

Benchmark

Value Statement for Evolution Wealth Network – April 2023

In this document, we intend to illustrate how we assess value and whether there is fair value between the total price of the service and the benefits and their quality that the customer receives. This review is in relation to the regulatory hosting / network services provided to Appointed Representatives (AR's) of the network. Each network AR must separately undertake a value assessment for the services provided to their retail clients.

The value assessment

The FCA confirms that firms have the discretion to decide on the factors they use in their fair value assessments, provided those factors allow them to demonstrate that there remains a reasonable relationship between the total price of the product or service and the benefits the customer receives. The FCA's intention is for "all customers to receive fair value" which extends further than purely price considerations.

The fair value rules require distributors to understand at least the benefits of the product or service to the target market, the price, and associated fees and whether any of their or other charges cause the product to become poor value.

Summary of requirements

In summary, for manufacturers, the FCA proposes that the assessment of whether the price of a product or service provides fair value must include consideration of at least:

- the nature of the product or service, including the benefits that will be provided or that consumers may reasonably expect, and their quality.
- any limitations that are part of the product or service.
- the expected total price customers will pay.
- any characteristics of vulnerability in the target market for the product or service.

Due to the direct relationship between regulatory hosting / network services provided to our network ARs, and the services then provided to retail clients by ARs, this value assessment is essential for ARs to consider.

Fair Value Assessment Methodology

Our Fair Value Assessment methodology is formed by three key areas:

1. Analysis of how the service's benefits, and their quality, compare to its price;
2. Analysis of different cohorts or group of clients; and
3. Analysis of price drivers and how the service performs against comparable products or services.

Fair Value Assessment

We are the manufacturer of the regulatory hosting / network services provided to the ARs of the Network. The services provided include:

- Accessing dedicated compliance supervisor;
- Group negotiated discounts;
- Provision of quarterly meetings;
- Monthly compliance bulletins / notice on supervisory these and regulatory change;
- Training and CPD events;
- File checking, annual audits, and other ongoing monitoring;
- SMF16 / SMF17 roles;
- Regulatory returns completed centrally;
- Regulatory notifications and co-ordination;
- Capital adequacy requirements met by principal firm;
- Enhanced PI cover providing significant cover at competitive premiums;
- Provide robust integrated propriety technology supporting the provision of advice and practice management capabilities;
- Succession planning – buyout, onboarding, recruit and retain advisers;
- Independent client complaints handling process;
- Fee / income handling;
- T&C manual with guidance and templates; and
- Access to central resources with specialism such as Pension Transfers, Data Protection, Complaints, Technical and Financial Crime – assisting with the prevention, detection and management of events.

Overall Conclusion

Considering all areas included in the assessment of value, we believe the service provided is demonstrating value overall. We have provided a summary below.

Assessment Area	Evolution Wealth Network
How does the service benefits, and their quality, compare to its price?	The benefits of Network membership are listed above, and the delivery of these benefits is provided by a Network that is highly regarded in the industry, with its sister network winning multiple awards as best network at various industry events. The framework established and the experience of the Benchmark team have added value to its customers consistently, providing a safe and sustainable environment for advice practices to thrive whilst providing high quality financial advice to their clients.

Assessment Area	Evolution Wealth Network
	<p>To receive these services customers are charged a Retention Fee to meet the cost of delivering its service. The services ensure that the advice practice remains compliant and can focus resources on supporting their clients. Proprietary technology provided to ARs as part of the service is industry leading and create efficiencies for ARs, whilst also ensuring resilience to the services provided to clients. Ongoing system development ensures it consistently delivers advisers capability to deliver services that clients need.</p>
<p>Is the cost of additional features proportionate to the benefit and the quality of the benefit our clients receive?</p>	<p>There are no additional features – there is only one level of service.</p>
<p>Does this service have any limitations?</p>	<p>There are no limitations to the service.</p>
<p>Are different cohorts of customers each receiving fair value?</p>	<p>Each cohort of customers is receiving fair value in respect of the fees charged to receive the same high level of service.</p>
<p>Does this particular product or service represent fair value against comparable {products / services }?</p>	<p>Whilst we do not have comparable data at the moment, we do not have any specific reason to believe that we do not compare extremely competitively against peers, especially when considering the networks EBITDA earning of c.<5%.</p>