

Arbuthnot Latham & Co., Limited, Arbuthnot House, 20 Ropemaker Street, London EC2Y 9AR

1. How we work

At our first meeting with you we will discuss the services we offer and how we are paid for these. This discussion is without charge or obligation on your part to use our services. If you decide to go ahead, we will proceed on the charging structure agreed and let you know when this begins.

We will then:

- Gather personal information about you, your finances, your needs and financial goals;
- Establish your willingness and ability to accept financial risk;
- Agree your priorities and then discuss an outline financial strategy and the scope of our work;
- Conduct a full analysis of your financial situation taking into account tax mitigation strategies and an appropriate asset allocation;
- Discuss and recommend any action we think you should take and confirm our recommendations in writing;
- Provide supporting documentation and highlight any associated risks;
- With your agreement, arrange relevant products or investments for you selected from the whole market.

2. Implementation, review and servicing

Strategy Implementation

Together we will agree a clear timetable of actions to ensure your strategy is managed and deployed successfully. Where practical, we will use a suitable investment administration platform to simplify the management of your investment portfolio.

Regular Meetings

We will arrange a regular annual meeting with you to reassess your strategy in line with your current goals. If any investments are no longer suitable, we will examine your portfolio and advise you on alterations to your holdings and/or asset allocation. You will have access to your Financial Planning Consultant and their support team for ongoing queries. We can also arrange for you to meet a Relationship Manager for advice on our specialist banking services.

What our Services Cover

Our services cover extensive product and fund research, financial advice, portfolio recommendations, the implementation of your strategy and administration of investments.

Other than at the annual meeting, we will not give you further advice on your investments or keep them under review. However, we will be glad to give you further advice or review your investments at any time you ask us to do so. There may be additional charges for this work.

Ongoing review and servicing is subject to an annual minimum charge. However, once an investment is in place and we recommend a switch of funds, other than the agreed review and servicing fee, we make no additional charge for arranging the changes.

3. Your payment options

We offer a number of payment options to suit your circumstances.

The payment options we offer are:

3a. Paying by fee. Whether you buy a product or not, you will pay us a fee for our advice and services on completion of our work. If we also receive commission from the provider when you buy a product, we will pass on the full value of that commission to you in one or more ways. For example, we could reduce our fee (commission offset - Further Information page 4) or reduce your product charges, or increase your investment amount, or refund the commission to you.

3b. Paying by a combination of commission and fee. In some circumstances, we also receive commission on top of any fee we might receive. This would include, for example, an ongoing or "trail" commission paid by a provider to help cover our servicing costs of their plan.

3c. Paying by commission (or product charges). If you buy a financial or insurance product, we will normally receive commission on the sale from the product provider. Although you pay nothing up front, that does not mean our service is free. You still pay us indirectly through product charges i.e. to pay for the provider's own costs and any commission. Where relevant, these charges reduce the amount left for investment.

4. How much our services might cost

4a. If you choose the fee option

Fees for arranging investments and insurances are calculated from the Tariffs in Tables 1 and 2. For specialist work e.g. advice and recommendations on estate planning, tax mitigation etc. we charge a project based fee based on an hourly rate. We will agree with you the rate we charge before beginning work and will tell you if you have to pay VAT.

Our typical hourly charges are:

Senior Financial Planning Consultant	£250-300 per hour
Financial Planning Consultant	£100-200 per hour
Financial Planning Technician	£100 per hour
Administrator	£75 per hour

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.

4b. If you choose the combination of commission and fee option

The actual amounts we charge will depend on the service provided to you, but will not normally exceed the higher of the rates shown in the Tariffs in Tables 1 and 2.

We accept ongoing (or trail) commissions to fund, in part or in whole, the cost of your annual meeting and the servicing of your portfolio and policies. This review service is subject to an annual minimum charge which may be paid from the "trail" commissions and /or fees. The current minimum charge is shown on page 4.

4c. If you choose the commission option

We will accept commission (or the equivalent we earn through product charges) from the provider. The amounts vary according to the type of product, the amount you invest, and (sometimes) how long you invest for, or your age at commencement. Before you buy a product we will give you an illustration, Key Features Document or Statement of Price with details of the commission we will receive, but you may ask for this information earlier. Examples of the normal commission rates we charge are shown in Table 1 overleaf.



Table 1 - Our Commission Tariff

This Table shows the typical cost of our sales and advice for single or regular premiums. The commission rate we receive for regular premium investments will vary according to the provider selected but will not exceed the maximum level shown below. Before any business is transacted you will be told the amount of commission payable to us, either set out in an illustration or in a separate document or letter.

The ongoing (or trail) commissions also shown are based on the premium or fund value. For commissions based on fund value, the actual amount in later years will vary in line with the size of your fund.

Products	Example term / age	Our Maximum Charging Rate
Collective Investments (e.g. unit trusts)	Any	3% of the amount invested plus 0.5% of your fund value each year
Insurance Bonds	Any	3% of the amount invested plus 0.5% of your fund value each year.
Personal & Stakeholder Pensions (single premiums)	Any	3% of the amount invested plus 0.5% of your fund value each year(excluding Transfers)
Personal and Stakeholder Pensions (regular premiums)	25 year term	40.2% of the first 12 month's payments plus 1% of all payments from month 28
	10 year term	18.8% of the first 12 month's payments plus 1% of all payments from month 13
Whole of life assurance	Age 40	35.8% of the first 12 month's payments plus 2.5% of each payment from month 49
Annuities	Any	1% of the amount invested
Annuities (impaired life)	Any	3% of the amount invested

Further Information on the Commission Tariff

Personal Pension Schemes

Not all types of personal pension scheme are included in the Commission Tariff above. Only the more common types are included, and schemes such as SIPPs are not. Before we start advising you, we will tell you how much we could be paid if we recommend one of these products to you.

You can also ask us about commission we might receive on underlying investments we recommend you hold within a SIPP if not contained in the information above.

Trivial Commissions

Some providers automatically send trail or renewal commission whether it is requested or not. Due to the administration cost of handling small amounts, we reserve the right to retain such sums not exceeding £25 per transaction regardless of the payment method agreed. Therefore, these will not be included as part-payment of the ongoing review and servicing of your plans.

Table 2 - Our Fee Tariff

Scope of Service	Tariff	Annual Servicing
Arranging Investments - ISAs (incl. PEPs), Pension Plans (excl. Stakeholder), Collective Investments, Investment Bonds, Hedge Funds	First £200,000 3% Next £200,000 2% Excess 1%	0.5% of the fund value
Reporting on a potential transfer of a pension fund from a registered pension scheme	Project based fee, dependant on scope of work subject to a minimum fee of £500	n/a
Arranging the transfer of a pension fund from a registered pension scheme	First £200,000 3% Next £200,000 2% Excess 1%	0.5% of the fund value
Establishing Unsecured Pension at outset (where Arbuthnot currently manage the pension portfolio)	1% of the invested fund Minimum fee of £1,000	0.5% of the fund value
Arranging Unsecured Pension at outset (where Arbuthnot do not manage the pension portfolio)	First £200,000 3% Next £200,000 2% Excess 1% minimum fee of £1,000	0.5% of the fund value
Organising an annuity (excluding Impaired Life Annuities)	1% of the purchase price Minimum fee of £1,000	n/a
Special Projects – e.g. Advice on Estate Planning, Tax Mitigation, Impaired Life Annuities	Project based fee, dependant on scope of work subject to a minimum fee of £500	n/a

Further Information on the Fee Tariff

Review and Servicing Charges

The Review and Servicing charge is subject to an annual minimum of £1,000.

Commission Offset

We charge you a fee but will accept initial commission, paid by the provider on your behalf, as part of your payment to us. Where this exceeds your fee, the surplus will be used to enhance the terms of the product. However, if the commission received is insufficient to cover our fee, we may invoice you for the difference.

If you cancel a contract within an ‘earnings period’ when you have agreed for us to receive commission as part of your payment to us, we reserve the right to send you an invoice for any amount reclaimed from us by the provider. Earnings periods typically last between two and four years and are based on the term of the contract. You will be told how long the period lasts before the contract commences.