

FOCUSING ON

Financial adviser
indirect (agent
as client) service
summary



Better support for you

As demand from Financial Advisers for outsourced investment solutions continues to grow, Charles Stanley is perfectly placed to meet that demand through bespoke and model discretionary management services. These services are also designed to meet the investment needs of the underlying investor.

We know that a key requirement for many advisers when considering a discretionary management service is a desire to maintain the close relationship they have with their clients and to retain control over their financial planning affairs.

With this in mind, Charles Stanley has tailored its services to ensure that advisers not only retain control of their clients' financial planning, but they also remain as the primary point of contact for their clients.

Under our Agent as Client approach, Terms of Business are established with Charles Stanley whereby the adviser acts as the investor's agent and becomes a 'client' of Charles Stanley. Portfolios established on behalf of the underlying investor are then identified as sub-accounts of the agent.

The result is us having what we refer to as an 'indirect' relationship with the investor where, apart from certain regulatory requirements, we have limited contact with them unless requested otherwise by the adviser.

Charles Stanley has tailored its services to ensure that financial advisers not only retain control of their clients' financial planning, but they also remain as the primary point of contact for their clients.

THE PARTIES TO THE ARRANGEMENT ARE THEREFORE:

- ▶ The Financial Adviser (adviser)
- ▶ The investor
- ▶ Discretionary Investment Manager/DFM (Charles Stanley)

In establishing our Financial Adviser relationships in this manner we have taken account of the views expressed by the Financial Conduct Authority (FCA), which highlighted the importance of all parties fully understanding what is expected of themselves and each other in such an arrangement. Although perhaps as important is that the investor understands what each of the professional parties (adviser and DFM) is responsible for on their behalf.

This booklet is intended for professional Financial Advisers and their retail investor clients.

Who does what

The Financial Adviser (adviser)

Working as the agent of the investor, the adviser ensures that Charles Stanley has all the information necessary to construct and manage the investor's investment portfolio. At inception, and on an ongoing basis, the adviser will therefore be responsible for:

- Completing a fact-find and gathering relevant Know Your Client (KYC) information
- Ascertaining the investor's investment objective
- Assessing the investor's attitude to risk and their capacity for loss
- Determining the suitability of Charles Stanley's discretionary services
- Making recommendations on any appropriate product wrapper e.g. SIPP

On an ongoing basis the adviser will also be responsible for informing Charles Stanley of any changes in the investor's circumstances as they arise, including their risk profile, capacity for loss, investment objectives, level and frequency of income, capital withdrawals required and any other matters relevant to the management of the portfolio.

Changes of this nature will be established via regular consultation between the adviser and the investor, and subsequently relayed to Charles Stanley in a timely manner.

On receipt of information from Charles Stanley regarding the composition and investment performance of portfolios, the adviser will relay this to the investor.

This approach ensures that the adviser remains firmly in control of the relationship with the investor and enables them to demonstrate added value to their client. Additionally, the adviser can clearly identify to the Regulator his or her role and responsibilities within the relationship.

'Charles Stanley – the DFM'

We will take instructions from the Financial Adviser regarding the investor's investment needs and deliver an investment portfolio that reflects these requirements.

Our role is then to manage the portfolio on an ongoing basis within the mandate communicated to us by the adviser.

Our primary contact will be with the adviser, although on request copy correspondence will be issued to the investor. Under normal circumstances we will not initiate contact with the investor and any contact or communication we receive from them will be relayed to the adviser.

We will provide custody of assets held within the portfolio and communicate with the adviser regarding valuations, investment performance, and details of transactions. Online access to portfolio valuations will also be made available to the adviser and investor if requested.

Investor

The investor's primary point of contact remains their adviser and it is important that they notify them of any changes in their circumstances that may be relevant to the management of their investment portfolio.

When establishing an investment portfolio with Charles Stanley via their adviser, the investor will be required to sign initial documentation, as detailed in the following sections.

Administration

All instructions to Charles Stanley must be routed via the adviser and in the following circumstances we will require written confirmation from the adviser:

- Change of investor email address
- Changes of risk profile and investment objectives
- Requests for a single payment to the investor's bank account
- Changes of monthly payments.

A request both signed by the investor and countersigned by the adviser is required for the following:

- Change of investor bank details
- Change of investor address

If using our model services via a third-party platform, not all of the administration and reporting highlighted in this booklet will be available. Likewise, not all the requirements will be necessary.

In such circumstances, investors please speak to your adviser, and advisers speak to your local Charles Stanley contact for more information.

Signing-up

Signing-up to 'agent as client'

In order to operate on an Agent as Client basis with Charles Stanley, the adviser needs to complete the following steps:

- Complete, sign and return our Financial Adviser Indirect (Agent as Client) Terms of Business
- For each investor, complete, sign and return:
 - the relevant Financial Adviser 'Agent as Client' account opening form, which includes the investor's investment objective and risk profile; and
 - where relevant, the Customer Agreed Remuneration (CAR) section in the form

- The investor is also required to countersign the account opening form and, where relevant, the CAR form
- The Agent as Client Terms, together with completed and signed forms, should be returned to the adviser's usual contact at Charles Stanley.

If you are an investor and require more information about our services please speak to your adviser.

For more information, please contact a member of our Intermediaries Sales team.

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The value of investments can fall as well as rise. Investors may get back less than invested.

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