

**ROUSE**

INTELLIGENT FINANCIAL PLANNING



# Balance and control

Why there's value in  
wealth management  
and financial planning

[rouseltd.co.uk](http://rouseltd.co.uk)

## Who's who at Rouse?

Contacting a member of our admin team in the first instance will quicken the response time for your enquiry. You can be assured that the appropriate action will be taken immediately and your issue speedily resolved. For further details, call us on: **01983 535740** Email: [admin@rouseltd.co.uk](mailto:admin@rouseltd.co.uk) Visit: [www.rouseltd.co.uk](http://www.rouseltd.co.uk)



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You will already know that the financial services sector has altered almost beyond recognition since the financial crisis. The focus of this change has been on ensuring that customers are treated fairly and, specifically, understand all the charges involved when they choose to take advice.

# Relax

## You're in safe hands

Further rules are now in place, (Markets in Financial Instruments Directive II, or MiFID II) that are designed to ensure fairer, safer and more efficient markets, and facilitate greater transparency for all participants. Now, at the end of the first full year of its implementation, we will be providing you with the costs and charges – on both a pre- and post-advice basis – relating to the majority of your investments at Rouse Limited.

We have disclosed our charges to you for many years but, as part of the MiFID II directive, and a Financial Conduct Authority (FCA) mandate to do so in order to maintain compliance, we will now be providing you with this detail on a 12-month cycle. This will cover our (Rouse Limited) charges and will also include those of product providers, discretionary managers and fund managers.

The extra work involved in producing these reports will not affect your Rouse Limited charges as we are currently able to absorb the impact of any extra cost.

In a world fixated on image, value is a word that often goes unheard. But as money gets tighter for many households, recognising value, and not just looking at the cost, should be a priority.

This newsletter aims not only to explain the changes and help you interpret the information we will supply to you, but also to reiterate the inherent value in taking financial advice.

If you would like further clarification on any of the information provided here, please contact your Financial Planner.





## Balance and security

We offer a balanced and nurturing approach to your wealth management. If we were driven by cost alone our fund managers would fill portfolios with cheaper tracker options. But pushing costs down doesn't necessarily translate to good value on returns. The basic premise of financial advice is that it should cost you less in the long-term than taking no advice at all.

A recent report produced by the International Longevity Centre-UK, and supported by Royal London, called 'The Value of Financial Advice\*', examines the impact of financial advice on two groups: 'affluent' and 'just getting by'.\*\*

The results showed that: those in the 'affluent' group who were given financial advice, accumulated on average 17% more in liquid financial assets than those from the same group who were not advised. Within the 'just getting by' group those who were advised accumulated on average 39% more in liquid financial assets than those from the same group who were not advised.

## What skills do you get from the team at Rouse Limited?

We have a highly qualified and experienced team. We specialise in financial planning for life and, with research from our paraplanning team, and our cashflow forecasting facility, along with the macro-economic observations from our Investment Committee, we are able to keep your plans on track and in line with your capacity for risk.

Sound financial planning also involves thorough product research, so that the range of appropriate options for you to consider is narrowed down. We also ensure your finances are as tax efficient as possible.

To enable us to deliver a seamless and valuable service to you we also work with other professional firms, such as accountants and solicitors, who share our core values and approach to clients' wellbeing.

We are with you every step of the way.

# Knowledge and support

Without doubt the rise of the 'robo-adviser' has offered a different solution for some but an automated wealth manager can't talk you through a sticking point or fully understand the impact of any changes in your life.

We are always with you, ready to meet with you or take your call if you have a query – this is all part of the added value support you get from your wealth managers at Rouse Limited and is why we opt for an 'ad valorem' charging model (a percentage based on the value of your investments) as opposed to fee-based.

A larger investment through us is an investment in us as a team and we take this responsibility very seriously.

Ben Rouse: 'We provide support for our clients all the way through their financial journey with us and the queries we get cover a range of topics. For example, I'm quite often asked about cash investments, or maybe guidance on investing for children, even when that's nothing to do with that client's financial planning with Rouse Limited. We don't make a charge for queries beyond those relating to your account.'

To help maintain your financial plan, we may recommend the use of discretionary investment managers, platform/product providers and fund managers. When selecting these, we need to be confident that they have the knowledge and ability to help keep your investments

on track. So, in addition to costs, we also take into consideration their financial strength, independence, and customer service.

## Clear communication and plain speaking

Clear communication within the team leads to clear communication with you - and our Investment Committee is at the heart of that strategy.

By taking the time to look at the wider picture we can be confident of ensuring all investment portfolios are kept in line with each client's individual aims, ethics and attitude to risk. We evaluate world events, and those closer to home, for their potential impact on our investment strategies.

By regularly reviewing your progress against your financial goals we can modify the plan as necessary. We take the responsibility of the fine detail away from you so you can enjoy your life as you wish.

By building, maintaining and rebalancing diversified portfolios, that reflect your capacity for risk, we can help you create a wealth management plan that will take you through all the stages of your financial life.

And our objective and expert view enables us to guide you away from decisions you might later regret.

\*Source: <https://ilcuk.org.uk/the-value-of-financial-advice>

\*\* over a 7-10 year period.

# Definitions of costs and charges for your investment

## 01

### Rouse Limited

These are the fees that Rouse Limited has received from the majority of your investments over the period analysed. These fees cover a range of tasks involved with providing you with, implementing, and maintaining your financial plan.

## 02

### Discretionary investment manager

Where we introduce you to a discretionary investment manager, this fee covers their services for maintaining the ongoing suitability of your investment, including research, strategy implementation, and valuation reporting.

## 03

### Platform/product provider

The platform/product provider is the custodian of your investments and provides mainly administrative services. This includes HMRC reporting, valuations, and the handling of any deposits or withdrawals made.

## 04

### Fund manager

The Fund Manager fees include investment research and analysis as well as the costs of buying and selling the underlying assets of your investments.

Client Names

## Example of aggregated costs and charges for your investment

Period between 1 November 2017 and 31 October 2018

The aggregated costs and charges relate to the following:

Investment/product	Value at end of period £
XYZ ISA	348,578.77
XYZ general investment account	149,390.90
<b>Total investment</b>	<b>497,969.67</b>

Services costs and charges	Initial charges applied		Ongoing charges applied		Total applied	
	£	%	£	%	£	%
Rouse Limited	10,000.00	2.008	3,913.68	0.786	13,913.68	2.794
Discretionary investment manager	0.00	0.000	0.00	0.000	0.00	0.000
Platform/product provider	0.00	0.000	1,826.38	0.367	1,826.39	0.367
Fund manager	0.00	0.000	6,574.98	1.320	6,574.98	1.320
<b>Total service costs and charges</b>	<b>10,000.00</b>	<b>2.008</b>	<b>12,315.04</b>	<b>2.473</b>	<b>22,315.05</b>	<b>4.481</b>

### Cumulative effect of costs and charges on your return

The total aggregated costs and charges applied to your investment, valued at £497,969.67 at the end of the period, was £22,315.05 or 4.481%.

### Notes

1. The percentage charges are calculated by dividing the monetary charges by the total investment value at the end of the period.
2. The value of your total investment, and the costs and charges, will have been affected by any withdrawals or additional investment during the period.
3. In the absence of firm figures from fund managers, a "best endeavours" approach has been taken and estimated costs have been included.
4. A breakdown of the costs and charges for each investment/product is available on request.

### ▶ **The way costs and charges are reported is changing. Why is this happening?**

The Markets in Financial Instruments Directive II (MiFID II) requires that we report on costs and charges on both a pre- and post-advice basis. It is a Financial Conduct Authority mandate to do so in order to remain compliant. Whilst we have always reported on charges at the time of advice, we will now also be providing you with a schedule of costs and charges relating to your investments at Rouse Limited on an annual basis.

### ▶ **When will this happen and how often?**

Disclosure of the pre-advice costs and charges must take place 'in good time' at the point of advice (which we already do) and post-advice reporting must take place at least annually. We will be providing the post-advice costs and charges for the period 1 November to 31 October each year.

### ▶ **What information will the report include?**

We will include all costs and charges relating to our recommendations. This means you will see charges from Rouse Limited, as normal, but now you will also see those charges from product providers, discretionary managers and fund managers.

### ▶ **Are these costs and charges estimated or actual?**

The figures detailing Rouse Limited's costs and charges will be accurate and actual. In the absence of firm figures from fund managers (and others involved in the servicing of your investments) at the time we are producing your schedule, we will take a 'best endeavours' approach and will include estimated costs.

### ▶ **Are these all the costs and charges relating to my financial planning at Rouse Limited?**

Whilst MiFID II does not require us, at this point in time, to make full disclosure on all investments, we have taken the decision to include all pension funds that we advise on, as well as ISAs and general accounts. Disclosure of costs and charges relating to investment bonds is scheduled for later in the year.

### ▶ **Does this mean my charges are increasing?**

Our Rouse Limited charges will remain the same as we are currently able to absorb the extra expense associated with this increased reporting.



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