

# ***True Bearing Terms of Business Letter***

The FSA is the independent watchdog that regulates financial services. This document has been designed to be given to consumers considering buying certain financial products. Use this information to decide if our services are right for you.

True Bearing is a firm of financial advisers who believe passionately about the importance of face to face financial advice. Our ethos is built on a belief of excellence, honesty, dynamism and high quality of service. The aim of True Bearing is to be the premier financial services company in the North West.

## **Our Services**

True Bearing is able to act on your behalf in advising you on investments, mortgages and non investment insurance contracts. We offer products and services as follows:

- We offer investment products from the whole of the market.
- We offer non investment products from the whole of the market.
- We also offer mortgage products from the whole of the market. Where we propose to do so we will provide you with a separate Initial Disclosure Document detailing the services we offer and the costs of those services.

We offer you an initial discussion (without charge) when we will describe our services more fully and explain the payment options. If you decide to go ahead, we will:

- gather and analyse personal information about you, your finances, your needs and objectives;
- recommend and discuss any action we think you should take and, with your agreement, arrange relevant investments for you.

## **Your Aims and Objectives**

Unless we notify you in writing to the contrary, we will be treating you as a “retail client”. This means that you are afforded the highest level of protection under the regulatory system and should have the right to take any complaint to the Financial Ombudsman Service.

Any advice or recommendation that we offer to you, will only be given after we have assessed your needs and considered your financial objectives and attitude to any risks that may be involved. We will also take into account any restrictions that you wish to place on the type of products you would be willing to consider.

With very few exceptions, we will confirm to you in writing the basis of our recommendation in a Suitability Report, which we will issue to you following our recommendation, along with details of any special risks associated with the product recommended.

Full details of the products we may recommend to you including, for example, the minimum duration of the product, information on the right to cancel or whether no right to cancel arises, and any other early termination rights and penalties, will be covered in the relevant product disclosure information you will receive before conclusion of any contract.

We will issue any documentation/recommendations and any other communication to you in English (unless agreed otherwise).

In executing or transmitting orders on your behalf to third parties, we will take all reasonable steps to ensure that we obtain the best possible result for you in terms of best execution.

We may also on occasion, advise on other financial products which are not regulated by the FSA under the Financial Services and Markets Act 2000. The Financial Services Compensation Scheme does not apply to any of these products.

Under the terms of this agreement, we may if appropriate advise you on investments which are not readily realisable. We would draw your attention to the risks associated with these investments as there is a restricted market for them. In some circumstances it may therefore not be possible to deal in the investment or obtain reliable information about its value.

Our services may also include advice on investments relating to, or executing transactions in units in unregulated collective investment schemes. Accordingly, you should carefully consider whether such investments are suitable for you in light of your personal circumstances and the financial resources available to you.

Please note that any products we have arranged for you, will be reviewed with you at agreed service intervals. We may also contact you in the future by means of an unsolicited promotion (by telephone or post) should we wish to discuss the relative merits of a particular product or service which we feel may be of interest to you.

Please be aware that investments 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 Report.

### **Client Money**

True Bearing IS NOT permitted to handle client money and we cannot accept a cheque made out to us, unless it is in respect of an item for which we have sent you an invoice. We do not handle cash.

### **Documentation**

We will endeavour to make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. All Policy Documents will be forwarded to you as soon as practicable after we receive them. If there are a number of documents relating to a series of transactions, we will normally hold each document until the series is complete and then forward them to you.

## **Cancellation rights**

In most cases you can exercise a right to cancel, by withdrawing from the contract recommended to you. In general terms you will normally have a 30 day cancellation period for a life, pure protection, payment protection or pension policy and a 14 day cancellation period for all other policies.

The start of the cancellation period will normally begin, for pure protection policies, when you are informed that the contract has been concluded or, if later, when you have received the contractual terms and conditions. In other cases, the cancellation period will begin on the day the contract is concluded or, if later, the day on which you receive the contractual terms and conditions. Instructions for exercising the right to cancel, if applicable, will be contained in the relevant product disclosure information which will be issued to you.

If you cancel a single premium contract, we may require you to pay for any loss you might reasonably incur in cancelling it which is caused by market movements. This means that, in certain circumstances, you might not get back the full amount you invested if you cancel the policy

## **Additional Protection**

We are authorised and regulated by the Financial Services Authority ('FSA'), 25 The North Colonnade, Canary Wharf, London, E14 5HS. Our FSA Register number is 486512. Our permitted business is advising on and arranging pensions, savings and investment products, mortgages and non investment insurance contracts. We are also authorised to advise UK citizens who are wholly or partially resident in France, Spain and Cyprus. You can check this on the FSA's Register by visiting the FSA's website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234.

In the event that you are dissatisfied with a recommendation we have made you may be entitled to make a complaint. We have a complaints procedure that is available on request. If you wish to register a complaint, please contact us:

**In writing:** to The Compliance Officer  
True Bearing Ltd  
B2 CBTC  
Euxton Lane  
Euxton  
Chorley  
Lancs  
PR7 6TE

**By phone:** 01257 260011.

For your further protection if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service ('FOS').

We are covered by the Financial Services Compensation Scheme ('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 for 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.

**[www.fscs.org.uk/consumer](http://www.fscs.org.uk/consumer)**

Please be assured we treat complaints very seriously.

### **Conflict of interest**

We will endeavour always to act in the best interests of our clients. However, circumstances can arise where we or one of our other customers may 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 customers conflict with your interests, we will write to you and obtain your consent before we carry out your instructions, and detail the steps we will take to ensure fair treatment.

We obtain professional support services from threesixty services LLP, who provide us with regulatory and business advice. Threesixty are supported by product providers, fund managers and platforms, through the provision of training resources and occasionally through commission payments made direct to them, which can be used to offset our own fees to them. In the event that threesixty is remunerated through commission, this will be disclosed in the literature provided to you, and in no way will it affect the charges you pay.

True Bearing Ltd are the creators of the Pennine OEIC. We receive a marketing fee from the Annual Management Charge. This is typically 0.25% to 0.35%. In addition we receive 0.75% from the Initial Charge for all new monies invested.

### **Disclosure of charges/fees**

All charges/fees will be fully disclosed to you. These will be disclosed in summary form before we undertake any work for you. The precise charges relating to any recommendations we make will be confirmed in your Suitability Report or relevant product disclosure information that is provided to you.

There is no additional cost to you for using a means of distance communication.

### **Our Remuneration**

#### ***Investment Transactions and Protection Plans.***

Following our initial discussion (without charge) should you decide to go ahead there is a cost for our services. We offer a variety of methods by which we can be remunerated so that you can select the method that best suits your needs.

The options:

#### **1. Paying by fee.**

Whether you buy a product or not, you will pay us a fee for our advice and services. 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 (a) rebate it to you in the form of enhanced benefits (b) use it to reduce your regular premiums (c) offset it against our fees, as appropriate.

**2. Paying by commission (or product charges).**

If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing up front, 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 the provider may pay to us. 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. We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.

**3. Paying by a combination of commission and fee.**

In some circumstances, we also charge a fee on top of any commission we might receive.

We have detailed the options further below:

**1. Paying by Fee**

**If you choose the fee option:**

**(a) Hourly Rate**

We will agree the rate we will charge before beginning work. We will tell you if you have to pay VAT.

Our typical charges are:

Chartered Financial Planner	£225 per hour
Diploma qualified Financial Adviser	£180 per hour
Certified Financial Adviser	£135 per hour
Paraplanning	£40 per hour

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.

**(b) Portfolio basis**

**This is based upon a percentage of the portfolio to be reviewed.** We will tell you if you have to pay VAT.

Our typical charges are:

Funds	Percentage
0 - £250,000	3%
£250,001 - £500,000	2%
Over £500,000	1%

**2. If you choose the commission option (or 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 up front, 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 payable can vary and depends on a number of different factors – for example: the type of product, the amount you invest, and (sometimes) how long you invest for, or your age when you start the product. We will confirm the actual amount to you before you buy a product.

*For example:*

- If you invest £7200 in an individual savings account (ISA) we would receive commission of 3% of the amount invested ie.£216 and 0.5% of the value of the fund (roughly £36 every year).
- If you pay £150 gross a month into a personal pension (with a term of 12 years) then we would receive commission of £200.13.

### **3. Paying by a combination of commission and fees**

Commission can be used to pay for our services or used to offset our fees agreed above.

Where a fee basis has been selected as the method of remuneration, commission that would otherwise become payable for policies arranged on your behalf will be (a) rebated to you in the form of enhanced benefits (b) used to reduce your regular premiums (c) offset against our fees as appropriate.

In the event of policy cancellations and where the policy provider has sought repayment of commissions previously paid by them, we reserve the right to charge a reasonable fee to cover the cost of repaying such commissions.

We will discuss the different offsetting routes mentioned above to assess your preferred option as part of the recommendation process.

We can offer a number of options to clients on how to pay for our services depending on the work being done.

### **Termination**

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 these 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.

### **Data Protection**

Your personal information is very important to us. We will endeavour to take all due care to protect this information. We would like to highlight below a few matters relating to your information that you should be aware of.

Some services are provided to True Bearing Ltd by third parties such as processing business or obtaining compliance or regulatory advice, which warrant the disclosure of more than just your basic contact details. You agree that personal information held by True Bearing Ltd may be disclosed on a confidential basis, and in accordance with the Data Protection Act 1998, to any such third parties. You also agree that this information may be transferred electronically, e.g. email and you agree that ourselves, or any such third party, may contact you in future by any means of communication which we consider appropriate at the time.

Product Providers, Lenders and Investment Managers may administer your policy, any existing policies you may have with them and provide other services, from centres in countries outside Europe (such as India and the USA) that do not always have the same standard of data protection laws as the UK. However, they are required to put a contract in place to ensure that your information is adequately protected, and they will remain bound by their obligations under the Data Protection Act even when your personal information is processed outside Europe.

**Your Consent**

This is our standard terms of business upon which we intend to rely. For your own benefit and protection you should read these terms carefully before signing them. Please sign both copies of this letter, and return one copy to us. If you do not understand any point please ask for further information.

I authorise the transfer of information, on a confidential basis when warranted between any such third parties. I acknowledge that the Terms of Business Letter will come into effect from the date of issue.

I also confirm that I AM / I AM NOT happy to give True Bearing Ltd my express consent to contact me by telephone to discuss advising on or arranging financial or insurance products in future.

<b>Remuneration option agreed</b>	<b>Detail agreed fee or commission</b>
<b>1. Pay by fee only A - B (please circle)</b>	
<b>2. Pay by commission only</b>	
<b>3. Pay by combination of fee and commission</b>	

Client Name(s) \_\_\_\_\_

Client signature(s) \_\_\_\_\_

Date of issue \_\_\_\_\_

Date signed \_\_\_\_\_

Version: Feb 2010