



CHARLOTTE SQUARE  
INVESTMENT MANAGERS

# VALUE ASSESSMENT

For Year ended 31 March 2025

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## VALUE ASSESSMENT: OUR APPROACH AND METHODOLOGY

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At Charlotte Square, we aim to provide you with a range of investment solutions that complement your overall financial planning proposition for your clients. An important part of our regulatory obligations under the Consumer Duty, is to complete a value assessment for each product and service that we create – so that you have all the information you need when choosing a suitable product to recommend to clients.

Under Consumer Duty, the FCA expects a meaningful exchange between the Discretionary Investment Manager and Financial Adviser to allow all parties in the ‘value chain’ to be able to demonstrate whether good outcomes (including fair value) are being delivered for clients from the products and services recommended or distributed.

The FCA defines ‘value’ as the relationship between the overall price the client pays for products or service and the benefits they receive. At first sight, not necessarily the easiest equation to balance – unless, that is, we equip you with sufficient information. This document is intended, therefore, to illustrate where a reasonable relationship between price and the overall benefits can be found.

This report has been compiled in line with our understanding of the requirements under the Consumer Duty. However, we fully expect to develop the findings further and improve reporting over time.

Please do contact us with any feedback you have on our Value Assessment or if you would like further information on our methodology.

Our Value Assessment methodology involves mapping out the key criteria contained in the ‘[Value Assessment Roadmap](#)’ overleaf. This is followed by the collection and analysis of data from a number of sources to support what we believe represent the dimensions of value. The more we can establish the key elements of the Consumer Duty are present (e.g. the product and service is designed to meet the needs of its target market, distributed in a transparent way with full support for customer decision making), then the more likely it is that they offer value proportionate to the price your clients pay and will achieve good client outcomes.

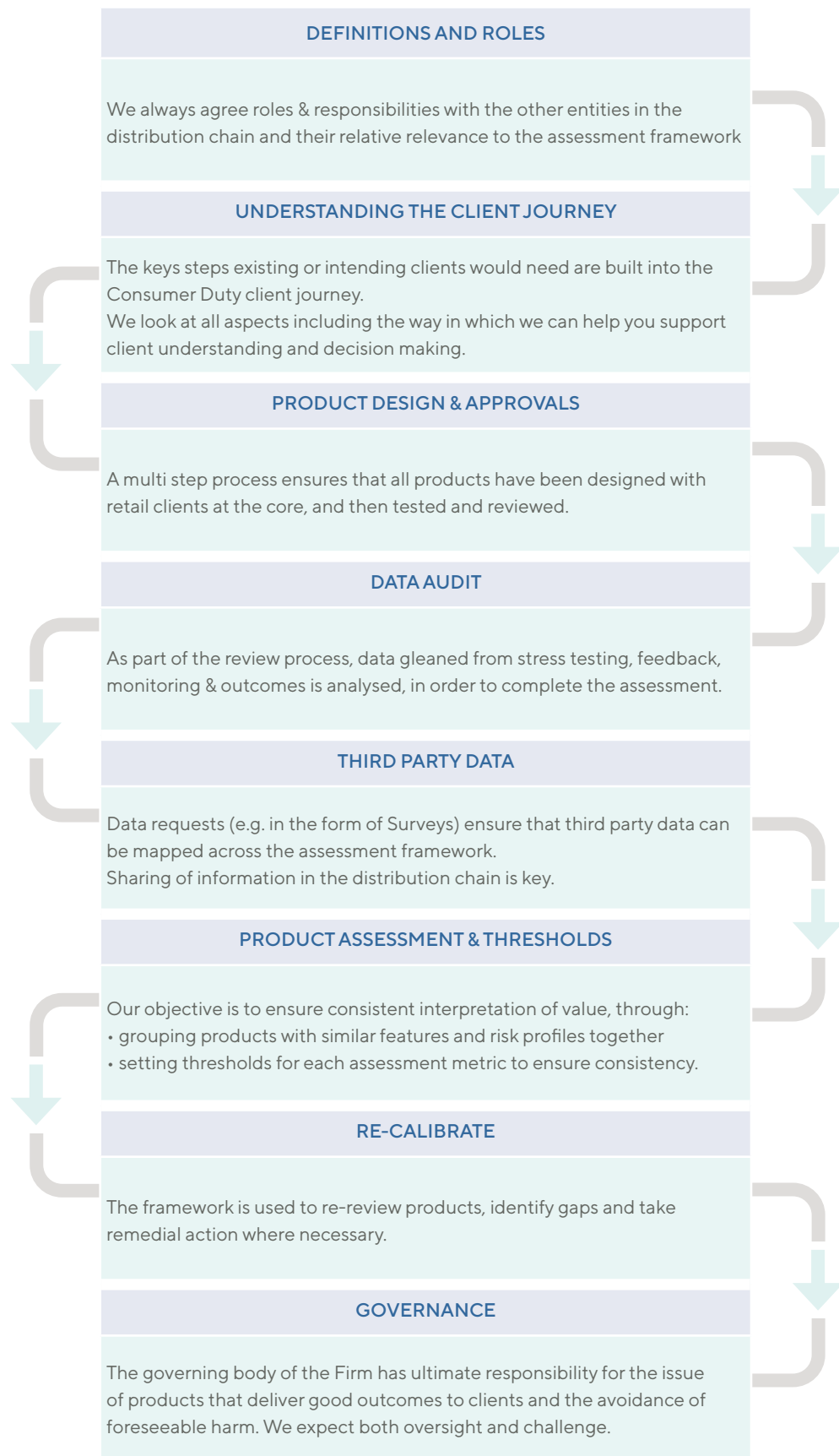
We will consider amongst other factors, the nature and key features of the products and services provided in relation to the target market, the associated costs, quality of service, distribution channels and the length of time your clients plan to stay invested. We will also take into account any characteristics specific to the Service itself (e.g. AIM) or the level of service input involved (e.g. Bespoke). Cost to the client is always an important part of the assessment (e.g. our own management fees and transaction charges). Your own Financial Adviser fees are charged in addition to ours and will be part of your own value assessment.

### LET US ASSIST YOU TO FIND A SUITABLE INVESTMENT SOLUTION FOR YOUR CLIENTS.

Whatever your clients’ investment aims and objectives, our Discretionary Investment Management portfolio Services offer an active choice with which to align the Investment Mandate and risk profile you have agreed with each client.

Our aim is to achieve the right balance for your clients between performance, risk, service and price from the choice of Discretionary Investment Management products and services we provide.

VALUE ASSESSMENT: A ROADMAP  
DEVELOPING THE VALUE ASSESSMENT: KEY CONSIDERATIONS



## VALUE ASSESSMENT FRAMEWORK

In assessing the value of our proposition, we look at more than just the fees which clients pay. We prefer instead to report on the four outcomes below, which we believe are key elements in our firm's relationships that help to drive good outcomes for clients.

We also recognise that Advisers are entitled to employ varying charging structures (which are not necessarily notified to us), and so your own assessment would be expected to determine whether the overall price represents fair value to your clients.

KEY DIMENSIONS OF VALUE	KEY FEATURES & BENEFITS	PERFORMANCE	PRICE	QUALITY OF SERVICE
	The characteristics of the product including its purpose, utility and aspects of design that may influence value.	Performance Measurement.	Price = paid by the customer and the costs associated with manufacturing the product.  Value = what the customer gets.	The quality of service customers receive including non-financial benefits.  These benefits (the underlying 'assets of value') may include their perception of the speed, accuracy and clarity of communications.
EXAMPLES OF DATA POINTS EXAMINED	<ul style="list-style-type: none"> <li>Investment Mandate.</li> <li>Regular updates and reporting.</li> <li>Robust investment process.</li> <li>Inhouse and external Research input &amp; analysis.</li> </ul>	<ul style="list-style-type: none"> <li>Assessment of performance comparison to the peer group.</li> <li>Measured over a 5 year rolling period on a quarterly basis or since launch where performance history is not yet available for 5 years.</li> </ul>	<ul style="list-style-type: none"> <li>Charges relative to competitors for similar products.</li> <li>Third parties costs (custody, account maintenance, reporting, platform charges).</li> <li>Pricing model.</li> <li>Any exit charges or other barriers.</li> </ul>	<ul style="list-style-type: none"> <li>Operational trackers.</li> <li>Service SLAs.</li> <li>Customer complaints.</li> <li>Quality of communications and reporting.</li> <li>Client retention.</li> <li>Client Surveys.</li> </ul>

The assessment framework is kept under review through a combination of testing and monitoring | Taking action on products, where necessary.

The assessment takes account of the needs of clients with characteristics of vulnerability | Please let us know how we can help you to support them.

The historic performance of our products and services is contained in our Factsheets available on our website or by request.

Please refer to our publications '[Product Information](#)' and '[Services Information for Intermediaries](#)' for fuller detail of the different products offered as part of our discretionary management services.

For Intermediaries distributing our investment solutions, Charlotte Square is acting as a 'manufacturer'.

## VALUE ASSESSMENT: PRODUCTS AND SERVICES

### BESPOKE DISCRETIONARY MANAGEMENT SERVICE

We offer this Discretionary Managed Service to clients who wish an individually constructed portfolio (typically with more than £1m to invest) that reflects more complex or extensive investment needs or constraints (e.g. CGT) or structures (e.g. a Trust). Personal circumstances are likely to be more closely defined, allowing little commonality across different Bespoke portfolios.

#### KEY FEATURES:

This service gives clients, for whom it is appropriate, scope for individual investment style preferences. It may involve managing inherited holdings that have to be held for tax reasons. The investment manager will be expected to recognise specific imperatives, which may have intergenerational implications. This is a multi-faceted scenario in which care has to be taken to identify different priorities within the same overall pool of money.

#### BENEFITS

- Active management of the portfolio and decision making by a dedicated investment manager, with oversight from the Investment Committee.
- Level of customised research and analysis.
- Frequent reviews and discussions on portfolio composition and performance, measured against both internal and independent data sources.
- Access to view portfolio via secure online portal.
- Comprehensive performance reporting quarterly, from the custodian, based on the Mandate and portfolio assets.
- Clear rationale of all trades carried out in the portfolio.
- Annually, reports of all costs and charges (related to both the management fees, dealing and administration charges); Custody Statement; Consolidated Tax Voucher.

#### QUALITY OF SERVICE

- Enhanced consultation is provided between our experienced discretionary managers, professional advisers and client. In addition to the regulatory reporting, therefore, there will be more frequent portfolio reviews, ad hoc reporting and communications.
- No complaints have been received in relation to the product and service or the communications.

#### PRICE

- The pricing has to afford flexibility given the bespoke nature of the service. And so our approach is to agree an appropriate fee rate for our services at the outset, based partly on the size of the assets and anticipated portfolio activity, and also on any additional complexities involved.
- A tiered fee approach may be applied where appropriate.
- There are no entry or exit fees.

#### PERFORMANCE

Due to the bespoke nature of this service and the variety of portfolios, we have not provided aggregated performance measurement.

As part of this service, we will provide regular client specific performance reporting and commentary to Advisers, who are welcome to request additional ad-hoc reporting at any time.

Advisers can refer, if they wish, to the Evolutionary service as a near proxy for performance as a number of core holdings are shared with assets in this service, aligned to the individual client risk profile.

#### ASSESSMENT OF FAIR VALUE

The degree of customisation means that clients may pay different levels of fees, which we believe can be justified in the context of the increased time expended by qualified investment personnel and other professional support. All our fees are monitored and, should outliers be identified, we will take appropriate action. Our conclusion is that the total costs are proportionate to the benefits clients obtain from this high level of personal service and provide Fair Value.

## TAILORED DISCRETIONARY MANAGEMENT SERVICE

From our range of 5 risk rated multi asset portfolios, your clients will have access to investment solutions that look for the optimum return within the risk Mandate by investing in a range of asset classes and financial instruments including equities, collectives, fixed income, property and infrastructure. Please refer to our '[Services for Intermediaries](#)' and '[Product Information](#)' publications for a detailed description of these and the objectives they are intended to meet for an identified target market.

### EVOLUTIONARY STRATEGIES

#### KEY FEATURES:

Our approach to the management of client money is designed to be flexible and responsive to different variables such as market and economic factors, but always with the Investment Mandate and agreed risk tolerance at the core.

For that reason, we take care to construct portfolios that reflect a range of identified needs and objectives within a robust risk framework, with a view to producing consistent returns over the long term.

Although growth will be an objective shared by all, the management of these portfolios is flexible enough for the individual client e.g. to allow for income withdrawals.

#### BENEFITS

- Investment Committee oversight of all decision making.
- Active portfolio management by an experienced investment team.
- The quality of research, both in-house and externally sourced.
- Clear rationale for all trades.
- Online portfolio access via a secure portal.
- Quarterly periodic reporting including a comprehensive Valuation and Performance Report from the custodian.
- Annually, a Report of all costs and charges (related to both the management fees, dealing and administration charges); Custody Statement; Consolidated Tax Voucher.

#### QUALITY OF SERVICE

- We continually review and re-balance portfolios to respond to market conditions.
- In the period under review, we have not received complaints.
- However, we value the feedback we receive directly from you or from surveys and will apply this to our ongoing internal monitoring of performance, attrition rates, and any complaints.

#### PRICE

- Given the commonality in the composition of defined risk rated portfolios, it means that clients will likely pay a similar investment management fee rate in line with our Fee Policy.
- There are no entry or exit fees.
- A tiered fee approach may be applied in appropriate circumstances.

#### PERFORMANCE

Performance is measured against both internal and independent data sources (MSCI PIMFA Indices).

We have conducted thorough performance analysis for portfolios in this service across different mandates.

When benchmarked via the indices provided by ARC (which we have used solely for the purposes of a peer to peer comparison, net of fees), our conclusion is that our median portfolio performance is competitive.

Further detail on this can be provided upon request or in additional ad hoc reporting - specific to your individual client.

#### ASSESSMENT OF FAIR VALUE

Effective management of costs is a key requirement for providing value to clients. Given the commonality in portfolios, clients typically pay the same, or similar, management fees. Based on publicly available pricing information of our competitors, we believe that, in the context of the overall benefits of the product and services offered, it provides Fair Value.

## SPECIALIST STRATEGY RANGE

As active managers, we create the flexibility to adapt to what you tell us are your clients' financial priorities. Where the need for a more specialist focus is identified, we offer that from the three choices following below.

### Income Uplift

#### KEY FEATURES:

The Income Uplift strategy has a focus on income generation but has a total return mandate, so an element of performance comes from capital growth. The primary goal is to provide a sustainable level of income in excess of what historically has been offered from bank savings. Typically, an income uplift portfolio looks to achieve a yield around 3.5%.

Capital preservation is also an objective of the service, so some investments may not have an associated yield.

Generally, the larger percentage of the total return will come from income but we would expect modest capital growth over the long term.

#### BENEFITS

- Investment committee oversight of all decision making.
- Active management of the portfolio by an experienced investment team.
- Clarity of the research and analysis, aligned to the income focus.
- Clear rationale for all trades.
- Quarterly comprehensive Valuation and periodic Reporting from the custodian.
- Annually, a Report of all costs and charges (related to management fees, dealing and administration charges); Custody Statement; Consolidated Tax Voucher.
- Online portfolio access via a secure portal.

#### QUALITY OF SERVICE

- We believe that clients' satisfaction with this Service is at an acceptable level.
- There have been no complaints in the period under review.
- We will continue to monitor our MI and review of Products.

#### PRICE

- Clients will pay a similar level of Fees to our Core discretionary management fees that are charged in line with our Fee Policy, and which we regularly review.
- There are no entry or exit fees.
- A tiered fee approach may be applied in appropriate circumstances.

#### PERFORMANCE

Performance is measured against both internal and independent data sources (MSCI PIMFA Indices).

We have conducted thorough performance analysis for portfolios in this service.

When benchmarked via the indices provided by ARC (which we have used solely for the purposes of a peer to peer comparison, net of fees), our conclusion is that our median portfolio performance is competitive.

Our historic performance can be found in our latest quarterly Factsheet published on our website.

Additionally, Advisers are welcome to request ad-hoc reporting and commentary for specific clients at any time.

#### ASSESSMENT OF FAIR VALUE

Based on publicly available information of our competitors and our internal data points, we believe that, in the context of the overall benefits of the product and services offered, it provides Fair Value.



## All Weather

### KEY FEATURES:

This strategy seeks to reduce the impact of the volatility inherent in financial markets, for greater certainty of positive returns independent of market cycles. At the heart of our All Weather strategy is an emphasis on volatility reduction, with the aim of delivering long-term real returns.

The portfolio investment focus is on different asset classes with a core of equity investment depending on market conditions. The emphasis is on the impact of inflation and economic growth. Tactical asset allocation adjustments will be made based on the outlook for these variables. The aim is to dampen volatility throughout the market cycle by diversification and mandate flexibility.

### BENEFITS

- Investment committee oversight of all decision making.
- Active management of the portfolio by the investment team.
- Clarity of the research and analysis, with careful consideration of the stage of the economic cycle.
- Quarterly comprehensive Valuation and periodic Reporting from the custodian.
- Annually, a Report of all costs and charges (related to management fees, dealing and administration charges); Custody Statement; Consolidated Tax Voucher.
- Clear rationale for all trades.
- Access to view the portfolio via a secure online portal.

### QUALITY OF SERVICE

- We believe that clients' satisfaction with this Service is at an acceptable level.
- There have been no complaints in the period under review.
- We note in the current economic climate, there has been limited take-up by new entrants.
- We will continue to monitor our MI and review of Products.

### PRICE

- Clients will pay a similar level of Fees to our core discretionary management fees that are charged in line with our Fee Policy, and which we regularly review.
- There are no entry or exit fees.
- A tiered fee approach may be applied in appropriate circumstances.

### PERFORMANCE

Performance is measured against both internal and independent data sources (MSCI PIMFA Indices).

We have conducted thorough performance analysis for portfolios in this service.

When benchmarked via the indices provided by ARC (which we have used solely for the purposes of a peer to peer comparison, net of fees), our conclusion is that our median portfolio performance is competitive.

Our historic performance can be found in our latest quarterly Factsheet published on our website.

Additionally, Advisers are welcome to request ad-hoc reporting and commentary for specific clients at any time.

### ASSESSMENT OF FAIR VALUE

Based on publicly available information of our competitors and our internal data points, we believe that, in the context of the overall benefits of the product and services offered, it provides Fair Value.

### Alternative Investment Market (AIM)

#### KEY FEATURES:

This is a specialist service that Charlotte Square provides to clients focused on growth through exposure to a carefully selected portfolio of investments in AIM listed companies. It also offers clients the potential to reduce their Inheritance Tax (IHT) liability on investments that qualify for Business Relief. This initiative is designed to encourage investment in certain qualifying companies, that can provide investors with an IHT exemption if held for at least 2 years at the time of death. The level of exemption will vary (or even be removed) depending on the prevailing tax regime and the client's individual tax position.

We will work with you to support the decision making process for selecting this type of Service. The guidance you can provide to your clients is paramount here as investing in AIM should be regarded as a higher risk investment.

This is because AIM shares tend to be more volatile than companies listed on the main market of the London Stock Exchange and may be less liquid (more difficult to sell), which can sometimes lead to differences in the price clients receive. For further details, please refer to our:

- [Company brochures](#)
- [AIM Factsheets](#) on our website
- 'Services for Intermediaries' and 'Product Information' publications

Or speak to your usual contact at Charlotte Square . We are here to help.

#### BENEFITS

- Active management and responsiveness of investment team with particular knowledge and experience in this area.
- Investment committee oversight of all decision making.
- Clarity of the research and analysis, aligned to the more complex criteria in selecting a qualifying investment.
- Clear rationale for all trades.
- The ongoing control and access to their assets this Service affords clients during their lifetime.
- Access to view portfolio via secure online portal.
- Quarterly comprehensive Valuation and periodic reporting from the custodian.
- Annually, a Report of all costs and charges (related to management fees, dealing and administration charges); Custody Statement; Consolidated Tax Voucher.
- Potential IHT mitigation where qualifying conditions are met.

#### QUALITY OF SERVICE

- There were no complaints received in relation to the product and service in the period under review.
- Survey results from clients indicate we provide a level of service we provide either meets or exceeds expectations.
- Our client retention numbers remain good.

#### PRICE

- The nature of the Service and the time expended in the composition, monitoring and management of these portfolios justify a fee higher than our other discretionary managed services.
- There are no entry or exit fees.

#### PERFORMANCE

Performance is measured against both internal and independent data sources (ARC PCI Indices).

We have conducted thorough performance analysis for portfolios in this service.

When benchmarked via the indices provided by ARC (which we have used solely for the purposes of a peer to peer comparison, net of fees ), our conclusion is that our median portfolio performance is competitive.

Additionally, Advisers are welcome to request ad-hoc reporting and commentary for specific clients at any time.

#### ASSESSMENT OF FAIR VALUE

We believe the charges for the level of expertise and experience required to deliver the AIM Service, are proportionate to the returns that clients obtain. We are satisfied that our charges are in line with (and in some cases lower) that the rates charged by our peers for a similar Service.

We believe that, in the context of the overall benefits of the product and services offered, it provides Fair Value.

## MANAGED PORTFOLIO SERVICE (MPS)

This is a Service that we offer exclusively through our relationships with Financial Advisers who are looking for access to this type of investment solution for their clients.

Our objective is to make a positive contribution to your central investment proposition. We determine the range of portfolios from which you can select and then manage on an 'Agent as Client' basis.

### KEY FEATURES:

Charlotte Square offers 5 risk rated portfolios managed under our discretionary permissions on third party platforms of your choice. Each portfolio has a specific investment objective and risk profile, that we will discuss with you at the outset, so that you can satisfy yourself that the range of MPS portfolios meets your client needs.

For further information please refer to our:

- [MPS Brochure](#)
- 'Product Information' and 'Services for Intermediaries' publications
- [Factsheets](#) available on request

### BENEFITS

- Investment committee oversight of all decision making.
- Active management of the portfolio by the investment team.
- Clarity of the research and analysis, aligned to each risk Mandate.
- Clear rationale for all trades.
- Periodic reporting arranged by the Platform.
- The option to withdraw income on a regular basis.
- Availability of portfolio types e.g. ISAs and SIPPs.

### QUALITY OF SERVICE

- Survey results from our distributors indicate the level of service we provide either meets or exceeds expectations.
- Our retention numbers remain good.
- We have received no complaints in the period under review.

### PRICE

- This service offers access to a cost effective managed solution.
- Our Fees, when compared to our competitors, indicate that we are comparable with our peers for a similar service.

### PERFORMANCE

Performance is measured against internal and independent data sources (Bank of England Base Rate + % appropriate to the risk mandate).

We have conducted thorough performance analysis for portfolios in this service.

When benchmarked via the indices provided by ARC (which we have used solely for the purposes of a peer to peer comparison, net of fees), our conclusion is that our median portfolio performance is competitive

Our historic performance can be found in our latest Factsheet.

### ASSESSMENT OF FAIR VALUE

Based on publicly available information of our competitors and our internal data points, we believe that, in the context of the overall benefits of the product and services offered, it provides Fair Value.



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