

# **Retail Client Terms & Conditions**

Publication Date: May 2018

**Contact us**

T: 0203 637 9210

E: [support@fundment.com](mailto:support@fundment.com)

W: <https://fundment.com>



<https://twitter.com/FundmentHQ>



<https://www.linkedin.com/company/fundment/>

# TERMS AND CONDITIONS

|                                |          |
|--------------------------------|----------|
| <b>TABLE OF CONTENTS</b> ..... | <b>3</b> |
|--------------------------------|----------|

## **Part 1:**

|                                  |          |
|----------------------------------|----------|
| <b>Section 1 – GENERAL</b> ..... | <b>4</b> |
|----------------------------------|----------|

The Terms set out in this section are the general terms which apply to Retail Clients of Fundment to whom we provide our Platform services.

It contains the Terms that governs our relationship with you and your financial adviser, the communication methods we will use to communicate with each other and key obligations.

|  |           |
|--|-----------|
| <b>Section 2 – DISCRETIONARY INVESTMENT MANAGEMENT</b> ..... | <b>17</b> |
|--|-----------|

### **Appendix 1**

|                               |           |
|-------------------------------|-----------|
| <b>Execution Policy</b> ..... | <b>20</b> |
|-------------------------------|-----------|

### **Appendix 2:**

|                               |           |
|-------------------------------|-----------|
| <b>Fees &amp; Costs</b> ..... | <b>26</b> |
|-------------------------------|-----------|

### **Appendix 3:**

|                                |           |
|--------------------------------|-----------|
| <b>Glossary of Terms</b> ..... | <b>27</b> |
|--------------------------------|-----------|

## **PART 1: FUNDMENT TERMS**

### **SECTION 1: GENERAL TERMS**

These are the terms and conditions ("**Terms and Conditions**") on which we, Fundment Limited ("**Fundment**") (incorporated and registered in the United Kingdom under company registration number 08884918, the registered office of which is at Mappin House, 4 Winsley Street, London, W1W 8HF will allow you to open an account with us via our website ([<https://fundment.com>]) (the "**Website**").

These Terms and Conditions should be read in conjunction with our privacy policy available here [<https://fundment.com/info/privacy-policy>] (the "**Privacy Policy**") which sets out how we deal with your personal information and privacy. By entering into this Agreement and using our services you consent to the use of your personal information by us and others in accordance with the terms of our Privacy Policy.

These Terms and Conditions contain important information relating to the services that we will provide to you. Please read these Terms and Conditions carefully before using the Website. By using the Website, you agree to be bound by these Terms and Conditions. If you are unsure of anything in these Terms and Conditions or require further information from us, please email [support@fundment.com](mailto:support@fundment.com) or give us a call at 0203 637 9210

Fundment is authorised and regulated by the Financial Conduct Authority (the "**FCA**") (FCA registration number 732727). Thus, Fundment is subject to the rules set out in the FCA's Handbook of Rules and Guidance (the "**FCA Rules**").

By using the Website, you also agree to appoint Winterflood Securities Limited ("**Winterflood**") to hold client money and to act as the custodian of client assets. Your agreement with Winterflood is outlined in the Winterflood Retail Client Terms (the "**Winterflood Agreement**"). The agreement is provided during the account set-up and copy is also available in your client dashboard within the document section.

We have also entered into a separate agreement with Liberty SIPP Limited and Liberty Trustee Limited in relation to the provision and operation of a Self-Invested Personal Pension scheme ("**Fundment SIPP**") ("**SIPP Terms**"). When we provide the services to you offered on our Website that involve making investments on your behalf into the Fundment SIPP, the SIPP Terms will apply. The agreement is provided during the account setup and a copy is also available in your client dashboard within the Documents section.

Both the Winterflood Agreement and the SIPP Terms are distinct and separate agreements to these Terms and Conditions. However, by using the Website you also agree to and accept the provisions of the Winterflood Agreement and the SIPP Terms.

In these Terms and Conditions references to **we/our/us** are to Fundment. References to **you/your** are references to any person using the Website for the purpose of using the services offered on the Website or for operating an Account with us.

These Terms and Conditions, together with information provided by you in your profile and through your account on the Website (your "**Account**") constitute the Investment

Management Agreement ("**Agreement**") between you and us for the provision of the services set out in these Terms and Conditions.

Fundment does not provide financial planning or investment advice and you acknowledge that you will not receive advice from us relating to whether our services are suitable for you.

## **1. COMMENCEMENT**

- 1.1 These Terms and Conditions will commence, and therefore become legally binding, from the moment you apply to open an Account with us. We will then update you once we have processed your application to open an Account (subject to satisfactory completion of money laundering verification information as detailed in **clause 5.2**).
- 1.2 These Terms and Conditions shall continue indefinitely until terminated in accordance with **clause 16** below.

## **2. CLIENT CATEGORISATION**

- 2.1 You have been classified as a Retail Client for the purposes of the FCA Rules in relation to the services which we will provide to you under this Agreement. You may request to be re-classified as a Professional Client, but any such re-classification will be subject to you satisfying certain requirements set out in the FCA Rules.
- 2.2 As a Retail Client, you are entitled to certain protections afforded to Retail Clients under the FCA Rules. If you are re-classified as a Professional Client, there would be limitation on the level of some of these protections that you would receive. If you would like further information in relation to these protections, please email our Compliance Officer at [support@fundment.com](mailto:support@fundment.com).

## **3. ELIGIBILITY**

- 3.1 You must be at least 18 years of age to use Fundment's services.
- 3.2 You must have a UK National Insurance Number.
- 3.3 To open an Account with Fundment, you must be the sole or joint holder of a
  - i. UK bank account; or
  - ii. existing UK investment account(s) which is to be transferred to Fundment

## **4. YOUR FINANCIAL ADVISER**

- 4.1 If you have appointed a financial adviser, notwithstanding our obligations set out in this Agreement, they will be responsible for any financial planning services and assessing the suitability of any investment platform they recommend to you. The Financial Adviser must be registered with Fundment and have entered into an agreement with Fundment before we can open an Account for you.

- 4.2 You authorise us to accept instructions from your Financial Adviser on your behalf as if they had come directly from you. This includes, where necessary, the authority to add, amend, or remove Investment Goals to the Account. You agree you will accept full responsibility for all the instructions made by your IFA on your behalf and provided to us under this clause. You agree to release Fundment from any liability for executing instructions provided by your IFA except for any loss or damage arising out of gross misconduct or negligence by Fundment.
- 4.3 Where you confirm that your Financial Adviser can have access to our Account, please note that your Financial Adviser will not have access to your bank account details and will not be able to withdraw any funds from your Account.
- 4.4 When we arrange the payment of Financial Adviser charges, our payment to the Financial Adviser will meet your contractual responsibility to pay the charges that you agreed for the relevant service provided to you.
- 4.5 In the event that your Financial Adviser has ceased to be authorised by the FCA, no longer exists or ceases to act as your Financial Adviser, we will mark your Account as "**Unattached**" and we will continue to manage your Account as your discretionary investment manager following the date that your Account is marked Unattached. This would be based on your Account settings (such as your investment objectives) that were in place with us.
- 4.6 If you would like us to stop arranging the payment of charges to your Financial Adviser, you should notify us in writing. You can do this at any time.

## **5. OPENING YOUR ACCOUNT**

- 5.1 To open an Account with us you must fully complete our online application process.
- 5.2 Once we receive a fully completed application from you in accordance with **clause 5** we will take all necessary steps to verify your identity. We may approach a third-party identity verification agency to confirm your identity. The checks will include, but are not limited to, verifying an address matching your nominated bank account. By submitting an application to open an Account with us, you acknowledge and authorise such checks to be carried out. We may also, at our sole discretion, require you to provide additional information in order to verify your identity.
- 5.3 Where we receive an application from you in accordance with **clause 5** and we suspect fraud, you agree that we can share this information about you with any fraud prevention agency.
- 5.4 We reserve the right to refuse your application at our sole discretion and you agree that should we refuse your application we will not be required to provide you with our reasons for doing so.
- 5.5 Should you cease to become a UK resident for tax purposes, you must inform Fundment immediately. Depending on the type of Account you have with us, if you cease to be a UK resident for tax purposes this may affect the returns that you receive from the investments held within your Account.

## 6. FUNDMENT SERVICES

- 6.1 As part of your application to open an Account, you will be required to state the type of Account that you would like to open with us. The Account types that can be opened through the Website are:
- 6.1.1 **General Investment Account:** this is a standard Account that does not benefit from any enhanced tax benefit. Investments made on your behalf via this Account will be subject to UK tax;
- 6.1.2 **Individual Savings Account ("Stocks and Shares ISA"):** This is a tax-efficient Account that enables you to invest in stocks & shares up to the limit prescribed by HM Revenue and Customs ("HMRC") in each tax year. No tax is payable on ISA investment income or gains. You will be able to transfer out of an ISA from another provider to this ISA and vice versa, in accordance with the applicable HMRC rules). Please see Appendix A to the Winterflood Agreement, the "NISA Investment Account Additional Terms"; and
- 6.1.3 **Self-Invested Personal Pension ("Fundment SIPP"):** Please see the Liberty SIPP Terms and Conditions and Appendix B to the Winterflood Retail Client Terms and Conditions for further details.
- 6.2 Once you have opened your Account, we will then provide you with discretionary investment management services and deal investments as your agent (as set out in further detail in Section 2: Discretionary Investment Management Services).
- 6.3 In accordance with our responsibilities you have accorded us under these terms relating to arranging safeguarding and administration of assets under the FCA Rules, Fundment has appointed Winterflood, a wholly owned subsidiary of Close Brothers Group plc, to provide the following services to you:
- 6.3.1 safe custody and settlement services (Although Winterflood will retain legal title over your assets, you will remain the beneficial owner of all your investments); and
- 6.3.2 holding any money that you place through Fundment (which will be held in accordance with the FCA rules, including segregated your money from our own money and Winterflood's own money).
- 6.4 Further details relating to the services provided by Winterflood are set out in Winterflood's terms and conditions

## 7. YOUR INVESTMENT GOALS

- 7.1 When opening your Account, you will provide us with the following information through our questionnaire which is designed to gather:
- 7.1.1 your attitude to risk; and
- 7.1.2 your capacity for loss; and
- 7.1.3 your knowledge & experience, financial situation; and

- 7.1.4 your investment objectives in relation to your Account (together, these are referred to as your "**Investment Goals**").
- 7.2 Based on your Investment Goals, we will then provide you with discretionary managed portfolio which is suitable for you. This investment objective will be set out in the Suitability Report (which is mentioned in further detail in **clause 15** below).
- 7.3 Your Investment Goals can be changed or updated at any time by you or your IFA accessing your Account through the Website. You agree that you will maintain your Account and keep your Investment Goals up-to-date at all times.
- 7.4 Following any change by you or your IFA to your Investment Goals, we reserve the right to amend and reissue this Agreement on such terms that we deem reasonable.

## **8. YOUR ACCOUNT AND INSTRUCTIONS**

- 8.1 Once you register on our Website to open an Account, you will be issued with a username and password enabling you to access your Account. Through your Account, you will then have access to your portfolio and be able to view the transactions that relate to your Account. You will also be able to provide us with instructions relating to your investments through your Account and make changes to the information that relates to your Account.
- 8.2 You will be responsible for maintaining the security of your Account and should not share your login details with any third parties. You are required to contact Fundment immediately if you believe the security of your username and password has been compromised. We may contact you on any matter relating to your Account, including contacting you by telephone in relation to the investments held within your Account (or would be held within your Account if a particular transaction takes place).
- 8.3 We may act on any instruction which we believe in good faith was received from you. We will not be liable in the event that we carry out such instruction in good faith if it subsequently transpires that such instruction was not genuine or was not given by you, nor will we be liable for any error of transition or misunderstanding or fraud of any other party save that we do not exclude liability in the event that we are grossly negligent, carry out any wilful default or fraud as further described in **clause 20** below.
- 8.4 Without prejudice to **clause 8.3** above, we will aim to act on any instructions received by you as soon as it is reasonably practicable for us to do so. This will be provided through the Website
- 8.5 We will not be obliged to act on any instruction received by you and we will not act on any instruction which is, or which we believe to be, illegal or would breach any relevant rule or regulation.

## **9. YOUR INITIAL INVESTMENT**

- 9.1 We require an initial minimum investment to be made into your Account of either:
- 9.1.1 £500 with the establishment of a regular monthly payment plan with a minimum monthly payment of £100.
  - 9.1.2 If you are opening a SIPP, we require a minimum investment of £5,000
- 9.2 If you withdraw money from your Account so that the value of the investments held within your Account is below £500, we reserve the right to sell the remaining investments in your Account. The proceeds of any such sale of your investments will then be held as cash in your Account until such time as:
- 9.2.1 you withdraw this amount; or
  - 9.2.2 you invest additional money which amounts to a minimum balance on your Account of £500, at which point we will reinvest that money into investments in accordance with your Account settings (such as your investment objective).
- 9.3 Any income earned on investments held in your Portfolio and which is payable to you will be remitted to your Portfolio and we may reinvest such amounts on your behalf.

## **10. MAKING A DEPOSIT**

- 10.1 You can make a deposit into your Account through the Website by using a:
- 10.1.1 [bank transfer]; or
  - 10.1.2 [cheque payment]; or
  - 10.1.3 [account transfer from a relevant provider].
- 10.2 While we accept deposits received from you by way of cheque, this is not our preferred method of payment and may result in a delay in processing the relevant payment into your account

## **11. WITHDRAWALS**

- 11.1 Withdrawals can be made by submitting a "**Withdrawal Request**" through the 'Withdrawal' section of the Website. Customers can scroll to the specific Investment Goal from which they want to withdraw funds and enter the amount they want to withdraw.
- 11.2 Once the Withdrawal Request has been submitted, the withdrawal would move into a status of 'Withdrawal - Pending' on the transactions page of the secure website. This status will be updated to 'Withdrawal' once the money has been transferred from our custodian to your nominated bank account.
- 11.3 This **clause 11** is not applicable to Fundment SIPP:
- 11.3.1 Self- Invested Personal Pension (SIPP).

- 11.4 Save for the account referred to in **clause 11.2**, once you have made a Withdrawal Request, we will then arrange for electronic payment to the bank account which was used to deposit funds into your Account under **clause 10** or, if non such bank account was used to make such a deposit (for example, where you deposited money into your account by cheque), the money will be deposited into the bank account into which you instruct us to make the payment (your "**Nominated Bank Account**").
- 11.5 Your Nominated Bank Account will be a bank account in your name, the details of which you will have notified to us when opening an Account with us. Where you have provided us with new bank details through your Account on our Website, this will automatically become your Nominated Bank Account. Unless otherwise indicated, we will not accept or make third party payments on your behalf. All receipts and withdrawals of money and investments must be received from, or paid to, your Nominated Bank Account.
- 11.6 While we will use best endeavours to action a Withdrawal Request within 24 hours of receiving a Withdrawal Request from you, we do not guarantee that this timescale will always be met. In any event, payments will be issued within [14] working days of a Withdrawal Request being received from you.
- 11.7 We may refuse to action a Withdrawal Request on any Account if it would leave you with insufficient funds in your Account as required in order to pay any unsettled trades or charges. We may also refuse or delay processing a Withdrawal Request if we have reason to believe:
- 11.7.1 the Withdrawal Request was not received from you;
  - 11.7.2 your Account has been comprised and/or is being fraudulently used; or
  - 11.7.3 the bank details we have on record in relation to your Nominated Bank Account are not valid.

## **12. FEES AND CHARGES**

- 12.1 Our fees and charges in relation to the services are outlined in Appendix 2 of this terms and conditions.
- 12.2 Fees and charges will be deducted from your Account on the last working day of each month. Where your Account does not have sufficient funds to pay our fees and charges, we reserve the right to sell any investments held as part of your portfolio to cover our fees and charges.
- 12.3 Where you ask to terminate your Account under **clause 16**, you will be required to pay any fees that have accrued up to and including the date that your Account is terminated.
- 12.4 We reserve the right to change our fees and charges from time to time and we will notify you of such changes in accordance with **clause 13**.

### **13. NOTIFICATIONS**

- 13.1 We will provide you with notices, information and any other relevant correspondence relating to your Account by email to:
- 13.1.1 such email address provided by you when creating your Account; or
- 13.1.2 such email address as you may notify us from time to time by updating your Account details.
- 13.2 As well as sending an email to you in accordance with **clause** 13.1, we may also communicate with you by sending you messages directly to you through your Account.
- 13.3 All communication in relation to this Agreement and any related services will be in English.
- 13.4 It is your responsibility to ensure the contact details provided by you to us in your Account are up to date at all times.
- 13.5 We offer no guarantee that any electronic communications will be successfully delivered or that they will be secure and free from viruses. In the event that a communication sent by us is not received by you for any reason beyond our reasonable control, we will not be liable for any loss, damage, expense, harm or inconvenience caused as a result of the same.
- 13.6 We may record and monitor telephone conversations we have with you and we may retain copies of any correspondence received by you whether received by email or otherwise. We will store copies of such recordings and correspondence for in accordance with our legal obligations.

### **14. CONFIDENTIALITY**

- 14.1 In providing its services under this Agreement, neither the Fundment nor its Affiliates shall be obliged to disclose or to take into consideration (or to require any third party to disclose or take into consideration) any information:
- a) the disclosure or use of which might breach any prohibition, duty or confidence to any other person or arising under any applicable law; or
  - b) which comes to the notice of an employee, officer or agent of Fundment or of an Affiliate, but properly does not come to the actual notice of an individual managing the Portfolio; or
  - c) relating to the nature or extent of any interest Fundment or any Affiliate has in any investments.
- 14.2 Each Party shall treat Confidential Information as confidential and shall not disclose such information except if:

- (a) it is required to do under any applicable law;
- (b) it is so requested by regulatory or fiscal authorities or a court or tribunal of competent jurisdiction;
- (c) it is disclosed in confidence to its advisers, auditors or solicitors where reasonably necessary for the performance of their professional services; or
- (d) it is disclosed in confidence to its industry body for the purpose of compiling and publishing industry statistics or analysis.

14.3 Notwithstanding **clause** 14.2, Fundment may disclose in confidence any Confidential Information to any person (including, without limitation, Affiliates or any other persons) as may be reasonably required in order to perform the services and to enforce its obligations and rights under this Agreement.

14.4 The parties agree that damages may not be an adequate remedy for any breach of this **clause** 14 and, accordingly, each party shall be entitled (but not limited) to seek injunctive or other equitable relief restraining the other from breaching this clause.

## 15. REPORTS AND VALUATIONS

15.1 We are required under the FCA Rules to assess the suitability of investments that are made through your Account. This will be based on the information provided by you when opening your Account and your Investment Goals (including any update provided by you or your IFA relating to this information through your Account).

15.2 With regard to **clause** 15.1, we will provide you with a suitability report in accordance with the FCA Rules which will form the basis of our investment management strategy for your Account.

15.3 You will receive valuation reports from us or our custodian every three months within 25 business days of the end of the relevant three months. These reports will contain details of all transactions during the period to which the report relates and shall contain details of your Account, the current market value, the basis of such valuation, income, any interest and fees charged. We provide no warranty, representation or assurance as to the accuracy of these reports, save as required under the FCA rules.

## 16. TERMINATION

16.1 We may terminate this Agreement at any time by giving you [30] days' notice through your Financial Adviser by email, subject to the settlement of all outstanding transactions.

16.2 You may terminate this Agreement through your Financial Adviser at any time provided you give us 30 days' notice. Your Financial Adviser must be notified first before Fundment is notified.

- 16.3 In the event that this Agreement is terminated, we will execute all outstanding transactions as soon as reasonably possible. Where you terminate this Agreement under **clause** 16.2, you acknowledge that the value of the investments held in your Account at the time the request to terminate your Account is received may not represent the final encashment value of the investments held within your Account.
- 16.4 In the event that this Agreement is terminated, we will not charge a termination fee, however you will be required to pay any outstanding fees and charges up to the date of termination [and any expenses reasonably incurred by us in giving effect to such termination and any losses incurred in settling or concluding any outstanding obligations]. Any relevant sums will be deductible by us from your Account before the money held in your Account is returned to you.
- 16.5 This Agreement will terminate immediately in the event that Fundment becomes insolvent as such term is defined in accordance with the Insolvency Act 1986.

## **17. CLIENT MONEY AND ACCOUNT CUSTODY**

- 17.1 For your information, the arrangements with Winterflood provide that Fundment is not permitted to withdraw funds from your Account on its own behalf or on your behalf (other than in relation to the payment of our fees set out in under these Terms and Conditions.
- 17.2 Fundment reserves the right to review and change the arrangements with Winterflood from time to time and we will communicate such changes to you in accordance with these Terms and Conditions.

## **18. FURTHER REGULATORY REQUIREMENTS**

- 18.1 We shall provide best execution in accordance with the FCA Rules. By entering into these terms and conditions you confirm that you have reviewed our Best Execution Policy which is available on our Website [[www.fundment.com](http://www.fundment.com)] and acknowledge that you consent to this Best Execution Policy. We may revise our Best Execution Policy from time to time and provide you with a copy of the revised policy.
- 18.2 We are required to have arrangements in place to identify and manage conflicts of interest. We have a Conflicts of Interest Policy in place which identifies those situations giving rise to actual or potential conflicts of interest and which provides details of how such conflicts are managed. If the arrangements under our Conflicts of Interest Policy are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client will be prevented, then we will disclose sufficient details of the actual or potential conflict to any clients affected in order to enable them to take an informed decision as to whether to continue to deal with us notwithstanding the existence of such conflict. We will provide you with a summary of our Conflicts of Interest Policy upon request.

## **19. COMPLAINTS PROCEDURE AND COMPENSATION**

- 19.1 Our complaints procedure is available [on our Website]. If you are an eligible complainant, you also have the right to make a complaint to the Financial Ombudsman Service ("**FOS**"). Further information relating to making a complaint to the FOS is available from us on request.
- 19.2 Fundment is covered by the Financial Services Compensation Scheme (the "**FSCS**"). The FSCS can pay compensation if Fundment cannot meet an obligation owed to an Eligible Claimant. The current compensation limit is fifty thousand pounds Sterling (£50,000) in respect of investment business. Further information about the FSCS (including the amounts covered and eligibility to claim) is available at [www.fscs.org.uk](http://www.fscs.org.uk) or by calling 0800 678 1100.

## **20. LIABILITY**

- 20.1 Fundment shall be liable to you for any losses you incur only to the extent that such losses arise under the law of contract and are the direct result of any act or omission taken or omitted by Fundment during the term of, and under, this Agreement which constitutes negligence, wilful default or fraud. Fundment shall not otherwise be liable for any other losses suffered by you including Losses arising from:
- (1) negligence, wilful default, fraud or insolvency of any other person;
  - (2) Fundment carrying out or relying on any Instructions or on any information provided or made available to Fundment by you;
  - (3) any delays due to market conditions or changes in market conditions; or,
  - (4) any delayed receipt, non-receipt, loss or corruption of any information contained in email or for any breach of confidentiality resulting from email communication or any consequential loss arising from either of the foregoing.
- 20.2 Fundment shall not be responsible for any losses incurred after the date of termination of this Agreement unless and to the extent that the act or omission causing such losses can be evidenced to have occurred prior to the date of termination under this Agreement.
- 20.3 Nothing in this Agreement shall exclude or restrict any duty or liability which Fundment may have to the Client under FSMA or the FCA Rules or, where relevant, the Pensions Act 1995.

## **21. YOUR CANCELLATION RIGHTS**

- 21.1 You have the right to cancel this Agreement within 14 days or 30 days if you have opened a SIPP account, from the date on which you open your Account or on the date upon which you receive a copy of these Terms and Conditions (should these Terms and Conditions be received by you after the date on which your Account was opened).

- 21.2 You must notify your Financial Adviser first through the contact details provided for your Financial Adviser via your Customer Dashboard.
- 21.3 In the event that your Account is cancelled in accordance with this **clause 21**, we will sell any investments made on your behalf through your Account, but we will not be responsible for any losses incurred by you in relation to selling these investments.

## **22. DORMANT ACCOUNTS**

- 22.1 Where your Account has been inactive for more than two years, we will mark your Account as dormant and you will not be able to access your Account through the Website. In such an event, you can contact your Financial Adviser who will advise us to reactivate your Account for you.
- 22.2 Where an Account is marked as dormant, any money in the Account will remain the property of the holder of the Account and shall form part of the estate of the Account holder in the event of his or her death.

## **23. TAX**

You should seek your own independent tax advice in relation to these Terms and Conditions and entering into an Account with us. We make no warranty or representation in relation to the tax position of opening an Account with us or trading through the Website.

## **24. ASSIGNMENT**

- 24.1 You may not assign or otherwise transfer your rights or obligations under this Agreement to any other party.
- 24.2 We reserve the right to assign our rights and obligations under this Agreement and will provide you with prior notification of any such assignment.

## **25. THIRD PARTY RIGHTS**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to these Terms and Conditions and no person other than a party to them shall have any rights under it or to enforce any provision of it.

## **26. GOVERNING LAW AND JURISDICTION**

- 26.1 These terms and conditions and any dispute or claim arising out of or in connection with them or their subject matter or formation (including non-contractual disputes or claims) are governed by the law of England and Wales.

26.2 We and you agree to the exclusive jurisdiction of the English courts with respect to any dispute (including non-contractual disputes or claims) which may arise in connection with these terms and conditions or their subject matter and formation.

## **27. GENERAL**

27.1 We may delegate any of our duties, authorities or functions in respect of providing the services under this Agreement to a connected entity or any entity within the same Group (as defined in the Companies Act 2006) without your prior consent. You agree that we are able to provide information about you and your Accounts to any such delegate.

27.2 No terms will be implied (whether by custom, usage, course of dealing or otherwise) into these Terms and Conditions, except as required by statute.

27.3 Each of us acknowledge that in entering into these Terms and Conditions we have not relied on any express or implied representation (including any made negligently), assurance, undertaking, collateral agreement, warranty or covenant which is not set out in these Terms and Conditions.

27.4 We and you agree that neither of us shall have any remedy in respect of any statement, representation, assurance or warranty that is not set out in these Terms and Conditions. We and you agree that neither of us shall have any claim for innocent or negligent misrepresentation based on any statement in these Terms and Conditions.

27.5 We can only waive a right or remedy provided in these Terms and Conditions or by law by providing express written notice to you.

27.6 Any delay or failure to exercise any power, right or remedy by us under these Terms and Conditions this will not operate as a waiver of that power, right or remedy, nor will it impair or prejudice it.

27.7 Any single or partial exercise or waiver of any power, right or remedy will not preclude our further exercise or the exercise of any other power, right or remedy.

27.8 We may amend this Agreement by giving you [14] business days' notice by email. Alternatively, if we are required to amend this Agreement by law, regulation or in accordance with the FCA Rules, we may do so with immediate effect.

27.9 No clause under this Agreement will be deemed to restrict or exclude any duty owed to you by us under the Financial Services and Markets Act 2000 or the FCA Rules.

27.10 Should any part of this Agreement be held to be illegal or unenforceable, such provision shall, as far as it is illegal or unenforceable, be given no effect and shall be deemed to be not included in this Agreement. Any part of this Agreement deemed to be illegal or unenforceable will not invalidate any of the remaining provisions of this Agreement.

27.11 Nothing in these Terms and Conditions is intended to or shall be deemed to establish any partnership or joint venture between us and you. We and you agree that nothing

in these Terms and Conditions shall authorise any of us to enter into any commitments for or on behalf of any other party.

## **28. USING YOUR PERSONAL INFORMATION**

- 28.1 To provide services to you, we are required to collect, store and use your personal data in accordance with all applicable laws relating to the protection of Personal Data, including the EU Data Protection Directive 95/46/EC, the EU General Data Protection Regulation 2016/679, the EU ePrivacy Directive 2002/58/EC as amended by Directive 2009/136/EC, as amended or superseded from time to time, and any national implementing legislation (“Data Protection Laws”).
- 28.2 For the purpose of providing services to you, confirming your identity in order to meet anti-money laundering requirements, we may use the services of third party providers to carry out identity checks on you.
- 28.3 We will take all reasonable steps to ensure that your data is treated securely and in accordance with our [Privacy Policy](#).

## **SECTION 2: DISCRETIONARY INVESTMENT MANAGEMENT**

You or the trustee of your SIPP, appoint Fundment to act as the Investment Manager of your Account. In the case of a SIPP Account, your trustees have instructed the Fundment to accept instructions from you or your appointed Adviser.

### **1. INVESTMENT MANAGEMENT**

- 1.1 We will manage your Account on a discretionary basis. This means that we will make decisions in relation to the investments and cash that is held within your Account. Any investment decisions will be made in accordance with your Investment Goals and any other relevant information or instructions provided by you or your IFA to us in relation to your Account.
- 1.2 We will have full authority to enter into any documentation on your behalf to give effect to any transaction that takes place through your Account.
- 1.3 Any performance benchmark or performance indicator we may use as a measure of performance in relation to any Investment Goals shall be a non-binding indication of our performance and not a representation or warranty that the performance level or benchmark indicated will be met.
- 1.4 At our sole discretion, to enter into any arrangements or transactions on your behalf including making investments or entering into transactions relating to other assets. In particular, you confirm that:
  - 1.4.1 there is no limit on the amount of your portfolio that we may invest on your behalf into one or more investments; and

- 1.4.2 there will be no limit or restriction on any type of investment made by us on your behalf.
- 1.5 You agree that:
- 1.5.1 we may invest on your behalf in Unit Trusts, Exchange Traded Funds, Open Ended Investment Companies, Unit Trusts, Investment Trusts and other mutual funds to construct your Portfolio;
- 1.5.2 we may invest on your behalf in Exchange Traded Funds, Equities, Investment trusts and other exchange traded instruments listed on the London Stock Exchange or Alternative Investment Market (AIM) or any other recognised or designated stock exchange;
- 1.5.3 we may combine the transactions that take place through your Account with the transactions that are made by other clients. While it is not expected that such aggregation will result in any disadvantage to you or unduly favour one client over another, particular transactions may result in circumstances arising where a client is disadvantaged or is unduly favoured of another client; and
- 1.5.4 we may enter into transactions relating to investments outside of a Regulated Market or Multilateral Trading Facility (as both terms are defined in the FCA Rules).
- 1.6 We will keep a minimum of two per cent of the money held in your Account in cash, which will be used to cover any fees and charges associated with your Account.

## **2. MODEL PORTFOLIO**

- 2.1 The base currency of your Portfolio will be Sterling
- 2.2 You acknowledge that a "**Model Portfolio**" approach will be used to meet your Investment Goals. Investments made on your behalf in relation to your Investment Goals will be made in accordance with the relevant Model Portfolio.
- 2.3 Where we receive money from you with no instructions or where there are no clear Investment Goals provided by you, we will take reasonable skill and care to exercise our best judgment to apply such money to a particular investment.

## **3. INCOME**

- 3.1 Income earned on the investments within your Portfolio, which is payable to you, may be re-invested or remitted to you.

## **APPENDIX 1: EXECUTION POLICY**

### **INTRODUCTION**

This policy is to let the client know how we will execute investment transactions that we place on behalf of our clients. The following information is aimed at providing you with a general understanding of our typical dealing arrangements. These arrangements may vary for different categories of investment types and these are described below. Also, we describe the different venues where the transactions may be executed.

#### 1.1 Scope

This Policy applies to all orders received from and executed on behalf of you. Orders are routed electronically to Wins' dealing service but, on occasion, these may be routed by phone.

#### 1.2 Best Execution

When executing orders, Wins is required to meet a number of Best Execution requirements: -

- To establish, as part of their process, an execution policy which identifies the chosen venues and the factors involved in choosing them;
- To review the process for compliance;
- To monitor the effectiveness of the process;
- To disclose appropriate information to clients about the process; In considering how we might achieve the best possible result and deliver Best Execution of the order, we will take a number of factors into account which are described in the following table;
- To gain clients consent to the policy ;( If executing outside of a regulated market or MTF this would require express consent);
- To notify clients to material changes in its policy; and
- Upon request, demonstrate that it has executed transactions in compliance with its execution policy.

Specifically, WBS will take a number of factors which are described in the following tables:

|                             |  |
|-----------------------------|--|
| <b>Nature of the Order</b>  | The size of the order, the types of instruments being traded, the settlement mechanics and any other order characteristics relevant to determining how the order should be executed. All Orders will be executed on a prompt, fair and expeditious basis.  |
| <b>Instruments</b>          | The degree of liquidity and the fact that different factors will be relevant to different instruments depending on their nature, characteristics and how they are traded   |
| <b>Market Impact</b>        | The Obligation for Wins to take into account any impact that the order may have on the relevant market(s).   |
| <b>Quality of Execution</b> | Which includes aspects such as the speed and likelihood of execution and the availability and incidence of price improvement   |
| <b>Venue</b>                | The price offered by the venue, the amount of any commissions and any other charges that are passed through to the client, the ability of the venue to manage complex orders, including the sophistication of its systems, the speed of execution, the creditworthiness of the venue, whether it has reliable settlement and clearing facilities, the quality of applicable regulation and any other venue characteristics relevant to the execution of the order. |
| <b>Client Instructions</b>  | The Obligation is specifically subject to the nature and specificity of orders i.e. specific instructions will be followed and will take precedence over this execution policy.  |

When achieving Best Execution, unless otherwise specifically instructed, Wins will use price as the primary measure for achieving this result. The following table shows the execution factors to be considered, and how these may be considered as part of the decision-making process in the context of the detail above. Their importance will vary depending on the characteristics of the order received from the client: -

|               |   |
|---------------|---|
| <b>Price</b>  | Price will be determined with reference to the execution venues to which Wins connects and on which the security is traded. See list of execution venues below.   |
| <b>Nature</b> | Consideration will need to be given to the liquidity of the stock on the order book at the relevant time. Execution may be heavily influenced by the level of on vs. off order book trading patterns in the stock. These factors plus the size of the order will determine the appropriate execution method whether this is the working of an order into the market place using VWAP as the benchmark or immediate execution by Wins making an outright bid/offer price, for example. |
| <b>Size</b>   | As per nature of the trade, the size of the trade in relation to the liquidity of the stock may have significant influence on the Best Execution process.   |
| <b>Speed</b>  | The importance of speed of transaction will vary. For example, to reduce the costs associated with market impact an order might be worked over a day or more.   |

|                                      |  |
|--------------------------------------|--|
| <b>Cost</b>                          | Wins will incur the exchange trading fees and will not pass them on. Any relevant Commission rates will have been agreed with the client in advance. |
| <b>Other Relevant Considerations</b> | Considerations may include the impact of size of order execution on market share price or market conditions and liquidity at the time of execution   |
| <b>Settlement</b>                    | Flexible settlement via CREST.   |
| <b>Likelihood of Executions</b>      | Likelihood of execution is very high due to the liquidity Wins can provide.  |

We will use our own commercial experience and judgement in determining the relative importance of these factors, and in general, we will regard price as the most important of these factors for obtaining the best possible result. However, we recognise that there may from time to time be circumstances for some customers, particular instruments or markets where other factors may be deemed to have a higher priority.

## **2. TRADING ARRANGEMENTS FOR DIFFERENT TYPES OF INVESTMENT**

### 2.1 UK Equities

For orders in UK equities where:

- there is sufficient depth on the relevant exchange order book; or
- the market maker quote size in the relevant market is sufficient

Wins will either reference the volume weighted average price (“VWAP”) of the relevant security available on the order book at the time or in a quote driven market Wins will reference the order’s price and size to the Wins published quotes on the relevant execution venues. In the event of an existence of a backwardation on the market, Wins will reference its house price. Where orders involve elements of non-standard settlement, these will be reflected accordingly. For a list of relevant execution venues, please refer to the table below. For orders above the stated sizes, Wins will use due skill and care to execute the order in the best interests of the client.

### 2.2 European and US Equities

For orders in respect of European equities, Wins will reference its price to the home market price and where possible, the relevant Multi-Lateral Trading facility order book. Where orders involve elements such as home market or non-standard settlement, and/or foreign exchange, these elements will be reflected accordingly.

For orders in respect of US equities, Wins will reference its price to the home market price where possible. Where orders involve elements such as home market or non-standard settlement, and/or foreign exchange, these elements will be reflected accordingly. Please note that dependent upon the time that the order is placed with Wins, there may not be a home market price to reference to. Such periods will be classed as out of hours trading. In this situation, the price given will be Wins’ house price.

### 2.3 Bonds and Gilts

For smaller orders, we are able to use automatic execution technology which will source the best bid and offer from a range of bond dealers. For larger orders, we may have to deal manually in order to identify current traders in the security concerned. If liquidity is available and a price comparison made for the size of trade concerned, we will route the order to the counterparty which provides the most competitive overall pricing.

### 2.4 Unit Trusts and OEICs

For Unit Trusts and OEICs, they will generally be routed to the appropriate fund manager for execution at the next available valuation point for that particular fund.

### **3. ORDER TYPES**

#### **3.1 Request for Quote (RFQ)**

For the majority of our orders, we will offer leverage ability to Request for Quote (RFQ) which will hold open the price of that transaction for a small amount of time (normally 15 seconds) allowing the client to consider the price before dealing.

The following other order types are available: -

#### **3.2 At Best**

Deal immediately at the best available price for that size of order based on the execution venues available.

#### **3.3 Limit**

Deal at, or better than, the specified minimum price for sales or a specified maximum price for purchases.

#### **3.4 Stop Loss**

Sell should the price fall to or below a specified price.

#### **3.5 Stop Buy**

Purchase if the prices rises to or above a specified price.

## **4. GENERAL**

### **4.1 Order Execution timeliness**

We will execute the client order as soon as reasonably practical in order to achieve timely execution. We may postpone the execution of the order if we have taken reasonable steps to prove that the delayed execution is in the client's best interests.

### **4.2 Order Priority**

Client orders will normally be executed in the same sequence as they are received, except where there are special conditions, such as price limits or limited liquidity, where such conditions might require extra time to ensure we achieve Best Execution.

### **4.3 Trade Reporting**

All transactions, except those in Unit Trusts, Fixed Income, other OTC instruments, OEICs and some International Securities, will be carried out and reported to either PLUS Markets ('PLUS') or the London Stock Exchange ('LSE') ('on-market') and will be subject to the rules and regulations of that market.

In the event that the client transaction cannot be conducted on-market; we will endeavour to execute the transaction off-market subject to receipt of your express consent.

### **4.4 Monitoring of Best Execution Effectiveness**

We will monitor the effectiveness of this policy by comparing our execution quality against relevant markets and exchanges by using a Third-Party information provider. We can provide formal reports on a monthly basis.

### **4.5 Best Execution Policy Review**

This Policy is reviewed at least annually or more frequently as required. We will notify the client of any material change to our execution arrangements or our Policy by providing the client with an updated version of this document in writing and electronically.

## 5. EXECUTION VENUES

The following is a list of execution venues that we are able to access either directly or indirectly for the purpose of trading, price reference or trade reporting (please refer to section 2); we reserve the right to alter these venues from time to time.

|   | UK Equity | International Equity* | Bond/Gilt |
|---|-----------|-----------------------|-----------|
| <b>European Main Exchanges</b>                |           |                       |           |
| Members of LSE incl. UK Intl Order Book       | √         | √                     | √         |
| Members of ISDX                               | √         |                       |           |
| Members of Euronext                           |           | √                     |           |
| Members of Deutsche Bourse                    |           | √                     |           |
| Members of Irish Stock Exchange               |           | √                     |           |
| Members of Nasdaq OMX Nordic                  |           | √                     |           |
| <b>European MTFs</b>                          |           |                       |           |
| Members of BATS Europe                        | √         | √                     |           |
| Members of CHI-X                              | √         | √                     |           |
| Members of Turquoise                          | √         |                       |           |
| <b>European Secondary Exchanges</b>           |           |                       |           |
| Austria                                       |           | √                     |           |
| German Regional Exchanges                     |           | √                     |           |
| Italy   |           | √                     |           |
| Spain   |           | √                     |           |
| Norway (incl. Norwegian OTC)                  |           | √                     |           |
| Switzerland                                   |           | √                     |           |
| <b>North America United States of America</b> |           |                       |           |
| AMEX  |           | √                     |           |
| Nasdaq  |           | √                     |           |
| NYSE  |           | √                     |           |
| <b>Canada</b>                                 |           |                       |           |
| Toronto                                       |           | √                     |           |
| Vancouver                                     |           | √                     |           |
| Venture Exchange                              |           | √                     |           |

\* Exchanges used dependent on country of origin of stock

## APPENDIX 2 – FEES & COSTS

### 1. FEES & COSTS

- 1.1 **Management Fee:** This covers portfolio management, account custody and transactions.

| Balance             | Fee       | What does it cover?  |
|---------------------|-----------|--|
| Up to £100,000      | 0.30%+VAT | <ul style="list-style-type: none"> <li>Investment Management</li> <li>Account custody through Winterflood</li> <li>Dealing &amp; transaction</li> <li>SIPP administration by Liberty SIPP</li> </ul> |
| £100,000 - £250,000 | 0.25%+VAT | <ul style="list-style-type: none"> <li>As Above</li> </ul>   |
| Above £250,000      | 0.20%+VAT | <ul style="list-style-type: none"> <li>As Above</li> </ul>   |

In addition to our investment management fee, there is an underlying fund cost, relating to ETFs, as charged by the providers whose products we use to construct your portfolio. These charges may vary from time to time and generally does not exceed 0.20% per annum.

- 1.2 **Wrapper Charges:**

**ISA's:** No additional Charge

**SIPPS:** No additional Charge

**GIA's:** No Additional Charge

- 1.3 **Paper based Annual Reports:**

- Annual reports are provided free of charge electronically. Where paper-based report is requested this can be provided for £20 per report.
- Hard copies of tax certificates can be provided for £20. Electronic copy is free
- Subject Access Request Data (Data Protection Act) can be provided for £10

## APPENDIX 3 – GLOSSARY OF TERMS

| Term                           | Description  |
|--------------------------------|--|
| Annual Management Charge (AMC) | The annual fee that is deducted from a fund to cover the costs of managing it. It is typically expressed as a percentage of the value of the fund.   |
| Business Day                   | Any working day for the stock market. The stock market is generally open each weekday except Bank Holidays.  |
| Asset Allocation               | The act of deciding which categories of assets and in what proportions the “investment” should be allocated to, at any given time, in order to achieve the most attractive risk adjusted returns. This is one of the most important roles of the investment manager.   |
| Asset Categories               | Types of assets, such as equities, gilts, corporate bonds or cash.   |
| Bonds                          | An alternative name for a fixed-income investment. Bonds are a form of debt investment, where the investor lends funds to the bond issuer. In return the lender expects to receive back the principal and interest (also known as coupons). Governments, states, local authorities or companies generally issue bonds.   |
| Capital Gains Tax              | Payable at the rate equivalent to the taxpayer's highest rate of income tax on gains arising from the sale of a chargeable asset. Unit trusts and investment trust companies are exempt from paying Capital Gains Tax on the disposal of shares in their underlying portfolios. Individuals may be subject to CGT when they sell assets e.g. units/shares. ISA/PEP wrapped investments are free of CGT, although they do have annual investment limits.                            |
| Capital Loss                   | The amount by which an asset has decreased in value since it was acquired  |
| Contract Note                  | A written confirmation of a trade, issued by the broker to the customer for whom the trade was executed.   |
| Corporate Action               | An action taken by a company which affects the existing share structure. Such actions may benefit shareholders, such as rights issues or bonus issues. Other types of action are less easy to interpret, such as take-overs or mergers   |
| Custodian                      | A third-party company that is responsible for keeping clients’ assets safe, settling trades, and dealing with corporate actions such as rights issues.   |
| Customer agreement             | A document that sets out the basis of the service to be provided between investment managers and their clients.  |
| Deposit Account                | Offered by most banks, building societies and some insurance companies, a deposit account is a way of saving and investing. You pay money into the account. It usually pays interest net of 20% tax and often has a notice period to avoid loss of interest. There's no risk of losing the money paid in. If you're exempt from paying tax you can claim back the amount deducted. Alternatively, non-UK residents and non-tax payers can apply to have their interest paid gross. |
| Diversification                | Lowering risk by investing in a wide spread of investments.  |
| Gilt edged                     | A UK government-issued fixed-interest security   |

|                                     |   |
|-------------------------------------|---|
| Equities                            | Equities are ordinary shares which allow division of ownership according to the number of shares held. Equities may or may not be listed on a stock exchange.   |
| Financial Conduct Authority         | The Financial Conduct Authority was created by the Financial Services Act (2012) and is directly accountable to HM treasury.  |
| FTSE                                | 'Financial Times Stock Exchange' (index). The "footsie" measures the performance of certain sectors of European markets, providing up-to-the minute indicators of how share prices are performing. For example, the FTSE 100 is an index containing the top 100 UK shares listed on the London Stock Exchange.  |
| Fund                                | This is money invested to support or finance a particular goal e.g. a pension fund provides a lump sum to purchase a pension in retirement. This may also be a pooled investment managed by a professional fund manager   |
| Index Fund                          | A mutual fund that invests in the stocks which make up an index in the same proportions.  |
| Investment Process                  | The process that decides the investment strategy and decides which stocks to choose.  |
| Investment Risk                     | This is the risk that an investment or savings plan will decrease in value either in actual terms or compared to inflation  |
| ISA                                 | An ISA allows you to save money on a regular basis, or invest a lump sum of money, without having to pay income or Capital Gains Tax on the proceeds.   |
| Ongoing Charges Fee (OCF)           | This reflects the overall cost involved in running an investment and shows the drag on performance caused by operational expenses associated with a fund. It is essentially the percentage of your investment holdings that will disappear in costs every year.   |
| OEIC- Open-Ended Investment Company | An OEIC works as a collective investment vehicle, and in a similar way to unit trusts and investment trusts. It can be self-contained, but most OEICs operate as umbrella funds covering a variety of individual 'sub-funds'. Each sub-fund has different investment aims and might have different charges. An OEIC issues shares rather than units. These shares differ from investment trust shares in that the number in issue is increased or reduced by the fund managers according to changes in demand |
| Portfolio Construction              | Building a portfolio of securities to achieve the client's objectives.  |
| Pension Annuity Rate                | (This determines the amount of regular income at retirement annuity) bought with your pension fund. The annuity rate will depend on many factors, including your age, your health, general economic factors at that time such as interest rates, any annuity guaranteed period, any regular increase to apply each year (escalation) and how many times and when in each year the pension will be paid  |
| Personal Pension Plan               | An approved pension plan (i.e. eligible for favourable tax concessions). If you're an employee who doesn't have opportunity to join a company pension scheme, or if you're self-employed, you can take out a personal pension. You'll need to make contributions - to be invested by your personal pension provider. These will grow over the years to retirement, and benefit from associated tax relief. When you retire, you'll receive a pension  |
| Plan Manager                        | The company managing an investment.   |

|                                      |  |
|--------------------------------------|--|
| Qualifying Individual                | An individual who is 18 years of age or more who has not subscribed to any other Stocks and Shares ISA during the Tax Year. The individual is resident in the UK, or if non-resident performs duties deemed to be performed in the UK by virtue of Section 28 of the Income Tax (Earnings & Pensions) Act 2003 (Crown employees serving overseas) or is married to, or in a civil partnership with, a person who performs such duties. |
| Rate of Return                       | The increase in value or level of income generated by an investment over a specified period of time, normally expressed as a percentage  |
| Reinvestment                         | Where the proceeds of an investment are used to fund a new investment. Also, when an income distribution due to a unit holder is used to buy optional units, rather than being paid out in a cash form   |
| Tax Free Cash/Tax Free Lump Sum      | The lump sum benefit that can be taken tax-free from a pension arrangement at the retirement date. The amount is limited by Inland Revenue regulations   |
| Tax Year                             | HMRC tax year runs from the 6th of April one year to the 5th of April the following year   |
| Total Expense Ratio (TER)            | Much like the OCF, it provides a more complete picture of the total annual costs involved in running an investment. Total costs may include various fees (purchase, redemption, auditing) and other expenses.  |
| UCITS                                | Undertakings for Collective Investment in Transferable Securities, the EEC directive that harmonises the sale of unit trusts throughout the Community, so that all member states' funds can be sold in all other member states   |
| Unit Trust                           | A trust fund operated by Unit Trust Managers which is a collective investment vehicle pooling investors' money and therefore spreading the risks involved. It is an open-ended investment and therefore units can be created and cancelled depending on demand   |
| Valuation Point                      | The time at which an investment fund is valued every day. The value of the fund at the valuation point is used to calculate the price of units, which is then used to calculate the number of units bought and sold since the last valuation point. Most investment funds will have at least one valuation point daily, and some may have more than one  |
| Volatility - (in relation to shares) | A measure of relative movement of share price during a given period  |
| With Profits Bond                    | This is a single-premium investment contract that offers a relatively low risk, low-volatility, long-term investment. You make a lump sum investment, the aim being to increase this sum over a period of usually 5 years or more. Your bond is invested in the with-profits fund of a life assurance provider. If you withdraw within the first few years you may not receive the full principal - there may be a penalty charge      |
| Weighted Average Charge              | The average investment charge of a portfolio given the relative weighting (allocation) of the underlying investment holdings.  |
| Yield                                | The dividend income last given by a share expressed as a percentage of the current share price   |