AMC <sup>1</sup> )
IFSL Equilibrium Cautious Portfolio A Acc (GBOOBYXHQY16)		1.00% (including 0.25% AMC <sup>1</sup> )
IFSL Equilibrium Balanced Portfolio A Acc (GBOOBYXHQX09)		1.04% (including 0.25% AMC <sup>1</sup> )
IFSL Equilibrium Adventurous Portfolio A Acc (GBOOBYXHQW91)		1.06% (including 0.25% AMC <sup>1</sup> )
IFSL Equilibrium Global Equity Portfolio A Acc (GBOOBMZN3Z32)		1.19% (including 0.25% AMC <sup>1</sup> )

● Cash   
 ● Fixed interest   
 ● Property   
 ● Alternative equity   
 ● Equity

\* The long term strategic asset allocation upon which the target portfolio of each fund is based.

**The charges quoted in the table above are from 5 February 2021 and will vary over time. For up to date charges, please see our fund fact sheets available on our web site at [www.equilibrium.co.uk](http://www.equilibrium.co.uk).**



**Ongoing Charges Figure (OCF):** This is an annually published figure which gives an estimate of the overall expected costs of running a fund, based on historical information. For clarity, the components of the OCF are broken down below:

- 1 Annual Management Charge (AMC):** the fee levied by Equilibrium Investment Management (EIM) for managing the fund assets. This is expressed as a percentage of the assets in each fund and set at 0.25%.
- 2 Fund holdings:** the aggregated costs (OCFs) of the fund holdings within the IFSL funds.
- 3 Fund expenses:** this includes IFSL, the fund custodian, FCA registration fees and audit costs. Some of these are fixed fees, some are percentage based fees.

## Example annual management charges

The table below shows the amount received by EIM at different fund values based on the **0.25% AMC**.

Core fund investment amount £	Total gross fees £
100,000	250
400,000	1,000
800,000	2,000
1,200,000	3,000
3,000,000	7,500

The AMC is calculated based on the daily values within each fund and collected monthly in arrears directly from each fund.

Please note that the amount of annual management fees we actually receive may be more or less than the typical costs shown above due to fluctuations in the value of your fund holdings over the year.

### Important to know

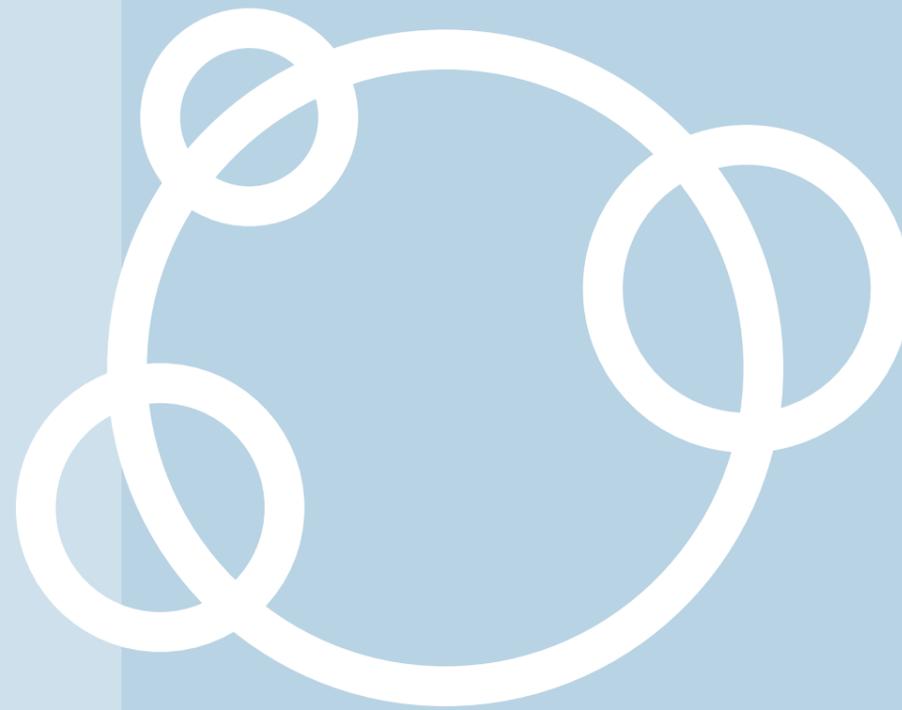
There are no initial fund charges for Equilibrium clients investing in the Core fund range. IFSL is the Authorised Corporate Director for the IFSL Equilibrium Funds. IFSL is authorised and regulated by the Financial Conduct Authority.



**Ongoing investment  
management**

**EIM**

**Bespoke & Specialist  
portfolio charges**



# Bespoke & Specialist portfolio charges

Ongoing investment management services where EIM directly manage one or more products within a portfolio.

Ongoing fees	Basis of service	Management charges
Bespoke advisory investment management	<p>Portfolio changes will be recommended by our investment managers, who will suggest fund switches and rebalances as appropriate to ensure ongoing suitability.</p> <p>All recommendations will be confirmed in writing and we must have your explicit agreement to proceed prior to any transactions taking place.</p> <p>Advisory assets can be held with any provider.</p>	0.25% + VAT
Bespoke discretionary investment management	<p>Investment decisions are delegated to our investment managers. They will be able to make changes to your portfolio within agreed parameters without contacting you first.</p> <p>Portfolios usually target one of our ideal strategic asset allocations and are kept in line through regular fund switches.</p> <p>Discretionary management is only available for products held with Nucleus or Seven Investment Management.</p>	0.25% + VAT
Specialist investment management  Including Alternative Investment Market (AIM) portfolios	<p><b>AIM:</b> Ongoing discretionary investment management of a portfolio of AIM stocks with the specific purpose of inheritance tax mitigation.</p> <p><b>Third party solutions:</b> Review and selection of specialist third party investment solutions and strategies.</p>	0.25% + VAT

## Investment fund charges

In addition to the ongoing fees for EIM shown above, there will also be charges for the investment funds that make up your recommended portfolio. These charges will vary, for example:

- if you are targeting one of our ideal portfolios, total fund charges will tend to be in the region of 0.6% to 0.7% per annum.
- if you are investing in our AIM portfolio, there will be no fund charges as the portfolio is made up of direct equities.
- if your portfolio includes other specialist investments or products with alternative providers, the cost of investing could be anywhere from 0.1% to over 2%.

We will always clearly disclose the costs of any recommended investments in your suitability report, prior to undertaking the transactions.



## Example ongoing investment management charges

The table below shows the annual amount received by EIM at different portfolio sizes based on the **0.25% ongoing investment management fee plus VAT (a total gross fee of 0.30%)**.

Portfolio size £	Ongoing net fees £	VAT £	Total gross fees £
100,000	250	50	300
400,000	1,000	200	1,200
800,000	2,000	400	2,400
1,200,000	3,000	600	3,600
3,000,000	7,500	1,500	9,000

Fees can be paid directly via one of the following methods (we do not accept cash payments):

- Bank transfer
- Direct debit (facilitated by GoCardless)
- Cheque

We will issue an invoice should you pay by one of the above methods.

Alternatively, our preferred product providers can facilitate fee payment monthly in arrears.

Please note that the amount of investment management fees we actually receive may be more or less than the typical costs shown above due to fluctuations in the value of your portfolio over the year.

### Important to know

There are no initial charges for our Bespoke portfolio services. If there are any initial charges for the funds we recommend, these will be disclosed in our suitability report.

# What we stand for

Our culture is one of our strongest assets and is built on high standards with a vibrant and fun approach. We have a powerful sense of shared purpose, which is...

to make people's lives better

Our purpose is embodied in our company values:



## Introducing our client charter

We want to build strong client relationships on a foundation of shared values. Our client charter sets out what we will do to deliver this and how you can help.

### Client charter

- We will always be transparent, open and honest**  
If you notice we have done something wrong or made a mistake, please give us the opportunity to put things right and fulfil our service promise.
- We will consistently deliver our best work**  
Please tell us if anything we do is not up to scratch. We also love to hear positive feedback when we surpass your expectations.
- We will be clear and take time to explain our advice**  
Please let us know if you don't understand our recommendations or if anything seems too complicated.
- We will build your confidence and financial freedom**  
If your situation changes or if you feel uncomfortable with your Equilibrium relationship at any time, please tell us as soon as you can.
- We will keep your information up to date**  
Please engage in our service and read the reports and documents we send to you, remembering that missing or incorrect information can lead to unsuitable advice.
- We will process withdrawals as soon as we can**  
Withdrawals can take up to three weeks, so your portfolio cannot be treated like a bank account. Please confirm as soon as possible if money is needed from your portfolio, even if you are unsure of the timescale.



# Terms of business

The following terms of business apply to both Equilibrium companies, Equilibrium Financial Planning LLP (EFP) and Equilibrium Investment Management LLP (EIM), unless specified:

**EFP** term applies to Equilibrium Financial Planning LLP only

**EIM** term applies to Equilibrium Investment Management LLP only

## This agreement

1. This is our standard Retail client agreement. It explains the services we offer and the way we will carry them out. Please read these terms carefully and let us know if there is anything you do not understand. We are always happy to explain things further.
2. This agreement will take effect from the moment we start providing our services to you. It will remain in force until cancelled or replaced with a new updated agreement.

## Our status

3. The Equilibrium companies are authorised and regulated by the Financial Conduct Authority (FCA), the independent watchdog that regulates financial services. Both firms are listed on the Financial Services Register with the registration numbers 452261 for EFP and 776977 for EIM.

You can check this, and our address, by visiting the FCA website at <https://register.fca.org.uk> to view the register, or by contacting the FCA on 0800 111 6768. The FCA can also be contacted at: 12 Endeavour Square, London E20 1JN.

4. Our registered office address is Ascot House, Epsom Avenue, Handforth, Wilmslow, Cheshire SK9 3DF and 19a Telford Court, Chester Gates Business Park, Chester CH1 6LT. Please send all correspondence through to our Ascot House address.

## Your status

5. For investment business we will classify you as a retail client. For non-investment and general insurance business we will classify you as a consumer. This means that you are afforded the greatest level of protection available under the Financial Services and Markets Act (FSMA). You have the right to request a different categorisation if appropriate, although this may result in you losing some of the protections available under the FSMA, such as the right to refer complaints to the Financial Ombudsman Service and the right to receive specific information about any investments or insurance products we recommend or arrange on your behalf.

## Our services

6. We will issue a personalised Service & Investment Agreement each year setting out a summary of your objectives and agreed level of service, as well as our costs for providing this. This will include a current portfolio valuation, along with details of any services provided by EFP and EIM as appropriate. In the first year we will issue an initial Service Agreement at the outset of our relationship and then a separate Investment Agreement if required. These documents all form part of your agreement with us.

7. EFP offers a financial planning advice service. The services we provide will normally involve us entering into arrangements with you under which we will:
  - a gather information about you
  - b carry out research to find suitable investment options;
  - c provide you with reports, financial health-checks and forecasts;
  - d advise you as to the best investment options;
  - e implement the agreed options by arranging transactions in retail investment products, securities or non-investment insurance products;
  - f monitor your ongoing position to ensure that the products continue to meet your requirements, especially where your circumstances are changing;
  - g recommend changes to your product portfolio where appropriate. This service is classed as intermediation.

8. EFP will make a recommendation for you after we have assessed your needs. This process includes reviewing your existing investments to ensure they continue to meet your requirements.

As an independent firm, we may recommend that you use our centralised investment proposition offered through Seven Investment Management, Nucleus and Transact, provided that these services are suitable for you. These providers have been selected based on extensive research and analysis of the market. All of these platforms allow a wide range of investments from the whole of the market without limitation.

Independence has enabled us to construct a centralised investment proposition specifically designed to meet the needs of our clients. This involves the various investment platforms described above, utilising EIM as investment managers, and also using a range of funds operated by IFSL.

Often our clients share common characteristics, in terms of their financial circumstances and financial objectives. Where our centralised investment proposition is not suitable to meet your needs we will look outside of this and recommend a bespoke solution that will. Where we believe our investment services and your needs are not aligned we will inform you of this and advise you to seek alternative advice.

9. As part of our service we will discuss with you the merits of the different investment approaches available before agreeing with you which is best suited to your investment needs and objectives. Should you require an ongoing investment management service, then this service is offered exclusively through EIM. We would not usually outsource this to another third party.
10. As well as providing the services noted above, we can also advise on pure protection from the whole of the market.

## EIM

- 11.** EIM provides advisory and discretionary investment management services exclusively for clients of EFP.
- 12.** EIM also provides investment management for the IFSL Equilibrium Portfolio funds, our Core range of funds. These funds are operated by Investment Funds Services Limited (IFSL). If you would like more information on these funds, please ask for details.
- 13.** Both our advisory and discretionary activities may include higher risk investments such as warrants and derivatives, unregulated collective investment schemes (UCIS), structured products, investments that are not readily realisable and penny shares. The relevant risk warnings for these investments will be set out for you within a recommendations report.
- 14.** EIM offers its discretionary investment management services through the Nucleus and Seven Investment Management platforms. We will review the full range of regulated investments and investment markets. There are no restrictions relating to the advice we may give you nor the transactions we arrange for you concerning the types of investment or markets invested in. There are also no restrictions on the value of investments nor the proportion of your portfolio invested in any individual or class of investment. If you specify and we agree to any investment restrictions, we will confirm this in your Investment Agreement.
- 15.** Our discretionary investment management services are facilitated by our investment team and only available via Seven Investment Management and Nucleus. We would not usually outsource these services to an external discretionary manager.  
  
If managing your portfolio on a discretionary basis, we will send periodic statements to you at your last known address every three months. In addition to this, you will also receive quarterly statements from the investment platform provider. This documentation will include a current valuation, comparison of performance with that of an appropriate benchmark, transaction statements and other relevant information.
- 16.** We will not engage in stock lending activities on your behalf and will not invest in any securities that are subject to stabilisation. We will not act on your behalf in connection with the underwriting of any new issue or offer for sale of securities. We will not commit you to borrowing to supplement your portfolio and will not commit you to overspend.

## Our remuneration

- 17.** We will discuss your options with you and answer any questions. We will not collect fees, or implement a fee collection method, until we have agreed how we are to be paid.

- 18.** EFP and EIM are generally remunerated on a fee basis for provision of their ongoing services. We will agree this basis in writing and will inform you of any related charges, expenses and taxes before carrying out any chargeable work. Any schedule of charges we issue will contain details of how payments are to be made and will form part of this client agreement. Notification of any change to the level of charges will always be given in writing.

These charges may be in addition to any other remuneration that we receive in connection with transactions carried out on your behalf. Where appropriate, these and the method of payment will also be set out in a schedule of charges.

## EFP

- 19.** For non-investment insurance business, EFP charges are £1,500 per application. This fee may be paid directly to us or offset against any commission we receive from the product provider. Where the commission due exceeds our fees, the excess may be used to reduce the premiums payable by you, or alternatively we will rebate the excess back to you.
- 20.** EFP offers the following options for settlement of fees:
  - direct payment to us
  - facilitated payment to us by the product provider
  - any combination of direct payment and facilitated payment
  - trail commission offset where trail commission is being paid
- 21.** If EFP is entitled to receive commission for non-advised transactions or for certain business transacted or advised on prior to 31 December 2012, we will tell you the amount of commission that is paid. All commissions or other benefits will normally be offset against our charges. However, renewal or trail commissions of less than £20 per payment may be retained by us to go towards the costs in administering such small amounts.

In some cases, where we do receive commissions, fees or other benefits, it may not be possible to offset these against our charges. In these situations, we may rebate any surplus directly to you. In any event, where surplus commissions or other income exceeds our fee requirements, then all such remuneration will remain that of EFP until you receive it from us.

## EIM

- 22.** EIM offers the following options for settlement of investment management fees:
  - Direct payment to us
  - Facilitated payment to us by the product provider
  - Any combination of direct payment and facilitated payment
  - These fees do not apply to our Core funds as this is already charged within the funds via the 0.25% annual management charge (AMC)

## Communication

- 23.** Unless we hear from you to the contrary, we may telephone you from time to time between 9am and 9pm, or send you emails or letters, without your further prior consent to such contact.
- 24.** We will send all cheques, documents of title etc. by post to your last known address. These are sent at your own risk. The Recorded Delivery service will not normally be used.

EIM

- 25.** We will record telephone calls between you and us which may lead to us providing advice or executing a financial transaction on your behalf. We may use these recordings, or transcripts of them, to check your instructions, to analyse, assess and improve our services to customers, for training and quality purposes, to help us investigate any complaint you may make, or to comply with our regulatory and legal obligations.

Recordings may take place without the use of a warning tone. All copyright in the recordings belongs to us. We will hold these records for as long as it is necessary for the purpose for which we collected it and/or for as long as we are allowed to for legitimate business purposes.

## Conflicts of interest

- 26.** When offering our services, occasions can arise where we, or one of our other clients, will have some form of interest in the business that we are transacting for you. If this happens, or we become aware that our interests conflict with your interests, we will inform you in writing.
- 27.** We maintain a conflict of interest policy, which enables us to identify and manage conflicts and potential conflicts of interest. This policy is designed to ensure that you are provided with an appropriate level of service by putting in place procedures, supervision and monitoring techniques. Further details of the policy are available on request.
- 28.** Whilst EFP and EIM are two separate firms, their management and ownership is the same. As such, there is a financial interest between the two companies and a conflict of interest. We take all appropriate steps to manage this by maintaining robust systems and controls.

## Quality of service

- 29.** If you have a complaint about the advice you receive or a product that you have taken out through us please contact:

Debbie Jukes: Head of Client Care  
 Equilibrium Financial Planning LLP  
 Ascot House  
 Epsom Avenue  
 Handforth  
 Wilmslow  
 Cheshire  
 SK9 3DF

If you remain dissatisfied after we have reviewed your complaint, you have the right to refer it to the Financial Ombudsman Service. Full details of the FOS can be found on its website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) or by calling 0800 023 4567. Copies of our complaints procedure are available on request free of charge.

## Risk factors

- 30.** We will notify you separately of any specific risk factors that apply to the services we provide for you and whether the cost of our service depends on fluctuations in financial markets that are beyond our control. The past performance of investments is no indicator of future performance.
- 31.** We will explain the risks that apply before you enter into an investment agreement with us. It is important for you to inform us if you do not understand these risks or if you do not wish to accept the level of risk proposed. Specific warnings relevant to the investments or strategies that we recommend will be confirmed to you in a personalised report.

## Compensation

- 32.** The Financial Services Compensation Scheme (FSCS) exists to protect customers of financial services firms that have failed. You may be entitled to compensation from the scheme if we, or your product providers, cannot meet our/their obligations. This depends on the type of business and the circumstances of the claim. The FSCS only pays compensation for financial loss; poor investment performance is not covered.

Current levels of protection are summarised here, with further details available in our Managing your investments guide. Most types of investments are covered up to £85,000 per person per firm. Cash deposits, such as current and savings accounts are covered up to £85,000 per account (£170,000 for a joint account). Long term insurance (e.g. pension annuities, life insurance, permanent health insurance) is covered for up to 100% of the claim, without any upper limit. General insurance is covered for up to 100% of the claim with no upper limit for compulsory insurance and 90% with no upper limit for other types of insurance.

Further information about compensation arrangements is available from the FSCS at [www.fscs.org.uk](http://www.fscs.org.uk) or by calling them on 0800 678 1100.

## Protecting your data

- 33.** We will observe the General Data Protection Regulation in full. We maintain a privacy policy reflecting the principles of good data handling. This policy is subject to regular reviews to ensure the continued protection of your information held on our records.
- 34.** The personal information that you provide may be maintained on our computer records. It will not be disclosed to other parties except other businesses within the same group; representatives of our compliance advisers; our auditors; any organisation requiring access to such information for regulatory purposes only; any person with a legal entitlement to access; or any third-party tools used exclusively for your financial planning, portfolio administration, or to otherwise meet our obligations under this agreement. For more information please refer to our Privacy Notice.

## Verifying your identity

- 35.** As part of the onboarding process and before we can look after your investments, we will independently verify your identity and home address. We do this via an online system that cross references the electoral roll and other government registers. This is an anti-money laundering measure to protect genuine investors and businesses from being scammed by unscrupulous individuals. The system will leave a “soft footprint” on your credit file, which does not impact your credit score, but it is visible to you. If you are uncomfortable with an online system being used to verify your identity then please let your planner know and we can instead follow an alternative paper based method.

## Future changes

- 36.** We may change the content of this agreement without receiving your prior consent to do so. We will highlight these changes if they have cost implications or alter our service levels.

## Cancellation of services

- 37.** We may terminate our agreement to act on your behalf at any time and without penalty. We will give you a minimum of one months’ notice, with longer periods of up to three months agreed at our discretion. Notice of this termination will be given in writing and will take effect from the date of receipt. Termination is without prejudice to any transactions already initiated, which will be completed according to this Client Agreement unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees outstanding, if applicable.
- 38.** You have a right to cancel any ongoing service and associated adviser charges without penalty and without giving a reason. We will require a minimum of one months’ notice of this cancellation and our relevant ongoing services will cease from the end of the notice period. We reserve the right to continue to charge for our services up to the end of the notice period, or a later agreed termination date if appropriate. Where charges have been levied in advance, we will refund any excess fees collected for the period after termination of our services.

- 39.** On termination of our agreement, should your portfolio include investments in the IFSL Equilibrium Portfolio funds, these investments will remain in place unless you give an instruction to sell them. Please be aware that whilst you remain invested within these funds, the ongoing fund charges will continue to be deducted at source and paid to IFSL, who in turn will continue to pay the 0.25% annual management charge to EIM.

## Deceased clients

- 40.** On the death of a client we will continue to manage the investments as per the Service & Investment Agreement until otherwise instructed by a representative of the estate. We will attempt to ascertain who the estates’ representatives are as soon as possible and then obtain their instructions on how the assets should be managed.

## Law

- 41.** English law will be the basis of this contract. The language in which this contract will be interpreted and in which all communications will be conducted will be English.
- 42.** The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Client Agreement.

## Offshore advice

- 43.** If we believe you are required to report your income or may be subject to tax in another country, it may be obligatory for us to share information about your investments with the UK’s and/or other country’s tax authorities. In such circumstances we may be required to disclose this information about your investments either directly to the respective overseas tax authority, or to the UK’s tax authority who may share that information with the appropriate overseas tax authorities.
- 44.** Due to agreements to increase global tax transparency, from 2016 HM Revenue & Customs (HMRC) has been getting a huge amount of information about overseas accounts, structures, trusts, and investments from more than 100 jurisdictions worldwide. This has given HMRC unprecedented levels of information to check that, as in most cases, the right tax has been paid.

If you have already declared all of your past and present income or gains to HMRC, including from overseas, you do not need to worry. But if you are in any doubt, HMRC recommends that you read the Tax Information Notification available on request from us to help you decide if you need to take any action.

## March 2021

### Head Office

Ascot House, Epsom Avenue,  
Handforth, Wilmslow,  
Cheshire SK9 3DF

### Chester Office

19a Telford Court,  
Chester Gates Business Park,  
Chester CH1 6LT

0161 486 2250  
0808 168 0748  
askus@equilibrium.co.uk  
www.equilibrium.co.uk

Equilibrium is a trading style of Equilibrium Financial Planning LLP and Equilibrium Investment Management LLP (Limited Liability Partnerships). Equilibrium Financial Planning LLP (OC316532) and Equilibrium Investment Management LLP (OC390700) are authorised and regulated by the Financial Conduct Authority and are entered on the financial services register under references 452261 and 776977 respectively. Registered Office: Head office. Both companies are registered in England and Wales. The FCA regulates advice which we provide on investment and insurance business; however it does not regulate advice which we provide purely in respect of taxation matters.

Investment Fund Services Limited (IFSL) is the Authorised Corporate Director of the IFSL Equilibrium OEIC. IFSL is registered in England No. 06110770 and is authorised and regulated by the Financial Conduct Authority. Registered office: Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. Copies of the Prospectus and Key Investor Information Documents are available in English from [www.ifslfunds.com](http://www.ifslfunds.com) or can be requested as a paper copy by calling 0808 178 9321 or writing to IFSL, Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP.