

Terms of Business



These General Terms of Business apply to all services we agree to provide to Customers and apply to all Customers. The specific Service, our fee and the term applicable to each Service for each Customer will be set out in a separate document that references the latest version of these Terms of Business. All Customers will be advised of any changes to the Terms of Business.

1. Status

- 1.1. Fowler Drew Limited is authorised and regulated by the Financial Conduct Authority (FCA).
- 1.2. We provide both advisory and discretionary services and these are subject to different FCA requirements in respect of how we describe our status to you. Where we provide any client with a personal recommendation in relation to a Retail Investment Product (RIP), which is regulated as advice, we are required to state whether we are Independent or Restricted. We are Independent, because we can provide that advice on the full range of types of RIP and on a comprehensive group of products within each RIP type. A RIP is defined by the FCA as a life policy, unit, stakeholder pension scheme (including a group stakeholder pension scheme), personal pension scheme (including a group personal pension scheme), an interest in an investment trust savings scheme, a security in an investment trust, structured capital-at-risk product or any other designated investment which offers exposure to underlying financial assets, in a packaged form which modifies that exposure when compared with a direct holding in the financial asset.
- 1.3. Our permitted regulated businesses are managing investments (with discretionary powers), advising on investments, arranging and bringing about deals in investments, making arrangements in investments and advising on pension transfers and opt outs. Our permitted regulated investment types are securities and rights to or interest in securities, units, stakeholder pension schemes and life insurance policies (including pensions). We may also provide advice in areas not regulated, including deposits, loans and generic advice on clients' existing relationships with the financial services industry such as types of agency, types of contract, typical costs and potential conflicts of interest.
- 1.4. We are not authorised to hold or control our clients' money. We do not provide custody services. All investments will be held in your name and are never owned by us. We never handle cash or accept cheques made payable to us, unless that cheque is in settlement of charges for which we have sent you an invoice.
- 1.5. We will treat you as a retail customer.
- 1.6. We will place your own interests above our own and will advise you immediately of any conflict of interest and how we plan to ensure demonstrable fair treatment.
- 1.7. Should you have any complaint, it should be addressed formally in writing to the Compliance Officer at Fowler Drew. We will send you an acknowledgement and thereafter keep you informed of any progress in our investigations. We expect to resolve any complaint swiftly, but in any event we will send you a written 'final response' within 8 weeks of our receipt of the complaint in which we will either i) offer redress or remedial action, whether or not we accept the complaint, or ii) reject your complaint. If you remain dissatisfied with our final response you are entitled to refer your complaint to the Financial Ombudsman Service (0300 123 9123) www.financial-ombudsman.org within 6 months of receipt. In exceptional circumstances we may not be in a position to make a final response within 8 weeks, in which case we will send you written notice explaining our reasons and inform you that you are able to refer the

complaint immediately to the Ombudsman. You have 6 years from the event you are complaining about (or if later, 3 years from when you could have reasonably known you had cause to complain) to refer your case to the Ombudsman for their consideration. We have the right to waive these time limits if we think it appropriate and we will inform you in our final response if we have consented accordingly.

- 1.8. The Financial Ombudsman Service deals with complaints against authorised firms that are still trading. As an authorised firm we are 'members' of the Financial Services Compensation Scheme which is the UK's statutory fund of last resort for customers of financial services firms that are unable, or likely to be unable, to pay claims against it, including awards made by the Ombudsman. You may be entitled to compensation from the scheme if we cannot meet our obligations with regard to a successful claim for financial loss arising from bad investment advice, poor investment management or misrepresentation. Investments covered include: stocks and shares; unit trusts; futures and options; personal pension plans and long-term investments such as mortgage endowments. The maximum level of compensation available is £50,000 per person per firm.

2. Services

- 2.1. A Scope of the Services Letter will set out the specific Services Fowler Drew consents to provide under these Terms of Business.
- 2.2. The three core elements of the delivery of the Services are:
 - an Initial Planning phase covering all your financial goals or focused advice limited to a specific need
 - Continuous Investment Services
 - New Financial Planning as later required.
- 2.3. These service elements are normally only provided in conjunction with each other. We do not provide Continuous Investment Services without Initial Planning having been performed first and we do not normally provide any planning services except in conjunction with Continuous Investment Services. Once we have completed any financial planning actions identified in the Initial Planning phase, we remain available to meet your needs for New Financial Planning during the term of the Services, either at your or our prompting. Financial planning is differentiated from Continuous Investment Services and we reserve the right to make a separate charge for it depending on the scale and scope.
- 2.4. Whereas Initial Planning and Continuous Investment Services will normally be covered by the same Scope of the Services Letter, ad hoc New Financial Planning will require to be covered by a specific Scope of the Services Letter, including any fee to be charged, before we perform the service.
- 2.5. New Financial Planning includes all subsequent non-investment advice and implementation such as life insurance and the establishment of trusts. We will also treat as New Financial Planning any subsequent planning related to investment but not of a continuous nature, such as: developing investment plans for newly available resources; major reviews of the goal structure on which portfolios have already been based or advising on changes in the approach to funding individual goals; specific pension advice and actions to do with vesting and pension transfers; advising on and putting in place disposal programmes for individual securities. Advice not related to portfolio investment but required on a continuous basis will be treated as New Financial Planning unless specifically defined in the Scope of the Services Letter as being part of the Continuous Investment Service to be covered by the agreed fee. Regular consideration of the key parameters of a designated portfolio as the portfolio progresses, such

as resources, target outcomes or risk approach, is an integral feature of the Continuous Investment Service and is not New Financial Planning.

- 2.6. We may also agree to perform focused advice for a new client on a potential transfer from a Defined Benefit pension scheme to a Defined Contribution pension, without it being part of Initial Planning and without any commitment to appoint us for Continuous Investment Services. This allows for the outcome of the analysis being no transfer, with the implication there may be no progression to Continuous Investment Services including for other wealth. For an existing client, transfer advice will be treated as New Financial Planning. For either new or existing clients we may also agree to provide an abridged pension transfer advice service with a reduced scope and fee which will identify either that a transfer is not appropriate or that full advice is required in order to test appropriateness. The Scope of the Service letter will in each case set out the fee which in no case will be contingent on a decision to transfer and in the case of abridged advice will apply its fee against the fee for full transfer advice to avoid duplication of costs.

General observations about the Services

- 2.7. Our ability to advise you well and to ensure the Services you require are being effectively provided depends partly on the accuracy and completeness of the information we hold about you. We would ask that you i) inform us promptly if such information changes and ii) request your other financial advisers and agents keep us fully informed of changes they are aware of that may have a bearing on our service to you and that they generally co-operate with us.
- 2.8. The provision of the Services may require us to be able to communicate with you at short notice and to receive prompt acknowledgement. We ask you to advise us of planned periods of absence and possible means of communicating during those periods. If communication between us is a persistent problem we may need to terminate the provision of the Services.
- 2.9. We will expect you to make the same demands of us when responding to communications from you. If we cannot answer your request immediately, we will advise you when we expect to be able to respond.
- 2.10. There are likely to be instances where the provision of the Services by us depends on actions by you (for example as part of setting up new accounts; transferring holdings and money between 'old' and 'new' accounts; transactions in individual holdings that are within our discretion but require you, not us, to instruct them). In these instances there are potential impacts for you if those actions are delayed (arising from market movements) and for us (additional time costs). You can expect us to have taken into account the optimal way to minimise these frictional costs and we will expect you to take promptly the actions we request.
- 2.11. We may at any time recommend appointing alternative advisers or additional firms where specialist advice is required, and on which our own advice may partly depend, such as complex taxation, trusts and business planning.
- 2.12. We believe the role of a professional adviser is to help you make informed choices about financial planning options for which you can take personal responsibility. This means we will want to be sure you understand the implications of alternative courses of action and that we are not effectively making high-level decisions for you, as proxy. It does not mean we will avoid making recommendations or that we hope to limit our proper responsibility for advice. The legal limitations are set out in section five of these Terms of Business.
- 2.13. Continuous Investment Services are organised by goals. For the purposes of effective planning of household financial goals, we may nominally 'associate' you and other members of your immediate family (whether or not they are themselves our clients and to the extent you or

they provide us with the information), their holdings and their use of tax 'wrappers', as if they are contributing resources to one or other of your goals. These associated assets form the resources making up a 'virtual' goal-based portfolio. For each goal-based portfolio we manage we will define its nature and purpose, its objectives, the time horizons for those objectives, any constraints set by the client and the agreed approach to managing risks. We will also specify the types of financial instrument to be used by us in the portfolio. Whatever we use may be complemented by legacy holdings previously owned by the client that we agree to assign to the goal. The suitability of the portfolio constructed and managed by us to deliver the goal objectives will be determined at the goal level (rather than at the level of an individual product or wrapper). Portfolio progress (including resources required to achieve defined objectives relative to actual goal resources), past performance and appropriate performance benchmarks, will all be reported quarterly at the goal level.

- 2.14. Where partners/spouses plan together, we owe the same duty of care to each. In situations where one chooses to rely significantly on the other in the area of financial decision making, we will therefore need to satisfy ourselves from time to time that agreement exists between them as to what has been decided. We will send reports as a matter of course to both and will encourage both to attend review meetings.
- 2.15. The process by which we seek to inform your choices may include using our own quantification of possible outcomes as a means of distinguishing between alternatives. These quantified distinctions are our best estimate, based on financial modelling of economic and capital market behaviour, but their accuracy cannot be guaranteed. We may also advise on portfolio approaches, particular asset types or investment strategies that we cannot model and quantify in which case we rely on other methods to estimate and describe the risks.
- 2.16. Projections of outcomes in a goal whose objective is spending will normally be expressed as quantities available for spending. In those cases, the outcome probabilities derived from modelling will be converted to after-tax quantities using estimates based on assumptions about total income, gains and tax liabilities including those that are not within our control. Pre- and post-tax projections will not therefore have the same accuracy.

3. Transactions

- 3.1. We will act in all cases as agent in arranging transactions on your behalf, not as principal, whether in policies, schemes, units or securities.
- 3.2. We aim to be flexible in making arrangements for carrying out transactions that suit our clients individually and will discuss them with you. Though different arrangements may have complexity and indirect cost consequences for us, we will never have any direct financial interest in the arrangements. We generally recommend implementing your decisions on a basis which is low-cost but also efficient and secure but will advise you as best we can of the cost and other implications of different options. Where transactions can be most cost-effectively implemented on an execution-only basis, such as through internet stockbrokers, fund supermarkets and internet insurance exchanges, and where you choose to value the cost savings to the extent you are willing to give up the benefit of cancellation rights otherwise applicable to advised sales of packaged products, we will help you make those arrangements with third parties. In such cases investments are likely to be held to your order in a nominee name rather than registered in your own name. Where the execution platform involves internet access, we may pass instructions on your behalf provided you mandate the agent to accept our instructions on your behalf and provided the mandate does not include control of client money.

- 3.3. The reasons for making changes in individual investments will normally be either to alter the means of implementing the same asset allocation strategy or to give effect to a change in the asset allocation strategy where we believe that is what will keep the goal-based portfolio on track to achieve your objectives.
- 3.4. Other than in the case of investment transactions in a discretionary designated portfolio, we will require your acceptance of each recommendation we make before instigating transactions on your behalf. Unless the transaction is in a packaged product which you have statutory rights to cancel, we will not normally accept verbal acceptance. When we do act on verbal instructions we will require confirmation in writing as soon as possible afterwards. Written confirmation includes email if we may reasonably believe it to be from you.
- 3.5. Where individual investments held within Individual Savings Accounts (ISAs) form part of a discretionary mandate, we will assume, unless you instruct us otherwise, that new subscriptions to use your annual ISA allowance may be made by us without prior reference to you (unless we need you to fund it from cash held by you outside the portfolio assets under our control), that you will not make new subscriptions yourself and that other agents appointed by you will have been instructed not to make new subscriptions on your behalf.
- 3.6. All transactions between agreed reporting dates, whether advisory or discretionary, will be summarised in our reports.
- 3.7. We have an obligation as an FCA regulated firm to execute orders on terms most favourable to our client, known as 'best execution'. We have no 'internal dealing' as we have no related entities. The vast majority of our investments are in open-ended vehicles or are made by subscription (usually fixed-price and limited-period) to funds or limited partnerships that do not call for a 'best execution' policy. Our transactions in listed securities are placed through regulated brokers who owe their own duty of best execution to clients. We may also place orders with principals in illiquid instruments where there is no market. In these cases we do our utmost to ensure the terms are fair and reasonable. The best execution requirements will also be binding on these firms.

4. Remuneration

- 4.1. Our remuneration has three components that match the elements described in section two: a flat fee for Initial Planning, either focused or holistic; a regular fee for Continuous Investment Services; ad hoc fees for New Financial Planning and Defined Benefit Pension transfer advice. An up-to-date schedule of fees and the basis of calculation will be posted on our website. The Initial Planning fee is set in relation to scope and complexity rather than value of assets. It will normally cover any deployment actions required and if exceptionally we need to charge separately for deployment this will be specified in the Scope of the Services Letter. The fee for Continuous Investment Services is determined by reference to the value of the assets assigned to the goal(s), subject to a floor and a cap. Non-standard service elements may also attract an additional fee which would normally be fixed rather than varying with asset values. New Financial Planning fees are set either in relation to scope or value depending on its nature. Defined Benefit transfer advice fees combine an element of fixed and value-based (referencing the quoted transfer value) regardless of whether transfer occurs. In the case of abridged transfer advice, the fee is set by reference to time not value.
- 4.2. The agreed fee and payment basis will form part of the Scope of the Services Letter.
- 4.3. Whereas we will normally be in a position to set the fee for Initial Planning, we may only be able to estimate the fee for Continuous Investment Services, based on what we know about your likely requirements at outset. We may review the agreed or estimated fees during the planning phase on the basis of the emerging scope and complexity of either the deployment

or continuous element of the service. The Initial Planning fee may not be altered unless the scope described before quoting a fee proves to have been materially misrepresented or the client or third parties cause delays in completing the planning that lead us to have to rework calculations or quotations that are sensitive to changing market conditions.

- 4.4. Fees for Initial Planning, New Financial Planning and Defined Benefit transfers may be partly or fully paid in advance at our discretion. Continuous Investment Services fees are payable monthly in arrears. We will normally require a standing order for Continuous Investment Services fees on the due date but where possible we will invoice a pension administrator or platform provider for all or part of the fee, under a mandate you sign with them, in which case the payment may be made at any point in the month rather than in arrears. In the event of that third party not paying fees in a timely manner we will invoice you directly for any unpaid amount. Where a balancing direct payment under a Standing Order is set at a flat rate, to minimise changes, we will reconcile differences relative to the total required value-based fee at annual frequency and make or request payment of the balance due to or from you at annual frequency. Small differences may at our discretion be adjusted by spreading them across the following year's rate of standing order.
- 4.5. Overdue amounts beyond 14 days will attract interest at 8% over the Bank of England Base Rate from the due date and in the event we need to employ a debt collection agent will be increased by that agent's charges.
- 4.6. Value-based fees for Continuous Investment Services, including the application of any floor or cap, will be calculated quarterly based on average values. Because valuation frequency within the period may vary between direct and platforms and also between different platforms, the averaging approach, including adjustment for cash flows into and out of the portfolio, may differ. Any fixed element of the fee, such as for agreed additional service features or to reflect any other exceptional approach, will normally be adjusted annually at review meetings. Floors and caps will be reviewed annually with the expectation they will both rise with RPI. In all cases we reserve the right to review fees in the light of changes in scope of the service to a client or our experience of costs in providing services to all our clients.
- 4.7. The level and basis of any additional fees for New Financial Planning or Defined Benefit Transfer Advice, or for services not forming part of our core services that we consent to perform, will be agreed with you before the service is provided.
- 4.8. Where we facilitate the provision of wealth services by third parties outside our own core services, we may receive remuneration from them, in which case it will be fully disclosed to you.
- 4.9. We will follow HMRC guidance in applying VAT to our invoices. VAT is always chargeable except i) on our fees, if made separately from any other advice services, for arranging the purchase of a product or ii) if advice was integral but ancillary to the purchase of a product. We will try to minimise charges to VAT where separate arrangement charges appear justified, such as deployment of new client portfolios. If HMRC determines at any point after we have invoiced you that VAT should have been charged, you will be required to pay that amount to us in full on demand so that we can account for it to HMRC.

5. Conflicts of Interest

- 5.1. We are committed to conducting our business according to the principle that we avoid conflicts of interest where possible and, where not avoidable, we manage them fairly. We have policies and procedures in place to identify, consider and manage potential conflicts of interest with the effectiveness of these controls being monitored on an ongoing basis.

- 5.2. To help us identify potential conflict of interest we have considered a number of areas including:
- Circumstances where we could make a financial gain, or avoid a financial loss, at the expense of a client;
 - Situations where we could have an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of a client, which is distinct from the client's interest in that outcome;
 - Where a financial or other incentive to favour the interest of one client or group of clients over the interests of another client or group of clients might arise;
 - Where we may or will receive from a person other than a client an inducement in relation to a service provided to a client, in the form of monies, goods or services, including the standard commission fee for that service.
- 5.3. We maintain a register of all identified potential or actual conflicts of interest that could arise in the course of conducting business. The register also records the means by which the conflict or potential conflict has been managed and mitigated.
- 5.4. Full details of our conflicts of interest policy are available upon request.

6. Limitations of Liability

- 6.1. Subject to this section six, we will not be liable in respect of any act or omission of any person, firm or company through whom transactions in investments are effected on an arms' length basis for your account or any other person having custody or possession of your assets from time to time, or any clearing or settlement system.
- 6.2. We will not be responsible for any loss of opportunity whereby the value of your investments could have been increased or for any decline in the value of the investments however arising, except to the extent that such loss or decline is due to our negligence, wilful default or fraud, or that of any of our employees.
- 6.3. We will not be liable for any loss arising from errors of fact or judgement or any action taken (or omitted to be taken) by us, however arising, except to the extent that any such error or action (or the omission thereof) is due to our negligence, wilful default or fraud or that of any of our employees. No warranty is given by us as to the performance or profitability of your investments under our advice or management.
- 6.4. We will not be liable for the taxation consequences of any transaction effected on your behalf as part of the agreed Services.
- 6.5. We will not be liable to you for any partial or non-performance of our obligations under these Terms of Business by reason of any cause beyond our reasonable control, including without limitation any breakdown or failure of transmissions, communication or computer facilities, industrial action, any law, order or regulation of a governmental, supranational, regulatory body or authority, or the failure of any broker, custodian, sub-custodian, dealer, exchange, clearing house or regulatory or self-regulatory body to perform its obligations for any reason.
- 6.6. Nothing in these Terms of Business will exclude or restrict any duty or liability to you which we may have under the regulatory system.

7. Means of Communicating

- 7.1. We will communicate with you and receive documents and information from you only in English.

- 7.2. You may communicate with us in person, by telephone, mail, fax or (if may reasonably assume it to be from you) email. We may request written forms of communication or documents with an original signature for specific purposes.

8. Personal Data

- 8.1. The provision of Services, and any discussions before an agreement to provide them is concluded, is likely to require us to collect certain personal data from you, and from third parties with your consent. The EU-wide General Data Protection Regulation requires us provide certain information to you about your rights and our obligations, including our lawful basis for processing that personal data, at the point we collect it. That information is set out in a Privacy Policy that you have been provided separately from these Terms of Business.
- 8.2. In order to provide any Services to you we are required by law to perform certain anti-money laundering checks, both at outset and on a continuing basis. Rather than request verification of your identity and residence directly, we may undertake a search with a credit reference agency. They may check the details you supply against any particulars on any database (public or otherwise) to which they have access. They may also use your details in the future for verification purposes to assist other companies in connection with our Services, avoiding the necessity you provide proofs yourself to those other companies. A record of the 'soft search' will be retained by the credit reference agency, visible to you but not to companies.

9. Term

- 9.1. An agreement to provide Services comes into force at the date specified in the Scope of the Services Letter and remains in force unless terminated with immediate effect by either party giving written notice to the other.
- 9.2. We undertake to monitor any transactions we have instigated on your behalf prior to termination if not completed and settled until after termination unless you request otherwise.
- 9.3. Our final invoice for the agreed Services will be adjusted pro rata for the time when notice was given. Fees accrued for Initial Planning up to the time when notice was given must be met in full even if the value of the planning to that point has been lessened as a consequence of not proceeding to deployment and Continuous Investment Services.
- 9.4. The specific arrangements required to cover termination will be set out in a separate Disengagement Letter which we will send you as soon as possible after notice has been given.

10. Governing Law

- 10.1. These Terms of Business apply to any service agreement between Fowler Drew and its Customer, as specified in a Scope of the Services Letter, and will be governed by and construed in accordance with English law.