

Target Market & Fair Value Assessment Statement

For the reporting period ending 30 June 2025

This 2025 Target Market and Fair Value Assessment Statement, reflects our current proposition, our latest Consumer Duty assessment and our ongoing commitment to delivering good outcomes and fair value for all our clients as our services and regulatory environment continue to evolve.

In this statement Tacit Investment Management Limited ("Tacit", "us", "we") reviews our services and products, and provides details of how we deliver value, the actions we have taken, and where we are continuing to enhance our approach.

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, reflecting the specific services and benefits they provide. These arrangements may vary and need not be disclosed to us. Distributors are expected to carry out their own assessments to ensure the overall total price represents fair value to the underlying client.

Introduction

Tacit aims to act in the best interests of our clients and to help them achieve their financial goals and aspirations. Our culture places 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 for our business.

Tacit is authorised and regulated in the UK by the Financial Conduct Authority (FCA). As part of the FCA's Consumer Duty, we are required, as both a manufacturer and distributor, to ask ourselves on an ongoing basis whether our services and products represent fair value for the price customers pay, and whether they continue to meet the needs of clearly defined target markets, including customers with characteristics of vulnerability.

To answer these questions, Tacit completes an annual Consumer Duty assessment supported by detailed outcome reports and undertakes a formal Fair Value Assessment ("FVA") which is reviewed by the Board of Directors and made available to the FCA.

During the latest reporting period we have continued to evolve our business model from a discretionary investment house into a fully integrated wealth management provider, following the launch of a refreshed service framework.

Summary of the Fair Value Assessment outcome

The Board of Tacit Investment Management has recently undertaken a fair value assessment of its investment management, wealth management, execution only and financial advice services in line with regulatory expectations and internally defined criteria.

These criteria include target market and distribution assessments, fee levels and structure, attrition and retention, exit penalties, complaint analysis, total expense ratios and third-party costs, investment performance measurement, communication frequency, vulnerability data and compliance costs.

Drawing on this assessment, the Board has concluded that

- The benefits, features and service levels delivered across all active services are proportionate to the total costs borne by customers.
- Our services and products continue to offer fair value for all customers, including vulnerable clients and less engaged or "orphaned" clients within our book.
- All four Consumer Duty outcomes, Products and Services, Price and Value, Consumer Understanding and Consumer Support, were assessed as Green on actual performance.

The fair value assessment is an ongoing process. We will keep our services, pricing and propositions under regular review to ensure we continue to offer good value.

Any opportunities identified to enhance our services and products or improve the evidence of outcomes we hold will be taken forward through a formalised delivery plan.

The nature of our services

Our range of services and products is designed to evolve over time in line with customer demand, regulatory expectations and key themes in the wealth and investment management market. The proposition is built around advised services only, we do not offer DIY investment management, and is designed to meet the needs of a variety of clients who:

- Have sufficient short term readily accessible funds to cover emergencies and unforeseen expenditure.
- Require advice or professional investment management support to make initial and ongoing investment decisions.
- Have a lump sum to invest or are prepared to commit to regular contributions and are willing to accept appropriate investment risk.
- Need to build or maintain savings and investments that are suitable for their circumstances, often in a tax efficient manner, over the medium to long term.
- Want access to a range of flexible investment solutions that can adapt as their circumstances, risk appetite or income needs change.
- Have a risk profile consistent with investing in mainstream investments such as equities, bonds, funds, investment trusts and exchange traded funds, which may include both complex and non-complex products.

Our service family

Tacit offers a suite of services which together provide a coherent wealth and investment proposition for UK individuals and families, charities, trusts and corporate clients.

These are delivered either directly by Tacit, or via professional financial advisers.

Direct client services

- Wealth Management Service, a holistic service that combines discretionary investment management with integrated financial planning and advice for clients with more complex, multi-faceted needs.
- Discretionary Investment Management Service for Direct Clients, a dedicated discretionary portfolio management service for clients who want professional investment management without an ongoing holistic financial advice and planning relationship.
- Custody and Execution Only Service, for existing clients who wish to hold and manage their own “cherished” or self-directed investments alongside their managed portfolios without advice.
- Financial Advice Service, a focused, fixed fee financial planning and advice service available only to existing discretionary clients who require targeted advice on specific planning questions, such as retirement or estate planning, without full ongoing advice.

For clients whose needs fall outside our target markets, we operate a triage model, signposting those seeking fully independent financial advice to reputable external adviser firms (including any sister companies within the Tacit Holdings group), and directing self-directed investors towards established DIY investment platforms where this better matches their preferences and cost expectations.

Services for clients introduced by professional advisers

- Managed Portfolio Service (MPS) for Advisers, a range of model portfolios available on approved third party platforms, where Tacit manages underlying investments and the adviser selects the appropriate model for the end client under an “agent as client” arrangement.
- Discretionary Investment Management for Clients Introduced by Professional Advisers, a segregated discretionary portfolio service where we manage investments on the basis of information and suitability assessments provided by an FCA regulated financial adviser.

Service matrix, target markets and distribution channels

The table below summarises our core services, their primary distribution channels and the types of customers for whom each service is, and is not, designed. It is a high-level summary, and each service has a dedicated factsheet with fuller positive and negative target market statements.

Service	Nature of service	Positive target market, suitable for	Negative target market, generally not suitable for	How clients are supported and key benefits
For Direct UK Retail Private Clients				
Wealth Management Service	Holistic wealth management service combining discretionary investment management with ongoing financial planning and advice under a single relationship.	Clients who want a coordinated approach to their wider financial position, have medium to long term investment goals, are comfortable delegating investment decisions, and have more complex planning needs such as retirement, estate and tax planning.	Clients who want to make their own investment decisions, require capital guarantees, have very short-term horizons or only simple needs that do not require ongoing advice.	Dedicated wealth manager, integrated planning and investment management, regular reviews, access to global multi asset strategies, use of tax wrappers and cash flow modelling to support long term goals.
Discretionary Investment Management (DIMS)	Segregated discretionary portfolio management service focused on managing investments in line with a documented mandate, without an ongoing holistic planning contract.	Clients who wish to delegate day to day investment decisions to professionals, want a personalised portfolio, value tax efficiency and regular reviews, and have medium to long term objectives.	Clients seeking execution only services, those who want to trade frequently themselves, require guaranteed outcomes, or need only very simple solutions.	Named investment director, tailored portfolios across multiple wrappers, no transaction or exit fees, secure portal access and regular reporting, support for vulnerable clients through adjusted communication and servicing.
Custody and Execution Only Service <i>(For existing clients only)</i>	Execution only dealing and custody service for existing clients who wish to hold and trade some investments themselves outside discretionary management, often "cherished holdings".	Existing clients who are confident in making their own investment decisions for part of their wealth, want secure custody, efficient administration, and understand the risks of self-directed investing.	New to investment clients, those needing advice, those unable to accept investment risk or requiring a managed solution, or who are unfamiliar with financial markets.	Secure custody through a major platform, access to a broad investment universe, no transaction charges from Tacit, regular valuations and online access, while clients retain full responsibility for investment decisions.
Financial Advice Service <i>(For existing clients only)</i>	One off, fixed fee advice service focused on specific planning topics, complementing the client's discretionary investment relationship.	Existing discretionary clients with a defined advice need in one or two areas, such as retirement planning, tax efficient investing, protection or estate planning, who do not require a full ongoing advice contract.	Non clients, those seeking independent or whole of market advice across all areas, or clients requiring intensive ongoing planning across multiple complex issues.	Regulated advice from a wealth manager who understands the client's portfolio, fixed and transparent fees, written recommendations and implementation support, with flexibility to return for future advice if circumstances change.
For Introduced UK Retail Clients of UK Regulated Professional Advisers				
Managed Portfolio Service (MPS)	Model portfolio service where Tacit manages a range of risk rated multi asset strategies and advisers select the appropriate model for their clients.	Advised retail clients who are comfortable using model portfolios selected by their adviser, are investing for at least five years, and are willing to accept investment risk in line with one of the available strategies.	Clients who want a bespoke portfolio, want to choose their own investments, cannot accept investment risk, or require guaranteed returns or daily access to all capital.	Professionally managed models, regular rebalancing and oversight, access via leading platforms, clear risk and objective definitions, efficient and cost-effective solution that complements adviser financial planning.
Discretionary Investment Management, Introduced	Segregated discretionary portfolio management where Tacit manages the portfolio and the professional adviser retains responsibility for overall financial planning and advice.	Clients who receive ongoing advice from a regulated adviser, are investing for the medium to long term, value a partnership between their adviser and discretionary manager, and want access to multi asset or specialist strategies.	Clients who do not have, or do not want, a financial adviser, or who prefer a simple, all in one solution without a separate investment manager.	Joint servicing by the adviser and Tacit, professional portfolio management, ability to tailor portfolios, access to tax wrappers, efficient transfer of existing assets and no transaction charges levied by Tacit.

For clients whose needs fall outside our target markets, we operate a triage model, referring those seeking fully independent financial advice to our sister company within the group, and signposting self-directed investors to reputable external DIY platforms where this better matches their preferences and cost expectations.

Product and service governance, target market and distribution

Tacit operates a formal product governance framework which sets out how services are designed, approved, monitored and reviewed throughout their lifecycle. This framework is aligned with PROD and Consumer Duty requirements and is overseen by the Board and relevant committees.

Key features include

- Senior management responsibility for the review, testing and approval of new or materially changed services, with Board oversight of strategic changes such as the introduction of the Wealth Management and Financial Advice services.
- Documented target market and negative target market statements for each service, embedded in updated factsheets and literature, mapped to client lifecycle stages, distribution channels and complexity of needs.
- Clear separation between direct and adviser introduced client journeys, including reliance on information protocols for advisers, and an "agent as client" structure for our platform MPS.
- Ongoing product and service reviews that take account of performance, client outcomes, complaints, feedback and operational experiences, with no material risks of harm identified during the latest reporting period.
- A deliberate choice to maintain a focused, advice led and high touch distribution model, with a small number of trusted introducers and no mass market or execution only onboarding channels.

Price and value, how we assess value

We assess fair value by looking at the overall relationship between the total price paid by clients and the benefits they receive, considering monetary and non-monetary aspects of service. Cost alone does not equal value, so our analysis considers quality of service, investment performance, financial planning support, digital access, vulnerability support and ease of doing business, alongside fees and charges.

During the period, we completed a comprehensive review of our pricing structure to support the refreshed service framework. This resulted in

- Clearly tiered fee structures for Wealth Management, Discretionary Investment Management and Discretionary Investment Management for Advisers, aligned to service scope, complexity and cost of delivery.

- A simplified, flat percentage fee approach for most clients, improving transparency and client understanding compared with complex breakpoint scales.
- Distribution aware pricing, including discounted discretionary fees for adviser introduced clients and a lower fee structure for platform MPS, reflecting the adviser's role and the lower central servicing requirement.
- No initial, onboarding, transaction, closure or transfer fees for our core services, which reduces frictional cost and supports long term value.

Our assessment also draws on

- Comparative benchmarking against peers and industry data, using sources such as independent fee benchmarking reports and public disclosures from other wealth and investment managers.
- Ongoing tracking of service usage, client feedback, complaints data, investment performance relative to objectives and peers, and adviser insight. No complaints were received in relation to fees or pricing in the period.

On this basis, we consider that our services and products provide fair value for the defined target markets, with pricing that is competitive for the service levels delivered and aligned with regulatory expectations.

Assessment of pricing and charges

From our latest assessment we would highlight the following points

- Tacit provides a clearly structured range of services at price points that vary according to the level of ongoing advice, portfolio personalisation, planning complexity and distribution channel.
- Our charging structure remains transparent, with fees disclosed in Service and Fee Schedules and service factsheets, and with no hidden or ad hoc charges.
- Clients pay only for the services they use, with execution only custody priced separately from discretionary and wealth management services, and one-off advice priced on a fixed fee basis.
- We do not receive commissions or fund rebates, and interest on client cash is passed through from platform providers without additional margin taken by Tacit.
- Our investment strategies continued to deliver outcomes that were consistent with, and in many cases ahead of, their objectives and peer groups over

the assessment period, supporting the overall value for money clients receive.

General service benefits, foreseeable harm and vulnerable clients

Across all services, our clients benefit from

- Access to experienced investment professionals and wealth managers, supported by a disciplined research and oversight framework.
- A high touch service model, with dedicated contacts, regular reviews and responsive client support.
- Open architecture investment flexibility within an agreed framework, with access to a broad range of funds, shares and exchange traded products, alongside a range of tax wrappers such as ISAs, pensions and bonds, where available through the chosen custodian or platform.
- A developing digital proposition via our client portal, supporting secure messaging and document sharing.
- A considered and maturing approach to vulnerability, with updated policy, staff training, and reasonable adjustments for vulnerable and pre vulnerable clients across all service lines.

We do not believe that the design of our services is likely to cause foreseeable harm where they are accessed through appropriate channels and within defined target markets. We take active steps to avoid foreseeable harm by

- Excluding non-retail clients and DIY investors from advised services.
- Ensuring that execution only services are only made available to existing clients who demonstrate appropriate understanding and experience.
- Maintaining close relationships with adviser distributors and operating a reliance on information model with ongoing dialogue around suitability and vulnerability.

We have assessed that there are no material conflicts of interest between Tacit, our group companies, the intended clients or distributors in relation to the services covered by this statement. Where potential conflicts could arise, they are managed within our Conflicts of Interest Policy and governance framework.

Important things to remember

All the solutions we offer involve some form of investment risk and you should be aware that the value of investments can fall in value, so you could get back less than the original capital you invested.

Whilst the rules we refer to are those that currently apply, they can change over time and their value and how you are taxed will depend on your personal circumstances, and tax rules at the time.

You have sole responsibility for the management of your tax and legal affairs including all applicable tax filings and payments and for complying with the applicable laws and regulations.

We may provide guidance on using tax-efficient structures such as making use of tax allowances. We are not specialist tax advisers and will not provide you with tax or legal advice and recommend that you obtain your own independent tax and legal advice, tailored to your individual circumstances.

Contact us

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TIML/CD/TM&FVAS/2025

Tacit Investment Management is a trade name of TIML Limited. and is part of the Tacit Holdings Limited group of companies. Incorporated and registered in England and Wales. Registered number 9228395. Registered office 14 Hanover Square, London, W1S 1HN. Tacit Holdings Limited is incorporated and registered in England and Wales. Registered number 10611211.

TIML Limited is authorised and regulated by the Financial Conduct Authority number 670184.

The Financial Conduct Authority does not regulate Tax and Estate planning.