

# Terms of Business



**BLACK SWAN**  
FINANCIAL MANAGEMENT

**White Hart House  
Silwood Road  
Ascot  
SL5 0PY**

**[www.blackswanfinancialmanagement.co.uk](http://www.blackswanfinancialmanagement.co.uk)**

e. [info@blackswanfinancialmanagement.co.uk](mailto:info@blackswanfinancialmanagement.co.uk) | t. 01344 873254

# Contents

<b>1 – Introducing Black Swan Financial Management .....</b>	<b>3</b>
<b>2 – Our background .....</b>	<b>4</b>
<b>3 - The service we offer.....</b>	<b>5</b>
Initial advice.....	5
The advice process.....	6
Ongoing advice .....	7
Transactional advice.....	8
<b>4 – Investment advice.....</b>	<b>9</b>
Our investment philosophy.....	9
Managing investment risk.....	9
Investment approach .....	9
Portfolio construction.....	10
Black Swan portfolios .....	10
Packaged portfolios .....	12
<b>5 – Our charges .....</b>	<b>13</b>
Initial advice fees .....	13
Ongoing advice fees.....	15
Other charges .....	16
Aggregated costs and charges.....	17
<b>6 - General standards and other matters .....</b>	<b>18</b>
<b>7 – Service and Fee Agreement .....</b>	<b>20</b>
Our obligations .....	20
Your obligations.....	21
Cancellation and amendments .....	22
Useful information about our services .....	22
<b>8 – Protecting your personal information .....</b>	<b>24</b>
Consent .....	25
<b>9a – Agreed services .....</b>	<b>26</b>

# 1 – Introducing Black Swan Financial Management

We've written this document to help consumers who are considering buying certain financial products and services from Black Swan Financial Management Limited (Black Swan Financial Management). We recommend you use the information to help decide if our services are right for you.

We offer independent investment advice. This means that we consider a wide range of financial strategies and products. After assessing your needs, we'll make recommendations based on a comprehensive and fair analysis of the market. We constantly review the market to ensure that the services and products we offer are appropriate for our clients.

With discretion and in strict confidence, Black Swan Financial Management advises on investments and non-investment insurance contracts, the areas we can advise on include:

- ISA's
- Unit trusts
- Open ended investment companies / funds
- Investment trusts
- Investment bonds
- Exchange traded funds
- Structured deposits
- Enterprise investment schemes
- Venture capital trusts
- Structured products
- Pensions
- Annuities
- Phased retirement & income drawdown
- Life assurance
- Critical illness cover
- Income protection

We don't advise in relation to the following:

- Mortgage advances
- Individual share holdings
- Options, futures and other derivative contracts
- Long term care plans
- Occupational pension scheme transfers

Where we provide protection advice (non-investment protection contracts; life assurance, critical illness cover and income protection), we act as an insurance intermediary and will provide advice which is based on a fair and personal analysis of the market.

The approach we take may be different from other financial advisors and we recognise we may not be the right choice for everyone. For this reason we like to arrange a 'discovery' meeting to get to know each other, during this meeting we'll explain our services in detail, give you an overview of how we would apply our expertise to your financial needs and objectives. Based upon your requirements we will provide you with an estimation as to our likely fees and charges.

The discovery meeting is provided without charge or obligation. If we both agree to take matters forward, a financial planning meeting will then be arranged. We'll only start work once we have agreed our services and charges with you.

## 2 – Our background

Black Swan Financial Management was established by Mark Pritchard in July 2007 and is based in Ascot, Berkshire. The firm helps its clients meet their financial aspirations and objectives. We do this through the application of in-depth knowledge, solid expertise and forward-looking financial planning based upon cash flow analysis.

Proprietor Mark Pritchard entered the Financial Services industry in December 1994 as a Financial Consultant for Prudential. Now employed as Black Swan Financial Management's managing director and financial adviser, Mark has a deep wealth of experience to advise clients. With a view to the future Mark has been joined by his son Luke Pritchard who is employed as a financial consultant.

The inspiration for the firm's name comes from the book 'Fooled by Randomness, The Role of Chance in Life and in the Markets'. Written by highly acclaimed author Nassim Taleb, the book uses the discovery of black swans, off the western coast of Australia in 1697, as a metaphor for risk and unexpected events. By applying a disciplined financial planning process, and through the astute management of our clients' capital, we seek to reduce risk and uncertainty in their financial dealings.

### **Regulatory information**

Black Swan Financial Management is authorised and regulated by the Financial Conduct Authority ('FCA'), 12 Endeavour Square, Stratford, London, E20 1JN. Our Financial Services Register number is 466128.

Our permitted business is advising on, and arranging, pensions, savings and investment products, and non-investment insurance contracts. You can check this on the FCA's Register by visiting the FCA's website [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the FCA on 0800 111 6768.

## 3 - The service we offer

We offer initial and ongoing advice services to our clients who include; private individuals, trustees and companies.

Unless otherwise stated, we will treat all our clients as 'retail clients'. This means you will receive the highest level of protection under the regulatory system, and affords you the right to take any complaint to the Financial Ombudsman Service.

For private clients we offer a financial planning service called Financial Freedom. The advice and recommendations we offer through this service will only be provided after we have assessed the needs of our client and agreed their financial objectives. Where our advice includes an investment element we will also establish their attitude to risk & reward and considered how much of a drop in its value they could be withstood.

Our aim is always to provide a clear and coordinated strategy to enable our clients' financial objectives to be achieved. As we provide bespoke financial planning solutions, we will take into account any personal preferences (or restrictions) relating to the type of products and providers our clients would be willing to consider.

### Initial advice

High quality financial planning involves a collaborative approach, where the financial advisor needs to appreciate the drivers and motivations of their client. To provide clear financial direction and suitable solutions, we record factual information in a financial questionnaire.

#### Financial Freedom

Financial freedom is one of the key destinations in life that we all work hard to get to; it is the point at which assets can free a person from work. For most people, their financial freedom point is when they can afford to retire.

Our Financial Freedom service is a complete financial planning service encompassing all aspects of a client's financial situation. It takes them from where they are today to where they want to be in the future.

To provide this service we require information regarding income, expenditure and existing financial arrangements. Advice provided will be based upon the information gathered. For full details of the Financial Freedom advice process please refer to the following section.

If a client does not wish to discuss specific aspects of their financial affairs we may still be able to offer the Financial Freedom service; however we will consider this to be 'limited advice'. Clients must be aware that if information is not disclosed it may detract from the completeness of the advice given. It could also affect the relevance of our advice. If any limitations are placed on our advice, we will confirm this fact during our discussions and in our subsequent suitability report.

## The advice process

### Stage 1 – preparation

Achieving financial freedom will depend upon your choices and your talents. It is also shaped by the savings you have made and the kind of lifestyle you want. It will be a very personal journey. When we hold our first financial planning meeting you should have given thought to the lifestyle you are aiming for. This will help to form your financial freedom target.

Focusing our time together on creating your Financial Freedom plan is crucial. In advance of our financial planning meeting we need you to provide full details of all your financial arrangements and assets. The details you provide will be recorded in a financial needs analysis questionnaire on our back office system and be used to inform our discussions.

### Stage 2 – financial planning meeting

Commonly the journey to financial freedom will not be taken alone; we encourage you to include other parties such as spouse, partner, children or even other trusted professional advisers.

At the financial planning meeting (or meetings) we will review your financial position and develop a strategy to help you achieve financial freedom. Of course no one can really see the future, but by estimating how your pensions, assets, savings and future provision may grow over time we will help you to see what your financial future may look like.

Many of us are intuitively aware that there may be conflict between our goals and our motivations. These situations are quite common. For example, we want high returns, but don't want to take risk; one is not possible without the other. We take care to understand you as an individual and by exploring your options we seek to resolve such conflicts.

When seeking to obtain returns from investment assets there are two distinct approaches; passive and active. There has been much debate regarding the relative merits of each approach; our preference is confirmed in section 4 of this document. Nonetheless, when implementing a portfolio or reviewing an existing investment, we will tailor our recommendations to your preferences.

Your financial plan should align with your personal and family values. However, this can raise questions one would rather not think about, such as considering financial provision in the event of a debilitating illness or death. A detailed understanding of your spending requirements and how they would change in a range of scenarios enables us to establish your requirements for personal and family protection.

By the end of the financial planning meeting(s), we will have a complete understanding of your financial position and have agreed a broad outline to your financial plan including your priorities, budget and preferred investment approach.

### Stage 3 – product research and suitability report

Following the financial planning stage of the advice process, we will provide you with a Suitability Report describing your financial plan and confirming our full recommendations; it will contain full details of the products recommended (for example, the agreed contribution and the minimum term or duration of the products) and highlight any special risks associated with these products. It will additionally confirm any restrictions placed on the advice provided, such as the type of products or providers you are willing to consider.

The Suitability Report will be supplied with supporting documentation. This includes key facts documents, personal illustrations, terms & conditions, product brochures and key investor information documents. It will also contain information regarding the right to cancel or whether no right to cancel exists. Any other early termination rights and penalties will have been provided in the relevant product disclosure information before conclusion of any contract.

Your financial plan will include any tax planning opportunities and financial planning options that we consider suitable for a retail client. Such planning options may, on occasion, require specialist advice. Where specialist expertise is considered suitable we will provide details of this within your report. Please note that the Financial Conduct Authority does not regulate tax advice.

In preparing this report we need to obtain concise information regarding your existing financial arrangements. As a prerequisite, Black Swan Financial Management will either need to have your authority to access information or be appointed as the registered financial advisor for any existing financial products where advice may be required. We will analyse the information issued by these providers and make professional observations or recommendations based on our findings. You may remove our authority from these plans at any future point in time.

We will confirm the likely timeframe for producing your Suitability Report and will keep you informed of our progress if delays are experienced. When the report is complete and ready for dispatch we will contact you with a view to arranging a presentation meeting.

#### **Stage 4 – report presentation meeting**

The value of having a financial plan is in knowing where you are in relation to where you intend to be and it's important we are working towards the same goals and that you understand the reasons for our recommendations. To ensure we have understood your objectives correctly, at this meeting we will review the financial plan and explain the products we recommend help satisfy your objectives. You will be invited to ask any questions regarding our proposals.

We expect a report presentation meeting to last an hour to an hour and a half, during which time we will agree the elements of the plan you wish to take forward.

#### **Stage 5 – implementation**

Having agreed to our recommendations your completed application forms and payment will be forwarded to the relevant provider. The details of these transactions will be recorded on our back office systems.

A good financial plan should be flexible and adaptable to changes in personal circumstances and investment conditions. Our ongoing services are designed to keep your financial plans on track and investments on target. Should you wish to benefit from these ongoing services we will confirm the next steps with you.

### **Ongoing advice**

Creating a financial plan and commencing some financial arrangements is not an end in itself. Instead it is usually just a means to an end; meeting a future objective, funding an important life-event, passing wealth to someone else – or simply opening up options that wouldn't otherwise be achievable. To ensure the financial plan remains relevant, or an investment strategy is achieving its targets, Black Swan Financial Management offers optional ongoing advice and reviews that you may wish to purchase.

#### **a) Financial Freedom Review Service**

Every journey has unexpected twists and turns and your circumstances are bound to change as new opportunities and challenges appear. It may take longer to reach your financial freedom point than originally estimated or it may happen sooner than anticipated.

Through a structured annual meeting we will reconfirm your financial objectives, update our understanding of your financial position and make adjustments to your cash flow forecast.

Ongoing reviews may reveal additional advice needs; for example, taking advantage of new tax planning opportunities or the need to adjust your commitments in order to stay on course with your financial plan.

#### **b) Portfolio Manager Service**

As markets evolve and time horizons change, the Portfolio Manager Service becomes an integral aspect of achieving good investment outcomes; it is designed to offer clients peace of mind, knowing that their pension and investment assets remain suitable for their requirements and are in line with their objectives.

Clients benefiting from the Portfolio Manager Service are provided annual reports; these documents reconfirm investment objectives, provide an assessment of past performance and disclose aggregated portfolio charges.

When conducting a Portfolio Manager Service review meeting, we will discuss the need for any changes and confirm our advice in writing.

## **Transactional advice**

Unless an ongoing advice service is selected and maintained, we will regard our initial advice as having been a transactional service. Where this is the case we will have provided an initial advice service only and any financial products we have arranged will not be kept under review.

Future services can be provided upon request, we would consider a returning customer to be a new customer and the full initial advice process would need to be repeated.



## 4 – Investment advice

### Our investment philosophy

If you have cash on deposit there can be more risk in doing nothing than doing something. Simply put, if an investment has only grown in line with inflation, returns are an illusion. If the cost of all the things you want to purchase have gone up by more than your investment, the reality is that you have lost money. To obtain real (above inflation) returns you need to accept risk. We believe a good investment is one that delivers real returns with an acceptable level of risk.

Historically, equities (shares) have been a good investment and, with patience, they have delivered real returns. But equities have also been a risky investment. There have been a number of long periods when equity returns have not kept up with inflation and many shorter periods when they have lost a lot of real money.

Other types of investment can protect savings against inflation: property, commodities and index-linked gilts. An investment in property or commodities like equities, have risks attached; there have been periods when returns have been disappointing. They can be expensive and difficult investments to buy and sell quickly. Furthermore, many people have much of their wealth already invested in property, so it can be risky to put too much spare cash into investment property as well. Index-linked gilts are risk-free and, being backed by the Government, are secure. The amount of money returned is protected against inflation, as is the income paid every year. They are one of the safest things one can invest in.

Gilts, corporate bonds and savings accounts at banks are other possible investments. They are certainly less volatile and have less risk than equities, property and commodities. However, they are most suited to shorter holding periods or as a means of diversifying asset exposure to reduce the risk of a portfolio. For patient investors, who can afford to leave their investment alone for at least ten years, the inflation risk of gilts, bonds and cash rises whilst the inflation risk of equities falls. This is because gilts, bonds and cash offer no protection against inflation, whereas equities do. For the longer term our favoured investment asset is equity and is thus a key component in the portfolios we create.

### Managing investment risk

Evidence shows that when it comes to investing there is a strong relationship between risk and return; the chance of making or losing money. For all of our clients we will establish a risk & reward profile and recommend an appropriate strategy profile for your individual investment objectives. In finding the right strategy we evaluate a range of aspects that could influence investment decisions and portfolio makeup; these include risk perception, inherent and effective risk and the trade-off between risk and return. The resulting strategies we use will be based upon one of six risk & reward definitions, each of which governs maximum equity exposure and potential for loss (please note: this is the amount you could afford to lose if markets deteriorated.)

For an investment portfolio with a high return mandate, equity is the predominant asset type with exposure to both developed and emerging markets. If you are willing to exchange some investment return for a reduction in risk, we will reduce equity exposure and introduce a range of assets including; gilts, corporate bonds, cash, property, commodities and index linked gilts. Because different assets react differently to changes in the economy, spreading exposure across a range of different assets reduces risk.

### Investment approach

When it comes to investing capital into assets there are two broad approaches to investment management; active and passive.

#### Active management

Actively managed investment funds are, like their namesake, run by a professional fund manager or investment team. Investment decisions, like which companies to invest in or when to buy and sell different assets, are made on your behalf. They have extensive access to research in different markets, sectors and often meet with companies to analyse and assess their prospects before making a decision to invest.

Active management aims to deliver returns in accordance with a predetermined mandate or objective. Commonly, this will be to generate a return that is superior to the market that the fund manager is investing in. In our view, however, the most important characteristic of an actively managed fund is that you have somebody tactically managing your money; so when a particular sector looks like it might be on the up, or a region starts to suffer, the fund manager can move your money accordingly. This will result in either exposing your capital to an area of growth or shielding your capital from potential losses.

The downside of active management is that not many fund managers consistently achieve their investment objective. Irrespective of performance, the fees are high by comparison to passive management, with the Ongoing Charges Figure's (OCF's) commonly exceeding 0.75% per annum.

### **Passive management**

Passive management is a way of obtaining an investment return from an index without employing an active manager. An index is a number that shows changes in the value of assets (companies, bonds, commodities) in a given market. Changes in the value of individual assets are averaged to create the index. The index therefore gives a picture of how the overall market has changed. Passive management will track a given market index with limited human intervention.

Tracker and Exchange Traded Funds give immediate access to a sample or complete range of assets in an index. When an index rises, the value of your fund rises with it (after costs). Conversely, when the index falls, your investment in the fund falls with it too. Because passive investments require no management in terms of choosing investment assets (most just buy all the assets in the index with the use of a computer), tracker funds are much cheaper than actively managed funds.

The key attraction of passive management is their costs, with OCF's from as little as 0.15% per annum they can be significantly cheaper than the average actively managed fund. The low charges can have a significant effect on the performance of an investment over the long term. However, the downside of passive management is that they offer no shelter from falling markets.

### **Our preference**

Where ongoing services are required Black Swan Financial Management's preference is for active management; utilising funds and strategies that seek to deliver the rewards of long term investing whilst attempting to side-step market peaks and troughs. Should ongoing services (and investment oversight) not be required, a passive approach may be more appropriate, we will discuss these options on a client by client basis.

## **Portfolio construction**

We create bespoke investment portfolios to fulfil specific financial objectives and investment requirements that are aligned with our client's values and beliefs.

### **Sustainable investment**

Investing for the benefit of the environment and society is a multi-faceted subject, addressed during the course of the investment advice process; we will consider individual preferences for avoiding companies that have a negative impact on society or the environment, supporting companies with enhanced social, environmental and governance practices, and the inclusion of companies seeking to have a positive impact on society or the environment.

Should a sustainable or traditional investment approach be employed we expect the investment management firms we employ to use their equity ownership to engage with the companies they own on our clients behalf and use their voting rights to influence positive change.

## **Black Swan portfolios**

We strive to optimise investment returns by sheltering proceeds from tax within tax wrappers and utilising often-overlooked tax allowances.

The portfolios we recommend are constructed using collective investment funds. By comparison to managing a direct equity portfolio they represent a flexible and relatively cheap way to invest in the stock market, allowing individuals to participate in a large portfolio of stocks and shares by pooling their money with other investors.

The spread of holdings within a collective investment can provide broad diversification, the scope for which can be extended by creating a portfolio investing in a variety of collective investment funds with different investment styles and objectives. Furthermore the structure of collective investment funds facilitates an active approach as disposals within the fund are not subject to personal taxation.

Black Swan portfolios are advised investment solutions with bespoke designs; they are created to meet individual objectives and as such they are usually appropriate for investors with £100,000 or more to invest.

Black Swan Financial Management predominantly invests with fund managers who are not tied to a benchmark or index. As a result, they are free to cross investment boundaries and pursue absolute investment returns. Resulting from this investment flexibility, the asset mix of our investment portfolios are not static and will change in accordance with the views of the investment managers we employ.

Many professional investment managers appear to be critiqued on the basis of past performance and whilst a track record may be commendable, when selecting investment managers we concern ourselves more with prospective future returns rather than the past. Having said this we do not ignore a good track record, rather we endeavor to identify how it has been achieved and ascertain if it is repeatable. We regard the quality of the fund managers who invest your money as critical to the ultimate success of your financial plan or objectives. For this reason we aspire to appoint only the very best investment managers.

### **Our approach**

Investment managers will commonly employ an identifiable investment style. At Black Swan Financial Management we do not favour one particular style over another. Different styles will suit different market environments, but we do expect the approach to be applied consistently. Irrespective of the investment style we believe the key to good investing is finding asset prices that understate potential. It is also crucial for the manager to understand the means by which the broader investment community will come to share this perception. When taken together these two factors will produce an investment opportunity and a potential return.

When researching possible investments we find many investment funds gravitate to their benchmark. We suspect the reason for this is that many investment managers are assessed by their relative 'excess' performance compared to their benchmark or peer group. We contend that this type of relative performance transfers investment risk from the investment manager to the investor. We want investment decisions to be based upon enthusiasm for an opportunity rather than a fear of being left behind. We believe a good investment manager is someone capable of making money when asset prices are rising and holding onto it when asset prices are falling.

### **Identifying suitable investment managers**

Investment managers can be brought to our attention from a variety of sources. These may be by way of client recommendation, word of mouth or industry publications. Our research begins with understanding the investment objective and aims of the investment, then conducting a simple examination of the past. The aim of this preliminary research is to identify managers that are free to utilise their talents rather than being constrained to a benchmark.

Once satisfied with the basic premise of the investment we analyse statistical information and seek a thorough understanding of the investment process (documentation such as investment reports, accounts, prospectuses and investment commentaries are useful references).

The final stage of our selection process is to discern the culture of firm providing the investment. We do this by meeting with fund manager or their representative. If we believe the culture of the firm is good, and our research findings are validated, we will adopt the investment as a preferred holding and consider it for inclusion in client portfolios. Throughout the investment manager appointment process we are looking for an investment that is consistent, has produced good investment returns and is, in our opinion, capable of producing good returns on an ongoing basis.

When reviewing, setting up or adding to an existing portfolio, prevailing market conditions and asset prices will influence the investments we select and the advice we give. For example, at times of market volatility we may recommend phasing capital into assets. However, as we are unable to predict the future, we believe that time in the market is more important than timing the market. Being invested for the long term is important as it provides time to ride out market downturns.

## Monitoring investment managers

Investment managers are reviewed in a number of ways. We monitor their performance in line with our expectations, read investment commentaries and attend further fund manager meetings. If we have cause for concern (for example our performance expectations are not met or a key employee leaves a fund management group) we would monitor the situation and consult the investment manager. If our concerns are allayed we would maintain our support. However, if our concerns are not, we would cease to endorse the fund and under the terms of our Portfolio Manager Service would consult those clients holding the investment.

We favour actively managed funds, not because they may claim to outperform an index, but because an actively managed fund has the ability to move money tactically to avoid assets and sectors that are going through a downturn. The investments we tend to recommend within our portfolios will commonly not look like an index. This is important to understand as over shorter time periods the relative performance of our portfolios may lag a particular index.

Although past performance is not a guide to the future, our approach to portfolio construction has tended to see Black Swan portfolios fail to keep pace with strongly rising markets, whilst offering more protection when markets fall. To view how our investment approach has performed over the longer term please review the range of quarterly investment factsheets available on our website here displaying the longer term performance of a range of example portfolios on our website [here](#).

## Packaged portfolios

A Packaged portfolio is how we describe an investment product offered by a single insurance company or fund management group.

Packaged portfolios are an off the shelf investment solution and provide a one stop shop investment proposition. Offering a broad range of investment options they can cater for a wide range of investment requirements and risk & reward profiles.

We expect Packaged portfolios to be appropriate for clients with less than £100,000 to invest. As they are not bespoke arrangements, packaged portfolios tend to have lower ongoing charges than Black Swan portfolios.

## 5 – Our charges

Black Swan Financial Management offers a simple and transparent fee structure comprised of initial and ongoing advice fees, our fees relate to the advice provided and are not dependent on products being purchased.

Our fees will be applicable only after you engage Black Swan Financial Management as your independent financial adviser and have signed the Agreed Services section of this document.

### Initial advice fees

Initial advice fees are the upfront costs of our services and are due at the end of each stage of the advice process, in practice our fees are usually paid on completion of the initial advice process.

Advice process (stage number)	Description	Cost	
		Non-investment insurance, pension or investment switching and regular premium investments	Single premium investments
Financial Planning (1 & 2)	Financial planning meeting(s) to complete a financial questionnaire & cash flow forecast, determine priorities, establish budgets and investment preferences	£800.00 (not applicable for existing clients subscribing to the Financial Freedom Review Service)	
Recommendation (3)	Financial Strategy, Product Provider Research and Report	£500.00 (per advice area) plus £200.00 (per existing plan/ product/asset where advice is required)	1% of new capital invested (subject to a minimum fee of £600.00)
Implementation (4 & 5)	Report presentation and plan implementation	£100.00 (per product)	N/A

To assist potential clients understanding, the following examples show how our initial fees work in practice; each scenario assumes cash flow planning, financial advice and recommendations:

Scenario 1: Establishing a long-term regular savings arrangement for £2,000 per month and effecting a personal protection plan

Activity	Initial Fee
Financial Planning	£800.00
Savings Recommendation	£500.00
Protection Recommendation	£500.00
Implementation	£200.00
<b>Total</b>	<b>£2,000.00</b>

Scenario 2: Reviewing an existing old style personal pension plan (with a value of £230,000) and transferring it to a modern personal pension plan offering a packaged portfolio investment solution and containing a broad range of relevant features with lower ongoing charges than the existing arrangement

Activity	Initial Fee
Financial Planning	£800.00
Recommendation	£500.00
Existing policy analysis	£200.00
Implementation	£100.00
<b>Total</b>	<b>£1,600.00</b>

Scenario 3: Investing a lump sum of £150,000 into a bespoke Black Swan investment portfolio and transferring two existing £30,000 Stocks & Shares ISAs into the new investment portfolio

Activity	Initial Fee
Financial Planning	£800.00
Existing policy analysis	£400.00
Recommendation & Implementation	£1,500.00
<b>Total</b>	<b>£2,700.00</b>

Our actual charges and fees (in pounds and pence) will be agreed with you before we do any work and we'll explain your payment options too. We'll also let you know if any fees are subject to VAT.

The way we are paid for our services may depend upon the type of advice given. Typically this will be:

- On receipt of invoice: by cheque or electronic transfer (unfortunately, we cannot accept payments by card or cash).
- Payment via deductions from the financial product(s) you invest in. Most product providers offer this facility but using it will reduce the amount you have left to invest and may, depending on your circumstances, have other consequences (we'll discuss this with you beforehand).
- For investments held on a platform (an online investment administration service) you may choose to pay our charges out of the funds held in the platform cash account, although it's important to maintain sufficient funds in the account to cover our charges as they become payable.
- For non-investment insurance only you can choose to remunerate us by a commission from the product provider we have recommended. The amount of commission would be a percentage of the total annual premium; in these instances we'll tell you the amount before we carry out business for you.

In certain circumstances a less comprehensive advice approach may be appropriate and the cash flow forecasting element of our service not required (for example you may be retired with surplus income over expenditure and simply wish to invest capital for longer term growth); in this instance our initial advice fee for stage 1 and 2 of the advice process will be reduced to £400.00.

## Ongoing advice fees

Ongoing advice fees: We operate two separate ongoing advice fees which are not mutually exclusive and may both apply.

Once your financial plan is in place it is important to keep it under review so it can be adapted as your circumstances change. The Financial Freedom Review Service is designed to do this.

Service	Description	Cost
Financial Freedom Review Service	<ol style="list-style-type: none"> <li>1. Structured annual meeting:               <ol style="list-style-type: none"> <li>a. Reconfirm financial objectives</li> <li>b. Analyse current income and expenditure</li> <li>c. Reassess future cash flow picture and revisit planning assumptions</li> </ol> </li> <li>2. Removal of future financial planning fees (stages 1 and 2 of the initial advice process)</li> <li>3. Online access to Black Swan Financial Management's Personal Finance Portal for secure document exchange, policy information and plan valuations</li> <li>4. Direct access to Black Swan Financial Management for ad-hoc queries</li> </ol>	£30.00 per month

The Financial Freedom Review Service is not product related and is payable monthly by standing order to Black Swan Financial Management.

Service	Description	Cost
Portfolio Manager Service Black Swan portfolios	<ol style="list-style-type: none"> <li>1. Annual face to face, video or telephone (client choice) investment review to appraise the portfolio in line with the stated objectives, supplemented with tax planning measures recommended as part of the investment strategy.</li> <li>2. Investment Report including aggregated costs and charges.</li> <li>3. Ongoing suitability confirmation and investment fund switch recommendations.</li> <li>4. Ongoing oversight and proactive recommendations for fund adjustments.</li> <li>5. Online access to Black Swan Financial Management's Personal Finance Portal for secure document exchange, policy information and plan valuations.</li> <li>6. Direct access to Black Swan Financial Management for ad-hoc queries.</li> </ol>	0.5% per annum (of the portfolio value)
Portfolio Manager Service Packaged portfolios	<ol style="list-style-type: none"> <li>1. Annual face to face, video or telephone (client choice) investment review to appraise performance in line with targets, supplemented with tax planning measures recommended as part of the strategy.</li> </ol>	0.25% per annum (of the portfolio value)

	<ol style="list-style-type: none"> <li>2. Aggregated costs and charges document.</li> <li>3. Ongoing suitability confirmation and recommendations.</li> <li>4. Online access to Black Swan Financial Management's Personal Finance Portal for secure document exchange, policy information and plan valuations.</li> <li>5. Direct access to Black Swan Financial Management for ad-hoc queries.</li> </ol>	
--	---	--

The Portfolio Manager Service fees are payable monthly and will commonly be facilitated by your product provider or investment platform. Our fees will either be paid from cash held on platform or through the deduction of units from your product.

Using the same scenarios we used to demonstrate our initial fees, the following examples show how our ongoing fees work in practice:

Scenario 1: Structured annual review meeting with the savings portfolio having grown to a straight line value of £24,000 by the end of the year

Activity	Ongoing Fee
Financial Freedom Review Service	£360.00
Portfolio Manager Service Packaged portfolios	£32.50
<b>Total</b>	<b>£392.50</b>

Scenario 2: Structured annual review meeting with the pension portfolio having averaged a value of £230,000 throughout the year

Activity	Ongoing Fee
Financial Freedom Review Service	£360.00
Portfolio Manager Service Packaged portfolios	£575.00
<b>Total</b>	<b>£935.00</b>

Scenario 2: Structured annual review meeting with the Black Swan investment portfolio having averaged a value of £210,000 throughout the year

Activity	Ongoing Fee
Financial Freedom Review Service	£360.00
Portfolio Manager Service Black Swan portfolios	£1,050.00
<b>Total</b>	<b>£1,410.00</b>

We aim to deliver value for money at all stages of the advice process, however should our continued services and advice no longer be required, ongoing advice charges can be cancelled and we will no longer keep your arrangements under review.

## Other charges

Depending on the services we provide, there may be costs and charges (including taxes), not charged by us, but related to the financial products we arrange for you. These charges may be one-off charges (payable up front) or charges payable on an ongoing basis. For example:

- Service costs: If your investments are held on a platform (an online pension & investment administration service), the platform provider will make a charge for administering your investments.
- Investment costs: These are the costs relating to the manufacturing and managing of your investments – for example, fees charged by the investment fund manager, costs relating to investment transactions.
- Stamp duty: Certain assets and transactions relating to them can be liable to stamp duty.



- We'll always disclose any third party costs as part of making our recommendations.

## **Aggregated costs and charges**

Before we provide you with our advice we will add together all the costs and charges payable so that you are able to understand the overall costs of our services and recommendations. This is referred to as aggregated costs and charges information.

To keep you informed of the cost of your investments we will provide, as part of the Portfolio Manager Service, annual aggregated costs and charges information.

## 6 - General standards and other matters

### Treating customers fairly

We are committed to providing the highest possible levels of service to our clients. An aspect of this commitment is to ensure you understand the services we provide and the associated costs. By reading this document and meeting with us to discuss how we may help we believe you will be able to make informed decisions about the services you wish to purchase.

The culture of Black Swan Financial Management is to put our customer's interests first. Our ethos is to provide you with the necessary information to enable you to make the right decisions about your financial future, objectives and aspirations.

We embrace the Financial Services Authorities 'Treating Customers Fairly' principle and welcome feedback on any element of our service that justifies comment, whether positive or negative. Your feedback helps us to ensure we are providing the services clients require and allow us to improve any areas where we are falling short. Although we have a complaints procedure, we would rather that clients are completely satisfied and encourage you to raise any concerns before a problem occurs.

### Data protection and client communication

Black Swan Financial Management complies fully with the data protection act, we are registered on the Information Commissioners Office <https://ico.org.uk/>, our entry (reference Z984290X) can be found [here](#) and our Privacy Policy is available on our website [here](#).

To ensure the safe exchange of personal information we operate a secure messaging and document exchange service through the Personal Finance Portal.

### Recording telephone calls

To ensure we carry out your instructions accurately, to help us to continually improve our service and in the interests of security, we'll record and may monitor your telephone communications or conversations with us. Copies of our telephone recordings will be available on request and will be dealt with under the terms of our Privacy Policy

### Risk warnings

The financial markets and world events are notable matters that can impact on the recommended approach to your achieving your objectives. It should be noted that products are very rarely guaranteed and therefore carry an inherent risk. By "risk", we mean the possibility that a product will not achieve the stated objective.

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 recommended investments may depend on fluctuations in the financial markets, or other economic factors; these are outside our control. Past performance is not necessarily an indicator of future performance. Specific warnings relevant to the investments, or investment strategies will be stated in your suitability report.

Although we will explain the risk of the product as part of our advice process, you should always ensure you have understood the risk associated with the product or service. If you are unsure about the way the product or recommendations works, or require any further clarification, please ensure that you raise this with your adviser.

### Future assumptions

When creating a financial plan, or providing advice for target funding, we will need to make numerous assumptions. These may include estimations of future investment returns, rates of inflation, levels of taxation, charges and continued affordability. However, we cannot predict the future and although the assumptions we make are realistic and in line with industry standards, they are not in any way guaranteed.

The financial calculators and tools we use to generate your financial plan will use financial data provided by external suppliers. The accuracy or timeliness of that data cannot be guaranteed. The service we offer is intended to provide you with a general idea of the capital required to achieve your objectives and the asset mix that may be appropriate for you to consider. Each time we review your objectives and accommodate your requirements the results may vary and impact our recommendations.

### **Protection products services offered as part of a package**

Where we offer services or products as part of a package, we'll tell you whether it's possible to buy the different components separately and, if relevant disclose the costs and charges of each component. We'll also tell you if the risks resulting from the package are likely to be different from the risks associated with the individual components and explain how (if relevant) the package modifies the investment risk.

### **Benefits we may receive**

Under the rules of our regulator, the FCA, as a firm providing independent advice we are unable to accept or retain payments or benefits from other firms (e.g. product providers) as this would conflict with our independent status.

From time to time we may attend training events funded and /or delivered by product providers, fund managers and investment platforms. These events are designed to enhance our knowledge and enhance the quality of service we provide to our clients. As such this doesn't affect our obligation to act in your best interests. Please ask us if you want further details.

### **Advice limitations**

Neither Black Swan Financial Management nor its employees are authorised to render advice relating to arranging mortgages, individual equity holdings, long term care plans and the transfer of occupational pension schemes and contracts containing Guaranteed Minimum Pensions. You should refer to an appropriately qualified adviser if advice of this nature is required.

### **Non-Regulated Products**

Our services may also include advice on investments relating to 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.

We may also, on occasion, advise on other financial products, which are not regulated by the FCA under the Financial Services and Markets Act 2000. The Financial Services Compensation Scheme does not apply to any of these products. If a product does fall outside of the financial compensation scheme, we will notify you prior to any purchase agreement.

### **Trail or Renewal Commissions**

In certain circumstances we will be paid a trail or renewal commission in addition to our explicit fees. If this is the case we will disclose the amount and frequency in writing at the point of recommendation. By signing our fee agreement, you are confirming your agreement to our receiving this trail or renewal commission.

### **Documentation**

All Policy Documents will be forwarded to you as soon as practicable after we receive them.

## 7 – Service and Fee Agreement

This is our standard Terms of Business upon which we intend to rely and replaces any previous agreements and understandings we have with you. The document sets out our respective obligations, for your own benefit and protection you should read the entire document carefully before signing. If there's something you don't understand please ask us to explain it.

### Our obligations

This section sets out our obligations in agreeing to provide our services.

#### Our recommendations

Before making any recommendations we'll carry out a suitability assessment so that we are able to act in your best interests.

We'll confirm any recommendations we make in writing (our suitability report) along with details of any special risks that may be associated with the products or investment strategies we've recommended.

Where we agree to provide you with a service that includes an ongoing review, such as the Financial Freedom Review Service or the Portfolio Manager Service for Black Swan Portfolios, we shall assess the ongoing suitability of the investments we have recommended, we'll carry out this review at least annually. To do this we will need to make contact with you to assess whether the information we hold about you remains accurate and up to date. We'll issue you with a report setting out the results of our assessment and, if relevant, any updated recommendations.

Specific warnings relevant to the investments, investment strategies or other products we arrange are provided in the relevant product literature provided.

We may occasionally recommend investments that are not readily realisable. We'll only do this where appropriate but, if we do, we'll draw your attention to the risks associated with the investments in our suitability report. There is a restricted market for such investments and in some circumstances it may not be possible to deal in the investment or obtain reliable information about its value.

#### Financial crime

We are obliged to put in place controls to prevent our business from being used for money laundering and other forms of financial crime.

We'll verify your identity before undertaking any business with you. To do this we may use electronic identity verification systems and we may conduct these checks from time to time throughout our relationship, not just at the beginning. The check may leave a 'footprint' on your credit file but it will not affect your credit rating.

#### Best execution

Where we send investment applications on your behalf to third parties (e.g. to put an investment into force), we'll take all sufficient steps to ensure that we obtain the best possible result for you. This is referred to as 'best execution'.

We have a best execution policy. If you want to see a copy of it please ask us.

#### Conflicts of interest

Although we'll always try to act in your best interests there may be situations where we or one of our other clients has some form of interest in the 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 own interests, we'll write to you and ask for your consent to proceed before we carry out any business for you. We'll also let you know the steps we'll take to make sure you are treated fairly.

We have a conflicts of interest policy. If you want to see a copy of it please ask us.

#### Communicating with you

Our normal ways of communicating with you are by telephone, post, e-mail, SMS text message, the Personal Finance Portal or in person.

We may ask you to confirm your instructions to us in writing as this helps to avoid any future misunderstandings.

Our communications will be in English.

## **Your obligations**

This section sets out your obligations in agreeing to receive our services.

### **Providing information about your circumstances**

Our initial and ongoing advice will be based on the information you give so it's important that you provide us with accurate and up to date information when we request details about your circumstances and objectives. This will allow us to provide you with suitable advice. If the information you provide is inaccurate or if you limit the information provided this could affect the suitability of the advice we give.

### **Payment for services**

By signing this agreement you are agreeing to pay the charges for our services as set out in section 8 – Agreed services. We'll tell you if any payments are subject to VAT.

Our initial charges are payable once we've completed our agreed work and must be settled within 28 business days.

Any products we have arranged for you will only be kept under review as part of the Financial Freedom Review Service or Portfolio Manager Service. Our ongoing services are optional, but if you agree to purchase an ongoing service, unless otherwise agreed, the ongoing service will be provided as a follow up to the initial service.

Our charges for ongoing services will start alongside the initial charge and are payable monthly. Our ongoing services can be cancelled at any time by informing us in writing (see the following section – Cancellation and amendments) but please note that we do reserve the right to charge you for services we have provided before cancellation.

For the Portfolio Manager Service, where our charges are based on a % of your investments, the amount of our ongoing charges will increase as the size of your fund grows.

### **Legal and accounting advice**

We are not qualified to provide legal or accounting advice or to prepare any legal or accounting documents. This means that the onus is on you to refer any point of law or accountancy that may arise during the course of discussions with us, to a solicitor or accountant.

## Cancellation and amendments

### Ending this agreement

You may terminate this agreement at any time, without penalty.

Notice of termination must be given in writing and will take effect from the date of receipt.

Any transactions already initiated will be completed according to this agreement unless otherwise agreed in writing.

You will be liable to pay for any services we have provided before cancellation and any outstanding fees, if applicable.

We may terminate this agreement by giving you at least 20 business days' written notice.

### Amendments

From time to time it may be necessary to amend the terms set out in this agreement, where any amendments do not have an immediate direct impact upon our relationship we will issue a new agreement to you at our next meeting. Where the amendment has an immediate and direct impact upon our business relationship we'll provide an updated Terms of Business document to you at least one calendar month before they are due to take effect.

### Product cancellation rights

Full details of any financial products we recommend to you will be provided in the relevant product information you will receive. This will include information about any product cancellation rights along with any other early termination rights and penalties.

## Useful information about our services

### Who authorises us to advise you?

We are authorised and regulated by the Financial Conduct Authority (FCA), 12 Endeavour Square, Stratford, London, E20 1JN. [www.fca.org.uk](http://www.fca.org.uk). Our firm reference number is 466128.

Our permitted business is advising on and arranging [pensions, savings and investment products, non-investment insurance contracts and mortgages].

You can check our details on the Financial Services Register by visiting the FCA's website [www.fca.org.uk/firms/systems-reporting/register](http://www.fca.org.uk/firms/systems-reporting/register) or by contacting the FCA on 0800 111 6768.

### What if things go wrong?

If you are unhappy with our advice or any aspect of our services, we encourage you to contact us as soon as possible. We'll do our best to resolve your concerns.

In writing:           The Compliance Officer  
                          Black Swan Financial Management Ltd  
                          White Hart House  
                          Ascot  
                          SL5 0PY  
By phone:           01344 873254  
By e-mail:           info@blackswanfinancialmanagement.co.uk

We have a complaints procedure and we can provide further details on request. If you do have a complaint, and you are not happy with our response, the Financial Ombudsman Service (FOS) may be able to help. The FOS settles disputes between financial services business and their clients. Full details are available at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

### **Additional peace of mind**

The Financial Services Compensation Scheme (FSCS) is the UK's statutory compensation fund for customers of authorised financial services firms who are unable to pay claims against them, usually because they have gone out of business.

You may be able to claim compensation from the FSCS if we can't meet our obligations. The amount of compensation available will depend on the type of business and the circumstances of the claim. We can provide more specific information on request, but as a guide:

**Investments** - eligible claims related to most types of investment business are covered for up to 100% of a claim up to a maximum of £85,000 per person per firm

**Insurance** - in the majority of cases, eligible claims related to advising and arranging of protection products are covered for either 90% or 100% of the claim, without any upper limit

Further information is available from the FSCS at [www.fscs.org.uk](http://www.fscs.org.uk).

## 8 – Protecting your personal information

To provide our services properly we'll need to collect information about your personal and financial circumstances. We take your privacy seriously and will only use your personal information to deliver our services.

Processing of your personal data is necessary for the performance of our contract for services with you and in meeting our obligations to preventing money laundering or terrorist financing. Generally this is the lawful basis on which we intend to rely for the processing of your data. (Please see the reference to special categories of data below). Our policy is to gather and process only that personal data which is necessary for us to conduct our services appropriately with you and to prevent money laundering or terrorist financing.

We adopt a transparent approach to the processing of your personal data. Sometimes, we may need to pass your personal information to other organisations. If you apply to take out a financial product or service we'll need to pass certain personal details to the product or service provider.

We may engage the services of third party providers of professional services in order to enhance the service we provide to you. These parties may also need to process your personal data in the performance of their contract with us. Your personal information may be transferred electronically (e.g. by email or over the internet) and we, or any relevant third party, may contact you in future by what we believe to be the most appropriate means of communication at the time (e.g. telephone/ email /letter etc.).

The organisations to whom we may pass your details also have their own obligations to deal with your personal information appropriately. Sometimes a product or service may be administered from a country outside Europe. If this is the case, the firm must put a contract in place to ensure that your information is adequately protected.

We will issue you with our Privacy Notice. This is a separate document which provides more information about the nature of our personal data processing activities and includes details of our retention and deletion policies as well as your rights of access to the personal information that we hold on you.

As part of this agreement we'll ask you to consent to the transfer of personal information in accordance with the protections outlined above.

**Special categories of personal data:** there are certain categories of personal data that are sensitive by nature. The categories include: data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership and data concerning health. Depending on the nature of the products and services that you engage us for we may need to obtain your sensitive personal data particularly in relation to health. Our policy is that should we require any special category of personal data we will only gather this with your explicit consent.

If you are concerned about any aspect of our privacy arrangements please speak to us.



## Consent

### Sensitive personal data

The primary basis on which we intend to process your personal data is for the performance of our contract with you. In the case where we need to process special category (sensitive) data as described above we require your consent by indicating your agreement to the following statement:

**I / we** consent to the processing of sensitive personal data as far as it is necessary for the services **I / we** require from Black Swan Financial Management Limited

Client name(s)

\_\_\_\_\_

\_\_\_\_\_

Client signature(s)

\_\_\_\_\_

\_\_\_\_\_

Date

\_\_\_\_\_

\_\_\_\_\_

Please note that you may withdraw this consent at any time by notifying us at our main business address.

We may also engage the services of third party providers of professional services in order to enhance the service we provide to you. These parties may also need to process your personal data in the performance of their contract with us. If you wish to know the names of these third parties please contact us for further information.

### Acknowledgement and Marketing

**I / we** acknowledge receipt of these Terms of Business.

From time to time we may wish to contact you to offer additional products or services which may be of interest to you. If you are happy to receive occasional targeted marketing we require your consent by ticking one or all of the options, **I / we** consent to be contacted for marketing purposes by:

Email

Telephone

Text message

Post

Client name(s)

\_\_\_\_\_

\_\_\_\_\_

Client signature(s)

\_\_\_\_\_

\_\_\_\_\_

Date

\_\_\_\_\_

\_\_\_\_\_

Please note that you may withdraw this consent at any time by notifying us at our main business address.

## 9a – Agreed services

I / we acknowledge that the client agreement will come into effect once it has been signed by all parties and will remain in force until terminated.

Initial Advice Services	Details	Fee type	Estimated initial cost
Financial Planning Stage 1 & 2	Financial Freedom Service	Fixed	£800.00
Recommendation Stage 3		Fixed / Percentage	£
Recommendation Stage 3		Fixed / Percentage	£
Recommendation Stage 3		Fixed / Percentage	£
Recommendation Stage 3		Fixed / Percentage	£
Recommendation Stage 3		Fixed / Commission	£
Product implementation Stage 4 & 5		Fixed	£
<b>Total</b>			£

Ongoing Services	Date for first meeting	Meeting frequency	Fee type	Estimated monthly cost
Financial Freedom Review Service			Fixed	£30.00
Portfolio Manager Black Swan portfolios			Percentage 0.5%	£
Portfolio Manager Packaged portfolios			Percentage 0.25%	£
<b>Total</b>				£

Client name(s) \_\_\_\_\_

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

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

This agreement is governed, and shall be interpreted in accordance with English / Scottish / Northern Irish law and both parties shall submit to the exclusive jurisdiction of the English / Scottish / Northern Irish courts

## 9b – Agreed services – adviser copy

I / we acknowledge that the client agreement will come into effect once it has been signed by all parties and will remain in force until terminated.

Initial Advice Services	Details	Fee type	Estimated initial cost
Financial Planning Stage 1 & 2	Financial Freedom Service	Fixed	£800.00
Recommendation Stage 3		Fixed / Percentage	£
Recommendation Stage 3		Fixed / Percentage	£
Recommendation Stage 3		Fixed / Percentage	£
Recommendation Stage 3		Fixed / Percentage	£
Recommendation Stage 3		Fixed / Commission	£
Product implementation Stage 4 & 5		Fixed	£
<b>Total</b>			£

Ongoing Services	Date for first meeting	Meeting frequency	Fee type	Estimated monthly cost
Financial Freedom Review Service			Fixed	£30.00
Portfolio Manager Black Swan portfolios			Percentage 0.5%	£
Portfolio Manager Packaged portfolios			Percentage 0.25%	£
<b>Total</b>				£

Client name(s) \_\_\_\_\_

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

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

This agreement is governed, and shall be interpreted in accordance with English / Scottish / Northern Irish law and both parties shall submit to the exclusive jurisdiction of the English / Scottish / Northern Irish courts