



Herewith follows a short introduction to the way in which we at AffinityFinance manage and service our Client's **Investment & Pension Accounts** via the **Transact Ltd Client Service Platform**.

I hope you find this as pleasing and beneficial as we do.

GENERAL INVESTMENT ACCOUNT (GIA)

This is the master account for all your other Transact Accounts, and it exists both as an Investment Account in its own right being able to hold any General Investments not included within either an ISA or a Pension; and also serves as a Gateway Account to them.

It is linked to your own Personal Bank Account for both inbound receipts and outgoing payments at your discretion, as and when required.

However, because it does not have the advantage of any Taxation Allowance as compared to the other ISA and Pension Accounts detailed below, there may be little or no money held within it – except for transitory money and some expense remittance purposes.

INDIVIDUAL SAVINGS ACCOUNT (ISA)

The **Investment ISA Account**, which is available in addition to any Cash ISA's you may already have with other Providers - subject to the maximum Total Annual Contribution Allowances, is very similar to the General Investment Account, except that it has the significant advantage of full exemption from both **Personal Income Tax** and **Capital Gains Tax**. This applies to both the Investment Account in-situ, and all subsequent Account Withdrawals/Redemptions.

There are no Tax Exemptions however for what you put into your ISA (Investment Contributions); only for what you take out.

The Investment ISA accepts Deposits and Withdrawals can be made as either **Single Sums** and/or **Regular Transactions**.

PERSONAL PENSION ACCOUNT (PSA/PDA)

The **Personal Pension Account**, is a Registered Personal Pension Scheme operated in accordance with the prevailing Pension Legislation issued by our UK Government, and the Pension Scheme Rules issued by HMRC. It may be administered as either or both a **Pension Savings Account (PSA)** for the accumulation of all your Pension Deposits (Contributions), or as a **Pension Drawdown Account (PDA)** for the subsequent decumulation by way of Pension Withdrawals taken as either or both Single Lump Sums and Regular Monthly Income.

Somewhat like an ISA, it too benefits from the significant Taxation Exemption benefits of both **Personal Income Tax** and **Capital Gains Tax** in respect of the In-Situ Capital. Furthermore, it has an additional advantage of Full Personal Income Tax Relief applied as a Tax Credit into the Pension Account in respect of all **Personal Contributions**. In practice, this usually means that Transact will claim a 20% Tax Credit on your behalf from HMRC, and add this to your Pension Account. The downside is that all **Personal Withdrawals** are subject to Pension Income Tax whereby 25% of your Pension Withdrawals are Tax-Exempt, but the remaining 75% is taxed on a PAYE basis. This means that any Capital Withdrawals or Drawdown Income after the 25% Allowance has been fully used, will be remitted to you on an Income Tax Deducted basis in accordance with your HMRC Tax Code. Again, in practice, this usually means that Transact will deduct 20% Pension Income Tax on behalf of HMRC, and remit the remaining 80% Net Income to you.

ACCOUNT TRANSACTIONS

All of your **Account Transactions** are fully recorded at all times, and are made available to you either online or as a **Bi-Annual Account Statement** which I will send to you each April and October. Furthermore, all One-Off or Primary Transactions – including Deposits & Withdrawals, Capital Transfers, and Investment Trades (Buy/Sell Transactions), will be additionally confirmed by way of a Contract Note which I will also send to you as and when they occur.

ONLINE ACCESS

One of the benefits of the Transact Service is that you have full online access to all your Transact Accounts. This is a free of charge service, available 24/7, which you are welcome to use if you wish. I would strongly suggest however, that you limit your use of this service to an information only basis; and would ask that any new transactions or investment decisions are made by us together please.



To access your Transact Accounts online, simply go to their website www.transact-online.co.uk, click on the Login button, and then enter your Transact Investor Number, which is a 9 Digit Number, and your Personal Identity Number (PIN) which you'll receive by post directly from Transact. Please note carefully that your PIN is case sensitive, and is alpha-numeric. You may change this to a PIN of your own choice from within your Online Account.

You can also find the Transact web-link on our own website at www.affinityfinance.co.uk on the **Client Documents** page.

Please note that you will only have access to Accounts for which you are a Named Investor, which means that a Family Couple will have two different login's enabling access to their own Individual Accounts plus any Joint Accounts – but not each other's Individual Accounts.

ONGOING INVESTMENT SERVICE

Once your Investment/Pension Accounts are set up, I will be looking after your interests on an ongoing basis, albeit largely behind the scenes, and will be working with you quite closely in this respect.

I'll be sending you an **Investment Report** which includes your **Transaction & Valuation Statement** twice a year each **April** and **October**. These align with the Fiscal Year ending 5th April and Fiscal Half-Year ending 5th October. You may also receive other Interim Reports from me, as and when the need arises.

Continuing to look after your **Investment Accounts** is key to their potential success. The investment world is very dynamic, and in a constant state of change. Some of these changes are best ignored, whilst others may call for an appropriate response. For all of these reasons, as previously discussed and agreed, I will be helping you monitor and maintain your Investments & Pensions to the best of my professional ability.

Performance Monitoring

I have vigilant systems in place that keep a constant eye on what is going on both generally in the **Investment Markets**, and specifically in respect of your **Investment Holdings**. I will advise you of, and act upon any significant changes.

Portfolio Maintenance

In addition to any ad-hoc remedial adjustments, I also carry out an in-depth **Bi-Annual Investment Review** each **April** and **October**.

The purpose of these reviews is to check the ongoing **Suitability & Performance** of your Investment Portfolio – both in comparison to the wider Investment Market, and in relation to the original Portfolio Holdings.

Your Investment Reports will provide you with Current Valuations, Period Transactions, Portfolio Composition, Investment Performance, and Market Commentary.

Fiscal Reports

Your April Investment Report, being the Fiscal Year End, will also include any relevant Legislative changes that you should know about; and I will highlight any other significant changes I think you should consider and/or implement.

Service Fee

In accordance with my standard **Client Service Agreement**, that I'll receive an **Annual Fee** equal to **1%** per annum of the ongoing value of the Investment & Pension Accounts that I now manage on your behalf. This Fee will be remitted to me directly by Transact each month at a rate of 0.08% Monthly

I always work on a Fee basis, and my charges are inclusive of VAT. I do not however, make any charges for occasional communications such as phone calls and emails as I consider these to be in our mutual best interest.

In addition to all of the above, please know that I am here to help you, and you are very welcome to contact me accordingly as and when you choose.

I very much hope this provides you with sufficient initial information, and I look forward to progressing through our **Financial Advice Process** with you from hereon. Meanwhile, please feel free to contact me on an ad-hoc basis if there is anything else I can help you with going forward.

I look forward to hearing back from you accordingly.
