

# Fundamental Asset Management

## Vulnerable Customer Policy

Fundamental

This document explains Fundamental Asset Management 's policy for dealing with customers with characteristics of vulnerability.

### OVERVIEW

This policy sets out how we aim to identify and treat customers and prospective customers who may be considered as being vulnerable by virtue of their personal circumstances. These circumstances might include health, financial capability, age, financial/emotional resilience, or exposure to key life events such as retirement or bereavement. These circumstances may be temporary, sporadic, or permanent.

Although vulnerability can come in many forms, it is important that such individuals are dealt with appropriately, fairly, and consistently. We are committed to making sure that all customers, regardless of their situation, receive good experiences and outcomes. We will do this by:

- Considering the needs of vulnerable customers as part of the design and delivery of our services.
- Equipping staff to recognise and respond to the needs of vulnerable customers.
- Having processes in place to support and enable vulnerable customers to disclose their needs.
- Being empathetic to specific needs or concerns vulnerable customers may have and flexible in our approach to customer support and communications.
- Monitoring whether we are meeting and responding to the needs of customers with characteristics of vulnerability and make improvements when this is not happening.

We will provide training to relevant staff to identify the key indicators of vulnerability and to providing appropriate support and solutions for vulnerable customers.

### WHAT IS A VULNERABLE CUSTOMER?

The FCA defines a vulnerable customer as: 'Someone who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care'.

A vulnerable customer may be less able than others to:

- Realistically and objectively identify and prioritise their own needs.
- Fully understand the risk, cost or implications of any advice provided.
- Assess information in the usual format, for example, orally during meetings or visually in respect of written advice.

We are mindful that many customers in vulnerable situations may not think of themselves as being 'vulnerable'. Where possible, we will not refer to vulnerability in our interactions with customers but explain that we need to know what their needs are so that we can provide the most appropriate service in the best way to suit them.

Further information on types of vulnerability is available in 'Equipping staff to recognise and respond to the needs of vulnerable customers' below.

## **Fundamental Asset Management Business Model & Target Market**

Fundamental Asset Management Ltd is a specialist investment manager with a focus on managing portfolios of direct equity investment.

The firm's primary investment management service focuses on the mitigation of future Inheritance Tax, through investment in the shares of Business Relief qualifying AIM companies.

AIM is the growth market of the London Stock Exchange.

The firm's clients are predominantly over 50 years of age and have sizeable estates, well in excess of Inheritance Tax thresholds, and significant net liquid assets.

The firm also manages a small number of general portfolios for private clients, limited companies and trusts.

Clients come directly or are introduced to the firm via FCA regulated financial advisers.

A large proportion of client portfolios are managed on Adviser 'wrap' platforms, operated via a tripartite arrangement between our firm, the adviser and the platform.

### **Procedures by Client Type**

Direct clients who contract with Fundamental Asset Management will be given the opportunity to provide any information on additional support that they may require in the application form under 'Other Information'. This will include 'Advised Clients', i.e. clients who have been introduced by their independent financial adviser, who contract directly with Fundamental Asset Management.

Clients who engage in our services through investment platforms, e.g. Transact and abrdn Wrap, do not have to provide this information directly to Fundamental Asset Management. Fundamental Asset Management will acquire this information from the adviser on an aggregated basis so that we can determine that our service is suitable for the advisers client base and for the Target Market in terms of design and delivery.

Independent Financial Advisers are required to provide this information under the Consumer Duty Guidance 2.21 & 2.22

## CONSIDERING THE NEEDS OF VULNERABLE CUSTOMERS AS PART OF THE DESIGN AND DELIVERY OF OUR SERVICES

When designing our services or making changes to existing services, we will:

- Consider the needs of vulnerable customers and any potential benefits and drawbacks of our services for vulnerable customers.
- Design services to avoid harmful consequences for vulnerable customers.
- Ensure that all information provided to customers about our services is understandable.
- Assess whether there is a need to alter our customer support services to help vulnerable customers

## EQUIPPING STAFF TO RECOGNISE AND RESPOND TO THE NEEDS OF VULNERABLE CUSTOMERS

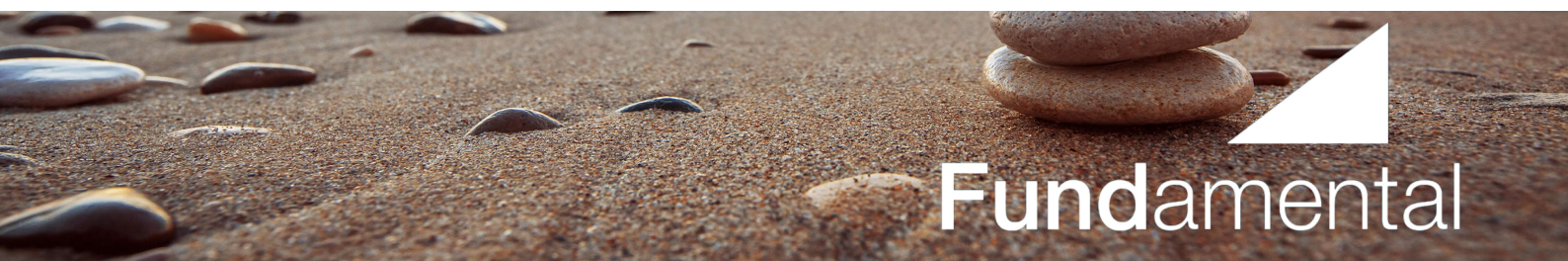
### TYPES OF VULNERABILITY

There are a number of factors that could result in a customer being deemed vulnerable on a temporary, sporadic or permanent basis. We would consider individuals affected by the following factors to be potentially vulnerable:

HEALTH	LIFE EVENTS	RESILIENCE	CAPABILITY
Physical disability	Retirement	Low or erratic income	Low financial capability skills
Severe or long-term illness	Bereavement	Over indebtedness	Poor literacy and numeracy skills
Hearing or visual impairment			
Poor mental health	Relationship breakdown	Low emotional resilience	Poor or non-existent digital skills
Addiction	Domestic abuse (including economic control)		Learning impairments
Low mental capacity or cognitive impairment	Caring responsibilities		No or low access to help or support
	People with convictions, care leavers, refugees		

The table above is not exhaustive. Other factors that would prompt us to consider a customer to be vulnerable include:

- Age (for example over 75), although this is not absolute – this could be associated with cognitive or dexterity impairment, sensory impairments such as hearing or sight, onset of ill-health, not being com-



- Not possessing standard documents or credit history (for example armed forces personnel returning from abroad, ex-offenders, care-home leavers).
- Customers adversely affected by the rising cost of living.

The presence of one or more of the above factors does not necessarily mean that the customer is vulnerable. These factors can impact customers in different ways. One customer might have circumstances which result in a permanent significant vulnerability while another not be impacted at all by the circumstance they have been exposed to. The impact of a factor on a customer will determine our approach to dealing with that customer.

Staff will need to assess their customer's personal circumstances and ensure that every customer is treated individually and with respect and empathy. Any concerns around assessing customers should be referred to our Compliance Officer.

## **TRAINING**

We will make all staff aware of our policy regarding vulnerable customers when they join our firm.

All staff will also be given training on identifying and dealing with vulnerable customers on a regular basis.

Our training will include:

- How to identify a vulnerable customer and how to deal with them.
- Staff will be verbally tested on our policy / procedures for dealing with vulnerable customers.

## **ENABLING VULNERABLE CUSTOMERS TO DISCLOSE THEIR NEEDS**

Identifying a vulnerable customer's vulnerability is broad and may occur at any time. It will usually involve the interplay of characteristics of the individual, their circumstances, and static or transitory status.

It may be quickly evident that some customers require additional support (for example, a customer with a guide dog, or a customer using a wheelchair). For other customers, it is important to be conscious of the indicators that may suggest they would benefit from additional support.

We will ensure we consider common indicators of circumstances where additional support may be required. No list can be exhaustive, and examples could include:

- Observing changes in circumstances for an existing customer
- Regular requests for one off withdrawals
- Extreme changes in attitude to risk
- Verbal indications – e.g. “can't come into the office”; “are there any stairs”
- Communication difficulties – e.g. customers who are uncomfortable with email or computer, or asking for help reading documents
- Physical indications – e.g. shortness of breath or signs of agitation, or mention of medication
- Customer understanding – e.g. customer asking for repetition (a sign that the customer is not retaining information), other signs that the customer has not understood, or signs of confusion.

If we identify a customer as being vulnerable, we will treat them in line with the steps noted below under the heading 'Dealing with a vulnerable customer with empathy'.



## CAPTURING DATA ON CUSTOMER NEEDS

As part of delivering financial services to vulnerable customers, we will gather detailed information from them, especially about their physical and / or mental health. This information will be dealt with in accordance with our data protection policy.

If a customer has been classified as vulnerable, this is registered on our back-office system and relevant staff will be met with an alert when they access the customer record. The alert will give the reasons for the vulnerable classification.

## BEING EMPATHETIC TO THE NEEDS OF VULNERABLE CUSTOMERS AND FLEXIBLE IN OUR APPROACH

### DEALING WITH A VULNERABLE CUSTOMER WITH EMPATHY

We will make sure that in all cases, a customer has the capacity to understand the advice they are being given and / or the service they are receiving. If they don't and there is no attorney or deputy in place, the advice process /service will be paused and the case will be referred to our Compliance Officer.

If we identify a potential customer as being vulnerable, we will consider the following: (for the avoidance of confusion "competent person" means an individual without the limitation presented by the customer)

VULNERABILITY	MITIGATION
All types	<ul style="list-style-type: none"><li>• Where a customer may be considered vulnerable, an offer for them to be accompanied during the meeting will be made, i.e. a friend or relative present to support or assist them. However, we will endeavour to see the customer on their own in the first instance, in order for an assessment to take place as to whether the person accompanying them at the next meeting is placing any pressure upon them with regard to their finances</li><li>• Where a customer prefers to communicate with us with another person present (either by phone or in-person), we will strive to facilitate this request. We will require that person's full name and relationship to the customer, and where such a person is an Attorney or Court of Protection Deputy, we will ask to see evidence of this. However, we will always strive to ensure that our customer understands and feels at ease if they are alone with us</li><li>• We will try to make sure sensitive information is fully recorded the first time, to ensure repeated requests for the same details are avoided</li><li>• The customer will be provided with confirmation of discussions in writing after each meeting</li><li>• We will use plain English and where terminology has to be used, we will ensure that our customer understands and will not proceed until we are sure of this</li><li>• We are obliged to verify the identification of all our customers but are mindful that some of our older customers do not have valid passports or driving licences and we will adapt our procedures to accommodate such customers when necessary provided that this does not compromise our own money laundering requirements. ID will be required for any Attorney, Deputy or other agent for our customer</li></ul>

Physical disabilities	<ul style="list-style-type: none"> <li>• Customer to nominate a reasonable communication medium suitable for their disability</li> <li>• We will be mindful of any other limitations such as mobility or capacity and provide every support to enable our customer to communicate and feel comfortable in providing their instruction</li> </ul>
Where English is not the customer's first language	<ul style="list-style-type: none"> <li>• Customer to instruct a competent person to act as an interpreter or a person that the customer trusts to help the customer understand what is being discussed</li> </ul>
Not being computer literate	<ul style="list-style-type: none"> <li>• We are aware that many of our older customers are computer literate and will feel comfortable communicating via email, but we will never insist on this form of communication and will make our older customers feel at ease by sending letters by post if this is preferred and we are happy to send duplicate correspondence to a family or trusted support provided that such authority is provided by the customer</li> </ul>
Wheelchair users	<ul style="list-style-type: none"> <li>• Our office is accessible for wheelchair users and we have disabled toilet facilities</li> </ul>

### **BEING FLEXIBLE IN OUR APPROACH TO CUSTOMER SUPPORT AND COMMUNICATIONS**

In addition to our usual systems & controls, to make sure that we treat all vulnerable customers fairly, we have the following additional processes in place:

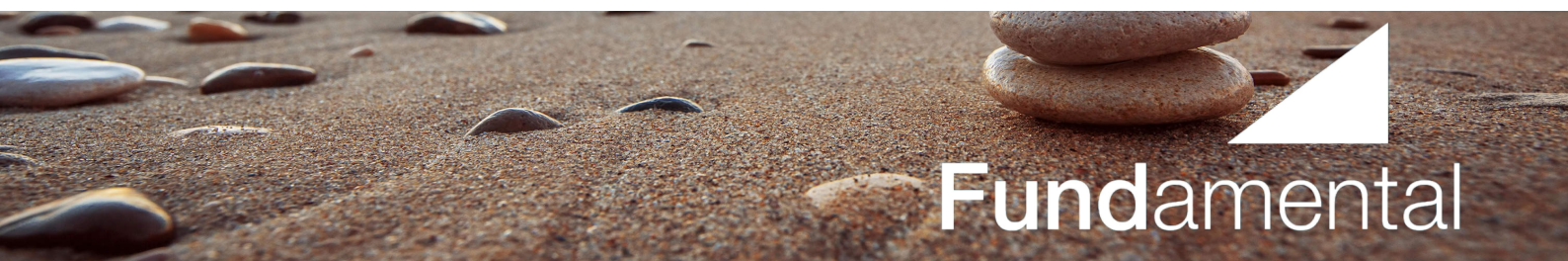
- If we identify a customer as being vulnerable, we will treat them in line with the steps noted above under the heading 'Dealing with a vulnerable customer with empathy'.
- We also conduct random checks on vulnerable customer files to ensure our policy and processes contained herein are being adhered to.
- Staff are required to maintain their knowledge in relation to dealing with vulnerable customers.
- Regular conversations occur regarding customer support.

### **MONITORING OUTCOMES FOR VULNERABLE CUSTOMERS**

We will review different points in the customer journey to allow us to understand the experiences of vulnerable customers and to monitor the outcomes we are delivering. This information will be analysed and used to drive improvements in our processes.

Our aim is to ensure that our vulnerable customers experience outcomes as good as those experienced by our other customers. To achieve this, we will use the following data sources:

- Our back-office system to identify that a customer has characteristics of vulnerability.
- Business persistence: analysis of customer retention records – for example, why customers leave, which may flag up where poor treatment is contributing to high turnover of customers.
- Training and ensuring records are up-to-date and complete.
- Customer feedback to identify trends and areas for improvement.
- Complaint analysis.



- Compliance reports (internal and external) – to check if standards are being met in terms of treating customers fairly and meeting our obligations under the Consumer Duty.
- File reviews to check for errors and assess if customers were treated fairly (particularly useful for sales processes).

## REVIEWING THIS POLICY

To ensure this policy continues to accurately reflect the process we have in place, our Compliance Officer will review this policy on an annual basis (or more frequently if applicable).

If any updates are required, these will be made within 7 business days following the latest review and all staff will be notified. This policy was last reviewed by our Compliance Officer on 29 November 2024.

## HOW TO CONTACT US

If you have received advice please ask your financial adviser if there's anything you don't understand.

You can also contact us directly at:

Fundamental Asset Management Ltd  
Cardinal Point  
Park Road  
Rickmansworth  
WD3 1RE

Telephone: 01923 713890

Email: [enquiries@fundamentalasset.com](mailto:enquiries@fundamentalasset.com)

## HOW TO COMPLAIN

Complaints should be addressed to The Compliance Officer, Fundamental Asset Management Ltd, at the address given above.

## IMPORTANT INFORMATION

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