



## Client Agreement Document for AFH Wealth Management

### **INVESTMENT SERVICES**

AFH Wealth Management is a trading style of AFH Independent Financial Services Limited, who are permitted to advise on and arrange (bring about) deals in investments. With regard to investments, which we may arrange for you, these will not normally be kept under review, unless we notify you in writing. However, we will advise you upon your request. We may contact you in the future by means of an unsolicited promotion (i.e. where you had not expressly requested it) should we wish to contact you to discuss the relative merits of an investment or service which we feel may be of interest to you.

**AFH Wealth Management do not handle clients' money.** We never accept a cheque made payable to us or handle cash (unless it is payment in settlement of charges or disbursements for which we have sent you an invoice).

### **REGULATORY STATUS**

AFH Independent Financial Services Limited is authorised and regulated by the Financial Services Authority. Our FSA Registration number is 216704. You can check this on the FSA Register by visiting the FSA website – [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234. The FSA is the independent watchdog that regulates financial services. The Financial Services Authority can be contacted at the following address: 25 The North Colonnade, Canary Wharf, London. E14 5HS.

### **CLIENT CATEGORISATION**

In providing investment services to you, we will categorise you as a 'retail client'. The type of client category will determine the level of protections afforded to you under the regulatory system. As a retail client the regulatory protections available to you are determined by this category and will be the highest available.

Where we have categorised you other than as a 'retail client' (see above), you may request re-categorisation under a client category, which benefits from a higher degree of protection. However, we reserve the right to agree to such a re-categorisation on a case-by-case basis, and where we agree to do so it does not necessarily mean that you will have a right of access to the Financial Ombudsman Service.

### **WHOSE PRODUCTS DO WE OFFER?**

#### **Investments**

We offer products from the whole market.

#### **Non-Investment Insurance**

We offer products from a range of insurers for Life Cover, Critical Illness Cover and Permanent Health Insurance.

## **WHAT SERVICE WILL WE PROVIDE YOU WITH?**

We will advise and make a recommendation for you after we have assessed your needs.

## **CONFLICT OF INTERESTS**

We are committed to treating our customers fairly and we would not knowingly put ourselves in a position whereby our own interests, or our duty to another party, prevent us from discharging our duty to you. We offer advice in accordance with that described in this document. Occasions may arise where we or one of our other clients have some form of interest in business being transacted for you. If this happens or we become aware that our interests or those of one of our other clients conflict with your interests, we will write to you disclosing this conflict. For Discretionary clients we will not provide details of conflicts in writing to you however we have put arrangements in place to ensure our clients are treated fairly and any such conflicts are managed.

For all of our clients we have also implemented a conflict of interests policy to help us manage such risks, which you may access upon request.

## **TERMINATION OF AUTHORITY**

You or we may terminate our authority to act on your behalf at any time, without penalty. 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 the Client Agreement unless otherwise agreed in writing. You will be liable to pay for any transactions made or carried out prior to termination and any fees, which may be outstanding.

## **RIGHT TO WITHDRAW**

In the case of many packaged investment products – such as life assurance contracts, personal pension schemes, investment bonds and collective investment arrangements (e.g. unit trusts), a right to withdraw or cancel the contract within a specified period is normally provided. Details of such rights are ordinarily contained in the product literature (e.g. Key Features Document) and/or we may provide details of such rights in a separate communication.

In the case of a non-packaged product ISA (e.g. a direct equity ISA), we will inform you in writing of any right to withdraw or cancel you may have or, if it is the case, we will inform you in writing that no such rights will apply.

## **CLIENTS RISK**

You are advised that because investments can fall as well as rise, you may not get back the full amount invested. Past performance is not necessarily guide to future performance.

## **HOW WE CHARGE YOU FOR OUR SERVICES**

We will discuss your payment 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.

### **Paying by fee or commission (through product charges)**

You will pay for our services on the basis of paying by fee or paying by commission (through product charges). Our income normally comes from either commission from the product providers (e.g. life assurance companies) we write business with, or fees paid to us by our clients. Whenever commission is available to us, you can choose whether to pay us by allowing us to keep the commission, or by paying us a fee instead. This is in line with standard industry practice. We will tell you how much the commission is before the transaction. If you choose to pay us by commission, we will keep the commission and not charge you a fee. The actual amounts will depend on the service provided to you. If you choose to pay us on a fee basis, we will agree its basis, frequency and method with you in writing before we carry out any work that we charge you for. The actual amounts will depend on the service provided to you, but will be in line with the arrangements set out in the below sections headed 'paying by fee' and 'paying by commission (through product charges)'.

## Paying by fee

Whether you buy a product or not, you will pay us a fee for our advice and services, which will become payable on completion of our work. If we also receive commission from the product provider when you buy a product, we will pass on the full value of that commission to you in one or more ways. For example we could reduce our fee; or reduce your product charges; or increase your investment amount; or refund the commission to you.

We will confirm the actual rate we will charge in writing before beginning work. Our typical charges are:

### Hourly Rate

Managing Director	£350
Adviser Director	£250
Financial Adviser	£200
Financial Planning Technician	£100
Technical Assistant	£70
Administration	£30

### Lump Sum

Investments up to £50k	up to 7% of initial investment
Investments above £50k	up to 7% of initial investment

### Reviews

Initial Review	up to £350 per hour
Annual Review	up to 1% of fund value

## We will tell you if you have to pay VAT.

You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first.

## Paying by Commission (through product charges)

If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing to us upfront, that does not mean our service is free. You still pay us indirectly through product charges. Product charges pay for the product provider's own costs and any commission. These charges reduce the amount left for investment. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower.

The amount of commission we will receive will vary depending on the amount you invest and (sometimes) how long you invest and/or your age.

For example:

If you invest £5,000 into an Individual Savings Account (ISA) we would receive a maximum commission of 4% of the amount invested (£200) and 1% of the value of the fund (roughly £50) per year. If you pay £100 per month into a personal pension (with a term of 25 years) then we would receive commission of £792.00. If you pay £50 a month towards a whole of life policy then we would receive £814.80.

We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier. We may also receive some form of benefit if we introduce business to a product provider or another firm. We will tell you before the transaction if we are likely to receive some form of benefit from recommending any product to you, or from working with any product provider or firm.

## **Other benefits we may receive**

We advise on a range of products from a variety of firms; we may receive certain non-monetary benefits from these firms, which are used to enhance the quality of service we provide to you, such as access to technical services or the supply of product literature. Further information regarding any of these arrangements is available upon request.

## **Information about other costs and associated charges**

There may be other costs, including taxes, that are payable through other parties (such as the product provider) that we may not be party to. Such charges are normally disclosed in relevant third party documentation, for example a Key Features Document.

## **ACCOUNTING TO YOU**

Unless in exceptional circumstances, we will confirm to you in writing the basis or our reason for recommending the transaction executed on your behalf. We will also make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. We will forward to you all documents showing ownership of your investments as soon as practicable after we receive them; where a number of documents relating to a series of transactions is involved, we will normally hold each document until the series is complete and then forward them to you.

## **INVESTMENT OBJECTIVES & RESTRICTIONS**

Following the issue of this document, any subsequent advice or recommendation offered to you will be based on your stated investment objectives, acceptable level of risk and any restrictions you wish to place on the type of investments or policies you are willing to consider. Details of your stated investment objectives will be identified during our discussions with you and confirmed in the suitability report that we will issue to you to confirm our recommendation. Unless confirmed in writing, to the contrary, we will assume that you do not wish to place any restrictions on the advice we give you.

## **BEST EXECUTION POLICY**

It is in the interests of our clients and AFH Wealth Management that we obtain the best possible result when placing orders with other firms (e.g. third party brokers) for the execution of client orders or when transmitting orders on behalf of clients for particular investments – e.g. shares.

We are required under the Rules of the Financial Services Authority to take all reasonable steps to provide ‘best execution’ when carrying out such transactions. When placing orders or when transmitting orders on behalf of our clients for such investments, we may utilise the services of a third party broker and base our decision to place or transmit an order on the price and cost of execution of the order. However, for orders in collective investment schemes (e.g. unit trusts), the price of units or shares in the scheme is normally set by the scheme operator or manager and as such, we have little influence over the price available. Full details of our best execution arrangements are provided in our Best Execution Policy, a copy of which can be provided on request.

## **MODE OF COMMUNICATION**

We will enter into communication with you through whatever means are convenient to you and us, including face-to-face, telephone, e-mail and other acceptable electronic communication methods. Our communications with clients will ordinarily be in English, both in respect of oral and written communications.

## **WHAT TO DO IF YOU HAVE A COMPLAINT**

If you wish to register a complaint, please contact us:

- In writing: Write to the Compliance Department, AFH Wealth Management, St. Johns House, 16 Church Street, Bromsgrove, Worcs. B61 8DN
- By phone: Telephone (01527) 577775

## **ARE WE COVERED BY THE FINANCIAL SERVICES COMPENSATION SCHEME (FSCS)?**

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to a maximum of £50,000.

Insurance advising and arranging is covered for 90% of the claim, without any upper limit.

Further information about compensation scheme arrangements is available from the FSCS.

## **DATA PROTECTION STATEMENT**

The information you have provided is subject to the Data Protection Act 1998 (the "Act"). By signing this document you consent to us or any company associated with us (such companies include, for the avoidance of doubt, Bankhall Investment Associates Limited and any member of its group and/or companies, persons or entities of any nature whatsoever with which it is associated or allied from time to time) processing, both manually and by electronic means, your personal data for the purposes of providing advice, administration and management.

"Processing" includes obtaining, recording or holding information or data, transferring it to other companies associated with us, product providers, the FSA or any other statutory, governmental or regulatory body for legitimate purposes including, where relevant, to solicitors and/or other debt collection agencies for debt collection purposes and carrying out operations on the information or data.

We may also contact you or pass your details to other companies associated with us to contact you (including by telephone) with details of any other similar products, promotions, or for related marketing purposes in which we think you may be interested.

The information provided may also contain sensitive personal data for the purposes of the Act, being information as to your physical or mental health or condition; the commission or alleged commission of any offence by you; any proceedings for an offence committed or alleged to have been committed by you, including the outcome or sentence in such proceedings; your political opinions, religious or similar beliefs, sexual life; or your membership of a Trade Union.

- Please tick this box to confirm your consent to us or any company associated with us processing any such sensitive personal data
  
- If you are happy for us or any company associated with us to contact you for marketing purposes by e-mail, telephone, post or SMS, please tick this box.

If at any time you wish us or any company associated with us to cease processing your personal data or sensitive personal data, or contacting you for marketing purposes, please contact, The Data Protection Officer on 01527 577775 or in writing to AFH Wealth Management, St Johns House, 16 Church Street, Bromsgrove Worcs. B61 8DN.

You may be assured that we, and any company associated with us will treat all personal data and sensitive personal data as confidential and will not process it other than for a legitimate purpose. Steps will be taken to ensure that the information is accurate, kept up-to-date and not kept for longer than necessary. Measures will also be taken to safeguard against unauthorised, unlawful processing and accidental loss, destruction or damage to the data. Subject to certain exceptions, you are entitled to have access to your personal and sensitive personal data held by us. You may be charged a fee (subject to the statutory maximum) for supplying you with such data.

**CLIENTS CONSENT**

This is our standard Client Agreement upon which we tend to rely. For your own benefit and protection, you should read the terms carefully before signing, as by signing you consent to the terms contained within, including the authorisation to transfer information between parties as described above. If there are any terms within this agreement that you do not understand, please ask for further information. The Client Agreement will come into effect from the date of acceptance of this agreement, which will be confirmed by the date provided in the 'date of signature' box below, unless otherwise stated.

Client Name(s) \_\_\_\_\_  
Client signature(s) \_\_\_\_\_  
Date of signature(s) \_\_\_\_\_  
Date of issue \_\_\_\_\_

Updated February 2010