

# AMATI AIM IHT Portfolio Service

## Value Assessment – Summary Report

This report has been prepared by Amati Global Investors Limited (“**Amati**”), discretionary Investment Manager of the Amati AIM IHT Portfolio Service (the “**Service**”). Amati has rigorous procedures in place to monitor and review all aspects of the Service, in order to ensure that the costs and charges paid for the product are commensurate with the benefits received and thus represent fair value for our clients. Amati takes its responsibilities seriously in this regard and is constantly looking to identify areas for improvement, with a view to enhancing the benefits available to clients, to continue to provide fair value and to achieving good outcomes for clients over the lifecycle of the product and across the distribution chain. This report provides a summary of the review undertaken, the conclusions reached and any remedial action required.

### 1. Product Features, Services, Benefits & Quality

The features of the product, the services provided to clients and the benefits of an investment in the Service were assessed in detail and found to be comprehensive in nature, appropriate for the investment needs of the specified target market and of consistently high quality. The product was therefore deemed to have delivered fair value to retail clients, including those belonging to different groups within the identified target market or those displaying characteristics of vulnerability, relative to the overall costs of the product. Further, it was concluded that there were no inherent restrictions or limitations that would prevent clients in the identified target market, including those displaying characteristics of vulnerability, from benefitting from the product and receiving fair value.

The product features and services assessed included the following: the operating model of the Service; the governance and risk management framework; custody and fund administration; the investment process; the investment management system and third party platforms; regulatory and tax compliance; the subscription process; the nature of the costs and charges applicable to the Service; custody, administration and trade execution services; the online portal; redemption arrangements; distribution channels; website accessibility; and client communications and support.

The benefits of the product were assessed in both financial and non-financial terms, and included the following: investment diversification; professional investment management; regulatory and tax compliance; estate planning and inheritance tax mitigation; liquidity; valuation transparency; customer communications; enhanced shareholder support; and the provision of additional assistance to customers displaying characteristics of vulnerability, in order to minimise the impact that these characteristics may have on the likelihood that these customers may not enjoy the full benefits of the product and thus not receive fair value.

Amati will continue to review the features of the product, the services provided to clients and the benefits available to clients, in order to enhance the customer experience and to continue to provide fair value for retail clients. Amati concluded that no immediate remedial action was required, however several areas were identified for further development (pending which, however, does not compromise fair value), including the functionality of the client portal, the accessibility of Amati’s website, the development of an online application system, and the support available to attorneys and executors in the management and administration of client .

## 2. Performance

	1yr (%)	3yr (%)	5yr (%)	Since launch* (%)
Amati AIM IHT Portfolio Service	-14.03	26.63	1.50	98.07
Benchmark Index	-22.05	20.67	-15.32	14.91

\* 29/08/2014

Source: Amati Global Investors and Numis Securities

The performance of the model portfolio, after costs, was deemed to be within a reasonable range of outcomes and was consistent with the Service's stated investment policy, objectives and strategy. As at 31 March 2023 the model portfolio had outperformed its benchmark index (Numis Alternative Markets Index, Total Return) over 1, 3, 5 years and since its launch in August 2014. More information on the performance of the model portfolio, together with investment manager commentaries, can be found within monthly fact sheets, which are available at [www.amatiglobal.com](http://www.amatiglobal.com).

## 3. Costs

The costs applicable to the Service, including the annual management charge, the custody and administration charge and other elements which make up the total cost of the Service, were reviewed and were considered to be fair value relative to the cost to Amati of providing the services. Transaction costs, both explicit and implicit, were also reviewed and found to be within industry norms. Non-financial costs, such as the provision of personal data to Amati and the granting of its use for regulatory and/or commercial purposes, were also considered and were found not to have impacted the likelihood that a subscriber to the Service may not receive fair value.

As part of the review, the costs charged to Amati and/or clients for the services of external providers, together with any contingent charges paid directly by clients, such as those levied for banking transactions or the preparation of probate valuations, were assessed and found to be justified relative to the services provided, while remaining competitive when benchmarked against other providers in the market. Costs across the distribution chain, such as advisory, platform, broking and transfer fees, were also assessed and were found to be justified relative to the additional services provided and were not likely to lead to poor outcomes for retail clients. An assessment of these costs forms part of the initial and ongoing due diligence when selecting platforms and other distribution partners for the Service. Wherever possible we seek to exert influence on pricing and service levels so as to ensure fair value is received by the retail client after the addition of costs across the distribution chain.

Overall, the costs applicable to the Service were found to be commensurate with the range and quality of the services provided, and consistent with the disclosures in the terms and conditions of the Service, product fact sheets, marketing material and other product literature.

## 4. Economies of Scale

A review was carried out to consider whether clients have benefited from savings generated as a result of the size of the Service, which has grown significantly over the past five years. It was concluded that any savings from economies of scale, in relation to the direct and indirect costs of providing the services, have been passed on to clients. Amati will continue to look for efficiencies in order to maintain an appropriate balance between the range of services and benefits provided to shareholders and the overall fees charged for the product.

## **5. Comparable Market Rates**

A review was undertaken to consider whether the overall costs of the product are reasonable as compared with similar products available in the market. We considered other services with similar investment parameters, regulatory constraints and operating models. The total cost of the Service is one of the lowest in the market and the pricing structure is much more transparent than many providers, with all transaction charges bundled into the cost of the Service and without being applied separately by the manager or the investment management platform.

## **6. Comparable Services**

A review of the range and quality of the services provided to clients was undertaken to consider whether the overall costs of the product represent fair value, as compared to similar products offered by the Amati. While Amati offers other products to retail clients, none has a similar mandate or target market to the Service and thus cannot be directly compared.

## **7. Share Classes**

Subscribers to the Service are the beneficial owners of shares held in client portfolios. All clients hold the same share class in the underlying portfolio companies and all shareholders have equal rights.

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## **Overall Value Assessment**

The overall assessment of Amati, based on the criteria reviewed above, is that this product represents fair value for customers in the designated target market.

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## Regulatory References

### 1. Product Features, Services, Benefits & Quality

*PRIN 2A.4.8R(1)(2)(4), PRIN 2A.4.10G(1), PRIN 2A.4.11G(1)(2), COLL 6.6.21R(1)*

### 2. Performance

*COLL 6.6.21R(2)*

### 3. Costs

*PRIN 2A.4.8R(3), PRIN 2A.4.10G(2), PRIN 2A.4.11G(2), COLL 6.6.21R(3)*

### 4. Economies of Scale

*COLL 6.6.21R(4)*

### 5. Comparable Market Rates

*PRIN 2A.4.9G(2), COLL 6.6.21R(5)*

### 6. Comparable Services

*PRIN 2A.4.9G(4), COLL 6.6.21R(6)*

### 7. Share Classes

*COLL 6.6.21R(7)*

For regulatory enquiries please contact [compliance@amatiglobal.com](mailto:compliance@amatiglobal.com). For further information on the product and for sales enquiries please use the contact details below.

*Signatory of:*



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