

Consumer Duty

Our approach

This document outlines the framework and approach for implementation of the Consumer Duty ('Duty') within Premier Miton.

Consumer Duty Working Group

A Consumer Duty Working Group has been established to manage the implementation of the Duty; responsibilities include assessment of the regulations, detailed regulatory gap analysis against the cross cutting rules and outcomes, tracking completion of identified actions, and embedding of the Duty across the Company.

Premier Miton's working group comprises senior individuals within the business, including Legal, Compliance, Operations, Distribution and Marketing, as well as the appointed Consumer Duty Champion. The working group meet on a frequent basis to manage the implementation of the Duty and reports into the Consumer Duty Steering Group, other relevant committees and the regulated firms' boards (the Boards).

Consumer Duty Champion

Non-executive Director, Nick Emmins, has been appointed Consumer Duty Champion at the Board level, whose responsibility (along with Chair and CEO) is to ensure that the Duty is being discussed regularly and raised in relevant discussions.

Consumer Duty Steering Group

The Consumer Duty Steering Group includes the Consumer Duty Working Group plus the CRO and COO; the group meet monthly and receive reports and updates from the Working Group on the implementation and project delivery.

Boards of Premier Portfolio Managers Limited (PPM) & Premier Fund Managers Limited (PFM)

The Boards receive quarterly reporting on the progress of the implementation of the Duty from the Working Group, covering details of the milestones achieved, emerging risks and challenges, as well as relevant updates from the regulator and other industry bodies, which allow ongoing oversight and the opportunity to challenge progress and activity.

Cross Cutting Rules

1. Act in good faith towards retail customers.

At Premier Miton, we never forget that we are here to manage other people's money. We take the trust that investors have placed in us very seriously. We are committed to delivering good long term investment outcomes that can help our customers achieve their financial goals.

Producing good performance is just one part of what we do. We strive to deliver good performance with great levels of customer service, whilst offering good value from a cost perspective.

We look to act in good faith at all stages of the lifecycle of our funds through a robust product governance framework. Our product governance process covers product design, approval, provision of information to customers, potential customers and distributors, product monitoring, product change and ongoing product review.

When considering a new product or service, or significant change to an existing one, our product approval process identifies the appropriate target market for the product or service, the relevant risks to the identified target market and aims to ensure that the intended distribution strategy is consistent with the target market. Costs are considered as part of the product approval process, to ensure they are clear and transparent and appropriate. Costs and charges are reviewed within the annual assessment of value report, the annual product review cycle and quarterly product governance review process.

We aim to provide appropriate and relevant information on our range of products and services to customers and distributors at each stage of the customer journey.

On an ongoing basis, we monitor our products and services with the aim of making sure they are meeting investors' expectations and the needs, objectives and characteristics of the identified target market. This involves ongoing consideration of specific risks and their mitigation, scenario analysis testing from a customer outcome perspective and conflicts of interest identification, management and disclosure.

Customer feedback is important to us, and this is assessed through the monitoring of surveys, complaints and incident MI.

2. Avoid causing foreseeable harm to retail customers.

Our annual assessment of value report is designed to provide a measure of the value delivered to investors across our range of funds. Where we assess that a fund has underperformed against one or more of the seven criteria (being performance, costs, quality of service, economies of scale, comparable market rates, comparable services, classes of share), actions are put in place to improve the status and mitigate the risk of any foreseeable harm to customers.

As part of the product design process, and prior to any new fund launch or fund change, scenario testing is carried by a dedicated Risk Team. The product design process includes monitoring new, or changes to existing, services; the testing approach will be similar but focuses more on the operational processes and controls required to mitigate the risk in the day-to-day processing.

In addition, the Funds Risk Committee has responsibility, on an ongoing basis, for reviewing, monitoring and, where necessary, controlling the overall risk profile, fund size and investment strategy of each fund/portfolio to ensure that it is consistent with relevant regulations and managed in a way that avoids causing foreseeable harm to retail clients.

As well as the annual assessment of value report, all funds are subject to an annual review as part of our Product Governance monitoring; the reviews are discussed by the Product Governance Committee (who meet 4 times a year) and findings reported to the Boards to ensure appropriate oversight and challenge.

The annual reviews include an assessment of costs, performance, target market, ongoing viability and any product or service changes that may have taken place during the period under review. The Product Governance Committee meet each quarter to review product outcomes, monitor complaints and breaches for any trends that could be indicative of more serious issues or present a risk of foreseeable harm to customers, discuss customer feedback and assess whether the firm has continued to meet its obligations as set out in the Consumer Duty principles and rules and as part of our approach to Treating Customers Fairly. The committee also review any potential regulatory changes that could impact processes, products and our customers.

The Product Management Group is part of the overall Product Governance framework and reports into the Product Governance Committee. The Product Management Group, which includes representatives from different areas of the business (including Distribution, Marketing, Operations, Risk, Compliance, Investor Services, Legal & Information Services) meets monthly to discuss and implement any product changes and to ensure that any such changes are considered by all departments within the business; this collegiate approach ensures that the impact of such changes on customers is considered from a variety of different perspectives and allows for cohesive plans to be put in place. This includes ensuring that appropriate and relevant communications to customers and advisers are considered both pre and post implementation including considerations of how such changes may impact vulnerable customers.

All investing involves risk, and we believe it is important that customers understand the risks before they invest in a Premier Miton fund, product or service, which will help reduce the risk of foreseeable harm. The risks of investing are clearly laid out in our product material and on the individual product pages of our website in a way that we believe is clear, fair and not misleading and with appropriate prominence. Regular reviews are carried out on the literature and information provided on websites, and will be updated based on feedback from customers or as part of this review.

We have clear marketing material compliance guidelines in place which set out how communications and financial promotions should be presented to ensure there is an appropriate level of balance between the benefits and risks of investing. This information is reviewed regularly by key stakeholders who consider the impact to the customer.

We aim to provide our customers, and their advisers, with regular updates about our products and services, through monthly fund factsheets, regular fund manager commentaries, webinars, videos podcasts and insight notes as well as fund manager meetings and events for our advisory, wealth manager and institutional clients. In terms of the services we provide, such as the Discretionary Portfolio Service or ISAs, there is specific literature and information provided to customers at each point of the customer journey to support their understanding of the risks.

3. Enable and support retail customers to pursue their financial objectives.

Our purpose is to actively and responsibly manage our customers' investments for a better financial future. We are passionate about delivering good investment outcomes over the long term through genuinely active management and are dedicated to providing good levels of customer service. We believe investing can make a huge difference to individual lives. In the long term, a successful investment strategy can help people to secure their futures and realise their ambitions.

We provide a broad suite of products that offer different outcomes (such as a regular income or long-term capital growth) and with different risk profiles across a range of strategies, including UK equity, global equity, multi-asset, fixed income, and absolute return, as well as products that include ESG values in their investment process and that have clear non-financial objectives.

We offer services such as an ISA and the option to invest into our funds via other tax efficient wrappers such as a SIPP or Bond via a third party; this allows our customers to access our funds via a tax efficient route to support them achieving their financial objectives.

The 4 outcomes.

1. The product and services outcome

Our target market assessment document outlines the needs, characteristics and objectives of the customers that our products are designed for; this document is made available on the Premier Miton website and is published across our range of funds. This information is also captured in the EMT, which is also made available on the Premier Miton website. Both the TMA and EMT cover the intended distribution strategy and fund appropriateness for the target market. We intend to be making the new EMT plus available on our website and made available to distributors.

On an ongoing basis, the outcomes being delivered by our range of products and services are monitored in several ways, including through quarterly MI provided to the Product Governance Committee, the annual product review and the annual Assessment of Value report. This reporting is designed to ensure that the product continues to deliver the right outcomes for customers as they have been led to expect. The various reporting also includes an assessment of the fees and charges being applied.

Our product governance process covers product design, approval, provision of information to customers, potential customers and distributors, product monitoring, product change and ongoing product review.

When considering a new product or service, or significant change to an existing one, our product approval process identifies the appropriate target market for the product or service, aims to assess relevant risks to the identified target market and aims to ensure that the intended distribution strategy is consistent with the target market.

We consider costs as part of the product approval process, to ensure they are clear and transparent. Costs and charges are reviewed regularly as part of our ongoing review of value assessment.

We aim to make sure that appropriate information on our range of products and services is provided to customers and distributors and that such information is consistent, clear, fair and not misleading.

On an ongoing basis, we monitor our range of products and services with the aim of making sure we are delivering good outcomes and continue to meet the needs, objectives and characteristics of the identified target market. This involves ongoing consideration of specific risks and their mitigation, scenario analysis testing from an investor outcome perspective, and conflicts of interest identification, management and disclosure.

We will ensure that appropriate information on our products and services is made available to distributors, including details of the appropriate channels for distribution and information around the identified target market and how that target market is assessed.

2. The price and value outcome

We publish our annual Assessment of Value Report on the Premier Miton website. It is designed to enable customers in our range of funds to assess how a fund has performed and whether it is providing value. We include an assessment of costs and how these compare with similar types of funds, so the customer can make an informed opinion on whether the costs, characteristics and associated service provide value to them.

To assess our funds, we use the seven assessment criteria set out by the FCA, including quality of service, performance, Authorised Fund Manager costs (which include the annual management charge and other fund operational charges), economies of scale, comparable market rates, comparable services and classes of shares.

We record and monitor client feedback, complaints and breaches to ensure that any potential issues regarding our products and services can be identified and addressed to prevent any foreseeable harm to our customers.

3. The consumer understanding outcome

We have a robust framework in place to manage communications to our customers. We have a dedicated team responsible for producing marketing and communications which

are tailored to the intended audience to ensure that the language is likely to be understood and our customers are supported in making informed investment decisions.

Our individual customer facing communications are subject to ongoing reviews so that we can be sure that they are relevant to the audience. The sections on our website are divided into Individual Investor, Wealth Manager, Institutional and Financial Adviser to guide the audience to information that is relevant to them. Communications with retail customers are carried out in relation to their initial investment and the ongoing servicing of the product or service.

Our Compliance Team has oversight of marketing and communications and measure the content against a set of criteria to ensure they are clear, fair and not misleading. They also have the autonomy to consider the whole of a communication to make sure that it would be understandable to an 'average' retail customer.

We balance our communications to support the customer in making an informed decision by providing equal prominence to benefits and risks, and signpost risk information clearly on product information, such as our website pages, factsheets and Key Investor Information Documents.

We always strongly advise any retail customers to seek professional advice ahead of making an investment decision so that they can receive information about whether the product is suitable for their circumstances before they make an investment decision.

Where appropriate, we use the services of third parties, such as Plain English Campaign and The Wisdom Council, to provide guidance and editing services, to help ensure our communications are appropriate for the intended audience. We are currently conducting consumer understanding research of a number of key pieces of product material, using an experienced third party research agency, with the aim of receiving direct feedback on our communications and product material from retail customers. We expect to apply the findings from this research in a proportionate and reasonable way across the suite of material made available to clients, focusing in particular on those documents that present a material risk of causing foreseeable harm.

4. The consumer support outcome

We have dedicated Customer Service facing teams who provide ongoing support to customers across our range of products and services. The teams support customers with the ongoing servicing of their accounts, with no distinction in service levels made between customers looking to invest and those already invested or those looking to disinvest. We do not impose any barriers for customers wishing to sell or switch their investment in a Premier Miton fund or service.

We aim to ensure that our support includes assisting customers who may have characteristics of vulnerability, such as offering large print documentation, 'talk to a friend' and support to understand the information we issue.

The quality of support we provide is monitored in several ways, including through online surveys, assessment of feedback, and analysis of complaints and breaches. We use this information to take appropriate action to help ensure that our customers continue to

receive the right support from us throughout their relationship with us. In addition, the customer facing teams carry out ongoing monitoring of the quality and service provided via the mediums used for communication.

Customer support MI is interrogated and assessed by the Product Governance Committee to ensure any appropriate action has been identified and carried out. The evidence gathered from the MI also feeds into our annual Assessment of Value report.

Feedback on customer service is also gathered from research conducted by third parties (Research in Finance) and from any awards we receive (Financial Adviser 4-star service award in 2022) and the Investor in Customers awards have provided our Fund Service Centre with a Gold status for the past three years.

An online 'help centre' on the Premier Miton website enables customers to find answers to questions they may have about our services, and we actively encourage our customers to provide feedback to us.

Our website provides access to an online valuation service, performance charting tools, dividend history, and the latest product documentation for customers (monthly fund factsheets, six monthly commentaries, Key Investor Information Documentation) with additional information available for investment professionals (including webinars, videos, insight notes and podcasts) which provide regular information and updates to enable advisers to have meaningful, ongoing discussions with their customers.

Our fund managers frequently meet with our advisory and wealth manager/discretionary clients and this level of accessibility is frequently commented on through research conducted within these communities.

Summary

We believe we have a strong framework in place to meet the ongoing requirements of the Consumer Duty, supported by our existing processes, controls and culture, which firmly puts the needs of our customers at the centre of what we do.

15 April 2023