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Independent Financial Advice
Wealth Management

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Updated Target Market Document: Split Portfolio Service (Ongoing Service Clients Only)

1. Target Market Description

The **Split Portfolio Service** is designed exclusively for clients who:

- Are **engaged with Zenith Asset Management's ongoing service proposition** due to the complexity and need for continuous re-alignment.
- Are **at or approaching retirement** (typically aged 55 or above).
- Have **sufficient investable assets** (generally above £100,000) to benefit from a bespoke, segmented portfolio approach.
- Require a **bespoke multi-wrapper portfolio**, tailored to their individual circumstances and objectives, including:
 - A **Short-term wrapper** holding a higher allocation to fixed interest stocks, cash, and annuities, from which withdrawals and charges are made.
 - A **Medium-term wrapper** aligned with the client's core risk profile.
 - A **Long-term wrapper** with a higher equity exposure to balance risk and pursue growth.

2. Key Needs and Objectives

- **Income sustainability:** The Short-term holdings are maintained at a value equating to approximately **3 to 5 years' worth of anticipated withdrawals and charges**, ensuring liquidity and income stability.
- **Risk management and growth:** The Medium- and Long-term wrappers are designed to align with the client's risk tolerance and growth objectives, balancing income needs with capital appreciation.
- **Critical ongoing re-allocation:** Regular rebalancing is essential to:
 - Maintain sufficient funds in the Short-term wrapper to cover withdrawals and charges for at least 12 months (ideally 3–5 years).
 - Prevent the overall portfolio from drifting into a different risk profile due to market movements.
- **Bespoke portfolio:** Each portfolio is fully customised to the client's circumstances, objectives, and risk appetite.
- **Ongoing professional management:** Due to the complexity and critical nature of re-allocation, clients require continuous advice, monitoring, and portfolio adjustments.

3. Exclusions / Negative Target Market

- Clients **not engaged in an ongoing service agreement** with Zenith Asset Management.
- Clients **under age 55** or with insufficient assets to justify the complexity of a split portfolio.
- Clients seeking simple, single-portfolio solutions or one-off advice without ongoing management.
- Clients unwilling or unable to commit to ongoing reviews and portfolio rebalancing.

4. Distribution Strategy

- Delivered as part of Zenith's **ongoing advisory service** with regular, scheduled reviews.
- Meetings conducted face-to-face (home, office), or via video conference, tailored to client preference.
- Clear, jargon-free communication supported by detailed reporting on portfolio composition and re-allocation rationale.
- Active collaboration with clients to adjust portfolio allocations in response to changing income needs, market conditions, and risk tolerance.

5. Vulnerability Considerations

- Continuous assessment of client vulnerabilities, especially cognitive or health-related issues common in retirement.
- Clear explanations of the portfolio's structure, re-allocation process, and implications of market changes.
- Encouragement to involve trusted family members or contacts where appropriate.

Pensions + Investments + Advanced Tax Planning & Trusts + Life Cover + Critical Illness + Income Protection

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6. Ongoing Review and Governance

- **Regular and proactive rebalancing** to maintain the intended risk profile and liquidity in the Short-term wrapper.
- Monitoring to ensure the Short-term holdings cover 3 to 5 years of withdrawals and charges, adjusting as client circumstances evolve.
- Continuous suitability assessments and performance reviews to ensure the portfolio delivers good outcomes.
- Documentation of all reviews, recommendations, and client communications in line with FCA Consumer Duty.