



Rathbones Unit Trust Management and the new Consumer Duty

April 2023

This communication may require your attention if you are responsible for Consumer Duty or regulatory compliance. If not, please forward to your relevant team who is responsible for Consumer Duty and/or regulatory compliance.

All firms in the asset management sector are preparing to implement the requirements of the new Consumer Duty. This will cover all aspects of our interactions with customers as part of the client journey, in our case as a product “manufacturer” and in your case as a “distributor”.

This communication outlines the activities of Rathbone Unit Trust Management Limited (RUTM), the asset management business of Rathbones Group PLC, with regard to aspects of Consumer Duty. Where you have a business relationship with Rathbones Investment Management, you will be contacted under separate cover.

RUTM is fully committed to enabling and supporting retail customers in pursuing their financial objectives.

The current distribution channels for all our products are through platforms, networks and advisers to an end retail client.

A key consideration is the delivery of our products to the correct target market identified and for us to support you in achieving this. We are writing to provide you with the information on the target market for each of our funds. This information is listed below and they can be found on our website via this [link](#).

We believe that the following suite of documents should enable you to have sufficient information to meet your distributor obligations and understand the characteristics of our funds.

1. The European MiFID Template (EMT)

This document provides target market information for all our funds broken down by share class. It

includes the manufacturer's determination of appropriateness and information about:

Investor types

Risk tolerance (SRRI) for each product

Minimum recommended holding period

Investor tolerance for loss

Distribution channel

This document was updated on 28 April 2023 and will be updated at least annually. The latest available version provides a UK-specific section (Value for Money).

The EMT document should only be used by financial advisers and should not be shared with individual retail investors.

2. The Key Investor Information Document (KIID)

The KIID provides the following information on a fund-by-fund basis broken down by representative share class for products available to UK investors and may help you understand the nature and risks of investing. Information includes:

Objective and Investment Policy

Risk and reward profile and outline of fund associated risks

Ongoing charges

Past Performance

This document is updated on an annual basis and/or where there are material fund or regulatory changes. Notice of changes will be provided via publication on our website.

3. Factsheet

A factsheet is published for each fund by share class on a monthly basis and made available where marketing and promotional activities are permissible.

This contains information about:

Charging structure and current charges

Investment Objective and Investment Strategy

Performance and sector breakdowns

Holdings (top ten and total number)

Fund size

4. Assessment of Value

An Assessment of Value report is published annually for each fund within four months after the end of the accounting period. This report considers whether a fund has provided value across the seven minimum considerations for assessment of value as described in the FCA COLL Sourcebook.

Current and historical versions for each fund's reports are available via the link provided earlier.

5. Fund Prospectuses

These are the fund documents that describe and govern many aspects of investing in each fund. These are updated at least annually and can be sourced from the link provided earlier.

Further, we would like to confirm information about the product approval process at RUTM as part of our Consumer Duty obligations as a "manufacturer".

All of our existing products are subject to an annual review process and the delivery of the Assessment of Value process.

We have an established Product team that is responsible for the oversight of all our funds. Their responsibilities include the design and implementation of all new products including initial target market identification and analysis, stress testing and direct consumer understanding testing where possible. The approval process of any new product requires first stage approval by RUTM's internal Product Governance Committee and then formally by the appropriate fund board and ultimately by the regulator. Throughout the process, challenge, and critique from across RUTM endeavour to ensure any proposed product will meet appropriate clients' needs including financial or other objectives. If you require more information about our product design process, please get in touch.

Reporting to RUTM

The new Consumer Duty rules require you, as a "distributor", to provide relevant sales information when requested by a "manufacturer" including, where appropriate, information on the regular reviews of your product distribution arrangements, which should consider whether the target market as identified by RUTM, remains appropriate for your advice and distribution models.

In addition, you should provide us with details of the sales, redemptions, and position holdings of our products at least on a quarterly basis.

This information should include details additionally of:

- Any instances of sales made to a "negative target market" and actions taken to rectify such positions and prevent any further harm.
- The number of sales of RUTM funds made to identified vulnerable customers.

If you transact RUTM funds via platforms, then you are not required to provide us with the above information. The platforms you deal with will be responsible. If you deal directly with us or via a nominee, then the provision of the above information will be your responsibility. If you are unsure as to your obligations under the new Consumer Duty, please contact your own regulatory compliance team.

We also require you to inform us if you materially change the Target Market of a RUTM product or if you identify any product specific risk which may adversely affect the end investor.

Lastly, we require a summary of complaints specifically about RUTM's funds to be provided to us on a quarterly basis.

We kindly request you to send the above information to **RUTMConsumerDuty@rathbones.com**.

The implementation of the above information sharing requirements is effective from 30 April 2023 and we look forward to working with you to deliver high quality retail customer outcomes on products and services under Consumer Duty.

If you have any questions regarding the information contained in this communication, please contact **RUTMConsumerDuty@rathbones.com**.

Kind regards

Head of Compliance
Rathbones Unit Trust Management

Visit our website at **rathbonefunds.com**

Rathbone Unit Trust Management Limited is authorised and regulated by the Financial Conduct Authority and is a member of the Investment Association (IA). A member of the Rathbones Group Plc. Registered office: 8 Finsbury Circus, London, EC2M 7AZ. Registered in England No. 02376568.