



MM FINANCIAL MANAGEMENT

Financial Planning since 1990

A guide to the cost of our services

1. The Financial Services Authority (FSA)

The FSA is the independent regulator of financial services. This document has been designed by the FSA to be given to consumers considering taking advice on certain financial products. You may use this information to compare value for money, to shop around and to decide which firm to use.

2. Our services

MM Financial Management Ltd was established in 1990 to specialise in financial planning for private clients and small firms.

As a small practice we offer a highly personal service consisting of professional and impartial financial planning. Most of our clients have been introduced to us by their accountants or solicitors, and we receive many referrals from our existing clients. We are accustomed to working closely with our clients' other professional advisers.

Part of our work may include the arrangement of relevant investments for you. We offer truly independent advice supported by modern technology enabling us to fully research the marketplace, where financial products are required.

We agree the costs of our advice and services in advance and every client has the choice of paying our fees directly or via commission, or by a combination of the two.

3. What are your payment options?

Not all firms charge for advice in the same way. We will discuss your payment options with you and answer any questions you have. We will not charge you anything until you have agreed how we are to be paid.

Whether you buy a product or not, we will charge a fee for our advice and services. If we also receive commission from the product provider when you buy a product, we will pass on the full value of that commission to you in one or more ways. For example, we could reduce our fee; or reduce your product charges; or increase your investment amount; or refund the commission to you. In some circumstances, we also charge a fee on top of any commission we might receive.

We will tell you how much the commission will be before you complete an investment, but you may ask for this information earlier.

4. How much might our services cost?

Our fees for research, recommendation, discussion and implementation of our recommendations are detailed below. Our fees will be charged as a percentage of your investment.

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MM Financial Management Ltd • Appletree Chambers • PO Box 424 • Maidstone • Kent ME14 4QP
Tel: 01622 738910 or 0845 129 7237 • Fax: 07092 050288 • Email: mail@mmfm.co.uk • Web: www.mmfm.co.uk

Registered in England No. 2839176 at Sportsman Farm, St Michaels, Tenterden TN30 6SY
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Our charges are as follows:-

Investments (including Pensions, Pension Transfers, Pension Income Drawdown), Fund Switches and Re-registration

1% of the funds available for investment or re-registration. Annual management fees will be at the rate of 1% of total funds monitored. These will cover ongoing management and administration and will include an annual valuation and review. Annual fund switching carried out at no extra charge.

Purchased Life Annuities

2% of the purchase price (3% for impaired life annuities) plus £270.

Pension Annuities (open market/compulsory purchase)

1.5% of the purchase price (2.25% for impaired life annuities) plus £270.

Regular Savings/Pensions

3% of the total contributions to be paid in the first ten years of the policy.

Endowment Policy Sales

3% of the sale price plus £270.

Protection: Term, Critical Illness and Income Protection

Unless agreed otherwise our fee will equal the lesser of 24 months' premiums or the amount of commission stated on the final quotation(s).

Settling a Life or Pension Policy in Trust

Settling a Life or Pension Policy in Trust will ensure that the policy proceeds are available to the correct beneficiaries without delay (due to probate) or liability to Inheritance Tax. We charge a flat rate of £270 per policy.

Unless you instruct us otherwise we will ask the product provider to deduct our fees (including annual management fees, where applicable) from the amount you pay to the product during the term of the product. This method, known as commission, will appear not to have a direct cost to you. It has the advantage that normally no VAT is payable and that in the case of investments attracting income tax reliefs, the charge is levied from the gross investment. However, if the commission payable is insufficient to meet our fees we will invoice you in respect of any shortfall.

If you decide not to proceed for any reason once we have been instructed*, or you do not proceed within three months of the date of our recommendations, our full fee (as detailed above) will become due immediately.

*An instruction will be taken as a signed Letter of Engagement, Client Agreement or completed proposal form

In the event that we have not agreed a fixed fee our advisory fees will be charged at the rate of up to £200 per hour.

4. Further Information

If you need any more help or information, please contact us:

in writing

Write to MM Financial Management Ltd, PO Box 424, Maidstone, Kent ME14 4QP

by phone

Telephone 0845 129 7237 or 01622 738910

Or visit www.fsa.gov.uk/consumer

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Our Terms of Business – page 1 of 2

INTRODUCTION. The Financial Services Authority requires that we give you a key facts Initial Disclosure Document to tell you about our services. It explains the products we are able to recommend, our status and charging methods. Unless we advise you otherwise, you will be treated as a Retail Client.

Our Terms of Business explain the main aspects of the way we operate, and how this affects you, the client. This Terms of Business Letter will be effective from the date of receipt but may be amended by us following any initial interview intended to ascertain your current financial situation, objectives, and attitude to financial risk. Any such amended Terms of Business Letter will be sent to you within 10 working days of that interview. However, irrespective of any amendments arising from such interviews, we reserve the right to amend the terms of this letter without your consent but we will give at least 10 business days notice before conducting relevant business, unless we consider it to be impracticable to do so under the circumstances existent at that time.

OUR STATUS. MM Financial Management Ltd is authorised and regulated by the Financial Services Authority (FSA). Our FSA number is 153041. Our permitted business includes advising on and arranging investments, life and health insurance. You can check this on the FSA's Register or by visiting the FSA's website www.fsa.gov.uk/register/ or by contacting the FSA on 0845 606 1234. *We subscribe to the Code of Ethics & Professional Practice of the Institute of Financial Planning. A copy of the Code is available on request.*

SERVICES. Our firm is independent and we offer products from the whole market. When advising on investment, life and health insurances, details of the services that we provide are set out in our Initial Disclosure Document or Combined Initial disclosure Document.

INVESTMENT OBJECTIVES. When making a detailed investment recommendation, we will confirm your objectives and any restrictions on the types of product that you wish to buy, and explain why, having assessed your needs, our recommendations are suitable for your individual circumstances in our suitability letter or report. When arranging an insurance contract, including life and health insurances, we will confirm your demands and needs and any restrictions on the types of product you wish to buy, and explain the reasons for our recommendations in a "statement of demands and needs".

RECORDS. We will, if required by you or your agent, supply copies of contract notes, vouchers and copies of entries in books, records and computerised records relating to the client. We undertake to maintain such records for a period of at least six years from the date of each transaction.

PERSONAL INTERESTS. We undertake not to transact for you business in which we or one of our other customers or any director/partner/employee has a known interest, or we become aware that these interests conflict with yours, unless that interest is first disclosed in writing and your consent obtained.

INSTRUCTIONS. Normally, we ask clients to give instructions in writing by completing the relevant application form and signing the appropriate declaration. You will have the right to cancel any investment or insurance contract as follows: 30 days to cancel investment contracts and 14 days to cancel insurance policies. This will normally be confirmed in writing by the product provider. You will be informed of any taxes or costs that may exist other than our fees, the period for which any illustrations are valid, and of the minimum duration of the contract. Our authority to act on a client's behalf in accordance with these Terms of Business can be terminated at any time by either side in writing, without prior notice and without penalty. This will be effective from the date the notification is received. However, if transactions already initiated remain outstanding, the notification will only be effected once these have been completed. Business (including unit trust investments) is usually placed by post – if you wish us to place unit trust business by telephone you must notify us in writing at the time of the transaction.

OWNERSHIP. As intermediaries we never own the investments you buy or transact through us. All investments will registered in the name(s) of the client(s) unless otherwise agreed in writing. We will forward to you all documents showing ownership of your investments as soon as it is practical after we receive them. Where a number of documents relating to a series of transactions are involved, we may retain each document until the series is completed and then forward them to you. In some cases the documentation will be sent to you direct from the product provider. Where we provide advice on a non-packaged product, such as an Enterprise Initiative Scheme (EIS), non-packaged ISA/PEP or Venture Capital Trust (VCT), you will not have post sale cancellation rights. However, you will have a period of at least seven days from the date you sign the application to withdraw from the agreement.

FEES & COMMISSIONS. On some (but not all) transactions, we may receive commission in line with standard industry practice. In accordance with FSA guidelines, where commission disclosure is mandatory, all commission payable to us will be disclosed prior to the transaction.



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REVIEW. When we have arranged any investments* for which you have given instructions we will not give you any further advice unless you request it, but will be glad to advise you at any time you ask us to. (*Except those covered by an ongoing management agreement.)

UK MONEY LAUNDERING REGULATIONS. We are obliged to conform with the UK Money Laundering Regulations 1993 and also adhere to the guidance notes from the Joint Money Laundering Steering Group which require financial institutions to verify the identity and place of residence of each investor. We will also request that you inform us how any monies being invested were obtained/accumulated. This process may require sight of certain documentation. If you provide false or inaccurate information and we suspect fraud or money laundering we will record this. We will not forward any applications or money to third parties/product providers until our verification requirements have been met. We take no responsibility for any delay in investing where money laundering verification is outstanding. In circumstances where sufficient verification is not received in a timely manner after we have received completed applications, the application(s) and any monies may be returned to you uninvested.

DATA PROTECTION. Information provided by you may be held, processed, disclosed and used by ourselves, professional advisers and any associated companies in servicing our relationship with you. However, strict confidentiality will be maintained at all times. It is understood that, unless you notify us otherwise, you agree to the storage, use and disclosure of such information. This information may be disclosed to third party product providers in the course of providing our analysis and servicing of our relationship with you. No information will be passed to another party without your prior consent unless we are legally obliged to do so. You also agree that for the purposes described above your data may be transferred to countries outside the European Economic Area (EEA). We may use and analyse your data, including the nature of your transactions, to provide you with information by post, telephone fax or e-mail to service and update you, as well as informing you of new investment opportunities. If you would prefer to be excluded from these services, please write to us at the address above. Please be aware that telephone calls may be recorded and possibly monitored.

WHAT TO DO IF YOU HAVE A COMPLAINT. If you wish to register a complaint please contact the compliance officer at the above address or by telephone who will acknowledge the issue and send you a copy of our internal complaints procedure. The matter will be investigated in line with our procedures and our findings reported to you. If you cannot settle your complaint with us you may be entitled to refer it to the Financial Ombudsman Service (FOS). Frivolous or vexatious complaints may raise unnecessary administrative burdens for both firms and the Financial Ombudsman Service alike. Where evidence of such circumstances is established, MM Financial Management Ltd will seek to reclaim costs and expenses reasonably incurred by the firm as a result of defending frivolous or vexatious complaints through the FOS.

CLIENT MONEY. WE DO NOT HANDLE CLIENTS' MONEY. We never accept a cheque made out to us (unless it is settlement of charges for which we have sent you a bill) nor handle cash. All trail/renewal commissions received by this firm, and all initial commission to be rebated to the client, in respect of any transaction arranged, is and will remain the property of this firm, until such time as, if previously agreed, all or part of that commission is refunded to the client. Interest on any such sums will not be payable unless agreed otherwise.

SAFEGUARDS. For your protection, MM Financial Management Ltd. is registered under the Data Protection Act, and authorised and regulated by the Financial Services Authority. We have only one investment adviser. In the event that he is unable to carry out your instructions, due to absence, illness, disability or death, we have made arrangements with Strategic Investment Planning Ltd of West Leas, Ringlestone Road, Harrietsham, Kent ME17 1NX; telephone 01622 850957 to ensure that your interests do not suffer.

COMPENSATION & PROFESSIONAL INDEMNITY. We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of transaction and the circumstances of the claim. Compulsory classes of insurance are covered for 100% of the claim, and most other types of insurance transactions are covered for 100% of the first £2,000 and 90% of the remainder of the claim, without any upper limit. Most types of investment and mortgage business are covered for 100% of the first £30,000 and 90% of the next £20,000, so the maximum compensation is £48,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme. (Customer Services – 020 7892 7300)

In addition to the scheme we are also insured for negligence, by any member of staff.

LAW AND LANGUAGE. Where applicable, our dealings with you shall be governed by the law of England. All information, terms and conditions, and communications shall be in English.

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