

Assessment of Target Market and Fair Value 2023

In this statement Tacit Investment Management ("Tacit") review our services and products, and provide details of how we deliver value, the actions we've taken and where we can do more.

We recognise that any third-party involved in the distribution chain of our services and products may have a different charging structure with their clients in line with their specific services and benefits provided, and this may vary and need not be disclosed to Tacit. Distributors are expected to undertake their own assessments to ensure the overall total price represents fair value to the underlying client.

INTRODUCTION

Tacit always aims to act in the best interests of our clients to enable them to achieve their financial goals and aspirations. Our culture is one which puts the client at the centre of what we do. We believe that high-quality service and an exceptional customer experience will deliver the best outcomes for our clients and our business.

Tacit is authorised and regulated in the UK by the Financial Conduct Authority (FCA). As part of the FCA's new Consumer Duty, we are obligated as both a manufacturer and distributor, to continually ask ourselves whether our services and products represent fair value for the price customers pay. To answer this question, Tacit is required to make a Fair Value Assessment, at least once a year, to be reviewed by the Board of Directors and made available to the FCA and to any distributors of our services and products.

SUMMARY OF THE FAIR VALUE ASSESSMENT ("FVA") OUTCOME

The Board of Tacit Investment Management has recently undertaken a fair value assessment of its investment management services in line with regulatory expectations and internally defined criteria which includes consideration of key metrics such as the target market assessment, distribution channel assessment, level of fees, attrition rate, exit penalties, complaint analysis, Total Expense Ratios (TERs), consideration of management information (MI) reports, communication frequency to clients and compliance costs, and considers that the benefits of our services are proportionate to the anticipated costs and continues to deliver fair value for all customers, including those who are vulnerable and orphaned

The FVA will remain ongoing, and we will keep our services and proposition under regular review to ensure we continue to offer good value. Any opportunities identified to enhance our services and products during the assessment process will be implemented through a formalised delivery plan.

THE NATURE OF OUR SERVICES

Our range of services and products will change over time; in keeping with customer demand and key themes we witness in the Wealth Management market and are designed to meet the needs of a variety of clients, but are generally aimed at those who:

- Have sufficient short term accessible liquid funds (i.e. cash deposits) to cater for emergencies and unforeseen expenditure.
- Require advice to enable them to make initial investment decisions, and other decisions over their investing lifetime.
- Have a lump sum to invest or are prepared to commit to a regular continuing contribution and are willing to take and accept some investment risk.
- Have a need to build or maintain savings and investments that are suitable for their individual circumstances, in a tax-efficient manner over the medium to longer term.
- Want access to a range of flexible investment solutions that support them throughout their lifetime, for example if their attitude to risk changes, if they have a need to switch income on or off, or if they wish to take a one-off withdrawal from their investment.
- Have a risk profile consistent with investing in direct equities and fixed interest securities, Unit Trusts, Open-Ended Investment Company (OEIC), Closed Ended Investment Companies (Investment Trusts) and Exchange Traded Assets.

Tacit offers a range of investment management and advice services directly and through third-party custody and settlement platforms and tax wrappers, including Individual Savings Account (ISA), a Junior ISA and a General Investment Account, Personal Pensions and Offshore Bonds, as summarised in the following table.

Managed Portfolio Service (MPS) on Platforms	Discretionary Portfolio Service (DPS) held with Tacit	Discretionary Portfolio Service (DPS) held with Tacit
Who has access to the Service (Distribution Channels)		
For Professional Advisers Only	For Professional Advisers Only	For Direct Retail Clients
<p>This service is only available on an advised basis via approved FCA regulated financial advisers using approved third-party platforms.</p>	<p>This service is only available on an advised basis, via approved FCA regulated financial advisers using Tacit Investment Management own settlement and custody arrangements.</p>	<p>This service is only available on an advised basis to direct retail clients of Tacit Investment Management who do not require via approved FCA regulated financial advisers using Investment Management own settlement and custody arrangements.</p>
What is the nature of the service?		
<p>The Managed Portfolio Service is an investment management service comprised of a range of model portfolios that utilize our Central Investment Framework to meet the investor client's needs. The portfolio appropriate for each client will depend on their willingness and capacity to accept investment risk, and their associated investment objectives.</p> <p>This is a service which is only available to FCA regulated Financial Advisers to select for their retail clients, where the account and portfolio are held within a third-party platform.</p> <p>The direct contractual relationship is between Tacit Investment Management and the FCA regulated Financial Adviser. Tacit has no direct contractual relationship with the underlying retail client. Both the FCA regulated Financial Advisers and the Platform target their services to Retail Clients.</p> <p>This service is not available on a Non-Advised or Execution Only basis.</p>	<p>This is a personalized segregated discretionary investment management service comprised of a range of investment portfolios allowing for individual preferences and investment restrictions, utilizing our Central Investment Framework to meet the client's needs. The appropriate portfolio will depend on the client's willingness and capacity to accept investment risk, and their associated investment objectives.</p> <p>This is a service which is only available to FCA regulated Financial Advisers for their retail clients, where the account and portfolio are held directly with Tacit Investment Management.</p> <p>Tacit has a contractual relationship both with the FCA regulated Financial Adviser and their underlying clients and agrees to provide the service under the Terms and Conditions dedicated to this service.</p> <p>Tacit relies on the information provided by the FCA regulated Financial Adviser about the client to determine the suitability of any investment for the client's portfolio.</p> <p>This service is not available on a Non-Advised or Execution Only basis.</p>	<p>This is a personalized segregated discretionary investment management service comprised of a range of investment portfolios allowing for individual preferences and investment restrictions, utilizing our Central Investment Framework to meet the client's needs. The appropriate portfolio will depend on the client's willingness and capacity to accept investment risk, and their associated investment objectives.</p> <p>This is a service which is only available to retail clients, where the account and portfolio are held directly with Tacit Investment Management.</p> <p>Tacit has a contractual relationship with the clients and agrees to provide the service under the Terms and Conditions dedicated to this service.</p> <p>Tacit relies on the information about the client to determine the suitability of any investment for the client's portfolio.</p> <p>This service is not available on a Non-Advised or Execution Only basis.</p>

Managed Portfolio Service (MPS) on Platforms	Discretionary Portfolio Service (DPS) held with Tacit	Discretionary Portfolio Service (DPS) held with Tacit
Who is this Target Market for this service suitable for?		
<p>Suitable for retail clients who:</p> <ul style="list-style-type: none"> ▪ Are willing to retain professional financial advice to assist them with their financial planning. ▪ Have an FCA regulated Financial Adviser relationship who is responsible for assessing suitability and can help them understand the risk / reward profile, features and objectives of the risk categories and portfolios, and advise on risks and time horizon. ▪ Wish to benefit from the expertise of an active investment manager that will make investment decisions on the investor client's behalf, but do not wish to use the full services of an investment manager. ▪ Want the reassurance that their investments are being managed by professionals with proven track records and that their adviser is ensuring the choice of portfolio continues to meet their needs ▪ Are willing to invest over the medium to long term in in a wide range of asset types, mainstream investments, which may contain both complex and non- complex products. ▪ Are willing to accept some degree of investment risk and can accept and have the capacity to absorb a capital loss. ▪ Have an investment objective and attitude to risk consistent with one of the available investment strategies or model portfolios detailed in our Target Market Information Sheets. 	<p><i>Suitable for retail clients who:</i></p> <ul style="list-style-type: none"> ▪ Are willing to retain an FCA regulated Financial Adviser to assist them with their financial planning and is responsible for assessing and recommending the appointment of a discretionary investment manager. ▪ Wish to benefit from the expertise of an active investment manager that will make decisions on their behalf, and access to a dedicated Investment Manager to assist them with their investment plan and incorporate specific investment preferences and/or restrictions into their portfolio, with the adviser ensuring that their investments are being managed to meet their needs. ▪ Are willing to invest over the medium to long term in in a wide range of asset types, mainstream investments, which may contain both complex and non- complex products. ▪ Are willing to accept some degree of investment risk and can accept and have the capacity to absorb a capital loss. ▪ Require a tax-efficient way to build up their savings by investing for potential growth and the flexibility to stop, start or change their contributions and/or take income without additional charges ▪ Requires access to flexibility and features not offered on third party platforms, such as consolidated portfolio construction and the accommodation of cherished holdings and capital gains tax management. 	<p><i>Suitable for retail clients who:</i></p> <ul style="list-style-type: none"> ▪ Who do not wish to use the services of a FCA regulated Financial Adviser. ▪ Would like direct access to a dedicated Investment Manager and would like to incorporate specific investment preferences and/or restrictions into their portfolio such as management of their capital gains allowance, to assist them with their investment plan. ▪ Are willing to appoint a discretionary investment manager who will monitor and manage the assets held in their portfolio or accounts(s) to assist them with their investment plan, ensuring the portfolio continues to meet their needs ▪ Are willing to invest over the medium to long term in in a wide range of asset types, mainstream investments, which may contain both complex and non- complex products. ▪ Are willing to accept some degree of investment risk and can accept and have the capacity to absorb a capital loss. ▪ Require a tax-efficient way to build up their savings by investing for potential growth and the flexibility to stop, start or change their contributions and/or take income without additional charges ▪ Requires access to flexibility and features not offered on third party platforms, such as consolidated portfolio construction to fully utilize the benefits of tax advantaged accounts, and the accommodation of cherished holdings

Managed Portfolio Service (MPS) on Platforms	Discretionary Portfolio Service (DPS) held with Tacit	Discretionary Portfolio Service (DPS) held with Tacit
What is the Negative Target Market and would be unsuitable for?		
<p><i>May not be compatible for clients who:</i></p> <ul style="list-style-type: none"> ▪ Are not classified as Retail Clients. ▪ Only wish to invest in cash. ▪ Who require a transactional service only, with no ongoing advice to assess suitability. ▪ Do not wish to use the services of a FCA regulated Financial Adviser. ▪ Have low value investments where the platform and investment costs would not be justified. ▪ Are fully risk averse and have no tolerance to risk. ▪ Cannot accept any capital loss as this service does not have any specific capital guarantees or full repayment of amount invested. ▪ Need a fully predictable return profile and/or a guaranteed income. ▪ Want to make short-term, high-risk or volatile investments to make a quick return ▪ Requires access to flexibility and features not offered on third party platforms, such as consolidated portfolio construction to fully utilize the benefits of tax advantaged accounts, and the accommodation of cherished holdings. ▪ Prefer to have a tailored portfolio, built to match and adapt to their individual needs. 	<p><i>May not be compatible for clients who:</i></p> <ul style="list-style-type: none"> ▪ Are not classified as Retail Clients. ▪ Only wish to invest in cash. ▪ Who require a transactional service only, with no ongoing financial planning and investment advice to assess suitability. ▪ Do not wish to use the services of a FCA regulated Financial Adviser. ▪ Do not wish to use the services of a Discretionary Investment Manager. ▪ Have low value investments where the service and investment costs would not be justified. ▪ Are fully risk averse and have no tolerance to risk. ▪ Cannot accept any capital loss as this service does not have any specific capital guarantees or full repayment of amount invested. ▪ Need a fully predictable return profile and/or a guaranteed income. ▪ Want to make short-term, high-risk or volatile investments to make a quick return 	<p><i>May not be compatible for clients who:</i></p> <ul style="list-style-type: none"> ▪ Are not classified as Retail Clients. ▪ Only wish to invest in cash. ▪ Who require a transactional service only, with no ongoing investment advice to assess suitability. ▪ Do not wish to use the services of a FCA regulated Financial Adviser. ▪ Do not wish to use the services of a Discretionary Investment Manager. ▪ Have low value investments where the service and investment costs would not be justified. ▪ Are fully risk averse and have no tolerance to risk. ▪ Cannot accept any capital loss as this service does not have any specific capital guarantees or full repayment of amount invested. ▪ Need a fully predictable return profile and/or a guaranteed income. ▪ Want to make short-term, high-risk or volatile investments to make a quick return

Managed Portfolio Service (MPS) on Platforms	Discretionary Portfolio Service (DPS) held with Tacit	Discretionary Portfolio Service (DPS) held with Tacit
How is the Target Market Client Supported?		
<p>The client is supported by the FCA regulated Financial Adviser or Platform as distributors of this service and are primarily responsible for ensuring that all clients receive the appropriate support to ensure this service helps them to achieve their financial objectives and fully understand the key features and the associated risks.</p> <p>Where the client is in vulnerable circumstances, the Financial Adviser or Platform should assess that this service is able to meet the needs of the client.</p>	<p>The client is supported by the FCA regulated Financial Adviser and Tacit Investment Management. The Financial Adviser is a distributor of this service and is primarily responsible for ensuring that all clients receive the appropriate support to ensure this service helps them to achieve their financial objectives and fully understand the key features and the associated risks.</p> <p>Where the client is in vulnerable circumstances, the Financial Adviser or Platform should assess that this service is able to meet the needs of the client.</p>	<p>Tacit Investment Management as distributor of this service should ensure that all clients receive the appropriate support to ensure this service helps them to achieve their financial objectives and fully understand the key features and the associated risks.</p> <p>Where the client is in vulnerable circumstances, the Tacit Investment Management should assess that this service is able to meet the needs of the client.</p>
What service benefits does the Target Market Client receive?		
<p>Benefits of service to Target Market are detailed in the Managed Portfolio Service Brochure.</p>	<p>Benefits of service to Target Market are detailed in the Discretionary Portfolio Service Brochure and Investment Proposal.</p>	<p>Benefits of service to Target Market are detailed in the Discretionary Portfolio Service Brochure and Investment Proposal.</p>
Conflicts of interest		
<p>There are no conflicts of interest between Tacit Investment Management and/or any Tacit Holdings Group company the intended client or any distributor.</p>		
Foreseeable harm		
<p>We do not believe that the design of the service could cause foreseeable harm by a retail investor accessing this service through a regulated financial adviser and/or Tacit Investment Management. The client accepts associated risks and that portfolio values can increase or decrease.</p>		

PRODUCT & SERVICE: PRODUCT GOVERNANCE, TARGET MARKET & DISTRIBUTION

Tacit has a product governance policy, procedures and processes in place which set out requirements for the design, approval, and review of each of its services and products to ensure they remain capable of meeting customers' needs and delivering fair value, and that the distribution method and medium remains appropriate. We also have processes in place to support vulnerable customers, with vulnerable customer training rolled out to all staff.

Specifically, the policy ensures:

- Senior Management is responsible for the regular review, appropriate testing and approval of any new service and product developments and changes to existing products.
- All services and products comply with relevant regulation and can be managed and maintained in line with customer expectations and terms and conditions.
- Target markets & negative target markets are identified, validated, communicated, and reviewed.
- The distribution method and medium is appropriate, and the service or product can be distributed compliantly.
- For the services and products, we manufacture it is our requirement that the distributor ensures any costs they pass on to the customer offer fair value for the service the distributor provides.
- Where distribution partners responded to our information request, our assessment of these measures confirmed that the distribution strategy for our services and product remains appropriate.
- Relevant risks, foreseeable harms and potential conflicts are identified, monitored and any appropriate mitigations are put in place.
- MI/Data is monitored on an ongoing basis to ensure that products can meet the needs of customers in the target market and deliver fair value & good outcomes across the life of the product.

We have assessed that our service and product design continues to meet the needs of the defined target market including vulnerable customers. We continue to work with our distribution partners to obtain and assess information, and agree actions as required, to ensure the ongoing value of our services and products.

PRICE & VALUE: HOW DO WE ASSESS VALUE?

We aim to assess from multiple sources whether there is a reasonable relationship between the price paid for our services and products and the overall benefit a customer receives from them. It is important to note that cost does not

equal value and while in some instances our fees may appear higher than our peers, it is our belief that this is reflected in the level of service we provide.

Our assessment considers whether our services and products are designed and aligned to the needs of customers in the identified target market and compares costs and benefit, both monetary and non-monetary for customers, and consider the quality of service, including customer experience (communication and support) and satisfaction gathered through customer feedback to understand the impact on the overall value to our customers.

ASSESSMENT OF PRICING AND CHARGES

We are keenly aware that customers and advisers have a choice about where and how they invest their money. We continually review our price and how we benchmark against similar propositions in the market to ensure that we deliver value for money for our customers.

Our pricing structure is transparent and easy for the customer to understand and has been designed to ensure fair value, with customers only being charged for the services they use. The fees and charges the customer pays benchmark favourably compared to similar companies in the market, and we therefore believe that when we look at total cost including all fees, charges and distributor costs where appropriate, and when all fees and charges are combined, we believe customers have a realistic chance of achieving their financial goals. A full list of fees and charges can be found in our Service Rate Cards.

Our assessment of these measures confirmed the ongoing fair value of our services and products, and our pricing practices result in fair outcomes for our customers, and we would comment as follows.

- Tacit provides a range of services at a price point that varies based on distribution, custody and platform arrangements, and the role each party involved in the overall customer relationship undertakes.
- Our pricing structure remains transparent and competitive with no annual year-on-year increases.
- We have no other charges other than those set out in the fee schedules, specifically we do not levy ad-hoc or ongoing establishment fees, dealing charges or closure or transfer in and out fees.
- Tacit does not receive rebates or commission received from external parties and passes on the full interest earned on cash deposits from the custodian or platform provider.
- Tacit customers are charged for us providing services associated with their investments. These cover everything we offer as an investment manager, including any costs

associated with administering customer accounts, such as ISAs, Taxable General Investment Accounts and Pensions and providing all the regulatory reporting of assets customers choose to hold.

GENERAL SERVICE BENEFITS

- Provide the tools and resources to help FCA Financial Advisers to make informed recommendations surrounding our services and products.
- Enables FCA regulated Financial Advisers to offer discretionary investment management services, either directly or by linking to a range of our MPS model portfolios available on approved third-party platforms.
- Facilitate the payment of advice fees to FCA regulated Financial Advisers.
- Dedicated, named Investment Director for selected services and products (DPS & OWS Only).
- Experienced and competent Client Support staff for efficient administration and timely and appropriate responses to enquiries.
- Simple transparent charging structure
- Access to client accounts through our secure online portal.
- Open architecture investment flexibility, with wide range of investment options, including a number of different types of funds, shares and exchange-traded products.
- Ongoing oversight of all the funds and investments through a governance forum to make sure they're appropriate for our customers.

For Discretionary Portfolio Service and OneWealth Service Only

- Flexible consolidated portfolio construction to accommodate tax advantaged accounts.
- Total flexibility on the frequency of income and drawdown payments options.
- In specie transfers of existing investments
- Accommodation of investment restrictions and cherished holdings
- Use of satellite Execution Only / Advisory Accounts to accommodate bespoke requirements.

QUALITY OF SERVICE

We monitor the quality of service through personal customer experiences to determine whether our service delivers value for money. This evidence is obtained through verbal and written feedback from customers, financial adviser and our employees.

We will continue to review and engage with customers and advisers regularly to obtain feedback on our how our services and products are used by customers enabling us to continually improve our services.

We will continually review our key systems and services are operating to the high standard we expect, using specific data analytics and information to provide an objective assessment of the service quality and provide a better experience for our customers through continued improvement of systems and training of our employees based on the outcomes.

We have measures in place to identify areas of concern for customers and advisers and address any complaints quickly and efficiently.

ONGOING CUSTOMER SUPPORT

The level of support required by a consumer and their financial adviser will vary, and we ensure that we understand the vulnerabilities of our consumers in our communication with them, and we can be contacted through a number of channels whether that be digital, telephone or face to face.

Dedicated qualified teams and colleagues are available to provide support, and all colleagues are provided with the appropriate level of training relevant to their role to ensure they have the necessary knowledge, skills, and capabilities, including access to appropriate systems and processes to recognise and respond to a range of characteristics linked to consumer vulnerability and to answer and respond to consumer queries or concerns.

CUSTOMER UNDERSTANDING

Our sales and marketing documents and communications are designed to provide an overview of the services and products available and are issued to customers at the point of sale and are in our view, clear and easy to understand.

Customers derive fair value at point of sale. Key communications are issued to our customers and advisers at the relevant time, with our qualified investment managers spending time with the consumer or financial adviser, explaining the features, benefits and charges of our services and products that would be most suitable.

We only accept new business through advisers, and as a result our customers benefit from receiving financial advice to ensure the product is suitable for their needs. There are no barriers to exit within our services and products, and all charges are fully disclosed and explained to customers in our pre and post-sale information for the duration of our services and products.

We undertake extensive testing to identify any areas where they can be improved to ensure they meet customer

expectations. Any opportunities identified to enhance our communications to Financial Advisers and clients are being progressed and implemented through a formalised delivery plan.

Our assessment of these measures throughout the customer lifecycle, confirmed the ongoing fair value of our services and products, this is borne out by our analysis of complaints data. Should a consumer have a need to complain, a robust complaints process is in place to ensure appropriate contact; action and redress is undertaken as required. We also undertake root cause analysis in order to monitor trends, including those linked to Consumer Duty outcomes.

GENERAL INFORMATION

Manufacturer: Tacit Investment Management

Services: Managed Portfolio Service; Discretionary Portfolio Service for Advisers; Discretionary Portfolio Service; OneWealth Service

Date Published: April 2023

Date of next assessment: July 2024

Tacit.FVA0430

CONTACT DETAILS



+44(0)203 051 6450



info@tacitim.com



www.tacitim.com

IMPORTANT DISCLAIMER: This document has been issued and approved by Tacit Investment Management. Tacit investment management is a trading name of TIML Limited. TIML Limited is authorised and regulated by the financial conduct authority. FCA number: 670184. Registered office: 17 Hanover Square, London, W1S 1BN. Registered in England and Wales no. 09228395. E. & OE. © TIML Limited. All rights reserved