

OUR CLIENT PROMISE



TIMOTHY JAMES
& PARTNERS
INDEPENDENT FINANCIAL ADVISERS

“Everything is simpler than you think and at the same time more complex than you imagine.”



Johann Wolfgang Goethe

OUR CLIENT PROMISE

WE BELIEVE in what we do.

That's why we're so driven on your behalf.



WE BELIEVE in experience.

That's why we only employ experts.



WE BELIEVE in old-fashioned values.

That's why we value the personal approach.



WE BELIEVE in listening to your needs.

That's why we only make recommendations that are specifically tailored to you.

WE BELIEVE in giving you real choice.

That's why we aren't tied to particular providers.



WE BELIEVE in carefully crafted solutions.

That's why we don't do quick fixes.



WE BELIEVE the best relationships are long-term.

That's why we plan for your future, not just your present.



WE BELIEVE you are unique.

That's why our service is bespoke.

*"If you do not tell the truth
about yourself you cannot tell
it about other people."*

Virginia Woolf ● ● ● ● ● ● ● ● ● ●

INTRODUCTION

At Timothy James & Partners, we believe that strong, long-term client relationships can only be built on solid foundations. For you to share your financial life with us, and take on board our advice, you must trust us. Then you can leave your financial affairs in our stewardship with total peace of mind.

Financial advice is not tangible, and it can take five to ten years for it to come to fruition; that's why we work on a referral-only basis. Whether the recommendation has come to you via your solicitor, agent, accountant or from a friend or colleague, it will be grounded on an existing (always long-term) relationship. These are people who have worked with us, whose faith in our expertise and integrity is based on experience. They have benefited from our advice - and enjoyed the results!

With each new referral, we want to ensure you see this integrity in action from the outset. That's why, as a first step, we always make a point of being completely transparent about the way we work: from how we structure our fees, how the different providers charge and what to expect

of the advice process itself, to how we help you make educated decisions about your financial future.

As recent legislation is bringing the industry as a whole into line with this approach, we felt it was a good opportunity to consolidate our disclosure advice material into one handy brochure. We've included a step-by-step outline of what you can expect to receive from Timothy James & Partners, together with inserts that explain our Retail Distribution Review compliance approach and our fee structure.

For new clients, we hope the brochure provides all the clarity you need to start the relationship with confidence. For existing clients, we hope it serves as a reassurance that our integrity remains constant, and our objectives unchanged: *To deliver advice that is honest, independent and bespoke, with your present and future financial interests at heart.*



Tim Whiting
Founder & Managing Director

GETTING TO KNOW YOU /
CATCHING UP

MONTHLY
EXPENDITURE

RISK
ANALYSIS

ASSET &
LIABILITY
STATEMENT

FINANCIAL
SUMMARY AND
VALUES

YOUR FINANCE
EXECUTIVE

FEE
TRANSPARENCY

1

2

3

4

5

6

7

THE FINANCIAL PLANNING PROCESS

It's all about you

OVERVIEW

THE PLAN

RECOMMENDATIONS

IMPLEMENTATION

REVIEW

MONITOR

LIAISING WITH YOUR ACCOUNTANT / SOLICITOR

8

9

10

11

12

13

14

Every client is unique. Therefore we need to establish who you are, what makes you tick, your financial issues and your future objectives.

You can expect to follow a tried and tested process; one that's designed to give us all the information we need to deliver truly tailored solutions, and to provide you with tools to help you achieve your financial aims.

The process may take a little time, but it's worth every minute. You've come to us for bespoke advice that's expertly honed to support your lifestyle, and this is how we deliver it.

STEP BY STEP

1. GETTING TO KNOW YOU

We meet to explore your current requirements and future objectives, and agree how best we can work together. This is when we run through our Fact Find and get to know your world on a deeper basis - family situation/ dependants; properties; directorships/ companies/ share holdings etc. Once we're established we will meet to have a catch up so you can tell us if anything has changed.

2. MONTHLY EXPENDITURE

We study your monthly/ annual outgoings in detail; this may include your mortgage or rent payments, household utilities, medical care and the weekly shop. From these findings we can consider your future income requirements: what you need to generate now against what you will need in years to come – for example, income needs *with* children and mortgages versus income needs *without!*

3. RISK ANALYSIS

Risk profiling is the financial services equivalent of the first blood pressure machine. While an accurate blood pressure reading does not, by itself, determine a diagnosis or treatment, it does provide critically important information! We perform an analysis and assessment to pinpoint where you are on the risk tolerance scale, and to ensure that any recommendations we make are within your comfort zone.

4. ASSET & LIABILITY STATEMENT

We look at your assets and liabilities – what you own versus what you owe – and gather the data into a statement. We use this to help calculate your wealth and inheritance tax liability, and it's a very useful document to send to your solicitor to help them draft your will.

The value of your individual assets may change every year. They can go up or down depending on property market cycles, spending patterns and the world in general. If your house has gone down in value but your investments and savings have gone up – it's about understanding the trend, and why, year in year out.

5. FINANCIAL SUMMARY AND VALUES

The Financial Summary is one document that provides an overview of your current protection, investments and pensions. We use it to help us analyse and research your existing plans, and to give you an independent view of the advantages and disadvantages of the financial arrangements you have accumulated over the years. We then make our recommendations to consolidate and focus these arrangements, and ensure they remain relevant both to today's economic environment and your personal financial situation.

6. YOUR FINANCE EXECUTIVE

At this point we introduce your dedicated Finance Executive, who will be your personal point of contact going forward. This person works alongside your consultant and is fully aware of who you are and what we are doing for you. They are technically advanced and spend half their time researching the various options you have discussed with your consultant, so they can 'hand-hold' you through the process from start to finish. They are always available to answer any questions you may have.

7. FEE TRANSPARENCY

We'll go through our fee structure fully on a one-to-one basis, and you can also find a comprehensive breakdown of the charges enclosed.

We can discuss our fees at any time; what you're paying for is our dedication to your financial well-being, and we want to be as up-front about that as soon as possible. Quite often (until we understand what the best solution is going to be) we don't know what the provider's fees are. You should feel comfortable enough to have an open conversation with us about our initial and on-going fees whenever you want.

8. OVERVIEW

Based on all our fact-finding to date, we put together a clear and concise overview of your current financial situation, and your future objectives across a given timescale. This written overview provides you and us with a resume of our initial discussions, your financial background and objectives. It's all about you, written in plain English.

STEP BY STEP

9. THE PLAN

We bring specialist insights and solutions to the table, in order to create a finely tailored and holistic financial structure. We then advise on the best implementation and management of this structure, in order to maximise the chances of achieving your objectives. By this stage we should know the costs and the fee structure, and we all need to be in agreement before proceeding any further.

10. RECOMMENDATIONS

Having spent a considerable amount of time getting to know you and understanding your current financial situation and objectives, we can now make recommendations. Typically we will be researching your existing contracts, discussing potential new options and comparing solutions.

We use the structure of the plan to recommend ideas, products and investments to meet your specific requirements. This is where we bring everything together, either in the form of a letter or a Discussion Document.

11. IMPLEMENTATION

We put all the agreed plans in place and implement them for you – leaving you free to get on with the business

of living! Your Finance Executive can help you with your paperwork, and will email and phone you to keep you informed all the way through to completion. You always have the option of changing your mind at any point during the administration process.

12 & 13. REVIEW, MONITOR, REVIEW...

We'll be constantly monitoring your financial plan's progress, so we'll need to confirm how frequently and in what way we'll keep in touch to review how things are going. These meetings are also a way for you to update us about any changes to your life or financial objectives. And it lets us keep you informed about the ever-changing financial environment, and how it might affect you.

14. LIAISING WITH YOUR ACCOUNTANT, SOLICITOR OR AGENT

As we are aware of your investments, income, gains and losses, your business, property and assets we are in a unique position of clarity. With your prior approval we encourage this close relationship to share information where this is relevant and ensure that the eventual solution is right for you.

HOW WE PROVIDE OUR SERVICES

GENERAL FINANCIAL TIDY UP AND OVERVIEW

One of the main reasons that people come to us is that they require an overview of their current financial situation.

PERSONAL AND CORPORATE PROTECTION

We always consider what would happen in the event of your premature death. This is particularly relevant if you are the main breadwinner or the parent of young children. So you can be sure your family is financially protected should the worst happen.

CORPORATE FINANCE

Many of the clients we look after are business-owners and self-employed individuals. So when it comes to their business they may require guidance in some of the following areas:

- Overdraft facilities
- Business loans
- Capital expenditure loans
- Invoice discounting

PENSION AND RETIREMENT PROVISION

One of the key areas of financial advice we give is how you can structure your finances so that you can have the option of stopping work in the future. Pension contributions are highly tax-efficient but provision can also come from investment properties, the sale of a business or a future inheritance.

RESIDENTIAL MORTGAGES

We understand your finances completely and are ideally placed to advise you on the right mortgage solution for your requirements.

INHERITANCE TAX PLANNING

It is important to maintain your own financial independence for the whole of your life. Nursing and healthcare costs in the future can be expensive.

However, once we have decided how much capital and income you require, recommending gifts, setting up trusts or perhaps insuring the inheritance tax liability may save your family a considerable sum.

TALK TO US

Of course, whilst it's good to have a review structure in place, we appreciate that real life doesn't always stick to the schedule.

Whatever's on your mind, whatever crops up, we're only ever a phone call away. 'Review' doesn't have to be a formal affair; it could be a drink after work, or a catch-up over a coffee.

Talk to us; it's what we're here for.

- **Tel:** 020 7436 6446
- **Fax:** 020 3597 6050
- **Email:** info@tjpltd.co.uk
- **Website:** tjpltd.co.uk

A Regulated Business

We are directly authorised by the Financial Conduct Authority who require advisory firms to:

- Clearly describe their services as either independent or restricted.
- Explicitly disclose and separately charge clients for their services.
- Ensure individual advisers adhere to consistent professional standards including a Code of Ethics.

At Timothy James & Partners, our reputation has been built upon transparency, integrity and uncompromising professionalism. We welcome any legislation that ensures the application of these principles across the financial advice industry.

Timothy James & Partners are independent financial advisers. This means we are not affiliated to or dependent upon any financial organisation or proposition. We are legally obliged to recommend the most suitable solutions for each individual client.

Our fees are clearly explained in our Fee Structure and agreed with you before any chargeable services are provided. The initial meetings are at our cost, during which, we will ask you to sign an agreement to confirm your understanding of our services and how we are remunerated.

Our advisers are widely experienced financial experts. They are paid a well-earned salary and not remunerated by commission or bonuses; this ensures our advice is not financially incentivised, but directed purely by your needs. Our advisers are free to recommend from a comprehensive range of options. The only factors that influence our recommendations are your own personal objectives, up-to-the-minute market insight and expert financial judgement.

Our Philosophy ensures our clients:

- Understand the advice process and the service we will deliver.
- Are offered a transparent and fair charging structure for the advice and service received.
- Receive advice from experienced and qualified professionals.

We work by referral only, which means that every client relationship entered into is on a pre-existing foundation of trust, based on recommendations from those who have personal experience of our services.

Client-focused communication is at the heart of what we do, if at any time you feel you would like further information or clarification about our services or fees, please do not hesitate to contact your Timothy James & Partners consultant.

Introduction

This agreement explains the services you are being offered and the manner in which these services will be carried out. For your own benefit and protection you should read these terms carefully before signing them. If you do not understand any point please ask for further information.

The provisions of these Terms of Business will take effect immediately when they are provided to you and will continue in force until they are cancelled by you or us, or they are replaced by an updated Terms of Business.

Our Status

We are authorised and regulated by the Financial Conduct Authority ("FCA") as Independent Financial Advisers. The FCA is the independent watchdog that regulates financial services. We are listed on the FCA register and our firm registration number is 179854. You can check this and our address on the FCA's Register by visiting the FCA website at <https://register.fca.org.uk/> or by contacting the FCA on 0800 111 6768.

The FCA can also be contacted at the following address: 25 The North Colonnade, Canary Wharf, London E14 5HS.

We provide an independent advice service. This means when we consider and recommend retail investment products for you we do so free from any restrictions or bias. We will make personal recommendations to you without limiting (or restricting) our advice.

Your Investment Objectives

Your investment objectives will be set out and summarised within a personalised suitability report. This will be issued to you after your personal consultation in order to document and explain the recommendations we have made.

Our Services

We can advise you on life assurance, pensions, other retail investment products and other investments. We can also advise on pure protection and private medical insurance contracts from a range of insurers. We will carry out any instructions you give us to transact any such contracts and in undertaking these services for you we will rely upon the information you provide to us.

Our advisory activities for you may include higher risk investments such as non-mainstream pooled investments (NMPI), structured products and investments that are not readily realisable. The relevant risk warnings for these investments will be set out in your suitability letter.

The services we provide will normally involve us entering into arrangements with you under which we will:

- Gather information about you
- Carry out research to find suitable investment options
- Provide you with reports, financial health-checks and forecasts
- Advise you as to the best investment options

We may implement the agreed options by arranging transactions in retail investment products, securities or non-investment insurance products; and in some cases:

- Monitor your on-going position to ensure that the products continue to meet your requirements, especially where your circumstances are changing
- Recommend changes to your product portfolio to ensure that it continues to meet your requirements as circumstances change.

We have classified you as a "retail client". 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, however this may result in the loss of 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 in respect of any investments we recommend or arrange on your behalf.

Our registered address, and the address from where we will provide our services to you is shown at the bottom of this Terms of Business.

Our Remuneration – Investment Business

We will discuss your options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid.

For most business we will be remunerated on an adviser charging basis: we will agree its basis in writing with you and will inform you of any related charges, expenses and taxes before carrying out any chargeable work. Any Schedule of Charges we may issue to you will contain details of how payment is to be made and is deemed to form part of this Terms of Business. Notification of any change to the level of charges will be given in writing.

In the event that we are entitled to receive a commission for non-advised transactions or for certain business transacted or advised on prior to 31st December 2012, we shall tell you the amount of any commission that is paid to us by product providers and other institutions with whom investments are made.

You should be aware of the possibility that other costs or taxes relating to the services that we provide for you may exist even though they are not paid through us or imposed by us.

In respect of investment business we offer the following options by which settlement of our charges may be made:

- Direct Payment to us
- Facilitated Payment to us by the Product Provider
- Any combination of Direct Payment and Facilitated Payment
- Annual regular % fees (where a fund based fee is being paid).

We will not take action to implement any of these methods until we have agreed with you how our adviser charges are to be settled.

Our Remuneration – Non-Investment Insurance Business

For non-investment insurance business we will not charge a fee.

Our Remuneration – Home Finance Business

For home finance advice, typically mortgage advice, we will charge a direct fee. If we receive a fee from the lender we will put it towards our direct fee.

Communicating with you

The services for our investment business that we provide are set out in our Fee Structure and Client Fee and Service Agreement accompanying these Terms of Business. At our discretion and, unless we hear from you to the contrary, we may telephone you from time to time between the hours of 9am to 9pm without your further prior consent to such contact.

All cheques, documents of title, etc, may be sent by post to your last known address and shall be sent at your own risk. The Recorded Delivery service will not normally be used.

Conflicts of Interest

When offering independent financial advice 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 and ask for your consent before we carry out your instructions.

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 appropriately independent level of service by putting in place appropriate procedures, supervision and monitoring techniques. Further details of the Policy are available upon request.

Complaints

If, after we have reviewed your complaint, you remain dissatisfied, you have the right to refer your complaint to the Financial Ombudsman Service (FOS) which handles individual complaints that consumers and financial businesses haven't been able to resolve themselves.

Full details of the FOS can be found on its website at www.financialombudsman.org.uk. Alternatively you can also refer your complaint to the Online Dispute Resolution Service by visiting their website at <http://ec.europa.eu/consumers/odr/>

Copies of our complaints procedures are available, free of charge, on request. We will not levy any charge for complaints made against us.

Risk Factors

Please be aware that investments and the income from them can fall as well as rise, and that you may not get back the full amount invested. The price of investments we may recommend may depend on fluctuations in the financial markets, or other economic factors, which are outside our control. Past performance is not necessarily a guide to future performance. Specific warnings relevant to the investments, or investment strategies, we recommend will be confirmed to you in your Suitability and Recommendation Report.

Compensation

If you make a valid claim against us in respect of the investments we arrange for you, and we are unable to meet our liabilities in full, you may be entitled to redress from the Financial Services Compensation Scheme. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to £50,000 and deposits are covered up to a maximum limit of £75,000. Pure protection and private medical insurance contracts are covered for 90% of the claim, without any upper limit. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.

Instructions

We require our clients to give us instructions in writing. We will accept oral instructions at our discretion, which must be followed up in writing. We will acknowledge, either in writing or orally at our discretion, any instruction you give us. We can refuse your instructions at our discretion.

Our authority to act on your behalf may only be terminated in writing, at any time, without penalty, by either party and with immediate effect without prejudice to the completion of any transactions initiated prior to receipt of such notice.

Money Laundering

Where we are required to verify your identity in accordance with the FCA rules, no investment will be made until such verification has been obtained. If the required verification is not forthcoming within a reasonable period we will not arrange any investment for you.

We may use and search the records of credit reference or fraud prevention agencies to check your identity to satisfy the requirements of the UK Money Laundering Regulations 2007, the Proceeds of Crime Act 2002 (and subsequent amendments), the Terrorism Act 2000, the Anti-terrorism, Crime and Security Act 2001 and FCA rules. Such searches will not affect your credit rating. Where such searches prove unsatisfactory for this purpose, we may ask you to supply at least one document to verify your identity and/or address.

Your Money

We are not authorised to handle client's money. We cannot accept cash or cheques payable to ourselves other than for our own advice charges.

Data Protection / Personal Information

Personal information provided may be maintained on computer records and will not be disclosed to other parties except other businesses within the same group, representatives of our compliance advisers, our auditors, and any organisation requiring access to such information for regulatory purposes only, or any person having a legal entitlement to access.

Future Changes

We may change the content of this Terms of Business at any time in the future but will not act on any change until you have given your consent by signing an amended agreement.

Cancellation / Termination

You or we may terminate our authority to act on your behalf at any time, without penalty. If we terminate the contract we will aim to give at least one month's notice. Notice of this termination must 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 Terms of Business unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees outstanding, if applicable.

Where advice has been provided for which an adviser charge was agreed, and you either decide to not proceed with the transaction or, having proceeded, to exercise your statutory cancellation rights, you agree that the adviser charge will still be due and payable in those circumstances and that we may seek to recover any appropriate adviser charges due from you for the work we have undertaken.

You have a right to cancel any on-going service and associated adviser charges without penalty and without a reason being given. We will require one month's notice of this cancellation and our relevant on-going services will cease from the end of the notice period. We reserve the right to make an adviser charge for continuing services provided up to the date of cancellation.

Law

English law will be the basis of this contract and the language in which this contract will be interpreted, and in which all communications will be conducted, will be English.

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Terms of Business.

Your Consent

This is our standard retail Terms of Business upon which we intend to rely. For your own benefit and protection you should read these terms carefully before signing below. If you do not understand any point please ask for further information.

Signed _____

Date _____

For and on behalf of Timothy James & Partners Ltd

I/We confirm receipt of and my/our agreement to the points contained in the Terms of Business and further acknowledge that I/we have been given at least 24 hours in which to consider my/our acceptance.

I/We authorise the transfer of information, on a confidential basis when warranted between any necessary third parties. I/We acknowledge that these Terms of Business will come into effect from the date of issue and I/we acknowledge receipt of the Key Facts Document 'about our services and costs' and the Client Fee & Service Agreement which outlines our typical charges, services and acceptable methods of payment.

* I/We also confirm that I/we am happy to give Timothy James & Partners Ltd my law express consent to contact me/us by telephone to discuss my/our investments or in relation to financial planning in future.

Name _____ (Client)
(Block Capitals)

Signed _____ (Client)

Date _____

Name _____ (Client)
(Block Capitals)

Signed _____ (Client)

Date _____

At Timothy James & Partners we are remunerated for providing **initial financial planning advice, “the advice process”** (with the first consultation at our cost) and for **ongoing investment advice**. You pay us an up front fee and a percentage annual fund based fee for the ongoing work. These are typically deducted from your investments and pensions and paid to us monthly or quarterly. You pay us from your money - we are not paid by third parties. We act for you and are independent, and strive to make sure you receive value for money.

Since we started in 1995, we have only ever operated on **client-agreed remuneration** where we are crystal clear about how much you are paying for the services that we provide to you. This is detailed in an initial discussion, in the written policy documentation and the letters that we send through. In fact our Updated Review form, which we complete when we see you, asks you the question ‘do you understand how Timothy James & Partners are remunerated?’ - just to make sure!

Therefore the FCA’s Retail Distribution Review implemented in January 2013 does not change that initial fee structure, nor the ongoing fee that you pay us from your various ‘pots’. In the majority of cases this is a fee that’s collected by your product provider and paid to us from your investment (the investment performance you see is after charges). For over 18 years our objective has been to make sure that you understand how much you are paying us and how it affects your financial arrangements. This is expressed as a percentage, as an amount and as a reduction to your fund value.

Once Timothy James & Partners have received the **initial fee for the financial planning advice** (which is agreed by you) **the ongoing annual fee**, in most cases, can be deducted from your investments or pension that have been put in place. Historically it represents 0.5% of the value of the fund. In this way everybody’s interests are aligned: if a fund goes up we all receive more and if a fund goes down we receive less. This annual fee pays for the quarterly or annual reviews.

Initial Fees

In terms of investing an initial amount of money typically via an ISA, pension or investment portfolio we charge the following amounts:

Amount Invested	Percentage to be deducted
£0 to £300,000	3%
Next £200,000 (up to £500,000)	2.5%
Next £500,000 (up to £1m)	2%
Next £500,000 (£1m to £1.5m)	1.5%
Next £500,000 (£1.5m to £2m)*	1%
In excess of £2m	0%

*Our initial fees are capped at a maximum of £35,000

Ongoing Fees

When we talk about investments, pension arrangements and general savings that build up a fund value, there is a one-off initial charge for this new transaction (as illustrated above) and also the ongoing charges which can typically involve three different components. Whilst these are different for every individual and every contract, to give you an idea they look something like this:

- 1 Timothy James & Partners 0.5% - 0.85% per annum**
- 2 Platform/product 0.1% - 0.6% per annum pension, ISA, bond etc.**
- 3 Underlying fund manager 0.25% - 1% per annum**

Therefore (depending on which service you choose) when it comes to a solution that is investment orientated, it is the total charge which you should be considering. This will be different for each client, but every solution is analysed and agreed by you in advance. Typically it could be either side of 2% pa + VAT and stamp duty etc, depending on which investment service you select. We consider the charges that you pay in comparison to the whole of the market, as part of our independent analysis of your solution.

In the event that the solution we recommend provides an investment service, we would require a remuneration structure which is based on a percentage of the fund value. This is agreed by you and deducted from the ‘pot’ on a monthly or quarterly basis. It is facilitated by the product or platform provider. Historically, Timothy James & Partners have always charged 0.5% p.a. of the fund value

which is agreed by you at the outset. This money is paid to us in respect of providing the following services:

- The investment structure
- The ongoing analysis of the chosen investments
- Guidance and education
- The investment service
- Reviews
- Ongoing advice
- An 'open door'

We offer the latter because we want you to feel you can always meet with us for a cup of coffee, and talk over any particular aspect of your finances which is important to you. Because we don't charge hourly rates, we won't be invoicing you for this 'open door' service; we are compensated by the annual fees that you agree in advance. This depends on your chosen investment solution, which is tailored to your specific situation.

Going forward, this would be one of the following:

Advisory	0.85% per annum
Discretionary Model Portfolio Service	0.75% per annum
Your Bespoke Discretionary Service	0.65% per annum

See Our Investment Proposition

We break down all of the charges and explain them in detail. Our aim is to make sure that you understand the charges, how much is being taken out of your 'pot' of money and what service you get from those charges.

We thoroughly analyse everything on your behalf to ensure you have the best possible charging structure for your requirements. We believe in transparency, disclosure and communication, every penny that we or the product providers earn from your 'pot' is verbally discussed with you and put in plain, simple English so that you can agree or disagree before you implement the solutions.

Renewal Commission

Renewal is generated in respect of long term insurance and pension contracts once you are through the initial charging period of between 24 and 48 months, Timothy James & Partners would typically receive 2% of the annual premium that you pay for your pensions, life assurance and savings plans. For example, if you paid £100 a month Timothy James & Partners would earn £24 a year in renewal commissions. Most new contracts don't provide renewal commission.

One-off Service & Advice

There may be occasions when you come to us with a specific need or requirement. For example: it may be near to the end of the tax year and you may want to invest in an ISA, but don't require a full investment service; or you may have a pension fund where you want to know what the best annuity rate is, and want us to arrange the annuity for you. Our service will be limited to ensuring that the product is suitable for you at the time you come to us. In these circumstances we will negotiate a specific rate for the service up front with you and there will be no ongoing charges.

You should remember that there is no ongoing review or management service promised or provided, and you will need to make your own arrangements to ensure that the

product remains suitable to your circumstances in the event of any changes.

We do not offer this service for any contract that has an investment content. In our opinion investment business needs to be regularly reviewed.

There are very few situations that Timothy James & Partners would operate on a transaction orientated relationship.

ADDITIONAL SERVICES

Personal & Corporate Protection

When it comes to the commission generated from a protection contract like life assurance or critical illness, then we would receive a payment from the insurance company. We would work out which is the cheapest company, its financial strength, its claims' track record and what it covers before arriving at our recommendation. We can use the whole of the market to make sure that you have the best possible contract for your situation over a given period of time.

Part of your premium consists of a marketing/commission which is payable to Timothy James & Partners in respect of a period of time up to four years. In the event of you stopping or reducing the premium during that initial earning period, the product provider would 'claw back' the commission payable to Timothy James & Partners; some of the premium that you pay is loaded to pay for that commission. This type of contract is not affected by the Retail Distribution Review, but Timothy James & Partners would always disclose the amount of money that we earn from this contract which we use to remunerate ourselves for the service and advice you receive in respect of this transaction. It would always be disclosed up front and explained in detail.

In respect of an initial commission from a protection policy, we will always let you know how much it is and how much the premium will have increased due to the payment of the commission. Most of our clients are happy for us to receive a commission from a protection policy, as it is a useful method to pay us for the services that we

provide. However, it needs to be agreed by you and our consultants.

Examples of total commission for sample premiums are shown below*:

Company	Monthly Premium	Death Benefit	Term	Total Commission
Aviva	£37.14	£500,000	25 yrs	£710.48
Ageas Protect	£40.78	£500,000	25 yrs	£859.45
Bright Grey	£41.18	£500,000	25 yrs	£829.19
Legal & General	£41.21	£500,000	25 yrs	£774.51
Zurich	£41.50	£500,000	25 yrs	£822.09

Examples of premiums less commission*:

Company	Monthly Premium	Death Benefit	Term	Total Commission
PruProtect	£30.42	£500,000	25 yrs	£0.00
Aviva	£32.92	£500,000	25 yrs	£0.00
Legal & General	£33.03	£500,000	25 yrs	£0.00
LV=	£33.44	£500,000	25 yrs	£0.00
AEGON SE	£33.90	£500,000	25 yrs	£0.00

*Male and Female, non-smokers, age 30, joint first death. 31/01/13

Corporate Finance

We understand the current financial situation of your business, and your funding requirements. We consider the different appetites for various lending structures and make an introduction to the most suitable bank for your situation. It is the bank's job to give you advice on their corporate finance packages, which are tailored around your requirements. If you accept the offer of finance that has been organised on your behalf by the financial organisation we have introduced you to, we would charge you between 1% and 2% of the amount of finance that we organise. We request that 50% of that money is paid on acceptance of the offer of finance and 50% on completion.

Residential Mortgages & Equity Release

In respect of residential mortgages we charge up to 1% of the mortgage amount that we organise, depending on the size and complexity of the loan. The minimum fee we will seek to arrange any loan is £1,000. This is paid to us on completion of the loan. It is possible sometimes to negotiate for the chosen lender to pay a procurement fee towards our costs. We will always offset this against the direct fee that we charge.

In respect of Equity Release, which is more detailed, the charge can be up to 2.5% of the loan organised.

What does 'risk' mean to you? Danger? Uncertainty? Opportunity?

All kinds of factors can influence risk tolerance: personality; experience; family and work situations; plans and aspirations... It's a big picture, and it requires detailed assessment. That's why one of the first things we'll ask you to do is to complete a questionnaire, the findings of which will form part of your Personal Risk Profile.

When we talk about your risk 'tolerance' we mean the level of risk that you as an individual want to take. This broadly falls into three categories:

1. Personal risk

How much risk are you willing to take as an individual? Would you say you have a risky nature? Does your lifestyle incorporate borrowing as a matter of course, and are you 'ok' with being in debt? How much risk are you prepared to expose yourself to, in order to achieve and maintain your chosen lifestyle?

When it comes to taking risks you will have your own particular comfort zone, and this will automatically influence any investment decisions you make. How much risk are you prepared to tolerate in the search of greater long term return.

2. Investment risk

Your tolerance to investment risk is rather different to your attitude towards risk. The financial world is a mercurial one; markets fluctuate and values rise

and fall. How would you rate your ability to ride the peaks and troughs, and at what point would you feel impelled to sell out?

It's important that we are fully aware of your investment risk tolerance before making any recommendations. We advise on longer-term solutions and you need to feel confident that you can sit out any short-term fluctuation in capital value in order to benefit once the investment recovers.

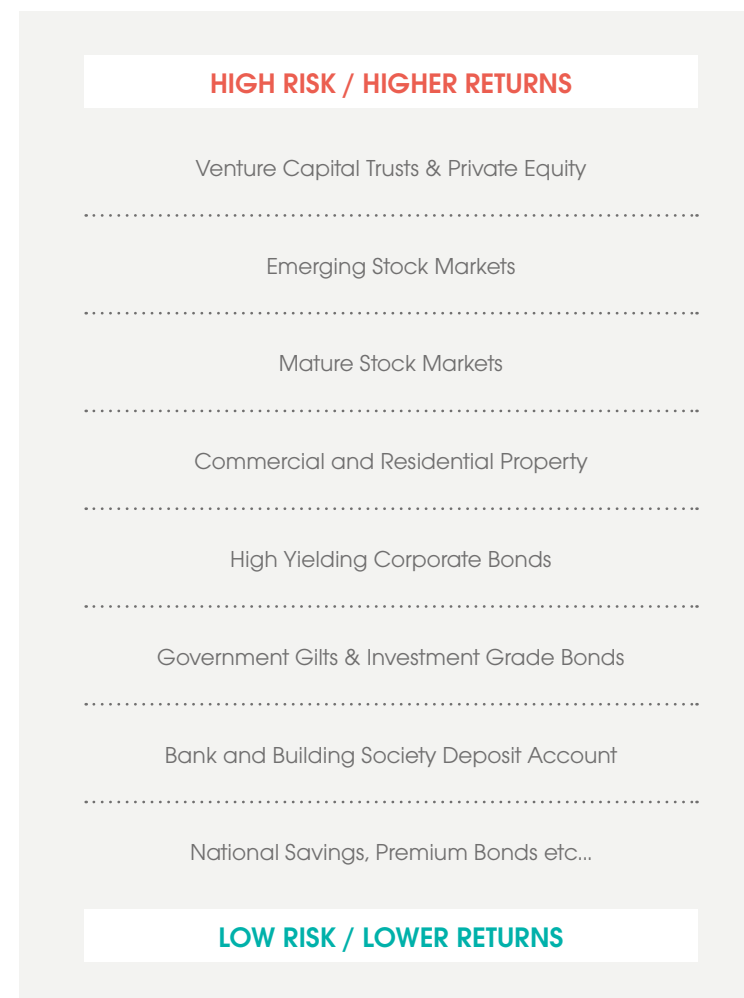
3. Ability to risk capital

How much can you afford to invest, and for how long? How much money can you lose, and how would the loss affect your standard of living? What financial 'cushioning' do you have against any short-term losses?

Concrete factors such as these will obviously have a bearing on your financial plan, and help us with the recommendations we make.

To obtain a clear picture of your overall risk tolerance, we **utilise our Investment Risk Ladder (right)**. The ladder is tailored according to your Personal Risk Profile. We then discuss allocating funds to different 'steps' of the ladder in order to create a balanced investment portfolio that a) mirrors your attitude towards risk and b) sits within your personal comfort zone.

Investment Risk Ladder:





OUR INVESTMENT SERVICES

Once we have achieved a detailed understanding of your financial profile, your attitude to risk, and your short/long-term objectives, we can then begin to advise you on your investment options.

At Timothy James & Partners, we offer three different investment services: Advisory, Your Bespoke Discretionary Service, and Discretionary Model Portfolio Service.

We sit on 'your side of the table' to consider which of these services you would benefit from, and (in the case of Your Bespoke Discretionary Service / Discretionary Model Portfolio Service) which company should provide the discretionary fund management or Managed Portfolio Service. The Advisory service is provided by Timothy James & Partners internally, based on our first-hand knowledge of the best performing fund managers.

We use our extensive market experience and expertise to assess all the investment service options available to you, and judge which are the best 'match' to your bespoke financial plan.

Advisory Service

Each year, we interview over 30 different fund managers covering all asset classes, and meet monthly with a smaller group to keep in touch with the investment markets. We also meet with leading economists to help assess individual company and sector performances in a macro context.

Armed with this expert insight, we are then able to provide an independent view of how you should invest your money for the next 12 months of a 5-year rolling plan. Our job is to advise you on the most suitable investment, best deposit interest rate, opportunity for growth and tax driven

product, without undue risk at any one time.

We will make recommendations suited to your particular circumstances and objectives, **but will not communicate any sale or purchase decisions to your fund managers without your written agreement.** In other words, we will guide you and recommend fund managers and asset classes suited to your appetite for risk – but it will always be you who makes the decision and signs the paperwork.

Your investments will be monitored and reviewed. We will work closely with you to ensure you are up to speed with every aspect of your portfolio's performance – so you can make fully informed decisions about any changes. The investment managers, asset classes and funds chosen at the outset cannot be changed until you instruct us. This service is ideal for the more hands-on investor.

You need to be guided, educated and stay involved!

Your Bespoke Discretionary Service

Your Bespoke Discretionary Service allows you to hand over the day-to-day management of your investment portfolio to a dedicated Discretionary Fund Manager (DFM), working alongside your Timothy James & Partners consultant. We decide your requirements based on your personal risk tolerance and financial objectives and then instruct the DFM to work within these agreed guidelines.

Not all DFMs operate under each company investment product; your Timothy James & Partners Finance Executive will find out which investment services you want, and which managers are able to facilitate that service under your existing financial planning products. We also work with independent research companies to assess each DFM's performance and how much risk they take to achieve their return.

- The DFM creates your portfolio from all kinds of different investment vehicles, such as individual stocks and shares, index trackers, structured products, Exchange Traded Funds and Passive funds.
- They will assess exactly how these individual vehicles perform in different climates and in relation to each other, monitor their progress, and aim to 'bank' the profits when an asset reaches its true potential. In essence, they are continually 'rebalancing' your portfolio according to market performance.
- This service is best suited to those who prefer to delegate specific investment decision-making and administration to a trusted expert, acting within pre-agreed guidelines.
- It streamlines the investment process, allowing your DFM to implement decisions quickly according to the rapidly changing market. By cherry-picking the 'best' in any individual investment option, you would hope for a more effective return; you can also reduce your management costs by choosing passive or low-maintenance investment options.
- Unlike the Advisory Service, a Discretionary manager has the flexibility to make changes immediately if a market event occurs in line with your 5 - 10 year plan.
- Your DFM provides quarterly reports, as well as information relevant to any mass market event; meanwhile we will continually review your portfolio's progress with you, and advise on any adjustments.

Investments can be moved without your agreement, the portfolio does not include individual stocks and shares, and nobody manages out your capital gains and losses. In that sense, Discretionary Model Portfolio Service is not fully bespoke - but the 'package' of investments will mirror your risk preferences and personal objectives. This service is low maintenance (from your point of view), and offers a good value option that still allows you to benefit from some of the services provided by full Discretionary management.

Discretionary Model Portfolio Service

This is a Managed Portfolio Service (MPS) made up of as many as 25 funds across different asset classes and geographical markets, compiled to make up a specific 'risk' (cautious, managed, income, growth, developing markets, commercial property etc).

The Discretionary manager aims to select the best performers for the current and future macro picture in each 'risk', and studies how each fund interacts to ensure even distribution of holdings. They monitor, rebalance and review the investments to maximise your return. They will run the strategy and dictate the holdings without your input.



How Timothy James & Partners add value to the Investment Propositions

Timothy James & Partners will consider which investment propositions are the most suitable for you. We analyse a range of factors to ensure we find the correct solution for you. This will include understanding and evaluating the following:

1. Is it unitised or segregated?
2. Personal relationships and actual funds
3. Historical investment performance
4. Dealing charges
5. Annual management charges
6. Interest rates on cash or client accounts
7. Specialist investment areas (i.e. commodities, smaller companies etc.)
8. The investment groups' investment process and team view rather than the individual manager
9. Overall charges
10. Whether the investment service is compatible with your existing structure and 5 year plan
11. Monitor the performance and alter the manager on your behalf if they do not perform or they change

Key Points of Difference

ADVISORY SERVICE

- Timothy James & Partners select fund choices with you
- All collectives considered
- Focused approach with potentially fewer funds
- You are guided by us and stay involved and provide written authority to make changes to fund choices
- Valuations ad hoc and typically during your face to face review

DISCRETIONARY MODEL PORTFOLIO SERVICE

- Researched and run by Discretionary Management
- All collectives considered
- 10-25 funds selected to achieve your funds long term objective
- Analysis of how each fund or asset class behaves and interacts as a portfolio
- Quarterly rebalancing
- Investments considered quarterly, and the fund manager can make appropriate switches in line with the performance of the portfolio and the ever-changing macro picture on your behalf
- Good value

YOUR BESPOKE DISCRETIONARY SERVICE

- Researched and run by Discretionary Management
- Individual stocks and shares
- All investment vehicles considered
- Bespoke to you and your set mandate
- Monitor how individual investments behave and interact
- Regular ongoing rebalancing
- Capital gains and losses planned
- A Fund Relationship Manager
- Quarterly Valuation documents
- Investments considered and potentially altered daily if deemed appropriate
- Immediate correspondence on mass market events

