

# 2018 DISCRETIONARY MANAGEMENT SERVICES

Mercantile Invest is a trading name of Agincourt Financial Limited which is authorised and regulated in the UK by the Financial Conduct Authority. Firm Reference Number 197236.  
Registered office: Millennia House, Kingswood Park, Bonsor Drive, Kingswood, Surrey KT20 6AY.



## MERCANTILE INVEST TERMS & CONDITIONS

[www.mercantileinvest.com](http://www.mercantileinvest.com)





## OVERVIEW

These terms and conditions apply to the provision of discretionary investment managed services by the Manager (as defined) to clients. Please read these terms of business carefully. They set out the basis on which we conduct our business with you, and for you. These terms also contain a number of obligations and commitments on your part, including, various undertakings and your agreement to be responsible for our charges and any costs and losses that we may incur in providing our services to you. If there is anything you do not understand, or if you have any questions, please contact Mercantile Invest (“Mercantile”).

## 1. DEFINITIONS

In these terms and conditions, unless the context otherwise requires:

- 1.1. Mercantile Invest (“Mercantile”) is a trading name of Agincourt Financial Limited which is authorised and regulated in the UK by the Financial Conduct Authority. Firm Reference Number 197236. Registered office: Millennia House, Kingswood Park, Bonsor Drive, Kingswood, Surrey KT20 6AY.
- 1.2. References to “we”, “us”, “our” or “Mercantile” shall be to the manager. References to “you” shall be to the client.

## 2. THE SERVICE WE WILL PROVIDE

- 2.1. Mercantile shall provide the discretionary management services referred to in these terms and conditions
- 2.2. This agreement relates to the terms on which we will manage each investment portfolio that you engage us to manage in accordance with your application form. The terms of the application form, together with these terms and our fees and charges, shall provide the contractual basis on which we shall manage your investments.
- 2.3. You grant the manager full discretionary authority, without prior reference to you, to enter into any kind of transactions for your account in accordance with the portfolio(s) you have selected. Management of your account will be based on the information that you provide.
- 2.4. Other than receiving periodic reviews, statement and valuations you will not normally be contacted with regard to the operation of your account.
- 2.5. You may not instruct us to buy or sell specific investments to be held within your discretionary portfolio.
- 2.6. You will receive statements showing the investments held and transactions effected within your investment portfolio every six months, unless you notify us that you would prefer to receive statements every three months. If you would like to see your account more frequently please notify us. We will provide a relevant benchmark dependant on portfolio.

## 3. CHARGES

- 3.1. You agree to pay our fees of 1% annually (including any VAT if applicable).
- 3.2. The fees (including commissions, charges, expenses and taxes) will be reviewed periodically and may be changed from time to time.

## 4. CUSTOMER IDENTIFICATION

In these terms and conditions, unless the context otherwise requires:

- 4.1. Under current legislation and FCA rules, we are obliged to satisfy ourselves that a customer or prospective customer is who he or she claims to be. The purpose of these procedures is to ensure that a firm does not carry out or agree to carry out financial services to a customer or potential customer unless the firm has proof of that person's identity and residential address.
- 4.2. We may undertake identification checks on clients directly, in order to satisfy ourselves that all relevant regulatory obligations have been satisfied.

## 5. CATEGORISATION

- 5.1. We will categorise you as a 'retail client' as defined in the FCA Conduct of Business rules (unless you elect to be treated as a professional client or we specifically correspond with you to classify you otherwise). Although categorised as such, you may not necessarily be an eligible complainant under statutory dispute resolution procedures.

## 6. DEALING

- 6.1. All dealing will be carried out during normal dealing hours for the relevant exchange and at the best price available at the time of dealing.
- 6.2. The manager may combine your order with those of other clients (aggregation) and may combine orders in respect of different portfolios it manages in accordance with its order executions policy in the Summary of Order Execution. At times this may work to your advantage, and at others, to your disadvantage.
- 6.3. The official record of a transaction is given in the form of a 'Trade Confirmation'. We will not, unless you elect otherwise, supply these 'trade confirmations' to you. Details of transactions undertaken on your behalf in the previous six months will be reported in the half-yearly statements.

## 7. BEST EXECUTION

- 7.1. The manager is obliged to take all reasonable steps to obtain the best possible result for clients when executing, transmitting or placing client orders and must take into account price, cost (to client), speed, likelihood of execution and settlement, size, nature and any other consideration relevant to the execution of the order. The best possible result shall be determined by reference to the total consideration payable in respect of a transaction or a series of transactions. The manager will adhere to its Order Execution Policy in the Schedule.

## 8. CONFLICTS OF INTEREST

- 8.1. In accordance with FCA rules, we are obliged to establish, implement and maintain a conflicts of interest policy.
- 8.2. This policy details the potential material conflicts that have been identified, and the procedures and measures adopted to manage them. We have policies for identification of conflicts, recording of conflicts and managing of conflicts. The potential material conflicts identified and managed are as follows;

POSSIBLE CONFLICT	PROCEDURES AND MEASURES
Personal Account (PA) dealing – Staff may undertake PA dealing which could result in 'front-running' or another means by which the firm's employees benefit at the expense of clients.	A full Personal Account Dealing policy is in place and employment terms and conditions require adherence to this. The firm's partners monitor adherence to this policy and client orders and other interests receive priority at all times.
Principal Business – The firm dealing for its own account may conflict with client dealings.	We have made a commitment not to deal for the firm's own account except in exceptional circumstances (such as correcting an error).

- 8.3. Full details of our Conflicts of Interest policy are available on request.

## 9. INVESTMENT OBJECTIVES AND RISK

- 9.1. Before completing an application form, each client will be required to undergo a Risk Profile and Suitability Assessment where we assess each client's suitability for our different products.
- 9.2. Mercantile International Limited has designed three portfolios as follows:
  - a) Cautious
  - b) Balanced
  - f) Adventurous
- 9.3. The portfolios may not be suitable for all investors and Mercantile will perform suitability checks on all clients prior to provision of management services.
- 9.4. All investment services are subject to certain risks. Further important information regarding risk factors are set out in the application form. We strongly recommend that you consider said risks and ensure that you understand those risks.

## 10. PERMISSIBLE INVESTMENTS

- 10.1. We may execute transactions in the following types of investments (as such terms are defined in the glossary to the FCA's Handbook of Rules and Guidance):
  - a) Securities in companies;
  - b) Securities in exchange traded funds;
  - c) Debt instruments issued by a government, public agency or municipal body;
  - d) Securities in authorised unit trusts, investment companies with variable capital authorised contractual schemes and overseas recognised schemes;
  - e) Depositary receipts or other types of instruments relating to investments under (a) or (b);
  - f) Spread bets;
  - g) Warrants;
  - h) Rolling spot forex;
  - i) Option (excluding commodity option and an option on a commodity future);
  - j) Future (excluding commodity future and rolling spot forex contract);
  - k) Debenture;
  - l) Personal Pension Scheme;
  - m) Commodity options and options on a commodity future.

Please note that some of these investments may not be valid for your financial product or service. i.e. ISA, SIPP and/or SASS.

## 11. EXCLUSION OF LIABILITY

- 11.1. We shall not be liable for any consequential, indirect, special, incidental, punitive or exemplary loss, liability or cost which you may suffer or incur arising out of our acts or omissions in connection with the services provided in connection with your investment portfolio, regardless of how that loss, liability or cost is caused and regardless of whether it was foreseeable or not.
- 11.2. We shall not be responsible for any losses to the extent arising from any information provided by you being untrue, inaccurate or incomplete.
- 11.3. We accept responsibility for loss to you only to the extent that such loss is due to our negligence, wilful default or fraud.
- 11.4. We will not be responsible for providing any advice in relation to personal taxation or for seeking to minimise any taxation liability you may have in relation to your investments.
- 11.5. We will have no liability in relation to any adverse tax consequences which may arise from the management or variation of your investments or for any depreciation in the value of the investments.
- 11.6. For the avoidance of doubt, nothing in these terms shall exclude or restrict any liability we have to you under any applicable law or regulation.

## 12. POWER OF SALE OVER YOUR INVESTMENTS

- 12.1. We reserve the right to sell or realise any investments or monies which we are holding or are due to receive on your behalf in order to meet any liabilities to us which you may have incurred and which have not been discharged by the due date.
- 12.2. We also reserve the right to close out contracts or positions which we may hold for you in instances where you have not fulfilled your obligation by the due date. Any such right is exercisable without further notice to you and in such manner and subject to such conditions as we consider appropriate.

## 13. SUITABILITY

- 13.1. Mercantile shall provide you with all relevant information to help you make an informed decision as to which portfolio is most suitable to your needs and circumstances. The manager is entitled to rely on such suitability assessment in providing the discretionary portfolio management services to you.

## 14. CUSTODY AND SAFEKEEPING OF YOUR INVESTMENTS

- 14.1. The manager shall register investments that we acquire for you in the name of Mercantile's selected custodian. Mercantile shall be responsible for the selection, appointment and periodic review of the custodian in accordance with regulatory requirements. The terms on which the custodian shall hold your money and investments will be agreed directly between you and the custodian and, subject to Mercantile's regulatory obligations, we shall not be responsible for any failure to perform our obligations under this agreement to the extent that this failure results in the failure of the custodian to provide services or information to us as contemplated under this agreement.
- 14.2. You expressly agree that we can give the custodian instructions to effect transactions on your behalf in accordance with this agreement and to exercise any rights attaching to investments (including voting rights and rights to participate in corporate actions). You also authorise the custodian to arrange for the payment of our fees out of the portfolio, which may entail selling investments within the portfolio.
- 14.3. Subject to our regulatory obligations, we will rely on information provided to us by the custodian for the purposes of reporting to you in accordance with clause 2.7.
- 14.4. We may change the selection of the custodian from time to time by giving you notice in writing. The manager shall, in the exercise of its discretionary investment powers, be entitled to instruct the old custodian to transfer your investments and money to the new custodian without your consent.

## 15. COMPLAINTS AND COMPENSATION

- 15.1. We have in place an internal complaints handling procedure and in the event of dissatisfaction you should address any complaint, in the first instance, to the manager's compliance officer. A copy of our complaints handling procedure is available on request or online at [www.mercantileinvest.com/about-us/complaints](http://www.mercantileinvest.com/about-us/complaints).
- 15.2. In the event that we are unable to resolve your complaints to your satisfaction, you may have the right to complain directly to the Financial Ombudsman Service, which is an independent service set up by law to resolve disputes between consumers and financial institutions. The FOS can be contacted at: South Quay Plaza, 183 Marsh Wall, London, E14 9SR and further information about the FOS may be found at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).
- 15.3. You may be eligible to claim compensation from the Financial Services Compensation Scheme in the event of the manager being unable to satisfy any payment obligations to you. Further details are available from the Financial Services Compensation Scheme, whose address is 7th Floor, Lloyds Chambers, Portsoken Street, London, E1 8BN. Telephone contact details are 0800 678 1000, alternatively please email [enquiries@fscs.org.uk](mailto:enquiries@fscs.org.uk) or visit [www.fscs.org.uk](http://www.fscs.org.uk).
- 15.4. The governing rules from our regulatory body, the FCA, are subject to continual change, sometimes requiring amendments to our terms of business with clients. You agree to accept from us reasonable one way amendments to this agreement which are necessary for compliance with the rules of understanding that you will be provided with a period of time in which to register your disagreement with any change.
- 15.5. Where reasonably possible, we shall notify you in advance of any amendments to this agreement that works to your disadvantage at least one month before it takes effect, and you will be entitled to withdraw your investment before such change comes into force, provided that we shall not be required to provide these services at any time when to do so would constitute a breach of law or regulation.

## 16. DATA PROTECTION

- 16.1. We agree that we have obtained all the necessary consents to the information which we hold about you for the express purpose of providing you with investment services.
- 16.2. This information will be treated in the utmost confidence but it might have to be disclosed to our Regulator or to a Court of Law if required.
- 16.3. You are entitled to the rights afforded by the Data Protection Act 1998. You have a right of access to this information at all times, or copies, should that protect other clients' confidentiality.
- 16.4. All notices will be effective on receipt, which will be deemed to have taken place on the third business day after posting. Notices to us should be addressed to us at: Mercantile Invest, 6th Floor, 36 Old Jewry Road, London, EC2R 8DD. Notices sent you will be sent to you at the last address you have given us.

## 17. GOVERNING LAW

- 17.1. This agreement is governed by and shall be construed in accordance with the laws of England. Disputes arising under this letter shall be subject to the jurisdiction of the English courts to which we each submit.

## 18. RISK

- 18.1. The manager will rely on the answers provided in the Application Form on the understanding of risk in order to ensure the suitability of a given portfolio. Mercantile will discuss with you the client, if required.

## 19. TERMINATION

- 19.1. This agreement may be terminated by either party on giving one month's written notice. Termination will not affect any outstanding order or transaction awaiting settlement or any legal rights or obligations that may already have arisen and you accept any losses realised in settling or concluding outstanding business.
- 19.2. After receiving written notice of termination of your account, we will not execute any further transactions except at your specific request in writing.
- 19.3. Should you request termination of your account, we will levy a pro rata management fee from the date of the last fee point to the closure date.