

# Assessment of Value

*Positive Change*

FOR YEAR ENDED 31 DECEMBER 2024

UK INVESTORS USE ONLY

SPECIALISTS IN INVESTMENT MANAGEMENT

# Welcome to the Quilter Cheviot annual assessment of value report

We produce this report to provide both existing and potential clients with the results of our annual assessment of the value of our services and to provide insight into the activities we have completed during the period.

The report has been compiled in line with Quilter Cheviot's current understanding of the requirements set out by our industry regulator, the Financial Conduct Authority (FCA), and we have embraced the ideals it represents and the monitoring required to support our conclusions, as a permanent and ongoing part of our business culture.

It should be noted that this is the third year this report has been compiled in this way, and it is expected to develop and be enhanced over time.

Based on the assessment work conducted by Quilter Cheviot, the outcome of the assessment is that the Positive Change Service continues to offer our clients good value for money.



**Andrew McGlone**  
Chief Executive

# Discretionary Portfolio Service: Positive Change assessment of value basis.

## Overview

This document seeks to demonstrate how the Positive Change Strategy provides value for a client based on our assessment against the 5 pillars we have chosen, and the methodology explained below.

The five key areas are based on the areas identified in the FCA Consumer Duty rules (Principles for businesses, PRIN, rules) and to avoid being too subjective, most of the topics are items that can be measured. The report is produced internally, and has been subject to challenge by our Governance function, Executive Committee and by our Board which includes Non-Executive Directors.

## Brand

It is our belief that the perception of value also extends to the client and their adviser's view on the strength and culture of the firm that they are dealing with. Quilter Cheviot's focus on providing exemplary personal service and our drive to build and preserve the wealth of clients has been more than 250 years in the making. We are proud that this continues today and is demonstrated in long-standing relationships with c.35,000 clients. Quilter Cheviot and our parent company continue to invest in our people, systems and infrastructure to provide services and products to meet our clients' requirements and meet the rules and expectations of our Regulators.



## **Our people**

Clients can have confidence in the level of continuity, stability and expertise they receive. Clients and financial advisers have direct contact with a dedicated investment manager who is responsible for delivering the service and managing their portfolio. With 11 offices across the UK, clients can meet their investment manager and their team at the at an office that is most convenient to them.

We pride ourselves on the expertise of our investment managers, who have an average of over 10 years service at Quilter Cheviot and 19 years in the financial sector. All undertake continual professional development to keep them abreast of changes in the investment world and in client care, including understanding vulnerability and inclusion.

Research is the cornerstone of our business. Our 19-strong research team work with our investment managers to provide access to investment insights and strategies globally. Our unbiased and impartial approach means the investment manager can build an investment portfolio that is tailored to the client's needs and can evolve with them.

## **Investment process**

Responsible investment is built into our research and the management of portfolios. This includes consideration of Environmental, Social and Governance (ESG) and stewardship factors in investment selection as well as active engagement with companies, including voting.

The service offers multi-asset portfolios, so all clients benefit from all the research conducted by the firm, whether this relates to asset allocation, stock, bond or fund selection.

## **Financial Strength**

Our operational efficiency and processes are key to the smooth running of accounts and provide assurance that our custody arrangements are secure and clients' money is kept safe.

Quilter Cheviot is regulated by the FCA and is part of Quilter plc, a leading provider of financial advice, investments and wealth management with over £119.4 billion in client investments (as at 31 December 2024). This comes with financial strength and assurance to give confidence to our clients that Quilter Cheviot is equipped and manages to provide the service and investment outcomes that our clients expect.

# About Positive Change

Positive Change is a strategy for clients who would like environmental, social and governance (ESG) considerations to be a key driver of investment selection, alongside long-term financial returns. This service offers the selection and ongoing management of investments to meet the needs and requirements of the clients, with the decision to make changes to the portfolio taken by the investment manager. Each client has a dedicated investment manager who can work with the client's financial adviser as required.

The service includes the investment management of the portfolio, suitability assessment of the investments, full portfolio reporting, payment of withdrawals from the portfolio or reinvestment of income, client meetings and custody of the assets.

Our investment process supports 3 main strategies at an asset allocation level and maintains a number of models per strategy. The client's portfolio is aligned to one of these models depending on their objectives, requirements and personal preferences.

## Distribution strategy

The Positive Change Strategy is distributed through two key channels, either advised by a regulated financial adviser or directly to clients. Where an adviser is involved, aspects of the relationship management with the clients can be shared.

Quilter Cheviot facilitates initial and ongoing adviser charges and has controls in place to ensure that the levels of charges are reasonable.

The service is distributed in line with the target market [www.quiltercheviot.com/target-market](https://www.quiltercheviot.com/target-market)



# The Assessment

The assessment is based around five main pillars:



## Product and service design

- How Quilter Cheviot ensures that our products and services are designed and supported to meet the needs of the client including those with vulnerabilities.



## Price and value - performance

- As part of the client outcome, we look at the performance of the portfolios against a cash return and the strategy benchmark as well as the expected maximum drawdown.



## Price and value - cost

- The charges for the service and costs of the portfolio including the charges of any funds that are held.



## Client understanding

- How we ensure that our documentation including our cost and charges reports are understood by the client and how we ensure that we meet the needs of vulnerable clients.



## Client service and support

- An assessment of the service we offer, the timely delivery of reporting, the security of data, the quality of client contact, updates for suitability assessments and the interest paid on cash deposits.

The assessment is based over 30 different topics that can be measured to provide a summary of our standard or achievement. Each item is red-amber-green (RAG) rated leading to an overall assessment.

For the Positive Change, an important part of our assessment is the consideration of performance. Please note that this is based on the average return achieved for portfolios aligned to the strategies and is not an individual portfolio value assessment as there can be many reasons for divergence in performance and in the service provided.

## What our ratings mean:



Provides good value:  
expected standard  
achieved















Provides good value:  
expected standard  
achieved but  
improvement needed



Does not provide good  
value: action needed to  
improve or change

# Assessment of value - summary of our findings

Assessment of value - summary			Positive Change 2024	Positive Change 2023
The Quilter Cheviot Positive Change strategy provides good value to clients who want their investments managed with a greater focus towards environmental, social and governance (ESG) considerations.				
<b>Product and service design</b>	How does Quilter Cheviot design and manage its propositions in the interests of the end clients?	The governance, training and resources of Quilter Cheviot are focused on providing a good outcome to the client. The firm's culture is to put the client at the centre of the business, with clients offered direct contact to our staff over an extended period. This close working relationship results in a business that is focused on achieving good results for clients.		
<b>Price and value - performance</b>	How have client portfolios performed?	<p>Clients experienced mixed return on their investment portfolio in 2024, with the Positive Change 5 performing positively on an annualised basis, whereas the Positive Change 3 and 4 performed negatively on an annualised basis. As all strategies were behind their benchmark, there is scope for improvement.*</p> <p>With the evolution of investment expertise from the appointment of a new CIO in 2024 and an Investment Strategist in 2025, Quilter Cheviot continues to focus on improving the DPS performance long-term and enhance client outcomes.</p> <p>*The Positive Change strategies have a higher volatility than the core DPS strategies, therefore may not perform in-line with compared services every period.</p>		
<b>Price and value - costs</b>	Can clients expect a positive return after costs?	The expected and actual cost of the Positive Change strategies are within a range that is modelled to provide a positive investment return for the client net of fees over the investment cycle. There are no changes anticipated to Quilter Cheviot charges.		
<b>Client understanding</b>	Does the information provided help the client to understand the service and their portfolio?	Our testing shows that the information we provide including factsheets are understood by clients and provided on time. As an area of continued focus, we will continue to develop our documentation to improve clarity and client understanding. Quilter Cheviot has also considered the needs of vulnerable clients and will continue to embed improvements in the future.		
<b>Client service and support</b>	Have clients received an appropriate level of client service and do we expect to provide good service in the future?	The service offered to clients has been delivered and client feedback indicated that our service levels are above average, with Quilter Cheviot receiving a Trust Pilot Score of 4.5 stars in 2024.		

A more detailed breakdown of our Assessment of Value is available on request from your Investment Manager or Business Development Manager.



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Investors should remember that the value of investments, and the income from them, can go down as well as up and that past performance is no guarantee of future returns.  
You may not recover what you invest.

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