

# TERMS OF ENGAGEMENT

**Everyone's got a number.  
Do you know yours?**

## Terms of Engagement

This 'Terms of Engagement' sets out the agreement between us and the costs of our services in monetary terms or, where a monetary value cannot be given, the basis of its calculation. It must be read in conjunction with our 'Client Agreement' document.

For your own benefit and protection, you should read these terms carefully before signing. If you do not understand any point, please ask for further information.

**Med-Ex Financial Advisory Services Limited provides independent financial advice on investments, pensions, non-investment insurance contracts and mortgages.**

When we do recommend a product, it will be based on a comprehensive and fair analysis of the market, and we will place no restrictions on the range of products considered before providing recommendations, unless you instruct us otherwise. We will, however, only make a recommendation when we know it is suitable for you, having assessed your needs.

**As a client, you can expect a personal, tailored Financial Planning and Investment Management service.** Our proposition is first and foremost based on establishing a long-lasting relationship with our clients via a choice of one of our regular **Risk and Reward** review services. At the heart of this is **LifePlan**, your bespoke financial plan, which is aimed at keeping you on track to achieve your financial goals.

**We provide the following services:**

- Retirement Planning
- Investment Management
- Estate Planning
- Personal Taxation Planning
- Non-investment Insurance
- Mortgage Advice
- Business and Commercial Advice

## Our Range of Advice

### Investment

**Independent advice** – We will advise and make a recommendation for you after we have assessed your needs. Our recommendation will be based on a comprehensive and fair analysis of the market.

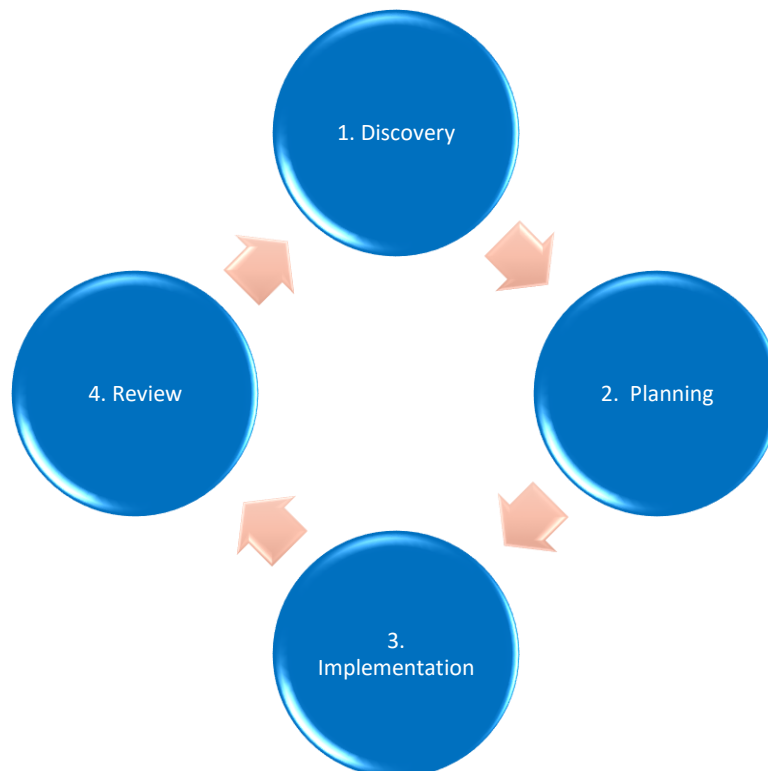
### Non-investment Insurance

We will advise and make a recommendation for you after we have assessed your needs for Term Assurance, Mortgage Payment Protection Insurance, Critical Illness Insurance, and Income Protection Insurance. Our recommendation will be based on a review of the whole of the market.

### Mortgages

We will advise and make a recommendation for on mortgages after we have assessed your needs. Our recommendation will be based on a review of the whole of the intermediary market, but we will not consider deals that can only be obtained by going direct to a lender.

## Your Four-Stage Advice Journey



## **Your Advice Journey**

The following section gives you more information about what you can expect at each stage if you decide to become a Review Client.

### **1. DISCOVERY**

We provide you with a free initial meeting at which we will describe our services more fully and explain our fees. This can be at your work place, in the comfort of your home, or in our main office. The objective of this meeting is to identify how we can best work together now and in the future. If you decide to go ahead, we will:

- Gather and analyse personal and financial information about you, your aims and objectives;
- Recommend and discuss any action we think you should take and, with your agreement, arrange relevant solutions for you. All recommendations are documented in writing.

### **2. PLANNING**

Once you have agreed the most suitable way to engage us to help you, we can start focusing on your financial plan or specific objectives. This will be in line with our aim to ensure that you have money available when you need it the most, as part of your LifePlan.

With your prior agreement, our planning work is likely to involve the following:

- Liaising with providers, employers and/or other professional advisers to obtain accurate and factual financial information on your existing plans, including valuations and projections, with a view to assessing how these meet your current needs
- Assessing your income and expenditure (identifying any anomalies)
- Analysing the impact of a personal crisis including death, acute and chronic illness
- Quantifying your assets and liabilities
- Agreeing your retirement plans and current provision
- Establishing and agreeing your risk profile, risk tolerance and risk capacity
- Providing (at least generic) advice in order to reduce the financial impact of any issues discovered and how to increase the likelihood of achieving your goals
- Making recommendations that take into consideration your personal taxation situation with regard to Income, Capital Gains and Inheritance Tax
- Considering how changes in regulatory, economic and legislative issues may have an impact on your situation
- Holding a personal meeting to discuss your plan, answer any questions, agree an action plan, and what the next steps will be
- Preparing a personal detailed report confirming the reasons for our recommendations

### **3. IMPLEMENTATION**

At this stage, we will:

- Check that your circumstances have not changed, and present a detailed personal report confirming the reasons and considerations behind our specific recommendations
- Confirm the investment product, tax wrappers and funds selected
- Agree if and how the recommended funds will be reviewed and monitored
- Inform you clearly if any product recommended is not regulated by the FCA
- Help you complete all necessary paperwork, including online submissions

Following this meeting we will:

- Acknowledge and process your completed documentation
- Regularly monitor and chase any providers involved with your applications
- Contact you should any details change against our original expectations
- Record and check that your final plan documents are issued in line with your expectations

***Please note we will only proceed to the Implementation stage after agreeing and confirming our future service with you, outlined below in section 4.***

### **4. REVIEW**

Most of our clients require an on-going service to ensure that their Financial Plan is on track to meet their objectives, and that their investments are being reviewed on a regular basis.

Our **Risk and Reward** Review Clients benefit from the following:

- A bespoke, tailored LifePlan to keep your financial goals and objectives on track
- Regular face-to-face review meetings, valuations and portfolio rebalancing
- Confirmation that your investments remain suitable for your needs and objectives
- A discount of 10% on future 'Implementation' fees for future advice
- Regular communications keeping you up to date with regulatory, legislative and budgetary changes
- Professional, bespoke Investment Management and ongoing review of your portfolio in line with your attitude to risk and objectives
- Assistance with financial paperwork, knowing what to keep or throw away
- Ad-hoc telephone, Skype or email access to your adviser or our support team for any questions you may have

***We help make sense of the impact of any personal changes to your situation (e.g. pay rise).***

***We help you make sense of the twice-yearly UK Government's budget announcements, and how they may affect your welfare payments, or income, capital gains, and inheritance tax.***

***We make sure your existing provisions are still in the most effective tax wrapper and ownership name (so you ethically do not pay more tax than is required).***

***We help ensure you do not miss out on valuable allowances (that are around each year, and once gone are gone forever, such as ISA).***

## OVERVIEW OF OUR FEES AND CHARGES

Where indicated, **Risk and Reward** Review Clients will receive a 10% discount on Specialist Services and Initial Fees. All fees and percentages quoted are the maximum payable unless otherwise stated.

All clients will be charged the Non-Review Client rate in respect of the initial contact. All future advice for clients who decide to sign up to the review service will be offered the discounted rates.

<b>DISCOVERY</b>		
Initial meeting	Free of charge	
<b>PLANNING</b>		
Preparation of your Financial Plan - 'LifePlan' - Advice, recommendation and written report	<b>£902</b> Payable upon successful completion of the work agreed. Where a higher fee applies, this will be agreed with you in advance.  <b>This will be waived if you proceed to implement the plan with us and/or for new clients. Where VAT is likely to be payable, we will advise you in advance.</b>	
<b>SPECIALIST SERVICES</b>		
	<i>Review Client</i>	<i>Non-Review Client</i>
Personal Mortgages and Loans research & advice	£316 non-refundable	£352 non-refundable
Specialist Pension advice – NHSPS, occupational, Annual and Lifetime Allowances, legislation, etc	£673	£748
Commercial Debt / Surgery Loans research & advice	£812	£902
Trusts / Estate Planning / Probate	£812	£902
Personal Taxation	£421	£468
Personal Expenses analysis	£812	£902
Making sense of my plans	Free	£902
Equity Release research & advice	£812	£902
Miscellaneous: Individualised advice	Fees to be agreed in advance	
<b>IMPLEMENTATION – INVESTMENTS/PENSIONS</b>		
	<i>Review Client</i>	<i>Non-Review Client</i>
Initial Fee - Lump sum investment / Transfer: First £0 - £100,000 The next £100,001 - £200,000 The next £200,001 and above No minimum contribution	2.7% 1.8% 0.9%	3% 2% 1% Min £1,409 applies
Regular Monthly Premium Investment	2.7% based on 12-month period <b>10% discount if paid directly</b>	3% based on 12-month period <b>10% discount if paid directly</b>
Annual Fee based on funds managed*	0.75%	0.75%
Taking on the management of existing portfolios	Nil	Nil
Fund switching fees / Portfolio rebalancing	Nil	Nil
<b>NON-INVESTMENT INSURANCE</b>		
	<i>Review Client</i>	<i>Non-Review Client</i>
Med-Ex paid by commission – No minimum fee	Min fee of £902, offset by any commission received	

\* The value of the Ongoing Fee in monetary terms will vary depending on the value of your investments. If the value of your investments goes up, our Ongoing Fee will also increase.

## REVIEW SERVICE OPTIONS – “RISK AND REWARD”

The table below shows details of the Review Service options available, together with the associated costs, so that you can select the one which best meets your requirements.

	Annual Review	6-Monthly Review
<b>Monthly Retainer Fee</b>	<b>£51 pm</b>	<b>£106 pm</b>
<b>PLUS Ongoing Fee based on the value of your portfolio*</b>	<b>0.75%</b>	<b>0.75%</b>
<b>LifePlan – your bespoke financial plan to keep you on track to achieve your financial goals</b>	√	√
<b>Cash Flow Analysis / Getting your finances in order</b>	√	√
<b>Personal Tax Review – Tax Code, ISA allowance, Pension Annual and Lifetime Allowance, etc</b>	√	√
<b>Half-Yearly Review, Valuations and Portfolio Rebalancing</b>	X	√
<b>Annual Review, Valuations and Portfolio Rebalancing</b>	√	√
<b>Confirmation of ongoing suitability</b>	√	√
<b>10% Discount on Initial Adviser Fees &amp; Specialist Services</b>	√	√
<b>Keeping you informed</b> - Newsletter - Relevant regulatory and market updates - Making sure you don't miss out	√	√
<b>Ad-hoc support by email, telephone &amp; correspondence</b>	√	√
<b>Helping you to understand your financial paperwork</b>	√	√

\* The value of the Ongoing Fee in monetary terms will vary depending on the value of your investments. If the value of your investments goes up, our Ongoing Fee will also increase.

This is our generic charging structure that meets the needs of the majority of our clients. If you want a different service, have a chat with us and we will let you know whether we are able to accommodate it.

## OUR FEES AND CHARGES – EXAMPLES

So that you can see what the actual cost of the different services we offer is likely to be in monetary terms, below are a few examples:

### Lump sum investment / Transfer – Initial Adviser Fees

#### **Example 1 – Review Client investing £200,000**

The fee would be calculated as follows:	£100,000 @ 2.7%:	£2,700
	£100,000 @ 1.8%:	<u>£1,800</u>
	<b>Total:</b>	<b>£4,500</b>

#### **Example 2 – Non-review Client investing £200,000**

The fee would be calculated as follows:	£100,000 @ 3%:	£3,000
	£100,000 @ 2%:	<u>£2,000</u>
	<b>Total:</b>	<b>£5,000</b>

### Regular premiums

The table below shows examples of the total fee payable for regular premium investments, based on a 2.7% Initial Adviser Fee (3% for Non-Review clients) calculated over a 12-month period. There will be no further Initial Adviser Fee payable if you continue your regular premiums at the same level beyond 12 months. The fee can either be facilitated by the provider over 12 months or paid directly up-front, in which case a 10% discount will apply. If regular premiums are stopped before 12 months, the outstanding balance will become payable immediately. If the premium is increased or decreased, the fee will be adjusted proportionately, and you will be informed of the new total fee payable.

Regular premium	Review Client		Non-Review Client	
	Total Initial Adviser Fee Payable	Fee Payable if paid directly	Total Initial Adviser Fee Payable	Fee Payable if paid directly
£100 per month	£32.40	£29.16	£36	£32.40
£1,000 per month	£324	£291.60	£360	£324

### Annual Ongoing Fees

#### **Example 4 – Review Client with £100,000 under management and a 6-monthly Review Option**

Monthly retainer Fee – 12 months @ £106 pm	£1,272
Plus 0.75% of £100,000	<u>£750</u>
<b>Total:</b>	<b>£2,022 per annum</b>

#### **Example 5 – Review Client with £100,000 under management and an Annual Review Option**

Monthly retainer Fee – 12 months @ £51 pm	£612
Plus 0.75% of £100,000	<u>£750</u>
<b>Total:</b>	<b>£1,362 per annum</b>



## **METHODS OF PAYMENT**

### **Your payment options**

Whether or not you decide to implement our advice, you will be required to pay us an advice fee for our services. This will become payable on completion of our work.

Where you have purchased a product, you may have the option of paying our advice fee by a single deduction from the product(s). Alternatively, you may prefer to settle your advice fee by paying us directly, either by cheque or bank transfer. It is generally in your interest to pay us directly, as this means the actual amount invested is greater.

### **Payment for ongoing service – 0.75% of funds managed**

Our investment service is funded on a percentage basis of the funds and is paid by way of a deduction from your investments, or directly by way of cheque or direct bank payment. Please note that if you pay for ongoing services on a percentage basis, the amount we receive may increase as the fund value increases and conversely reduce if the fund value falls.

An ongoing service can be cancelled by either party having issued the other party 30 days written notice of cancellation. This is subject to the delivery of any outstanding items by Med-Ex Financial Advisory Services Ltd to you, and the settlement of any outstanding monies due to Med-Ex Financial Advisory Services Ltd by yourself.

### **Personal taxation implications**

The fees listed above can be deducted from your investments or paid directly by you. You should note that when paid through the investments, they 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.

### **Mortgages**

Please see our separate 'Key Facts – About our services and costs' document which details our fees for this area of advice. There are initial advice and research fees and implementation fees, along with discounts for clients who are existing Review Clients.

### **Non-investment insurance**

Where our advice is to arrange and complete pure protection plans such as Term Assurance, Critical Illness, Income Protection and/or Severity Illness Cover, instead of a fee, we may receive commission directly from the product provider. If agreed at outset, this commission will be used to replace our agreed 'Planning' and 'Implementation' fees. A minimum 'Planning' fee of **£902** remains for clients who are not existing Review Clients.

### **Commission liability**

If you agree to pay our costs by using commission only (e.g. for non–investment insurance contracts) and we are required to pay all or part of this amount back because you have cancelled or otherwise ended the policy, we reserve the right to require you to reimburse any money we have to repay.

### **When our remuneration is payable**

For mortgages, our initial advice and research fee is due once we commence work for you. For non-mortgage related work, unless otherwise agreed with you in writing, all fees become payable at the point that a transaction is completed or, where no transaction is made, at the point that we provide you with details of our recommendation. Commission for non-investment insurance is payable by the product provider on completion of the transaction.

### **Fee liability**

Where the fee is to be paid directly by you and not through the product, we will issue you with an invoice at the completion of the work, detailing the breakdown of the costs incurred. Our terms of settlement allow 30 days from the date of issue.