

# About our Services & Costs

Services and Fees Information

ethicalfutures<sup>77</sup>

## **Important document- Please read**

At Ethical Futures we have a simple focus; we help you to make your money change your world. By this we mean, that not only do we help you meet your own personal financial goals and objectives but, in doing so, that you can manage your money in a way that reflects your values and concerns.

Financial planning and advice can range for the relatively simple to a complex process, requiring a range of skills and resources as well as detailed research and technical knowledge. Nonetheless, there is a core 'six step' approach to consultation with a client that applies throughout our planning and advice processes.



The first step for most clients will be an introductory meeting to get to know us and so we can get to know you. In that meeting, we'll explain who we are, how we are regulated, what we do and how we do it. The "how we do it" includes an explanation of our services and the other five steps, including data gathering, research, reports, implementation of advice and our on-going service options.

We also explain how we are paid. There's no smoke and mirrors here, we're more than happy to explain what our costs are, how and why they are charged and what your options are for paying us. In fact, that's the purpose of this document so read on and feel free to ask questions when you come to a meeting with us.

That first meeting is at our own expense and at the end of it, we should have a basic understanding of what your concerns are and you will hopefully have a full appreciation of the services that we offer. If it doesn't seem like a good fit then you're free to walk away at no cost.

## **Services**

### **Finding the right service for you**

At Ethical Futures, we recognise that people have different needs at different stages in their life. One size doesn't fit all because the service you need from your planner and adviser depends upon the complexity of your own personal and financial affairs. Therefore, we've created some simple service offerings which can cope with a range of complexity within them.

## **Initial Advice Services**

Our initial advice services represent the three key elements of a full holistic advice process. For some clients the full range of services will be appropriate, whereas for others it may be just one element or a combination of two. At our initial meeting, we'll discuss these services in greater detail and help you decide what service(s) will suit you best. In naming our services, we have tried to provide clarity as to the purpose of each element.

### **PLAN**

The foundation of good advice is to understand where you are now and what options you have for the future. Plan provides a detailed assessment of your current financial position, and helps you map a course to achieve your goals.

### **ASSESS**

Using the Assess policy review process, we consider the value for money of your current policies. This helps us to decide if they remain fit for purpose or should be replaced, and if so, the pros and cons of doing so.

### **SELECT**

Select is a structured research and policy/service selection process. We are effectively your 'personal shopper' and use our whole of market and ethical investment knowledge to choose the right product or service for your needs.

Within each of those elements, we apply a complexity rating of standard, moderate or complex. Therefore, within each advice element, we can cope with relatively simple requests right up to multidisciplinary and complex planning and research requirements. The key point is that the fundamentals of each element remain the same - regardless of complexity of the task in hand. See our service matrix and service summaries for more information.

### **On-Going Advice**

Once you have started on your financial journey, it's a good idea to make sure that you stay on track. To help with this, we offer two levels of service to review your financial plans.

### **Fund monitoring**

Our Investment Fund Monitoring service allows you to benefit from our on-going review of investment, pension funds and discretionary services. We monitor the market for changes in available services, charges performance, management or ethical criteria. In the event of a critical issue requiring specific action by you, we will also send you a personal alert message. This service does not offer a periodic review of suitability and there is no regular face to face review meeting under Fund Monitoring service.

As part of this service we will send you a regular email newsletter that highlights general financial issues and some of the 'ethics in action' within recommended investment funds.

### **Annual Review Service.**

The Annual Review Service provides a wider financial planning review and is offered as an additional service to fund monitoring. We will offer you a periodic assessment of the suitability of the financial products for which we have provided advice and recommendations. This ongoing service and review will be offered to you at least annually. As part of this service, we will confirm the overall fees and charges that you have incurred. This service is paid for by way of a monthly retainer fee. For clients using the fund monitoring service with funds under management by Ethical Futures of £200,000 or more, we will include a complimentary annual review at no extra cost.

### **Costs of services**

At Ethical Futures, we are keen to be open and transparent about the cost of our advice.

The key thing to remember is that good financial advice should cost less over the long term than no advice at all. After all, the whole point is to improve your financial position. Our fees are designed to give you clarity over the costs of initial planning and advice and then to provide you with a number of options for retaining our advice and guidance over the longer term.

Initial consultations are at our own expense, so it costs you nothing (apart from your time) to come along and meet an adviser to discuss your needs. This meeting will give you an opportunity to explain your needs and for us to explain the nature, scope and cost of advice. This should enable you to judge whether paying for financial advice will deliver the best value for you overall.

## The cost of our services

### Hourly Fee Rates

The costs of our services for investment and planning advice will be met by fees based upon the following hourly rates. These are our current standard rates which are reviewed annually.

- Adviser £85 per hour
- Researcher £65 per hour
- Administrator £45 per hour

For **initial advice**, the fee payable will be based upon a **fixed project cost**, combining elements of all three fee rates noted above. We have analysed our workflow processes and understand who does what and how long it takes to complete a range of typical advice processes. Our project fees are based upon the normal workload for an average case.

These fees will apply to the bulk of engagements that we undertake at Ethical Futures but we reserve the right to quote a client specific fee where circumstances dictate.

### Initial Planning & Advice - Project fees

Based on the services required and complexity of work involved, we have developed a range of fixed project fees, which will cover the bulk of advice work that we undertake for clients.

Service	Complexity level	Typical Case	Time	Fee*
<b>PLAN</b>	Standard	Saving target/protection shortfall calculations	6 hrs	<b>£380</b>
	Moderate	Retirement Income /basic estate planning	9.5 hrs	<b>£685</b>
	Complex	Holistic Planning advice	12.5 hrs	<b>£995</b>
<b>ASSESS</b>	Standard	Individual fund ISA transfer	6.5 hrs	<b>£400</b>
	Moderate	Personal Pension transfer	9.5 hrs	<b>£690</b>
	Complex	PPP to SIPP or direct investment portfolio transfer	12.5 hrs	<b>£995</b>
<b>SELECT</b>	Standard	Simple protection or lump sum/regular investments	9.5 hrs	<b>£575</b>
	Moderate	Discretionary fund services	12.5 hrs	<b>£845</b>
	Complex	Bespoke Discretionary portfolios, tax & IHT products	16hrs	<b>£1,225</b>

Work carried out under some of these elements may be subject to VAT. We will advise you in writing, before you engage us, if this is the case.

### Cost of On-going Advice Fees

We have two levels of ongoing services we can provide to ensure that your personal recommendation is reviewed frequently and remains relevant to your changing circumstances. The services can be used separately or can be combined. The frequency and amount of the charge will depend on the service you choose.

### Fund Monitoring Service

The level of fee for this service depends upon the type of investment assets that you hold. The fee reflects the amount of monitoring and due diligence required to monitor selected funds. This service is charged as a percentage of the value of your investment funds under management (FUM). Fees levels are based on the following investment fund groupings:-

- Multi-Asset funds 0.25% p.a. of FUM
- Discretionary Services 0.50% p.a. of FUM
- Bespoke portfolio of funds 1.00% p.a. of FUM

For example

<b>Product/Fund</b>	<b>Investment</b>	<b>On-Going Fee %</b>	<b>On-Going Fee</b>	<b>VAT @ 20%</b>	<b>Total Annual Costs</b>
Multi-asset fund in pension/ISA	£10,000	0.25%	£25.00	£5.00	£30.00
Discretionary Fund Service	£50,000	0.50%	£250.00	£50.00	£300.00
Discretionary Bespoke Portfolio Management	£350,000	0.50%	£1,750.00	£350.00	£2,100.00
Personalised funds portfolio on wrap platform	£30,000	1.00%	£300.00	£60.00	£360.00

These fees will be subject to VAT at the prevailing rate (currently 20%).

Fees will be deducted directly from your investment in quarterly or monthly instalments.

We align our interests with yours. Therefore, although the percentage fee remains the same, the actual amount paid to us will increase if investments rise in value; likewise, if values fall we shall also receive less.

### **The Annual Review Service**

The annual review service is covered by a monthly retainer fee of £25 (+VAT). This will be invoiced to you and paid by monthly direct debit or standing order.

Reviews will be held at a time that is convenient for you but generally on the anniversary of your initial investment.

### **Cancellation of services**

Both the Annual Review Service and Fund Monitoring Service can be cancelled by you at any time. Instructions should be in writing and subject to one month's notice.

### **Fees for other products & services**

#### **Insurance/Pure Protection**

Please note that standard adviser remuneration arrangements for pure protection or 'non-investment' insurance contracts differ from those of retail investment products (such as ISA's & pensions). A pure protection service is where a firm provides a personal recommendation for pure protection and/or arranges the sale of a pure protection contract.

Where Ethical Futures is already providing associated advice, payable by an adviser charge, on 'retail investment products', a separate fee will be payable in respect of a personal recommendation for a pure protection product. This will be confirmed to you in writing prior to commencement of work. A fee will be charged in accordance with our standard fee rates as detailed in Initial Advice Fees and will be in respect of research, advice and implementation in connection with non-investment insurance contracts such as term assurance and critical illness and income protection plans.

Where the client pays a fee for the full cost of advice for non-investment insurance recommendations, the contract will be set up on a nil commission basis. If the client would prefer, we will set the contract up on an indemnity commission basis and use the commission payable to offset the pure protection advice fee. If the commission is insufficient to meet the full fee, the balance will be payable by the client. Where commission is in excess of the fee, we will retain it to reflect the additional risk of indemnity payments.

In the event that the policy lapses during the initial period and Ethical Futures suffer a claw back of initial commission, we shall notify you of the outstanding balance payable. This balance fee will then be payable within 14 days from our invoice. Failure to settle the fee may result in referral to legal recovery of the outstanding fee. Please note that it is not permissible to use commissions arising on a pure protection plan to offset fees for advice on a retail investment product.

## **Mortgages**

As with protection advice, a fee will be charged for mortgage advice in accordance with our standard fee rates as detailed in Initial Advice Fees. This will be in respect of data gathering, research, reporting and advice. If you wish us to implement and arrange the mortgage for you, then an implementation fee of £300 will be payable on completion of the loan. Mortgage providers may pay us a commission fee for placing a mortgage with them. If so, this will be fully disclosed to you in writing. Where we will also be paid commission from the lender we will waive the mortgage implementation fee but the initial research fee will still be payable.

No refund will be paid if you decide not to proceed.

## **Administration services**

As part of our advisory services, we will from time to time be called upon for ad hoc consultations and advice in respect of exiting investment plans, such as changes to personal records, fund switches, withdrawals, establishing trusts, assignments etc.

Ethical Futures maintain a full advice services menu, detailing the cost of all additional ad hoc services. This menu is available on request.

## **Paying for advice - Your payment options**

You are engaging Ethical Futures to provide financial advice and payment for this advice is not contingent upon the purchase of a financial product. Whether you buy a product or not, there will be an adviser charge for our advice and services which will become payable on completion of our work.

### **Payment timeline**

We offer a range of options for payment of advice fees

1. Settling your adviser charge through a single payment  
Settlement of the payment for your adviser charge will be due within 14 days of completion of our work. We accept payments by cheque and bank transfer. We do not accept payment by cash.
2. Settling your adviser charge by instalments  
Clients should note that a firm is only permitted to offer the option for clients to pay their adviser charge by instalments where regular premium products are recommended  
  
If you choose to pay for the advice you receive through instalments, these instalments will be facilitated by the provider making deductions from the premium you pay each month. These will be allocated towards settling the adviser charge. An example of how this would work is noted below. For example, the total cost of advice is £600.  
You have been recommended a regular premium product of which £250 will be paid each month. £50 will be taken from this amount to pay off your adviser charge over 12 months. The remaining £200 will be invested during this time.  
At the end of this period the adviser charge would have been settled in full. From month 13 the full £250 will be invested.”
3. Paying through other arrangements  
If you choose not to pay for the adviser charge through the recommended retail investment product, Ethical Futures are willing to offer you the option to pay its adviser charge by instalments by standing order or direct debit.  
We will be willing to accept payment by up to four monthly instalments (25% of the total initial adviser charge). The total fee will be divided into four equal payments and a standing order or direct debit to our business account will be set up to commence on the first of the month following the implementation of our advice. Full payment will be collected over four months and this will settle the fee. This does not represent a fee for any on-going advice.

#### Keeping up with your payments

If you elect to settle our adviser charge by instalments, it is important that you keep up with your payments. Should you fail to maintain your payments, either by cessation of standing order or cancellation of the retail investment product and associated direct debit, we shall notify you of the outstanding balance payable. This balance fee will then be payable with 14 days from our invoice. Failure to settle the fee may result in referral to legal recovery of the outstanding fee.

4. Payment for ongoing services –Fund Monitoring

This service is provided at a charge of 0.25% - 1.0% p.a. of the value of your investment funds under management. When we implement the investments, we will seek your authority for the investment provider to facilitate payment of the fee directly to us by regular deductions from your investment account with them.

5. Payment for ongoing services – Annual Review

Payment for this service is payable by monthly standing order or direct debit.