

## **IMPORTANT UPDATE REGARDING YOUR INVESTMENT ADVISORY RELATIONSHIP**

### **WHAT IS CHANGING?**

As of 15th June 2025, Epoch Consulting will cease operations, and at the same time, your current investment adviser Max King will be leaving RBC. This change was outlined in correspondence sent to the IBMS in April.

Please note that no investment advisory fees will be charged for Q2 2025.

Max King is in the process of seeking direct FCA authorisation through a new entity, Rheo. RBC provided authority for this to be done earlier this year. While the FCA has indicated that a decision is likely by the end of June; however, this timing is not guaranteed.

We would be very much looking forward to the opportunity to continue working with the IBMS. If you did choose to reengage, there may be a short period where you do not have a regulated investment adviser formally linked to your portfolio.

However, we recognise this is not necessarily a straightforward or easy decision and as appreciate that Trustees have a duty to act prudently and in the best interests of members, and we will of course aim to provide the transparency and structure required to support those responsibilities.

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### **WHAT HAPPENS AFTER THE 15<sup>TH</sup> OF JUNE?**

At this point the IBMS will not have an appointed investment advisor (unless arrangements are made before then).

Although the IBMS will temporarily not have an appointed investment adviser, the following will remain unchanged:

- Your assets will continue to be held (fully invested) on the M&G platform.
- Investments via your three sub-strategies invested by Waverton, LGT, and Sarasin will remain in place. These underlying strategies will continue to operate without interruption; however, they will not be rebalanced during this period.
- You will retain the ability to sell assets on an execution-only basis if needed. This means any actions taken on an execution-only basis will not benefit from advice or suitability assessments. We will remain available to provide context or administrative assistance where permitted.

If you decide to re-engage with us once Rheo is authorised, we will need to complete an onboarding process, which typically takes 4–6 weeks, depending on how quickly documentation is received.

It is important to note that we could not formally reengage or provide you with advice until we are in receipt of FCA permissions.

This document is for informational purposes only, you should not construe any such information legal, tax, investment, financial, or other advice.

In the event of any delay to our FCA authorisation, a comprehensive cutover plan has been prepared and shared with the IBMS Executive team, alongside a copy of our application to the FCA.

If you were to choose to engage with another advisor you would need to discuss with them their respective timeframes and potential changes they would make.

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## WHAT ARE THE PERCEIVED RISKS OF ENGAGING WITH A NEWLY AUTHORISED FIRM?

We understand that engaging with a newly formed business may raise questions. However, we'd like to highlight the following:

- **Business continuity:** The team behind Rheo brings decades of experience in financial planning. Prior to RBC/BD ownership, we operated independently, and we are confident that this structure offers even greater benefits for our clients going forward.
- **Financial resilience:** Rheo holds significant cash reserves well above the FCA's capital adequacy requirements. We've declined external funding to preserve independence but retain access to capital if required.
- **Established client base and introducer network:** We have strong support from existing clients and introducers. Based on current visibility, we expect to manage over £1 billion in capital within the first three years. We are confident that fee income from Q1 2026 onwards will comfortably exceed our operating costs.
- **Client asset security:** Rheo will not act as custodian of client assets. Your investments will remain ringfenced by custodians (e.g., M&G) and managed by established investment managers. Our role is advisory only, as it is now, which arguably carries significantly lower operational risk.
- **Regulatory compliance:** Rheo will only operate with FCA permissions in place and an appropriate level of professional indemnity insurance. We are also working with SimplyBiz, a leading UK compliance partner, to ensure ongoing audit, oversight, and best-practice adherence.

As a precaution, we have already suggested that clients who may need liquidity over the summer should withdraw any required cash before 15th June. This is already being addressed.

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## WILL YOUR FEES CHANGE

We will be introducing a new tiered fee structure, representing a reduction from current levels.

- Your current investment advisory fee with Epoch is 0.46%.
- Under the new structure, this would reduce to approximately 0.33%, based on current portfolio values.

We will also introduce enhanced investment reporting tools for all clients, providing greater transparency and governance support.

## KEY DATES

- IBMS formally notified of disengagement – April 2025
- Formal closure and disengagement from RBC – 15<sup>th</sup> June 2025
- FCA decision on Rheo's application expected – Late June 2025
- Potential Reengagement onboarding – July-August 2025 (estimated).

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## NEXT STEPS

We would welcome the opportunity to continue working with the IBMS and would be delighted to discuss reengagement plans in more detail, either before or upon authorisation. In the meantime, we encourage clients who may need liquidity this summer to complete any necessary withdrawals before 15th June.