

keyfacts®

about our services and costs

ETHICAL INVESTORS
ETHICAL FINANCIAL MANAGEMENT

Ethical Investors

Montpellier House, 47 Rodney Road,
Cheltenham, GL50 1HX

1. The Financial Services Authority (FSA)

The FSA is the independent watchdog that regulates financial services. This document is designed by the FSA to be given to consumers considering buying certain financial products. You need to read this important document. It explains the service you are being offered and how you will pay for it.

2. Whose products do we offer?

Investment and Pensions

- We offer products from the whole market
- We only offer products from a limited number of companies
- We only offer our own products

Life Assurance and Protection

- We offer products from a range of insurers for Protection plans, such as Term Assurance, Critical Illness and Income Protection
- We only offer products from a limited number of insurers
- We only offer our own products

Mortgages

- We offer mortgages from the whole market
- We only offer mortgages from a limited number of lenders
- We only offer our own mortgages

3. Which service will we provide you with?

- We will advise and make a recommendation for you after assessing your needs.
- You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.
We will provide basic advice on a limited range of stakeholder products and in order to do this we will ask some questions about your income, savings and other circumstances but we will not:
 - conduct a full assessment of your needs;
 - offer advice on whether a non-stakeholder product may be more suitable.
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Ethical Investors is an Independent Financial Advice company specialising in ethical (or socially responsible) financial planning and advice. A full description of our approach is provided in the document “**Our Ethical Proposition**”, available on request.

We offer a full financial planning service, or alternatively can provide specific advice on:

- savings and investments;
- protecting yourself and/or loved ones in the event of death, serious illness or disability;
- pensions, retirement planning, inheritance tax, wills;
- mortgages.

We pledge to donate at least **50%** of our annual net profits from fees and commissions to charities and good causes as directed by our clients.

We offer an initial discussion (without charge) when we will describe our services more fully and explain the payment options. Alternatively, our services are available to those who wish to deal with us via letter, post and electronically.

4. What will you have to pay us for our services?

You will pay for our services on the basis of fee only, commission only, or a combination of fee and commission. We will discuss your payment options with you and answer any questions you have. We will not carry out any business for you, or charge you, until we have agreed with you how we are to be paid.

Paying by fee.

Whether you buy a product or not, you will pay us a fee for our advice and services. If we also receive commission from the product provider when you buy a product, we will then pass on the full value of that commission to you in one or more ways. For example, we could reduce our fee, reduce your product charges, increase your investment amount, or refund the commission to you.

We will confirm the rate we will charge before beginning work. You may ask us for an estimate of how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first. We will tell you if you have to pay VAT.

Hourly rate – for those that wish to pay us for advice work on an hourly rate, wish us to review existing financial arrangement or to prepare financial planning reports that will not lead to transactions, the typical fees will be: -

Financial adviser	£125 per hour
Administration	£40 per hour

Transaction advice – all lump sum investments in plans such as ISAs, OEICs, unit trusts, investment bonds, pension plans will be charged at the flat rate of 3% on the clients first £75,000 only, **then no initial fee on further transactions.** There may also be an annual servicing fee of no more than 0.5% of the value of the investments in total. We do not charge an initial fee to transfer money that is already invested.

For regular savings into investment funds we charge a flat fee of £165 to establish the plan (one administrator and one adviser hour), plus an annual servicing fee of up to 0.5% of the value of the fund. We then take no initial commission on the payments that are made.

Paying by commission (through product charges).

If you buy a financial product, we will normally receive commission on the sale from the product provider. Although you pay nothing up front, that does not mean our service is free. You still pay us indirectly through product charges. Product charges pay for the product provider's own costs and any commission. These charges reduce the amount left for investment. If you buy direct, the product charges could be the same as when buying through an adviser, or they could be higher or lower. We will tell you how much the commission will be before you complete an investment.

The amount of commission we receive typically varies according to: the type of product; the amount you invest; and how long you invest for, or your age when you start the product.

Examples are shown below for products we commonly provide advice on:

Lump sum and regular premium investments:

- If not paying by the fee route, then a maximum of 3% will be taken from each investment amount at the time the investment is made, up to an invested amount of £75,000 (then the commission drops to nil). An on-going annual commission of 0.5% of the value of the investment will also be made to us. We do not charge an initial commission on money that is already invested.

Pensions:

- If you pay £100 per month into a personal pension, with a 25 year term, we will typically receive a commission of £334.80 at the time the contract is set-up. With a 10 year term, we would typically receive £207.60 initially.
- On a new personal pension plan receiving a lump sum we will receive 3% of the invested amount as an initial commission payment, and then no further payments.
- The charges on other pension plans, such as Self-Invested Personal Pensions, can be more complex and we will confirm these in writing before any business is transacted.

Annuities:

- We will typically be paid 1% of the annuity purchase amount as a commission payment at the time the annuity begins being paid. This amounts to £100 for each £10,000 of the pension fund you have. We will cap this amount for larger pension funds.

Life assurance:

- Commission on term assurance varies with the premium paid, which in turn varies with your circumstances, so there is no "average" commission. We will inform you of how much we will get paid in the illustrations of cost to you.

Paying by a combination of commission and fee.

In some circumstances, we may also charge a fee in addition to any commission we might receive. The actual amounts will depend on the service provided to you, and we would not proceed without agreeing the terms of the payments with you.

For example, for a regular premium pension policy our minimum initial fee is £200. If the commission payable is less than this, we may require the difference to be paid to us before the application is processed.

5. Who regulates us?

Ethical Investors (UK) Ltd, trading as Ethical Investors, of Montpellier House, 47 Rodney Road, Cheltenham, GL50 1HX is authorised and regulated by the Financial Services Authority. Our FSA Register number is 165222.

Our permitted business is advising on and arranging investments such as ISAs, OEICs, unit trusts, investment bonds, personal, group and Stakeholder Pensions. We also provide advice and guidance with annuities, retirement planning, inheritance tax and trusts, life assurance, mortgage protection, critical illness and income protection.

You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

6. What to do if you have a complaint

If you wish to register a complaint, please contact us:

In writing: Write to Ethical Investors (UK) Ltd, trading as Ethical Investors, of Montpellier House, 47 Rodney Road, Cheltenham, GL50 1HX

By phone: Telephone 01242 539848

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service.

7. Are we covered by the Financial Services Compensation Scheme (FSCS)?

We are covered by the 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.

Investment

Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000.

Life Assurance and Protection

Insurance advising and arranging is covered for 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit.

Mortgages

Mortgage advising and arranging is covered for 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000.

Further information about compensation scheme arrangements is available from the FSCS at The Financial Services Compensation Scheme, 7th Floor, Lloyds Chamber, 1 Portoken Street, London, E1 8BN. www.fscs.org.uk