

## MyAdviser Summary of Commission & Fee Arrangements

Michael Kiernan trading as MyAdviser provide financial advice to our clients and as part of that work is the provision of financial solutions where MyAdviser acts as intermediary (Financial Broker) between you, the consumer, and the product provider with whom we place your business. We always ensure that clients are directed to the best solution for their needs and always strive to be rewarded the exact same way regardless of which solution is recommended. This avoids solution/product/provider bias. This document lays out how we are remunerated for the delivery and maintenance of all solutions/products. If at any stage, we cannot achieve this neutrality regarding our remuneration we will directly and clearly inform the client.

### The background

Pursuant to provision 4.58A of the Central Bank of Ireland's September 2019 Addendum to the Consumer Protection Code, all intermediaries, must make available in their public offices, or on their website if they have one, a summary of the details of all arrangements for any fee, commission, other reward or remuneration provided to the intermediary which it has agreed with its product producers.

### What are Fees

MyAdviser may also be remunerated by fee by our clients. Usually this is not typical as by paying for our services via commission there can be savings regarding tax especially as regards pension solutions and products. If a client wishes to pay by way of direct fee this will be disclosed based on the complexity of the client's case. For the purposes of this disclosure the fees will be,

1. Typically at point of transfer 1% of assets transferred to MyAdviser, but can be as high as 2% depending on the asset amount. For example, €300,000 in assets transferred would result in a fee payable to MyAdviser of €3,000.
2. Plus typically 0.5% of assets under management annually, but can again be higher (max 1%). For example €300,000 in assets transferred would result in an annual fee payable to MyAdviser of €1,500.

MyAdviser does not accept any fees, administrative costs, non-monetary benefits such as assistance with advertising/branding, trips, golf outings etc. from any product provider. We do from time to time attend product provider seminars, but that is purely to improve the firms' knowledge of financial markets and solutions. We are usually awarded CPD (Continuous Professional Development) hours for such attendance.

### What is Commission?

For the purpose of this document, commission is the payment earned by MyAdviser for work undertaken on behalf of our clients and is paid out of the clients' product or solution by the provider. Even though MyAdviser is paid the same amount regardless of the provider the solution can be better value depending on the providers terms. For example, say we are paid 1% of the assets invested as agreed with the client for our services. Provider A may offer an extra 1% compared to Provider B. This means that Provider A covers the cost of our commission/remuneration compared to Provider B. This may influence recommendations post a full market search because Provider A is better value. Just to be clear the client always pays even though the provider facilitates the

payment. It is usually more convenient for the client to pay by commission and as mentioned earlier it can be more tax efficient. MyAdviser always fully and clearly discloses any commission we are paid before any product or solution is put in place. We do our best to keep our commission structures simple and it is the overall value to the client of the solution including commission payments, provider costs and the solution benefits that drives the recommendations.

### **There are different types of commission models used at MyAdviser:**

Single commission model: where payment is made to MyAdviser shortly after the sale is completed and is based on a percentage of the premium paid/amount invested. In the above example the 1% initial commission would be this type of commission.

Trail/Renewal commission model: Further payments at intervals are paid throughout the life span of the product. An example of this is the above 0.5% p.a. of assets under management payment for ongoing advisory services.

MyAdviser does not use other forms of commission e.g. Indemnity Commission, where commission is paid earlier than the product earned it. If that type of commission should be unavoidable i.e. where it is in the clients' best interests to use such a model, then we will disclose fully and clearly in advance exactly how it works and the next best alternative so that an easy comparison can be made.

### **Two Types of Providers**

#### **Life Assurance based Investments, Savings & Pension Products**

For Life Assurance products commission is divided into initial commission and renewal commission (related to premiums being paid by the client), fund based or trail relating to accumulated funds or assets under management.

Trail commission, bullet commission, fund-based or renewal commission are all terms used for ongoing payments. Where an investment fund is being built up through an insurance-based investment product or a pension product, the increments may be based on a percentage of the value of the fund or the annual premium. For a single premium/lump sum product, the increment is generally based on the value of the fund.

MyAdviser uses premium based models and provides access to solutions based on the premiums being paid – this is largely monthly protection plans including Life Assurance, Mortgage Protection, and Income Protection. These solutions at MyAdviser pay us 100% of the first year's premium and usually 3% p.a. thereafter for as long as premiums are paid. If this level of commission changes then we will disclose that prior to any solution being put in place. Monthly Pension or Savings Plans also follow a premium model (usually) and that premium is usually 2% of the premium and can include some funds under management commission – typically 0.25% p.a. On our Gift Tax Savings Plans there can be what are called bullet payments where the renewal commission is paid every 2 years at a higher level than 2% p.a. This varies by provider and is fully disclosed before any solution is put in place.

Our lump sum Investment and Pension business is based on assets under management and therefore most of the commission arrangements are as detailed above e.g. 1% initially on assets transferred and 0.5% p.a. on those assets each year. The larger initial commission is used to cover

the advisory work that is needed, along with the market search and execution. The maximums we charge is 2% initial and 1% p.a.

Here is a list of Product Providers that fall under this group and with whom we have an agency to provide their products to consumers. Aviva, Friends First (now under the Aviva Brand), Irish Life, New Ireland, Royal Liver, Standard Life and Zurich. We also hold some other agencies, but the vast majority of our business is done with these providers because they along with the two Investment Firms below offer the best solutions. If an alternative solution is found to be better we will endeavour to gain an agency in order to execute the clients solution and if that is not possible then we will advise the client how to execute and charge a fee for our service directly from the client.

### **Investment Firms**

Investment firms, which fall within the scope of the European Communities (Markets in Financial Instruments) Regulations 2007 (the MiFID Regulations), offer both standard commission and commission models involving initial and trail commission. Increments may be based on a percentage of the investment management fees, or on the value of the fund.

At MyAdviser the providers we represent in this category are Conexim, Independent Trustee Company and Davy Select, all of which are platform providers offering investment and pension solutions. The commission structure is as previously outlined – 1% of assets transferred (max 2%) and 0.5% p.a. of assets under management (Max 1%). These providers do not offer Protection solutions.

### **Questions - Contact Us**

If you have any questions about any possible solutions and the charges and commission we charge please send us a query via our web site, email [info@myadviser.ie](mailto:info@myadviser.ie) or call us on 01-90 10 463. Our business is based on existing client referral and our charging model makes sure we add significant value to every client we agree to work with.