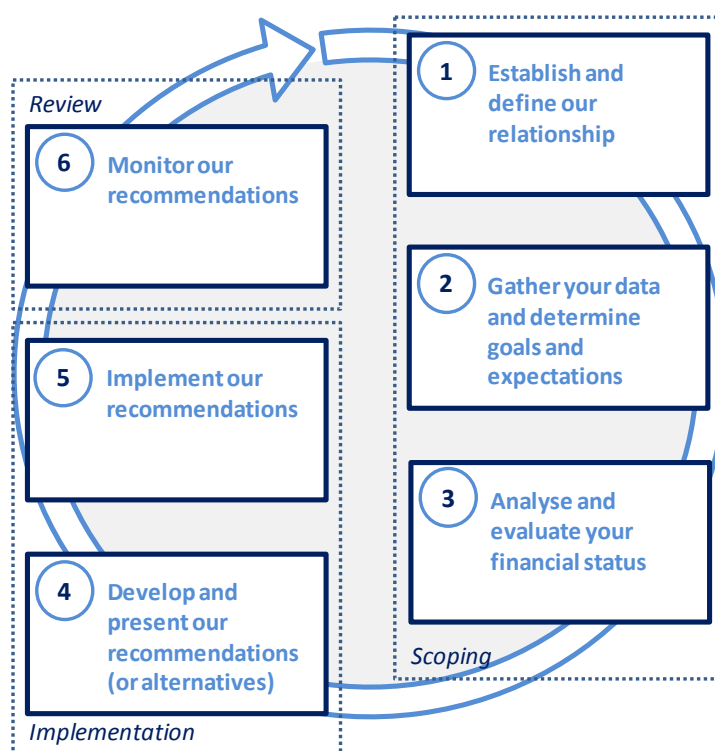


Arbuthnot Latham Wealth Planning: Costs and Services Disclosure Document

This document has been created to help illustrate our fees and charges and to ensure that you understand the options available to you when it comes to paying for this service. The *Costs and Service Disclosure Document* is not specific to you and for precise details of your fee arrangements you should refer to your personalised *Letter of Engagement*.

The Arbuthnot Latham Wealth Planning Process

Arbuthnot Latham & Co., Limited follows a 6 stage Wealth Planning process. Routed in the internationally recognised standard for financial advice, we believe it ensures that our Clients receive the very best advice and that any charges are clear and not misleading. Our Wealth Planning service offers advice and recommendations after assessing our Client's needs and can be summarised as follows:



Stage 1 - 2: The 1st stage involves defining the relationship between you and Arbuthnot Latham. It begins with an initial meeting where we introduce ourselves and the way we work. Usually we will also begin stage 2 in these introductory meetings, finding out as much about you as possible before following up with further analysis and data gathering.

At the outset we will send you a *Letter of Engagement*, *Letters of Authority* and this *Costs and Service Disclosure Document*. This ensures we all agree how we will proceed with the work, that you understand the charges and that we have the required permissions to continue. No charges are levied at this stage.

Stage 3: Once we have acquired the appropriate information, we will undertake a detailed analysis of your Wealth Planning needs. Depending on your circumstances this can be a very large piece of work. The output of this stage is a *Wealth Planning: Overview Report* and with the creation of this document we will charge a "Scoping Fee", details of which are included later.

Stage 4 - 5: Stage 4 involves outlining and presenting our recommendations to you. We will send you a *Suitability Report* as a part of this process. Should you agree to proceed we will begin stage 5, 'Implementing the Recommendations'. At the end of this stage we will take an "Implementation Advice Charge".

Stage 6: The final part of the process is stage 6: this is our commitment to review the recommendations we have made on an ongoing basis, ensuring that they perform as expected and remain relevant to your circumstances and objectives. As a part of this process we will commit to meet you at least annually. We take a "review fee" for this service.

The Cost of Our Service

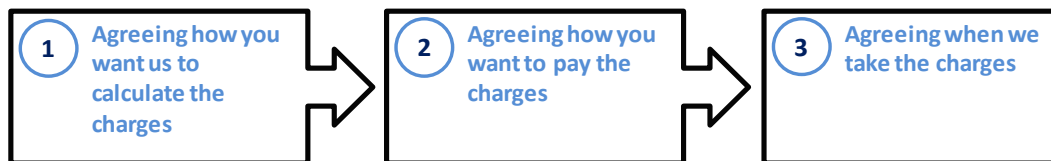
Fees are charged at three different stages during our Wealth Planning Process. Each of the charges are separate and, provided we have not undertaken any work for you in that stage, you are not obliged to pay for any of these services:

1st Charge: A Scoping Fee, taken on production of the *Wealth Planning: Overview Report* (Stage 3)

2nd Charge: An Implementation Advice Fee, taken after the *Suitability Report* is produced and you agree to proceed with the recommendations (Stages 4 – 5)

3rd Charge: A Review Fee, taken during the review and servicing phase (Stage 6)

We can arrange for each these fees to be paid in a variety of different ways so that they are as economical and as clear as possible. Deciding how you want to pay for our service essentially involves a three stage process which you define to suit your circumstances:



This process is covered in more detail in the following sections. In addition to all these charges, we will advise you if VAT is payable.

Please note, Arbuthnot Latham & Co., Limited is aiming to become a fully fee-based Wealth Planning practice and, generally, our preference for working with you is on a fee basis. This is consistent with the requirements of the Retail Distribution Review and we believe is more clear, open and honest.

Scoping Charges (Stages 1 – 3)

Our initial meeting with you is always complimentary, however we will charge for any subsequent work you ask us to undertake. This includes investigating your Wealth Planning needs and the subsequent production of the *Wealth Planning: Overview Report*. The charge for completing this phase is dependent on the complexity of your case but will always be as follows:

Table 1: Scoping Fee

Scope of Service	Charging Scale
Initial scoping fee to cover general research into existing portfolio, etc	Between £1,000 - £5,000

Implementation Advice Charges (Stages 4 – 5)

If you agree to proceed with our recommendations, there will be a charge for any implementation advice or work. This fee will be taken in addition to the Scoping Fee. The charge can be taken in three ways. As stated above, our recommendation is always to pursue a Fee based option although we recognise in exceptional circumstances alternative fee structures may be more appropriate. Details of your options are as follows:

Option 1: Paying by Fee

A fee based option means that the charges for the service are paid by you and are not covered by the product. This means whether you buy a product or not, you will pay us a fee for our advice and services on completion of the work.

If we receive commission from the provider when you buy a product, we will pass on the full value of that commission to you in one or more ways. This can be done by reducing our fee (using commission offset, see below), reducing your product charges, increasing your investment amount or simply refunding the commission to you.

For most Clients, work will be completed on a project basis using the charges outlined in Table 2. For ‘special projects’ we can agree to complete the work using an agreed fee or an hourly charge, details of which are listed in Table 5 in the appendices.

Table 2: Our Standard Project Fee Tariff

Scope of Service	Charging Scale
Arranging <i>Investments</i> on an Advisory or Discretionary basis, <i>ISAs, Pension Plans, Investment Bonds, Hedge Funds</i>	£0 – £249,999: 3% £250,000 – 499,999: 2% £500,000+: 1%
Organising an <i>Annuity</i> (excluding <i>Impaired Life Annuities</i>)	1% of purchase price (minimum fee £1,000)
Special Projects	Dependant on scope of work (minimum fee of £1,000)

Option 2: Paying by Client Agreed Remuneration

You may instruct us to take commission from a Provider to settle our fees. A commission is simply a payment from the provider for the purchase of the product. If you buy a financial or insurance product, we will normally receive commission on the sale from the product provider. If you instruct us to act on a commission basis we will keep that commission and use it to cover our costs. Although you pay nothing up front, that does not mean our service is free: you still pay us indirectly through product charges and, usually, these charges reduce the amount left for investment.

The amount of commission we receive varies according to the type of product, the amount you invest, and (sometimes) how long you invest for, or your age at commencement. Before you buy a product we will give you an illustration, ‘*Key Features Document*’ or ‘*Statement of Price*’ with details of the commission we will receive, but you may ask for this information earlier. If you wish to consider paying our fees by commission please ask for a personalised recommendation. Indicative commission rates to offset the above fee tariff are outlined in Table 3, below:

Table 3: Our Typical Commission Tariff

Product	Example Term/ Age	Our Maximum Charging Rate
<i>Collective Investments</i> (E.g. Unit Trusts)	Any	3.0% of amount invested
<i>Insurance Bonds</i>	Any	3.0% of amount invested
<i>Personal and Stakeholder Pensions</i> (Single Premiums)	Any	3.0% of amount invested
<i>Personal and Stakeholder Pensions</i> (Multiple Premiums)	25 year term	40.2% of the first 12 month's payments
	10 year term	18.8% of the first 12 month's payments
<i>Whole of Life Assurance</i>	Age 40	35.8% of the first 12 month's payments
<i>Standard Annuities</i>	Any	1.0% of the amount invested (Minimum costs £1,000)
<i>Annuities</i> (Impaired Life/ investment backed/ etc)	Any	3.0% of the amount invested

When considering the Commission option it is important to note the additional issues that are created by choosing a commission fee:

Trivial Commissions: Some providers automatically send trail or renewal commission whether it is requested or not. Due to the administration cost of handling small amounts, we reserve the right to retain such sums not exceeding £25 per transaction regardless of the payment method agreed. Therefore, these will not be included as part-payment of the ongoing review and servicing of your plans.

Option 3: Paying by a Combination of Commission and Fee

If you choose a combination of commission and fee option the actual amounts we charge will depend on the service provided to you, but will not normally exceed the higher of the rates shown in the Tables 2, and in the personalised recommendation mentioned above.

Other Considerations when Agreeing Your Implementation Fee

In some circumstances we can arrange 'Commission Offset'. This means we charge you a fee but will accept initial commission, paid upfront by the provider for the purchase of a product, as part of your payment to us. Where this exceeds your fee, the surplus will be used to enhance the terms of the product. However, if the commission received is insufficient to cover our fee, we may invoice you for the difference.

If you cancel a contract within an 'earnings period' when you have agreed for us to receive commission as part of your payment to us, we reserve the right to send you an invoice for any amount reclaimed from us by the

provider. Earnings periods typically last between two and four years and are based on the term of the contract. You will be told how long the period lasts before the contract commences.

In addition to these charges, we will inform you if you have to pay VAT.

Review Fee (Stage 6)

We do not believe your Wealth Planning needs end when we implement a solution for you. Your requirements change and ongoing management is needed if our recommendations are going to remain valid. For this reason we strongly believe in maintaining a close working relationship with all our Clients. This obviously requires a significant amount of our time and for this reason we take a Review Fee. This is always subject to a minimum of a £1,250 annual fee, irrespective of the charging option you have taken. As with all our charges the structure of our Review fee is personal to you, however for most Clients it will be as follows:

Table 4: Our Fee Charges for Review and Servicing

Scope of Service	Annual Servicing Charge
Ongoing review fee	0.5% of the funds under advice (minimum fee of £1,250)

Other Information

Complaints

If you have a complaint about the advice you receive from us or a product you have bought through us, please contact the Head of Compliance at Arbuthnot Latham & Co., Ltd Arbuthnot House, 20 Ropemaker Street, London EC2Y 9AR, email compliance@arbuthnot.co.uk or telephone 020 7012 2500.

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

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.

- Investments - Most types of investment and pensions business is covered up to a maximum of £50,000
- Long Term Insurance – Life Insurance and Pensions, advising and arranging is covered for 90% of the claim, without any upper limit.

Further information about the compensation scheme arrangements is available from the FSCS.

Regulatory Information

Arbuthnot Latham & Co., Ltd is authorised and regulated by the Financial Services Authority (FSA) whose address is: 25 The North Colonnade, Canary Wharf, London E14 5HS. Our FSA Registration Number is 143336. You can check us on the FSA Register by visiting: <http://www.fsa.gov.uk/register>, or by telephone on 0845 606 1234.



Appendices

Table 5: Our Typical Hourly Charges for Special Projects

Your Advisor's Role	Hourly Charge
Chartered Financial Planner	£250 – £500
Wealth Planner	£150 – £300
Wealth Planner Executive	£150 – £250
Wealth Planning Assistant	£100 – £150

When working on an hourly rate you may ask us for an estimate for how much in total we might charge. You may also ask us not to exceed a given amount without checking with you first.