

FINANCIAL SERVICES

---

WHAT TO EXPECT WHEN YOU SEEK FINANCIAL ADVICE  
FROM NICHOLLS STEVENS FINANCIAL SERVICES

---

**How you will be treated**

- 1 You will be treated as an **individual**. Although financial problems may superficially appear the same, experience has taught us that the solutions are often varied
- 2 You will be given **advice**. You will not be sold products. A product may be necessary as a result of the advice but this is the result not the starting point
- 3 You will always be in **control**. We will tailor our advice to meet your needs. You can take as much or as little of the advice as you need
- 4 You may feel apprehensive, so along the way we will give you certain guarantees
- 5 You will always deal with the same adviser. This adviser will be qualified to an advanced level. The admin staff who head up our investment and pensions teams are all qualified to Certificate of Financial Planning standard
- 6 You will deal with an adviser who has at least 20 years experience of giving financial advice
- 7 You will be expected to pay for our advice. It is not free. However we will clearly explain the costs and when they are due
- 8 You will be dealing with a firm of independent advisers and we will aim to give you a high level of service and expertise. However, your investments will be placed with Insurance Companies and other financial institutions. We do not work for them and cannot be held responsible for their lack of service. We guarantee that we will always act on your behalf when dealing with these third parties.

# How does the advice process work?

## **1. The initial meeting**

- a) You will make an initial meeting with us. At this meeting you will meet your adviser. We guarantee that subject to holidays and illness so long as this person is in our employ you will deal with him or her. If you do not feel able to work with this person, please let us know and we will offer an alternate with whom you hopefully have empathy
- b) The initial meeting normally takes place in our office in Bristol or London. If you are elderly, disabled or live in another part of the country we will be pleased to come to see you at your home but a small travelling charge may be made
- c) At the meeting we will explain our services and charges and leave you with literature, which you can take away with you to study. You may ask to see examples of our work
- d) At the meeting you will be asked some questions concerning your personal aims for the future. It is important to realise that your personal and financial ambitions are closely linked. In order that we can really help you, it is essential that you have given this some thought before the meeting. The questions you could ask yourself are:
  - i. Do I still want to be in this job/living in this house in 10 years time?
  - ii. What is my dream for my life? Am I going to do anything about it and if so when?
  - iii. What are the barriers to achieving these dreams?
- e) You will also have to give us details of yourself, your family, your state of health, etc. A summary of your current financial affairs is extremely helpful if it can be provided at this first meeting
- f) You may be asked to sign letters of authority so that we can approach your existing product providers for full details of your existing arrangements
- g) If we are to help you to achieve your personal ambitions we will have to construct a plan specifically for you. In order to do this we will need to know how much risk you are prepared to take with your money. You will be asked to complete a simple questionnaire so that we can quantify this risk
- h) You will be given an opportunity to ask questions
- i) You will be asked if you wish us to proceed. If you agree we will prepare a report for you. We will explain the charge and you will be invoiced for this when you receive the report. We **guarantee** that If you are not satisfied that the content of the report addresses your financial needs we will refund your fee

## **2. The Report**

- a) The report will have the following format
  - Details of existing financial position
  - Assessment of needs
  - The recommended plan specifically designed for you
  - Details of the implementation of this plan
- b) The report outlines your existing financial position so you can check that we have been given all the relevant facts
- c) In this section we will include the research we have done on your existing arrangements and our comments as to the suitability of some of these products. We will have considered the fund performance, the choice of funds, charges and penalties
- d) Having analysed the information you have given us, we ascertain the gaps in your current provision, which will prevent you achieving your personal/financial ambitions.
- e) In the assessment of needs section we will also consider your tax position, not just income tax but also Capital Gains Tax (CGT) and Inheritance Tax (IHT). Comment will be made on your will provision and the need for say Enduring Power of Attorney to be put in place. In

some instances we may be able to facilitate the preparation of simple wills and Powers of Attorney

- f) The plan, which we propose for you, will set out a means of achieving sufficient capital or income to fulfil your personal/financial ambitions and at the same time protecting your dependants and yourself in the case of death or long-term sickness.
- g) The plan to achieve the necessary level of capital or income in the future will involve the use of a balanced portfolio with your capital invested in
  - Cash
  - Fixed Interest Securities
  - Property
  - Shares
- h) The split within the portfolio between these various asset classes will determine whether or not you will be able to achieve your ambitions
- i) The split depends upon your attitude to risk and we will show you various asset allocations and the expected outcomes dependent upon conservative rates of return
- j) In some cases we will demonstrate that it is impossible to achieve your required outcome so we have to go back to the drawing board on a modified plan
- k) We advise on all the assets to go into the portfolio, including the cash element. We advise on the use of collective investments, ie OEICS and Investment Trusts
- l) We are not Stockbrokers and do not advise on direct investments into shares or fixed interest securities. We have a good working relationship with a number of stockbrokers and can include the running of a direct share portfolio in the overall plan if required. We would receive copies of all valuations and include these assets in our overall asset allocation
- m) Our method of selection of collective investments is outlined in our investment leaflet. We must stress that we are selecting managers whom we feel will manage your money well. We cannot guarantee this; managers change and different managers perform better at different stages of the market depending on their investment style.
- n) Our management style depends on setting the parameters for the asset allocation and monitoring this. We do not predict changes in the market on a day-to-day basis although our access to information from fund managers enables us to compile a consensus view of possible outcomes.
- o) You may need protection products, annuities or fixed rate schemes in which case we have access to online information which enables us to provide competitive rates. In making a recommendation we will also take into account your state of health and the Insurance Company's attitude to underwriting and claims handling
- p) It may be advisable for certain assets to be the subject of a trust. In many cases we will be able to provide the necessary paperwork for this to be achieved. If you need specialist advice we will let you know
- q) The final section of the report will demonstrate how our recommendations satisfy your long term needs and outline the implementation process and costs

### **3. Implementation of your plan**

- a) Once you have received the report you will be asked to make an appointment with us to go through the report and make any amendments you may wish. It is important to understand that this plan is for **you** and must suit your requirements, if you decide you want to take a different level of risk or invest in some different way, now is the time to say so
- b) We will not ring you. All we require is payment of the invoice. It may be that you cannot proceed for the time being or something has happened to make you change your mind. Rest assured we will not pursue you
- c) If you decide you do wish to proceed, the meeting will go ahead when you have the opportunity to ask questions and discuss making any changes
- d) At this meeting you will be asked how you wish to remunerate us for the initial and review work; fees or commission will be agreed

- e) At this meeting or at a subsequent one, you will be asked to complete application forms, trust documentation and write cheques to the various product providers. You will never be asked to write a cheque to Nicholls Stevens other than a fee cheque for advice
- f) At this point you may be asked to provide documentation so that we can satisfy the money laundering requirements
- g) Our admin team will then deal with the various product providers on your behalf. Cheques will always be sent out within two working days unless there is a specific reason why this should not happen i.e. the funds are not yet available
- h) During this period of implementation queries may arise and you may be contacted by a member of our admin team
- i) Certain transactions with Insurance Companies can take many weeks in particular pension transfers. We will warn you of this in advance. We operate a diary system and will be regularly reminding the Insurance Companies
- j) During this time you will receive from the product providers documents called cooling off notices, which give you the right to cancel the transaction. These are generic documents of which we do not get copies but any queries can be dealt with by our admin team
- k) You may receive some documentation, which needs signing. If you have any queries our admin team will answer these
- l) When all the transactions have been completed we will write to you with any final documents and a folder in which to keep future update correspondence.

#### **4. Ongoing Service**

- a) You will be expected to agree to the review of your plan on a regular basis. This could be annually, half-yearly or quarterly depending on the complexity of the plan You will be told the cost for this service
- b) You will receive regular valuations from the providers on each of your separate investments and also dividend counterfoils. You may need the counterfoils for your tax return. You should keep the valuation statements for only 12 months. We are also sent copies of these
- c) If you have agreed to the review service you can ring us at any time with any query
- d) You will receive a quarterly newsletter
- e) At each review you will receive an up to date valuation of your plan with a report and comments. This may involve the need to re-adjust the asset allocation, take advantage of the annual allowance for IHT, CGT, etc
- f) The report will include an overview of market conditions and a review of the performance of your particular funds against others in the sector
- g) The report will also comment on the asset allocation and may recommend a realignment of funds to maintain the agreed allocation.
- h) A switch of funds may be necessary if the manager has consistently under performed
- i) The aim of your portfolio will be to achieve the overall return which was originally agreed. Your portfolio will be designed to achieve long term results so the return may not be achieved every year but should be achieved over a five year term
- j) The performance of the portfolio cannot be directly compared with the performance of any index e.g. FTSE 100 because the portfolio is balanced to reduce risk
- k) A meeting will definitely take place at least once a year either in our offices or at your home. If travelling is involved this will have been taken into account in our charge. At this meeting we will review your personal plan, and take into account any changes in personal circumstances.