For professional advisers and paraplanners only.

Not to be relied upon by retail clients.

FUNDAMENTAL
ASSET MANAGEMENT

# CONSUMER DUTY – PACK

## AIM Inheritance Tax Portfolio Service

## October 2026

# HOW IS FUNDAMENTAL ASSET MANAGEMENT POSITIONED TO PRIORITISE GOOD OUTCOMES FOR CUSTOMERS

Established in 2004, Fundamental Asset Management Ltd is an owner-managed specialist investment management firm, with primary focus of investing in the shares of AIM quoted companies.

The interests of the firm's founders and investment managers, Christopher Boxall and Stephen Drabwell, are well-aligned with those of the firm's clients through their own investment in AIM portfolios.

Independent AIM manager, in-house investment management firm undertaking own in-depth research.

Track record significantly outperforming leading indices and peers.

Investment approach proven to reduce volatility and liquidity risk.

Owner managed firm investing alongside clients.

Committed to a range of Environmental, Social and Governance (ESG) principles which help us to operate and invest responsibly. Through these principles, we aim to positively impact our internal and external stakeholders and wider communities. For more information see https://fundamentalasset.com/about/esg-responsible-investment/.

# PRODUCTS AND SERVICES

Fundamental regularly reviews its AIM portfolio product to ensure it continues to deliver good outcomes for customers

| Target outcome | Outcome achieved: | |
|---|---|---|
| | Since inception 2004 | Last 12 months |
| Performance goal: capital growth | ✓ | ✓ |
| 50% qualification for Business Relief (BR) | ✓ | ✓ |
| Liquidity target: within one month (typically weekly) | ✓ | ✓ |
| Product benchmarked against market | ✓ | ✓ |
| Product benchmarked against competitors | ✓ | ✓ |

TARGET ACHIEVED. During the past 12 months, growth has been up. Capital growth has also been achieved over the past 10 years.

# PRICE AND FAIR VALUE

A good outcome for customers is every client having been provided with the product services, successfully obtaining all the expected product features, and no comparable level of product and service is available at a lower cost elsewhere.

| Target outcome | Description | Outcome achieved: | |
|---|---|---|---|
| | | Since inception 2004 | Last 12 months |
| Core service provided to investors | Invested into a diversified core/satellite portfolio of around 25-30 BR eligible companies listed on the AIM market capable of targeting growth | ✓ | ✓ |
| Achieved for investors | Capital Growth achieved | ✓ | ✓ |
| | | 351.31% | 9.29% |
| | Portfolio qualifies for 50% BR relief | ✓ | ✓ |
| | Funds Invested within 1 week | ✓ | ✓ |
| Expertise and service | | ✓ | ✓ |

TARGET ACHIEVED. During the past 12 months, growth has been up. Capital growth has also been achieved over the past 10 years.

# CONSUMER UNDERSTANDING

Our customers' and our adviser partners' satisfaction lies in their ability to understand all of our communications and materials, enabling them to make well-informed investment choices.

| Target outcome | Outcome achieved: |
|---|---|
| All customer communications have undergone our rigorous process. | ✓ |
| Benefits and risks are made clear | ✓ |
| Tax relief offered by product is made clear | ✓ |
| It is clear where additional information can be found | ✓ |
| Support team is able to answer further questions | ✓ |



TARGET ACHIEVED

# CONSUMER SUPPORT

Clients and adviser achieve a positive outcome when they receive consistent support throughout their journey with us.

| Category | Target outcome | Outcome achieved: |
|---|---|---|
| Customer service resource | We provide appropriate customer service resources (email, phone, in-person) | ✓ |
| Customer journey | Consumers receive timely communications throughout their customer journey | ✓ |
| Portfolio managers | Consumers can contact the portfolio managers | ✓ |
| Dropped calls | No more than 0.1% per year | ✓ |
| Feedback | Consumers can use different methods to give feedback | ✓ |
| Feedback reviewed | Feedback is regularly reviewed and acted upon where appropriate | ✓ |
| Complaints | All complaints dealt with in the appropriate time | ✓ |
| Ombudsman | No complaint upheld by the ombudsman | ✓ |
| Provisions for vulnerable clients | Vulnerable customers are identified, and actions taken to accommodate their needs | ✓ |

TARGET ACHIEVED

# TARGET MARKET EUROPEAN MIFID TEMPLATE

| Category | | Codification | Additional information |
|---|---|---|---|
| Investor type | Investor type retail | Yes | |
| | Investor type professional | Yes | |
| | Investor type eligible counterparty | Yes | |
| Knowledge and/or Experience | Basic investor | Neutral | Could be suitable for a basic investor who receives advice in relation to this investment |
| | Informed investor | Yes | |
| | Advanced investor | Yes | |
| Client ability to bear losses | Compatible with clients who can not bear capital loss | No | |
| | Compatible with clients who can bear limited capital loss | Neutral | Has the potential to be suitable for an investor who is able to bear loss on the amount invested. Consideration of the potential for loss against the cost to the estate of Inheritance Tax may also be relevant. |
| | Compatible with clients who do not need capital guarantee | Yes | |
| | Compatible with clients who can bear loss beyond capital | Yes | |
| Client objectives and needs | Return profile preservation | No | |
| | Return profile growth | Yes | |
| | Return profile income | Neutral | Does not pay income but regular returns of capital can be facilitated to create cash flow by selling down shares |
| | Minimum recommended holding period | L | 2 years required in order to benefit from Business Relief |
| | Specific investment need | O | Capital growth, estate planning |
| Distribution strategy | Execution only | No | |
| | Execution with appropriateness test or non advised services | P | Non-advised investors must complete a suitability questionnaire that considers their understanding and experience. Preference for advice |
| | Investment advice | B | |
| | Portfolio management | B | |
| Risk tolerance | Risk tolerance PRIIPs methodology | - | |
| | Risk tolerance internal methodology for non PRIIPs and non UCITs | H | |
| Value for money | Outcome of assessment of value | 1 | 1 – charges are justified based on assessment and any action identified or, where the first assessment is not yet due, based on initial product design<br>2 – charges are not justified, significant action is required |
| | Outcome of value assessment or review | 1 | 1 – product expected to provide fair value for reasonably foreseeable period<br>2 – review indicates significant changes required in order to provide fair value |

# DEFINITIONS AND KEY

| Basic investor | Informed investor | Advanced investor | Key | Negative target market |
|---|---|---|---|---|
| **Investors having the following characteristics:**<br><br>• basic knowledge of relevant financial instruments (a basic investor can make an informed investment decision based on the regulated and authorised offering documentation or with the help of basic information provided by point of sale);<br><br>• no financial industry experience, i.e. suited to a first time investor | **Having one, or more, of the following characteristics:**<br><br>• average knowledge of relevant financial products (an informed investor can make an informed investment decision based on the regulated and authorised offering documentation, together with knowledge and understanding of the specific factors/risks highlighted within them only)<br><br>• some financial industry experience | **Investors having one, or more, of the following characteristics:**<br><br>• good knowledge of relevant financial products and transactions<br><br>• financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service | 1 = ISO 6166 for ISN code<br>99 = Code attributed by the undertaking<br>✓ = Yes<br>X = No<br>Neutral = neutral<br>***Risk Tolerance PRIIPS Methodology** = Range of 1-7 or Empty<br>**H** = High<br>**L** = Long Term<br>**O** = Other<br>**P** = Professional<br>**B** = Both (Retail and professional)<br>* **Distribution Strategy** = N (Retail and Professional) | **We have considered whether there any other customer groups for whom the service would be unsuitable.**<br><br>• Investors who are not willing to take any risk with this investment<br><br>• Investors who need immediate access to this investment<br><br>• Direct Investors with less than £40,000 to invest<br><br>• Platform Investors with less than £20,000 to invest<br><br>• Inexperienced investors who are not in receipt of financial advice |

# FEES CHARGED BY FUNDAMENTAL ASSET MANAGEMENT

## CHARGES FOR ADVISED CLIENTS WITH A FINANCIAL ADVISER

DIRECT

| Type of charge | Cost | When is charge applied |
|---|---|---|
| Initial fee | None | n/a |
| Dealing fee | Max £30 per trade | When purchasing or selling shares |
| Annual Management Fee | 1% plus | Accrued on the portfolio daily and deducted quarterly |
| For portfolios of £1m+ | Fees on discussion | n/a |

THROUGH PLATFORM

| Type of charge | Cost | When is charge applied |
|---|---|---|
| Initial fee | None | n/a |
| Dealing fee | As per platform costs | When purchasing or selling shares |
| Annual Management Fee | 1% plus | Accrued on the portfolio daily and deducted quarterly |
| For portfolios of £1m+ | Fees on discussion | n/a |

## CHARGES FOR NON-ADVISED CLIENTS

DIRECT

| Type of charge | Cost | When is charge applied |
|---|---|---|
| Initial fee | 1% maximum Capped at £2,000 | At set up |
| Dealing fee | Max ££0 per trade | When purchasing or selling shares |
| Annual Management Fee | 1.5% up to £150,000 assets<br>1% above £150,000 assets | Accrued on the portfolio daily and deducted quarterly |
| For portfolios of £1m+ | Fees on discussion | n/a |

For more information read our Remuneration Schedule at https://fundamentalasset.com/adviser-centre/document-library/

# REGULATORY REFERENCES

1. Finalised Guidance
FG22/5 Final non-Handbook Guidance for firms on the Consumer Duty, July 2022
https://www.fca.org.uk/publication/finalised-guidance/fg22-5.pdf

2. 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)

3. Performance COLL 6.6.21R(2)

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

5. Economies of Scale COLL 6.6.21R(4)

6. Comparable Market Rates PRIN 2A.4.9G(2), COLL 6.6.21R(5)

7. Comparable Services PRIN 2A.4.9G(4), COLL 6.6.21R(6) 7. Share Classes COLL 6.6.21R(7)

# IMPORTANT INFORMATION

**Issued by Fundamental Asset Management Limited**.

Fundamental Asset Management Ltd is authorised and regulated by the Financial Conduct Authority (FCA Reg No: 401123). This is not an offer to sell or a solicitation of an offer to purchase shares.

You should not invest in the Fundamental AIM IHT portfolio service unless you have read our Terms and Conditions, are aware of the risks involved, are prepared to hold for the long term and can risk making a loss.

Smaller quoted companies can be subject to certain specific risks not associated with larger, more mature companies. The information and opinions contained in this document are for background purposes only and do not purport to be full or complete.

Past performance is not necessarily a guide to future performance as the price of shares can fall as well as rise and you may not get back all the money you invested.

The extent of the tax benefits available will depend on the qualifying conditions and investors should seek professional advice before investing.

No reliance may be placed for any purpose on the information or opinions contained in this document of their accuracy or completeness.

If you have any doubt whether this product is suitable for you and you wish to obtain personal advice, please contact an Independent Financial Adviser.

# IMPORTANT INFORMATION

The performance shown is based on a real client portfolio managed since 1st March 2007. Individual portfolios differ in terms of holdings and performance depending on the timing of the investment.

Fundamental Asset Management Limited researches a material number of AIM stocks for the IHT Planning Portfolio Service. Our preferred stocks change as news flow and events impact on the companies and accordingly the composition of individual client portfolios may materially differ from another.

The companies selected for the Fundamental Asset Management AIM IHT Portfolio Service are selected because, based on our knowledge, they qualify for Business Relief (BR) and therefore could provide up to 50% IHT relief after being held two years, subject to the qualifying stocks still being held upon death. His Majesty's Revenue and Customs (HMRC) make the decision on IHT relief.

HMRC does not provide a list of qualifying companies. Instead, it assesses the company retrospectively. When a claim for relief is made (during the probate process), HMRC will confirm if the companies of which the deceased was a shareholder qualifies for BR and whether the shares can consequently be passed on free of IHT. Importantly, to benefit from 50% relief, the company must qualify for BR at the time of the investment and remain qualifying until the relief is claimed.

Fundamental Asset Management cannot guarantee that the client's portfolio will receive 50% IHT relief after two years, nor that the qualification rules as set out by HMRC will not change in future in a way that affects the status of individual holdings.

Fundamental Asset Management does not give investment advice to retail clients.

The suitability of the Service must be assessed by a professional adviser on an initial and ongoing basis.

For further information please refer to the fund factsheet, brochure and other documentation, which contain further details of the product, including costs and charges and risk factors. These documents are available at https://fundamentalasset.com/adviser-centre/document-library/.

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