

# Managed Portfolio Service and Retirement Portfolio Service

## Terms of business

### 1. Registration

These MPS Terms govern your use of the MPS and RPS provided by AJ Bell Asset Management Limited. By registering to use the MPS and/or the RPS you will be deemed to have agreed to these MPS Terms. Unless otherwise stated terms relating to the MPS apply to both MPS and RPS.

### 2. Defined Terms and Interpretation

2.1 In these MPS Terms the following definitions will apply:

“AJ Bell” AJ Bell Asset Management Limited (company number 09742568) authorised and regulated by the FCA.

“AJ Bell Investcentre Terms” the AJ Bell Investcentre customer terms and conditions of business as available on the Website and as amended from time to time.

“Adviser Handshake” the document which sets out the general terms on which we accept business from you, a copy of the current version of which is available on the Website.

“Charges and Rates Page” the charges and rates page available on the Website as amended from time to time.

“FCA” the Financial Conduct Authority.

“FCA Rules” the principles, rules, regulations and guidance published by the FCA as part of the FCA handbook from time to time.

“Funds & Shares Service” the execution only dealing and fund supermarket service (including safe custody of investments) made available to you via the Website or otherwise by the Platform Provider.

“Managed Portfolios” the managed portfolios of investments which are made available within the Funds & Shares Service from time to time.

“Mandate” the investment objectives of each Managed Portfolio, as may be varied from time to time, including the desired risk and what asset classes will be included in each Managed Portfolio.

“MPS Charges” the charges due to us in respect of the use of the MPS as set out on the Charges and Rates Page.

“MPS” the Managed Portfolio service that we provide via the Website.

“MPS Adviser Guide” the MPS adviser guide available on the Website.

“MPS Factsheet” the MPS factsheet available on the Website.

“MPS Terms” these terms of business, together with the MPS User Guide.

“MPS User Guide” the MPS user guide available on the Website.

“Platform Provider” AJ Bell Securities Limited (company number 02723420) authorised and regulated by the FCA the operator and administrator of the Website.

“Products” SIPP or ISA or Junior ISA or General Investment Account.

“Retirement MPS” the Managed Portfolios which are specifically designed for the RPS and which are made available within the Funds & Shares Service from time to time.

“RPS” the Retirement MPS service that we provide via the Website.

“RPS Adviser Guide” the RPS adviser guide available on the Website.

“RPS Charges” the charges due to us in respect of the use of the RPS as set out on the Charges and Rates Page.

“Website” the website located at <http://www.investcentre.co.uk> (or at such other location as we may notify you from time to time).

- 2.2 In these MPS Terms, “we” “us” and “our” are references to AJ Bell.
- 2.3 In these MPS Terms, “you” and “your” are references to the adviser firm which has registered to use the MPS and/or the RPS.
- 2.4 In these MPS Terms, “your Registered User” means any FCA registered financial adviser (including any agent or authorised representative appointed by you) which you have authorised or permitted to have access Level 2 or above (as defined in the Adviser Handshake) to Website content.
- 3. Managed portfolios**
- 3.1 We may create and manage certain Managed Portfolios in accordance with these MPS Terms.
- 3.2 We will review the Managed Portfolios periodically as we consider appropriate. As a result of these reviews, we may instruct changes to the asset allocation and/or investments selected, and/or instruct a rebalancing of portfolios linked to the Managed Portfolios if we deem it appropriate in light of the stated investment parameters. We set criteria for rebalancing the Model Portfolios for the Retirement MPS. Further details can be found in the RPS Adviser Guide. Where these criteria are not met, there will be no rebalancing of the relevant portfolio.
- 3.3 The composition of the investments held within each account which is linked to a Managed Portfolio will be determined by the applicable Managed Portfolio that you select on behalf of your relevant client.
- 3.4 All of the funds held in each account that you link to a Managed Portfolio will automatically be invested in the applicable Managed Portfolio when you instruct the investment from the client cash account into the Managed Portfolio via the Website. You will be responsible for deciding whether to instruct an initial or additional investment in a Managed Portfolio in accordance with the then current asset allocation profile for the Managed Portfolio at the time of the investment or to wait until the next scheduled rebalancing exercise.
- 3.5 We will publish regular reports of the general performance of the Managed Portfolios based on a notional account which we manage internally and use to monitor performance of our Managed Portfolios. You acknowledge that the reports we publish are only a guide as to general performance and that we have informed you that:

- a. you cannot rely on those reports as a representation of the actual performance of your clients’ investments that are aligned to the Managed Portfolios, and
- b. we do not give any express or implied warranty or representation as to accuracy or completeness of any such reports.

#### **4. Access to the Model Portfolios**

- 4.1 Once you have registered to use the MPS and/or the RPS by completing the registration process, we will provide you with access to the Managed Portfolios in accordance with these MPS Terms. We reserve the right to decline your registration for the MPS and/or the RPS at our discretion.
- 4.2 In order to use the MPS and/or the RPS for a client, you must:
- a. have your client’s authority to do so and your Registered Users must only act in accordance with that authority;
- b. ensure that you and your Registered Users only use any client portfolio and/or account which you have linked to a Managed Portfolio for investing in that Managed Portfolio

#### **5. Your Responsibilities**

- 5.1 You acknowledge and agree that you are responsible for:
- a. all matters relating to advice or personal recommendations for your clients in relation to the use of the MPS and the RPS, including the suitability and, if applicable, appropriateness of a product linked to the Managed Portfolios, in compliance with the FCA Rules.
- b. the provision of all information or guidance required under the FCA Rules to be given to your clients, including sufficient information to enable them to understand the nature of the MPS and/or the RPS and who is responsible for delivering each part of the MPS and/or the RPS, directly and/or through the information made available via the Website, in relation to products or investments linked to the Managed Portfolios
- c. ensuring that our and your respective responsibilities under these MPS Terms and clause 23 of the AJ Bell Investcentre Terms are fully explained to your clients in respect of all Managed Portfolios which are promoted to, or invested in by, your clients, and that you have obtained your clients’ agreement to this arrangement (including the applicable MPS Charges, RPS Charges and our related customer terms of business) in accordance with your obligations under these MPS Terms and the FCA Rules;

- d. obtaining information from your clients about their investment objectives, including the length of time for which they wish to hold investments, their preferences regarding risk taking, their risk profiles and the purposes for which they are investing;
  - e. ensuring each client portfolio and/or account you have linked to a Managed Portfolio is used solely to invest in the Managed Portfolio to which it is linked. If you do not do so, any other investment that is held in the portfolio and/or account but which is not invested in the Managed Portfolio may be disinvested when the next rebalancing takes place. The MPS Charges and the RPS Charges (as applicable) will still be payable by your client in respect of any such investment until it has been removed from the linked portfolio and/or account;
  - f. ensuring that your Registered Users are aware of and comply with all applicable provisions of these MPS Terms;
  - g. ensuring that each of your clients has sufficient cash in their cash account to make any payments as and when they are due, including the payment of our and your charges and payments in relation to corporate action events.
- 5.2 If any of your clients no longer wish to use the Managed Portfolios you will promptly delink the relevant client portfolios and/or accounts from the Managed Portfolios. If you fail to do so, this may result in further investments being made when the next rebalancing takes place as simply instructing the sale of all the investments within a portfolio and/or account which is linked to a Managed Portfolio will not automatically result in that portfolio and/or account being delinked from the Managed Portfolios. Your client will continue to be charged for the MPS and the RPS (as applicable) until their account is delinked.

## 6. Our Responsibilities

- 6.1 Our role in the provision of the Managed Portfolios is to ensure that every decision to trade (for example buying, selling or choosing not to sell an investment) taken within the Managed Portfolio is within the scope of the Managed Portfolio's Mandate. We will use our best endeavours to ensure all required trades are properly instructed
- 6.2 Our responsibility to assess the suitability of every decision to trade, is not viewed in isolation but rather by considering the Managed Portfolio as a whole. This may mean, for example, an investment which is higher risk than the Mandate is purchased as part of the Managed Portfolio provided, when considering the Managed Portfolio as a whole, the Managed Portfolio is still within

the Mandate. Our suitability obligation is only to ensure the decisions to trade are kept within the Mandate for the Managed Portfolio and without regard to your clients' specific circumstances.

- 6.3 We shall manage the Managed Portfolios solely in accordance with our stated description of investment objectives and the level of risk, as set out in our MPS Adviser Guide and the RPS Adviser Guide, and we are reliant on your assessment of the overall suitability of MPS and/or RPS for each of your clients accordingly. We will not have any involvement in the process of allocating individual clients to particular objectives and risk levels or to particular Managed Portfolios.
- 6.4 Where we notify you of a corporate action in respect of any investment included within a Managed Portfolio, we will have the discretion to act as we consider appropriate in relation to that corporate action and you will not be able to override our discretion.

## 7. Acknowledgment and Agreement

- 7.1 You acknowledge and agree that if we become aware that a client is no longer advised by you, we will delink the relevant client's portfolio and/or account from the Managed Portfolios (without imposing any obligation for us to change or disinvest any Managed Portfolio holding) and inform the relevant client that we have done so and then remove your access to the client's account.
- 7.2 For your use of the MPS, you confirm that you have been given access to and read our MPS User Guide, MPS Factsheet and MPS Adviser Guide, including the description of the investment objectives and the risk classifications and that in connection with the MPS you will be responsible for selecting investment objectives and risk levels suitable for your clients needs and requirements.
- 7.3 For your use of the RPS, you confirm that you have been given access to and read our MPS User Guide, MPS Factsheet and RPS Adviser Guide, including the description of the investment objectives and the risk classifications and that in connection with the RPS you will be responsible for selecting investment objectives and risk levels suitable for your clients needs and requirements.

## 8. Charges

### MPS Charges

- 8.1 When using the MPS, an annual charge applies for using the Managed Portfolios, which will be calculated at the applicable rate based on the value of assets (including cash) held in each of your client's portfolios and/or accounts which are linked to the Managed Portfolios.

- 8.2 The MPS Charges will be calculated and deducted on a quarterly basis from your clients' relevant portfolio(s) and/or account(s). You will be responsible for ensuring that a sufficient cash balance is maintained in your clients' relevant portfolio(s) and/or account(s) in order for all MPS Charges to be paid when due, and acknowledge and agree that the relevant client's assets may be realised to discharge amounts due in accordance with our terms and conditions of business.
- 8.3 Please note that the MPS Charges apply to all portfolios and/or accounts which are linked to the Managed Portfolios, irrespective of whether such portfolios and/or accounts vary from the Managed Portfolios due to, for example, the timing of dealing carried out via the Website or the realisation of assets and/or withdrawals.
- 8.4 If a portfolio and/or account is delinked from the Managed Portfolios, we will be entitled to the MPS Charges accruing for the period up to the date of delinking.
- RPS Charges**
- 8.5 There is no annual charge payable to us for the RPS. Charges apply to the underlying funds that form part of the RPS. Details of these charges can be found on the MPS Factsheets for the relevant Retirement MPS Model Portfolios.
- 9. Termination**
- 9.1 Either party may terminate our relationship under these MPS Terms by giving 30 days' written notice to the other.
- 9.2 In addition, either party may terminate our relationship under these MPS Terms with immediate effect (or upon such later date as is specified in the notice) by giving written notice to the other if:
- so required by the FCA or any other competent regulatory authority; or
  - the other party is in a material breach of these MPS Terms and that material breach is not capable of being remedied or, if it is capable of being remedied, the other party has failed to remedy the breach within 14 days of a written request to do so; or
  - the other party takes any step or action in connection with its entering administration, provisional liquidation or any composition or arrangement with its creditors (other than in relation to a solvent restructuring), being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), having a receiver appointed to any of its assets or ceasing to carry on business; or
  - the other party suspends, or threatens to suspend, or ceases or threatens to cease to carry on all or a substantial part of its business; or
  - the other party's financial position deteriorates to such an extent that in the terminating party's opinion the other party's capability to adequately fulfil its obligations under these MPS Terms has been placed in jeopardy; or
  - the other party ceases to hold any authorisation, permission or approval required to conduct investment business relevant to the Managed Portfolios.
- 9.3 We reserve the right to cease providing any Managed Portfolios if it becomes impossible or impractical, in our reasonable opinion, to continue the MPS and/or the RPS as a result of a change in legal or regulatory requirements or any other circumstances beyond our reasonable control. In such circumstances, we will notify you of the removal of the Managed Portfolios from the Website, which will take effect immediately (or upon such later date as is specified in the notice).
- 9.4 On termination of our relationship under these MPS Terms for any reason:
- we shall cease to have any obligations to provide or review the Managed Portfolios under these MPS Terms;
  - you and your Registered Users shall cease to be entitled to use the Managed Portfolios, and we shall delink your clients' portfolios and/or accounts from the Managed Portfolios and withdraw your permissions to access the Managed Portfolios; and you will be responsible for informing your Registered Users and advising your clients about such termination.
- 9.5 The termination of our relationship with you under these MPS Terms will not affect any obligations, rights or remedies that have become due or accrued before termination, including our right to receive payment of the MPS Charges and the RPS Charges for the period up to the date of delinking of your clients' portfolios and/or accounts from the Managed Portfolios.
- 10. Liability and indemnity**
- 10.1 We do not provide any express or implied warranty as to the performance or profitability of any Model Portfolio.

10.2 The composition, performance or profitability of any portfolio or account linked to a Model Portfolio may vary from that of the Model Portfolio due to, for example, differences resulting from the timing of dealing or rebalancing carried out via the Website, transaction size limits, failed trades, or the realisation/withdrawal of assets, and we shall not be responsible or liable for any such variations.

10.3 We shall not be liable for any loss or damage suffered by you unless this directly results from our breach of our obligations under these MPS Terms or any of our related legal or regulatory obligations.

10.4 In no event shall we liable for any:

- a. indirect, incidental, special or consequential loss or damage of any nature whatsoever;
- b. loss of business or loss of profits;
- c. loss or damage arising as a result of any failure, interruption or delay in the performance of our responsibilities because of a breakdown, failure or malfunction of any telecommunications or computer systems (internally or externally), equipment or software; or
- d. loss or damage arising as a result of or in connection with any interruption or prevention of the performance of our obligations caused by any other event or circumstance beyond our reasonable control, whether affecting us or any of our suppliers, and our obligations shall be suspended for so long as any such event or circumstance continues.

10.5 If you breach any of your obligations under these MPS Terms, make an error, or fail to comply with any of your related obligations under any applicable laws or regulations, and as a consequence we suffer any loss or damage or are required to make a payment to a third party, you agree to indemnify us upon request for such loss, damage or payment.

## 11. Intellectual Property Rights

11.1 We own all copyright and other intellectual property rights arising in respect of the Model Portfolios.

11.2 For as long as you are registered to use the Model Portfolios in accordance with these MPS Terms, you and your Registered Users shall be permitted to access and use the Model Portfolios via the Website solely for the purpose of investing (on behalf of your clients) in Products that are available via the Website which are linked to the Model Portfolios in accordance with these MPS Terms.

11.3 You shall not, and shall procure that your Registered Users do not, use or replicate all or a significant proportion of any Model Portfolio for any purpose that does not fall within the scope of clause 11.2.

## 12. Complaints

12.1 If you are dissatisfied with the services we provide under these MPS Terms, please initially contact our Adviser Support Team by telephone on 0345 40 89 100 or email at [enquiry@investcentre.co.uk](mailto:enquiry@investcentre.co.uk). If they are not able to resolve your complaint to your satisfaction, please provide details of your complaint in writing to us at the below address and we will endeavour to resolve your complaint as quickly as possible:

AJ Bell Investcentre  
4 Exchange Quay  
Salford Quays  
Manchester  
M5 3EE

## 13. Changes to MPS Terms

We may vary these MPS Terms from time to time by giving you notice of the changes and making a revised version available to you, including by notice on the Website. Where reasonably practical, we will endeavour to give you at least 14 days prior notice of any changes. Changes that are outside our control (including, for example, changes required as a result of a change in relevant FCA Rules) may take effect immediately or as notified to you.

## 14. General

14.1 Any provision of these MPS Terms that expressly or by implication is intended to continue to apply after termination shall remain in full force and effect after termination, including the provisions of clauses 7, 9 and 10.

14.2 These MPS Terms are not intended to confer any benefit on, or be enforceable by, any third party, including any of your clients or Registered Users.

14.3 In the event of any conflict between the Adviser Handshake, the AJ Bell Investcentre Terms and these MPS Terms, unless it would be contrary to FCA Rules, the following priorities will apply:

- a. first, the Adviser Handshake
- b. second, the AJ Bell Investcentre terms; and
- c. third, these MPS Terms.

14.4 These MPS Terms are governed by English law.

## Declarations

I have read and understood the MPS Adviser Guide and RPS Adviser Guide and acknowledge the risks to our clients investments of using the MPS, as set out in the guide. We undertake to use the MPS and RPS in accordance with these terms (as amended from time to time).

Before using the service, we also undertake to:

- explain the features and risk of the MPS and RPS to our clients
- provide them with a copy of the terms and conditions and the relevant portfolio factsheet
- I warrant that I am authorised to make this declaration on behalf of the firm named below.

Signed

Date

Name

SCA reference

SCA

Job title

For and behalf of