

Managed Portfolio Service Fair Value Assessment

Product Overview	Product Type / Group	Discretionary Investment Management
	Product Name	Managed Portfolio Service
	Product description	<p>The CBAM Managed Portfolio Service (MPS) was launched in 2012 providing a range of risk profiled, discretionary managed portfolios consisting entirely of funds at a lower cost and lower AUM entry point than a full Bespoke investment proposition but with a different client reporting and experience than a fund of funds.</p> <p>It is only available with an adviser who will be responsible for initial and ongoing suitability assessments and is primarily available through the CBAM custody and administration platform</p> <p>The range of strategies available are:</p> <ul style="list-style-type: none"> ▪ Income Plus ▪ Conservative ▪ Balanced ▪ Growth <p>Investments are rebalanced and adjusted on a quarterly basis but action can be taken in between quarters if the investment team feel that urgent attention is needed.</p> <p>The service is priced at 0.55% per annum inclusive of the custody and administration fee on the CBAM platform with additional costs for the underlying funds.</p>

Target Market	Product target market information	Positive	Negative
		<ul style="list-style-type: none"> ▪ The MPS proposition is aimed at clients with investable assets of at least £50,000 who prefer their own segregated portfolio to a unitised fund arrangement. ▪ It is suitable for clients who are happy to delegate the management of their investment portfolios to a discretionary investment manager. ▪ It is available in one or several of General Investment Account, ISA, SIPP or Offshore Bond wrappers. ▪ MPS allows advisers to offer their clients multi-manager (fund of fund) model portfolio selections across different risk profiles. ▪ There is no maximum investment value but clients with more than £1million may consider a Bespoke investment portfolio which can be tailored to their requirements although likely to be at a higher cost. ▪ MPS is designed for investors seeking exposure to global investment markets through third party funds in order to optimise returns. Clients have the flexibility to switch between portfolio strategies if their circumstances or objectives change. 	<ul style="list-style-type: none"> ▪ Clients must be willing and able to tolerate short and long term loss of capital in order to invest. ▪ Clients without a capital gain tax allowance or who are using it elsewhere should be careful of accessing the MPS without a tax wrapper as there is no individual tax planning available. Clients moving outside of the UK may find that their personal tax regime is less favourable than in the UK. ▪ High risk residence and domicile may be refused.
	Good outcomes provided by the product for clients in the target market	<p>The client is able to realise all the appropriate benefits of the services provided to support them in meeting their financial objectives.</p> <p>Clients with characteristics of vulnerability are appropriately identified and are not disadvantaged when compared to ordinary retail clients. Their support is tailored to support them in realising their financial objectives through the distribution channels.</p>	
Foreseeable harms and means of mitigation by manufacturer and distributor	Foreseeable risks or harms	Mitigation	
	<ol style="list-style-type: none"> 1. Clients with lower value portfolios overpaying for service they don't need. 2. The client could be a non UK resident leading to tax or legal implications. 3. Individuals opting out of financial advice will no longer have the suitability of the service for their needs and objectives regularly assessed. 	<ol style="list-style-type: none"> 1. MPS is priced on a % only basis and due to the investment strategy utilising 3rd party funds, there are minimal fixed costs and therefore a relatively low minimum AUM. 2. This is mitigated through the firm's overseas client policy and controls. 3. Financial advisers should inform CBAM if any MPS client opts out of ongoing financial advice. 	

Benefits and Limitations	Details of the product benefits and limitations	Benefits	Limitations
		<p>The Managed Portfolio Service (MPS) is a discretionary, actively managed service for private clients. There are four different risk profiles to suit a range of needs. Through MPS, clients have access to professionally managed portfolios invested in third party funds with a global outlook.</p> <p>The MPS invests according to today’s market conditions but also within the context of a long-term strategic framework. Asset allocation and fund selection decisions focus on delivering an optimal combination of income and growth, as well as achieving a return greater than inflation, within an agreed tolerance for risk. The MPS invests in liquid funds because it allows us to respond to changing market conditions quickly and enables us to meet the growth, income and drawdown needs of clients.</p> <p>The product meets the needs of the core target market by providing a diversified investment portfolio in keeping with the clients’ risk profile and objectives where the client has a medium to long term investment outlook and can tolerate investment risk and, potentially, capital loss.</p> <p>MPS is best suited to clients who are looking for a lower cost discretionary managed solution investing in funds rather than direct equities and bonds. They benefit from a full view of all underlying investments and have ownership of the investments directly rather than owning a single “line of stock” through a fund. It also enables crystallisation of capital gains within portfolio on an ongoing basis rather than as a single sale.</p>	<p>Clients investing in MPS outside of SIPP or ISA wrappers will realise capital gains on an ongoing basis which may incur a tax charge.</p> <p>Service may not be able to be continued for clients moving outside of the UK due to the need for ongoing financial advice.</p> <p>If the client wishes to exit the service, they may need to sell holdings rather than transferring in specie which could crystallise capital gains.</p>

Additional information for vulnerable clients	Details of any additional foreseeable harms and means of mitigation by manufacturer and distributor for clients with characteristics of vulnerability	Foreseeable risks or harms	Mitigation
		<ol style="list-style-type: none"> Poor conduct leading to errors or security vulnerabilities, particularly exposing vulnerable clients to financial losses or financial crime. Manual errors processing information. Clients unable to engage fully with the process of risk profiling and objective setting may not benefit from the nature of the service. 	<ol style="list-style-type: none"> Training (on-going and at induction), regular monitoring and checking of written work and calls, knowledge checks and refreshers, robust ID&V / security process adhered to on calls, training and 121s with team, 4 eye-checks on certain instructions, compliance moderation sample of calls each month. Staff complete mandatory conduct rules and financial crime training. CBAM would require a personal representative or intermediary to be involved where relevant to ensure the client is appropriately onboarded. <p>CBAM require clients to receive ongoing financial advice to allow individual assessment of suitability accounting for any characteristics of vulnerability.</p>

Assessment of Fair Value	Outcome of last Assessment of Fair Value	Having assessed the costs and benefits of the Service to the Target Market along with competitor analysis and examination of data on existing clients, we have concluded that the Service provides Fair Value.	
	Date	Last Review	Next Review
		June 2024	June 2025
	Any issues in Assessment of Fair Value identified	None	
Details of actions being taken as a result of Assessment of Fair Value, if any	N/A		

Additional information for distributors	Contact details at Close Brothers Asset Management	N/A
	Intended distribution strategy (for example: advised, non-advised etc)	<p>MPS is a non-complex product that is distributed solely through financial advisers with no direct sales permitted. Ongoing suitability is also provided by financial advisers ensuring that clients are assessed for suitability for the investment proposition and their relevant risk profile at least annually.</p> <p>Product distribution through financial advisers is designed to avoid poor client outcomes and harm by ensuring that both clients and advisers understand the structure and features of an MPS vs the alternative solutions.</p>
	Additional information which may be useful to distributors	N/A