

Initial Advice Fair Value Assessment

ARIA Private Clients

July 2023
Version.1.0

Who are We?

Absolute Return Investment Advisers (ARIA) Limited

Building 2, Guildford Business Park, Guildford, Surrey, GU2 8XG, United Kingdom.

Telephone – 01483 917644

www.ariacm.com

FCA Reference Number 527557

Trading Names – ARIA Private Clients, ARIA Investment Platform, ARIA IP, ARIA Capital Management, and ARIA.

Our Service Standards

An initial discovery meeting to evaluate if we can assist the client in meeting their objectives.

Review client's investment knowledge and attitude to investment risk.

Discuss the client's investment knowledge and capacity for loss.

Assess client's needs and financial objectives.

Offer ethical and sustainable investment solutions (where necessary)

Access to professional Discretionary Investment Solutions.

Define and agree the client's goals and ambitions.

Define the client's investment timeframe.

Cashflow modelling (where appropriate).

Conduct independent research and due diligence on the relevant marketplace.

We have created a Centralised Investment Proposition (CIP).

Access to investment portfolio/retirement strategy based on client's financial goals.

Personalised recommendation designed to achieve a client's financial goals.

Our Target Client Market

Saving/investing for a particular future objective.

Planning for retirement (Accumulation and Decumulation).

Taking an income in retirement.

Estate planning for inheritance tax purposes.

Retail clients optimising their tax thresholds.

We offer Retail clients with investment portfolios above £50,000 for our "Spotlight" proposition and £100,000 our "Highlight" proposition.

Clients seeking investment advice and requiring a professional service to ensure they meet their needs.

Clients who are engaging and wish to build a financial relationship.

Business Limitations

Clients with no appetite for investment risk.

Clients with portfolios below £50,000 or Regular premium investments where premiums are below £100.

Clients requiring direct share advice.

Clients requiring advice on Defined Pensions Transfers.

Clients who are not engaging and do not wish to build an ongoing professional relationship.

Our Charges

We have created a range of initial services for clients to select from. These services are based upon the clients' investments/holdings and are charged on a percentage rate basis. There may be additional fees for Reports which are on a fixed fee basis.

The cost to manufacture our advice services is based upon our fixed costs, regulatory, Professional Indemnity Insurance (PII) and operating costs. We have completed the Fair Value Assessment which outlines our overall fixed costs. This also takes into consideration our expected profit margins.

Service Design

Initial consultations are free of charge.

Spotlight Proposition:

We are charging a maximum Initial Fee of £300 for a Financial Planning Report (including Cash Flow Planning). We are charging a maximum Implementation Fee of 0.50% (subject to a minimum fee of £150) and we feel this is very competitive in the marketplace based upon local competition and press information.

We discuss our charges with clients to ensure transparency and we seek feedback in relation to their thoughts around fair pricing and their expectations. There is an additional charge of 0.30% for clients using our Model Portfolio Service (investments above £80,000).

Highlight Proposition:

We are charging a minimum Initial Fee of £795 for a Financial Planning Report (including Cash Flow Planning), and a minimum Initial Fee of £1,590 for a Financial Planning Report and Tax Advice.

We are charging a minimum Implementation Fee subject to a minimum of £2,500 although financial plan/cashflow report charges are offset against this fee.

We feel this is very competitive in the marketplace based upon local competition and press information.

We charge a Paraplanning Hourly Fee of £100 and a Financial Adviser Hourly Fee of £150.

We have ongoing fees which are documented separately.

The cost to manufacture our advice services is based upon our fixed costs and profit margins. We have completed a full Fair Value Assessment which outlines our calculations.

We constantly request feedback from clients in relation to our fee structure to ensure they understand the charges and feel we provide value for money.

Our Client Benefits

Access to a qualified Independent Financial Adviser.

Knowledge experience of financial planning and advice market.

Build long term relationship with regular reviews for client to realise financial objectives.

Able to navigate complex investment/taxation/pension issues.

IHT planning.

Use of technology/client portals to access investment information.

Access to our support team for assistance/enquiries and obtaining investment statements.

We operate a website/company app where clients can upload information and documents.

Encrypted communications to ensure sensitive information is safe in transit.

Advisers continue to undertake training and development to ensure they maintain their knowledge.

Cashflow modelling and report availability.

Professional review of our centralised investment proposition to ensure this remains fit for purpose. We operate an investment committee to fully assess our business model. This includes platform due diligence/Discretionary Fund Management (DFM) selection/Model Portfolio Service (MPS) reviews/bespoke fund selection.

Ability to assess and apply provider target market considerations to our business model.

Referrals to third party professionals, e.g. solicitor, accountants, tax specialists.

Regular review meetings to ensure client holdings still remain suitable.

Behavioural Biases Present

We will continue to monitor our initial service proposition to ensure all standards are being delivered to clients.

We will also ensure the services continue to offer value and continue to review the fee product facilitation method to ensure this meets the client's needs.

Client Vulnerability

We are able to provide flexibility to meet the needs of any vulnerable clients.

All staff have been appropriately trained in this area to identify vulnerability.

We have a formal vulnerable evaluation document which outlines all examples.

We have a robust vulnerable policy in place.

Total Cost

We have undertaken a full overhaul of our adviser charges. Our charges take into consideration the following:

- Annual management charges, investment charges, platform charges, DFM charges, transaction charges.

Our firm continually assesses investment houses fair value statements to ensure the products we recommend are providing value to our clients. Each statement is incorporated as part of our Central Investment Proposition.

Management Information

We produce regular Management Information via Key Performance Indicators (KPI). These KPI's are generated for advisers and the firm.

We have had a low level complaints in the period.

We continue to receive repeat business and client referrals.

Summary & Actions

Overall, we are satisfied with our charging structure, and we feel this provides fair value to clients. This is an area that we have discussed and reviewed as a group to ensure there is consistency within the firm.