



## **Discretionary Investment Management Agreement**

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### **Part 1 (of 2) – Terms & Conditions**

**Please retain this document for your records**

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## 1 Introduction

This agreement sets out the terms under which we shall provide Discretionary Management services to you, including details of the specific services and a summary of our charges for those services. It is important that you understand the contents of these documents, and that you retain them for future reference.

If you have a question or concern about any aspect of our services, please contact us:

- ❖ Telephone: 0117 214 0870
- ❖ Email: team@ironbright.com
- ❖ Website: www.ironbright.com
- ❖ In writing: Stephen Brady. IronBright, Runway East, 1 Victoria Street, Redcliffe, Bristol, BS1 6AA

The services selected and the charges for those services are confirmed in **Part 2 of the Discretionary Investment Management Agreement**. We agree to provide the services selected and you agree to pay us for those services.

By signing this agreement, you agree to appoint IronBright to manage investments on a discretionary basis i.e. to effect transactions without your prior approval. You should only sign this agreement provided you are happy as to the extent of our discretion. If you are in any doubt about any terms of this agreement, you may wish to consult your solicitor or other professional adviser.

This agreement should also be read in conjunction with the Terms and Conditions provided on behalf of your platform provider who we use for custody, settlement and other administration services.

## 2 Commencement

This agreement shall commence once this agreement has been signed by all parties and shall remain in force until terminated in accordance with Section 6 – Cancellation below. These terms may be amended by us giving you written notice at least thirty business days before such amendment is due to take effect.

## 3 Discretionary Management Services

IronBright is a discretionary management firm which provides a range of model portfolios. Our responsibilities to you in respect of your investments will be limited to the management of your portfolio(s) as covered by this agreement.

In accordance with our investment philosophy (Appendix 1), IronBright will provide the following discretionary management services:

- ❖ Periodic review of each of the portfolios within our range of investment portfolios
- ❖ Management of the underlying holdings in accordance with our investment philosophy
- ❖ Review and substitution of funds where appropriate
- ❖ Monitoring of asset class drift
- ❖ Six monthly rebalance of your portfolio to the respective specified portfolio asset allocations
- ❖ Management of cash reserves to cover; plan, adviser and investment management charges
- ❖ Management of additional cash balances to meet income payments where necessary
- ❖ Arranging the disinvestment of the underlying holdings to facilitate ad hoc withdrawals
- ❖ Automatic annual ISA subscriptions for matching general investment accounts
- ❖ Effect six monthly valuation statements via your chosen platform, quarterly valuations available on request

### 3.1. Automatic ISA service

IronBright is able to facilitate automatic ISA subscriptions on behalf of its clients. Provided you hold a linked individual or joint General Investment Account with a matching portfolio to your Stocks & Shares Individual Savings Account (ISA), IronBright may automatically subscribe the full ISA allowance, annually on your behalf.

In order to benefit from this service, please confirm this using Part 2 of the Discretionary Investment Management Agreement. Please note, IronBright may not complete such a transaction should; (i) the funds in the General Investment Account be lower than the annual ISA subscription allowance, (ii) if the underlying investment holdings differ between accounts or (iii) if there is a break in ISA contributions which would mean the Platform requires a new ISA application form.

By selecting the Automatic ISA Service, you acknowledge that you will be unable to make contributions to an alternative ISA with another provider.

**Please note, the suitability of this arrangement should be determined with your Financial Planner. IronBright do not provide any advice and therefore cannot confirm the suitability of using this facility.**

We will not borrow on your behalf, nor will we commit you to a contract that may need borrowing in order to achieve performance. We will not commit your monies to an obligation as an underwriter of any issue or offer for sale of securities.

Where your investments are held overseas, there may be different settlement, legal and regulatory requirements from those applying in the United Kingdom, together with different practices for the separate identification of clients and investments.

The price of investments we invest in may depend on fluctuations in the financial markets, or other economic factors, which are outside our control. Investments can fall, as well as rise. You may not get back the full amount you invested. Past performance is not necessarily a guide to future performance.

## 4 Our Obligations

### 4.1. Third party arrangements

For our Discretionary Management Service, we may use the services of a third-party platform provider recommended to you by your Financial Planner. The platform provides settlement, custody and nominee arrangements for your account. The terms under which these third-party services are provided to you, are set out in their Terms and Conditions. You should read these terms carefully.

When you open an account with your chosen platform provider you will become their client for custody of your assets and settlement of transactions, and you will have certain obligations to them. We act as your agent in instructing the platform to carry out transactions on your account and always act in your best interests. IronBright will not be held liable for any default by third-party selected custodians.

### 4.2. Best execution

In placing or transmitting applications on your behalf to third parties, we will take all sufficient steps to ensure that we obtain the best possible result for you. This is referred to as 'best execution'. A summary of our best execution process is available at **Appendix 2**.

We may combine your instructions with those of other clients. At times this may work to your advantage and others to your disadvantage. By signing this agreement, you are consenting to our execution policy.

### 4.3. Valuations

The value of your portfolio will generally be based on the bid price for funds and the middle market closing price for stocks and shares. IronBright will ensure you receive valuations of your portfolio on a quarterly basis.

Unless otherwise agreed, we will not provide information about executed transactions on a transaction-by-transaction basis. Your financial adviser will be able to assess the performance of your portfolio relative to appropriate benchmarks.

### 4.4. Voting rights

As your appointed discretionary manager, we may at our sole discretion decide whether or not to exercise voting rights or corporate actions relating to Investments. This may mean that we act in accordance with or against the recommendations of boards or may not vote at all.

We will exercise any voting rights attached to shares registered in the name of the Custodian and held for you as the client. Consequently, you will not receive reports and accounts, circular or proxy soliciting material, unless specifically requested by you in a particular case.

Where we exercise our discretion to vote we may do so on behalf of multiple clients. This may work to your advantage but sometimes to your disadvantage. Should we identify a material conflict of interest between ourselves or clients in exercising our discretion to vote we will not proceed without first obtaining your express prior consent. We will seek to act in accordance with the best interests of our clients when exercising (or not exercising) voting rights or taking up (or not taking up) rights arising on corporate actions.

#### 4.5. Protecting your personal information

To provide our services properly we may need to collect information on your personal and financial circumstances. We take your privacy seriously and will only use personal information to deliver our services. For further details on how we process personal data, please refer to **Appendix 3**.

#### 4.6. Anti-money laundering

We are required by the anti-money laundering regulations to verify the identity of our clients, to obtain information as to the purpose and nature of the business which we conduct on their behalf, and to ensure that the information we hold is up-to-date. For this purpose, we may use electronic identity verification systems and we may conduct these checks from time to time throughout our relationship, not just at the beginning.

#### 4.7. Conflict of interests

We will endeavour always to act in the best interests of you our client. However, circumstances can arise where we or one of our other clients may have some form of interest in business being transacted for you. If this happens or we become aware that our interests conflict with your interests, we will write to you and obtain your consent and detail the steps we will take to ensure fair treatment. A summary of our conflicts of interest policy is available at **Appendix 4**.

#### 4.8. Interests in other financial services companies

IronBright will not offer any broader financial planning and/or tax planning services e.g. capital gains tax or inheritance tax considerations and accept no responsibility for your broader financial and tax planning arrangements or requirements. It is recommended that you speak to Brunel Capital Partners Ltd in relation to these areas.

Brunel Capital Partners Ltd is an associated company that provides Financial Planning and Advisory Services to you. This association does not alter our regulatory responsibility. Please ask if you wish to discuss this in further detail.

#### 4.9. Other benefits we may receive

From time to time we may attend training events funded and /or delivered by product providers, fund managers and platforms. These events are designed to enhance our knowledge and ultimately therefore enhance the quality of service we provide to our clients. Further details are available on request.

#### 4.10. Communicating with you

We may communicate with you by telephone, post, e-mail or in person. In certain circumstances, we may ask you to confirm any instructions in writing prior to implementation. All our communications with you will be in English.

## 5 Payment For Services

IronBright levies an ongoing annual management charge for its services. No other charges apply. By signing this agreement, you are agreeing to pay the charges for our services.

The current charge is 0.3% of the portfolio valuation (including cash deposits) per annum. This is not subject to VAT.

Example Charges

Example Portfolio Value	% Charge	Monetary Charge*
£100,000	0.3% of £100,000	£300
£500,000	0.3% of £500,000	£1,500
£1,000,000	0.3% of £1,000,000	£3,000

\*Please note; where the value of your portfolio increases, the monetary value of our charges will increase.

Custody, administration and dealing fees are included within the fees levied by the chosen platform nominee provider. Terms and Conditions are available on request.

Charges will be deducted proportionately monthly in arrears, directly from your investment portfolio. We do not accept payments by cash. In line with our services, we will periodically review your cash reserves within your portfolios on an ongoing basis. Should circumstances arise where there is insufficient cash available to pay our fees, underlying assets will be traded to in order settle our fees.

Should a third party impose any additional charge or cost as a result of your default in complying with your obligations under this agreement or with any reasonable request by us pursuant to this agreement, then any such charge or costs shall be borne by you. Note that other related costs including taxes may arise that are not paid via our firm nor imposed by it.

## 6 Cancellation

Cancellation or cooling off rights do not apply to the discretionary management service. This means that once you have entered into this agreement, you will not have any time frame in which to change your mind. You are of course able to cancel the agreement in line with section 6.1.

### 6.1. Termination of this agreement

You or we may terminate this agreement and 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 transactions already initiated which will be completed according to this agreement unless otherwise agreed in writing. You will be liable to pay for any services provided prior to termination and any fees outstanding, if applicable. Cancellation will not affect accrued rights, existing commitments or any contractual provision intended to survive termination of the agreement. You agree on termination to pay:

- ❖ Our fees pro rata to the date of cancellation; and
- ❖ Any additional expenses necessarily incurred by us in cancelling the agreement and any losses necessarily realised in settling or concluding outstanding obligations and transferring your assets to a new custodian.

On termination, we may retain and/or realise any of your assets as may be required to settle the transactions already initiated, and to pay any outstanding liabilities of yours.

### 6.2. Termination on death

In the event of death, notified in the form of receipt of an original death certificate, IronBright will liquidate underlying portfolio(s), holding the proceeds in cash deposits.

IronBright will not be responsible for the distribution of proceeds to the estate. This will be conducted in conjunction with your Financial Advisers and Executors.

### 6.3. Termination on loss of mental capacity

In the event of loss of mental capacity, and subject to a Lasting Power of Attorney that confirms your intent to maintain our discretionary permissions, we will cease to provide the discretionary service with immediate effect. In such an event, assets will remain invested, however, we will require specific instructions from the Court of Protection to act on your behalf.

## 7 How You Are Protected

IronBright is authorised and regulated by the Financial Conduct Authority (FCA), 25 The North Colonnade, Canary Wharf, London, E14 5HS.

Our Financial Services Register number is **728738**. Our permitted business includes managing investments. You can check this on the Financial Services Register by visiting the FCA's website [www.fca.org.uk/firms/systems-reporting/register](http://www.fca.org.uk/firms/systems-reporting/register) or by contacting the FCA on 0800 111 6768.

Unless we notify you in writing to the contrary, we will be treating you 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.

### 7.1. Complaints

If you are in any way dissatisfied, you are entitled to make a complaint. We have a Complaints Procedure that is available on request. If you wish to register a complaint, please contact us:

- ❖ In writing: Compliance Manager, IronBright, Runway East, 1 Victoria Street, Redcliffe, Bristol, BS1 6AA
- ❖ By phone: +44 (0) 117 214 0870
- ❖ By e-mail: [compliance@ironbright.com](mailto:compliance@ironbright.com)

Please be assured we treat complaints seriously. For your further protection if you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service ('FOS'). **Full details of the FOS can be found on its website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).**

### 7.2. Financial Services Compensation Scheme

We are also covered by the Financial Services Compensation Scheme ('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 business are covered for up to a maximum of £85,000.

Further information about compensation scheme arrangements is available from the FSCS at [www.fscs.org.uk/consumer](http://www.fscs.org.uk/consumer).

## 8 General

### 8.1. Jurisdiction

This agreement is governed by and should be interpreted in accordance with English Law and you agree to submit to the non-exclusive jurisdiction of the English Courts.

### 8.2. Legal and accounting advice

This agreement is not an agreement for IronBright to provide tax advice. While we will endeavour to act in good faith on your instructions and to consider such information, IronBright will not be responsible for the tax effects of our portfolio management.

Neither our firm nor our employees are qualified to render legal or accounting advice or to prepare any legal or accounting documents. It is hereby understood and agreed that the onus is on you, the client, to refer to a solicitor or accountant any point of law or accountancy that may arise during the course of discussions with us.

## Appendix 1 – IronBright Investment Philosophy

Our Investment Philosophy is designed to provide a solution that will enable our clients to meet their investment objectives and achieve their underlying financial plan. We implement an investment strategy to support appropriate investment behaviour when it comes to investing money.

### Investment Philosophy

We offer a tailored investment service based on a simple philosophy, backed up and supported by our Guiding Principles and Portfolio Practices.

Our approach to investing client's money is based firmly on **3 Guiding Principles**, the influence of which is felt in all management decisions for the portfolios.

### 1 Belief in the future

Without a basic belief that the future will be bright, what is the point? We have long term optimism ingrained in our DNA that although we do not have the crystal ball we know that markets will continue to deliver longer term value as they have always done.

### 2 Patience

We are patient with money. Once we have agreed a course of action we have the confidence to continue to hold our course, regardless of market "noise", new funds and themes coming to the market.

### 3 Discipline

We keep doing the right things regardless. We have a style of management that we always stick to because it has always worked in the past. "Emotion", "knee jerk reactions" and "press noise" do not sway us from the course agreed with our clients.

It is our view that these Guiding Principles offer the portfolios the best opportunity for success.

Whilst Belief, Patience and Discipline form the bedrock to our Investment Philosophy, Asset Allocation, Diversification and Rebalancing are the key ingredients to our **Portfolio Practices**:

## Asset Allocation

Asset Allocation means how much of the portfolio is held in shares, bonds, property and cash and is considered to be the most important decision in managing money. Research has shown that the dominant factor in determining the future success of a portfolio is its asset allocation with other factors, such as market timing, offering marginal benefits over the longer term; therefore, a good deal of thought needs to be applied to the initial shape of the portfolio and how to maintain this shape once your money is invested.

## Diversification

Diversification reduces risk by not holding all your eggs in one basket. Our portfolios are diversified sufficiently that although a fund may not make a killing, it will not take down the entire portfolio should one of the funds fail.

## Rebalancing

The underlying assets have a tendency to perform differently over time resulting in "portfolio drift", which could mean that a Cautious portfolio becomes Balanced or a Balanced portfolio becomes Adventurous, for example. The initial Asset Allocation can only be maintained throughout the investment programme if the portfolio is rebalanced on a regular basis. We rebalance all our portfolios twice yearly to address the issue of "portfolio drift".

Rebalancing back to the original asset allocation is fundamental to successful investing, supporting the principle of discipline; in addition, and especially with low correlating asset classes, the effect of correcting portfolio drift tends to support positive investor behaviour by selling high and buying low.

## Our Approach

We offer our clients:

- ❖ A unique Investment Philosophy
- ❖ The benefits of an organisation that understands the real meanings of "risk"
- ❖ Objective driven and tailored portfolios

Our clients recognise and benefit from the recurring mantras we apply, which include:

- ❖ **Simplicity** – we do not invest in anything that cannot be clearly explained.

- ❖ **Transparency** – we do not invest in anything where the potential returns are not easily identified.
- ❖ **Liquidity** – we do not invest in anything that may have liquidity issues.

These mantras mean that our portfolios have a unique look and feel to them as there are certain assets that we actively wish to hold and there are certain assets that we do not.

What we wish to hold:

- ❖ Cash
- ❖ Bonds
- ❖ Property
- ❖ Equities
- ❖ Commodities

What we do not wish to hold:

- ❖ Complex Derivatives
- ❖ Hedge Funds
- ❖ Structured Products
- ❖ “Bricks and Mortar” Property funds

## Cost Controls

Downward pressure on underlying portfolio costs and offering value to clients are chief concerns.

In the interests of keeping costs as keen as possible but not compromising the future performance of the portfolios, our growth portfolios consist either entirely of index tracking funds (passive portfolios) or a combination of index tracking and actively managed funds (core satellite portfolios).

We are also very mindful that there needs to be a compelling reason to include an actively managed fund with a higher fund charge compared to an index tracker in the same sector with a much lower fund charge.

## In Summary

IronBright offers a comprehensive suite of investment portfolios for capital growth and income production that are risk rated and objective driven. They are steeped in our underlying philosophy of “Belief in the Future”, “Patience” and “Discipline” and supported through our Portfolio Practices of ensuring the Asset Allocation and Diversification are right from outset and then maintaining these year on year through a disciplined approach to twice yearly rebalancing.

## Appendix 2 – Best Execution Policy Summary

### Overview

It is in the interests of our clients and our firm that we obtain the best possible result when placing orders with other firms e.g. third party brokers and fund managers for the execution of client orders or when transmitting orders on behalf of clients. We are required to take all reasonable steps to provide best execution when carrying out such transactions and, on your request, to provide you with a copy of the policy that we have adopted to achieve that objective.

This best execution policy applies to orders in financial instruments such as funds and other securities. You should read this policy in conjunction with your discretionary management agreement.

### Execution factors



When placing orders with other firms for the execution of orders or when transmitting orders, we will make every effort to ensure the best possible result for our clients taking into account the following factors:

- ❖ Price
- ❖ Cost
- ❖ Speed
- ❖ Likelihood of execution and settlement
- ❖ Size
- ❖ Nature of the order
- ❖ Any other relevant consideration

For retail clients, the price and cost of execution of the order will normally be the most important aspect in obtaining the best possible result. We will therefore assume this is the most important outcome for your transaction unless you tell us otherwise.

### **Executing your orders**

In arranging for the execution of your orders, we will use a third-party platform. All orders placed by us are executed through the Ascentric platform.

The third parties have responsibilities in relation to best execution and client order handling themselves. We will also undertake periodic monitoring to ensure that they are meeting the relevant requirements.

### **Charges**

It is our policy that charging structures will not influence either the selection of execution venues, or the order flow that follows as a result of the execution process. We will therefore not discriminate between the execution venues we use to arrange execution of your orders.

### **Monitoring and review of our execution policy**

We will regularly monitor the effectiveness of our best execution policy to identify and, where appropriate, correct any deficiencies. In particular, this will cover the execution quality of any third parties referred to in the policy.

We will also review this best execution policy at least annually and whenever there is a significant change that affects our ability to continue to obtain the best possible results for our clients.

### **Staff understanding**

All relevant staff are made aware of this policy to highlight and emphasise the importance of best execution.

## Appendix 3 – Protecting Your Personal information

To provide our services properly we may need to collect information about your personal and financial circumstances. We take your privacy seriously and will only use your personal information to deliver our services.

Processing of your personal data is necessary for the performance of our contract for services with you and in meeting our obligations to preventing money laundering or terrorist financing. Generally, this is the lawful basis on which we intend to rely for the processing of your data. (Please see the reference to special categories of data below).

Our policy is to gather and process only that personal data which is necessary for us to conduct our services appropriately with you and to prevent money laundering or terrorist financing.

We adopt a transparent approach to the processing of your personal data. Sometimes, we may need to pass your personal information to other organisations. If you apply to take out a financial product or service, we will need to pass certain personal details to the product or service provider.

We may engage the services of third-party providers of professional services in order to enhance the service we provide to you. These parties may also need to process your personal data in the performance of their contract with us. Your personal information may be transferred electronically (e.g. by email or over the internet) and we, or any relevant third party, may contact you in future by what we believe to be the most appropriate means of communication at the time (e.g. telephone/ email /letter etc.).

The organisations to whom we may pass your details also have their own obligations to deal with your personal information appropriately. Sometimes a product or service may be administered from a country outside Europe. If this is the case, the firm must put a contract in place to ensure that your information is adequately protected.

We will issue you with our Privacy Notice. This is a separate document which provides more information about the nature of our personal data processing activities and includes details of our retention and deletion policies as well as your rights of access to the personal information that we hold on you.

As part of this agreement we'll ask you to consent to the transfer of personal information in accordance with the protections outlined above.

**Special categories of personal data:** there are certain categories of personal data that are sensitive by nature. The categories include: data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership and data concerning health. Depending on the nature of the products and services that you engage us for we may need to obtain your sensitive personal data particularly in relation to health. Our policy is that should we require any special category of personal data we will only gather this with your explicit consent.

If you are concerned about any aspect of our privacy arrangements please speak to us.

## Appendix 4 – Conflicts Of Interest Policy Summary

The purpose of our conflicts of interest policy is to:

- ❖ Identify the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to our clients
- ❖ Specify the procedures to be followed and measures to be adopted in order to manage such conflicts

In preparing the policy we have taken into account a number of factors including:

- ❖ Whether circumstances might arise where we make a financial gain or avoid a financial loss at the expense of you as a client
- ❖ Whether we have an interest in the outcome of a service provided to you distinct from your interests
- ❖ Whether we have a financial or other incentive to favour the interest of another client or group of clients over your interests

Examples of the potential conflicts of interest we have identified include:

- ❖ Where we have confidential information regarding an existing or former client which would be of value to another part of our firm or to other clients of our firm
- ❖ If a transaction carried out on your behalf relates to an investment in respect of which we or an associate may benefit from a commission, fee, mark up or mark down payable otherwise than by you as a client, and we or an associate may also receive fees from the counterparty to such a transaction
- ❖ If we act as agent for you as a client in relation to transactions in which we are also acting as agent for other clients and associates
- ❖ Where we have an interest in other financial services companies. Where this applies, details will be disclosed in **Section 4 – Our Obligations** of this Discretionary Management Agreement.

Against this background our conflicts policy can be summarised as follows:

- ❖ Where a conflict arises, your interests as a client will always be put before our interests and those of our employees
- ❖ Where our firm has a material interest in a transaction to be entered into for you, all reasonable steps will be taken to ensure fair treatment for you
- ❖ We have established procedures to ensure fair treatment between clients. For example, when executing an aggregated order for a client which is not filled, securities which are obtained are allocated fairly between clients
- ❖ We will not enter into dealing arrangements that could compromise our ability to comply with our best execution obligations
- ❖ We have a policy designed to minimise the risk of conflicts arising in situations where staff receive or provide gifts/inducements from clients or third parties
- ❖ We have a personal account dealing procedure to reduce potential conflicts in situations where staff deal for their own account
- ❖ We have internal organisational arrangements which act as information barriers controlling the disclosure of information within the firm and preventing the unauthorised release of restricted information to other areas of the firm
- ❖ We have an independence policy that requires staff to act accordingly and disregard any material interest or conflict of interest, when dealing for a client in the exercise of discretion

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