

# Due Diligence Report

## DUE DILIGENCE QUESTIONNAIRE

<b>Firm Name:</b>	Verbatim Asset Management
<b>Firm Address:</b>	The John Smith's Stadium, Huddersfield, HD1 6PG
<b>Contact at Firm:</b>	Verbatim Operations - 01484 443 394
<b>Date Completed:</b>	April 2019
<b>Completed by:</b>	Victoria Manford
<b>Website and password if any:</b>	<a href="http://www.Verbatimassetmanagement.co.uk">www.Verbatimassetmanagement.co.uk</a> No password required

## 1.0 Objectives & Overview

### 1.0.1 What is the history of Verbatim Asset Management (VAM)?

Verbatim Asset Management was launched in 2010 in response to issues raised by the regulator, the Financial Conduct Authority (then the Financial Services Authority), in the Retail Distribution Review (RDR). The RDR highlighted the need in the Financial Services market to provide financial advisers with risk managed investment solutions that deliver performance to meet a specific risk profile. As such, Verbatim offers a range of investment solutions designed to operate within clear risk boundaries, helping advisers to set and meet client expectations - consistently.

Since their launch, Verbatim Asset Management has had one simple philosophy: to consistently meet the expectations of advisers and their clients. They deliver on this promise through providing a series of risk-managed, multi-asset investment solutions, each with a clear mandate to deliver against a proven asset allocation, based on a set risk profile. Verbatim offer a range of active and multi-index portfolio funds, managed model portfolios and a unique discretionary management service

Verbatim is the SimplyBiz Group's investment offering. The SimplyBiz Group was established in 2002 and is a leading provider of financial services technology and outsourced regulatory and business support to the retail financial services market.

### 1.0.2 What is VAM's primary objective?

Verbatim Asset Management has one simple philosophy: to consistently meet the expectations of advisers and their clients. They deliver on this promise through providing a series of risk-managed, multi-asset investment solutions, each with a clear mandate to deliver against a proven asset allocation, based on a set risk profile.

### 1.0.3 What is the VAM Ethos & Strategy?

Verbatim Asset Management provides risk-managed, multi-asset investment solutions, each with a clear mandate to deliver against a proven asset allocation, based on a set risk profile.

The Verbatim Strategic Asset Allocation maps to the SimplyBiz Group's end-to-end investment advice system, Centra. In addition, the Verbatim investment solutions absolutely adhere to the volatility and strategic asset allocation parameters of the Centra Risk Profiles.

Verbatim selects the industry's top managers to run their funds to a strict mandate, which is set out by the Verbatim Investment Committee - a team of independent experts from across the investment management industry - that provides an unparalleled wealth of experience and expertise to the management of their funds.

With this strategy, Verbatim ensure that advisers have the peace of mind in the knowledge that their advice will remain suitable to meet their clients' expectations of risk and return - consistently.

### 1.0.4 What do VAM offer?

Verbatim Asset Management provide market-leading risk managed investment solutions, each with a clear mandate to deliver against a proven asset allocation based on a set risk profile. Verbatim offer a range of active and multi-index portfolio funds, managed model portfolios and a unique discretionary management service.

### 1.0.5 Who are part of the VAM management team?

#### Neil Stevens

Joint CEO, SimplyBiz Group/Executive Chairman, Verbatim Asset Management

Neil joined the board of SimplyBiz in 2004 and was appointed Joint Group Managing Director in 2010. Neil is a founder and the Executive Chairman of Verbatim Asset Management PLC and sits on the Investment Committee.

#### Davinia Rogers

Sales Director

Davinia joined the Verbatim Asset Management team in 2012 as Regional Development Manager for the North West-West Midlands, having previously held sales and management roles in the financial services industry. In July 2017, Davinia was appointed Sales Director for Verbatim Asset Management, and is responsible for the strategy and teams driving the continued growth and development of the assets under management.

### 1.0.6 What are the benefits of using VAM?

**Consistent Reassurance:** Verbatim select the industry's top managers to run their funds to a strict mandate. The Verbatim independent Investment Committee consistently monitors and assesses the funds according to its risk adjusted return and performance net of fees.

**Performance Excellence:** The fund performance track record highlights that the Verbatim funds not only consistently deliver performance, but also show growth over time and in-line with their respective fund mandates. The Verbatim fund managers are selected from the top investment professionals in the industry and provide an unparalleled wealth of experience to the management their funds.

**Independent Investment Committee:** The Verbatim Investment Committee plays an essential role in ensuring that the Verbatim investment philosophy is consistently implemented and maintained. The Verbatim solutions are overseen by the independent Investment Committee, which brings with it a wealth of knowledge and expertise to provide governance, oversight and monitoring for all of their products.

**Widely Accessible:** The Verbatim investment solutions are available across multiple platforms and cater for most investment requirements. All of the Verbatim solutions provide the opportunity for financial advisers and their clients to benefit from the core values and expertise of Verbatim Asset Management.

## 2.0 Corporate Governance

### 2.1 CORPORATE GOVERNANCE STRUCTURE AND POLICIES

#### 2.1.1 Please describe your corporate structure including parent companies and subsidiaries

Verbatim Asset Management is a trading name of Verbatim Portfolio Management Limited and is part of the SimplyBiz Group plc.

Head Office: The John Smith's Stadium, Stadium Way, Huddersfield, West Yorkshire, HD1 6PG

Registered Office: The John Smith's Stadium, Stadium Way, Huddersfield, West Yorkshire, HD1 6PG

Company Registration Number: 07037051

#### 2.1.4 What is the country(s) of incorporation and operation?

United Kingdom

## 2.2 CORPORATE STATUS AND ACTIVITIES

### 2.2.1 Please briefly describe your corporate status

Privately owned limited company

### 2.2.2 Are you planning any material changes to your business, products or services?

No

## 2.3 CORPORATE RELATIONSHIPS WITH REGULATORY BODIES

### 2.3.1 What authorities regulate your activity?

Verbatim Asset Management is regulated in the UK by the Financial Conduct Authority (FCA)

### 2.3.2 What are your authorised and regulated activities?

Verbatim has the permission to provide regulated products and services.

### 2.3.3 Has your company or any of your employees ever been censured by a regulatory body? If so, what for?

No.

## 3.0 Organisation

### 3.1 ORGANISATIONAL AND REPORTING STRUCTURE

#### 3.1.1 Please provide details of your issue escalation process

We have a documented and structured complaints procedure made available to all staff.

#### 3.1.2 To what level do issues get escalated and how quickly?

Advisor issues are dealt with in the first instance by the Operations Manager, escalating to the Sales Director for any formal complaints.

## 4.0 HR

### 4.0.1 To the best of your knowledge, are there any issues concerning Key Personnel, which would material effect your relationship with SimplyBiz?

No

---

## 5.0 Technology

### 5.1 SYSTEM FUNCTIONALITY

#### 5.1.1 Please outline core systems and technology and the functions that support your business

An on premise virtualised infrastructure is in place, supported by an in-house IT Department

### 5.2 SUPPORT AND STABILITY

#### 5.2.1 How often are your systems subject to an independent audit?

An annual independent server & network health is carried out, as well as external pen-testing as part of Cyber Essentials Plus accreditation

#### 5.2.2 Have you experienced any IT failures in excess of 6 hours over the previous 6 months, 1-year, 3 years? If yes, can you provide details? How long was it before normal BAU functionality was restored?

No significant outages have been experienced

### 5.3 SYSTEM SECURITY

#### 5.3.1 What security measures are in place to protect the integrity of your systems and stored data?

Multi-layer security is in place, alongside backups & data replication

#### 5.3.2 How do you comply with the GDPR/Data Protection Act?

The Verbatim offices are secured with password protected security locks on all entrances. All computers are protected with individual and unique username and password requirements, and it is a part of our policy that all staff computers are locked when an individual leaves their desk. Confidential information is secured on the company drives, and requires granted access per authorised individual to obtain entry to this data.

#### 5.3.3 How do you ensure personnel do not use data for inappropriate purposes?

DLP processes are in place to restrict data extraction

#### 5.3.4 What measures are in place to prevent unauthorised access to your system?

Access is only granted as/when required. Without proper credentials, the multi-layer security acts as defence against unauthorised access.

## 6.0 Business Continuity Plan (BCP) / Data Restore (DR)

### 6.1 BCP/DR ARRANGEMENTS AND POLICY

#### 6.1.1 What is your data back-up process and when was a full data restore tested?

Daily backups are taken alongside full server replication.

#### 6.1.2 Do you have a defined BCP/DR policy?

Due to a shift in IT strategy, the BCP is being redrafted to reflect this change.

#### 6.1.3 Have you had to invoke DR over the previous 6 months, 1-year, 3 years? If yes, what was the recovery time?

No.

#### 6.1.4 What contingency arrangements are in place to alleviate the risk of key-person dependency?

Full succession plans are in place, and back up by 3rd party expertise.

### 6.2 ALTERNATE SITE

#### 6.2.1 Do you have a dedicated, alternate site from which to continue your business activities?

The infrastructure is such that operations can be undertaken from any of the geographical locations where The SimplyBiz Group plc has a presence.

#### 6.2.2 Are there any time restrictions over how long DR facilities would be available, once invoked?

No

#### 6.2.3 What percentage of your activities can be realistically maintained from the site and for how long?

All core services can be fully maintained from any of the geographical locations.

## 7.0 Legal Requirements

#### 7.0.1 Please provide details of any ongoing or threatened litigation, arbitration, mediation or similar proceedings or disputes against the Company or employees

N/A

**IMPORTANT INFORMATION**