



INDEPENDENT  
FINANCIAL  
MANAGEMENT

# EXPLAINING OUR ADVICE & SERVICES



We are Independent Financial Advisers and are authorised and regulated by the  
Financial Conduct Authority. FCA101022



INDEPENDENT  
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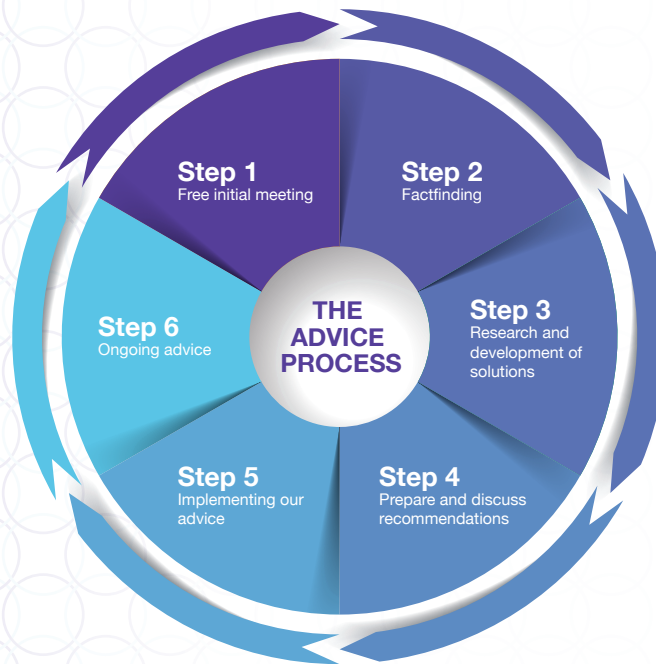
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# 1. Advice Process



## Free Initial Meeting

- The first meeting is free where we will discuss your requirements.
- This is an opportunity for you to find out more about HWIFM and for us to see how we can help you.
- At the end of the initial meeting, if you are happy to proceed we will discuss our client service proposition and terms of business and agree how you wish to pay for the advice.
- We will require identification from you for regulatory purposes.
- We will then discuss the timescale to prepare our recommendations and arrange the next meeting.

## Factfinding

- We will have a more detailed discussion around your current circumstances and record this so we can ensure our advice is tailored to your needs.
- This may take place immediately after the initial meeting or at a future meeting.
- Factfinding is an ongoing process as your circumstances and needs will change over time.
- As part of this process, we will complete a personal financial profile, which will help us to understand your knowledge and experience of financial services. We will also complete a questionnaire to help us understand your attitude to investment risk.
- We will not make any recommendations to you until this part of the process has been completed.
- We may need to ask you to sign a document to authorise HWIFM to be the servicing adviser on your existing investments.
- After this we will confirm the work to be undertaken and the relevant costs to you for that work and ask you to sign your agreement to this to avoid any misunderstandings.

## Research and Development of Solutions

- We will undertake detailed research taking into account every possible aspect of your financial and personal circumstances, where appropriate including your tax position, what plans you currently hold and your future needs.
- It may be your adviser will need to contact you again at this stage to clarify or expand on certain pieces of information.
- The length of this process will depend on the complexity of your circumstances and whether any plan information is required from life offices but will be set out in the initial meeting phase.
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## Prepare and Discuss Recommendations

- Once your adviser has prepared the recommendations they will review this in detail and tailor the report directly to the discussions you have had.
- You will be given the recommendations in writing in a suitability report along with any illustrations and key features documents.
- You will have time to review the recommendations at a further meeting with your adviser, if required.

## Implementing Our Advice

- You may decide you wish to proceed with some or all of the recommendations proposed.
- In rare cases you may decide not to proceed at all, however, by working with you at every step of the way we hope this will not be the case.
- If you do decide not to go ahead with the recommendation we will charge you a minimum fee of £500 or whatever else was agreed in your initial meeting.
- Once agreed, your adviser will complete any paperwork that is required and submit it on your behalf via electronic communications or otherwise.

## Ongoing Advice

- We will keep you informed of the progress of any applications you have submitted.
- Once everything is complete you will receive a confirmation letter along with any documents that you need to keep.
- You will receive an ongoing service based on our agreed service proposition.
- You are guaranteed to be offered at least one full financial review each year if our servicing income is greater than £750. If you do not take up this offer, we will retain any servicing fee we have received. We understand personal and financial circumstances change over time, but if you do not take up the offer of a review you are entitled to for a number of years, we will review your service status, as you may be paying for a service you no longer require. Please contact us if you wish to change your service level.
- Each year we will review your service level and where appropriate adjust it to be proportionate with the income we have received.

## 2. Client Service Proposition

PLATINUM	GOLD	SILVER
Minimum Annual Recurring Income <b>£2,500</b>	Minimum Annual Recurring Income <b>£1,000</b>	Minimum Annual Recurring Income <b>£500</b>
Review Meeting <b>HALF YEARLY</b>	Review Meeting <b>ANNUALLY</b>	Review Meeting <b>NONE</b>
Periodic Suitability Assessment <b>ANNUALLY</b>	Periodic Suitability Assessment <b>ANNUALLY</b>	Periodic Suitability Assessment <b>NONE</b>
Aggregated Costs Disclosure (Investments) <b>ANNUALLY</b>	Aggregated Costs Disclosure (Investments) <b>ANNUALLY</b>	Aggregated Costs Disclosure (Investments) <b>ANNUALLY</b>
Annual Service Fee <b>0.75%</b>	Annual Service Fee <b>0.75%</b>	Annual Service Fee <b>0.75%</b>
Summary of Funds under our Management <b>HALF YEARLY</b>	Summary of Funds under our Management <b>ANNUALLY</b>	Summary of Funds under our Management <b>ANNUALLY</b>
Pension Top Up <b>*1%</b>	Pension Top Up <b>*1%</b>	Pension Top Up <b>*1%</b>

\* Subject to a minimum fee of £250.

- The above proposition will be appropriate for most of our clients but there will be flexibility in individual circumstances and by written agreement.
- Please review the above chart and consider your requirements in relation to your investments. If you require a higher or lower service status, please discuss this with your adviser, who will discuss your options with you.

### Initial Charges

- We will charge an initial and ongoing fee subject to the maximums shown below:

INVESTMENT OPTIONS All lump sum / single premium investments		
CHARGE	EXAMPLE	WHAT THIS CHARGE INCLUDES
<p>Our fees are tiered on the following investment amounts:</p> <p><b>From £0 - £50,000 - 3%</b></p> <p><b>From £50,000 - £250,000 - 2%</b></p> <p><b>From £250,000 - 1%</b></p> <p>These are subject to a minimum of: New business - £750</p>	<p>If you invest £50,000 in an investment account we will charge an initial fee of £1,500.</p> <p>If you invest £200,000 in an investment account we will charge an initial fee of £4,500.</p> <p>The fees are tiered at 3% on the first £50,000 (£1,500) and 2% on the remaining £150,000 (£3,000).</p>	<p>Review of your current financial position including the Risk Profiler.</p> <p>Research.</p> <p>Advice and recommendations.</p> <p>Implementation and administration of any financial solutions.</p>

## Ongoing Charges

INVESTMENT OPTIONS Ongoing		
CHARGE	EXAMPLE	WHAT THIS CHARGE INCLUDES
<b>0.75%</b> of funds under management.	If you invest £50,000 in an investment account we will charge an initial fee of £1,500.  If the value of your investment is £100,000, our charge will be £750 per annum.	The cost of our ongoing service, as detailed on the previous page.  The cost of our annual administration.

## Aggregated costs and charges

When we provide you with our advice, we will add together all the costs and charges payable so that you are able to understand the overall costs of our services and recommendations. This is referred to as aggregated costs and charges information.

## Other Fees

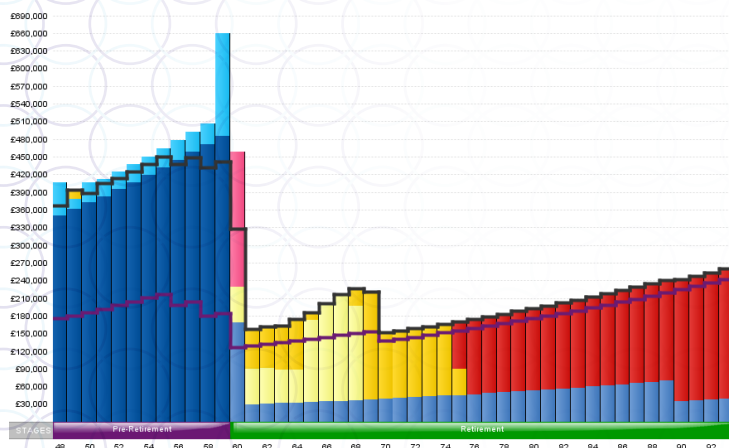
Certain aspects of our work are subject to a minimum fee which will become chargeable at the point we provide a suitability report. We will offset the VAT exclusive fee against any income we receive from the product provider after an investment has been set up.

Any special work will be quoted and charged accordingly, these fees may be subject to VAT.

The charge-out rates for Adviser, Paraplanner and Administrator, for the purposes of determining approximate cost of complex work, are as follows:

- **Adviser – £190 per hour**
- **Paraplanner – £130 per hour**
- **Administrator – £85 per hour**

## Cashflow Modelling



### We can provide cash flow modelling, this has the following benefits:

- Make clear your current financial position and its implications e.g. ascertain how long your liquid assets will last before being depleted (if at all) in a scenario that assumes no changes in current market, economic and personal conditions.
- Ascertain whether or not you have sufficient liquid assets to maintain your chosen lifestyle, and for how long before (if necessary) budgeting, downsizing/selling of the property(s) is required.
- Ascertain if and when you can retire and still achieve the desired quality of life.
- Where applicable, highlight the value/effects of accessing the capital from the properties and using the proceeds to funds lifestyle and/or goals.
- Highlight shortfalls (if any) and when they are likely to occur.
- Highlight the options available to cover any shortfall(s) as well as their respective implications.
- Compute the value of investment return and/or additional capital required to cover the shortfalls.
- Ascertain suitable timing and scope of future gifts and possible investment strategies.
- Demonstrate the effects of compounding investment returns relative to cash returns over a medium to long term.
- Demonstrate the implications of inheritance tax planning where necessary.
- Create alternative scenarios such as best case and worst case scenarios to test the robustness of current financial position.
- We can adjust assumptions where relevant and adopt the cash-flow model to take account of changing circumstances at any point in time.
- Our cashflow modelling service uses a very sophisticated tool that can model almost any scenario you can think of - one's imagination being the limit. After the cashflow modelling exercise, HWIFM will be able to propose strategies going forward to best help achieve your desired goals.

### 3. Payment of Fees

We will have an initial discussion without charge during which we will outline the services we can offer you and explain the costs involved. Should you decide to go ahead there is a cost for our services and you will be required to sign a copy of our service and fee agreement.

Whether you buy a product or not, you will be required to pay us a fee for our advice and service. Fees are based on a percentage of the investment that you have made or a flat fee for providing advice.

You will be given the option of paying the fee yourselves or having it deducted from your plan.

All charges and fees will be fully disclosed to you. The precise charges relating to any new business recommendations we make will be confirmed in your Suitability Report.

You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first. The rate we will charge you will be in accordance with our service and fee agreement unless agreed otherwise. We will agree a servicing level with you at our first full meeting.

All our new business fees are subject to a minimum charge of £750. This fee becomes chargeable at the point when we provide you with a suitability report. Where a product is sold, this fee will be offset against the charge.

Where we undertake complex or significant time consuming work, we will agree with you a specific fee dependent on the type of work. We will agree the fee with you before commencing work.

Where you intend to pay the fee yourself, we will send you an invoice for the amount due. We will tell you if you have to pay VAT.

Our annual service fee is normally paid directly from your policies. If this is not possible, payment will need to be made direct from you and again we will send you an invoice in this respect.

Life insurance policies can pay commission to HWIFM, which will be disclosed to you before you apply for the policy.

In respect of any regular premium policy which we have arranged for you, should you subsequently cease to pay premiums on the policy, we are obliged to refund the commission that has been paid to us. We then reserve the right to charge you a fee representing the amount we have to repay. This could be for a period of up to four years after commencement of the policy. We will discuss the potential clawback when a recommendation is made. If you exercise your right to cancel in accordance with any cancellation notice sent to you by the life insurance company, a fee may be payable in respect of any work undertaken.



## 4. Investment Process

### Our Investment Philosophy

- We do not try to time markets. We can move to cash if clients are nervous
- Asset allocation is key to investment returns
- Tight control of Portfolio risk levels is critical
- Portfolio composition must reflect clients investment time horizon
- Investment funds are monitored and reviewed by an Investment Analyst and at quarterly Investment Committee Meetings
- Accept that there will be good times in markets and there will also be bad times/ events that cannot be predicted
- Manage client expectations so that there are no surprises

It is important to HWIFM that clients receive the highest quality Independent Financial Advice. We do not believe that a one size fits all strategy is appropriate when providing investment advice. For this reason we have several options available to our clients when it comes to managing investment and pension assets. The following section outlines the key investment strategies that we can employ for our clients.

### Option 1 - The HWIFM Portfolio Service

#### What is the HWIFM Portfolio Service?

Howard Worth have created a range of Investment Portfolios designed to be tailored to your specific attitude to risk and investment time horizons.

The Portfolios consist of investment in a number of investment funds, which are blended together to provide exposure to what we feel are the optimum mix of assets for a given level of risk exposure.

The Portfolios are managed proactively by HWIFM. The funds within the Portfolios are reviewed at the start of January, April, July and October with any recommended changes scheduled to be processed at your earliest review date. It is important to note that we will request your consent prior to making any changes on your Portfolio.

HWIFM do not charge for switching funds within the Portfolio; however some fund managers may charge a fee for switching funds on their investment platform. There is no guarantee these will be recouped as a result of the changes.

#### How do I select a Portfolio?

Your attitude to risk is assessed through a combination of our Risk Questionnaire and discussion to arrive at a level that both you and your adviser are happy with; this will be on a scale of 1-5. Once this is agreed we can select the most appropriate HWIFM Model Portfolio Strategy. It is important that you let us know if your attitude to risk has changed; other than this we will review your attitude to risk at review meetings as agreed.