

RATHBONES

Incorporating
Investec Wealth &
Investment (UK)



Financial Planning explained

Investec Wealth & Investment (UK) is a trading
name of Investec Wealth & Investment Limited

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Welcome

We believe Financial Planning can add context to your investment and lifestyle decisions. The aim of “**Financial Planning explained**” is to outline for you what we do, how we do it and who we feel would benefit from our services. We want you to be able to make a fully informed decision on what is right for you and your family.

This brochure also includes the cost of our Financial Planning service as well as further relevant background information on how we believe we can help you.

We hope you find it useful and look forward to meeting you.





Introduction

At the core, Financial Planning is about you engaging with your money. The process of planning can be as much about having matters clear in your mind, as it is about having things clear on paper.

Let's start with what Financial Planning is not – it isn't about buying products like pensions, ISAs and bonds. Products may be the pieces in the jigsaw but, as important as they can be, they are not the whole picture.

Financial Planning is an ongoing process to help you make sensible decisions about money, and it starts with helping you articulate the things that are important to you. These can sometimes be aspirations or material things, but often they are about you achieving peace of mind.

For you, Financial Planning might involve putting appropriate wills in place, thinking about how your family would manage without your income

should you fall ill or die prematurely, managing your expenditure, providing for your own future or passing on wealth to your family.

Financial Planning brings all of these elements together in one coherent, ongoing strategy. You can build a plan on your own, but where your needs are more complex or where you work better with others as part of a team, you should take advice from a Financial Planner.

“Planning is bringing the future into the present so that you can do something about it now”.

Alan Lakein



What are the benefits of Financial Planning?

Financial Planning provides direction and meaning to your financial decisions. It allows you to understand how each decision you make affects other areas of your finances. For example, buying a particular product might help pay your mortgage faster, but conversely, might delay your retirement or reduce funds available to pass on to your children now.

By viewing each financial decision as part of a wider strategy, you can consider the short and longer-term effects on your goals. By implementing a suitable financial plan to meet these goals, you will gain control and peace of mind, knowing that you are on track for the future you want for yourself and your family.

Lastly, if your experience of Financial Planning so far has left you feeling more confused than when you started, you haven't met the right team yet.

The main areas to be considered



Retirement planning

Will you have enough? How much is enough? Retirement planning is about taking responsibility now by focusing on the future. It is about ensuring you can meet your retirement income expectations and, if you are already retired, whether you are using your capital in the most tax efficient and appropriate way. We can also help determine whether your current income is sustainable if it is coming from savings or pensions.



Estate planning

Will the right people receive the right amounts, and at the right time? Are they ready to receive potentially large sums? Will you simply be passing on a tax bill? Estate Planning is more than just money and tax – it is about making sure the people who are left are financially supported, that your assets are protected and that the tax paid is fair.



Investment planning

Do you self-manage your portfolio or outsource to a professional firm? Do you hold the investments directly or through a particular wrapper? Can you tolerate the true level of risk within your portfolio or could you achieve the same return for less risk? Investment planning is about choosing the most appropriate investment solutions, understanding the risks, making best use of tax allowances and achieving a true level of diversification.



Protecting your wealth

What is your most valuable asset? Is it your home? Or, is it your future income and your ability to continue earning it? Protecting your wealth is a fundamental part of Financial Planning, yet most of us don't spend the time or money on it that is often necessary. When someone dies, money can't ever replace them, but it can make life a little easier for those we love who are left behind.



How we choose the right products and services to meet your individual needs

Our approach to supporting your individual goals

Our Financial Planning service is designed to provide you with the best advice and the most appropriate products and services to meet your individual goals. We achieve this by undertaking detailed analysis and due diligence of the available products and services across the markets in which we operate. Led by our Advice Research Forum and backed up by independent research tools our research is disciplined and robust, and underpins the integrity of the advice we provide to you.

The Products and Services we offer

The comprehensive range of products and services we can advise on include:

- Stakeholder Pensions
- Onshore & Offshore Investment Bonds
- Personal Pensions
- Enterprise Investment Schemes (EIS)
- Annuities
- Venture Capital Trusts (VCT)
- Self Invested Personal Pensions (SIPPs)
- Business Relief Schemes
- ISAs
- Collective Investments
- Investment Trusts

We are also able to advise on life assurance and health insurance, including whole of life and other life products, some of which are premium driven. We are unable to advise on structured deposits, individual shares, or mortgages.

We are not tied to, nor do we receive any inducements from, any providers including Investec Wealth & Investment. In addition, we don't limit our recommendations to any specific firms, products or services.

How we describe our advice

Our Financial Planning service offering is described as restricted. We review and recommend a wide range of products, services and product providers from across the market, including those from Investec Wealth & Investment where suitable. We do not however advise on structured deposits. We will review and advise upon any existing products and services our clients hold. Where it is the right outcome we will recommend that these are retained and will continue to provide advice on them.

When do we recommend our own services?

Whilst we research a broad range of providers, products and services there are instances when we will recommend our own products or services.

When assessing the range of personal pensions available to you we may recommend the Investec Wealth & Investment SIPP if we believe it is the most suitable for you. We may also advise you to utilise the investment management services of Investec Wealth & Investment, including the Inheritance Tax Planner for your estate planning.

Any recommendations would be made once we are convinced this is the right approach for you and after conducting a thorough review of the relevant market.





The Financial Planning process

We will use our expertise to help you understand your own situation, because only then can you start to talk about what you want and need in order to form your goals. When we know these, we can identify what is already helping you achieve those goals, and what needs to change. We will then help you prioritise goals and any associated changes necessary, outline the challenges ahead, and talk openly about the costs. The final stage is then to deliver our fully considered recommendations in the form of a written report, which will form the basis of your own plan.

“If you can’t explain it simply, you don’t understand it well enough...”

Albert Einstein



How does it work?

1. Client engagement

The process of finding out what you really want and need, your hopes, goals and fears. It is about you, not your money.

2. Discovery

The fact finding process includes establishing your current financial position, knowledge, previous experience and the risk that you are willing and able to take. We will also take into account your assets and liabilities, income and expenditure and any existing financial products you own.

3. Analysis and research

Where we fully evaluate the information gathered and analyse this in the context of what we have discussed at stage 1. Does what you already have work? Can it be made to work or do you need to do something different?

Our Advice Research Forum, which consists of professionals from across the Financial Planning spectrum within Investec Wealth & Investment, ensures our service to you always reflects the latest technical, legislative and regulatory developments.

4. Presentation

This is where we present our recommendations to you in the form of a detailed written report and give reasons for the selected recommendations including risks, costs and complexity. Once we have agreed how best to proceed, we will move onto the next stage.

5. Implementation

Where we take responsibility for putting all the agreed changes into place.

6. Review

One of the most important parts of the whole process – revisiting the financial plan with you, at least annually, to make adjustments as required. Life changes, as do rules and regulations, so being able to make ‘course corrections’ is absolutely vital. Remember, this is your plan and your story. Building a financial plan is the first time many people address why they are investing, rather than simply investing for investing's sake. Done properly, it can be a thought provoking and structured process, which can help you achieve the outcomes you desire.



Want to know what most people ask first?

Is Financial Planning expensive?

The real question here is perhaps, “How much is expensive?”

The aim of Financial Planning is to provide you with a robust strategy to make the best use of your money. Very often our recommendations can save you significant amounts of tax over the years; or they can enhance your investment returns.

We will normally cover the cost of the initial meeting, so you should feel confident to talk openly about your situation without fear of an unexpected bill.

Our advice costs typically include an upfront advice fee for providing a critical analysis of your personal situation and making bespoke recommendations. The combination of time, detailed research, expertise, regulation and ensuring that Investec Wealth & Investment remains a secure and stable business to support you for the longer term all play a part in costs.

Should you decide to retain us as your Financial Planner we also charge an ongoing fee to ensure that your plan remains on track and appropriate, and that legislative or taxation changes do not lead to any derailments.

If we feel our Financial Planning services would not give you real value for money, perhaps because your situation doesn't require a detailed plan, we will tell you and we will aim to cease all ongoing advice fees related to the Financial Planning service.

Page 24 of “Financial Planning Explained” outlines in detail how we charge should you wish to engage with us.

I'm already retired – do I still need advice?

We are living longer and so it is very likely that what you have today will need to last for many years – in fact, many of us underestimate the impact this can have on our savings. What matters most is what our money can buy or do for us, not what its value is on paper. This is the impact of inflation, and it can be a significant threat.

Living for a long time also brings the issue of possible care needs in later life. People at this stage in life are also typically more conscious of Estate Planning and in making plans for their families future. So we believe Financial Planning **in** retirement is every bit as important as Financial Planning **for** retirement.

Do I need an ongoing relationship? Can't you just tell me which products or services I need?

We believe it is important to have a thorough understanding of your personal situation before we make any recommendations. Only then can we help you to build your own individual plan. Remember that products or services may be the jigsaw pieces, but they are not the whole picture.

Whether your plan is simple or complex, an ongoing relationship can be vital.

Think about Financial Planning as a journey – you can travel solo to a place you have never been, once someone has booked you on the right plane, but wouldn't it be better to have a guide once you land?

Do I need professional advice?

You can undertake some basic Financial Planning of your own, but there are many benefits to receiving advice from a professional Financial Planner.

Option A: going it alone

If you are looking for free general information and guidance on money topics such as "What is an annuity?" or finding the best cash rates available, there is plenty of reliable information online. Try sites such as the Money Advice Service (MAS), **moneyadvice.service.org.uk** or the Pensions Advisory Service (TPAS), **pensionsadvisory.service.org.uk**

Option B: seeking professional advice

You can be confident that a personalised plan will be developed for your circumstances. This tailored approach will be flexible and adaptable, and will be as a result of a detailed analysis by a professional planner, drawing on their knowledge and experience. This will help cut through jargon and marketing speak and tell you what is right for you. As circumstances change, whether in your own life or due to regulations and tax, the pieces in the jigsaw can be changed to ensure you remain on track.





How can Investec Wealth & Investment help me?

We believe that starting each relationship with a blank piece of paper and no products to sell is the best way to deliver professional and comprehensive Financial Planning.

Once we have implemented your personal financial plan, we will continue to develop our relationship with you. So much of Financial Planning is about mutual trust and respect, whether in the context of helping you invest for the future, protecting your family or reducing taxes. We understand that the topics we discuss can be sensitive, and the questions we ask can be probing, but the motivation is to make sure we look after you.

We believe in working in collaboration, but also appreciate that this sometimes takes time. Being part of your existing team, or building one around you where you also need legal or complex tax advice, is important to us.

Changes in your personal circumstances such as marriage, divorce, retirement, death of loved ones and inheritance all have an effect on your lifestyle and may require changes to your financial strategies and goals. As taxation rules and other legislation are continuously changing, we will also ensure your plan remains up to date and keep you informed of the changes and new opportunities.

Whether building a financial plan with you from the start, or reviewing your existing arrangements, we can provide impartial advice to help guide you through the process of defining your goals and recommending a tailored strategy to meet your individual needs that will be flexible enough to adapt as your life changes.

Ongoing reviews also allow us to help you avoid hazards which will inevitably appear. Such hazards can result in expensive or frustrating mistakes due to poor tax-planning, missed opportunities or emotional bias that can negatively influence your decision making. Sometimes, just the speed at which you can react to change can be important, so having us with you as retained advisers can help here too. Very often, we can also suggest strategies for reaching your goals that you might not have considered.



Working together – the services we provide and the costs and charges relating to them

We believe strongly in disclosure – in being clear with you about the cost of advice – both initially and ongoing, as well as associated costs such as product fees or transactional charges.

This is part of our culture and is a measure of our integrity.

That said, fees and charges in this profession can be complicated and we will therefore give you a full summary in pounds and pence, before you will be asked to confirm your acceptance.

Advice areas

Rather than being completely descriptive and exhaustive, these are the general aspects that most people ask us to help them with together with some of the questions Financial Planning both poses, but also addresses:

Retirement Planning

- What are the timescales we are working with, and what are the important trigger points or events?
- Do you have enough money? Is there a capital requirement, or an income requirement, or both?
- What does retirement look like for you – financially and otherwise?

- What are your differing needs and wants (they are different!) – and which ones can be dealt with?
- I've previously received advice and have a few things in place – are they still doing what they need to do? Can they be improved? Replaced?
- Are my pension funds working properly, and coherently? Do they dovetail with my other investment assets or do I have a collection of pots all doing different things?
- How will tax impact me day to day, up to and through retirement?

Estate planning

- How big is my liability to Inheritance Tax? Is this more than I'm comfortable with?
- Will my money go to the right people?
- Should I make provision now for Inheritance Tax, or do I leave it for later? If I leave it later, will I regret it?
- To what extent am I willing and able to compromise on capital access, income, or both now in order to provide more for my family after I've gone?
- As with retirement planning – I have got some things in place already – are they still right? Do they even still work with current legislation?
- Are Trusts something I should be looking at? Do my solicitor and Financial Planner work harmoniously for my benefit?

An objective and subjective assessment of your needs

We will advise and make recommendations for you only after we have assessed your financial situation, identified any financial shortfalls and discussed and confirmed your current and future objectives.

Where we advise on investment opportunities, it is important that we understand your capacity for loss as part of our assessment of their suitability for you.

Our recommendations will be based upon a comprehensive and fair analysis of the market. We will also discuss your payment options with you and answer any questions that you have.

We will not charge you until we have agreed how we are to be paid.

The scope of our services, and the respective costs, are shown overleaf.

General Financial Planning

- Before I see whether I am on track, what does 'on track' actually mean for me?
- Review of your general savings, investment and protection needs.



Cost of our advice services to you

Service	What does this involve?	What will it Cost?
Initial meeting and information gathering	<ul style="list-style-type: none"> • An introductory meeting to fully explain how our Financial Planning Service works • Establish your financial goals, objectives and priorities • Establish your current financial situation • Explain and assess your attitude to risk and capacity for loss 	<p>We make no charge to you for the initial meeting and information gathering. This will be carried out at our cost.</p>
Analysis , detailed recommendations and establishment of any financial products and services necessary.	<ul style="list-style-type: none"> • Provide you with a complete understanding of your financial situation • Research and identify the most suitable solutions for your financial needs, objectives and goals • Produce a detailed report which will provide information on the options available, and provide recommendations relevant to your specific objectives and needs • Present these recommendations and explain our rationale for selection, answer any queries and agree the next steps • Implement the agreed financial plan, including the establishment of any recommended financial products and services necessary • Liaise with providers through to the issuance of policy schedules and / or investment statements, where relevant 	<p>The usual cost of our initial advice service will be up to 2% of any capital being advised upon, depending on the complexity of the advice and the report. This is to reflect our skills and expertise in providing professional advisory services to you.</p> <p>This service is typically subject to a minimum fee of £2500 (plus VAT where applicable) for provision of our advice and our report.</p> <p>If our advice relates to a Defined Benefit scheme the cost will be subject to a minimum fee of £10,000 (plus VAT where applicable).</p> <p>These advice fees will be agreed with you before we commence work.</p>
Ongoing support and advice, including regular reviews	<ul style="list-style-type: none"> • Review your financial plans against your objectives to ensure their continued suitability and make any appropriate updates relative to your changing circumstances and needs. 	<p>The payment for reviews and advice is a maximum of 1% per annum of the capital under advice.</p> <p>This service is typically subject to a minimum fee of £1500 per annum plus VAT.</p> <p>In addition further initial advice fees as described above continue to apply to any new capital invested.</p>

How to pay for these services

Analysis and evaluation – detailed recommendations and advice

This fee will be agreed with you before we commence work, and will become payable on its completion.

The usual method of payment for this service will be by cheque or direct payment from your bank account through BACS or CHAPS.

Alternatively, it may be possible to incorporate the cost of this service within the implementation and establishment service detailed below if this subsequent service is being provided.

Should the complexity of the advice or service required necessitate a greater fee than usual, we will notify you of such and agree the way forwards prior to exceeding this original estimate.

Establishment of any financial products and services necessary

The charge for this service is typically based on the value of the capital being advised upon. The charge is tiered as follows:

2.0% for the first £500,000

1.5% for the next £500,000

1.0% for amounts above that.

Ways you can pay

Direct from provider

Our charges may be settled by way of the product provider(s) deducting them directly from your product(s), and then paying the money to us.

Although you pay us nothing up front, that does not mean that our service is free, as these deductions will settle our adviser charges. These deductions will reduce the amount left for investment and the associated benefits, taxation or otherwise.

Not every product can facilitate payment of fees.

This option is only available where implementing the advice provided necessitates the establishment of a financial product.

Cheque

Alternatively you may choose to pay by cheque. You will be required to settle payment for your fee for our advice within 10 working days. You acknowledge that once fees are agreed between us and work commences, the fee detailed becomes due for payment on the relevant due date. We are unable to accept cash payments. You will be provided with a receipt upon payment.

Other means

We may in some circumstances also agree to be remunerated by other means, as confirmed on the Financial Planning Fees – Our Agreement document. We will ask you to complete this document for each of the services that we provide.

Examples

The example below compares these methods for a £300,000 and a £500,000 investment:

Direct from provider Examples

£300,000 paid to product provide	£500,000 paid to product provider
£6,000 paid back to IW&I by product provider	£10,000 paid back to IW&I by product provider
£294,000 subsequently invested into your product	£490,000 subsequently invested into your product

Cheque Examples

Either a)	£6,000 paid to IW&I by cheque and £300,000 paid to product provider	£10,000 paid to IW&I by cheque and £500,000 paid to product provider
	Total required = £306,000	Total required = £510,000
Or b)	£6,000 paid to IW&I by cheque and £294,000 paid to product provider	£10,000 paid to IW&I by cheque and £490,000 paid to product provider
	Total required = £300,000	Total required = £500,000

We should explain that provider facilitated charges are not usually available for life or health assurance plans. Typically for these plans, the commission income that we derive is usually incorporated into either the Key Features Document (KFD) or any similar successor document or otherwise that discloses the amount to you. In all other circumstances we will tell you the amount of commission received by us for any policy transaction that we arrange for you, or are proposing to arrange. For the avoidance of doubt, you will not be charged twice i.e. whilst we may earn commission we will not also be remunerated through the provider facilitated charges as set out above.

Ongoing support and advice, including regular reviews

It is rare that we would provide initial analysis, advice and implementation services without also agreeing an ongoing support and advice service.

The fee for ongoing service and advice is a maximum of 1% per annum of the capital subject to and/or covered by our advice.

Examples

The examples below are based on the maximum fee applicable on a range of capital subject to ongoing support and advice:

£3,000 on a sum of £300,000 (+VAT)

£5,000 on a sum of £500,000 (+VAT)

£10,000 on a sum of £1,000,000 (+VAT)

The frequency of this payment will be dependent upon the arrangement being advised upon, but will be confirmed and agreed by us prior to commencement.

Payment will again be either **Direct from provider** or may be paid by **Cheque**.

Any shortfall in fees payable will be invoiced separately.

Please note that should this payment cease, we will take this as an instruction from you that you no longer wish to retain us for Financial Planning advice. In such event, we will write to you to confirm that our service has been terminated, and that the risk for suitability of advice transfers from us to you.

Should you wish to invest further cash or assets in an existing product, or if you wish us to review a new product or service, our standard implementation charges as described above will apply.

Ad Hoc Fees

We may on occasion agree to provide ad hoc advice for a specified fee. The fee charged will be representative of the length of time required to provide advice and the complexity of the financial need. We will agree the cost of this fee prior to beginning work. If it becomes apparent that additional work will be required, we will notify you of such and discuss the way forwards prior to exceeding our initial agreement. We will also agree at outset if we are to be retained to provide an ongoing advisory service. If there is a need to levy additional fees for any ongoing work, such as periodic reviews, we will confirm the rate, frequency and duration of this service at outset.

VAT

For providing the service of Analysis and evaluation – detailed recommendations and advice – the associated fee(s) will normally be subject to VAT.

The VAT treatment for providing the implementation and establishment of any financial products and services will depend upon the nature of the product recommended.

We will therefore notify you about the VAT treatment of each individual payment, based on our understanding of the relevant regulation, before we agree to proceed.

Please note that all Financial Planning services are normally in addition to any investment management or dealing services that may be agreed between us, and these will be subject to a separate Agreement with the relevant company.

Our firm

This brochure relates only to Investec Wealth & Investment Limited (IW&I) wealth planning services.

Our registered office is at 30 Gresham Street London EC2V 7QN. The other addresses at which we carry out business with you can be found in our service brochures, and may also be found on the letterhead received from your chosen wealth planner.

We are authorised and regulated by the Financial Conduct Authority (FCA) and we are entered on the FCA Register under number 124537. You can check this on the FCA Register by visiting the FCA website (www.fca.gov.uk/register) or by contacting the FCA on 0845 606 1234.

The address of the FCA is 12 Endeavour Square, London E20 1JN.

Data protection notice

Investec Wealth & Investment Limited is committed to processing your personal data in accordance with EU data protection laws.

We may use your personal data to provide you with services you request from us, or to manage your accounts, make decisions, detect and prevent fraud, fulfil any contractual relationship with you, undertake analysis and assessment, inform you about our products and services, ensure that we comply with legal and regulatory requirements and/or for other purposes where in our legitimate interests.

You must make sure that if you give us personal data about someone else, you should have a lawful basis for doing so, for example, you have their consent to share personal data with us. Where applicable, you should ensure they

read this data protection notice and understand how we will use and disclose their information, in the ways described in this data protection notice.

For further details as to how Investec Wealth & Investment Limited uses personal data, please contact your relationship manager or refer to our data protection notice online at https://www.investec.com/en_gb/wealth/policies-and-legal/privacy-notice.html

Do you already work with Investec Wealth & Investment?

If you already work with us on the investment management side of Investec Wealth & Investment, we provide an integrated approach to wealth management and can recommend and instruct changes to your portfolio risk level or investment mandate where necessary. We can still, of course, recommend and implement alternative strategies, perhaps in relation to tax planning, for example.

Do you have a relationship with another investment management firm?

If, however, you have an existing relationship with another investment management firm, we can still provide professional Financial Planning alongside your existing portfolio management.

Is all this new to you?

Finally, if you are new to wealth management we will help you choose the correct level of service and where applicable, a specific investment manager or firm to suit your circumstances.

Contact us

If you would like to arrange an initial meeting, at our cost, with one of our Financial Planners please call your local Investec Wealth & Investment office – contact details are on the back cover. Alternatively, please visit our website and request that one of our Financial Planners gets in touch with you.





The information contained within this brochure does not constitute financial advice or a personal recommendation. Investors should remember that the value of investments, and the income from them, can go down as well as up and that past performance is no guarantee of future returns. You may not recover what you invest. References to taxation are based on our current understanding of the legislation but we do not represent that it is accurate or complete and it should not be relied upon as such. Tax laws are subject to change.

Belfast	02890 321002	Cheltenham	01242 514756	Guildford	01483 304707	Manchester	0161 832 6868
Birmingham	0121 232 0700	Edinburgh	0131 226 5000	Leeds	0113 245 4488	Sheffield	0114 275 5100
Bournemouth	01202 208100	Exeter	01392 204404	Liverpool	0151 227 2030		
Bristol	01172 444860	Glasgow	0141 333 9323	London	020 7597 1234		

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