

Target Market Guide

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Target Market Guide – For introduced clients

The aim of this document is to provide you with a useful summary of information about the services we offer.

Before we offer any services to you and your clients, we make certain that we have explained the services that we provide. An agency agreement is established between us and you, the adviser. An Investment Proposal will be provided, based upon the client's risk profile that you have provided to us. The proposal will lay out the cost and charges that the client may incur and consider any additional relevant information that you have provided. This is the backbone to your Suitability and advice process, so you can make an informed decision about whether the service is suitable and appropriate for your client.

All our services are backed up by rigorous governance, whether it be external review by our lawyers, or auditors, or internal oversight by our Executive Committee and Risk & Compliance team.

Our aim is to help you understand how we can work together and make the right decisions about how to manage your client's wealth.

Our services for introduced clients of financial advisers

DISCRETIONARY INVESTMENT MANAGEMENT

As a financial adviser, you are responsible for deciding if CAM may provide services that would be appropriate for your client and, if so, what type of service is suitable for your client's risk profile and life goals.

In discussions with your clients, you may identify potential vulnerabilities that you may determine it's appropriate to address. Whether it is issues with health, difficult personal circumstances, or the need to appoint an Attorney, we have in place a Vulnerability Policy and detailed procedures. These are continually reviewed with the aim of supporting those of our clients who are or may become Vulnerable, employing the very best practice in our industry. These are supported by an excellent process of staff training to ensure that whomever you're speaking with at CAM, be it Client Information Services or your Investment Manager, we can provide the skilled input that you need.

The following sections provide a more detailed overview of our services.

BESPOKE DISCRETIONARY SERVICE

This is a service that might be appropriate for you to consider if your client wishes to benefit from the expertise of a dedicated discretionary investment manager, who can create a bespoke portfolio for their needs. It utilises our Central Investment Process to ensure that there is oversight and control; you benefit from the experience and rigorous research that is core to our Process and we will create a service that is designed to meet your client's objectives and needs.

A dedicated investment manager will make all the investment decisions backed by an investment framework to invest your client's money in the portfolio service that is appropriate for the client's risk profile. Your investment manager is your client's main point of contact at CAM and can be utilised for periodic review meetings to discuss the portfolio and give market commentary to your client.

The underlying portfolio may contain a mix of complex and non-complex funds, which are blended together to achieve the optimum level of risk and return.

It is important to note that our discretionary service does not facilitate clients choosing investments within portfolios or having a strong view on certain sectors that we need to reflect. Your client's investment manager will construct a portfolio to achieve a desired outcome and will have a reference benchmark which they will aim to outperform over our time horizon. Where your client may have legacy investments which have large CGT or personal attachment issues, we will clearly ensure the portfolio is adapted to reflect this. Our ability to achieve the benchmark may be impacted accordingly.

We have different portfolio services for different risk appetites, but all are overseen by the Centralised Investment Process mentioned above. The majority of our portfolios will aim to outperform inflation ('CPI') over your client's investment horizon, which should be for a minimum of 7 years.

'CPI' is the abbreviation for Consumer Price Index, which is the main UK measure of the level of inflation.

Service Name	Service Description	Service Risk	Typical Client Profile
Real2 and Sustainable Real2	To outperform CPI+2% net of fees over our investment horizon	35-50% of world equity risk	To grow your client's wealth with lower exposure to equity risk and to be less subject to large stock market falls and gains
Real3 and Sustainable Real3	To outperform CPI+3% net of fees over our investment horizon	50-65% of world equity risk	To grow your client's wealth with medium exposure to equity risk but that may be subject to higher volatility
Real Income	To fund withdrawals of up to 3.5% over our investment horizon	50-65% of world equity risk	To grow your client's wealth with a medium to higher level of equity risk in the portfolio, making it much more subject to stock market volatility
Real4 and Sustainable Real4	To outperform CPI+4% net of fees over our investment horizon	65-80% of world equity risk	To grow your client's wealth with a medium to higher level of equity risk in the portfolio, making it much more subject to stock market volatility
Growth	To outperform the MSCI PIMFA Private Investor Global Growth Index net of fees over our investment horizon	80-90% of world equity risk	To grow your client's wealth with a portfolio with a high level of equity risk and little protection from stock market volatility
Global Equity	To outperform the MSCI PIMFA Global Equity Index over our investment horizon	100% of world equity risk	To grow your client's wealth with the highest equity risk possible and no protection against equity market falls

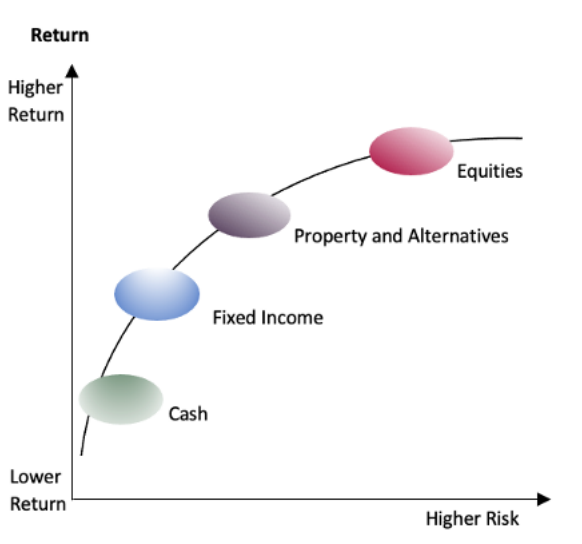
The service risk is designed to give you an idea of the level of risks to which your client's portfolio will be exposed over our investment time horizon. A Real2 is designed to be the lowest risk portfolio so that your client will be exposed to 35% to 50% of any global equity market movements. Your client will only benefit from 35% to 50% of any market gains; conversely, they should only be exposed to 35% to 50% of any market falls. All our services aim to generate returns via a diversified

multi-asset portfolio, combining a variety of funds and securities in different asset classes and geographical exposures. The higher the risk of the service, the more equity exposure there will be within the portfolio. The lower risk portfolios will have a greater exposure to non-equity asset classes such as fixed income, property, and alternatives.

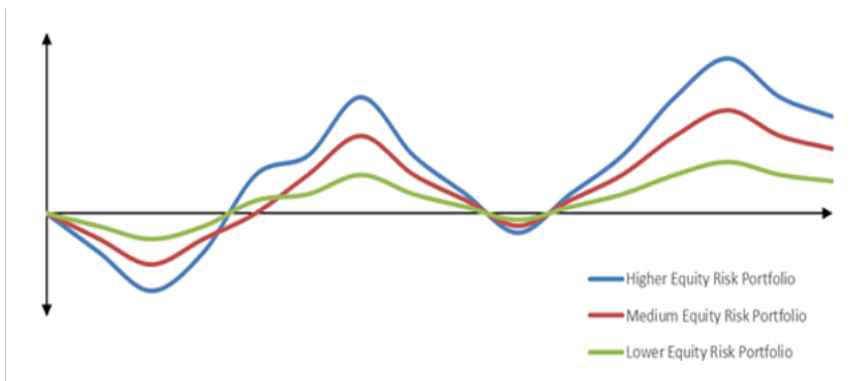
HOW DO WE CONSTRUCT PORTFOLIOS?

It is impossible to generate returns over time without taking an element of risk. The more risk one takes then the greater the probability of higher returns. However, with an increase in risk, comes a greater chance of the journey being more volatile or your client losing money.

Depending on the service, our portfolios will employ a blend of assets that have different risks and return characteristics as illustrated by the diagram* below:



The below chart* shows the possible performance of different equity risk portfolios over time. The chart is for illustrative purposes only; it does not represent existing portfolios or likely future returns. As you can see, the lower equity risk portfolios tend to have a smoother journey over the investment cycle, without experiencing the larger peaks and troughs of a higher equity risk portfolio.



*Source: City Asset Management, October 2022

WHAT SERVICE IS BEST FOR MY CLIENT?

There are several factors to consider when determining the risk profile for your client's investment portfolio. Some of the key areas which you, as the adviser, will consider are:

- Attitude to Risk - your client's views and experience with investments and risk/return
- Time Horizon - the period during which your client can commit to being invested
- Capacity for Loss - your client's ability to sustain investment losses over the course of their investment time horizon
- Other specific personal goals or lifestyle aims of your client

We believe our bespoke discretionary services are appropriate for the following types of clients:

CLIENT TYPE

This service is for those clients who want a portfolio that is tailored to their specific requirements in terms of outcome. It is only appropriate if your client has over £250,000 to invest, given the frictional costs involved. Clients who invest with us are normally classified as 'retail', which affords the highest level of protection. Typically, our clients for this service are private individuals, families, charities, trusts and small corporate pension schemes.

CLIENT KNOWLEDGE AND EXPERIENCE

This service is suitable for your client if they have limited knowledge and experience or some knowledge and experience of investments but wish for someone to make the investment decisions on their behalf without the need to be consulted.

CLIENT'S CAPACITY OR ABILITY TO SUFFER LOSS

This service offers no capital guarantees; all clients must have an ability to sustain capital loss in the event of a long and protracted market downturn. The different services have different levels of risk and so will have varying degrees of volatility over time. For example, a higher equity risk portfolio will move much more in line with world equity markets than a lower equity risk portfolio. As mentioned previously, the purpose of a bespoke and personal service is to recognise that a client's risk appetite can change over time. We will adapt portfolios as this happens. For instance, a young person just starting work and looking to build their wealth will have a long-term horizon, so may be more aggressive in risk appetite. As that client reaches middle age, this may change to a lower risk appetite. At retirement, wealth preservation and income may well be more important.

RISK PROFILE OF THE SERVICE

The table at the beginning highlights the types of portfolios and risk your client can access, together with the specific benchmarks.

THE FINANCIAL NEEDS AND OBJECTIVES OF YOUR CLIENT

Several of the portfolio services are designed for capital growth, although it is possible to incorporate income objectives into the portfolios. If your client desires a high level of income that exceeds the natural income generated within the portfolio by interest and dividends, then there is a risk the portfolio will start to be eroded. For those clients who need a very high level of income relative to the portfolio size to maintain their lifestyle, we would question whether this service was appropriate.

We recommend a minimum investment horizon of 7 years for clients, especially those within the CPI benchmarks. As we have seen with recent events, inflation can hit incredibly high levels for short periods of time. Our investment portfolios are highly unlikely to meet their relevant target in that period but will aim to meet it over a time horizon of 7 years or more.

All our portfolios are for those clients who are GBP Sterling investors and resident, domiciled in the UK. If your client requires an offshore based solution, please contact us for further details.

WHO IS THIS SERVICE NOT SUITABLE FOR?

This service is not suitable if your client has a short investment time horizon, cannot sustain any capital loss, wishes to influence the investment allocation process, or wants to make fund decisions.

COSTS AND CHARGES

Full details of the expected costs will be found in the Investment Proposal provided to you before your client enters into any service. Each quarter, in addition to the information in your annual report, you and your client will be able to see the costs applicable to managing your client's portfolio. It is always our intention to keep the non-controllable fund and security costs to a minimum. However, some of the securities in which we invest are specialised and may be more expensive than standard instruments. We use such investments in a targeted way, expecting that they will generate strong returns to the portfolio. Ultimately, we want to ensure that we meet your client's desired goals and generate outcomes that we are all happy with. Inflation + mandates give us more flexibility, but their goals involve much more thought and time to achieve.

Alternative Investment Market (AIM) Service

This is a service for those of your clients who wish to benefit from the expertise of a dedicated discretionary investment manager to create a bespoke portfolio for their needs. It utilises our AIM Central Investment Process to ensure that there is oversight and control. Your client benefits from our experience and rigorous research to access a service that is designed to meet their objectives and needs as determined by you, their financial adviser. A dedicated investment manager will make all the investment decisions, backed by an investment framework, to invest your client’s money in the portfolio service. It will contain a portfolio of small cap stocks listed on the Alternative Investment Market(‘AIM’). The AIM market is higher risk than other UK equity markets and requires specialist knowledge.

Given the liquidity and valuation issues within the AIM market, cash injected into a portfolio will not all be invested on day 1 and may take up to 6 months to be fully invested. If you believe that you need your client’s cash to be invested in a shorter time period, please discuss this with us prior to committing to the Service.

It is important to note that our discretionary service does not facilitate clients choosing investments within portfolios or having a view on certain stocks that we need to reflect. It should be noted that the AIM Index has several sectors and market capitalisations in which we will not invest. Further details of our investment process are available on request.

Service Name	Service Description	Service Risk	Typical Client Profile
AIM Discretionary Service	To outperform the AIM Index over our investment horizon	High Risk as 100% exposure to small cap stocks in the AIM Index	Desire to achieve exposure to small cap stocks and potential to benefit from IHT planning

We think this portfolio service is appropriate for the following types of clients:

CLIENT TYPE

This service is for those clients who want a portfolio that is tailored to their specific requirements in terms of outcome. It is only appropriate if your client has over £100,000 to invest and significant other wealth. Clients who invest with us are normally classified as ‘retail’, which affords the highest level of protection. This service is appropriate for private clients.

CLIENT KNOWLEDGE AND EXPERIENCE

This service is suitable for clients who have limited or some knowledge and experience of investments but wish for someone to make the investment decisions on their behalf without the

need to be consulted. This service is only appropriate if you have provided your client with financial advice, given its inherent risks. We cannot assess whether it may be suitable for your client's individual Inheritance Tax planning needs.

CLIENT'S CAPACITY OR ABILITY TO SUFFER LOSS

This service offers no capital guarantees, and all clients must have an ability to sustain capital loss in the event of a long and protracted market downturn. The delisting of AIM listed companies and resultant poor performance of shares in those companies is a real risk.

RISK PROFILE OF THE SERVICE

This is a high-risk service which invests in small cap companies, meaning your client's portfolio will suffer greater volatility over its life.

THE FINANCIAL NEEDS AND OBJECTIVES OF YOUR CLIENT

This is a highly specialised service. Certain AIM companies qualify for Business Relief. Many clients with financial planning advice may consider the AIM service as part of a broader Inheritance Tax mitigation strategy.

The service does not target or guarantee any income level.

The minimum investment time horizon is 7 years. Please note that if stocks are held for less than 2 years prior to death, they will not qualify for Business Relief.

The portfolio is for those clients who are GBP Sterling investors and resident, domiciled in the UK.

WHO IS THIS SERVICE NOT SUITABLE FOR?

This service is not suitable if your client has a short investment time horizon, has a potentially restricted lifespan, cannot sustain any capital loss, or wish to influence the investment process.

This service may not be suitable if your client needs to invest cash into the service in a time period of less than 6 months from inception.

This service is not suitable unless your client has received financial advice.

This service is also not suitable if your client may wish to liquidate their assets immediately without suffering a fall in value of the shares. Due to liquidity in the AIM market, buying and selling substantial amounts of shares can take several days or more if we want to minimise price disruption.

COSTS AND CHARGES

Full detail of the expected costs will be found in your Investment Proposal before your client enters into the service. Each quarter, in addition to your annual report, you and your client will be able to see the costs applicable to managing your client's portfolio.

It is important to note that Business Relief (BR) is not guaranteed and remains at the discretion of HMRC. The tax relief applicable is determined on the death of the individual. The BR tax regime could be withdrawn by the UK Government at any point in the future. CAM does not provide tax advice or complete probate valuations.

Sustainable Bespoke Discretionary Service

Our Sustainable Bespoke Discretionary service gives your clients the benefit of the expertise of a dedicated discretionary investment manager in creating a bespoke portfolio, with a sustainable approach built into the asset selection process. It utilises our Central Investment Process to ensure that there is oversight and control. Your client benefits from our Investment Management team's experience and rigorous research to access a service that is designed to meet their objectives and needs.

A dedicated investment manager will make all the investment decisions backed by an investment framework to invest your client's money in the portfolio service that is appropriate for your client's risk profile. Your investment manager is your client's main point of contact at CAM and can be utilised for periodic review meetings to discuss the portfolio and give market commentary to your client.

The underlying portfolio may contain a mix of complex and non-complex funds which are blended together to achieve the optimum level of risk and return.

The Sustainable portfolios build upon the same research and portfolio construction as our traditional inflation plus mandates. The key difference is that all the funds and securities in the sustainable portfolios must meet our minimum thresholds for Environmental Social Governance (ESG) standards. Our Sustainable portfolios will also use a minimum target of 30% allocated to funds and securities that aim to make a specific positive impact for the environment and society. Further details are available on request.

It is important to note that our discretionary service does not facilitate your client choosing investments within portfolios or having a negative view on certain sectors that we need to reflect. Your client's investment manager will construct a portfolio to achieve a desired outcome and will

have a reference benchmark which they will aim to achieve over a period of time, typically 7 years or more.

The Sustainable portfolios will follow the investment frameworks of the respective inflation benchmark of our main Bespoke Discretionary Service. However, the asset composition and, therefore, potential returns may differ between the equivalent inflation benchmark portfolios of the traditional and Sustainable bespoke services.

We have different portfolio services for different risk appetites, but all are overseen by our centralised investment process. Our Sustainable portfolios all aim to outperform inflation (CPI) over our time horizon, which is for a period of at least 7 years.

Service Name	Service Description	Service Risk	Typical Client Profile
SustainableReal2	To outperform CPI+2% net of fees over our investment horizon	35-50% of world equity risk	To grow your client's wealth in a lower equity risk portfolio and to be less subject to large stock market falls and gains
SustainableReal3	To outperform CPI+3% net of fees over our investment horizon	50-65% of world equity risk	To grow your client's wealth in a portfolio with medium equity risk that may be subject to higher volatility
SustainableReal4	To outperform CPI+4% net of fees over our investment horizon	65-80% of world equity risk	To grow your client's wealth with a medium to higher level of equity risk in the portfolio making it much more subject to stock market volatility

We think these portfolio services are appropriate for the following types of clients:

CLIENT TYPE

This service is for your client if they want a portfolio that is tailored their specific requirements in terms of outcome, but with the use of sustainable assets. It is only appropriate if your client has a minimum of £250,000 to invest, given the frictional costs involved. Clients who invest with us are normally classified as 'retail', which affords the highest level of protection. Typical investors include private clients, families, charities, trusts and small corporate pension schemes.

CLIENT KNOWLEDGE AND EXPERIENCE

This service is suitable for your client if they have limited or some knowledge and experience of investments but wish for someone to make the investment decisions on their behalf without the need to be consulted.

CLIENT'S CAPACITY OR ABILITY TO SUFFER LOSS

This service offers no capital guarantees, and your client must have an ability to sustain capital loss in the event of a long and protracted market downturn. The different services have different levels of risk and so will have varying degrees of volatility over time. For example, a high-risk portfolio will move much more in line with world equity markets than a lower risk portfolio. As mentioned previously, the purpose of a bespoke and personal service is to recognise that a client's risk appetite can change over time. We will adapt portfolios as this happens. For instance, a young person just starting work and looking to build their wealth will have a long-term horizon, so may be more aggressive in risk appetite. As that client reaches middle age, this may change to a lower risk appetite. At retirement, wealth preservation and income may well be more important.

RISK PROFILE OF THE SERVICE

The table at the beginning highlights the types of portfolios and risk they can access, together with the specific benchmarks.

THE FINANCIAL NEEDS AND OBJECTIVES OF YOUR CLIENT

The service is targeted at those clients who wish to support broad sustainable goals. Our service combines positive impact with ESG screening to meet a minimum requirement for inclusion within portfolios.

All the portfolio services are designed for capital growth, although it is possible to incorporate income objectives into the portfolios. If your client desires a high level of income that exceeds the natural income generated within the portfolio from interest and dividends, then there is a risk the portfolio will start to be eroded. If your client needs very high income relative to the portfolio size to maintain their lifestyle, we will question whether this service is appropriate.

We recommend a minimum investment horizon of 7 years for all clients. As we have seen in recent months, inflation can hit incredibly high levels for short periods of time, whereby our investment portfolios are highly unlikely to meet the relevant target in that period but will look to meet it over the longer time horizon.

All our portfolios are for those clients who are GBP Sterling investors and resident, domiciled in the UK.

WHO IS THIS SERVICE NOT SUITABLE FOR?

This service is not suitable if your client has a short investment time horizon, cannot sustain any capital loss or wishes to influence the investment allocation process.

The service may not be appropriate if your client wishes to address specific ESG issues.

The service is not suitable for ethical clients.

COSTS AND CHARGES

A full detail of the expected costs will be found in your Investment Proposal. Each quarter, in addition to your annual report, you and your client will be able to see the costs applicable to managing your client's portfolio. It is always our intention to keep the non-controllable fund and security costs to a minimum. However, some of the securities in which we invest are specialised and may be more expensive than standard instruments, but we use them knowing that they will generate returns that will more than justify the costs versus traditional instruments. Ultimately, we want to ensure that we meet your client's desired goals and generate outcomes that we are all happy with and understand; sometimes we need to pay more for higher quality securities to achieve that outcome. Inflation + mandates give us more flexibility but involve much more thought and time to achieve. For those portfolios that follow a published equity index benchmark, it is will always be cheaper to buy instruments that replicate the benchmark. However, that may not necessarily be a good outcome for your client in terms of their end goals.

Direct Equity (DEP) Discretionary Service

This is a service for clients who wish to benefit from the expertise of a dedicated discretionary investment manager in creating a bespoke portfolio for their needs. It utilises our Direct Equity Central Investment Process to ensure that there is oversight and control. Your client benefits from our experience and rigorous research to use a service that is designed to meet their objectives and needs. A dedicated investment manager will make all the investment decisions, backed by an investment framework to invest your client's money in the portfolio service. It will contain a portfolio of UK equities listed on the FTSE All Share Index (Ex-IT). The service may also invest up to 50% of the portfolio in overseas stocks, investment trusts and direct bonds. The equity market is higher risk, given the nature of the stocks, and requires specialist knowledge.

Whilst looking for investment opportunities, cash within a portfolio will not all be invested on day 1 and may take several weeks to be fully invested. You need to talk to us in advance should your client wish to invest the cash in a very short time.

It is important to note that our discretionary service does not facilitate clients choosing investments within portfolios or having a view on certain stocks that we need to reflect. Your client's investment manager will construct a portfolio to achieve a desired outcome for DEP clients over a minimum 7-year investment period. It should be noted that the FTSE All Share Index (Ex-IT) Index has several sectors and market capitalisations in which we will not invest. Further details of our investment process are available on request.

Service Name	Service Description	Service Risk	Typical Client Profile
DEP Discretionary Service	To outperform the FTSE All Share Index (Ex-IT) Index over our investment horizon	High equity risk although the ability to use alternative asset classes could reduce the risk of the portfolio over time	To benefit from exposure to a focused equity portfolio

We believe this portfolio service is appropriate for the following types of clients:

CLIENT TYPE

This service is for those of your clients who want a portfolio that is tailored to their specific requirements in terms of outcome. It is only appropriate if your client has over £250,000 to invest. Clients who invest with us are normally classified as 'retail' which affords the highest level of protection. Typically, clients are private individuals, families, charities, trusts and small corporate pension schemes. Given the equity nature, the service has been used by clients who are subject to US FATCA reporting.

CLIENT KNOWLEDGE AND EXPERIENCE

This service is suitable for your clients if they have limited or some knowledge and experience of investments but wish for someone to make the investment decisions on their behalf without the need to be consulted.

CLIENT'S CAPACITY OR ABILITY TO SUFFER LOSS

This service offers no capital guarantees, and your client must have an ability to sustain capital loss in the event of a long and protracted market downturn.

RISK PROFILE OF THE SERVICE

This is a high-risk service which predominantly invests in equities which means your client's portfolio could suffer greater volatility over its life.

THE FINANCIAL NEEDS AND OBJECTIVES OF YOUR CLIENT

This is a highly specialised service.

The service does not target or guarantee any income level

The minimum investment time horizon is 7 years.

The portfolio is for those clients who are GBP Sterling investors and resident, domiciled in the UK. The service may also be appropriate for US domiciled clients subject to financial planning advice.

WHO IS THIS SERVICE NOT SUITABLE FOR?

This service is not suitable if your client has a short investment time horizon, cannot sustain any capital losses or wishes to influence the investment process.

COSTS AND CHARGES

Full details of the expected costs will be found in your Investment Proposal before your client enters this service. Each quarter, in addition to your annual report, you and your client will be able to see the costs applicable to managing your client's portfolio.

RealIncome Bespoke Discretionary Service

This is a service for clients that wish to benefit from the expertise of a dedicated discretionary investment manager in creating a bespoke portfolio for their needs. It utilises our Central Investment Process to ensure that there is oversight and control. Your client benefits from our experience and rigorous research to access a service that is designed to meet their objectives and needs.

A dedicated investment manager will make all the investment decisions backed by an investment framework to invest your client’s money in the portfolio service that is appropriate for your client’s risk profile. Your investment manager is your client’s main point of contact at CAM and can be utilised for periodic review meetings to discuss the portfolio and give market commentary to your client.

The underlying portfolio may contain a mix of complex and non-complex funds, which are blended together to achieve the optimum level of risk and return.

It is important to note that our discretionary service does not facilitate clients choosing investments within portfolios or having a view on certain sectors that we need to reflect. Your client’s investment manager will construct a portfolio to achieve a desired outcome and has a reference benchmark of CPI+3% which they will aim to achieve over a period of time, typically 7 years or more. Where your client may have legacy investments which have large CGT or personal attachment issues, we will clearly ensure the portfolio is adapted to reflect this. Our ability to achieve the benchmark may be impacted accordingly.

The RealIncome Service is a dedicated income strategy, aiming to sustain withdrawals up to a maximum of 3.5% p.a., with the flexibility to increase and decrease withdrawals. The strategy aims to follow an asset allocation and framework in line with the Real3 bespoke mandate, which has a benchmark of CPI+3%.

Service Name	Service Description	Service Risk	Typical Client Profile
Real income	To fund withdrawals of up to 3.5% net of portfolio costs over our investment horizon	50-65% of world equity risk	A client who is looking for a dedicated income strategy without the strong need to accumulate assets in a medium risk portfolio but may be subject to higher volatility

We think the RealIncome service is appropriate for the following types of clients:

CLIENT TYPE

This service is for those clients who want a portfolio that is tailored to their specific requirements in terms of outcome. It is only appropriate if your client has over £250,000 to invest, given the frictional costs involved. Clients who invest with us are normally classified as 'retail', which affords the highest level of protection. This service is appropriate for clients that typically are private clients. Any client entering this service will need to have taken the advice of a qualified financial adviser.

CLIENT KNOWLEDGE AND EXPERIENCE

This service is suitable for clients who have limited or some knowledge and experience of investments but wish for someone to make the investment decisions on their behalf without the need to be consulted.

CLIENT'S CAPACITY OR ABILITY TO SUFFER LOSS

This service offers no capital guarantees, and all clients must understand that the service is likely to produce income at the cost of capital depreciation.

RISK PROFILE OF THE SERVICE

Clients with a Risk Profile of 3 are appropriate for this service.

THE FINANCIAL NEEDS AND OBJECTIVES OF YOUR CLIENT

The service is designed for clients that are either withdrawing income from their portfolio or those who plan to do so within the next few years, without continuing to accumulate assets.

We recommend a minimum investment horizon of 7 years for clients investing in the RealIncome Service. As we have seen in recent months, inflation can hit incredibly high levels for short periods of time, whereby our investment portfolios are highly unlikely to meet the relevant target in that period but will aim to meet it over the longer term.

All of our portfolios are for those clients who are GBP Sterling investors and resident, domiciled in the UK.

WHO IS THIS SERVICE SUITABLE FOR?

This service is not suitable if your client has a short investment time horizon, cannot sustain any capital loss or wishes to influence the investment allocation process.

The service is not suitable if your client is seeking to accumulate asset growth.

COSTS AND CHARGES

Full details of the expected costs will be found in your Investment Proposal. Each quarter, in addition to an annual report, you and your client will be able to see the costs applicable to managing your client's portfolio. It is always our intention to keep the non-controllable fund and security costs to a minimum. However, some of the securities in which we invest in are specialised and may be more expensive than standard instruments, but we use them knowing that they will generate returns that will more than justify the costs versus traditional investments. Ultimately, we want to ensure that we meet your client's desired goals and generate outcomes that we are all happy with and understand. Sometimes we need to pay more for higher quality securities to achieve that outcome. Inflation + mandates give us more flexibility but involve much more thought and time to achieve. For portfolios that merely follow a published equity index benchmark, it will always be cheaper to buy instruments that replicate the benchmark, but that may not necessarily be a good outcome for your client in terms of their end goals.

Managed Portfolio Service (MPS) on Platform

This is a service for advisers that wish their clients to benefit from the expertise of our Managed Portfolio Team in creating a portfolio managed on a platform for your client's needs. It utilises our Central Investment Process to ensure that there is oversight and control, so that your client benefits from our experience and rigorous research to use a service that is designed to meet their objectives and needs. The MPS service is used by advisers for clients who may not have sufficient assets to benefit from a fully bespoke offering. The MPS team will make all the investment decisions, backed by an investment framework, so you can choose to invest your client's money in the portfolio service that matches their risk profile. It may contain a mix of complex and non-complex funds or securities that on your own would not be appropriate but when combined look to achieve a return that you agree with your client at the outset. The MPS does not include several assets that are included within traditional bespoke portfolios given the nature of the service. You, as adviser, will need to determine if the MPS is linked to a platform that you use.

The MPS service is managed via a platform and provides the same underlying asset mix for all clients. Your client will have no relationship with CAM in terms of account opening as this is all undertaken on the platform.

We have different portfolio services for different risk appetites, but all are overseen by our centralised investment process. Our focus is on our portfolios that look to outperform inflation their respective benchmarks over a minimum rolling 7-year period.

Service Name	Service Description	Service Risk	Typical Client Profile
Real2 and Sustainable Real2	To outperform CPI+2% net of fees over a rolling 7-year period	35-50% of world equity risk	To grow your client's wealth in a lower equity risk portfolio and be less subject to large stock market falls and gains
Real3 and sustainable Real3	To outperform CPI+3% net of fees over a rolling 7-year period	50-65% of world equity risk	To grow your client's wealth in a medium equity risk portfolio but may be subject to higher volatility
Real4 and sustainable Real4	To outperform CPI+4% net of fees over a rolling 7-year period	65-80% of world equity risk	To grow your client's wealth with a medium to higher equity risk portfolio which will be much more subject to stock market volatility
Growth	To outperform the MSCI PIMFA Growth Index net of fees over a rolling 7-year period	80-90% of world equity risk	To grow your client's wealth within a high equity risk portfolio and with little protection from stock market volatility
Global Equity	To outperform the MSCI PIMFA Global Equity Index over a rolling 7-year period	100% of world equity risk	To grow your client's wealth with the highest level of equity risk and no protection against equity market falls

We believe that these portfolio services are appropriate for the following types of clients:

CLIENT TYPE

This service is for those clients who want a portfolio that is standardised across all investors and managed on a platform that you deem appropriate. It is for those clients for whom a bespoke service is not suitable. Clients who invest via our MPS are normally classified as 'retail', which affords the highest level of protection. Typically, clients are private individuals and families. Tax efficient structures, such as ISAs and SIPPS, may also invest in the MPS.

CLIENT KNOWLEDGE AND EXPERIENCE

This service is suitable for your client if they have limited or some knowledge and experience of investments but want someone to make the investment decisions on their behalf via a platform of your choosing without the need to be consulted.

CLIENT'S CAPACITY OR ABILITY TO SUFFER LOSS

This service offers no capital guarantees, and all clients must have an ability to sustain capital loss in the event of a long and protracted market downturn. The different MPS services have different levels of risk and so will have varying degrees of volatility over time. For example, a high-risk portfolio will move much more in line with world equity markets than a lower risk portfolio.

RISK PROFILE OF THE MPS SERVICE

The table at the beginning highlights the types of portfolios and risk that your client can access, together with the specific benchmarks.

THE FINANCIAL NEEDS AND OBJECTIVES OF YOUR CLIENT

The MPS is designed for capital growth.

We recommend a minimum investment horizon of 7 years for clients, especially those within the CPI benchmarks. As we have seen in recent months, inflation can hit incredibly high levels for short periods of time, whereby our investment portfolios are highly unlikely to meet the relevant target in that period but will aim to meet it over the longer time horizon.

All of our portfolios are for those clients who are GBP Sterling investors and resident, domiciled in the UK.

WHO IS THIS SERVICE NOT SUITABLE FOR?

This service is not suitable if your client has a short investment time horizon, cannot sustain any capital loss or wishes to influence the investment allocation process.

This service is not suitable if your client is looking for a bespoke solution.

COSTS AND CHARGES

You and your client will be able to see the costs applicable to managing your portfolio provided quarterly by the platform. It is always our intention to keep the non-controllable fund and security costs to a minimum. However, some of the securities in which we invest in are specialised and may be more expensive than standard instruments. We use them knowing that they will generate returns

that will more than justify the costs versus traditional instruments. Ultimately, we want to ensure that we meet your client's desired goals and generate outcomes that we are all happy with and understand. Sometimes we need to pay more for higher quality securities to achieve that outcome.

Inflation + mandates give us more flexibility but involve much more thought and time to achieve. For those portfolios that merely follow a published equity index benchmark, it will always be cheaper to buy instruments that replicate the benchmark, but that may not necessarily be a good outcome for your client in terms of their end goals.

Distribution Strategy

INTRODUCTION

The distribution strategy for each of our target markets is critical to ensure that your clients receive a service that is suitable and appropriate to their individual circumstances. Our relationship with advisers is one where the adviser acts in the capacity of Agent as Client. The adviser is responsible for the suitability and appropriateness of any portfolio together with any investment or platform wrappers. CAM is responsible for running the portfolio within its designated risk profile.

The advent of the new Consumer Duty will enable us to demonstrate on an ongoing basis how we meet the requirements of the PROD rules with a distribution strategy that ensures good consumer outcomes.

OUR SERVICES

Our services are used by your clients via the following channels:

- Clients with a third-party Financial Adviser ('IFA')

Clients are generally classified as retail and can include private Clients, Charities, small corporate pension schemes and Trusts.

OUR ROLE IN THE DISTRIBUTION CHAIN

Under Consumer Duty we are required to assess our services for advisers in the capacity as a manufacturer.

All our investment services use financial instruments such as funds, investment trusts, equities, bonds whereby we receive information from asset manufacturers to ensure that we are using

instruments that are appropriate for our target market within our portfolios. This process is overseen by the research team and is governed by the Centralised Investment Process. As the client's adviser, you will undertake any due diligence on wrappers and other financial planning tools to ensure that they meet the needs of any client.

Any new service will undergo significant due diligence. This will form part of the new product procedure whereby the service needs to be approved by the RACC and Board. Alongside target market analysis, the due diligence will include aspects such as external testing to see if it appropriate given its intended audience. This may be with external IFAs, retail clients or other professional bodies where relevant.

When determining the composition of each of the investment service offerings, the following controls and oversight exist, regardless of the distribution channel:

DISCLOSURE (COBS 4 AND COBS 14.3)

Investment Proposals are produced which highlight the relevant service together with anticipated costs (ex-ante). Clients need to agree to and understand all the fees prior to investing in the service and this is all disclosed together with any applicable future or administrative fees in the Application form. The same process is applied for standalone financial planning services or integrated investment / financial planning proposals.

SUITABILITY (COBS 9A)

All clients will have a full suitability assessment prior to entering the service. This will be conducted by you as the introducing Financial Adviser. You and your clients receive regular communication over their time with us to ensure that you can determine that the services are still suitable given your client's specific circumstances.

APPROPRIATENESS (COBS10A)

The classification of clients is typically as retail and all our services assume a limited understanding of the services and therefore, we communicate in a clear manner to ensure you, as the adviser understand the risks and charges of the service. IFAs are responsible for this analysis for introduced clients.

It should be noted that where clients are classified as professional, we ensure that they meet the relevant thresholds and understand the reduced protection available.

Any transactions conducted for Execution only (EXO) retail clients will need a product assessment beforehand to ensure the financial instrument they are buying is non-complex and appropriate. This information is obtained from the manufacturer in the case of Funds and similar instruments. A further control is that we only allow EXO accounts for established clients where we have a good understanding of their background or qualified staff. This service is not permissible for clients of financial advisers given that we have no direct relationship with the end client.

INDUCEMENTS (COBS2.3A)

We operate a strict inducements policy which applies to all staff and is overseen by Compliance who produce MI for the Board. This is to prevent us using products and services where undue influence may have arisen from sales practices by the external firm.

CONFLICTS OF INTEREST (SYSC 10.1)

We operate a conflicts of interest policy and register which is renewed annually on an attestation basis by all staff for any external conflicts of interest. This is overseen by compliance and ensures that no third parties can introduce products to firm that may benefit a staff member wither indirectly or directly to the detriment of a client. To avoid conflicts of interest where clients may be impacted to their detriment at the benefit of CAM or other clients, we operate strict controls over any investment management dealing so any staff dealing cannot disadvantage clients e.g., on bookbuilds.

OVERSIGHT AND TRAINING

All staff at CAM undergo training to ensure they are up to date with all regulations and emerging themes. This is documented and recorded by Compliance. All client facing staff who perform an advice and / or investment management function for clients also undergo CPD training throughout each year. All staff have reviews each year where key conduct and knowledge areas are assessed regardless of their function or role. Every year Compliance will provide input into each person's self-assessment for their manager review which is important to identify any issues that may have arisen over the year as part of a formal document.

Distribution Channel and Strategy

Our agreement with IFAs is that of the IFA acting in the capacity of agent as client. This means that the IFA is responsible for the suitability and appropriateness of our service for each of their clients. The services that we offer to IFAs are as follows:

- a) Multi-asset portfolios (CPI and MSCI PIMFA benchmarks depending on risk profile)
- b) AIM and DEP portfolios
- c) Model Portfolio Services (MPS) via platforms

TARGET MARKET

This is defined as the market that we believe these investment services are for and is defined earlier in this document.

DISTRIBUTION

As a firm we do not aim to deal with all IFAs given our size. Our business strategy is to work with a handful of IFAs where there is a strong personal relationship and two-way information flow so both parties know each other well. This avoids any downstream issues of a lack of understanding of the services we offer and how we offer them. By the nature of the size of CAM, many of our IFA relationships are with smaller IFA firms where we have a long-established relationship.

All IFAs who introduce clients to CAM will undergo a due diligence process to ensure they meet our requirements as a professional introducer. This is a formal document that they submit, and which is reviewed by Compliance. They will then sign up to wither a MPS or Bespoke Discretionary Management Agreement depending on the service they are using.

Given our relationship is with the IFA, we always ensure that in the event an IFA client reaches out to the investment manager directly, they are referred to their relevant IFA.

PRICING AND REMUNERATION

The sales team is remunerated on a variable basis for funds introduced in addition to their fixed salaries. This is standard practice within the wealth management community.

There is a standard pricing grid for our services to IFAs and any exceptions are signed off by management. This ensures we are not “buying business at uncommercial rates.” Exceptions to standard rates may arise when there is competition for a particular client or where the IFA has a more strategic relationship with CAM in terms of volume of business or future potential.

CONTROL AND OVERSIGHT

The Sales team is responsible for generating and maintaining relationships with external IFAs. All sales team members are full employees and have the same training and review process that all employees undertake. The Head of Sales reports into the Head of Investment Management. This ensures that there is oversight into what services are being marketed together with the ability to identify where distribution channels are and are not working. All IFA business is produced into MI for the Board to review and comment on.

All presentation materials describing our services are maintained and overseen by Compliance and the marketing committee which ensures a consistent and clear message is being deployed in the external market. Any marketing email or written communications are overseen and approved by Compliance and the marketing committee.

All investment proposals are generated by the Investment Management team on pre-approved templates with appropriate risk warnings and disclaimers.

CIS oversee the central repository for all the IFA and their client documents to ensure completeness of process is always maintained.

GOVERNANCE

It is proposed that this document is reviewed on an annual basis. MI that may help demonstrate success of the distribution strategy and demonstrate good outcomes is as follows:

MI	Rationale
Complaints register	Shows where service may not have been distributed in correct manner
Client feedback forms	Communications and distribution of services are not clear or misleading
Compliance marketing sign off log	Demonstrates all external docs that were approved
Marketing Committee minutes	Reviews communication strategy
Asset Flows by service	Shows which services attract assets and which do not and therefore raise questions on target market / distribution strategy
File reviews	Shows onboarding gaps
IFA Onboarding	New IFAs list and due diligence examples
Vulnerability annual report	Numbers of vulnerability classed clients and communication channel employed
Clients turned down	Important metric where we show both IFA and direct clients that we have turned down as they do not fit what we deem our service to be appropriate for

Risk Warnings

The information contained in the document is provided for financial advisers for information purposes only and should not be communicated to any other party. Past performance is not a guide for future performance. The value of your client's investment can fall, and they may not get back the amount invested. Different investments have varying levels of and exposure to risk. This notice cannot disclose all the risks associated with investments and investment services. Please see our website for more information and more detailed risk warnings. Your client should not invest in or deal in any financial product unless through you, they understand its nature and the extent of their exposure and risks associated with it. The investment services discussed or offered by us may not be suitable for all investors. If you have any doubts as to the merits or suitability of an investment for your client, you should raise them before proceeding with arrangements for investing on your client's behalf.

Whilst we believe the information within the document to be correct, we cannot assume liability for any errors or omissions, except insofar as liability cannot be excluded.