



# Fair Value and Target Market Assessment

Assessment date: 1st March 2025

[www.baronandgrant.com](http://www.baronandgrant.com)

Baron & Grant Investment Management Limited is authorised and regulated by the Financial Conduct Authority

Reference number: 930300

2025

# Summary

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We have assessed that:

- Our Advice and Discretionary Investment Management services continue to meet the needs, characteristics, and objectives of customers in the identified target market.
- The distribution strategy remains appropriate for the target market.
- Our Advice and Discretionary Investment Management services provide fair value to customers in the target market (i.e. the total benefits are proportionate to total costs).
- Date of next assessment to be completed 1st March 2026.
- We continually monitor our service and the next review and assessment may take place before this date and the document updated accordingly.

# About Baron & Grant

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Granton Investment Management Limited was established and incorporated by Christopher Grant and Thomas Poynton on 16th August 2019.

The name of the business was changed to Baron & Grant Investment Management Limited (B&G) when John Baron decided to join the business in July 2020. B&G received FCA authorisation on 4th January 2021.

We are specialists in managing investment trust focused portfolios which are complemented by a carefully selected range of exchange-traded funds (ETFs).

This approach is different to the vast majority of investment or wealth managers who run portfolios consisting in large part of direct equities and/or other forms of collective funds such as unit trusts and open-ended investment companies (OEICs). Such funds on average have been shown to underperform investment trusts over the long term.

We founded B&G to harness the many advantages of investment trusts for the benefit of clients. A track record of outperformance, a bespoke service and portfolios tailored to individual circumstances make for a powerful combination.

With the help of others, we also hope to help advisers generally better understand how investment trusts can achieve financial objectives, and also dispel some of the perceived myths which have stopped advisers recommending them for clients in the past.

## Company Information

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B&G is a company registered in England & Wales. Registration number: 12161169.

Our registered office is at 66 Lincoln's Inn Fields, London, WC2A 3LH. Our principal office is located at 12A Main Street, Rosliston, Swadlincote, Derbyshire, DE12 8JW.

B&G is authorised and regulated by the Financial Conduct Authority. Firm Reference Number (FRN): 930300.

Our general contact number is +44 (0)1283 387070.

Our general enquiry email address is [info@baronandgrant.com](mailto:info@baronandgrant.com).

<b>Name of product / service(s)</b>	<ul style="list-style-type: none"> <li>• Initial and ongoing financial planning services</li> <li>• Discretionary investment management (DIM) service</li> </ul>	
<b>Date of assessment</b>	1st March 2025	
<b>Reason for assessment</b>	To assess the value of the initial and ongoing financial planning services, and the discretionary investment management service that we manufacture.	
<b>If a review or significant adaptation</b>	<b>Reason for the review/adaptation</b>	Annual review
	<b>Date of last assessment</b>	1st March 2024 (updated Oct 2024)
<b>Name of person completing this assessment</b>	Thomas Poynton	
<b>Position held in the firm</b>	Executive Director (SMF3)	

# Assessing proposition(s)

<b>Target market</b>	<p>These proposition(s) are designed for clients with the following characteristics, needs and objectives:</p> <table border="1"> <thead> <tr> <th data-bbox="582 403 997 504">Initial and ongoing services</th><th data-bbox="1005 403 1412 504">Discretionary investment management service</th></tr> </thead> <tbody> <tr> <td data-bbox="582 515 997 907"> <ul style="list-style-type: none"> <li>• Retail customers early in their financial planning journey, seeking advice on regular saving, investing and pension accumulation</li> <li>• Retail customers pre or post retirement seeking advice on pension decumulation options</li> <li>• Few or no existing financial arrangements in place</li> <li>• Limited knowledge or previous experience of financial planning</li> </ul> </td><td data-bbox="1005 515 1412 907"> <ul style="list-style-type: none"> <li>• Retail customers with investible assets of &gt;£200,000</li> <li>• Retail customers with medium to long term investment goals of a minimum of five years</li> <li>• Investors can have a basic level of investment knowledge or be informed or expert</li> </ul> </td></tr> <tr> <td colspan="2" data-bbox="582 918 1412 996">UK residents only</td></tr> </tbody> </table> <p>Options are available within these propositions to cater for clients with the following characteristics, needs and objectives:</p> <ul style="list-style-type: none"> <li>• Clients with or without sustainable investment preferences</li> <li>• Clients preferring online or face-to-face meetings</li> </ul> <p>These propositions are not appropriate for:</p> <table border="1"> <thead> <tr> <th data-bbox="582 1332 997 1433">Initial and ongoing services</th><th data-bbox="1005 1332 1412 1433">Discretionary investment management service</th></tr> </thead> <tbody> <tr> <td data-bbox="582 1444 997 1948"> <ul style="list-style-type: none"> <li>• Clients seeking mortgage or protection advice – separate mortgage advice and protection planning propositions are available which may be appropriate</li> <li>• Clients wishing to invest in esoteric investments such as derivatives, cryptoassets, unregulated or non-traditional investments.</li> </ul> </td><td data-bbox="1005 1444 1412 1948"> <ul style="list-style-type: none"> <li>• Investors who want to remain in cash</li> <li>• Investors who do not want to take any investment risk</li> <li>• Investors unable to bear any capital loss</li> <li>• Investors who want to be in control of their own decision making</li> <li>• Investors who cannot invest capital for a period of at least five years</li> <li>• Investors who are unwilling to use a UK Retail Investment Platform that can facilitate MPS DFM services</li> </ul> </td></tr> </tbody> </table> <p>Further information is available in our separate manufacturer assessment of our services.</p>	Initial and ongoing services	Discretionary investment management service	<ul style="list-style-type: none"> <li>• Retail customers early in their financial planning journey, seeking advice on regular saving, investing and pension accumulation</li> <li>• Retail customers pre or post retirement seeking advice on pension decumulation options</li> <li>• Few or no existing financial arrangements in place</li> <li>• Limited knowledge or previous experience of financial planning</li> </ul>	<ul style="list-style-type: none"> <li>• Retail customers with investible assets of &gt;£200,000</li> <li>• Retail customers with medium to long term investment goals of a minimum of five years</li> <li>• Investors can have a basic level of investment knowledge or be informed or expert</li> </ul>	UK residents only		Initial and ongoing services	Discretionary investment management service	<ul style="list-style-type: none"> <li>• Clients seeking mortgage or protection advice – separate mortgage advice and protection planning propositions are available which may be appropriate</li> <li>• Clients wishing to invest in esoteric investments such as derivatives, cryptoassets, unregulated or non-traditional investments.</li> </ul>	<ul style="list-style-type: none"> <li>• Investors who want to remain in cash</li> <li>• Investors who do not want to take any investment risk</li> <li>• Investors unable to bear any capital loss</li> <li>• Investors who want to be in control of their own decision making</li> <li>• Investors who cannot invest capital for a period of at least five years</li> <li>• Investors who are unwilling to use a UK Retail Investment Platform that can facilitate MPS DFM services</li> </ul>
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# Assessing proposition(s)

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<b>Service proposition(s)</b>	We have completed a manufacturer assessment of our service propositions. This involved identifying our target markets, documenting our service propositions, and assessing how our propositions meets the needs of our target markets. Further information is available in our product governance records.
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# Analysis of services

The price a client pays for the service

<b>Advice fees</b>	<p>We offer two initial services – Full Financial Planning &amp; Advice and Standalone Financial Advice. We offer two ongoing services.</p> <p>Our fees for the Full Financial Planning &amp; Advice service are as follows:</p> <table><tr><th>Band</th><th>Initial Charge</th><th>Charge for Full Band</th></tr><tr><td>£0 to £500,000</td><td>2.0%</td><td>£10,000</td></tr><tr><td>£500,000 to £1m</td><td>1.0%</td><td>£5,000</td></tr><tr><td>£1m+</td><td>0.0%</td><td>Nil</td></tr></table> <p>As a worked example, to make clear, a £1m investment would have a capped initial charge of £15,000. Our fee for our Standalone Financial Advice service is a one-off simple fixed fee of £595.</p> <p>Our ongoing service fee is 0.5% of funds under management, and there is no maximum annual fee. Clients signed up for this service pay no further initial fees on new contributions or replacement business.</p> <p>As part of our Introducer agreement with Taylor’s Asset Management Ltd (TAM), we introduced a new ongoing service. Clients introduced to B&amp;G as part of the arrangement pay 0.4% of funds under management; however, they pay an initial fee (as per the Full Financial Planning &amp; Advice table above) on new contributions or replacement business. These terms are more favourable than their existing arrangements with TAM.</p> <p>We have agreed one bespoke advice fee for a client who has a very large SSAS investment portfolio. This was agreed in order to mirror the existing terms with the previous adviser.</p>	Band	Initial Charge	Charge for Full Band	£0 to £500,000	2.0%	£10,000	£500,000 to £1m	1.0%	£5,000	£1m+	0.0%	Nil
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<b>Discretionary investment management fees</b>	<p>We manage our own in-house discretionary MPS and this is charged at 0.6-1% per annum.</p>												

<b>Manufacturing costs</b>	Full details of the costs we incur in manufacturing of each of our client services is available in our Consumer Duty - Fair value assessment' folder. There are no legacy services with different advice fees or manufacturing costs that needs to be considered.
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The benefits the client receives for the service

<b>The nature of our products or services, the benefits that will be provided or that clients can reasonably expect</b>	<p>Full details of the features and benefits of each of our client services is available in our Consumer Duty - Fair value assessment' folder. This folder contains:</p> <ul style="list-style-type: none"> <li>• Who the service is aimed at – its target market</li> <li>• What it aims to achieve for those clients - its objectives</li> <li>• A description of the service including the features which help it to meet those objectives/aims for the target client</li> </ul>				
<b>Limitations of our products / services</b>	<p>The limitations of our services, are as follows:</p> <table border="1"> <thead> <tr> <th>Initial and ongoing services</th><th>Discretionary investment management service</th></tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>• No non-advised or execution only transactions will be accepted for any service option</li> </ul> </td><td> <ul style="list-style-type: none"> <li>• No investor input/control over the underlying assets within the portfolio</li> <li>• MPS is managed on a collective, not individual, basis</li> <li>• Our MPS is not suitable for clients seeking a pure passive investment management style</li> </ul> </td></tr> </tbody> </table> <p>We clarify these limitations in our client agreement and in discussions with clients, where appropriate. We also set appropriate research filters when updating our MPS and when reviewing target markets as part of any review of our proposition.</p>	Initial and ongoing services	Discretionary investment management service	<ul style="list-style-type: none"> <li>• No non-advised or execution only transactions will be accepted for any service option</li> </ul>	<ul style="list-style-type: none"> <li>• No investor input/control over the underlying assets within the portfolio</li> <li>• MPS is managed on a collective, not individual, basis</li> <li>• Our MPS is not suitable for clients seeking a pure passive investment management style</li> </ul>
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<b>Characteristics of different client groups including vulnerable clients</b>	<p><u>Different client groups</u></p> <p>We offer services that are carefully tailored to the needs and objectives of different client groups. This has been addressed when designing our propositions and details of this can be found in our product governance records.</p> <p><u>Vulnerable clients</u></p> <p>We assess client vulnerability at fact find stage and at annual reviews. We record this information centrally in our back-office software – Intelliflo's Intelligent Office. Further information can be found in our Vulnerable Client Policy.</p>				



<b>Benchmarking our services and charges</b>	<p><u>Initial services fees</u></p> <ul style="list-style-type: none"><li>• Our tiered initial advice charge for our Full Financial Planning &amp; Advice service is lower than the 2.4% quoted in the FCA Evaluation of the impact of RDR and FAMR. When reviewing the charges of several local financial advisers offering similar services to ours, we found an average initial fee of c.2%.</li><li>• Our fixed fee for our Standalone Financial Advice service is very competitive.</li><li>• We therefore feel that our initial advice charges remain competitive in the local marketplace.</li></ul> <p><u>Ongoing services fees</u></p> <ul style="list-style-type: none"><li>• The 2024 NextWealth Benchmark report illustrates a national average ongoing fee of 0.77% per annum.</li><li>• We reviewed the charges of several local financial advisers offering similar services to ours, and the average ongoing charge is 1%, compared to our fee of 0.4-0.5% of funds under management.</li><li>• We therefore feel that our ongoing charges remains very competitive in the local marketplace.</li></ul> <p><u>DIM fee</u></p> <ul style="list-style-type: none"><li>• Our discretionary MPS is at the more expensive end of the range in the market, however our core focus on an investment trust solution is almost unique. We also offer leading experience and expertise with the product.</li><li>• It can be said that investment trusts require a more in-depth analysis compared to OEICs due to their structure, complexity, and broader investment scope - for instance, we pay for institutional research from a wide range of leading investment research houses.</li><li>• We therefore feel that our DIM fee remains competitive in the local marketplace.</li></ul>
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## Conclusion

### The price a client pays for the service

- The simplicity of our charging structure and lack of maximum fee means that it is likely that clients in our DIM service may be subsidising clients in the Advice side of our business.
- The context to this is that clients primarily see us as a specialist investment manager rather than a financial advice firm. Many clients wish to access our investment portfolios and our investment management expertise, but this can only be achieved through a personal recommendation and suitability assessment. We did not want to create a barrier to entry for these clients, many of whom are very cost-sensitive and sceptical of financial advisers. As such, our Advice fees are very competitive in the marketplace for the service received.

### The benefits the client receives for the service

- We consider our service propositions to be consistent with the needs and objectives of our target markets.
- We do not consider that the limitations we have, impact our ability to provide value to the clients we are targeting.

### Comparable market rates

Overall, we don't feel the need to adjust our fees to better align them with similar firms as we don't appear to be out of step with the marketplace.

Our proposition is almost unique in the DIM marketplace. We are unaware of another DIM with a core investment proposition built around investment trusts.

The industry average DIM fee is centred around investment propositions dominated by the inclusion of open-ended funds and ETFs.

We offer leading experience and expertise within the investment trust space.

# Analysis of proposition(s)

## Total fees and charges for clients

<b>Our advice &amp; DIM fees plus product fees</b>	<p>Our advice and DIM fees are explained above in 'The price a client pays for the service' section.</p> <p>In cash terms, we have calculated average advice annual client fees as follows:</p> <ul style="list-style-type: none"><li>• Initial service - £595.00</li><li>• Ongoing service - £1,538.16 (excludes bespoke SSAS advice fee)</li></ul> <p>Adding our advice fees and product/MPS fees together roughly equates to combined fees of:</p> <ul style="list-style-type: none"><li>• £595 for our average initial advice service</li><li>• 1.00% for our discretionary investment management fee</li><li>• 0.50% for our ongoing advice service</li><li>• 0.10% for the average portfolio OCF*</li><li>• 0.25% for the average platform charge</li></ul> <p>Clients are advised of the precise advice/product fees that apply to them in their fee agreement and aggregated disclosure documents.</p>
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*\*There has been an ongoing debate for a number of years around the disclosure of investment trust costs within retail products and services. Previously, trusts were subject to the Packaged Retail and Insurance-based Investment Products (PRIIPs) regulation and the Markets in Financial Instruments Directive (MiFID), both adopted directly into UK law before Brexit.*

*UK-listed investment trusts operate on exactly the same basis as all other publicly traded shares. As listed corporate entities, investment trusts have share prices. Investors in investment trusts buy shares, pay the share price, and then sell shares and receive the share price. They have expenses (including management fees) that are deducted from their NAVs, but known expenses are discounted in the share prices of listed corporate entities. This is as true for investment trusts as it is for the shares of any other corporate entity like Shell, BP, Marks & Spencer or Next. No other listed share is required to disclose its expenses as a percentage of NAV and separately display this to an investor as being a direct deduction from their portfolio value. This is because these costs are already reflected in their share prices. Investors receive the share price, not the NAV. Tom and John are members of the Cost Disclosure Campaign Group, which has been addressing this issue with the FCA and HM Treasury (HMT).*

*In acknowledgement of the issue, the FCA issued forbearance in November 2023 to give investment trusts greater ability to explain their costs and charges to consumers. On the 19th September 2024, HMT and the FCA issued new regulatory forbearance to temporarily exempt investment trusts from complying with cost disclosure requirements, with the aim of bringing in wider reforms in 2025.*

On the 7th October 2024, the government published draft legislation for a new Statutory Instrument called 'The Packaged Retail and Insurance-based Investment Products (Retail Disclosure) (Amendment) Regulations 2024'.

The draft bill seeks to permanently exclude investment trusts from PRIIPS and MiFID regulation and proposes that they will not have to produce a Key Information Document (KID), a standardised information document prepared for products within the scope of the PRIIPs.

A striking line from the draft bill said, "It is broadly accepted by industry and the government that the single aggregated figure that is being produced under current EU-inherited rules is not an accurate representation of the actual cost of investment in shares in an investment trust."

**As a result, the single aggregated ongoing charges figure (OCF) of our portfolios is the weighted cost of the ETFs – c.0.05% to 0.20%. Some of our unconstrained portfolios contain solely investment trusts; hence, the OCF of these portfolios is zero.**

## Conclusion

Our fees are broadly in line with the marketplace, and we have received no negative client feedback in this area. Instead, our client feedback indicates that our clients accept these fees as acceptable when compared with the benefits received such as our provision of ongoing timely support and helping them to achieve their ambitions through financial planning and investment management.

For many investment solutions, cost is the primary driver for investment management and selection.

At times, this can limit an investible universe, reduce portfolio diversification, or result in an unsuitable investment vehicle/structure being selected for a particular asset class e.g. holding illiquid assets in an open-ended structure.

Whilst we are very cost conscious in portfolio construction and investment selection, our primary driver is to generate the best risk-adjusted returns for clients net of all costs and charges.

It is also worth noting that whilst much attention is often given to a portfolio's Ongoing Charges Figure (OCF), quoted performance by the underlying holdings is net of this cost.

Our discretionary MPS is at the more expensive end of the range in the market, however our core focus on an investment trust solution is almost unique. We also offer leading experience and expertise with the product.

It can be said that investment trusts require a more in-depth analysis compared to OEICs due to their structure, complexity, and broader investment scope - for instance, we pay for institutional research from a wide range of leading investment research houses.

We continually review our price and service offering to ensure both deliver good customer outcomes.

When the firm is able to benefit from greater economies of scale, we will look to pass this on.

# Summary and conclusion

This section provides details of the conclusions we have arrived at following our assessment and what, if any, actions are required to make sure that we deliver good price and value outcomes.


## Analysis of services

			If further action required:		
Area	Conclusion	Further action needed? Yes/No	Details of further action(s) to be taken	Person(s) responsible	Date to be completed
<b>The price a client pays for the service</b>	The simplicity of our charging structure and lack of maximum fee means that it is likely that clients in our DIM service may be subsidising clients in the Advice side of our business. The context to this is that clients primarily see us as a specialist investment manager rather than a financial advice firm. Many clients wish to access our investment portfolios and our investment management expertise, but this can only be achieved through a personal recommendation and suitability assessment. We did not want to create a barrier to entry for these clients, many of whom are very cost-sensitive and sceptical of financial advisers. As such, our Advice fees are very competitive in the marketplace for the service received.	No	N/A	N/A	N/A
<b>The benefits the client receives for the service</b>	All initial and ongoing investment advice services that we offer have been designed for a specific target market. Details of these target markets are available in our product governance records which specify how we have designed our proposition.	No	N/A	N/A	N/A

	We are very conscious about our vulnerable client management. We record information centrally on our back-office software and we endeavour to go above and beyond to tailor our services to ensure that vulnerable clients receive outcomes at least as favourable as other clients.	No	N/A	N/A	N/A
<b>Comparable market rates</b>	Having benchmarked our fees against firms providing similar services, we have concluded that there is no requirement to adjust our fees specifically to bring them into line with market averages. Our fees are already broadly in line with the marketplace.	No	N/A	N/A	N/A

#### Analysis of proposition(s)

			If further action required:		
Area	Conclusion	Further action needed? Yes/No	Details of further action(s) to be taken	Person(s) responsible	Date to be completed
<b>Total fee and charges for clients</b>	We are confident that our in-house discretionary MPS provides fair value and uses holdings that are reasonably priced when compared with the benefits provided. Currently, our combined total fees and charges are broadly in line with the marketplace. We have received no negative client feedback in this area but have received strong customer support of our service and advice proposition.	No	N/A	N/A	N/A

<b>Print name</b>	Christopher Grant
<b>Position in firm</b>	CEO - SMF1, SMF16, SMF17
<b>Signed</b>	
<b>Date</b>	03/03/2025