

# Terms of Business

If you would like this document in larger print or in another format, please contact us.

If you have a question or concern about any aspect of our services, please contact us at:

**By phone:** 01223 233331

**By e-mail:** [info@mmwealth.co.uk](mailto:info@mmwealth.co.uk)

**Website:** [mmwealth.co.uk](http://mmwealth.co.uk)

**In writing:** MM Wealth Ltd, Wellbrook Court, Girton, Cambridge, CB3 0NA.

## Part 1 - Our Services

By instructing us you agree to be legally bound by this document. This document sets out the terms on which we shall provide services to you and sets out our respective obligations. When instructing us you also agree to be legally bound by the terms of our **Private Client Service Proposition** and either the **Financial Planning Service Agreement ("FPS Agreement")** or the **Discretionary Portfolio Management Service Agreement ("DPMS Agreement")** (as appropriate) which have been provided to you. All of the above documents form part of the contract between us ("**the Contract**") as though set out in full here.

The Contract shall supersede all previous agreements entered into between you and us, and together with any supplementary agreements entered into between you and us from time to time, shall represent the entire agreement between you and us.

You should also read this document in conjunction with the custodian's terms and conditions.

**Part 5: Your Protection** of this document (useful information about our services) includes details of the protections available to you under UK financial services regulation.

### Discretionary Investment Management Services:

We will manage your portfolio at our discretion, according to **Schedule 1: Your Portfolio**, which is part of your **DPMS Agreement**. Any investment management recommendations that we make will only be made after we have assessed your needs, considered your financial objectives and your attitude to any risks that may be involved.

In providing the above services we may undertake transactions in relation to a wide range of investments, detailed in **Part 6: Investment and risks** of this document, subject to any restrictions noted by you in **Schedule 1: Your Portfolio** of your **DPMS Agreement**.

Before making a decision to trade we will carry out a suitability assessment so that we are able to act in your best interests. The details in **Schedule 1: Your Portfolio** of your **DPMS Agreement**, are based on the information discussed and recorded as part of you becoming a client, covering your specific investment objectives, and any restrictions or particular instructions you may have given us in respect of the ongoing management of your portfolio. The schedule will make particular reference to our understanding of the investment risks that you are prepared to take in order to achieve your objectives.

We will provide you with confirmation on how your investments continue to meet your objectives and circumstances, on at least an annual basis. We may ask you to review **Schedule 1: Your Portfolio** of your **DPMS Agreement** periodically and advise us in writing of any material change in your circumstances and requirements.

You should also refer to **Part 6: Investment and risks** as set out in this document, which contains risk information relating to specific investments.

Your stated objectives and requirements will be reiterated in a report, which we will issue with our initial and any subsequent recommendations.

Our responsibilities to you in respect of your investments will be limited to the management of your portfolio as covered by your **DPMS Agreement**. We will not offer any broader financial planning and/or tax planning services, e.g. capital gains tax and inheritance tax considerations and accept no responsibility for your broader financial / tax planning arrangements or requirements. This forms part of our Financial Planning and administration services, as detailed within this document and the **Private Client Service Proposition**.

We will regularly review the portfolio and if any changes are needed to ensure that your objectives are met then these changes will be made. If you require a copy of contract notes please request them. We may ask you to review the investment mandate section contained within **Schedule 1: Your Portfolio** of your **DPMS Agreement** at regular intervals and to advise us in writing of any material change in your circumstances and requirements.

Where your investments are held overseas, there may be different settlement, legal and regulatory requirements from those applying in the United Kingdom, together with different practices for the separate identification of clients and investments. We will not borrow on your behalf, nor will we commit you to a contract that may need borrowing in order to achieve performance. We will not commit your monies to an obligation as an underwriter of any issue or offer for sale of securities.

### **Providing Information About Your Circumstances**

To ensure our management of your portfolio is suitable for your circumstances, it's important that you provide us with accurate and up-to-date information when we request details about your circumstances and objectives. If the information you provide is inaccurate or if you limit this information it could affect the suitability of the service we provide.

Where we are providing discretionary management services to trustees we will act in compliance with any investment policy statement supplied to us which provides guidance on how the asset management functions of the trust should be exercised. In such cases, where an investment policy statement is revised or replaced it's important that you provide us with an up-to-date version as soon as possible.

### **Ongoing ISA subscriptions**

Where relevant, if you have not made a new ISA contribution, or made a full contribution and if sufficient funds are available, we will move money each tax year from your General Investment Account into your ISA (now called NISA) to utilise your full annual allowance. Please advise us if at any time you do not wish us to do this.

### **Voting Rights**

As your appointed discretionary manager, we may, at our sole discretion, decide whether or not to exercise voting rights or corporate actions relating to Investments.

This may mean that we act in accordance with or against the recommendations of boards or may not vote at all.

We will exercise any voting rights attached to shares registered in the name of the custodian and held for you as the client. Consequently, you will not receive reports and accounts, circular or proxy soliciting material, unless specifically requested by you in a particular case.

Where we exercise our discretion to vote we may do so on behalf of multiple clients. This may work to your advantage but sometimes to your disadvantage. Should we identify a material conflict of interest between ourselves or clients in exercising our discretion to vote we will not proceed without first obtaining your prior consent. We will seek to act in

accordance with the best interests of our clients when exercising (or not exercising) voting rights or taking up (or not taking up) rights arising on corporate actions.

## Financial Planning Services

**MM Wealth Ltd ('MM Wealth')** is able to act on your behalf in advising you on investments and non-investment insurance contracts. We offer products and services as follows:

**Investments** - We provide an independent advice service. We will make a recommendation for you after we have assessed your needs. Our recommendation will be based on a comprehensive and fair analysis of the market.

**Financial planning:** It's important to identify what you might want to achieve and how you can do this. We can help you to identify your goals and create a plan for your finances to help you achieve them.

**Retirement planning:** It's important to know whether the money you are saving towards retirement will provide you with sufficient funds to meet your retirement objectives. We can work with you proactively to plan for your retirement and help you decide on the options available once at retirement.

**Protection planning:** Most of us want to protect the things that are important to us, our family, business and quality of life. Protection planning can help to provide peace of mind in the event of your income changing due to unexpected events.

We can help you plan for the best way to protect you, your family or your business.

We offer you an initial discussion (without charge) at which we will describe our services to you and how we charge. If you decide to go ahead, we will:

- Gather and analyse personal financial information about you and your needs and objectives;
- Recommend and discuss any action we think you should take and, with your agreement, arrange relevant solutions for you.

This is our standard Terms of Business upon which we intend to rely. For your own benefit and protection, you should read these terms carefully before signing them. If you do not understand any point please ask for clarification.

## Our Advice

We offer **independent** advice. This means that we consider a wide range of financial strategies and products. We are constantly reviewing the market to ensure that the services and products we offer are appropriate for our clients.

Where we recommend particular investment strategies and products to you, these will be selected based on your personal circumstances, financial goals and objectives. We will consider a number of factors, including the services you need, the cost of investing, how much risk you are prepared to accept in an investment product and how much of a drop in its value you could withstand.

The areas we can advise on include:

- Life assurance
- Investment bonds
- Pensions
- Annuities
- Phased retirement & income drawdown
- Income protection
- Unit trusts
- Open ended investment companies
- ISAs
- Structured deposits
- Derivatives (e.g. Options & Futures)
- Individual share holdings
- Exchange traded funds

- Term assurance
- Critical illness cover
- Long term care
- Enterprise investment schemes
- Investment trusts
- Venture capital trusts
- Structured products

### **Our recommendations**

Any advice or recommendation that we offer to you will only be given after we have considered your financial objectives and attitude to any risks that may be involved. We will also take into account any restrictions that you wish to place on the type of products you would be willing to consider. If you don't want to discuss a particular area of financial planning, and that area should not form part of the advice given, we can exclude it, if you instruct us to do so. This might have a bearing on the advice provided.

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

We will confirm to you in writing the basis of our recommendations along with details of any special risks associated with the products or investment strategies recommended.

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

Where we agree to provide you with a service that includes an ongoing review of the suitability of the investments we have recommended, we will 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 will issue you with a letter setting out the results of our assessment and, if relevant, any updated recommendations.

Please note that any products we have arranged for you will only be kept under review as part of an agreed service, for which you agree to pay. Any ongoing service will be agreed with you as set out in your **FPS Agreement or DPMS Agreement** (as appropriate). We may contact you in the future by means of an unsolicited promotion should we wish to discuss the relative merits of a particular product or service which we believe may be of interest to you.

Specific warnings relevant to the investments, investment strategies or other products we recommend will be confirmed to you in writing.

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

Where we trade in overseas investments, even though they are denominated in Sterling (GBP), please be aware that there will be a currency risk.

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

### **Non-Advised Service (Execution only)**

If investment services are being provided without advice (such as execution-only services), we must assess if the financial instrument or service is appropriate for you. Hence, we will assess your relevant knowledge and experience on the complex financial instrument. Your performance on the Appropriateness Assessment enables us to judge whether the financial services and instruments envisaged for you are appropriate or not. If we determine that the financial instrument or service is not appropriate for you we shall record this on your file and discuss the implications of this with you before proceeding.

For execution only trades, where an investment product is deemed 'non-complex', we are not required to assess appropriateness. For complex products we are obliged to conduct an Appropriateness Assessment. A financial instrument is considered 'non-complex' if it satisfies the following criteria:

- It is not a derivative
- There are frequent opportunities to dispose of, redeem, or otherwise realise that instrument at prices that are publicly available to market participants and that are either market prices or prices made available, or validated, by valuation systems independent of the issuer
- It does not involve any actual or potential liability for the client that exceeds the cost of acquiring the instrument
- It does not incorporate a clause, condition or trigger that could fundamentally alter the nature or risk of the investment or pay out profile, such as investments that incorporate a right to convert the instrument into a different investment
- It does not include any explicit or implicit exit charges that have the effect of making the investment illiquid even though there are technically frequent opportunities to dispose of, redeem or otherwise realise it
- Adequately comprehensive information on its characteristics is publicly available and is likely to be readily understood so as to enable the average retail client to make an informed judgement as to whether to enter into a transaction in that instrument.

## Part 2 – General Terms and Conditions for Provision of Services

### DOCUMENTATION

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

### CLIENT CLASSIFICATION

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

If you do not feel that you should be treated as a retail client please contact us and we will discuss with you the implications of you not being treated as a retail client.

### FINANCIAL CRIME

We are required by the anti-money laundering regulations to verify the identity of our clients, to obtain information as to the purpose and nature of the business which we conduct on their behalf, and to ensure that the information we hold is up-to-date. For this purpose, we may use electronic identity verification systems and we may conduct these checks periodically 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.

### THIRD-PARTY ARRANGEMENTS

We use the services of a third-party provider who will provide settlement, custody and nominee arrangements. The terms under which these third-party services are provided to you are set out in a separate document and, by signing your relevant agreement with us, you accept those terms and conditions as a supplement to this document.

When you sign our **FPS Agreement or DPMS Agreement** (as appropriate), and open an account with a third-party provider you will also become their client for custody of your assets and settlement of transactions, and you will have certain obligations to them.

We act as your agent in instructing the third party to carry out transactions on your account and act at all times in your best interests. We will take responsibility for the selection of third-party custodians and will review their performance on an ongoing basis. Subject to the proper performance of these duties, we will not be held liable for any default by our selected custodians.

### BEST EXECUTION

In executing or transmitting applications on your behalf to third parties, we will take all reasonable steps to ensure that we obtain the best possible result for you. This is referred to as 'Best Execution'. A summary of our best execution policy is available in **Schedule 1** of this document. Our Best Execution policy is also available on our website.

We may combine your instructions with those of other clients. At times, this may work to your advantage and others to your disadvantage. By signing your **FPS Agreement or DPMS Agreement** (as appropriate), you are consenting to our Best Execution policy.

### AGGREGATION

Regulations permit us to trade together transactions in respect of your portfolio with those of other clients without asking you first. We may aggregate your order providing it is unlikely that the aggregation will operate to your disadvantage. However, you should note that the effect of aggregation may work to your disadvantage in relation to a particular order. We will always endeavour to allocate such transactions on a fair and reasonable basis.

## **CONFLICT OF INTERESTS**

We will endeavour always to act in the best interests of you, our client. However, circumstances can arise where we or one of our other clients may have some form of interest in business being transacted for you. If this happens or we become aware that our interests or those of one of our other clients' conflict with your interests, we will write to you and obtain your consent before we carry out your instructions, and detail the steps we will take to ensure fair treatment. A summary of our Conflicts of Interest policy is at **Schedule 2** of this document. Our Conflicts of Interest policy is also available on our website.

## **COMMUNICATING WITH YOU**

Our normal ways of communicating with you are by telephone, post, electronic mail ('email'), video conferencing, or in person. All of our communications will be in English.

We will accept instructions, including dealing instructions, by telephone, post, facsimile or via email. However, please note that instructions sent to us by any means shall not be deemed to be received until expressly acknowledged by us either by email or by telephone, and we shall not be held liable for any delay occasioned by this.

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

## **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 will record and may monitor your telephone communications or conversations with us.

Copies of our telephone recordings will be available on request, for a period of minimum 5 years after the recording was made.

## **NON-UK TAXATION**

If you are a taxpayer and/or resident outside the UK or hold non-UK investments, you may be liable to account to non-UK tax authorities for any capital or income earned. You will retain sole responsibility in relation to these matters.

You undertake to notify us immediately of any change to your address or tax residency.

Where, due to either UK legislation or to contractual arrangements that we have entered into with foreign tax authorities, we are required to identify your tax status and/or withhold tax, then you agree to provide us with all information as may be required, and you further confirm that in the absence of all requisite information, we may take steps including:

- (a) Notifying the relevant tax authority;
- (b) Requiring the transfer of overseas investments to a Custodian;
- (c) Arranging for the sale of such investments on your behalf; and
- (d) Withholding the appropriate level of tax on such capital or income.

In particular, you should note that in accordance with US Internal Revenue Service regulations, we are required to identify beneficial owners of US securities. To enable us to deal in US securities on your behalf, you must complete relevant US tax documentation (e.g. W-8BEN, W-9 or W-8IMY form) or provide us with certified copies of your passport and proof of address. Failure to do so may result in additional tax being withheld on income or capital gains originating from US securities.

**GOVERNING LAW AND JURISDICTION**

The Contract and any dispute or claim arising out of, or in connection with, it, its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of England and Wales.

You irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of, or in connection with, the Contract, its subject matter or formation (including non-contractual disputes or claims).



## Part 3 - Your Obligations

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

### PAYMENT FOR SERVICES

All fees and charges will be fully disclosed to you within your **Private Client Service Proposition**. By signing your **FPS Agreement or DPMS Agreement** (as appropriate), you are agreeing to pay the charges for our services.

If a third-party imposes any additional charge or cost as a result of your default in complying with your obligations under the Contract or with any reasonable request by us pursuant to the Contract, then any such charge or costs shall be borne by you. Note that other related costs including taxes may arise that are not paid via our firm nor imposed by it.

Our ongoing service can be cancelled at any time by informing us in writing (see **Part 4 – Cancellation** and amendments of this document). Please note that we do reserve the right to charge you for services we have provided before cancellation.

### LEGAL AND ACCOUNTING ADVICE

Neither **MM Wealth** nor its employees are qualified to render legal or accounting advice or to prepare any legal or accounting documents. It is hereby understood and agreed that the onus is on you to refer to a solicitor or accountant on any point of law or accountancy that may arise during the course of discussions with us.

### CLIENT WARRANTIES

You warrant that you have full power to enter into the Contract with us, and that the monies you invest with us shall be free from all liens and charges or other encumbrances, and undertake that no liens or charges or other encumbrances will arise from any acts or omissions on your part, other than as agreed between us from time to time.

You undertake not to deal, except through us, with any of the cash or assets held in your account and not to authorise anyone else to deal in any of them other than with our prior agreement.

You warrant that any information which you have provided to us in relation to your status, residence and domicile for taxation purposes is complete and correct and not misleading, and you agree to provide any further information properly required by any competent authority.

You will notify us promptly if there is any material change in any information you have provided to us, and will provide such other relevant information as we may from time to time reasonably request in order to fulfil our regulatory and contractual obligations. You acknowledge that any failure to provide such information may adversely affect the quality of the services that we may provide.

### LIABILITY AND INDEMNITY

We warrant that we will use reasonable skill and care in the conduct of our services for you.

We shall not be liable for any failure of the services that are as a result of you providing us with inaccurate or out-of-date information or otherwise to the extent caused by us following your express instructions.

Neither we, nor any of our directors, employees, delegates (including Custodians or Nominees) or agents, shall be liable for any loss, damage, liability, claim or expense sustained by you as a direct or indirect result of the provision by us of our services. We carry professional indemnity insurance against the risk of the provision of our services to you. If you require information about this insurance and the level of cover, please contact our Compliance Officer. Our liability in any circumstances whatsoever, whether in contract, tort, under statute or otherwise, and howsoever caused (including but not limited to our negligence or non-performance), for loss or damage arising from or in connection with the services provided in any one or series of related matters shall be limited to £1.75 million.

Save that nothing in this Contract shall exclude or restrict any liability of us resulting directly from our negligence, fraud or wilful default, any contravention by us of the FCA Rules or any other losses which cannot be excluded or limited by applicable law. We shall not be liable for any indirect or consequential loss (or loss of profit) or for any losses that arise from any damage to your business or reputation.

You undertake to indemnify us and each of our directors, employees, delegates and agents (“Indemnified Persons”) on an after-tax basis, against any liabilities, reasonable costs and expenses (including legal costs) and all duties and taxes (other than our corporation tax) which are caused by:

- the provision by us of our services to you;
- any material breach by you of any of the terms of the Contract;
- any default or failure by you in performing your obligations to make delivery or payment when due; or
- any defect in title or any fraud or forgery in relation to any investments delivered to us or a Custodian by you or on your behalf or in relation to any instrument of transfer in relation to such investments (including any electronic instruction) purporting to transfer such investments.

In relation to trustees, liability under the Contract shall be limited, in the absence of fraud, to the assets of the trust.

The provisions of this section shall continue to apply notwithstanding the fact that we or any Custodian cease to provide services and shall be in addition to any other right of indemnity or claim of any Indemnified Person whether pursuant to the Contract or otherwise and shall not be affected by any forbearance, whether as to payment, time, performance or otherwise.

We do not give any warranty or undertaking as to the performance or profitability of the account (or any part of it) or that any specific account objectives can be successfully achieved.

You will be responsible for obtaining your own advice on the taxation, legal, regulatory or accounting consequences of any investment or investment strategy. We may occasionally give you advice on certain aspects of tax, but you will always be responsible for obtaining such advice in relation to your overall situation.

Except where investments are held in joint names or other relevant legal restrictions apply - e.g. they are held in an ISA – you may instruct us in writing to register investments purchased through us in the name of some other person (who must not be connected with us) whom you specify and in respect of whom you provide us with verification of identity to our satisfaction. If you do so instruct us, the consequences of registration carried out in accordance with your instructions are entirely at your risk and expense.

### **FORCE MAJEURE**

Neither we, nor any of our directors, employees, delegates (including Custodians) or agents shall be in breach of the Contract or liable for any loss or damage incurred by you resulting wholly or partly from any event or state of affairs beyond our reasonable control (including, without limitation, any failure of communication, settlement, computer or accounting system or equipment, any failure or interruption in the supply of data, any political crisis, war, labour dispute or terrorist action, the suspension or limitation of trading by any exchange or clearing house or the operator of CREST or any fire, flood or other natural disaster) and, in such circumstances, any of our obligations shall be suspended pending resolution of the event or state of affairs in question.

## Part 4 – Cancellation and amendments

### CANCELLATION RIGHTS

If the Contract was not signed during the course of a meeting either at our business premises, the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 apply and you have the right to cancel the Contract within 14 days of it coming into effect. To exercise the right to cancel, you must inform us of your decision to cancel the Contract by a clear statement (e.g. a letter sent by post or email).

We will wait until the 14-day cancellation period is over before we start to carry out the services, unless:

- (i) you want us to carry out the services during the 14-day cancellation period;
- (ii) we have agreed to do so; and
- (iii) you have signed a written confirmation and given it to our representative (if you do this, the written confirmation which you sign will form part of this Contract as though set out in full here).

If you cancel the Contract, we will reimburse to you all payments received from you except where we are allowed to keep such payments such as where we have started carrying out the services within the 14-day cancellation period and you have signed our written confirmation to start carrying out the services within the 14-day cancellation period.

We will make the reimbursement without undue delay, and not later than 14 days after the day on which we are informed about your decision to cancel the Contract.

### TERMINATION

You or we may terminate our authority to act on your behalf at any time, without penalty subject to three months' notice being given in writing. The three-month notice of termination period begins on the date of receipt. Termination is without prejudice to any transactions already initiated which will be completed unless otherwise agreed in writing. You will be liable to pay for any transactions made prior to termination and any fees outstanding.

Please note that we will continue to charge you for services provided during the three-month notice period.

### AMENDMENTS TO THE CONTRACT

From time to time it may be necessary to amend the terms set out in this document where it is not necessary to issue a new agreement. If this is the case we will write to you with details of the changes at least 20 business days in advance of any changes taking place.

### PRODUCT CANCELLATION RIGHTS

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

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

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

## Part 5 – Your Protection

### ADDITIONAL PROTECTION

**MM Wealth Ltd** is authorised and regulated by the Financial Conduct Authority (**FCA**), 12 Endeavour Square, London, E20 1JN. Our FCA Register number is **148496**. Our permitted business includes advising on and managing investments. You can check this on the FCA's Register by visiting the FCA's website, <https://register.fca.org.uk> or by contacting the FCA on 0800 111 6768.

In the event that you are dissatisfied with any aspect of the service we have provided you are entitled to make a complaint. We have a complaints procedure that is available on request. If you wish to register a complaint, please contact us:

**In writing:** The Compliance Officer, MM Wealth Ltd, Wellbrook Court, Girton, Cambridge, CB3 0NA.

**By phone:** 01223 233331.

**By e-mail:** [compliance@mmwealth.co.uk](mailto:compliance@mmwealth.co.uk)

For your further protection if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service (**FOS**). Full details can be found on its website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

We are covered by the Financial Services Compensation Scheme (**FSCS**). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

**Investments:** Most types of investment business are covered up to a maximum of £85,000.

**Insurance** - advising and arranging is covered for 90% of the claim, without any upper limit.

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

Please be assured we treat complaints very seriously.

### CLIENT MONEY

MM Wealth is not permitted to handle client money and we cannot accept a cheque made out to us, (unless it is in respect of an item for which we have sent you an invoice – such as a fee), or handle cash. Please do not attempt to electronically transfer any money to us, unless it is a fee for which we have sent you an invoice. Cheques for investment must be made payable to your custodian's nominated bank account. Any cheque received which is made payable to us for investment will be returned and no responsibility will be accepted for any delay which this may cause relating to the investment of funds.

### OTHER BENEFITS WE MAY RECEIVE

From time to time we may attend training events funded or delivered by product providers, fund managers and wrap platforms. These events are designed to enhance our knowledge and ultimately enhance the quality of service we provide to our clients. As such this doesn't affect our obligation to act in your best interest. Further details are available on request.

### PROTECTING YOUR PERSONAL INFORMATION

Your privacy and personal information are important to us. Any personal information that you provide to us will be dealt with in line with our Privacy Notice, which explains what personal information we collect from you, how and why we collect, store, use and share such information, your rights in relation to your personal information and how to contact us and supervisory authorities if you have a query or complaint about the use of your personal information.

Our Privacy Notice is available on our website: <https://www.mmwealth.co.uk/privacy-policy/>

## Part 6 – Investment and risks

This schedule contains important information on the range of investments we may transact (either on an Advisory, Discretionary or Non-Advised) basis and hold on your behalf along with risks associated with some of the investments. All investment carries some degree of risk and it is important that you understand the risks to which your investments may be exposed.

Please be aware that investments can fall as well as rise and you may not get back the full amount invested. The price of investments may depend on fluctuations in the financial markets, or other economic factors which are outside our control. You should also be aware that past performance is not necessarily a guide to future performance.

### Discretionary Portfolios

The following investments could be held at any point within a Discretionary Portfolio:

#### General investments which could be held within a Discretionary Portfolio

- Shares in British and foreign companies, (including unlisted or unquoted shares), debenture stock, monies, currencies and loan stock, bonds, notes, certificates of deposit, commercial paper or other debt instruments including government, public agency, municipal and corporate issues, Eurobonds, fixed interest and other securities denominated in any currency, Treasury Bills and other money market instruments (referred to collectively as 'core investments');
- Warrants to subscribe for relevant core investments;
- Depository receipts or other types of instrument relating to core investments and warrants;
- Unit trusts, open ended investment companies, mutual funds and other collective investment schemes in the UK and elsewhere, including non-mainstream pooled investments (NMPI) which include unregulated collective investment schemes;
- Exchange Traded Products (ETPs);
- Venture capital and private equity schemes denominated in any currency;
- Precious metals, commodities, bullion and gold coin;
- Derivatives (Options, Forwards or Futures)
- Structured Products
- All other securities/investments of any type

### Associated Risks for all Services Money Market and Related Investments

With regard to investments in cash and cash instruments, UK government bonds, sterling and foreign currency denominated corporate issues and interest-paying instruments such as convertible securities you should bear in mind the following specific risks:

- The risk of default
- Capital erosion in real terms over time due to the effects of inflation
- The value of fixed income securities may fall as well as rise due to market movements
- Where investments in foreign currency denominated instruments are concerned, foreign exchange rates may move in an unfavourable direction adversely affecting the value of investments in local currency terms
- In the event of default, if compensation is available it may not cover the full amount of the deposit

### Equities

If you buy a share or equity in a company, you become a member of the company and therefore share in the financial risk of that company. Equity-based investments are subject to general risks (political risk, interest rate risk, dividend risk, price risk, exchange rate risk, changes in the economic or regulatory environment, tax changes) as well as risks specific to the particular company. If a company issues a dividend, you will be entitled to receive one. However, the dividend per share depends on the issuing company's earnings and on its dividend policy. In cases of low profit or losses, dividend payments may be reduced or suspended. In the event of the company going into insolvency, your claim for recovery of your investment will rank behind various creditors of the business, whether secured or unsecured. The value of the equity can go down as well as up and you may lose part or all of your capital.

With regard to investment in equities you should bear in mind the following specific risks:

- Equity markets may fall in value
- Dividend growth is not guaranteed, nor are investee companies obliged to pay a dividend
- Companies may go bankrupt rendering the original equity investment valueless
- Individual equity prices can go down as well as up
- Corporate earnings and financial markets can be volatile
- Where investments in overseas companies are concerned, foreign exchange rates may move in an unfavourable direction adversely affecting the valuation of investments in local currency terms

### **Fixed Income/Debt Securities**

When buying fixed income/debt securities, you are, in effect, lending money to a company or government, and you will be entitled to receive the interest payable on that security and for the principal sum to be repaid to you at the maturity date.

Interest rates may be fixed or variable. If you buy or sell a fixed income security, other than at issue, you may pay more than the principal sum and therefore could suffer a reduction in the capital value on maturity or at any time you sell it before maturity. In the event of insolvency, you will share with other creditors of the firm in a claim against the firm's assets. Your ranking in the order of creditors will depend on the nature of the security.

Dealing in fixed income/debt securities may involve risks such as insolvency risk, interest rate risk, credit risk or early redemption risk. Additional risks may be associated with certain types of bonds, including without limitation floating rate notes, zero coupon bonds, and convertible bonds; for such bonds you are advised to make inquiries about the risks referred to in the issuing prospectus.

### **Collective Investment Schemes**

Collective investment schemes such as investment funds and open ended investment companies ("OEICs") and unit trusts invest monies on a pooled basis in a basket of investments, which typically might include gilts, bonds and quoted equities, but depending on the type of scheme, may also include derivatives, real estate and other assets. Investments in collective investment schemes are made with a view to increasing the range of investments available to you, thereby enhancing the scope for investment returns whilst at the same time providing diversity to reduce risk. However, you still remain exposed to the risks associated with the underlying investments, though potentially to a lesser degree. Collective investment schemes will generally not be managed by us or an associate but we select collective investment schemes on the back of detailed research to ensure suitability for your profile and quality of underlying managers. The performance of collective investment schemes invested in is subject to periodic review.

### **Derivatives (e.g. Options & Futures)**

In limited circumstances and where we think appropriate, we will deal on your behalf on a recognised or designated investment exchange in derivatives not involving contingent liability.

If separately agreed in writing between us, we will deal on your behalf in derivatives involving a contingent liability, and, over the counter (OTC) derivatives.

You authorise us to debit your portfolio with sums required to pay or supplement deposit or margin in respect of derivatives transactions.

Margin requirements:

Under European Market Infrastructure Regulation (EMIR) provide two types of margin that firms are required to exchange. The first is variation margin (VM), which covers current exposure and calculated using a mark-to-market position.

The second is initial margin (IM), which covers potential future exposure for the expected time between the last VM exchange and the liquidation of positions on the default of a counterparty. In this document the above are collectively referred to as **“Margin”**.

We may enter into financial derivative instruments, including futures, options and contracts for differences for the purposes of efficient management of your portfolio. By efficient portfolio management we mean for the purposes of reducing risk or costs associated with making investments. Whilst prudent use of financial derivative instruments can be beneficial, it can also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments including:

- a) Dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;
- b) Imperfect correlation between the price movements of the derivatives and price movements of the related investment;
- c) The fact that skills needed to use these instruments are different from those needed to select traditional investments;
- d) The possible absence of a liquid market for any particular instrument at any particular time;
- e) Possible impediments to effective portfolio management; and
- f) Possible losses arising from an unexpected application of law or regulation or arising as a result of the unenforceability of a contract.

## **Futures**

Futures involve the obligation to make, or to take delivery of the underlying physical asset of the contract at a future date, or in some cases to settle the position with cash. The ‘gearing’ or ‘leverage’ often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains and carry a high degree of risk. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements. Futures are different to options as options give the holders the right to buy or sell an underlying asset at expiration while the holder of a futures contract is obligated to fulfil the terms of his contract.

## **Options**

An option is the right either to buy or to sell a specified amount or value of a particular underlying interest at a fixed exercise price by exercising the option before its specified expiration date. An option that gives the right to buy is called a “call” option, an option which gives the right to sell is called a “put” option.

- There are two types of options – physical delivery options and cash settled options. Physical delivery gives the owner the right to receive physical delivery (if it is a call) or to make physical delivery (if it is a put) of the underlying interest when the option is exercised. A cash settled option gives its owner the right to receive a cash payment based on the difference between the determined value of the underlying interest at the time the option is exercised and the fixed exercise price of the option. You may be required to pay monies as well as receive monies under a cash settled option.
- Each options market selects the underlying interest in which options are traded on that market. For example, you can have options on equities, stock indices, government debt, securities and foreign currencies.
- Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if you buy a call option on a future contract and you later exercise the option, you will acquire the future. This will expose you to the risks described under ‘futures’ and ‘contingent liability transactions’.
- If you write an option, the risk involved is considerably greater than buying options. You may be liable for Margin to maintain your position and a loss may be sustained well in excess of the premium received. By

writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. If you do not already own the underlying asset which you have contracted to sell the risk can be unlimited. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

- Certain London Stock Exchange firms under special exchange rules write a particular type of option called a 'traditional option'. These may involve greater risk than other options. Two way prices are not usually quoted and there is no exchange market on which to close out an open position or to effect an equal and opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage their exposure to risk.
- Certain options markets operate on a Margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay Margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

### **Contracts for Differences (CFDS)**

- A CFD is a derivative contract that gives the holder exposure to the underlying equity or index, but without paying the full price of the total value of the position. Contracts for difference are traded on Margin, and the profit/loss is determined by the difference between the buy and the sell price. CFDs may be suitable for short-term trading but become expensive for holding long-term positions.
- When trading on Margin, a sudden drop in the price of an instrument (i.e., the underlying equity) could cause you to receive a Margin call. In that case, you would be required to deposit additional collateral into your account. If you do not respond in a timely manner, the existing collateral in your account could be sold, or your positions liquidated, in order to cover the call, and you would be responsible for any losses to your account.

### **Contingent Liability Transactions**

Contingent liability transactions which are Margined require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

If you trade in futures, contracts for differences or sell options you may sustain a total loss of the Margin you deposit with your broker to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional Margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be liable for any resulting deficit.

Even if a transaction is not Margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks than those which are so traded.

### **Warrants**

Warrants will not be purchased by us as investments in their own right, but may be allotted as a right or entitlement in respect of investments held in your portfolio. A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant.



## **Non-Mainstream Pooled Investments (including Unregulated Collective Investment Schemes)**

Certain non-mainstream pooled investments (NMPI) including unregulated collective investment schemes (UCIS) that we invest in are unregulated e.g. not subject to authorisation by the FCA and their constitution and operating characteristics are not subject to independent scrutiny by a regulator. Typically, they tend to be higher risk. Our due diligence procedures are aimed at ensuring that NMPI schemes we invest in meet high standards in their constitutional and operating characteristics and indeed management. However, you should be aware that if a particular NMPI scheme should fail, you may have no recourse to the Financial Services Compensation Scheme (**FSCS**) in relation to that particular scheme.

Please note you will be required to sign a 'High Net Worth/Sophisticated Investor' statement.

## **Investment Trusts**

Investment trusts are companies listed on stock exchanges whose main business activity is investing in other companies. Most investment trusts can, and some do, borrow money to make investments. This can increase the volatility of the price of the shares of the investment trust itself and can increase the risk of the investment in the trust.

The investment trusts we select may use a strategy known as gearing to potentially enhance the return of the trust. This is often a most effective strategy, but it is not without risk, and it is these risks that we wish to draw to your attention:

- (a) Movements in the price of the securities may be more volatile than the movements in the price of underlying investments;
- (b) The investment may be subject to sudden and large falls in value; and
- (c) You may get nothing back at all if there is a sufficiently large fall in value in the investment.

## **Exchange Traded Funds**

ETFs are open-ended investment companies comprised of units traded on a regulated market or designated investment exchange. Like an index fund, an ETF represents a basket of stocks that reflects an index such as the FTSE 100. Unlike a typical collective investment scheme (e.g. a unit trust), it trades like any other company on a stock exchange. An ETF's price changes throughout the day, fluctuating with supply and demand. This is different from a typical collective investment scheme that has its net-asset value (NAV) calculated at the end of each trading day.

It is important to note that while an ETF attempts to replicate the return on indices, there is no guarantee that they will do so exactly. It is not uncommon to see a 1% or more difference between the actual index's year-end return and that of an ETF. By owning an ETF, you get the diversification of an index fund with the flexibility of an equity investment. Because ETFs trade like stocks, you can margin them and purchase them in very small quantities. The expense ratio of an ETF is often lower than that of a typical collective investment scheme.

## **Illiquid investments**

We may purchase securities in respect of which there is no recognised market. It may therefore be difficult to deal in any such investment or to obtain reliable information about its value or the extent of the risks to which it's exposed.

## **Structured Products**

These are usually share-based investments from banking, insurance or investment management firms and can offer attractive returns. A structured product is a bespoke investment vehicle that offers a combination of an element of capital protection with a degree of participation in the return from a volatile underlying asset. Structured products cover a variety of investment structures but in broad terms (without limiting our discretion in any way) a structured product is an investment which packages two (or more) products into one offering and derives its value based on the return or partial return of one or both products.

You should however bear in mind the following risks:

- (a) The return of initial capital invested at the end of the investment period is not guaranteed and, therefore, you may get back less than what was originally invested;
- (b) The amount of initial capital repaid may be geared, which means that a small percentage fall in the related index may result in a larger reduction in the amount repaid to you;
- (c) The maximum benefit achievable is only available after a set period;
- (d) Early redemption may result in redemption penalties and a poor return;
- (e) The initial capital invested may be placed into high risk investments, such as non-investment grade bonds;
- (f) The rate of income or growth may depend on specified conditions being met;
- (g) You should not allow us to enter into such a transaction unless you are prepared to lose some or all of the money invested.

### **Venture Capital Trusts (VCTS)**

VCTs are professionally managed collective investment schemes listed on the London Stock Exchange, and are similar to investment trusts. They invest in fledgling venture capital backed unquoted companies. These unquoted companies will ordinarily be at an earlier stage of development than larger quoted companies and will therefore carry a greater risk of failing.

VCTs must be approved by HMRC for the purpose of the scheme. Once invested an investor may be entitled to various income tax and CGT reliefs, and VCTs are exempt from corporation tax on any gains arising on the disposal of their investments. However, in order to take advantage of the tax relief associated with VCTs, you should be aware that you must hold your investments therein for at least 5 years from the date of purchase.

### **Enterprise Investment Schemes (EISs)**

EISs are tax efficient schemes approved by HMRC to encourage investment into small unquoted companies carrying on a qualifying trade in the United Kingdom. Investment in companies that are not listed on a stock exchange often carries a high risk and the tax relief is intended to offer some compensation for that risk. As such, EIS investments are inherently high risk in nature. The specific risks vary depending on the particular EIS (e.g. an EIS based on investment in a single company is, of its nature, riskier than a more widely diversified EIS). Because the underlying holdings are not listed, the manager of an EIS cannot sell them, and unlike a VCT, the EIS itself is not traded on any market. Investors accordingly have to wait until the manager realises the cash value of the underlying holding(s) before they can redeem the value of their investment. Investors also face risk in relation to Capital Gains Tax ("CGT"). If a capital gain is deferred by means of investment in an EIS, the same gain is re-crystallised when the EIS is sold. If the CGT rate falls, investors benefit, but if it rises then they will lose out.

Please contact us if you have any doubts about the suitability of any investments within your own portfolio. We will be pleased to discuss your concerns and to provide further information about investments that we may select, upon request.

## **Part 7 – Our recommendations - defined benefit transfer advice**

Where we agree to provide you with a service in relation to defined benefit (final salary) pension transfer advice, we do not guarantee that we will provide advice before the expiration of any associated guaranteed cash equivalent transfer value (CETV) that has been provided, or that is requested as part of the advice process. The process involved in providing this type of advice can be lengthy due to the nature and complexity of the benefits involved. Therefore our obligation to you is to ensure that you understand this before entering into an agreement with us.

Where an associated CETV does expire before advice can be provided then you should be aware that this figure may go up or down in value when recalculated by the scheme. Additionally, you should be aware that there may be a fee charged by your scheme before they will provide you with a new CETV.

We will not implement or facilitate a defined benefit pension transfer unless we have provided the advice to do so, and that advice states that a transfer is in your best interests. We will only implement the advice that we provided (which includes the underlying solutions), and will not implement anything that deviates from this recommendation.

## **SCHEDULE 1 - Best Execution Policy Summary**

In the course of providing our services we undertake transactions in investments for you or on behalf of you. When we do so, we aim to achieve the best possible result for you in terms of the cost of the investments, the associated costs of the transaction and other factors that may be relevant in the context of the specific transaction. The rules which govern the manner in which we aim to achieve the best possible result are described by the Financial Conduct Authority as 'best execution' rules. **Our complete Best Execution Policy is available on our website.**

We will consider a range of factors in aiming for best execution. Although cost is the most important factor depending on the transaction concerned, we may also take into account:

- The need to move quickly
- The nature of the service we provide to you and any general or specific instructions you have provided to us
- The characteristics of the client, including the categorisation of the client as retail or professional
- The characteristics of the client order
- The characteristics of the financial instruments that are the subject of the order
- The characteristics of the execution venues to which that order can be directed

To enable us to achieve the best possible result for you on a consistent basis we have developed a best execution policy supported by appropriate internal procedures.

The purpose of this summary is to provide information to you on the essentials of our policy to enable you to understand our approach to best execution and to allow you, if you wish, to compare our approach to that taken by others.

If you have any questions about this summary please contact us.

### **General Considerations**

Our best execution policy is supported by a number of general principles. These are:

- We will be dealing for you in two principal types of investment - exchange traded securities (e.g. equities) and single issuer products (e.g. collective investment schemes, structured products and hedge funds).
- We will take into account our understanding of your knowledge and experience of the financial markets, the types of transactions and dealings reflected in the way we have agreed with you that your portfolio will be managed and any general instructions you may give to us as to how we prioritise the effecting of the transactions for you. Where general instructions have not been given we will use our discretion.

### **Specific Instructions**

Please bear in mind that if you give us specific instructions as to a transaction in an investment we will follow your instructions and that may prevent us from taking the steps we have designed and implemented to obtain the best possible result for the execution of the orders covered by your instructions.

### **Client Acknowledgement**

You acknowledge that you have been made aware of and accept the nature, policy and process which we have in place for providing you with best execution. In the absence of express instructions from you, we shall have full discretion to choose a relevant broker venue from our current list.

## **SCHEDULE 2 - Conflicts of Interest Policy Summary**

**Our complete Conflicts of Interest Policy is available on our website.**

### **The purpose of our conflicts of interest policy is to:**

- To identify any potential circumstance which may give rise to conflicts of interest, and which pose a material risk of damage to clients' interests;
- To establish appropriate mechanisms and systems to manage those conflicts; and
- To maintain systems in an effort to prevent actual damage to clients' interests through the identified conflicts.

### **In preparing the policy we have taken into account a number of factors including:**

- Whether circumstances might arise where we make a financial gain, or avoid a financial loss, at the expense of a client;
- Whether we have an interest in the outcome of a service provided to a client or of a transaction carried out on behalf of a client, which is distinct from the client's interest in that outcome;
- Whether we have a financial or other incentive to favour the interest of another client or group of clients over the interests of a client;
- Whether we carry on the same business as a client; or
- Whether we receive or will receive from a person other than a client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

### **Examples of the potential conflicts of interest we have identified include:**

- Where we have confidential information regarding an existing or former client which would be of value to another part of the firm or to other clients of the firm;
- If a transaction carried out on a client's behalf relates to an investment in respect of which the firm or an associate may benefit from a commission, fee, mark up or mark down payable otherwise than by the client, and the firm or an associate may also receive fees from the counterparty to such a transaction;
- If the firm acts as agent for a client in relation to transactions in which the firm is also acting as agent for other clients and associates; or
- Where we have an interest in other financial services companies. Where this applies, details will be disclosed.

### **Against this background our conflicts policy can be summarised as follows:**

- Where a conflict arises the interests of a client will always be put before the interests of the firm and its employees;
- Where the firm has a material interest in a transaction to be entered into with or for a client, all reasonable steps will be taken to ensure fair treatment for the client;
- We have established procedures to ensure fair treatment between clients. For example, when executing an aggregated order for a client which is not filled, securities which are obtained are allocated fairly between clients;
- We will not enter into dealing arrangements that could compromise our ability to comply with our best execution obligations;
- We have a policy designed to minimise the risk of conflicts arising in situations where staff receive or provide gifts/inducements from clients or third parties;
- We have a personal account dealing procedure to reduce potential conflicts in situations where staff deal for their own account;
- We have internal organisational arrangements which act as information barriers controlling the disclosure of information within the firm and preventing the unauthorised release of restricted information to other areas of the firm; and
- We have a conflict of interest and personal account dealing policy that requires staff to act disregarding any material interest or conflict of interest when advising a client or dealing for a client in the exercise of discretion.