



# Waveney McKenna

## Client Service Proposition

**Waveney McKenna Limited**

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## SECTION 1 – The Company

**Waveney McKenna Limited provides bespoke financial planning advice to individuals and companies. We offer a range of specialist services that include advice on investment planning, all types of pension schemes, inheritance tax planning and business and personal protection. At Waveney McKenna we are committed to the provision of Financial Planning using a defined strategy and investment process offered by extremely well qualified and experienced advisors.**

**This document must be read in conjunction with our Terms of Business letter and Initial Disclosure Document.**

**Waveney McKenna Limited is a part of the Waveney Group of Companies which has been established for more than 40 years and provides a wide range of client services to organisations and businesses throughout the UK and worldwide.**

## Section 2 – The Financial Planning Service

At Waveney McKenna we have spent a significant amount of time considering what we do and how we deliver this. Our financial planning service is designed for clients with free assets (including pension funds) of over £75,000. Over time we aim to create a close relationship and meet your changing needs. We also offer a transactional service with agreed fees for project work.

As well as offering personal financial planning we also look after various aspects of business financial planning including employee benefits such as pensions and death in service schemes.

Our investment fees are clearly defined and intended to provide remuneration commensurate with the level of advice being offered, for transactional business we normally operate on a pre-agreed fee or commission basis.

## SECTION 3 - The Financial Planning Process

### 1) Initial Consultation

The first meeting will involve looking to organise your current financial situation and discover your financial goals. We look to obtain detailed information to establish your current financial circumstances and how you would like to be positioned to cope with future lifetime events.

An investment risk assessment is carried out to ascertain your requirement for investment returns to meet your objectives as well as your capacity for investment losses. Your commitment is obtained during this meeting in order for a financial report to be prepared. A separate fee for the advice in this report is payable which depends on the complexity of your circumstances.

The report fee will be dependent on the complexity and is generally a minimum of between £250 to £500 plus VAT; this fee may be rebated should you instruct us to implement the advice.

### 2) Review and Recommendations

Your current financial circumstances, requirements and objectives are reviewed and a full report is provided with a view to restructuring your planning where possible to meet your future and current requirements. At this time your commitment is obtained to progress to the implementation stage of your planning.

### 3) Implementation of Recommendations

You should now be ready to commence the implementation process. The strategy outlined in your report is now placed in force over an agreed timescale.

Fees are based on funds under management and are guidelines only. Annual fees are payable for an ongoing

advisory service.

#### **4) Ongoing Progress Reviews and Contact**

Depending on the agreed level of service, we continue to act on your behalf to provide regular updates on your financial situation and investment proposition. You should ensure that you contact us to arrange these review sessions on a regular basis which will be dependent on your individual situation.

This Financial Planning Proposition offers a defined process to meet your needs both now and as they change. Depending on the agreed service level we will also provide you with regular Newsletters and, where appropriate, other articles of interest to ensure that you are kept up to date with current issues and market developments. The service levels are detailed in section 6 of this document.

For an additional charge we also offer access to our client portal providing updated valuations and a single point of reference for your assets.

### **SECTION 4 - Investment Management Approach**

It is important to also consider our investment proposition which is designed to be flexible. Unlike many advisory firms we believe in being able to access a wide range of investment strategies all looking to achieve a core asset allocation profile.

Some firms are either firmly positioned to support active management or consider passive (tracker) funds to be more appropriate; in order to achieve a combination of competitive charges versus active monitoring of your portfolio we use both strategies where appropriate and after undertaking the following process:-

#### **1) Risk Profile**

Your risk profile is ascertained from the information we know about you and you will in most cases be asked to complete a risk profile questionnaire. This is designed to look at your reaction to theoretical

events to establish an asset allocation profile whereby the volatility is within your tolerances and the portfolio is structured to maximise growth within your profile.

#### **2) Asset Allocation**

Whether using active or passive fund management techniques, an asset allocation strategy is crucial in ensuring that returns are maximised within your risk profile. A portfolio potentially holding a combination of cash, fixed and index linked gilt or corporate bond funds combined with commercial property and equity exposure is designed to meet your risk profile.

Once the allocation between the main asset classes is known the equity component is then divided between the UK and Global markets. Access to Global equity markets is important to provide additional diversification.

#### **3) Investment Management**

This stage looks at selecting the management processes to meet your asset allocation profile. This can be achieved in a number of ways following discussion with you. Active management offers the ability to beat a benchmark although as proponents of the passive industry (tracking) will advise, active decisions can be prone to market timing and human error and as such can underperform their benchmarks. In addition, active management is often more expensive than passive management. As such we often use a combination of these methods to reduce overall charges whilst diversifying across management techniques.

Monitoring of the active managers can be undertaken by us or, as is often the case a third party may be used to review your holdings on a regular basis and ensure that the underlying managers are removed for underperformance compared to their mandate.

A review of an investment's total expense ratio (a more useful measure

of the overall charges), volatility and independent third party ratings is undertaken in any recommendation.

#### **4) Monitoring**

To help reduce the risk of an asset class significantly outperforming, and thereby changing the risk profile of your holding, we often incorporate portfolio rebalancing. This will involve an asset class being sold on an annual basis where this has outperformed; the proceeds are then reinvested across the portfolio to maintain the existing weightings.

Where a third party has been appointed to assist in the management of your portfolio then you can expect this process to be undertaken in line with their mandate. There are a number of such third party managers and styles available.

### **SECTION 5 – Transactional Service**

At Waveney McKenna Limited we fully appreciate that you may not require the full advisory service either because your assets do not yet warrant the full wealth management programme or because you prefer to work on a project basis.

To meet these needs we also offer a customer focused transactional service whereby we investigate a particular project need and then provide advice and the implementation of this.

Reviews are conducted at a customer's request and we would anticipate being remunerated for this work either via an agreed fee, by renewal fees generated from the implementation process or a combination of these methods.

For example this service may relate to life cover implementation, small investment projects and generic advice.

### **SECTION 6 – Remuneration**

We aim to be as flexible and open with regard to our remuneration as possible. To meet this objective an initial disclosure document and fee

agreement will be provided at outset and you will therefore have control over the method of remunerating us for our service.

By way of example, we charge implementation and advisory fees for investments as detailed in the table on the right:-

Please note that these fees are indicative, we try where possible to charge a fee commensurate with the advice being offered in line with the complexity of the planning report and we will always agree our fee with you in advance of any work being undertaken. These are the maximums charges for more complex work and in practice our fees are generally lower once we have assessed the work to be undertaken.

Fees can either be charged directly to you (this can have VAT implications) or will be taken from the implementation stage of the process with your prior agreement.

A minimum report fee is payable in any event. The size of the advice fee is dependent on the complexity and nature of the initial report.

The annual fee is designed to cover the regular reviews, however, there are predominantly three service levels listed on the right:-

Funds Under Management	Initial Fee	Annual Fee
Under £100,000	up to 3%	0.5%
£100,001 to £250,000	up to 2%	0.5%
Balance above £250,000	up to 1%	0.5%

## Service levels

### Category A

#### Clients within this category can expect to receive the following:-

1. Ability to call or email with queries and generic advice questions
2. Offer of an annual review meeting and subsequent feedback
3. Annual valuation and policy summary (some larger portfolios will have six monthly valuations)
4. Ad hoc valuations on request, where excessive we reserve the right to charge for this service
5. Regular Newsletters
6. Periodic mailings on topics or investment areas of interest
7. Allocation to a specific adviser

### Category B

#### Clients within this category can expect to receive the following:-

1. Ability to call or email with queries and generic advice questions
2. Offer of an annual review meeting to be held at our offices.
3. Annual valuation and policy summary with ad hoc valuations subject to an agreed fee.
4. Regular Newsletters
5. Periodic investment offers
6. Allocation to a specific adviser

### Category C

Clients within this category may receive occasional Newsletters although primarily this service level is designed so that we react to your requirements; advice is offered on an ad hoc basis in line with your requirements. You would not expect to receive annual valuations but can again request these at any time subject to a charge being made. We may provide offers which may be of interest and would anticipate contacting you during key stages, for example close to your retirement age.

Review meetings can be arranged but again a charge may be made for this service.



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