

Rathbones Unit Trust Management and the new Consumer Duty

Readiness Statement for our Distributors April 2023

With the advent of the new Consumer Duty coming ever nearer we believe it is useful to provide details to distributors of RUTM's funds of how we are getting ready for its introduction.

There are two specific dates for firms to meet, these being 30 April and 31 July 2023.

We see ourselves as a product manufacturer and our aim is to provide products that are suitable for our defined target market and that we have processes to deliver a high-quality product journey for all our underlying retail investors.

We have identified the areas where enhancing documentation and processes will improve the customer journey across the four outcomes, these being

- 1) Products and services
- 2) Price and value
- 3) Consumer understanding
- 4) Consumer support

So what have we done and what are we doing?

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- 1 We initiated our Consumer Duty project that is led by our Chief Operating Officer and has a dedicated project manager. Supporting this is our Compliance team who are working closely with the project manager and then we draw expertise and resource from areas of our business such as Operations, Sales, and Marketing.
 - 2 We met the first regulatory milestone in October 2022 by having our high-level plan approved by our Board. This was then enhanced into a more granular activity plan that is reviewed at our weekly internal working group meeting.
 - 3 Alongside a mature Product team and Product Governance process which is responsible for the oversight of all our funds, and in tandem, an established Assessment of Value process that considers price and value, one of the four outcomes, we believe we have met our regulatory obligations. Our published Assessment of Value reports are available on our website.
 - 4 We have considered target market for each of our funds and this information is available via the European MiFID Template (EMT). The EMT document should only be used by financial advisers and should not be shared with individual retail investors.
 - 5 We have identified the range of documents and literature to help you understand our products and their features and performance. We are writing to all of our distributors detailing them and our Target Market information with links to where these are held on our website week commencing the 24 April.
 - 6 In the communication to all our distributors, we also outlined the information we require from distributors including sales, redemptions and holdings data and possible selling to negative target market and the frequency on which we will require such information.
 - 7 We have completed our understanding of a typical client journey by retail clients and have undertaken an exercise to identify any "sludge points" in that journey i.e., where we may potentially cause customer harm through barriers (although we do not currently believe there to be any) as well as looking where there may be impacts for customers with vulnerability.
 - 8 Our outsourced transfer agent SS&C is running a project with many aspects to it. Whilst there have been steps in place to identify and assist vulnerable customers for some time, the definitions of vulnerability have widened over time and they are now able to provide data to us on such characteristics across our customer base. We are looking to potentially widen the support we provide to vulnerable customers in the way that they communicate with us within a range of options that our transfer agent can supply to us.
 - 9 We are currently reviewing all our customer facing literature, making changes where we feel it could be better understood or where there is industry jargon. We have already reviewed over twelve hundred letters templates that are used by our transfer agent and are in the process of signing off any proposed changes.
 - 10 For our website we are adding signposts to assist customers and distributors in locating our product documents throughout the customer journey.
 - 11 Consumer Duty training material is in development and all our staff are to receive Consumer Duty training. Such training will also be embedded into our standard suite of Learning and Development material.
 - 12 We are currently reviewing all our procedures and policies in line with Consumer Duty.

Our project is currently on track to deliver by the milestone dates.

This is edition 1 of our Readiness Statement.