

Moneyfarm Terms and Conditions for promotional Discounts

1. WHAT ARE THESE TERMS FOR?

These Terms set out the agreement regarding the application of promotional Discounts between:

You – this means the person who's opened a Portfolio Management Account with Us.

And

Us (which means MFM Investment Limited, trading as Moneyfarm), so whenever you see 'We', 'Us' or 'Our', you know who We're referring to.

These terms are to be read in conjunction with the main Moneyfarm Terms and Conditions governing your Account.

In case of any conflict between these terms and the main Terms and Conditions regarding the specific matter of discount application, these terms shall prevail.

Some terms used in this document have specific meanings. These terms will appear with a capital letter and are defined in Section 10 (Definitions).

2. GENERAL PRINCIPLE OF APPLICATION

All Discounts are applied after the calculation of base Eligible Fees, but before the application of any taxes or regulatory charges.

- **Step 1:** Calculate the gross Eligible Fees based on the standard rates in the Fees and Charges Schedule, including any pro-rating for partial periods;
- **Step 2:** Apply all applicable Discounts to the gross Eligible Fees in accordance with Section 5;
- **Step 3:** Apply any applicable taxes (such as VAT) or regulatory charges to the net amount after discount application.

For clarity, Discounts do not apply to taxes, regulatory charges, or any fees that are not designated as Eligible Fees under Section 3.

3. ELIGIBLE FEES

3.1. Unless specified otherwise in a Discount's specific terms, Discounts apply to the following fees related to the Portfolio Management Service and Custody and Platform Services :

- i. "Management Fee".
- ii. "Platform Fee".

3.2. Discounts do not apply to any other fee, charge, or expense, including but not limited to fund fees, transaction costs, or currency conversion fees.

4. SUPPORTED DISCOUNT TYPES AND MIGRATION OF LEGACY DISCOUNTS

4.1. The following Discount types are supported:

a) Percentage-Based Discounts:

- These offer a proportional discount (e.g., 10% off) on an Eligible Fee;
- Percentage discounts are applied before any value-based discounts;
- Multiple percentage discounts are cumulative;
- **Example:** A client with a 10% and a 5% discount will receive a combined 15% discount on eligible fees, applied before any value-based discounts.

b) Monthly Value-Based Discounts:

- These offer a fixed monetary discount (e.g., £25 off) on an Eligible fee;
- The discount is prorated based on the fee period;
- Applied to management or platform fees.
- Applied only after all percentage discounts have been applied
- **Example:** A £10 monthly discount on management fees will be applied each month for 3 months.

c) AUM-linked Value discount Discounts:

- These offer a discount linked to your Asset Under Management (e.g. 10bps discount to your invested AUM);
- The discount is based on your Assets Under Management (AUM) and this will be calculated on a daily basis and annualised;
- **Example:** A client with £10,000 invested for 10 days and £15,000 for 20 days in a month, with a 10bps discount, would receive a total discount of around £1.09 on their monthly fee.

4.2. The following calculation methods will be used:

a) For Percentage-Based Discount

Calculation Method: For partial periods, the percentage discount is calculated using the formula:

Total discount = (Monthly discount percentage × Number of Months in Fee Period × Number of Days in Fee Period) ÷ Number of Days in All Full Months Related to Fee Period

Where:

- Monthly discount percentage is the discount rate per month (e.g., 10% = 0.10);
- Number of Months in Fee Period counts all months touched by the fee period;
- Number of Days in Fee Period is the actual days covered by the fee;
- Number of Days in All Full Months is the total calendar days in all months touched by the fee period.

Example: For a 10% monthly discount applied to a £50 management fee covering 1-31 May and 1-27 June:

- Monthly discount percentage = 10%
- Number of months in fee period = 2 (May and June)
- Number of days in fee period = 58 (31 days in May + 27 days in June)
- Number of days in all full months = 61 (31 for May + 30 for June)
- Total discount percentage = $10\% \times 2 \times (58 \div 61) = 19.02\%$
- Discount amount = 19.02% of £50.00 = £9.51
- Final fee = £50.00 - £9.51 = £40.49

Application: Multiple Percentage-Based Discounts are cumulative and applied before any Value-Based Discounts, according to Section 5.

b) For Monthly Value-Based Discounts

Calculation Method: The discount value is calculated using the formula:

Discount value = (Monthly discount value × Number of Months in Fee Period × Number of Days in Fee Period) ÷ Number of Days in All Full Months Related to Fee Period

Example: For a £2.50 monthly discount applied to a £7.54 management fee covering 1-31 May and 1-4 June (35 days total):

- Monthly discounts value = £2.50
- Number of months in fee period = 2 (May and June)
- Number of days in fee period = 35

- Number of days in all full months = 61 (31 for May + 30 for June)
- Discount value = $£2.50 \times 2 \times (35 \div 61) = £2.87$

c) For AUM-linked Value Discount:

Calculation Method: The discount value is calculated using the formula:

$$\text{Discount Amount} = (\text{Sum of Daily AUM} \times \text{Annualised Discount Rate}) \div \text{Days in Year}$$

Where:

- Daily AUM is your total eligible assets across all Portfolios for each day in the fee period
- Annualised Discount Rate is expressed as a decimal (e.g., 10 basis points = 0.001)
- Days in Year = 365 (or 366 in leap years)

Example: For a 10 basis points annual discount on a June fee period where AUM is £10,000 for 10 days and £15,000 for 20 days: Discount = $((10 \times £10,000) + (20 \times £15,000)) \div 365 \times 0.001 = £1.09$

Application: The calculated discount amount is treated as a Value-Based Discount and applied according to the order of application set out in Section 5.

Fee Period Alignment: The discount is calculated for the same period as the underlying Eligible Fee to which it applies.

5. ORDER OF APPLICATION FOR MULTIPLE DISCOUNT TYPES

5.1. In the event You are eligible for multiple Discount of different types, the discounts will be applied in a predefined sequence as follows:

a) Step 1: Application of Percentage-Based Discounts.

- All active Percentage-Based Discounts are summed together;
- The resulting total percentage is then applied to the full amount of the Eligible Fee.

b) Step 2: Application of Value-Based Discounts.

- All active Value-Based Discounts are summed together;
- The resulting total monetary amount is deducted from the fee that the application of any percentage discounts has already reduced.

Example: For a 10% monthly discount applied to a £50 management fee covering 1-20 June and a £5 per Month Value-Based Discounts: Discount = $(£50 * (1 - (0.10 * 20 / 30))) - (£5 * (20 / 30)) = £43.33$.

6. PRIORITY RULES FOR MULTIPLE VALUE-BASED DISCOUNTS

6.1. In the event You hold more than one active Value-Based Discounts, they will be applied according to the following hierarchical order:

- i. The Discounts with the earliest effective start date is applied first;
- ii. If the start dates are identical, the Discounts with the higher discount amount is applied first;
- iii. If both the start dates and discount amounts are identical, the Discounts that was added to the Account first is applied first.

Example: The following active Discounts apply during a quarterly fee period:

- 10% percentage discount (effective 1 Jan)
- 5% percentage discount (effective 1 Feb)
- £15/month value-based Discount (effective 1 Jan)
- £10/month value-based Discount (effective 1 Jan)

Application:

- The percentage discounts are summed (10% + 5%) and applied first to the full eligible fee, reducing it by 15%.
- The value-based Discounts are applied next:
 - Both have the same start date, so the higher value (£15/month) is applied first.
 - For a 3-month fee period:
 - £15/month discounts = £45 total
 - £10/month discounts = £30 total
 - Combined value discount = £75, prorated based on the number of days in the fee period.

Distribution: The value discount is distributed proportionally across all eligible portfolios based on each portfolio's share of the total eligible fee.

7. APPLICATION ACROSS MULTIPLE PORTFOLIOS

7.1. If You hold multiple eligible Portfolios, discounts will be applied as follows:

- i. **Percentage-Based Discounts:** The discount is applied in full to each eligible Portfolio.
- ii. **Value-Based Discounts:** The total value discount is distributed proportionally across the Portfolios, based on the amount of Eligible Fees generated by each Portfolio.

8. GENERAL CONDITIONS AND LIMITATIONS

- 8.1. Unless stated otherwise, Discounts are non-transferable, cannot be exchanged for cash, and may be subject to an expiration date. Any applicable expiration date and related conditions will be communicated to You at the time the Discounts is issued.
- 8.2. The Company reserves the right to review Discounts applications for any reason whatsoever.
- 8.3. Period Application Only: Each Discount is calculated and applied only for the specific billing period in which it is active. Unused portions of any discount do not carry forward to subsequent periods.
- 8.4. Maximum Discount Limitation: Where the total applicable discount exceeds the amount of Eligible Fees due for any given period, the discount applied will be limited to the actual Eligible Fees charged for that period. The excess discount amount is forfeited and provides no credit or future benefit.
- 8.5. No Refund or Credit: Discounts do not entitle You to any cash refund, account credit, or monetary compensation under any circumstances, including where the discount value exceeds applicable fees.

9. AMENDING THESE TERMS

9.1. We may amend these Terms at any time for good reason, including but not limited to making them clearer or reflecting a change in Law or Regulatory Requirements. We will notify You of any amendments by emailing notice to You. We will give You reasonable notice of any change to these Terms.

10. GOVERNING LAW

10.1. These Terms and any obligations arising out of or in relation to them are governed by and construed in accordance with the Laws of England and Wales and all disputes shall exclusively be dealt with by the courts of England and Wales.

11. DEFINITIONS

Account means the Portfolio Management Account You hold with Us.

Company, We, Us, Our means MFM Investment Limited (trading as Moneyfarm).

Discount/s means a promotional offer issued by Us that provides a discount on Eligible Fees.

Eligible Fees means the Management Fee and the Platform Fee applicable to the Portfolio Management Service in the United Kingdom.

Management Fee has the meaning given to it in the Fees and Charges Schedule of the main Terms and Conditions.

Percentage-Based Discount means a promotional Discount that provides a discount calculated as a percentage of an Eligible Fee.

Platform Fee has the meaning given to it in the Fees and Charges Schedule of the main Terms and Conditions.

Portfolio means any and each Product held within your Portfolio Management Account.

Value-Based Discount means a promotional Discount that provides a discount of a fixed monetary value (e.g., £25).

You mean the person who opened an Account with Us.