

Adviser firms using discretionary investment managers

User guide

This guide sets out the key responsibilities that should be considered when using a Discretionary Investment Manager (DIM) service on Transact Online. It is very important that each of these sections are considered and understood to ensure you optimise your use of the investment service available.

The exact roles and responsibilities should be agreed by the adviser and the DIM and documented. For full details on using DIMs please refer to our User Guide – Third Parties on Transact. If you are new to using DIMs with Transact and would like to discuss this in more detail please contact your Adviser Support Manager (ASM).

The process of appointing a DIM

How to access DIM services

You can find a list of the DIM providers available on Transact website.

The DIM provider will need to give your firm access to their templates. The TOL menu path is *Templates > Housekeeping > Manage Access to Templates*.

The DIM provider will use your firm's FCA number to match your firm to the chosen template(s).

Once you have access to the DIM's services, confirmation will be sent to your Pickup Page. You will then be able to use the template(s) to produce Personalised Illustrations for your clients.

How to nominate a wrapper to be managed by a DIM

To appoint a DIM to manage a client's wrapper:

- DIMs can be appointed via Transact Online (*Templates > Link Templates and Appoint DIMs*).
- Once a DIM is appointed to a client's wrapper, a letter of confirmation is sent to the client.

DIM fees

The Transact Online process for appointing a DIM captures and authorises the agreed fees payable to the DIM for their ongoing investment service:

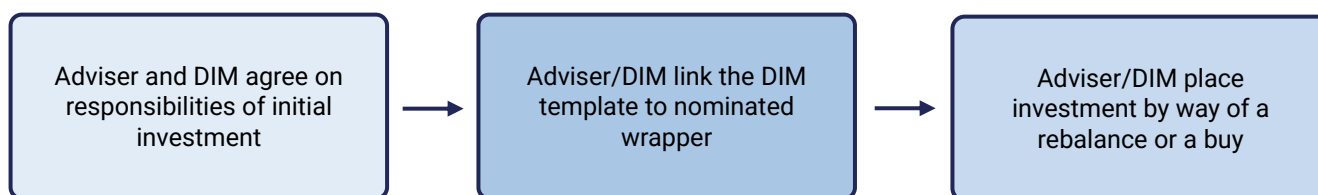
- DIM fees will only be charged to a client's wrapper when an investment is placed.
- "Suggested fee rates" may be pre-populated in the Transact Online process.
- Check that these fees are correct, edit them if necessary.
- Any subsequent increases will require a TP002(D) form to be completed.

Investing in DIM templates

Linking a wrapper to a DIM template and investing

When the DIM relationship has been established, the initial investment can be placed via one of the following Transact Online menu paths (*Templates > Template Rebalance or Transactions > Buy/Sell*).

This step can be completed by the adviser or DIM and the responsibility for this should be clearly understood between you.



Phasing into a DIM template

To "phase" monies into a DIM template we suggest you consider the use of sub wrappers on TOL.

- Sub-wrappers can help facilitate the flow of monies in the selected investment.
- These reduce the risk of the monies inadvertently being fully invested as part of a DIM rebalance.
- Open sub wrappers by going to *Housekeeping > Open Wrapper*. The phased instruction should be set up on the main wrapper.
- Periodically move cash from the sub wrapper to the main wrapper (*Transactions > Cash Transfer*).

Ring-fencing cash

If cash is required for a withdrawal or needs to be protected for any other reason, we suggest considering one of the two options below:

Option 1:

- Open a sub wrapper via *Housekeeping > Open Wrapper* and then move cash by following *Transactions > Cash and Investment Transfer*.

Option 2:

- Unlink the DIM template (*Templates > Link Templates & Appoint DIMs*) and instruct the withdrawal.
- Relink the DIM template once monies have been withdrawn.

Ongoing instructions

Other instructions and transactions to the ongoing management of your client's wrapper should also be considered. These include but are not limited to:

- Investment of additional contributions
- Selling down funds to cover withdrawals
- Protection of capital gains
- Bed and ISA/Pension.

To ensure there is a clear understanding on aspects such as these, please liaise with the DIM where necessary.

Your ASM or Client Service team will also be very happy to discuss any of these in further detail with you.

Important reports

There are certain reports that you should review regularly to ensure you get the most of using DIMs on Transact.

Payment rates report

The clients' payment rates report will help you ensure the correct fees are being paid to the DIM.

- Access via Reports > Payment Rates > Detailed.

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Portfolio summary report

The Portfolio Summary Report will assist in reviewing wrappers that may have inadvertently not been linked to a DIM template.

- Access via Reports > Portfolio Summary > All investors > Detailed > Report Level Detailed.
- Download the XLSX file where you will find the Investment Manager and Template linked.

Please note, DIM fees will still apply where a Template has not been linked.

Cash report

The Cash Report can be used to help ensure all monies have been invested. Access this via *Reports > Cash Report*.

Communication received from DIMs

Please take note of all DIM notifications regarding regular rebalance dates and proposed ad hoc rebalancing.

Also take action on client wrappers where a proposed rebalance will affect that cash position required for a withdrawal or other transactions.

Contact

To contact your ASM go to *Contact > Contact Transact* to find their contact details.



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