

# OUR CLIENT PROMISE

*"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 or financial solutions.



**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 tailored to your needs.

*"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.

Our commitment to robust foundations and a culture of trust has been strengthened further by our recent partnership with Söderberg & Partners UK which is helping us deliver even greater financial strength to our clients.

Financial advice is not always immediately tangible, and it can take five to ten years for it to come to fruition; that's why we foster lasting relationships and 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, really valued the outcome 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 changes to regulation have brought the industry as a whole into line with this approach, we felt it was a good opportunity to update our disclosure 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 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**

# A PERFECT PARTNERSHIP

In 2023, it was announced Timothy James & Partners was being acquired by Söderberg & Partners UK, an exciting venture to bring together our award-winning businesses.



## TRADITION AND QUALITY

Söderberg & Partners Wealth Management is a leading wealth manager in the Nordics and part of the Söderberg & Partners group. Gustaf Rentzhog, the Group Chief Executive Officer, established the group in 2004. Per-Olof Söderberg, the Chairman, was the first investor and gave his family's name and reputation to the group.

Söderberg and Partners ethos is in challenging the status quo. Everything they do is imbued by their drive to question traditional ways of working. If there's a way of doing things differently to gain more efficiency or quality, they will deploy their knowledge, technology, and scale to realize this potential. Their aim is to provide the highest quality investment management and the highest level of service to their clients, which means they are a perfect match for the values of Timothy James & Partners.

## A SHARED VISION

Our joint business aim is to provide the highest quality investment management and financial planning advice.

Our combination of services consolidates our strengths and provides a springboard to develop the best financial planning and investment advice for you, your family and your business. Our combined expertise means we can design and manage bespoke, risk adjusted and focused portfolios for all clients.

## THE BEST SOLUTIONS FOR YOU

Finding the best financial planning solutions for all our clients is the essence of our philosophy. Together, we make up an award-winning investment team equipped with world-class economists, analysts, and strategists.

Today the heart of our business is the long-term relationship we have with you, one focused on your financial wellbeing.

GETTING TO  
KNOW YOU

MONTHLY  
EXPENDITURE

RISK  
ANALYSIS

ASSET &  
LIABILITY  
STATEMENT

FINANCIAL  
SUMMARY AND  
VALUES

1

2

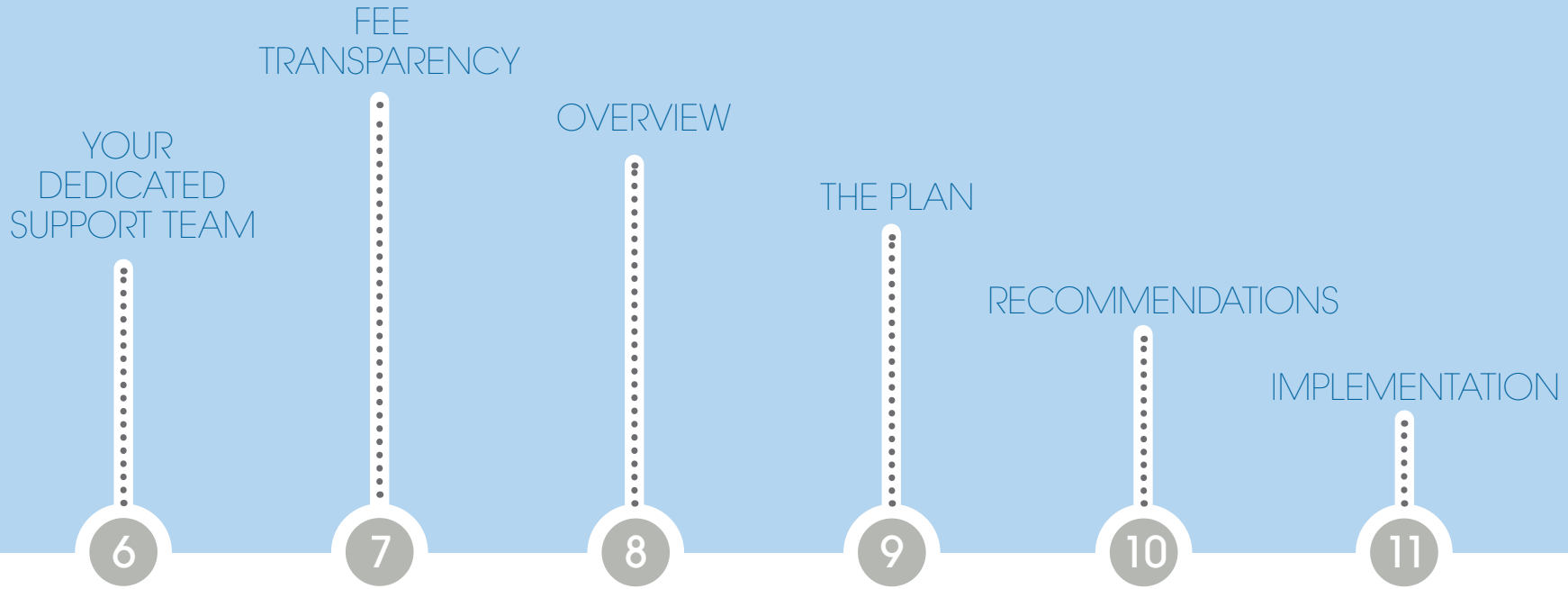
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4

5

## THE FINANCIAL PLANNING PROCESS FOR INITIAL ADVICE

*It's all about you*



Every client is unique. Therefore we need to establish who you are, what makes you tick, your financial needs 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 tailored 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; professional life including directorships/companies/share holdings etc. and financial objectives.

## 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 now versus income needs later in life.

## 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 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 may make recommendations to switch, consolidate or focus these arrangements to ensure they remain relevant both to today's economic environment and your personal financial situation and objectives.

## 6. YOUR FINANCE EXECUTIVE & SUPPORT TEAM

At this point we introduce your support team and dedicated Finance Executive, who will be your personal point of contact going forward. This person and the support team work alongside your adviser and are fully aware of who you are and what we are doing for you. Their financial knowledge is technically advanced and their role primarily focuses on researching the various options you have discussed with your adviser, 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 want to ensure that you have a clear understanding of our fees and the services we provide and welcome a discussion with you about these at any time; what you're paying for is our dedication to your financial well-being, and we want to be as open about that as soon as possible. Once we have established the best solution for your needs we will provide a full breakdown of all charges; ours, the product providers and the fund managers. This is normally a percentage of your money and we'll explain what that is in pounds, shillings and pence! We want you to 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 will seek your agreement before proceeding any further. You always have the option of changing your mind at any point during the advice or administration process.

## 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 recommendation letter or a Discussion Document. This provides the technical detail and charges and should be read in conjunction with the overview letters.

## 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 and support team 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.



# STEP BY STEP

## 1. CATCHING UP

Once we're established we can catch up so you can tell us if anything has changed. Whatever's on your mind, whatever crops up, we're only ever a phone call away. It doesn't have to be a formal affair; it could be a quick call, a drink after work, or a catch-up over a coffee.

## 2. REVIEWING ONGOING SUITABILITY AND YOUR RISK PROFILE

We will agree with you in advance how often you would like an update on your financial situation and your preferred method of communication. If we agree regular reviews with you, we will contact you at least once a year to arrange a suitable time to meet. If you are unable to attend a meeting or commit to telephone review we will send you a schedule and an overview letter summarising our understanding of your objectives and how your investments have performed.

## 3. REVIEWING YOUR PERSONAL, PROFESSIONAL AND FINANCIAL OBJECTIVES AS THESE EVOLVE

We will periodically check if there have been any significant changes to your income or outgoings to ensure your investments are still appropriate to your lifestyle. To establish this we will discuss your home, other properties and any plans you have in this regard. We'll discuss your children, their education and other dependants who rely on you. We'll ask you about your health, your professional life and earnings.

We will check whether anything has changed in your life or outlook which could have an effect on your risk tolerance or capacity for loss, which could in turn require a re-think of your investments.

## 4. REVIEW OF MONTHLY INCOME & EXPENDITURE AND ASSETS & LIABILITIES

We will periodically review your income and expenditure as well as your assets and liabilities to ensure the balance is right.

# STEP BY STEP

## 5. REVIEW OF FUND MANAGERS, GEOGRAPHICAL MARKETS & PERFORMANCE VERSUS YOUR EXPECTATIONS

We'll talk you through your investments, how these have performed and explain our thoughts on the economic outlook.

## 6. RECOMMENDING SWITCHES OR REBALANCING PORTFOLIO AND CONSIDERING THE ONGOING CHARGES FOR THE SERVICE PROVIDED

It's important that we keep an eye on the assets in your portfolios to ensure these stay on track and reflect our current thoughts. We'll also explain the ongoing charges on your investments over the past year and the effect of these on your investment performance.

## 7. MAKING RECOMMENDATIONS TO TOP UP INVESTMENTS

You may want to top up your existing investments with monthly regulars or invest a lump sum to take advantage of your annual tax allowances. We'll ensure we talk you through getting the balance right on the investment choices and tax considerations.

## 8. IMPLEMENTING NEW RECOMMENDATIONS

A windfall may need a fresh recommendation to complement what you have already.

# STEP BY STEP

## 9. UPDATING THE PLAN

Any changes in terms of your personal life, plans for your home, business or professional life may mean a change to your financial objectives. Life can take some unexpected turns. If your existing financial plan needs tweaking we'll make sure it meets your new objectives.

## 10. OVERVIEW LETTER SUMMARISING MEETING

To help keep you up to speed with your financial plan we'll send you an overview letter outlining the key points and themes.

## 11. LIAISING WITH YOUR ACCOUNTANT AND/OR SOLICITOR

As we are aware of your investments, income, gains and losses, your business, property, assets and liabilities 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.

## 12. MONITORING

We constantly monitor markets and are continuously reviewing individual funds, which informs and educates the decisions that we make with regard to your portfolios and plans.

# SERVICES WE PROVIDE

## 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.

We will review your circumstances and provide advice on how to invest/reinvest excess wealth considering various tax wrappers.

## PERSONAL AND CORPORATE PROTECTION

We always consider what would happen in the event of your premature death or serious illness. 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.

*"You only live once, but if you  
do it right, once is enough"*

**Mae West** ● ● ● ● ● ● ● ● ● ●

# 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
- **Email:** [info@tjpltd.co.uk](mailto:info@tjpltd.co.uk)
- **Website:** [tjpltd.co.uk](http://tjpltd.co.uk)

*"Wealth is not his that has it,  
but his that enjoys it."*

**Benjamin Franklin** ● ● ● ● ● ● ● ● ● ●

## A Regulated Business

We are directly authorised and regulated 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 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 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 adviser.

\* You can find details of our advisers' qualifications at [www.tjpltd.co.uk](http://www.tjpltd.co.uk)



## 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:  
12 Endeavour Square, London E20 1JN.

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, consumer credit 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 venture capital trusts, Enterprise Investment Schemes, structured products and investments that may not be 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.

Where we send investment applications on your behalf to third parties (e.g. to put an investment into force), we'll take all sufficient steps to ensure that we obtain the best possible result for you. This is referred to as 'best execution'. We have a best execution policy. If you want to see a copy of it please ask us. Unless stated otherwise, we will classify 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, 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.

We reserve the right to sell or realise any investment held on your behalf without liability in order to meet any obligations you have that arise from investment business conducted by us, including payment of our fees. We may exercise this right without further notice to you.

### Our Remuneration – Non-Investment Insurance Business

For non-investment insurance business we will not charge a fee. However in most cases the insurer will remunerate us. We will in all cases disclose this to you ahead of arranging your policies. We will show you the regular premiums with our remuneration built into the contract and the premium without to provide you with a clear picture of the effect of our remuneration on your premium.

### 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 Service and Fee 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. Where possible we will endeavour to consider and respect your contact preferences if you have communicated these to us.

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 avoid or 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 you have any complaint about the advice you receive or a product that you have taken out through us please contact the Compliance Officer, Timothy James & Partners Limited, Shell Mex House, 3rd Floor, NE, Eighty Strand, London, WC2R 0DT or telephone us on 020 7436 6446.

If, after we have reviewed your complaint, you remain dissatisfied, you have the right to refer your complaint to the Financial Ombudsman Service by visiting their website at <http://www.financial-ombudsman.org.uk>





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 our advice or 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, home finance business and deposits in banks and building societies are covered up to a maximum of £85,000 per person if they become insolvent. In the majority of cases eligible claims related to advising and arranging of protection products are covered for 90% of the claim, without any upper limit. The compensation limit for annuities, life insurance, long term care insurance that is pure protection business is covered to 100% of the value.

Further information about compensation arrangements is available from the Financial Services Compensation Scheme <https://www.fscs.org.uk/>.

### 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.

### Anti-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 for the prevention of financial crime and anti-money laundering legislation in the UK. 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. We will also gather information on your source of wealth.

### Data Protection / Personal Information

We collect information about you for financial planning and mortgage advice. This information will relate to your personal and financial circumstances. It may also include special categories of personal data such as data about your health, if this is necessary for the provision of our services.

Please see our Client Privacy Notice on our website for full details on how Timothy James & Partners Ltd use any information we collect about you and your rights.

<https://tjpltd.co.uk/Privacy-Policy>

### 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 Client Service and Fee 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.

### Independent Advice

We offer **independent** investment advice. This means that we consider a wide range of financial strategies and products. We are constantly reviewing the market to ensure that the services and products we offer are appropriate for our clients.

Where we recommend particular investment strategies and products to you, these will be selected based on your personal circumstances, financial goals and objectives. We'll consider a number of factors, including the services you need, the cost of investing, how much risk you are prepared to accept in an investment product and how much of a drop in its value you could withstand.

The areas we can advise on include:

- Open ended investment companies
- Enterprise investment schemes (EIS)
- Phased retirement & income drawdown
- Unit trusts
- Structured products, incl. structured deposits
- Term assurance and whole of life protection
- Individual Savings Accounts (ISAs)
- Venture Capital Trusts (VCTs)
- Critical illness cover
- Investment bonds
- Pensions
- Income protection (PHI)
- Exchange traded funds (ETFs), passive and trackers
- Annuities
- Long term care
- Investment trusts

We don't provide advice in relation to individual share holdings. We do recommend this service to discretionary fund management groups who hold the appropriate regulation. We will advise on a suitable investment mandate. We can consider all regulated investment stock brokers and fund management groups.

We don't provide advice on options, futures and other derivative contracts as we believe that these are unlikely to be suitable for our clients.

### Authority to act as your agent

Timothy James & Partners ("TJP") may, where appropriate, recommend you place some, or all, of your investments with a Discretionary Fund Manager ("DFM"). A DFM will manage a portfolio of your investments on a bespoke basis or as part of a Model Portfolio Service ("MPS"). Decisions on whether to buy and sell investments within the portfolio are made at the absolute discretion of the DFM.

Where we make such a recommendation, you authorise TJP to act on your behalf as your agent in relation to the DFM. The DFM we recommend may operate on an "Agent **as** Client" basis or an "Agent **of the** Client" (also known as "Reliance on Others") basis. We will confirm the basis and respective responsibilities of us as your adviser and agent, you as the Investor, and the DFM, in writing to you. When acting as your agent, we will take all reasonable steps to discharge our responsibilities to you with care and due diligence.

Where the DFM operates on an "Agent **as** Client" basis, this means that the DFM will treat TJP – acting as your agent – as their client rather than you. With this type of arrangement, you will have no direct relationship with the DFM. There will be no direct written contract between you and the DFM and the DFM may not even know your identity. All communication in relation to the discretionary portfolio service will be between the DFM and TJP acting as your agent.





As the DFM will treat TJP as their client, not you, this typically results in TJP being classified as a Professional Client. This categorisation means that the regulatory protections that are afforded to investors (retail clients) who would have a direct relationship with the DFM may not apply. In particular, this may mean that neither you, nor TJP acting on your behalf is, able to make a complaint to the Financial Ombudsman Service against the DFM.

Where we recommend or arrange a transaction with a DFM that operates on an "Agent as Client" basis, you directly authorise TJP to act on your behalf as your agent, in a legal capacity, to appoint and enter in a binding legal relationship between you and the selected DFM. For these purposes, you authorise TJP to act on your behalf to sign any documents, and take any further steps, that are required to form or administer a discretionary investment management agreement. Under the discretionary investment management agreement, TJP will instruct the selected DFM to exercise discretion and decide the manner in which your portfolio is invested, based on the investment risk profile, investment policy or strategy selected by TJP acting on your behalf. Although the discretionary investment management agreement will create a legal relationship between you and the appointed DFM, you understand that the DFM will treat TJP as its client, and as a result that this may affect the legal and regulatory rights you would otherwise have in respect of the way in which the appointed DFM manages your portfolio, as more fully described in **Appendix 1** to these terms.

### 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. By signing the Client Service and Fee Agreement you are agreeing to these Terms of Business. If you do not understand any point please ask for further information.

### Trading and Registered Address

Shell Mex House, 3rd Floor, NE, Eighty Strand, London, WC2R 0DT

Company Registered Number: 03138148

FCA Number: 179854



## Appendix 1

**Agent as Client - Professional client categorisation**

If we recommend you place some, or all, of your investments with a Discretionary Fund Manager (“DFM”) that operates on a “Agent as Client” basis, TJP will typically be categorised as the professional client of the DFM for the purposes of the agreement and will act on your behalf as your agent. As a consequence of this categorisation, TJP as a professional client of the DFM:

- May receive communications from the DFM (about itself, its services and products, and its remuneration) that differ to the way a firm would communicate to retail clients. The DFM's obligations in respect of the level of detail, medium and timing of the provision of information are different depending on whether the client is a retail or professional client. TJP will ensure that the risks of any DFM Service we select are explained to you clearly and the risks are clearly disclosed.
- May not be provided with as comprehensive information on costs and associated charges as a retail client such as yourself. However, TJP as your financial adviser, have a regulatory obligation to provide you with clear information on the costs and charges of our services and any services we recommend. We are obliged to provide an annual disclosure of aggregated costs and charges including the costs and charges of investments that we have arranged for you or recommended including the DFM services.
- May be assumed to have the requisite knowledge and experience to understand the risks involved in investing and the management of the portfolio. This assumption cannot be made for a retail client, and this must be assessed separately. TJP, as your financial adviser, has a regulatory obligation to assess your knowledge and experience, financial situation, and investment objectives. Where we recommend the services of a DFM, we will ensure that this is suitable for you at outset and on an ongoing basis and ensure that any risks are clearly disclosed.
- May not be able to make a complaint on your behalf to the Financial Ombudsman Service (FOS) that investigates and resolves disputes for free between financial services companies and their customers. As you have no direct contractual relationship with the DFM, you may also not be able to take your complaint to the FOS. However, you will be able to make a complaint about the DFM to us in the first instance and you are able to approach the FOS with any complaint with respect to our services. We operate our own complaints procedure, a copy of which is available on request.
- May be able to claim compensation from the Financial Services Compensation Scheme (FSCS) on your behalf should the DFM company fail and be unable to pay claims against it, or you should be able to make a claim direct. However, it is always fact specific, and we cannot offer any guarantees on this. We are a member of the FSCS and any DFM, platform or custodian that we select will also be a member of the FSCS.

Changes in Financial Regulation has seen the requirement for all firms to improve the disclosure of fees to ensure clarity over the cost of advice for clients.

Since we started in 1995, we have only ever operated on the basis of **client-agreed remuneration** where we are crystal clear about how much you are paying for the services that we provide to you.

This is explained in an initial discussion, and then detailed in the Client Service and Fee Agreement which we ask you to sign to confirm your consent to the fees. These are also subsequently disclosed in the written policy documentation and the letters that we send through.

It has always been our objective to make sure that you fully understand how much you are paying us and how it affects your financial arrangements. This is expressed as a percentage, as a monetary amount and as a reduction to your fund value. We will provide you with a clear breakdown of all the fees charged – not just ours. At Timothy James & Partners the initial consultation is at our cost, whilst you decide whether you like us and trust us and we work out whether there is a job to do.

Once you have agreed you want to engage with us we are remunerated for providing the initial financial planning advice as a one-off Initial fee. (see Initial Fee Section for more details of the charges and the “Financial Planning Process” pages 6-7 for details of the initial advice process.) In most cases we also receive an ongoing fee for providing regular investment advice and reviews. (See Ongoing Fee section for more details of the charges and pages 11 to 12 for the ongoing advice and review process.)

We will ask you for your preference as to how Timothy James & Partners will be remunerated. We can arrange for you to pay us a direct fee, or we can facilitate your payment to us from the investments or platform that we organise on your behalf.

For all investment and pension advice you pay us from your money. We are not remunerated by third parties. We act for you and are independent, and strive to ensure you receive value for money.

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. 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 regular financial planning and investment reviews. This is agreed by you and deducted from the ‘pot’ on a monthly or quarterly basis.

**Initial Fees**

In terms of investing an initial amount of money typically via an ISA, pension or investment portfolio, we charge the following amounts on a tiered basis: (There may also be initial charges from platform or product providers and fund managers which we will also disclose so you have a complete picture of the initial charges for your investment.)

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 £350,000 (£1.5m to £1.85m)*	1%
In excess of £1.85m	0%

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

This is our standard charging model. On occasions, we may deviate from the standard model. Any deviation will be confirmed in the personalised Client Service Fee Agreement and agreed with you prior to any investment.

The above tiered structure is usually applied on a rolling 12-month period, unless agreed otherwise.

Overleaf are two monetary examples of the initial charge, which pays for the initial financial planning process and in respect of ‘new’ money being added to the investments. The first hypothetical investment of £100,000 is charged at 3% as it is below the tiering threshold. Whereas the hypothetical £1,000,000 investment shows how the tiering comes into effect over £300,000 to give a blended initial charge of 2.4% the monetary amounts are detailed overleaf.



## Client Fees - Weighted Average Fee Calculation

### Total investment £100k

Amount invested	% initial fee	Fee
£0 to £300k	3.0%	£3,000
£300k to £500k	2.5%	
£500k to £1m	2.0%	
£1m to £1.5m	1.5%	
£1.5m to £1.85m	1.0%	
Over £1.85m	0.0%	
<b>Total fee</b>		<b>£3,000</b>
Initial Fee Percentage	<b>3%</b>	

### Total investment £1m

Amount invested	% initial fee	Fee
£0 to £300k	3.0%	£9,000
£300k to £500k	2.5%	£5,000
£500k to £1m	2.0%	£10,000
£1m to £1.5m	1.5%	£0
£1.5m to £1.85m	1.0%	
Over £1.85m	0.0%	
<b>Total fee</b>		<b>£24,000</b>
Initial Fee Percentage	<b>2.4%</b>	

Therefore on day two £976,000 is invested after that investment has facilitated our agreed initial fee.

## 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, set of research and financial planning (as illustrated previously) and there are subsequently also the ongoing charges.

The Timothy James and Partners ongoing charge depends on the investment service advised and these are as follows:

1. Timothy James & Partners advisory 0.85% per annum
2. Model Portfolio Service 0.80% per annum
3. Bespoke Discretionary Service 0.65% + VAT per annum

In addition to Timothy James & Partners ongoing charges for investments and pension advice there are typically ongoing charges from the platform or product provider and charges from the underlying fund manager. These vary depending on the actual investment structure but are typically as follows:

**Platform/product: 0.1% - 0.6% per annum pension, ISA, life assurance bond etc.**

**Underlying fund manager: 0.25% - 1.5% per annum**

Therefore (depending on which investment 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 may be applicable depending on which investment service you select.

We consider the charges that you pay in comparison to the whole of the market, we want to make sure your solution is cost effective to you and you are clear about what you are paying for and why. The charges are normally based on a % of the fund value and therefore the better the performance and the greater the fund value the more the fees will be.

The money you pay Timothy James & Partners in respect of providing various services may include the following:

- Review meetings either face to face or if more convenient for you over the phone which will typically cover:
  - Catching up and discussing any changes to your personal or financial situation, goals and objectives
  - Revisiting your risk profile and making adjustments to our recommendation if required.
  - Reviewing your regular income versus expenditure and adjusting income from drawdown or investments
- Ensuring that the investment structure remains suitable for your current situation
- Reviewing third party service providers like platforms to ensure cost effectiveness
- The ongoing analysis of the chosen investments, providing valuation(s) and performance updates
- A review of how your portfolio is invested and recommending switches or rebalancing your portfolio
- Ensuring tax allowances are used and portfolios remain efficient
- Monitoring markets and reviewing individual funds
- A report setting out the results of the review and confirming any changes made
- Liaising with your accountant on tax affairs and providing information for tax returns
- Liaising with your solicitor to provide information to set up or amend your will.





- Referrals to other professionals or accountants
- 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 are 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.

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.

Here are some example investments with typical initial and ongoing charging structures for £160,000 across an ISA, Pension and Unit Trust. The actual charge will depend on the platform and underlying fund choices. We will provide this breakdown regularly for your investments which we refer to as aggregated costs to allow you to fully understand all the charges and the effect of these on your investments.

Contract and amount invested	Initial Charge					
	ISA £20,000		Pension £40,000		Unit Trust £100,000	
Platform Charge	0.00%	£0.00	0.00%	£0.00	0.00%	£0.00
TJP Initial Fee	3.00%	£600.00	3.00%	£1,200.00	3.00%	£3,000.00
Fund Manager Charge	0.00%	£0.00	0.00%	£0.00	0.00%	£0.00
<b>Total</b>	<b>3.00%</b>	<b>£600.00</b>	<b>3.00%</b>	<b>£1,200.00</b>	<b>3.00%</b>	<b>£3,000.00</b>

*Amount invested net of initial fees	Annual Ongoing Charge					
	ISA £19,400*		Pension £38,800*		Unit Trust £97,000*	
Platform Annual Charge	0.20%	£38.80	0.20%	£77.60	0.20%	£194.00
TJP Annual Charge	0.85%	£164.90	0.85%	£329.80	0.85%	£824.50
Fund Manager Ongoing Charge	0.75%	£145.50	0.79%	£306.52	0.80%	£776.00
<b>Total</b>	<b>1.80%</b>	<b>£349.20</b>	<b>1.84%</b>	<b>£713.92</b>	<b>1.85%</b>	<b>£1,794.50</b>
<b>Total Aggregated Charge</b>		<b>£949.20</b>		<b>£1,913.92</b>		<b>£4,794.50</b>

### One-off Service & Advice

There may be occasions when you come to us with a specific need or requirement and don't require a full investment service. In these circumstances we will agree a specific fee 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. 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 advisers.

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

Company	Monthly Premium	Death Benefit	Term	Total Commission
Legal & General	£25.65	£500k	25 years	£585.38
HSBC	£26.92	£500k	25 years	£587.85
Zurich	£27.84	£500k	25 years	£650.92
Aegon	£29.64	£500k	25 years	£716.19
Royal London	£30.88	£500k	25 years	£733.72

**Examples of premiums less commission\*:**

Company	Monthly Premium	Death Benefit	Term	Total Commission
Legal & General	£19.56	£500k	25 years	£0.00
HSBC	£21.80	£500k	25 years	£0.00
Zurich	£22.28	£500k	25 years	£0.00
Royal London	£24.26	£500k	25 years	£0.00
Aegon	£25.07	£500k	25 years	£0.00

\*Male and Female, non-smokers, age 30, joint first death.

**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 up to 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. So for example: For a corporate loan of £250,000 we would charge £5,000 of which £2,500 would be due on acceptance and the balance of £2,500 on completion.

This also includes property development finance, invoice discounting, asset finance and/ or an introduction to a lender to provide cashflow lending.

**Mortgages & Equity Release**

We advise on mortgages for both residential and business purposes as well as first charge and second charge loans. We advise on a comprehensive range of mortgages from across the market, but not deals that can only be obtained by going direct to a lender. Our advice will be based on the most suitable mortgage product included within the range available to intermediary firms like Timothy James & Partners.

If we arrange a mortgage for you, we charge a percentage of the amount raised. This is up to 1% of the mortgage amount we organise. For example, if you were to take out a mortgage of £200,000 the fee would be up to £2,000. For product transfers you will be charged £200 per application. The minimum fee we will seek to arrange any loan is £1,250 with the exception of product transfers which the minimum fee we will seek will be £500 .

In respect of equity release or Lifetime mortgages the charge is up to 3% of the loan organised. For example, if you were to take out an equity release mortgage for £200,000 the fee would be up to £6,000.

For both mortgages and equity release some lenders will pay us a procurement fee towards our costs and where they do; we will disclose and deduct this from the direct fee payable by you and only charge you the difference. There may also be additional costs and charges related to the mortgage product we recommend. You will receive a key facts illustration when considering a particular mortgage which will tell you about any fees relating to it.



**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 the big picture, and it requires detailed assessment. That’s why one of the first things we’ll do is have a conversation around risk and we may ask you to complete a questionnaire.

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**

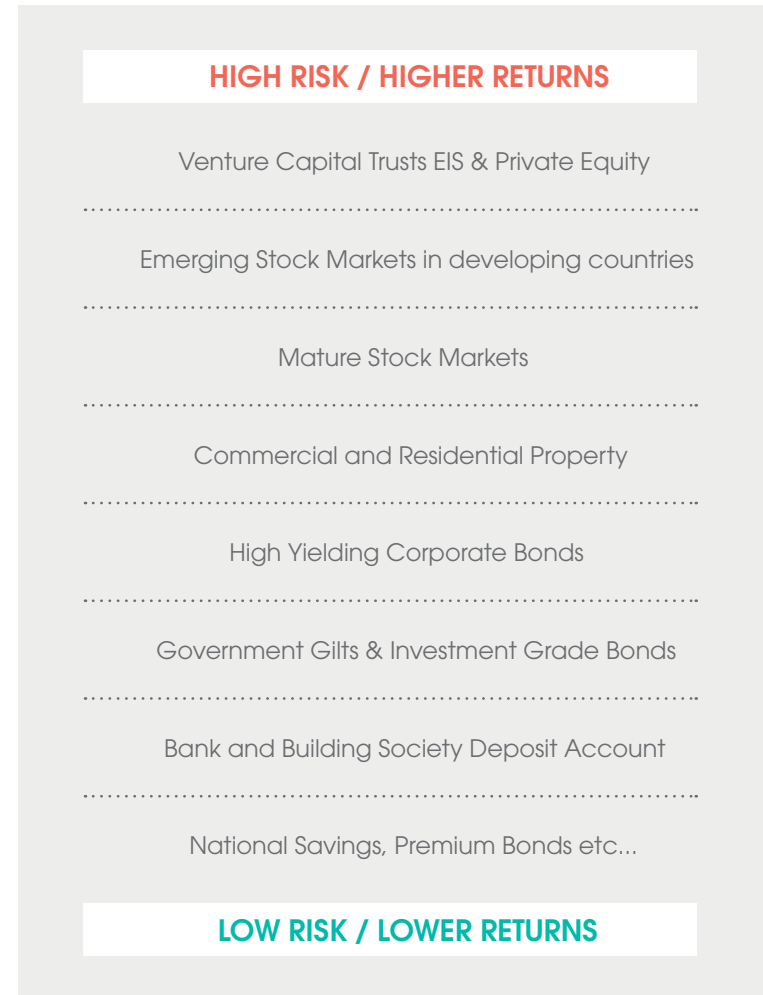
How much can you afford to invest, and for how long? How much money can you lose, and how would the loss affect your standard of living? What financial ‘cushioning’ do you have against any short-term losses?

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

Once we have obtained a clear picture of your overall risk tolerance we then discuss allocating funds to different asset classes and diversifying the types of products suitable for you in order to create a tax efficient investment portfolio that mirrors your attitude towards risk and sits within your personal comfort zone.

The investment risk ladder illustrates some of the products and asset classes we may consider blending to create a diversified portfolio for you which aims to meet your financial objectives.

**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 independent investment services: Advisory, Discretionary Model Portfolio Service (including our own designed Tailored Investment Portfolios) and Bespoke Discretionary 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' for your tailored financial plan.

## Advisory Service

Each year, we interview over 50 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. This includes geographical markets.

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!

## Discretionary Model Portfolio Service (Including Tailored Investment Portfolios)

We recognise that long-term performance is made up of lots of short-term movements and that active management can be positive, especially in more changeable investment conditions, which is why we offer the Discretionary Managed Portfolio Service (MPS) as an option to our clients.

An MPS is run by a discretionary wealth management company. Each service will have an individual aim, such as investing in assets that target an income or will be less volatile in an economic crisis and the manager selects different funds and asset classes to achieve that goal. The manager can buy, sell or change the underlying funds and assets without requiring your permission to achieve that goal within the stated risk parameters. The average number of holdings is around 30 but differs depending upon the MPS chosen. (Usually ranging from 15 to 40 holdings).

Some MPSs will be restricted to just holding investment funds (as per our advisory approach) whilst others will have individual shares, Exchange Traded Funds (ETF) or Investment Trusts, which have different attributes.

The manager has a remit to alter the underlying holdings as they see fit to maintain the correct level of risk, portfolio objective and return in the portfolio. This is without the need for either clients or us to complete switch instructions. You give them 'discretion' to make changes on your behalf. As an investor in MPS, you would expect to see the underlying holdings in your portfolio change as the manager makes adjustments in the hope of maximising returns and managing volatility, both on a short and long-term basis.



Most MPS providers will rebalance and reconstruct on a quarterly basis but more often if circumstances demand.

The approach of all MPS providers is broadly the same:

1. **Portfolios constructed by investment specialists based on quantitative and qualitative research. These are run by Discretionary Managers.**
2. Alterations can be made on a pro-active, short-term view when necessary without your input or signed instruction.
3. Re-balancing to reduce volatility and investment risk whilst also preventing the overall risk of the portfolios from skewing.
4. Available through all forms of investment vehicle (pension, ISA etc.).

As independent financial advisers we are able to use any fund manager, discretionary manager or MPS provider. We believe, over a period of time this will provide you with the best potential for capital and income growth, with the appropriate level of risk. We consider it important to carry out our own research, supported by independent analysis.

### Your Bespoke Discretionary Portfolio

With a bespoke portfolio Timothy James and Partners will set a defined investment mandate, which we agree together, for the discretionary manager outlining your investment objectives. There are specialist firms for various client requirements where their bespoke service is beneficial such as:

1. A large portfolio may require your daily capital gains and losses managed on a bespoke basis with knowledge of your overall tax position.
2. You may wish to borrow against the portfolio and put in place an annually reviewable overdraft facility.
3. You may be an American citizen, living in the UK, but still report to the IRS in the US. We can provide a discretionary fund management service that is compliant for IRS purposes with calendar-year reporting.
4. You may require a bespoke portfolio in different currencies.
5. You may require an AIM portfolio that currently benefits from Business Property Relief and inheritance tax-saving benefits.
6. You may require only one asset class such as direct shares rather than funds, ETFs and investment trusts. It's up to us to decide together.

We act for you and monitor several discretionary fund management groups that specialise in various areas. Once we've chosen a discretionary manager together, we will monitor their charges, performance, and service on your behalf. If they subsequently are no longer the best and most suitable provider, we can make the necessary changes together.



## 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.** Whether your knowledge and experience of investing is suitable for the recommended proposition
- 12.** The performance and altering the manager on your behalf if they do not perform or they change





## TIMOTHY JAMES & PARTNERS ADVISORY PORTFOLIO

### Objective:

A simpler, consultant-led fund selection.

### Who chooses underlying investment:

Timothy James & Partners.

### Types of investments:

- Broad range of collective investment funds considered.
- Conviction approach with potentially fewer funds.
- All assets classes and geographical markets considered.
- Ethical funds considered.

### Management:

- You are guided by us and provide us with written authority and consent to make changes to our fund choices for you.

### Reporting:

- At agreed review meetings.

## EXTERNALLY MANAGED DISCRETIONARY MODEL PORTFOLIO SERVICE

### Objective:

A generic diversified multi-asset portfolio of funds with a range of risk based objectives.

### Who chooses underlying investment:

External Investment Manager.

### Types of investments:

- Broad range of collective investment funds considered.
- Typically 10-25 funds utilised.
- A discretionary proposition.
- The portfolio has a set of objectives it aims to achieve on a rolling basis.
- All asset classes agreed.
- Ethical investments considered.

### Management:

- Managed by external Investment Manager with full discretion within appropriate risk parameters.

### Reporting:

- Detailed quarterly factsheet.

## TIMOTHY JAMES & PARTNERS FUNDED MODEL

### Objective:

A high conviction, diversified multi-asset portfolio of funds with a range of risk based objectives.

### Who chooses underlying investment:

External Investment Manager.

### Types of investments:

- Portfolio constructed by an external investment manager researched and chosen by Timothy James & Partners.
- A discretionary proposition.
- The portfolio has a set of objectives it aims to achieve on a rolling basis.
- All asset classes considered.

### Management:

- Managed, with full discretion, by an external investment manager with specific guidelines set by Timothy James & Partners.
- Fund switches and rebalancing when appropriate.

### Reporting:

- Detailed quarterly factsheet.

## TIMOTHY JAMES & PARTNERS DIRECT MODEL

### Objective:

A high conviction, diversified multi-asset portfolio with a range of risk based objectives centring on direct equity holdings.

### Who chooses underlying investment:

External Investment Manager.

### Types of investments:

- Full investment universe considered. Extensive use of direct equity in developed markets. A range of active and passive funds, selected from the Timothy James & Partners Advisory list, make up the remainder of the portfolios.
- All asset classes considered.

### Management:

- Managed, with full discretion, by an external investment manager with very specific guidelines set by Timothy James & Partners
- Fund switches and rebalancing when appropriate.

### Reporting:

- Detailed quarterly factsheet.

## BESPOKE DISCRETIONARY SERVICE

### Objective:

For clients with specialist investment requirements that are not catered for within the other independent investment services.

### Who chooses underlying investment:

External Investment Manager.

### Types of investments:

- Individual stocks and shares. All investment vehicles considered.
- A discretionary proposition.
- A fully bespoke portfolio based on agreed objectives.
- All asset classes considered.

### Management:

- Managed with full discretion by external investment manager through portfolio held in their custody. Portfolios can be managed to client specific objectives and can cater for individual requirements and/or restrictions. All transactions carried out as and when required.

### Reporting:

- Quarterly valuation, detailed portfolio breakdown and performance report.





## WHAT IS A CONFLICT OF INTEREST?

A conflict of interest may exist, or be perceived to exist if Timothy James & Partners or one of our employees' activities appears to be inconsistent with the best interests of you, our client.

If such a situation arises, we consider the interests of each client and manage any potential conflicts of interests accordingly. The underlying principle we follow is that your interests must always be put before the interests of our own.

## RECORDING AND RESPONDING TO CONFLICTS OF INTEREST

Our senior management takes any potential conflicts of interest seriously. All identified significant issues concerning conflicts are recorded and reviewed at Board level. We follow set activities and procedures to investigate and remediate where there is a risk that the interests of one or more clients could be compromised.

We take a risk-based approach and will implement additional controls, where necessary, to mitigate the risk of any client detriment.

## COMPARING SÖDERBERG & PARTNERS INVESTMENT MANAGEMENT SERVICES WITH THOSE SERVICES PROVIDED BY OTHER EXTERNAL INVESTMENT MANAGERS

Although a wholly separate business in its own right, Timothy James & Partners resides within a wider group of companies as part of Söderberg & Partners UK. Timothy James & Partners remains an Independent Financial Adviser as defined by the Financial Conduct Authority (FCA).

Before we would recommend Discretionary Fund Management (DFM) or any Managed Portfolio Service (MPS) to you, we ensure that it is suitable for your circumstances and fits in with your investment objectives and risk tolerance.

Söderberg & Partner's services or those of the wider group of companies will only be recommended by us where they are the most appropriate option to meet your needs and objectives.

## DISCLOSURE TO THE CLIENT

We will fully disclose and highlight to you all Group fees and charges prior to you committing to any investment.

If a conflict of interest is found, Timothy James & Partners would clearly disclose the general nature and source of the conflict of interest to you before undertaking any business. The disclosure would be made in writing and include sufficient detail to enable you to take an informed decision about the service in the context of which the conflict has arisen.

## DATA PROTECTION, SECURITY AND PRIVACY

Your information and data held by Timothy James & Partners is not disclosed to any other businesses within the Group except with the expressed consent or direction from you.

## DECLINING TO PROVIDE THE SERVICE

If it is not possible to avoid or manage a conflict of interest, we may decline a service that has been requested by you.

## REVIEW

We will review our Conflict of Interest Policy at least annually, and where appropriate, on an ad-hoc basis, to ensure it adequately reflects the types of conflicts that may arise and how we manage those conflicts.

Where new conflicts have arisen, these will be communicated to you during your review. Or where considered material, we may communicate the conflict to all clients.



**Advisory:** One of TJP's investment propositions, where we advise you based on your needs and objectives on the most suitable investment, best deposit interest rates, and opportunities for growth and/or tax saving, but only with your express consent.

**AIM (Alternative Investment Market):** The London Stock Exchange's International Market for smaller, growing companies. A wide range of businesses including early stage venture capital backed, and established companies join AIM seeking access to growth capital.

**Asset:** Anything having commercial or exchange value that is owned by a business, institution or individual.

**Asset class:** Classification of assets such as: cash, company shares, fixed income securities (bonds), as well as tangible assets such as property.

**Bond:** A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.

**Capacity for loss:** The investor's ability to absorb falls in the value of their investment, assessing if any loss of capital would have a materially detrimental effect on their standard of living.

**Capital:** Refers to the financial assets, cash or resources owned by an individual or company.

**Capital growth:** Occurs when the current value of an investment is greater than the initial amount invested.

**Cash equivalents:** Deposits or investments with similar characteristics to cash.

**Commodity:** A marketable item produced to satisfy wants or needs. Economic commodities comprise goods and services.

**Correlation:** A statistical measure that indicates the extent to which two securities move in relation to each other.

**CPI (Consumer Price Index):** A measure that examines the weighted average of the prices of a basket of consumer goods and services purchased by households. Changes in measured CPI track changes in prices over time.

**Credit:** The borrowing capacity of an individual, company or government. More narrowly, the term is often used as a synonym for fixed income securities issued by companies.

**Credit rating:** An independent assessment of a borrower's ability to repay its debts. A high rating indicates that the credit rating agency considers the issuer to be at low risk of default; likewise, a low rating indicates high risk of default. Standard & Poor's, Fitch and Moody's are the three most prominent credit rating agencies. Default means that a company or government is unable to meet interest payments or repay the initial investment amount when due.

**Credit spread:** The difference between the yield of a corporate bond, a fixed income security issued by a company, and a government bond of the same life span. Yield refers to the income received from an investment and is expressed as a percentage of the investment's current market value.

**Default:** When a borrower does not maintain interest payments or repay the amount borrowed when due.

**Derivatives:** Financial instruments whose value and price are dependent on one or more underlying assets. Derivatives can be used to gain exposure to, or to help protect against, expected changes in the value of the underlying investments, such as a commodity, currency or security.

**Developed economy/market:** Well-established economies with a high level of economic growth, security and standard of living.

**Discretionary or DFM (Discretionary Fund Manager):** Another TJP investment proposition, allowing you to hand over the day to day management of your investment to a dedicated bespoke fund manager. This is a very personalised service which creates your portfolio from different types of investment vehicles, not just funds.

**Dividend:** Dividends represent a share in the profits of the company and are paid out to a company's shareholders at set times of the year.

**Earnings per share:** An indicator of a company's profitability – calculated as the net profit of a company divided by the number of shares in issue.

**EIS (Enterprise Investment Scheme):** A scheme designed by the UK government to help smaller, higher-risk trading companies to raise finance by offering a range of tax reliefs to investors who purchase new shares in those companies.

**Emerging economy or market:** An economy that is progressing towards being advanced as shown by equity markets and the existence of some form of market exchange and regulatory body. Investments in emerging markets are generally considered to be riskier than those in developed markets.

**Equities:** Shares of ownership in a company.

**Ex-dividend date:** The date on which declared distributions officially belong to underlying investors rather than the fund, usually the first business day of the month.

**Exposure:** The proportion of a fund invested in a particular share/fixed income security, sector/region, usually expressed as a percentage of the overall portfolio.

**FCA (Financial Conduct Authority):** It is the current regulatory body in the UK, working independently of the UK government, which focuses on the conduct of firms providing financial services to consumers.

**Finametrica:** The risk profiling tool used by Timothy James & Partners to help evaluate an investor's willingness to take risks.

**Fiscal policy:** Government policy on taxation, spending and borrowing.

**Fixed income security:** A loan in the form of a security, usually issued by a government or company, which normally pays a fixed rate of interest over a given time period, at the end of which the initial amount borrowed is repaid.

**FSA (Financial Services Authority):** Financial regulatory body, now superseded by the FCA.

**Futures:** A futures contract is a contract between two parties to buy or sell a particular commodity or financial instrument at a pre-determined price at a future date. Futures are traded on a regulated exchange.

**GDP (Gross Domestic Product):** A measure of the size and health of a country's economy over a period of time.

**Gilts:** Fixed income securities issued by the UK government for a stated coupon and maturity date. Generally considered to be low risk.

**Government bonds:** Fixed income securities issued by governments, that normally pay a fixed rate of interest over a given time period, at the end of which the initial investment is repaid.

**High yield bonds:** Fixed income securities issued by companies with a low credit rating from a recognised credit rating agency. They are considered to be at higher risk of default than better quality, i.e. higher-rated fixed income securities but have the potential for higher rewards. Default means that a company or government is unable to meet interest payments or repay the initial investment amount when due.

**Income yield:** Refers to the income received from an investment and is usually expressed annually as a percentage based on the investment's cost and its current market value or face value.

**Index:** An index represents a particular market or a portion of it, serving as a statistical measure of change from a base value.

**Index-linked bonds:** Fixed income securities where both the value of the loan and the interest payments are adjusted in line with inflation over the life of the security. Also referred to as inflation-linked bonds.

**Index-tracking funds:** Funds that do not attempt to beat the performance of an index or market but merely track it due to the risk involved in fund managers picking stocks in companies when trying to out-perform an index.

**Inflation:** The sustained increase in the general price level of goods and services in an economy over a period of time. The UK headline rate uses increases in the cost of living. Inflation is usually quoted as an annual percentage, comparing the average price this month with the same month a year earlier.



**Insolvency:** A situation where an individual or a company can no longer meet their financial obligations.

**Investment grade bonds:** Fixed income securities issued by a company with a medium or high credit rating from a recognised credit rating agency. They are considered to be at lower risk from default than those issued by companies with lower credit ratings. Default means that a company or government is unable to meet interest payments or repay the initial investment amount when due.

**Investment risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment or a measure of the level of uncertainty of achieving returns as per the expectations of the investor.

**Issuer:** An entity that sells securities, such as fixed income securities and company shares.

**Leverage:** When referring to a company, leverage is the level of a company's debt in relation to its assets. A company with significantly more debt than capital is considered to be leveraged. It can also refer to a fund that borrows money to increase the potential return of an investment.

**Liability:** Anything of commercial value that a business, institute or individual owes to another.

**Liquidity:** A company is considered highly liquid if it has plenty of cash at its disposal. A company's shares are considered highly liquid if they can be easily bought or sold since large amounts are regularly traded.

**Long position:** Refers to ownership of a security held in the expectation that the security will rise in value.

**Macroeconomic:** Refers to the performance and behaviour of an economy at the regional or national level. Macroeconomic factors such as economic output, unemployment, inflation and investment are key indicators of economic performance. Sometimes abbreviated to 'macro'.

**Maturity:** The length of time until the initial investment amount of a fixed income security is due to be repaid to the holder of the security.

**Monetary policy:** A central bank's regulation of money in circulation and interest rates. How an economy may control and monitor its money.

**MPS (Model Portfolio Service):** Another TJP investment proposition which allows for as many as 25 individual funds across different asset types and geographical markets, managed by a single discretionary manager. Investments can be moved without your prior agreement, but the underlying investments will always mirror your risk preferences and personal objectives.

**NAV (Net asset value):** A fund's net asset value is calculated by taking the current value of the fund's assets and subtracting its liabilities.

**OEIC (Open-Ended Investment Company):** A type of managed fund, whose value is directly linked to the value of the fund's underlying investments. A collective investment.

**Options:** Financial contracts that offer the right, but not the obligation, to buy or sell an asset at a given price on or before a given date in the future.

**Payment date:** The date on which distributions will be paid by the fund to investors, usually the last business day of the month.

**RDR (Retail Distribution Review):** An FCA led programme designed to ensure retail customers are given transparent information on the services and fees they can expect to receive. Broken down into 5 main areas below.

1. Independent advice that considers a solution from the whole of the market and reflects investors' needs.
2. Allowing people to clearly identify and understand the service they are being offered.
3. Commission-bias is removed from the system and recommendations made by advisers are not influenced by product providers.
4. Investors informed up-front how much advice is going to cost and how they will pay for it.
5. All investment advisers to be qualified to a new, higher level, regarded as equivalent to the first year of a degree

**RPI (Retail Price Index):** A UK inflation index that measures the rate of change of prices for a basket of goods and services in the UK, including mortgage payments and council tax.

**Risk profiler:** A tool to help evaluate an investor's willingness to take risks.

**Savings ratio:** The proportion of income that is saved, usually expressed as household savings, as a fraction of total household disposable income.

**Security:** Financial term for a paper or tangible asset – usually a share in a company, property or a fixed income security also known as a bond.

**Short position:** A way for a fund manager to express his or her view that the market might fall in value.

**Short-dated corporate bonds:** Fixed income securities issued by companies and repaid over relatively short periods.

**Short-dated government bonds:** Fixed income securities issued by governments and repaid over relatively short periods.

**TCO (Total Cost of Ownership):** A measure to determine the overall cost of the investment, including all direct and indirect costs, such as the transaction costs associated with the trading of the fund's assets.

**TER (Total Expense Ratio):** A measure of the total costs associated with investment, consisting of management, trading, legal fees and operating expenses.

**Tolerance for loss:** The degree of variability in investment returns that an investor is willing to withstand.

**Unit trust:** A type of managed fund, whose value is directly linked to the value of the fund's underlying investments. A collective investment.

**Unquoted shares:** Also known as unlisted shares, these are shares in companies (often smaller ones) that are not traded on regular stock markets. They can be volatile in price and as such are a more risky investment. They are very difficult to value.

**Valuation:** The worth of an asset or company based on current price.

**VCT (Venture Capital Trusts):** Tax advantaged investments in the UK that tend to focus investment on small unlisted firms to try and achieve higher than average returns, albeit at higher risk. Typically illiquid.

**Volatility:** The degree to which a given security, fund, or index rapidly changes. It is calculated as the degree of deviation from the norm for that type of investment over a given time period. The higher the volatility, the riskier the security tends to be. It typically affects value.

**Warrant:** A security issued by a company that gives the holder the right to buy shares in that company at a specified price and within a certain timeframe in the future.

**Wrapper:** A financial package that may give tax advantages such as reduced tax and allows efficient investment and disinvestment of funds.

**Yield:** This refers to either the interest received from a fixed income security or to the dividends received from a share. It is usually expressed as a percentage based on the investment's costs, its current market value or its face value. Dividends represent a share in the profits of the company and are paid out to a company's shareholders at set times of the year.

**Yield (bonds):** This refers to the interest received from a fixed income security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.

**Yield (equity):** Refers to the dividends received by a holder of company shares and is usually expressed annually as a percentage based on the investment's cost, its current market value or face value. Dividends represent a share in the profits of the company and are paid out to a company's shareholders at set times of the year.

**Yield (income):** Refers to the income received from an investment and is usually expressed annually as a percentage based on the investment's cost, its current market value or face value.



