



James Brearley Investment Managers & Stockbrokers Platform Service for Distributors where James Brearley is acting as a manufacturer

Purpose

This document is intended to provide an intermediary (acting in the capacity of a distributor) on behalf of their clients with appropriate information to understand the nature of the service to be provided by James Brearley (JB), (the Firm).

It is also intended to enable the intermediary (acting in the capacity of a distributor) on behalf of their clients to understand the target market, to ensure that the service is distributed in accordance with the needs, objectives and characteristics of the target market and to identify the intended distribution channel.

The Platform Service

James Brearley is the manufacturer of its platform service. The service provides an intermediary (acting in the capacity of a distributor) on behalf of their clients, i.e., the target market, with a facility to buy or sell investments on the JB dealing platform. The investments and any cash are retained under our custody, either in a general investment account, ISA, JISA, SIPP or offshore bond.

In the provision of this service JB does not assess the suitability or appropriateness of any transaction executed. This remains the responsibility of the intermediary (acting in the capacity of a distributor) on behalf of their clients where it arises.

Financial Instruments

JB provides access to a broad range of financial instruments listed below via its platform service, each with a deemed target market of Retail Client where applicable:

- Listed securities (equities to include those listed on AIM, fixed interest, exchange traded funds/products [ETFs/ETPs] and structured products)
- Collective investment schemes (investment trusts, equity funds, fixed interest funds and overseas funds),
- Venture Capital Trusts (VCTs) and warrants.

JB has selected the financial instruments by considering the extent to which they display the following features:

- Meet our custody requirements.
- Are easily liquidated; have well tried and reliable settlement channels.
- Do not carry additional settlement charges or complications at the time of settlement.
- Are those in which the Firm has longstanding experience of trading.



Manufacturers of the collective investments JB makes available are chosen according to a structured process considering the target market, which must be suitable for Retail Clients.

The Firm has determined that Listed Equities on a FCA Recognised Investment Exchange (RIE) or Recognised Overseas Investment Exchange (ROIE), FCA Designated Investment Exchange or EEA Regulated Exchange are deemed suitable for Retail Clients.

However Structured Products, ETFs/ETPs, Investment Trusts, Fixed Interest Corporate Bonds (issued after 3rd January 2018) and VCTs listed on the above exchanges are subject to the same review as collective investment schemes in that they must have a target market of Retail Clients.

Financial Instruments transacted via our platform service are held within our custody service. Our custody service provides a secure and efficient facility in which to hold investments. Wherever possible, we retain the administration and safe custody of client assets within our nominee companies as this provides a degree of control. In certain instances though, it may be necessary to utilise the services of our global custodian provider, SIX.

All our staff are trained to view the maintenance of high service levels for clients as a priority.

Target Market

JB has determined that the target market for its platform service is Retail Clients, and it would not be appropriate for the following types of clients:

- Those under 18;
- Those who are not willing to accept investment risk;
- Those who wish to hold their own investments;
- Those who do not wish to use digital means to access information or receive communications; and
- Those who wish to access assets not on a platform, for example, property.

Needs, Objectives, and Characteristics of the Target Market

The Firm manages the needs, objectives, and characteristics of the target market in the following manner:

The platform service is designed to be sufficiently flexible to enable an intermediary (acting in the capacity of a distributor) on behalf of their clients to design their own mix of investments and so fulfil a diverse range of objectives and needs fitted to their clients' circumstances including their resources, degree of financial capability or sophistication and any characteristics of vulnerability. The firm will not make any recommendations to the intermediary, neither offering any opinion nor advising on the merits of any transaction or course of action. Therefore, the intermediary (acting in the capacity of a distributor) on behalf of their clients will retain all responsibility for any suitability or appropriateness responsibilities of any investments purchased or held.



The features of the financial instruments that the Firm makes available, and the level of risk and volatility associated with each type of financial instrument, is made available to the intermediary. It should be stressed that this is very much at a headline level and is general rather than specific in nature.

Experience & Knowledge – The Firm believes that the intermediary (acting in the capacity of a distributor) on behalf of their clients using the platform service will have a good knowledge of financial markets and the instruments available through the platform service. The intermediaries will be regulated by the FCA.

Appropriateness – When an intermediary (acting in the capacity of a distributor) on behalf of their clients places a trade in a complex financial instrument they are required to confirm that they have made a personal recommendation to their client to invest in that financial instrument, or that they have undertaken an appropriateness test when executing a complex instrument on an execution-only basis, or that it is on behalf of a discretionary client, before the instruction is placed. Confirmation is provided via the James Brearley dealing platform.

Tenure – The Firm's platform service is generally most appropriate for medium to longer term investors.

Risk tolerance - The Firm's platform service is open to clients of an intermediary with varying levels of risk tolerance. Information regarding the investment risk relating to the financial instrument types made available by the Firm is provided on the Firm's website. In addition, an intermediary is provided with information in the form of a link to a KID or KIID which provides more detail about the risk profile of a proposed investment in a collective investment prior to a buy order being placed.

Ability to bear loss – The amount that a client of an intermediary (acting in the capacity of a distributor) can have at risk is limited to the extent of the capital they invest. Clients must be able to endure potential loss to their capital, in taking the risks associated with the investment vehicles on which the service is based. If they are not able to weather such losses the service may not be appropriate for them.

Minimum entry level – The platform service is available to both small and large investors alike. There are no minimum entry levels to the platform service, although our minimum monthly account charge should be considered.

Distribution Strategy & Methods

In providing the platform service the Firm provides an intermediary (acting in the capacity of a distributor) on behalf of their clients with access to a wide range of financial instruments. The platform service is delivered through an online platform via intermediaries.

Benefits of the Platform Service

The benefits of the platform service are as follows:

- Ability to trade a wide range of financial instruments, to incorporate limits where appropriate.



- A dedicated Helpdesk, staffed between 8am and 5pm, Monday-Friday.
- Investments are held securely and electronically. No paperwork and certificates from registrars.
- Ability to transfer existing custody held assets into the Service be they within a general investment account or ISA.
- Administration of all corporate actions (e.g., Rights Issues, Takeovers)
- Cash Settlement Account where dividends can accumulate and payments in and out can be undertaken.
- Competitive rate of interest paid on cash balances.
- Quarterly Custody Valuation Reports.
- Annual Cost and Charges Report.
- Annual Consolidated Tax Voucher as at 5th April.
- Capital Gains Tax report where appropriate.
- ISA / Pension / JISA / Bond wrapper available.
- No Exit Fees
- Simple and transparent charging structure, no charge being applied on cash balances.
- Provision of daily data files.
- Secure Web Portal (which may be branded) providing the following functionality:
 - Account search
 - Portfolio valuation and performance measurement
 - Dealing-switch facility, “best” quote for equity transactions.
 - Historical valuation
 - Cash statement
 - Stock history
 - Cash withdrawal and regular payments facility
 - Gains/Losses Report
 - Mail repository
 - Messages
 - Research links

In addition to the above, an Intermediary (acting in the capacity of a distributor) on behalf of their clients also has access to the following functionality:

- Model Creation/Upload
- Model Purchase
- Ad-hoc Re-balance
- Scheduled Re-balance
- Bulk Sale
- Bulk Purchase
- Bulk Switch

It may also be possible for us to arrange for an intermediary to access their clients’ records via a secure internet link to the FNZ’s Figaro system.

The Firm details a number of service level agreements in its platform service terms of business, on which it then reports on a half yearly basis, extending to also cover other internally set service targets.



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Value Assessment

The Firm has undertaken a value assessment and believes that there is a reasonable relationship between the price of the service and the benefits provided (detailed above), for example the service provides an intermediary (acting in the capacity of a distributor) on behalf of their clients with the ability to trade a wide range of financial instruments, extensive account administration, a dedicated helpdesk, custody reports and website functionality etc. We believe the platform service meets the needs of the target market and having compared the price of our platform service with the wider market, we believe we are competitively priced.

The Firm has not included the varying external fees of collective investments in its value assessment. The firm has considered the Ongoing Charge of each of the funds that it prepared to make available via the Platform Service and determined that the Ongoing Charge must be at or below a headline rate of 2% per annum. However, it recognises that in the case of certain “specialist” funds, many of which are typically presented in the form of an investment trust, that these tend to carry a higher headline charge. For such “specialist” funds the firm has set an Ongoing Charge limit of 3% per annum. It also recognises that when it comes to “highly specialist” funds such as Venture Capitalist Trusts and Private Equity that these typically have an even greater headline charge. We are therefore prepared to make such funds available for investment as long as their Ongoing Charge is less than 4% per annum.

The Firm has also considered the aspect of profit margin in its Value Assessment. However, given that the structure of the firm’s business model means that the nature of its activities, for example, dealing and custody and, as a consequence its cost base, in particular, its people and extensive system costs, cuts across all of its services, we believe that incorporating profit margin into such an assessment would not add meaningfully to the process.

In giving consideration to the firm’s approach when it comes to Cash, it is made clear to clients in both the firm’s website detailing each service, in the respective charge card and terms and conditions, that Cash balances are excluded from the portfolio value used to calculate all basis points charges. It is also made clear what the prevailing rate of interest paid on cash is, along with the fact that the firm may retain an element of the interest it receives from the banks selected to hold client monies.

In determining what rate of interest to pay on client cash balances, this is controlled by the Board who consider any changes declared by the Bank of England to base rate following such changes. The Board has a fundamental position of sharing interest received on clients’ cash deposits where it is recognised that by amalgamating all of its clients’ cash deposits this has the effect of improving overall returns, enhancing the benefits to all clients. This results in clients receiving a headline rate of interest within their investment account which is commensurate with that of an instant access deposit account.



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Review

The Firm in its capacity as a manufacturer of its platform service reviews its arrangements at least annually to ensure that its platform service continues to meet its target market, the needs, objectives and characteristics of the target market, its distribution strategy and offers fair value. Where we identify through our monitoring or any information that we receive that any aspects of our service do not meet the requirements of the target market (as detailed above), we shall discuss with you what appropriate remedial action should be undertaken.

As part of, and in support of its review, JB obtains appropriate information from a distributor of its platform service.

31st, July, 2024.