



Value Statement

ADVICE YOU CAN TRUST

Verum Financial LLP is a firm of financial planners and an Appointed Representative of Best Practice IFA Group Limited, which is a network that promotes a high level of market standards through the provision of back-up resource, technology, training, and support. Best Practice IFA Group Limited is authorised and regulated by the Financial Conduct Authority. The registration number is 223112 and a full list of Appointed Representatives can be found on the FCA register.

Should you have any questions on any element of this document please do not hesitate to ask us.

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## OUR COMMITMENT TO VALUE

We are committed to helping you achieve financial wellbeing, by ensuring you have a robust financial plan, and then reviewing the plan to ensure it remains on track to meet your objectives.

We genuinely care about helping you achieve your goals.

The relationship with our clients is often the longest standing professional relationship that they have. They rely on us for much more than the financial plans we implement and manage for them. This doesn't happen without a great deal of client trust.

We are very passionate about what we do and as a business we need to charge our clients fees for our services. We regularly review the structure of our charges, to ensure they remain fair, competitive and transparent. It is of primary importance that the cost of our services provide value to our clients both initially and on an ongoing basis.

There are things we do for you that are easy to see and there are also lots of things we do in the background that you might not see. All of these tasks take energy, expertise, passion, and as you may expect have a cost. In a general sense, our fee structure is designed to meet the running and profit of the business, the latter of which also helps to provide stability and growth for the future. Our role is to be your long-term strategic partner. The aim is for our business to be financially stable, well resourced, and profitable to ensure we can continue to work for you into the future.

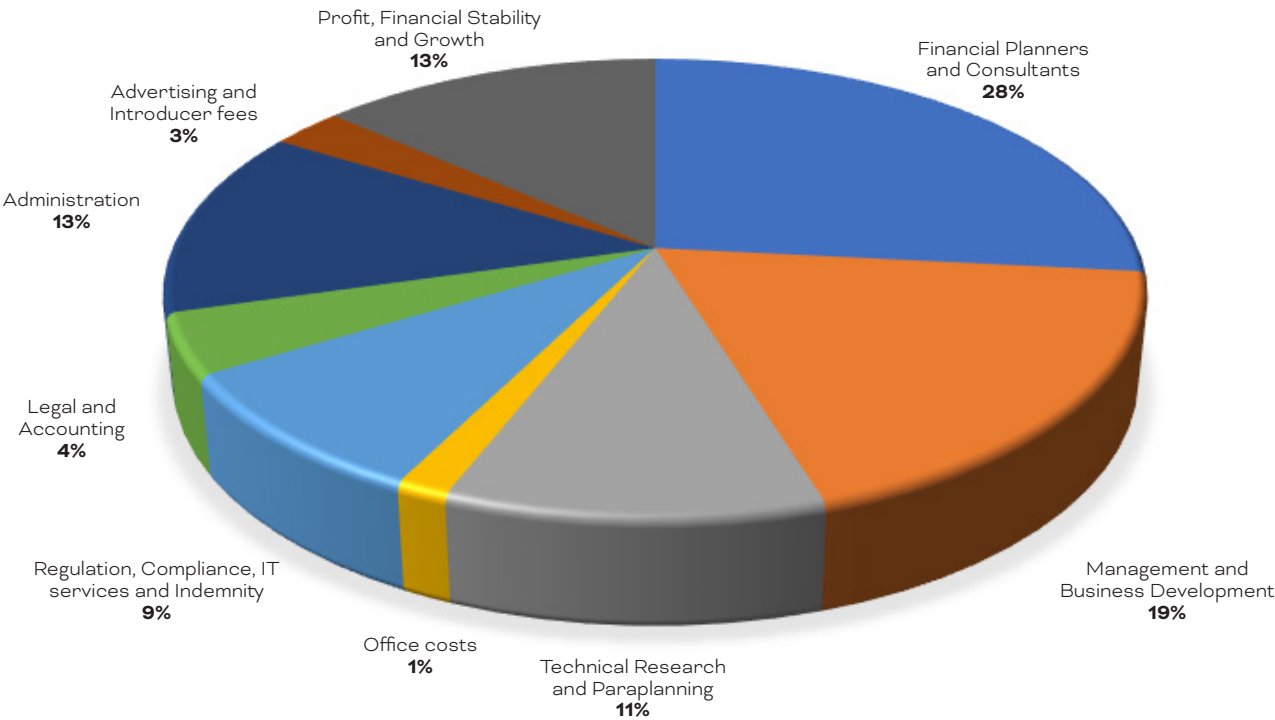
We charge initial fees, and ongoing service fees for the work we do for you. Initial fees are calculated on the complexity of the work, the time taken, and includes an element of professional risk.

We designed our ongoing service ("The Verum Service Plan") to add positive value to clients for years to come and to maintain a high level of service. Our goal is to be your trusted partner for as long as you want to stay with us.

This guide helps you understand what you get for your money, how it is spent, and the value we add to you.

Please ask to see our **Service Charter**, and other brochures for more information on our services and calculation of our fees.

HOW WE SPEND YOUR FEES



SOME OF THE VALUE WE ADD IS NOT ALWAYS IMMEDIATELY VISIBLE

**Products**  
**Adviser meetings**  
**Advice & reports**

Tax mitigation, reduction and deferral  
Estate planning & trusts  
Maintaining professional standards and membership  
Maintaining technical knowledge  
Maintaining delivery channels – physical office and digital solutions  
Negotiating provider discounts  
Maintaining managed portfolios service contracts  
Professional indemnity  
Compliance, governance and audit

Liaising with professional partners – accountants, solicitors, brokers, actuaries  
Maintaining research software and panels  
Designing, reviewing and maintaining investment methodology and provider due diligence  
Maintaining membership of Benchmark Network  
Data security  
Training and development  
HR and employment  
Service, delivery and product development  
Behavioural coaching and reassurance

## **OUR PROFESSIONAL STANDING AND QUALIFICATIONS**

- Being recognised as a Chartered Financial Planner means that the adviser is committed to the highest standards of professional competency, ethical standards, and integrity. This represents the gold standard in financial planning. We know this gives our clients a great deal of comfort.
- The requirement to become a chartered financial planner with the Chartered Insurance Institute, is the culmination of years of learning and professional practice.
- For advisers who are just starting out on this journey, or are already qualified to advise (Diploma status) but haven't yet reached Chartered status, we are committed to helping and sponsoring them to achieve this.
- Every adviser has to maintain these standards by completing a certain level of continuing professional development (CPD) each year (minimum of 35 hours). This ensures we keep up to date with legislative, regulatory, and tax changes so that you have the confidence we are fully up to date with our knowledge and expertise. CPD is regulated, audited and monitored by the Chartered Insurance Institute.
- We are all members of the Personal Finance Society (PFS) as an ongoing commitment to our profession and expected standards.
- We also maintain a Pension Transfer Specialist (PTS) qualification and permissions, which allows us to advise on safeguarded pension benefits such as final salary schemes. This requires specialist qualifications, and additional CPD obligation (minimum addition of 15 hours). Many advisory firms no longer offer this service due to lack of qualification, or restrictions of professional indemnity insurance. However, we think it is important to offer this area of financial planning to clients.

## **OUR MEMBERSHIP OF BEST PRACTICE AND WORKING WITH BENCHMARK**

- We are committed to the highest standards of financial advice, and therefore chose to be a member of the Best Practice network. All firms are vetted and need to pass a rigorous onboarding process before they are allowed to join.
- Best Practice provide an institutional regulatory supervision and compliance framework service which provides us with a high level of regulatory assurance and leading-edge client management systems. This is very important, as it gives you the assurance that our advice and service is continually checked, audited, monitored and continues to meet the standards required by our regulator the Financial Conduct Authority (FCA).
- This high quality and financially sound organisation ultimately provide us with a high level of assurance and confidence around the regulatory framework for the proposition and services we deliver to you, our clients.
- By leveraging the quality and services of an organisation like Benchmark, a Schroders plc group company, we have confidence that we will remain at the forefront of our profession, ensuring we maintain a “Best Practice” approach to serving our clients. Many of the benefits we derive, we believe provide direct additional value to our clients, including:
  - » The provision of an independent complaints handling process for all clients.
  - » Enhanced professional indemnity insurance.
  - » Integrated client technology systems, including the Wealth Platform Portal.
  - » Independent compliance supervision of our advisers and the suitability of our client advice and ongoing service.
- One of the key reasons we chose to work with Benchmark, was their award-winning technology backed by Schroders. We are confident that the security of our client’s confidential information within Benchmark’s client management systems is in very safe hands. Security is reviewed and updated on an ongoing basis to ensure it remains robust to the changing nature of cyber crime.

## NEW CLIENT ONBOARDING AND INITIAL ADVICE

We take time to guide clients through each stage of the process.

### Step 1

#### Initial enquiry

- We have a brief call with you to introduce ourselves and establish if our services are right for you. We'll then book you in for an initial consultation and discovery meeting, which can be arranged at our office, at your home, or via videocall.
- We'll send you an onboarding link, so that you can give your permission for us to take data, and invite you to enter some brief details about your circumstances and goals.
- We'll also advise you on what information to bring to the discovery meeting.

### Step 2

#### Discovery meeting

- We'd like to get to know you, so we'll spend typically an hour at this meeting.
- We like to establish your goals and objectives, both for now and for the future. The more we know about your future dreams and aspirations, the more we can help you get there.
- We'll ask you questions about your current situation, and what financial plans you already have in place.
- Once we've done this, we can help you understand any shortfalls and action points, and then help you prioritise them and establish the budget you can allocate to planning.
- We'll also explain investment risk, and establish what risk you are comfortable with, what risk you might need to take, and what risk you can afford to take.

- We'll also run through our service charter, which covers fee structure, your regulatory rights and protections, and how we do things.

### Step 3

#### Initial appraisal

- We'll give you an initial appraisal and sense check.
- This will highlight any action points and shortfalls, and suggest areas that we can add value
- We will also give you the cost of any work we suggest

All of the above work up to this stage is at our cost, and you owe us nothing. We would of course encourage you to take the next steps.

### Step 4

#### Engagement

- We're really happy you've decided to become our client.
- We'll send you initial engagement documents, which formally appoint us as your advisers.
- We'll set you up with your client portal ("Wealth Platform") which acts as a secure online hub for all your documents, plans and records.

### Step 5

#### Research & recommendation

- We like to do things carefully and properly, so this part takes a little while.
- We gather any information we need from your existing providers.
- We independently research potential solutions, using all of our specialist tools, methodology and experience.



- We will on your behalf negotiate any discounts with providers, and also establish some options that you might not be able to access directly.
- We'll work out what products and investments are right for you.
- We construct your holistic financial plan, including a lifetime cashflow analysis if it's needed.
- We provide a full report and recommendations.
- We'll investigate any tax relief we might be able to achieve for you.
- If necessary, we'll also liaise with your accountant and solicitors to ensure we're all working coherently in your best interests.

### **Step 6**

#### **Presentation**

- We'll arrange to present the recommendations to you.
- We'll run through any recommended products, costs and charges and all the key features and illustrations.
- You can take as long as you like to reflect on the advice given, but we'll make you aware of any deadlines such as tax year end.

### **Step 7**

#### **Implementation**

- Happy to go ahead? We'll take your instructions, and fully implement and construct the financial plan, including any underlying investments. At this point all the agreed initial advice and implementation fees will be settled, usually by deduction from the policy or product or alternatively you can opt pay us separately.
- Not ready to go ahead? That's absolutely fine. We'll need to invoice the advice part of the initial fee to cover the work we've already done, but you won't pay for the implementation until you decide to do this part.

## ONGOING SERVICE, MONITORING, REBALANCING AND REVIEW

*Please refer to the “Verum Service Plan” in our Service Charter for full details.*

- We’ve set up your financial plan, and now we want to make sure it stays on track to meet your goals.
- We’ll set up discretionary investment templates on your behalf. These help us to ensure your investment portfolio is rebalanced and reassessed throughout the year, not just annually. Markets move very quickly, and we want to make sure your portfolio is dynamic and can be changed quickly.
- We will use our technology to monitor the risk of your investments within the chosen parameters. Investments don’t come with a guarantee of success, but our system alerts us if the volatility risk exceeds the agreed range, and acts as an early warning system.
- In the background we also review, test and challenge our investment methodology and approved solutions at least quarterly, to ensure that we are offering the best independent solutions from whole of market. We’re also constantly working to ensure that we are brokering the best deals and discounts for our clients. Any savings we make are always passed on to you.
- We will arrange an annual meeting with you. It gives us an opportunity to sit down with you to reflect on the past year, and to look forward and consider what might be on the horizon for you in the coming years. This is designed to give you reassurance and peace of mind about how your investments are tracking against your goals and to review our plans in the context of any changing circumstances in your life, new goals, or changes in your objectives.
- We consider the outlook for markets and the economic landscape and changing tax regulations which might impact on your current plans. We make sure everything we are doing remains suitable and is aimed at helping you and your family to achieve your goals.
- We’ll aim to remove, reduce, or defer tax wherever we can. This helps to give your plans a boost either now, or in the future.
- During the year, we’ll keep you updated with any changes by providing regular market and economic updates, quarterly newsletters, and the budget update.
- We’re also always on hand to provide reassurance and answer any queries. Investments never grow in a straight line, and there will be times that you might be worried. We’ll help to reassure you, offer any updates we have, and help you focus on the long-term plan so that you don’t make any inappropriate changes based on short term events.
- We’ll update every aspect of your financial plan to ensure you are on track or advise you of what needs to be done to get you back on track.
- You’ll also have access to our Wealth Platform, which is your online hub to stay in control of your financial plans. It includes unlimited secure storage for you and updated portfolio valuations.

- We'll provide annual reports covering value and performance, charges paid, and

recommendations for any changes.

### **ONGOING SERVICE, MONITORING, REBALANCING AND REVIEW**

- The more efficiently we operate the more we keep costs under control. This means embracing technology and offering digital delivery channels and services.
- Where possible, we will deliver documents and updates via your wealth platform, which is your dedicated secure client portal. We think this is very important as it helps save costs and ensures that your information is protected under two-step authentication.
- However, we recognise that not everyone wants to access their service online, so we're committed to other delivery channels.
- We maintain a physical office, and you are welcome to visit and talk to us there.
- We are happy to visit you in your home or place of work, if this is logistically possible and efficient.
- You can call us at the office, which is open 8.30am to 4.30pm or on our mobile phone.

- If you prefer to have paper documents, we will send you these on request.
- We are committed to maintaining a paperless office where possible. We don't hold any paper files, as we think this represents a data risk, and therefore all your information is held under our network's secure systems.
- Part of the fees we pay to our network cover maintenance, updates and upgrades of the Enable system and Wealth Platform. This helps us improve our digital offering and provide innovation to enhance your delivery channels and overall experience.
- All meetings can be conducted face to face, online, or by telephone. We really love to see you, but we are also conscious of the environment so will be happy to engage you in the way that suits your preference and views.

### **ONGOING SERVICE, MONITORING, REBALANCING AND REVIEW**

- Behavioural guidance is an important aspect of investment planning that aims to help investors make better decisions by understanding and addressing their behavioural biases. Many investors make decisions based on emotions rather than logic, which can lead to poor investment decisions and lower returns.
- Behavioural guidance involves understanding the psychological and emotional factors that influence investment decisions, such as fear, greed, overconfidence, and herd mentality. By understanding these factors, investors can learn to manage their emotions and make better investment decisions.

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## **ONGOING SERVICE, MONITORING, REBALANCING AND REVIEW** *continued*

- We are on hand throughout the year to help clients identify their biases, create a plan that aligns with their goals and risk tolerance, and provide ongoing support and guidance to help them stay on track.
- We provide ongoing monitoring and rebalancing of portfolios, which can help you avoid making emotional decisions during market volatility.
- By helping you stay calm and rational during market volatility and avoiding impulsive decisions, we can help you make better investment decisions and stay focussed on your long-term financial goals.

## **CASHFLOW PLANNING ANALYSIS**

- We use specialist tools to help you plan for the future.
- A Cashflow Analysis helps us to show you visually how your plan has been set up to meet your objectives.
- The cash flow forecasting provides a visual illustration of how your investments and wealth will move over time in relation to the financial plans that we formulate to meet your goals. This aims to give considerable comfort knowing that there is mathematical rigour to our advice and how it will help you meet your goals.
- Cash flow planning allows us to scenario test your plans against historical market events and simulate how your goals could be impacted by these types of events. It allows us to show how risk events might impact portfolios. It's a really great way to help you understand more about investment risks and how it translates to the plans you have in place. It helps you feel more informed and comfortable about your plans.
- We'll update it during the annual review process to take account of any changes in goals, taxation, investment performance and life events.

## **SPECIFIC AREAS OF ADVICE AND SERVICE**

### **Protection**

- A good financial plan needs a solid foundation. Before we start building your future, we should look at protecting what you already have.
- We can help you to consider different scenarios which could occur and identify if there are any shortfalls in your protection planning. We can explain what options you have to address these shortfalls and how they would ensure you and your family are able to maintain your lifestyle and still meet your longer-term financial goals, in the event of ill health or death.
- We maintain access to professional tools and resources to conduct analysis and research to find the best and most suitable product.

- We can also help write the plans in trust so that the benefits are kept in the right hands and passed onto chosen loved ones quickly and without unnecessary inheritance tax.

### **Estate Planning**

- We can work with your accountant or solicitor who have a deep knowledge and understanding of HMRC tax rules in relation to clients and their estate's assets. We can help you to understand the value of future liabilities and design and implement strategies to reduce this liability. This frequently saves a clients estates thousands of pounds of Inheritance Tax. This provides real value and peace of mind that your loved ones will be looked after when you are gone.
- Through cashflow planning, we can help you understand what you might need to keep for yourself, and what could be gifted or ringfenced for loved ones. We can help set up trusts that keep any ring-fenced assets under control, but also help to mitigate, reduce, or defer inheritance tax.
- We can access tax efficient products that help to reduce or remove inheritance tax. These can present risk, and require extra due diligence, and we therefore maintain live up to date specialist panels and tools to ensure that they are fully audited and rated. This allows us to filter and recommend appropriate solutions efficiently.
- Once any trusts are in place, we can work with the trustees to ensure that the plans stay on track, and reduce, defer or remove any potential tax on the trust.

### **Retirement planning**

- This is often a key area of financial

planning for clients which deserves significant time in reviewing each year. You've been earning and building your wealth. Now, you are reliant on that wealth to support you for what could be a very long time.

- Extra care needs to be taken, as we need to monitor, review and control sequential risk (the timing of market movements) as well as volatility risk. This is because when you are drawing down income or capital from a plan, the portfolio may have less resilience to rebound from a market fall. The ultimate effect of this is that money can start to run down more quickly than you might have envisaged.
- You are likely to live longer than you think you might. Generally, life expectancy has increased through the years, and is also likely to increase further in the future. The plan that you started out with might have been designed to provide for a 30-year retirement, and this may fail if for example it needs to run for 40 years. We can help you plan for this, and manage longevity risk using our methodologies, planning and tools.
- More than 40% of our clients are currently in retirement, following our advice and drawing on their assets to live a stress-free life in retirement. Our retirement planning is designed to reassure you and to take away the worry.
- We'll help you understand what you might need, prioritise into essential needs, lifestyle needs, discretionary wants, and ultimately gifts and legacy. We'll aim to establish which needs should be covered without risk. Sometimes it's not possible to cover all needs without risk, and therefore we'll help

## **SPECIFIC AREAS OF ADVICE AND SERVICE** *continued*

to construct plans which might generate a flexible and sustainable income, or if necessary, a gradual erosion of capital taking into account investment risk, longevity risk, and sequential risk.

### **Defined Benefit and Safeguarded Pensions**

- If you have a defined benefit pension/ final salary pension only qualified advisers in this

very specialist area can review your options and provide advice on whether you should retain or transfer the pension. This is a complex area of advice and one we can help you with, ensuring any advice is in your best financial interests.

## **CORPORATE SERVICES**

- Through our specialist Employee Benefits Consultants we offer services and products that aim to help employers.

- Meet their regulatory and legal obligations, such as auto-enrolment. The employee benefits market is constantly changing, and it can be difficult for employers to stay up-to-date on all of the latest regulations. Our Employee Benefit Consultants can help employers stay compliant with all of the latest regulations, which can help protect the employer from legal liability.
- Engage, recruit and retain quality staff by offering relevant and appropriate employee benefits. Our Employee Benefit Consultants can help employers design and implement employee benefits programs that meet the needs of their employees. This can help reward staff and improve employee satisfaction, which can lead to increased productivity and decrease staff turnover.
- Save tax and national insurance by planning and presenting their employee benefits in the right way.

- Design benefits that can maintain a happy workforce to help reduce staff turnover and absence by engaging them and ensuring they have access to services that support their medical and mental wellbeing needs, whilst helping those employees off work get back to work as soon as possible.
- Meet the needs of directors and company owners in a tax efficient way
- Protect the ownership and profit of the business with shareholder protection and keyperson protection solutions
- Educate their employees and empower them to be in control of their financial future by developing and delivering financial education programs. These programs can cover a variety of topics, such as budgeting, saving, investing, and retirement planning. The programs can include written or visual guides as well as presentations and one to one meetings providing guidance and information so employees can make informed decisions on the options available. Where appropriate our Employee Benefit Consultants can also refer employees to financial professionals, such as financial

planners, accountants, and insurance agents. These professionals can provide more specialised and bespoke financial advice.

- Please refer to our employee benefits brochure and service charter for more information.

## INVESTMENT ADVICE AND VERUM'S INVESTMENT PHILOSOPHY

- You may not be able to achieve your financial plans fully without taking investment risk.
- A well designed investment strategy can be the engine that drives the success of your financial plan.
- Investment planning is essential for anyone who wants to achieve long-term financial goals.
- At the heart of our philosophy is the use of the efficient frontier and modern portfolio theory.
- The efficient frontier is a mathematical concept that helps investors identify the optimal portfolio that maximises returns for a given level of risk. It shows the different combinations of assets that can achieve the highest possible return for any given level of risk. The efficient frontier is determined by analysing historical data on the returns and risks of different asset classes.
- Using our specialist tools, experience, knowledge and skill, we can optimise your portfolio by selecting a mix of assets that aims to achieve the highest possible return for the least amount of risk.
- To use the efficient frontier and modern portfolio theory, we follow these steps:
  - Identify your investment objectives and risk tolerance.
  - Determine your investment goals, such as retirement or education funding, and your willingness to take on risk.
  - Determine the available investment options.
  - Consider different asset classes such as stocks, bonds, property and alternative investments, and their historical returns and risks.
  - Create a portfolio that balances risk and return.
  - Select a mix of assets that lie on the efficient frontier and optimize for maximum returns for the least amount of risk.
  - Monitor and adjust your portfolio over time.
  - Rebalance your portfolio regularly to ensure that it remains aligned with your investment goals and risk tolerance.
- In order to achieve the above we prefer to use the following structure where possible:
  - A custodian platform that allows us to allocate investments from the whole of market, and allows us to manage several

## INVESTMENT ADVICE AND VERUM'S INVESTMENT PHILOSOPHY *continued*

tax wrappers such as ISAs, investment bonds and pensions. We add value through negotiated discounts with major providers.

- **Managed Portfolio Services (MPS).** These are contracts we arrange on your behalf to allow discretionary managers to rebalance and reassess the mix of funds as needed throughout the year. These discretionary managers report to us, and we can override or remove them at any time. Some of these solutions cannot be accessed directly, and in some cases we have negotiated reduced rates compared to other advisory firms.

- All of our approved investment solutions are reviewed by our in-house investment committee, which meets at least once a quarter. During these meetings we consider market conditions, legislative and tax changes, and revisit our methodology. We also challenge, test and review our preferred MPS solutions, as well as considering any new solutions from whole of market.

- All of our approved solutions must pass a rigorous set of tests, and they are selected and retained based on

- Consistent record of performance against benchmarks over a variety of test periods
- Price and value
- Speed of decision making
- Reporting and informing
- Service and support
- Risk control
- Environmental and social governance (if appropriate to the mandate)

- We act for you, so we have no hesitation in overriding or removing services if they start to deteriorate in any of these areas.

Constructing and maintaining an investment methodology and independent selection process takes a significant amount of time, effort and skill, and therefore is an important area where we add value.

This is sometimes not visible to you, but we think it is incredibly important in order to ensure that we truly maintain our independence and ensure that we are selecting the best and most appropriate solutions for you.

Recently we became a Co-manufacturer, a firm that creates, develops, designs, issues, manages, operates, carries out a product – a product includes a service. We co-manufacture with Collidr Asset Management Ltd 'Intelligent MPS' and have launched Verum MPS.

### **Specialist investments**

Some investment advice allows us to add value in additional ways through tax mitigation and deferral. This type of advice is not offered by all advisory firms, and includes:

- Inheritance tax – efficient trading entities (business relief schemes)
- AIM portfolios and ISAs
- Venture Capital Trusts (VCTs)
- Enterprise Investment Schemes (EIS)
- Seed Enterprise Investment Schemes (SEIS)

These offer significant tax advantages compared to other investments but by their



nature are complex, and carry a higher level of investment risk and professional risk. Therefore they require robust due diligence to give us an effective filter process for whole of market.

We maintain specialist live panels which seek to audit and rate each offering or tranche, allowing us to more effectively advise.

### **SUMMARY**

This document demonstrates our commitment to value, and how we actually add value to your financial plan. Of course, there may be some situations where we

This takes time, effort, cost and risk, but can add significant value to sophisticated investors, especially if there are multiple tax liabilities.

can't add value, and we will tell you before you engage. If you have any questions about this document or any of our services please contact us.



## **CONTACTING VERUM**

If you would like to talk to us about how we can help you in any aspect of your financial future please get in touch:

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Verum Financial LLP is an appointed representative of Best Practice IFA Group Limited which is authorised and regulated by the Financial Conduct Authority.

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The guidance and/or advice contained in this brochure is subject to the UK regulatory regime and is therefore restricted to consumers based in the UK.

Decisions should not be taken based solely on the content of the brochure and individual advice should be sought first. Regulations, levels and bases of taxation are subject to change.

The Financial Ombudsman Service is available to sort out individual complaints that clients and financial services businesses aren't able to resolve themselves. To contact the Financial Ombudsman Service, please visit [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)



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