

bordier¹⁸⁴⁴

| BORDIER UK

Consumer Duty information *for Distributors*

For professional advisers only

Introduction

This document sets out Bordier UK's information for distributors required to meet obligations under the Consumer Duty. It details:

- whether we are a manufacturer or distributor of financial instruments;
- whether we invest in complex or non-complex products;
- the nature of our services and the investor types they are designed for (i.e. our target market);
- the types of investor for whom we do not consider our services to be appropriate (i.e. negative target markets);
- instances where we might deviate from a manufacturer's distribution strategy;
- our product and services assessment;
- our price and value assessment;
- our consumer understanding assessment;
- our consumer support assessment;
- our fair value confirmation statement; and
- information reporting to and from Bordier UK.

Overview

Bordier & Cie (UK) PLC (shown as either 'Bordier UK', 'we' or 'us' hereafter) are wealth and investment managers, providing discretionary portfolio management services to a wide range of investors. This includes managing investment portfolios for private individuals via general investment accounts, individual savings accounts, pensions and investment bonds, as well as portfolios for trusts, charities and companies.

Our services include:

- a fully bespoke wealth management service, where clients benefit from individual portfolios managed in line with client constraints by a named portfolio manager;
- an in house platform-based service, where portfolios are managed to a model strategy and advised clients can benefit from access to the client services team; and
- a third-party platform service which is available through a number of third-party platforms.
- a tailored model strategy range, predominately as a third party platform service, but also available as an "in house" platform based service to support and enhance Centralised Investment Propositions (CIPs) run on behalf of adviser firms.

Our key partners include independent financial advisers, lawyers, accountants, charities, family offices, third-party platforms and other large institutions.

Our portfolios are constructed around five core investment strategies, each with differing commitments to equity markets and are designed to cater for a range of investor objectives and risk appetites.

Portfolios managed by us comprise a blend of collective investment funds (including exchange-traded funds) manufactured and managed by external investment firms. We have no in-house funds. Our investment research process provides a framework for the selection and ongoing review of such funds and their inclusion in clients' portfolios.

Manufacturer or Distributor?

Under the Financial Conduct Authority ('FCA') Consumer Duty requirements, Bordier UK is a manufacturer. Bordier UK does not manufacture any financial instruments, but under the Consumer Duty we are a manufacturer because we provide a portfolio construction service for clients using financial instruments manufactured by other providers.

We are not a manufacturer under PROD rules. Under the PROD rules, we are a distributor of financial instruments manufactured by others. Bordier UK's discretionary portfolio management service is not a 'financial instrument' under PROD rules.

For some of the CIPs Bordier UK is a co-manufacturer: the adviser firm is also a co-manufacturer because it has a role in the design and decision making of the CIP. In these cases, Bordier UK and the adviser firm will have in place a written agreement setting out their respective roles and responsibilities.

The composition of the portfolios offered under the Bordier UK discretionary portfolio management service will change over time, depending on our Investment Committee's economic and market views, and on expectations for the different asset classes and financial instruments used.

Complex or non-complex products?

The FCA define complex products as all non-UCITS (undertakings for collective investment in transferable securities) funds (including alternative investment funds), and any structured UCITS fund that embeds a derivative. All other funds are therefore non-complex.

The portfolios we construct comprise predominantly non-complex funds, but we may also select complex funds to form part of a portfolio for diversification purposes, including as alternative sources of return or protection.

Target market and negative target market information for Bordier UK portfolios

Target market category	Target market
Client type	Our portfolio management services are accessible to both Retail and Professional investors (as defined by the FCA).
Distribution channels	Advice on discretionary portfolio management services may be given by professional advisers (such as independent financial advisers), and (if no current adviser) given directly by our investment managers. Our services are not intended to be sold on an Execution Only basis. Model portfolios are also distributed on platforms.
Knowledge and experience	Our services are available to all levels of investor knowledge and experience (Low, Medium, and High).
Client objectives and needs	Our services are designed for investors seeking a range of financial objectives, including capital growth, income provision, or a combination of both.
Financial situation and ability to bear losses	Investors in our portfolio management services should be willing and able to bear a partial loss of their investment.
Investment time horizon	Our services are generally for investors with a time horizon of at least five years. A shorter time horizon may be agreed based on specific client requirements.
Negative target markets	We would not expect our portfolios to be recommended to: • clients requiring full capital protection; • clients seeking full, on-demand, repayment of the amounts invested; or • clients who have no tolerance for any loss.

Deviation from manufacturers' distribution strategy

As a discretionary investment manager, we take note of the target markets stated by the fund manufacturers and will only deviate from a fund manufacturer's target market after a thorough analysis of the fund and the Bordier UK target market. However, Bordier UK may deviate from this guidance for portfolio structuring and diversification purposes.

Consumer Duty – Assessment of the four outcomes

Under the requirements of the Consumer Duty rules, we (as a manufacturer of portfolios) develop portfolios that meet the needs, characteristics and objectives of a target market of customers. We have put in place processes and controls to allow us to assess our portfolios against the requirements of each of the four Consumer Duty outcomes.

As an adviser (distributor) of our portfolios, you will need to consider (as you normally do) whether the target market of our portfolios meets the needs of your clients, and that the products and charges provide fair value. We hope our assessments shown below help you with that process, but please do not hesitate to contact us if you need anything more.

The Product and Services assessment

Based on data gathered and feedback from distributors, we believe that all solutions met the needs, characteristics and objectives of consumers when distributed appropriately.

Our model strategies have been tested on a backward-looking basis, and all strategies have performed in line with our expectations.

In instances where Bordier UK has a direct relationship with the client, we have assessed that there are no particular features of the service that could risk foreseeable harm for any group of consumers, including those with characteristics of vulnerability. Where Bordier UK does not have a direct relationship with the client, the assessment of foreseeable harm will be undertaken by the relevant distributors.

The Price and Value assessment

We have conducted an internal and external assessment of the price and value of all available service levels. We believe that there is a reasonable relationship between the price charged and the benefits of the service at each service level. Our analysis of both service fees and total fees across all service levels shows a reasonable correlation between price and value.

An assessment of price and value is inherently considered at the firm's Investment Committee when assessing funds for inclusion on the buy list or reserve list.

We reviewed the pricing structures for each service level and have not identified any material deviation from these structures. Furthermore, we have not identified any elements of the pricing structures that could lead to foreseeable harm; however, distributors should be aware of the differing features of each of the service levels, which are reflected in the service fees.

Distributors should note that we have reviewed price and value with reference to fees levied by Bordier UK only. Any additional fees that distributors levy will alter the price and value assessment above. Distributors are responsible for meeting their own consumer duty obligations, including carrying out their own fair value assessment.

The Consumer Understanding assessment

We have conducted an internal assessment of consumer understanding across all available service levels. All documentation intended for dissemination to advisers was sufficient to allow advisers to meet the information needs of customers. Communications are tailored for the target market and where a client's characteristics of vulnerability have been identified, communications provided by Bordier UK are tailored to that individual's specific needs.

We capture adviser feedback in regular sessions with our adviser-facing teams to ensure that queries from advisers are reflected in the standard literature. We have also directly surveyed distributors for feedback on their views.

As part of this assessment we have reviewed both client and adviser engagement with our client reporting and our customer portal. This will allow us to identify and avert foreseeable harm where there is a lack of engagement with services provided, either from the adviser or client.

Distributors should be aware that all communications labelled 'for professional advisers only' are not intended for dissemination to retail clients.

The Consumer Support assessment

We have conducted an internal assessment of all available service levels within Bordier UK. We have identified that support provided by the firm meets the needs of customers, including those with characteristics of vulnerability.

Distributors should be aware that Bordier UK has no automated phone systems for either clients or professional advisers. Clients or their advisers can receive support from a dedicated area of the business dependent on the service level.

Fair Value Confirmation Statement

Based on the testing outlined above, Bordier UK has undertaken a fair value assessment of its service levels in line with internally defined criteria and the regulatory expectations. We consider that the benefits of the service levels we provide are proportionate to the anticipated costs.

Information reporting to Bordier UK

If you are a further distributor (e.g. professional adviser) of our discretionary portfolio management services and you choose to distribute Bordier UK portfolios to a stated negative market (such as for the purpose of diversification within an investor's wider investment strategy), we must be notified of the details of such an event. Please send this information to compliance@bordieruk.com.

for generations.

EXPLORE
UNDERSTAND
PROTECT
DEVELOP
PASS DOWN