Merlin
Financial Services Ltd

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WR1 1JA

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CLIENT AGREEMENT DOCUMENT FOR Merlin Financial Services Limited

INVESTMENT SERVICES

Merlin Financial Services Limited is permitted to advise on and arrange (bring about) deals in investments.

With regard to investments which we have arranged for you, these will not be kept under review unless you request us to do so.

This review can be provided through the provision of our ongoing advice service or alternatively you may choose to contact us in future when you require a review.

If you agree to take our ongoing advice service this can be terminated at any time.

For any investment services provided we will be acting on your behalf unless otherwise stated.

Merlin Financial Services Limited **does not handle clients' money.** We never accept a cheque made payable to us or handle cash (unless it is payment in settlement of adviser charges or disbursements for which we have sent you an invoice). If you do send us money, this may delay your transaction as we may have to return this money to you.

REGULATORY STATUS

Merlin Financial Services Limited is authorised and regulated by the Financial Conduct Authority. Our Financial Services Register number is 220125.

Our permitted business is advising on, arranging, and making arrangements with a view to investments.

You can check this on the Financial Services Register by visiting the FCA's website – www.fca.org.uk/register or by contacting the FCA on 0800 111 6768.

CLIENT CATEGORISATION

For Retail Clients

Unless you receive confirmation in writing to the contrary, in all our dealings on investment matters you will be treated 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 (FOS).

Where we have categorised you other than as a 'retail client', you may request re-categorisation under a client category which benefits from a higher degree of protection. However, we reserve the right to agree to such a re-categorisation on a case-by-case basis, and where we agree to do so it does not necessarily mean that you will have a right of access to the Financial Ombudsman Service.

Further information in respect of the Financial Ombudsman Service is available on their website at the address below:

http://www.financial-ombudsman.org.uk/

CAPTURING YOUR NEEDS

We are committed to providing you with a service that meets with your individual needs. To enable us to achieve this objective it is important that you are open and frank with us and provide us with all of the necessary information that we will need to deliver a service that reflects your need, e.g. any existing mortgages or other loans you may have. This will enable us to identify products and services that best meet with your personal circumstances. It will also help us to identify any specific needs regarding the methods by which we deliver our services to you. This may include additional ways of communication to those that we usually use as set out in the next section entitled "mean of communication".

Further information on how we collect and use your personal data is set out in the separate Data Privacy Notice that we have issued to you.

MEANS OF COMMUNICATION

We will enter into communication with you through whatever means are convenient to you including face-to-face, telephone, paper, e-mail and other acceptable electronic communication methods including audio. This information will be provided free of charge.

For any of our clients who are visually impaired, on request we will provide this information in a larger print format or braille.

Our communications will ordinarily be in English, both in respect of oral and written communications.

In addition, where requested we can provide a translated version of this document.

You may at any time choose to request information in paper and free of charge that has previously been provided to you by means other than paper. For example, where a communication was originally sent by email.

You may at any time choose to change your preferences as to how we communicate with you. However, where you choose to do this, we will require you to confirm this change in writing to us.

RECORDS OF COMMUNICATION

We are required by our regulators (the FCA) to keep records of any telephone conversations or other electronic communications with our clients in relation to the arranging of transactions in investments that are categorised as financial instruments.

The term 'electronic communication' covers many categories of communications and includes (amongst others) video conferencing, fax email, Bloomberg mail, SMS, business to business devices, chat, instant messaging and mobile devices applications.

INVESTMENT OBJECTIVES & RESTRICTIONS

Following the issue of this document, any subsequent advice or recommendation offered to you will be based on your stated investment objectives, agreed level of risk you are prepared / able to take and any restrictions you wish to place on the type of investments or policies you are willing to consider. Details of your stated investment objectives will be identified during our discussions with you and confirmed within the suitability report that we will issue to you to confirm our recommendation(s). Unless confirmed in writing, to the contrary, we will assume that you do not wish to place any restrictions on the advice we give you.

CLIENTS RISK

You are advised that because investments can fall as well as rise, you may not get back the full amount invested. Past performance is not a guide to future performance.

HOW WE CHARGE YOU FOR OUR SERVICES

The method of paying for our services will depend on the type / level of service(s) provided.

We will discuss your payment options with you and answer any questions you may have.

We will agree the basis, frequency and method of any charges with you in writing before we carry out any work that you will be charged for.

Examples of the costs of our services are included within the 'Information about our Services and Costs Document'.

We will not charge you anything until you have agreed on how much we are to be paid.

We will inform you if you have to pay VAT.

Advised services

For advised services, you will be charged an adviser charge. The actual amount will depend on the service(s) provided to you and the amount will be agreed with you before we carry out any work that we will charge you for.

Our 'Services and Payments Agreement' that we will issue to you, will contain details of how much you will be charged and how payment is to be made.

Non-advised services

For non-advised services, if commission is available to us, you can choose to pay us by allowing us to keep the commission, or by paying us an adviser charge instead.

If you choose to pay via commission, we will tell you how much the commission is before the transaction is completed. If you choose to pay an adviser charge, we will issue you with a 'Services and Payments Agreement' which will contain details of how much you will be charged and how payment is to be made.

Incentive Schemes

We operate incentive schemes in relation to life policies. Life policies include all insurance contracts with an investment content. This includes investment bonds, endowments, whole of life plans and personal pensions. Full details of the financial incentive schemes that we operate are contained in our 'Service and Costs Disclosure Document'.

ACCOUNTING TO YOU

We will confirm to you in writing the basis of our service and the reason for recommending any transaction transmitted or executed on your behalf. Where you agree to an ongoing service we will provide regular reports to you regarding that service. We will agree and confirm the frequency and timing of those reports based on your needs. The extent of any ongoing review will be determined by your needs.

We will also make arrangements for all your investments to be registered in your name unless you first instruct us otherwise in writing. We will forward to you all documents showing ownership of your investments as soon as practicable after we receive them; where a number of documents relating to a series of transactions is involved, we will normally hold each document until the series is complete and then forward them to you.

NOMINEE & SAFE CUSTODY SERVICES

We do not safeguard or administer client assets but we may arrange business through an online service commonly known as a platform, which will provide custody services for your assets. Where this is the case, the legal title of investments will be registered in the name of the third party's nominee.

Transactions will be transmitted to the fund supermarket, investment wrap platform, or similar third-party investment institution for them to execute. Money or transferred assets will be placed immediately with that third party for investment – we will never hold the assets for you. We will provide you with the relevant account opening details for the identified third party such as their Terms & Conditions, Nominee and Safe Custody Service, Best Execution Policy, Execution Venues and Conflicts of Interest Policy (or equivalent documents). The legal title of investments will be in the name of the third party's nominee.

For non-platform business we will make arrangements for your investments to be registered in your name unless you first instruct us otherwise in writing.

RIGHT TO WITHDRAW

In the case of many retail investment products – such as life assurance contracts, personal pension schemes, investment bonds, and collective investment arrangements (e.g. unit trusts), a right to withdraw or cancel the contract within a specified period is normally provided. Details of such rights are ordinarily contained in the product literature (e.g. Key Features document) and/or we may provide details of such rights in a separate communication.

In the case of any non-retail investment products e.g. an ISA wrapper, we will inform you in writing of any right to withdraw or cancel you may have or, if it is the case, we will inform you in writing that no such rights will apply.

TERMINATION OF AUTHORITY

You or we may terminate our authority to act on your behalf at any time, without penalty. Notice of this termination must be given in writing and will take effect from the date of receipt. Termination is without prejudice to any services already provided / transactions already initiated, which will be completed according to the Client Agreement unless otherwise agreed in writing. You will be liable to pay for any transactions made and / or services carried out prior to termination and any adviser charges or other fees which may be outstanding.

CONFLICTS OF INTEREST

Occasions may arise where the firm, an employee, or other associates of the firm has competing professional or personal interests which may prevent these services being provided to clients in an independent or impartial manner.

We will take all appropriate steps to prevent conflicts of interest from occurring in line with the firm's conflicts of interest policy. However, there may be occasions where a conflict of interest cannot be prevented. Where this is the case, we will disclose to you the nature of the conflict and the steps that we will take to mitigate the risks that you will be treated unfairly as a result of any conflicts identified.

We will make you aware of any conflicts of interest before the provision of services to enable you to choose whether you still wish to proceed with services. A copy of the firms' conflict of interest policy is available on request.

We may on occasion receive minor non-monetary benefits from third parties such as product providers e.g. food and drink provided at a provider training event. Where relevant, any minor non-monetary benefits received will not conflict with our duty to act in your best interests.

BEST EXECUTION POLICY

It is in the interests of our clients and the firm that we obtain the best possible result when placing orders with other firms (e.g. third-party brokers) for the execution of client orders or when transmitting orders on behalf of clients for particular investments – e.g. shares. We are required under the Rules of the Financial Conduct Authority to take all sufficient steps to provide 'best execution' when carrying out such transactions.

Where we place or transmit orders for such investments on behalf of our clients, we may utilise the services of a third-party broker and base our decision to place or transmit an order on the price and cost of execution of the order. For orders in collective investment schemes (e.g. unit trust), however, the price of units or shares in the scheme is normally set by the scheme operator or manager and as such we have little influence over the price available.

Full details of our best execution arrangements are provided in our Best Execution Policy, a copy of which can be provided on request.

WHAT TO DO IF YOU HAVE A COMPLAINT

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

... in writing: Mr P Smith, Merlin Financial Services Limited, Camelot House, 60 Barbourne Road, Worcester, WR1 1JA.

... by phone: Telephone 01905 731315

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

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 either we or the providers with whom we arrange products were to go out of business. This depends on the type of product and the circumstances of the claim.

Investments

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

Investment based insurance/Long term insurance, e.g. pensions and investment bonds

The maximum level of compensation for claims against firms declared in default on or after the 3rd July 2015 is 100% of the claim with no upper limit.

Further information about compensation scheme arrangements is available from the FSCS (www.fscs.org.uk)

Or by contacting

Financial Services Compensation Scheme PO Box 300 Mitcheldean GL17 1DY

Telephone number 0800 678 1100

International customers Telephone number +44 207 741 4100

DATA PRIVACY NOTICE

Please refer to the separate Data Privacy Notice that we have issued to you that sets out how we collect and use data about you.

CLIENTS CONSENT

This is our standard client agreement upon which we intend to rely. For your own benefit and protection, you should read the terms carefully before signing, as by signing you consent to the terms contained within. If there are any terms within this agreement that you do not understand, please ask for further information. The Client Agreement will come into effect from the date of acceptance of this agreement, which will be confirmed by the date provided in the 'date of signature box' below, unless otherwise stated.

Client Name:	Client Name:
Client Signature:	Client Signature:
Date of Signature:	Date of Signature:
Date of Issue:	Date of Issue:

Investors Risk / Reward Profile:

We recognise ten basic risk profile descriptions that are listed below for clients which we will identify after completing a Dynamic Planner risk profiler questionnaire. Prior / in addition to the questionnaire you may wish to carefully consider which category best describes your attitude to risk / reward. This is extremely important and will form an integral part of any advice given and part of your assessment for 'Capacity for Loss'.

Category:

1 – Lowest. The 'lowest' risk profile shows that you want to take the least amount of investment risk possible with your money. A portfolio that matches this risk profile will be designed to reduce, as far as possible, falls in value. But the returns you make are also likely to be low. If inflation is higher than the rate of return on your investments, the spending power of your money will be reduced.

2 – Very Low. A 'very low' risk profile shows that your willingness and ability to accept investment risk is well below average. Any falls in the value of a portfolio that matches this risk profile should be very small. However, potential returns are also likely to be modest. So, if inflation is higher than the rate earned on the investment, the spending power of your money will be reduced.

3 – Low. A 'low' risk profile shows that your willingness and ability to accept investment risk is below average. Any falls in the value of a portfolio that matches this risk profile should usually be small. However, potential returns are also likely to be modest. So, if inflation is higher than the rate earned on the investment, the spending power of your money will be reduced.

4 – Lowest Medium. A 'lowest medium' risk profile shows that your willingness and ability to accept investment risk is just below average. A portfolio matching this risk profile is likely to experience both rises and falls in value. So, while there is potential for returns from your investment to match or go above the rate of inflation you also need to accept that your investment could fall in value, particularly in the short term.

5 – Low Medium. A 'low medium' risk profile shows that your willingness and ability to accept investment risk is about average. A portfolio that matches this risk profile is likely to experience both rises and falls in value. So, while there is good potential for returns from your investment to match or go above the rate of inflation you also need to accept that your investment could fall in value, particularly in the short term.

6 – High Medium. A 'high medium' risk profile shows that your willingness and ability to accept investment risk is slightly above average. A portfolio that matches this risk profile is likely to experience some significant rises and falls in value. So, while there is good potential for returns from your investment to match or go above the rate of inflation you also need to accept that your investment is likely to fall in value from time to time, particularly in the short term.

7 – Highest Medium. A 'highest medium' risk profile shows that your willingness and ability to accept investment risk is well above average. A portfolio that matches this risk profile is likely to experience significant rises and falls in value. So, while there is strong potential for returns from your investment to match or go above the rate of inflation you also need to accept that your investment could fall in value from time to time, particularly in the short term.

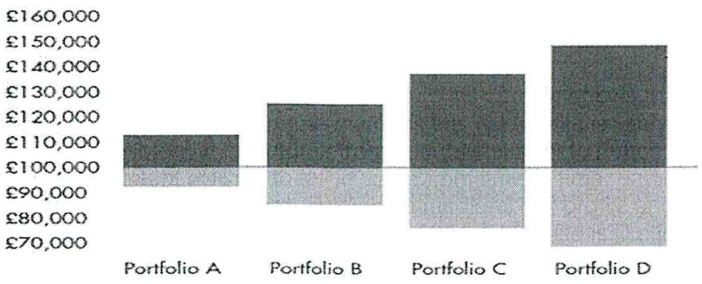
8 – High. A 'high' risk profile shows that you are willing and able to take a high level of risk with your investments. A portfolio that matches this risk profile is highly likely to experience both significant rises and falls in value. So, although there is very strong potential for returns from your investment to go above the rate of inflation you also need to accept that your investment is very likely to fall in value from time to time, particularly in the short term.

9 – Very High. A 'very high' risk profile shows that you are willing and able to take a very high level of risk with your investments. A portfolio invested to match this risk profile is highly likely to experience both significant rises and falls in value. So, although there is a very strong potential for returns from your investment to go above the rate of inflation you also need to accept that your investment is very likely to fall in value from time to time, particularly in the short term.

10 – Highest. A 'highest' risk profile shows that you are willing and able to take an extremely high level of risk with your investments. A portfolio invested to match this risk profile will probably experience very significant rises and falls in value. So, although there is extremely strong potential for returns from your investment to go above the rate of inflation it is very likely that your investment will fall sharply in value from time to time especially in the short term.

At the beginning of the year you have £100,000 invested. The chart and options below show the performance of four possible investments. Each bar gives a range of possible values at the end of the same year. Which investment would you prefer? ▶ Please tick (✓)

Potential best and worst case end values



This chart is for illustrative purposes only and does not reflect the performance of a specific index or fund.

- ○ Portfolio A: It could be worth anywhere between £93,000 and £113,000
- ○ Portfolio B: It could be worth anywhere between £85,000 and £125,000
- ○ Portfolio C: It could be worth anywhere between £77,000 and £137,000
- ○ Portfolio D: It could be worth anywhere between £69,000 and £149,000