

threesixty

April 2025

Sarasin & Partners LLP

Assessment report



Sarasin & Partners LLP

Contents

Purpose of this assessment report	3
Due Diligence: What is it, and why is it so important?	3
The Due Dilligence process	4
The threesixty assessment: Our methodology	7
The threesixty assessment: The report format	7
The threesixty assessment: How to use it	7
Assessment report	8
Sarasin & Partners LLP: Key details	8
Assessment findings	9
A. Corporate governance and systems & controls	9
B. Client and referring / introducing intermediary arrangements and financial promotions	14
C. Recruitment	17
D. Training & Competence (T&C)	19
E. Discretionary management procedures	21
F. Outsourcing	24
G. Financial crime, anti-money laundering, data security, fraud and the Bribery Act	25
H. Complaints	27
I. Business continuity / disaster recovery	28

Purpose of this assessment report

This report is designed to assist intermediaries in carrying out their due diligence assessment prior to using the services of a discretionary investment manager (DIM), and on the regular review of such arrangements.

It is important to note the aim of the work undertaken by threesixty services LLP (threesixty), is to assess, at a high level, the adequacy of the controls and procedures the firm has established to mitigate the regulatory and business risks arising from the provision of its discretionary management service to intermediaries. The focus of the assessment is to review controls and procedures, and therefore it is only part of the overall assessment that an intermediary should carry out when looking to use the services of a DIM.

Due Diligence: What is it, and why is it so important?

Research and due diligence are seen as one of the pillars of ensuring delivery of good outcomes and advice to clients i.e.

1. Competence: ensuring advisers are competent on the subject of the product or service concerned
2. Research and due diligence: the FCA uses these terms to refer to the processes used to assess:
 - a) The nature of the product or service, for example both investment structure and performance
 - b) The risks and benefits
 - c) The provider – To establish whether it is appropriate to entrust the provider with client assets

It is important for intermediary firms to differentiate between the different aspects of research and due diligence.

Research is the initial filter from a range of products or services that potentially meet the requirements that intermediary firms are looking for in relation to a given scenario, in this case a discretionary investment manager. The research stage would identify a number of discretionary investment managers that may meet the intermediary firm's requirements.

Due diligence is the next stage of the assessment process whereby a deeper analysis is conducted by the intermediary firm on the services of the discretionary investment manager identified at the research stage.

This assessment report should form part of an intermediary firm's due diligence process conducted on a discretionary investment manager.

Both research and due diligence form part of a wider range of regulatory requirements including the FCA regulatory principles that 'a firm must conduct its business with due skill, care and diligence' and 'a firm must pay due regard to the interests of its customers and treat them fairly', product governance and suitability, which together, combine to help intermediary firms deliver good client outcomes.

Assessing suitability: where advisers are competent and understand the individual products or service, they should be able to assess for each client if the solution is suitable.

In relation to looking at any services to be provided by a DIM, intermediaries need to understand the above factors in order to assess whether the proposed solution is suitable for their clients.

In early February 2016 the FCA issued its findings following a thematic review into firms' research and due diligence processes ([FCA - TR16/1: Assessing suitability: Research and due diligence of products and services](#)). It has provided some useful pointers for firms on what helps to ensure appropriate research and due diligence processes are in place. The review covered how firms select products, funds, platforms as well as the services of DIMs.

Whilst the FCA's findings are high level comments, the particular references that have relevance to the assessment of discretionary management services are as follows:

1. The key driver of good research and due diligence is a corporate culture of challenge. The FCA commented 'The better firms had either in-built challenge in the process and/or individuals who were knowledgeable, enthusiastic and challenged the firm's approach. Where there was no culture of challenge within the firm, the research and due diligence process showed weaknesses'.
2. The size of a firm is not a barrier to carrying out good research and due diligence.
3. Processes and tools used in research and due diligence will vary depending on the circumstances, and the FCA does not set out specific requirements. The emphasis is on the firm to take reasonable steps to ensure the solutions are suitable for their clients.

4. Research and due diligence need robust systems and controls in order to be effective.
5. Firms need to be structured in their research and due diligence process in order to ensure that information is up to date and challenged adequately.
6. Research and due diligence should be an objective process and 'not a case of retro-fitting due diligence to justify the outcome the firm had already previously decided upon.'

The Due Diligence process

As noted previously the FCA has not set out a defined process for firms to follow when assessing the services of a discretionary fund manager. The approaches taken will vary in different circumstances, and to a large extent are influenced by the type of service the intermediary is seeking from the DIM. It is also possible that the solutions you identify for your clients may involve the services of more than one DIM. However, whether you are seeking to merely refer your clients to a DIM and chose to let them take responsibility for the suitability of advice, or you intend to advise your clients on a model portfolio operated by the DIM, in which you take responsibility for the suitability of advice, the process should encompass the following stages:

1. Define why you need a DIM
2. Set out the key criteria by which you will assess the DIM
3. Identify and list the DIMs that you will research
4. Reduce/filter the list based on your key criteria
5. Gather information – Multiple sources and of various types, for example:
 - Companies House / FCA register checks
 - Accounts
 - Website and other internet information
 - 3rd party reports, for example threesixty, ARC
 - Research databases, for example Defaqto
 - DIM's own material – Due diligence packs or brochures
 - A due diligence questionnaire sent to the DIM
6. Meet the shortlist of firms
7. Decide on which one or more DIMs to use – document why and the approval process followed by your firm's senior management
8. Monitor and record performance of the DIM(s)
9. Periodic review of DIM(s) and report findings to senior management

It is important to document each stage of the process so that you are able to demonstrate the process if called upon to do so.

The threesixty assessment: Our methodology

This assessment consisted of a series of meetings with the DIM conducted over 2 days, and a review of various documented procedures and papers supplied by the DIM prior, during and after the meetings.

During the assessment our Business Risk Consultant conducts a series of meetings with key management within the DIM from different sectors of the business to allow them to explain in more detail how their firm operates and the controls and procedures that are in place. In general, the assessments involve meetings with senior representatives from Investment Management, Operations, Compliance, Risk Management, HR, Training and Competence and I.T.

On occasions the DIM will inform us that certain documents that we request are not available due to the confidential nature of the information they contain. In cases in which this has occurred we simply note that the document could not be provided due to the confidential nature of the information.

The threesixty assessment: The report format

The report that follows is divided into the various subject headings as follows:

- Corporate governance / systems and control
- Client and referring intermediary arrangements and financial promotions
- Recruitment
- Training & competence
- Discretionary management procedures
- Outsourcing
- Financial crime
- Complaints
- Business continuity

The aim is that the review of the combination of different areas of the business ensures that all the key aspects of the business are reviewed. In each section our overall focus is to attempt to explain what procedures the DIM firm has put in place to control its business, and to manage the risks so as to ensure good client outcomes can be achieved.

The threesixty assessment: How to use it

As noted above the threesixty report is only part of the information that you will need to gather within the overall due diligence process. In part it aims to provide some independent verification for you that certain key procedures and controls are in place within the DIM. However, it will also hopefully help you to construct further questions that you may wish to ask the DIM during the due diligence process.

Assessment report

threesixty has only reviewed those documents made available on our review. We have not investigated their efficacy and practical use. All reasonable precautions have been taken to ensure that the information contained is correct, threesixty services LLP does not accept any responsibility for errors, inaccuracies, omissions or any inconsistencies. This information should not be relied upon by third parties and should not be considered as an endorsement as to individual suitability of the firm for a financial advisers' clients.

The assessment report does not include any comment on the firm's procedures in respect of holding client money, or assets, in accordance with FCA rules as this is outside the scope of our assessment.

Sarasin & Partners LLP: Key details

Firm name	Sarasin and Partners LLP
Turnover	£82.5m (in the year to 31 December 2023)
Established since	1983
Funds under management	£6.2bn (as at 31 December 2024)
Contact details	<p>Christopher Cade, Head of UK Sales Tel 020 7038 7064 Mob 07813 520317 Email: christopher.cade@sarasin.co.uk</p> <p>Caroline Bond, Senior Distribution Support Tel 020 7038 7037 Mob 07880 776305 Email: Caroline.Bond@sarasin.co.uk</p>
Useful links	https://www.sarasinandpartners.com/



ARC performance is available for Sarasin & Partners LLP upon application

Sarasin & Partners LLP are happy to provide potential and existing supporting IFAs with its ARC performance data upon application and as appropriate. To request this information, please contact Christopher Cade, Head of UK Sales on 0207 038 7064 or by email: christopher.cade@sarasin.co.uk

Assessment findings

A. Corporate governance and systems & controls

This section explains how the business is structured and managed. It seeks to explain the key procedures that control the risks within the overall business.

Review findings

1. Sarasin & Partners (S&P) is a Limited Liability Partnership governed by a partnership agreement. Local management own 40% of the voting rights of the Partnership with the remainder being owned by S.I.M. Partnership (London Ltd) which is owned via a holding company Sarasin (U.K.) Ltd and ultimately by Bank J. Safra Sarasin, a Swiss Private Bank established in 1841 with operations in Europe, Asia, the Middle East and Latin America.
2. S&P is operationally independent from Bank J. Safra Sarasin. Sarasin (U.K.) Ltd has a number of subsidiaries in addition to S&P within its group of companies which comprise:
 - Sarasin Asset Management Ltd (SAM)
 - Sarasin Investment Funds Ltd
 - Sarasin Funds Management (Ireland) Ltd
 - Sarasin U.S. Services Limited

S&P and Sarasin Asset Management Ltd (SAM) are discretionary management businesses authorised and regulated by the Financial Conduct Authority. SAM is also registered as an investment adviser with the U.S. Securities Exchange Commission (SEC) and provides services to US persons. Sarasin Investment Funds Limited ('SIF') is regulated by the FCA and acts as an Authorised Fund Manager to the Sarasin funds in the UK.

3. S&P is categorised as an enhanced firm under the FCAs Senior Manager & Certification Regime and a non-SNI under the Investment Firm Prudential Regime.
4. The Board of S&P includes two representatives of Bank J. Safra Sarasin (including the Chairman), two independent Non-Executive Director, and executive voting partners including the Managing Partner, the Chief Operating Officer ('COO'), the Chief Investment Officer ('CIO') and the Head of Private Clients. The Board meets quarterly or more frequently as required.
5. The Board have delegated powers to various sub-committees which include:
 - The Executive Committee (Exco), which is chaired by the Managing Partner, is responsible for all day-to-day management decisions and implementing the agreed budget and strategy of the Board. Representatives from the key functional areas of the business attend the committee. Details of the current members of the Executive Committee are available on the company's website. This committee meets weekly.
 - The Remuneration Committee, which is chaired by an Independent Non-Executive Director. This committee meets a minimum of two times a year.
 - The Audit & Risk Committee, which is chaired by an Independent Risk Consultant. This committee meets monthly.
 - Nominations Committee, which is responsible for identifying and developing the criteria for the selection, assessment, and recommendation of Non-Executive Directors to the S&P Board and its subsidiaries.

6. Other committees / groups / forums which have firm-wide responsibilities include:
- Pricing Committee
 - Conflicts Management Group
 - Product Strategy Group
 - Investment Risk Committee
 - Client Suitability Group
 - Client Assets Steering Committee
 - Best Execution Forum
 - SM&CR Committee
 - CIO Oversight Panel
 - (Local) Remuneration Committee
 - Investment Strategy Group
 - Diversity & Inclusion Committee
 - Customer Service Oversight Committee
7. In addition to the above committees the firm has a Strategy Management Committee which has responsibility for considering the mid to long term strategic vision for S&P along with any other commercial opportunities. The Strategy Management Committee may make recommendations to the Exco and the Board, although it is not authorised to take executive action on any issue unless specifically approved by the Board.
8. S&P operates an overall risk framework based on the three lines of defence model. The three lines of defence are:
- 1st Line
Client Affairs, Operations, Marketing, and Information systems
 - 2nd Line
Risk Office, Compliance, Legal and Human resource
 - 3rd Line
Internal and External audit
9. The interaction of several departments is designed to provide the Board with assurance in relation to its structure and procedures in respect of corporate governance and risk management. These departments each report independently to the Board and are therefore independent from the business units that actively manage risks. The departments are:

Risk Office

The Risk Office is responsible for the assessment and quantification of S&P's risks, and measures and monitors investment risk, performance, operational risk and portfolio guideline compliance. The Risk Office is independent of the investment team and reports to the Board. The Head of the Risk Office reports to the firm's Audit & Risk Committee. The Risk Office's primary function is to promote a risk aware environment and to ensure that through the collection and analysis of data that the group works within its risk appetite. The Risk Office use a risk matrix to document the firm's risks.

The Risk Office is responsible for operational risk, investment risk, performance measurement and analysis. The Risk Office is responsible for the review of all portfolios ensuring that any given portfolio remains within the client's guidelines and constraints. Any exceptions or significant deviations are investigated, analysed and reported.

The Risk Office undertake annual risk control self-assessments (RCSAs), liaising with departments within S&P to highlight potential risks, their likelihood and severity, and any mitigations in place or available. The output from the RCSAs is reported to senior management using a 'heat map'. The firm's risk appetite is reviewed on a quarterly basis at an activity level and reviewed by senior management, all key risk indicators are mapped across to the firm's business strategy which is reviewed by the Risk Office and the CEO. The firm uses the K2 system to manage its risk management framework.

The firm's risk management framework is aligned to its Internal Capital at Risk Assessment process (ICARA). The Risk Office is also responsible for the production of the ICARA, which pulls together all of the information on operational risk in order to assess the firm's overall risks and general preparedness as well as conducting an assessment of harms. An ICARA Partnership Sub Group oversees the firm's ICARA process. threesixty was provided with an overview of the firm's ICARA process by the Head of the Risk Office. The ICARA process is reviewed alongside the firm's risk appetite. The ICARA itself is reviewed by the Audit & Risk Committee before being approved by the Board.

Once the ICARA has been completed the Finance Team assist in the production of the MIFIDPRU disclosures. A copy of the latest disclosures can be found on the firm's website.

The Board of S&P has the overall responsibility for risk management including implementing risk management principles, setting strategy and formulating and implementing policy. It sets the limits and the overall risk appetite for the group.

S&P's approach to risk management is set out within the Strategic Report contained within the latest report and accounts for the year ended 31st December 2023.

Compliance

The role of the Compliance department is to analyse regulatory policy, to implement and maintain S&P's Compliance Policies and to ensure that the firm operates to the best possible regulatory standards.

The compliance departments key activities include monitoring, advisory and financial crime support to the business.

There is Policy Framework in place which consists of all regulatory policies. A policy register records each policy along with a policy owner. A majority of regulatory policies are approved by the Regulatory Policy Governance Group following an initial consultation with stakeholders. Certain policies are reviewed outside the Regulatory Policy Governance Group, for example the Remuneration Policy which is reviewed by the Remuneration Committee and the Board.

The effectiveness of the firm's systems and controls is tested via the Compliance Monitoring Programme, an overview of the Programme was provided to threesixty by the firm's Head of Compliance. The 2024 programme had been completed. Results from the 2024 programme were provided to the Operations Committee with a consolidated report to the Board, the monitoring plan covers regular monitoring activities as well as thematic reviews.

Compliance provides the S&P Board, Exco and the Audit & Risk Committee with a monthly Compliance Report which includes a summary of the regulatory changes that will impact the firm, any contact with and updates from the regulator, conduct and culture, financial crime, the findings from compliance monitoring (including thematic reviews) and a summary of breaches / incidents and complaints as well as details of compliance activity covering advisory, operations, anti-financial crime and monitoring/surveillance.

Group Internal Audit (GIA)

The Group Internal Audit function carries out an annual programme of audits based on the central risk assessment model. Examples of recent reviews include a review of the investment process and record keeping. Reports are provided to the Audit & Risk Committee and to the S&P Board. There are fortnightly meetings held by GIA, the Head of Compliance and the Head of Risk.

10. S&P has a Code of Business Conduct and Ethics in place. The Code provides guidance on conduct and behaviour that is consistent with the firm's core values.
11. S&P has defined core values for the business to which it aims to assess its performance. These are:
 - Partnership
 - People
 - Stewardship
12. S&P provided details to threesixty of how the firm reviews and manages conflicts of interest. A conflicts of interest Register is maintained by the Compliance Team. The firm has divided its register into three sections, covering business model conflicts, situational conflicts (temporary) and Outside Business Interests. A summary of the Conflicts of Interests Policy dated February 2025, can be accessed from the important information section of the firm's website, www.sarasinandpartners.com/important-information. Conflicts of interest are overseen by the Conflicts Management Group – which reports to Exco. Conflicts of interests are included in employee's quarterly attestations.
13. S&P is subject to annual assurance audits in respect of an AAF01/06 (conducted in accordance with ISAE3000&3402) conducted by Deloitte LLP which provides an independent review of internal controls and procedures. A copy of the recent AAF01/06 report for the year ending 31 December 2023 was provided to threesixty.
14. S&P has client money permissions and is categorised as a medium CASS firm. Oversight of the firm's CASS arrangements is provided by the Client Assets Working Group.
15. S&P have in place Investment Management Professional Liability, Crime, Cyber and Directors and Officers Liability Insurance for the year ending 30th June 2025. Details were provided to threesixty.
16. The firm's on-going obligations in respect of the Senior Managers & Certification regime are overseen by the SM&CR Committee, the Head of Compliance sits on the SM&CR committee. The firm's Managing Director is the Senior Manager responsible for SM&CR for S&P. An SM&CR Framework Document is in place along with an SM&CR policy.
17. S&P has a Product Governance Summary document which provides an overview of the different department's roles in respect of product governance. The Product Solutions Team are responsible for the product development process and report to the Product Strategy Group and Exco in respect of product governance matters. Details of the firms' product approval process can be found on the firm's website.
18. Oversight of the firm's Consumer Duty arrangements is provided by the Customer Service Oversight Committees, one Committee covers funds the other the firm's discretionary activities, the Committees meet on a quarterly basis and provide summary reports to the Board, the Committees also assist in the production of the Governing Body assessment report.
19. threesixty was advised the firm conducted a review of its Vulnerable Client procedures prior to the introduction of the FCAs Consumer Duty. It was noted Vulnerable Client training is provided annually, with the last training provided in November 2024 to relevant staff.

Based on meetings with the Head of Compliance and the Head of the Risk Office S&P appears to have a structured approach to corporate governance and risk management. The role of the Risk Office is key to the firm's risk management framework as it employs an integrated approach within the firm.

Post Consumer Duty implementation S&P have embedded the regulatory requirements with oversight from the Customer Service Oversight Committees and the Board.

B. Client and referring / introducing intermediary arrangements and financial promotions

This section looks at how the DIM deals with clients and what are the legal and procedural arrangements with introducing intermediaries. It looks at the contracts and on boarding procedure and what checks they will do on the intermediary business. It seeks to identify whether or not the process, and the responsibilities of all parties are clear.

This section also looks at how the DIM markets itself, and what controls it has to ensure that promotions are clear, fair and not misleading.

Review findings

Referring / introducing intermediary arrangements

Bespoke Portfolio Service

1. S&P's respective regulatory responsibilities to the referring/introducing intermediary will differ depending on the basis of the services provided to the parties. S&P have agreements in place that set out the respective responsibilities of each party in each arrangement.
2. For the bespoke portfolio service S&P can operate with the intermediary and the client on a 'reliance on others' basis whereby S&P contracts with the intermediary and the underlying client. In this case the intermediary must be authorised by the FCA, and is responsible within the arrangement for know your client, the client's attitude to risk /capacity for loss, investment objectives etc.
3. Where an intermediary is a party to the 'reliance on others' arrangement S&P is not responsible for financial planning advice to the retail client. The intermediary is responsible for assessing the level of their client's investment risk profile which is then mapped across to an appropriate S&P portfolio / mandate. S&P is responsible for the suitability of each trade within the portfolios for clients introduced.
4. When using the 'reliance on others' arrangement the following documents are used by S&P and respective parties.
 - A 'Terms of Business relating to Discretionary Investment Management Services' which is signed by the retail client and includes a Clause for 'Clients with Financial Advisors' which states that S&P may rely on the suitability information provided by the retail clients Permitted Advisor.
 - A signed letter/agreement entitled 'Reliance on others for suitability assessments' where S&P is reliant on the intermediary for the suitability assessment. If a signed letter/agreement is not in place Sarasin will be responsible for the client's suitability assessment.
 - An Advisor Charging Letter signed by the retail client and the intermediary authorising S&P to pay the intermediary 'Advisor Fees' in relation to the retail client's discretionary portfolio.
 - An annual 'reliance on others' due diligence questionnaire sent to the intermediary firm for completion by the Sales Team which is logged in the suitability reports for the retail client.
 - A Client Investment Profile, this is completed at the outset of the relationship whether there is a direct client relationship with S&P or if there is an intermediary using the 'reliance on others' arrangement. The management of the client's portfolio will not occur until the Client Investment Profile has been signed and returned.
 - A Client Suitability Update, this is updated on annual basis, for direct client relationships with S&P as part of the annual review process, whilst for the 'reliance on others' arrangement once it has been confirmed by the client's intermediary. An annual update for all intermediary clients using the reliance on others arrangement is obtained.

5. S&P can have a direct relationship with the client introduced to it by the intermediary for its bespoke portfolio service. In this arrangement S&P is responsible for suitability and will establish the client's personal and financial circumstances, attitude to risk/capacity for loss, investment objectives and the suitability of the discretionary management service it provides to the client. In such cases S&P will meet with the client at least annually to review their portfolio.
6. As part of their discretionary investment service S&P offer an AIM Portfolio Service. An AIM Portfolio Service brochure is available for intermediaries which outlines the service proposition.
7. S&P are able to take into account client's ESG preferences as part of their bespoke discretionary investment service.

Model Portfolio Service

1. When using the MPS service, there is an agreement between S&P and the intermediary, it operates on an 'agent as client' basis. There is no agreement between S&P and the underlying client of the intermediary. Intermediaries operate as 'permitted advisers' in order to transact on behalf of their clients on third-party platforms.
2. A 'Terms of Business for Financial Advisers relating to Model Portfolio Services' is signed by S&P and the intermediary. In this arrangement S&P is responsible for ensuring all decisions to trade on the MPS are suitable for the mandate of the MPS, all other suitability obligations sit with the intermediary e.g., responsibility of the recommendation to use S&P and its model portfolios. In addition, a Financial Adviser Investment Form relating to Model Portfolio Services is also signed by the intermediary.
3. It was noted a review of the Terms of Business (TOB) for Financial Advisers relating to Model Portfolio Services had recently taken place which resulted in minor changes including the ability to notify financial advisers of future changes to the TOB rather than having to obtain consent to changes.
4. The intermediary will have an agreement in place with the relevant third-party platform in order for it to introduce clients and to access their client portfolios on the platform.
5. S&P offer a choice of 5 Core and 5 Responsible risk rated model portfolios, which are available on a range of platforms including Aegon, AJ Bell, Aviva, Fidelity, Fundment, M&G, Nucleus, Parmenion, Platform One, Scottish Widows, Seven Investment Management, Standard Life, Transact, Quilter and Wealthtime.
6. Details of the model portfolios are available within the Investment Professionals section of the S&P website. S&P have Advisor and Client Brochures for the Model Portfolio Service and Responsible Model Portfolio Service. Details of the Model Portfolio Service and Responsible Model Portfolios are available for intermediaries in a document entitled 'Sarasin & Partners LLP Model Portfolio Service & Responsible Model Portfolio Service - Standard RFP', the latest version provided to threesixty was dated Quarter 3 2024. There are regular model portfolio service updates available for intermediaries provided by the model portfolio investment team which are available on the firm's website.
7. S&P model portfolios are risk mapped using Defaqto, EValue and Dynamic Planner. Defaqto, EValue and Dynamic Planner reports on the MPS and Responsible MPS are available upon request.
8. Co-branding of S&P model portfolios is available for intermediary firms, for more details contact S&P.

General

1. Before commencing a relationship with any regulated intermediary threesixty was advised S&P conduct desk-based research, a check of the FCA register and a Bridger Check on the firm.
2. On an annual basis intermediaries using the bespoke service are required to complete and return a due diligence questionnaire.

3. S&P are able to complete RFIs for firms, a recent example was provided which assists intermediaries in their assessment of S&P.
4. A financial assessment of S&P is conducted by AKG, a copy of the latest AKG report for November 2024 is available upon request, it was noted the firm's assessment rating was 'B'.
5. The firm has a Consumer Duty section on its website which provides an overview of the regulatory requirements along with target market information and fair value assessments for its MPS and Responsible MPS service and fair value assessment for its bespoke service.
6. In 2022 Sarasin acquired Bread Street Partners, Sarasin Bread Street provides certain types of investors access to private markets. For more details contact the firm.
7. Sarasin are launching the Sarasin Managed Funds at the end of April 2025, which are unitised versions of their MPS range.

Financial promotions

S&P advised threesixty it has procedures in place to approve all forms of communications/financial promotions to ensure that they are fair, clear and not misleading. threesixty were provided with an overview of the process for approval of financial promotions by the Head of Compliance. Procedures include:

1. A financial promotions approval process workflow which sets out the stages of the approval process from preparation of the draft financial promotion, entry to marketing log, compliance and marketing approval, confirmation process and record keeping.
2. Financial promotions are managed using the K2 system which records all financial promotions. The financial promotions approval process is documented on the firm's intranet. A copy of the financial promotion's approval process was provided to threesixty.
3. Within the K2 system a record is kept of all promotions which details each financial promotion, the completed checklist and feedback / comments from both marketing and compliance, threesixty was advised the review includes a review of anti-greenwashing requirements.
4. threesixty was advised a financial promotions policy and procedure is in place dated May 2024 which outlines the firm's approach to the approval of financial promotions. The policy and procedures are supported by a financial promotions checklist, a copy of the financial promotions checklist was provided to threesixty.

S&P have a range of client on-boarding documents for both its bespoke and MPS services. The relationship between the relevant parties is communicated as part of the take on process and supported by the contractual documentation.

S&P has a range of supporting documentation to assist intermediaries which are available on their website or on request, including fair value assessments and target market information to support S&P with its Consumer Duty obligations.

C. Recruitment

This section aims to illustrate what procedures the DIM has in place to ensure that staff it employs are fit and proper. It looks at how the recruitment process works, and how staff are inducted into the business to ensure that they are aware of company procedures.

It will also look at remuneration policies to see if these have been clearly defined.

Review findings

The recruitment procedures were discussed with a representative from the Human Resources (HR) department who provided an overview as to how staff are recruited, and vetted, along with an outline of ongoing HR procedures. These include:

1. The recruitment process for either a new recruit or replacement starts with the hiring manager who liaise with the Exco representative within the department setting out a case for the recruitment of a new individual and then seeks approval from Exco for the appointment. All requests and authorisations are managed within the firm's Networx / Cascade system.
2. Following approval, the HR Department commence the recruitment process. All posts are advertised both internally and externally. There is also a staff referral policy to encourage recommendations for appointments.
3. For external candidates HR will work with appointed employment agencies, or Executive Recruitment/Head Hunter firms, depending on the role. HR will liaise with the agents throughout the process as they identify a number of candidates. There is a panel of pre-vetted and approved agencies for HR to use.
4. The HR department receive CVs for candidates into the Networx / Cascade system and these are then reviewed by the hiring manager and HR and interviews arranged. There are a minimum of 2 interviews depending on the role with HR attending the last interview.
5. Interviewers receive guidance and training from the HR Department on interview techniques. A Hiring Managers Guide is in place along with a Networx Hiring Guide for hiring managers.
6. Interviewers have guideline notes on the process and candidates are scored on a number of factors.
7. In the case of technical positions such as analysts, candidates are asked to complete technical assessment tests and / or provide presentations.
8. On finding a suitable candidate approval is sought from Exco and a verbal offer is sent which once accepted leads to a contract of employment being issued. The contract of employment includes reference to SM&CR.
9. Once the employment contract has been received an online screening process with Vero Screening is then used which checks references, credit checks and appropriate criminal records and DBS checks. Different levels of screening apply if the role is a Senior Manager or Certified Person. The HR department are responsible for the completion and submission of FCA Form As to the regulator for any new Senior Manager.
10. All staff undergo an induction process to ensure they are aware of company procedures and policies and individual objective are agreed with the line manager. This is then followed up with a 3 month, and then a 6-month appraisal with line management before the Head of Department confirms the completion of the 6-month probationary period.
11. S&P's remuneration policy is to reward the contribution and development of all employees. A Remuneration Policy is in place which was under review at the date of the assessment. It was noted

however the firm's aim is to ensure external competitiveness and key employee retention. The majority of staff are rewarded in the following ways:

- Basic salary
 - Discretionary Incentive Bonus Scheme
12. Investment managers and analysts can share in the incentive bonus scheme. The total pool is calculated and paid annually, and is dependent on a combination of 1, 3 and 5-year performance. A deferral policy is in place, dependent on seniority and total remuneration, through reinvestment into the product from which the bonus is earned.
 13. S&P use reports from external companies on comparative remuneration levels within the industry to ensure that remuneration packages for staff are in line with industry norms.
 14. S&P use the Accord system to manage its on-going requirements in respect of SM&CR including annual fit and proper declarations and certification. The system is managed by the HR department and is used as part of the on-going review by the firm's SM&CR committee which is chaired by a Senior Manager. S&P is an enhanced firm under SM&CR.
 15. A Diversity & Inclusion Committee has been in place since 2020 which is co-chaired on a rotational basis, the committee is supported by four sub-committees covering Belonging, Equality, Representation and Outreach. Details of the role of the Diversity & Inclusion Committee and its sub-committees can be found in the Governance, Resources, and Incentives section of the firm's UK Stewardship Code Report. An Ethnic Minority Forum was launched in March 2024.
 16. A Culture Steering Committee has also been introduced which reviews a number of areas including both conduct and culture.
 17. A Work Experience Programme was launched in April 2023 by the Diversity & Inclusion Committee in partnership with an external charity upReach. There are two 4-day programmes each year and provides an in-depth introduction to asset management for participants.

From the information provided and following a meeting with the firm's HR Manager, there appears to be a clear process in place in respect of recruitment within S&P.

The firm places importance on a diversified workplace which can be evidenced by the work undertaken by the Diversity & Inclusion Committee. This is supported further with its partnership with upReach to encourage individuals from a wide range of backgrounds to consider a career in financial services.

D. Training & competence (T&C)

This section looks at how the DIM sets out its training and competence regime, and reviews what processes are in place to train, assess and monitor staff and investment managers in particular in their role of dealing with clients introduced from intermediaries.

Review findings

1. S&P have a Training and Competence (T&C) policy dated June 2024. The policy owner is the Head of Compliance supported by the Head of HR as implementation (of the policy) owner. The T&C policy is supported by T&C procedures.
2. New joiners are required to complete a mandatory induction programme which consists of a number of compulsory induction sessions with members of the business, these include IT, Risk Management, Compliance, the Information Security Officer and an HR induction. Mandatory CBT training is also required to be completed which includes training on Cyber Crime, GDPR, AML and Conduct Rules.
3. All staff are subject to a probationary period in which assessments of competency are carried out at 3 and 6 months.
4. Development plans for staff are set at the beginning of this induction process and reviewed regularly.
5. Senior Managers requiring registration with the FCA must be assessed as competent by S&P prior to the application being processed. Certification staff are also assessed internally by HR and line managers. The HR department provide guidance to line managers on appraisals and assessments.
6. In the event that an individual is found not to be competent they would be put on a monthly assessment to continually review their competence.
7. Once assessed as competent an individual is subject to annual appraisal. This is a standard employment appraisal. This is completed on an online system, K2, with input from both line manager and member of staff.
8. For staff referred to as 'Senior Manager and Certification Staff' there are additional assessments which consider:
 - Suitability
 - Incidents
 - Client AML
 - CPD
9. Certified staff are subject to the firms Certification Regime procedures. The Accord system is used to track and monitor certification staff.
10. All are currently required to complete 35 hours CPD activity of which 21 hours must be structured learning. This is currently logged on the firm's in-house learning management system Unicorn and on the CISI system. Progress is monitored for SM&CR staff using an SM&CR Dashboard which is produced quarterly by the HR Team and reviewed by the relevant employee and their line manager.
 Training requirements for non-SM&CR staff is currently under review by the HR team with the firm looking to reduce the requirement from 35 hours.
11. Training activity includes a programme of Computer Based Tests with a pass mark of 80%. The test must be completed within certain time scales, and there are fines in the event that they are not completed within the required time period.

12. Training was provided to all staff on a number of areas during 2024 including GDPR, Data Protection and Cyber Crime. During 2024 the compliance team provided two face to face training sessions to employees, covering general compliance matters e.g. FCA rules, conduct and an Anti-Financial Crime.

Based on meetings with the Head of Compliance and the HR Manager there appears to have a suitable framework for the induction and ongoing monitoring and supervision of employees including the firm's Investment Managers.

A balanced approach to training is in place using a combination of computer-based training as well as 'in person' sessions.

E. Discretionary management procedures

This section looks at the procedures and controls the DIM has put in place to carry out the DIM service. It aims to assess how they arrive at decisions when managing funds, and how do they record and monitor the process. It looks at the structure of the process including the firm's investment philosophy, investment committees, research, how decisions are implemented and the controls in place to minimise the risk of errors and loss to clients.

Review findings

S&P has procedures and systems to control and monitor the discretionary management service/s, it provides to direct clients and clients from referring/introducing intermediaries. These procedures and systems include the following:

1. An important aspect of the investment process of S&P is the analysis of themes looking across industry sectors and geographies, combining both macro and micro factors. To this end S&P encourage the development of thematic ideas within their Investment Strategy Group (ISG) which meets quarterly and is responsible for determining the firm's strategic asset allocation and fortnightly Global Equity Theme meetings. The ideas that are developed influence the investment decisions within S&P and provides a steer for the Investment Policy Committee (IPC), which takes account of the core long-term economic and thematic views developed.
2. The IPC meets at least quarterly and is responsible for setting the firm's tactical asset allocation policy, the IPC is chaired by the Chief Economist and attended by the heads of asset class teams, Head of MPS, alternative asset class specialists and multi-asset fund managers. The policy once set provides the guide for portfolio managers to follow.
3. The investment philosophy and process is documented in an Investment Philosophy & Process DDQ which is available upon request.
4. The portfolio manager, based on policy set at the IPC, is responsible for ensuring the tactical asset allocation of each portfolio is aligned to house policy.
5. Securities must be approved in accordance with the documented investment process of the relevant investment team, as set out in the Investment Decision Process (IDP) document, supported by written research, and placed on authorised lists.
6. In developing its buy list of securities S&P uses its own in-house thematic research along with conducting a quantitative assessment. Any new security must meet the criteria set within S&P's research process. The Global Equity Team constructs the Global Buy List, this is reviewed at the Global Equity Team Buy List Meeting. The process involves the following:
 - For a new security to be introduced onto the S&P's buy list, the analyst concerned must make a 'Short Note' recommendation along with a Full Note outlining the details of the ethical screen and quantitative analysis and the key investment drivers.
 - A team review then takes place between the full analyst team and fund managers on the proposed stock. If successful, additional analysis is undertaken.
 - To be formally added to the global buy list, the analyst must pass a final team vote of the full investment case and satisfy the Global Equity Team that the requisite level of research has been completed. The vote is conducted outside of the meeting and blind of the opinions of other team members to avoid groupthink and allow a period of reflection before the decision is taken.
 - Once added to the buy list each security is rated in accordance with its fundamental quality, prospects and current valuation.

- The ratings for each security are reviewed on a weekly basis.
 - The Global Equity Team employs a dedicated data analyst with the specific task to maintain the Investment Universe and monitor the Buy List and portfolio using quantitative tools. This analyst does not conduct fundamental investment research or have responsibility for managing portfolios and is therefore not biased to accept or reject the output from security screens.
7. Portfolio managers are only permitted to use securities and funds on the Buy List. Portfolio managers must also remain within the risk parameters for each client mandate, this is monitored by the Portfolio Manager, Portfolio Compliance Team and the Risk Office.
 8. Bespoke portfolios use 70-85% of in-house funds within their portfolio, external funds are also used. Where in-house funds are used clients access a zero-share class to prevent double charging.
 9. There is a Fund Committee in place which is chaired by the Head of MPS, the committee's responsibilities include oversight of the Funds Buy List.
 10. S&P have a Portfolio Compliance Team who are responsible for ensuring that systems are correctly coded to ensure portfolios are operated in accordance with mandates. The compliance work involves both pre transaction and post transactional checking of the Charles River investment management system used by S&P. This system can provide alerts and warnings in relation to pre and post trade breaches. The Portfolio Compliance Team is then responsible for follow up action and escalation when warnings or alerts occur. The Portfolio Compliance Team reports to the Head of the Risk Office.
 11. The firm has a quarterly CIO Review which reviews the portfolio risk metrics, it is chaired by the CIO and is attended by members of the risk team.
 12. There is an MPS Review Panel which also meets quarterly. It is attended by representatives from asset management, private clients, third party distribution and the Head of Intermediary Sales.
 13. On a monthly basis or more frequently if required, there is an Investment Risk Committee (IRC) meeting. The IRC has oversight of portfolio risk. The primary purpose of this meeting as set out in the Risk Office Monitoring procedures is to ensure:
 - Understanding and documenting risks taken within funds and larger segregated mandates
 - Ensuring portfolios are managed according to the appropriate risk profile and relevant regulatory environment
 - Providing information for fund manager challenge as appropriate (for example, when risks are out of line with client expectations / suitability)
 14. The Risk Office prepares an Investment Risk Committee pack that assesses calculated risk levels, risk limits and analysis of any breaches. The pack considers the market risk and investment tilts within portfolios/funds, how those evolve over time, and whether they are in line with house views. Reports will highlight the positions that are contributing most to portfolio risk and the key drivers of performance. Based on the Investment Risk Committee pack or input from another source, the Committee may decide to challenge an investment position. The Risk Office or another member of the Committee directly with the portfolio manager can initiate the challenge. The results are reported and noted in the Investment Risk Committee minutes.
 15. Monthly exception reports are produced by the Risk Office detailing all mandates that are outside of their benchmark by a specified tolerance, and all clients that are outside of their risk range. In each case, these are investigated, and the portfolio manager asked for an explanation and resolution plan. The number of risk and performance exceptions is recorded as a Key Risk Indicator and reviewed on a monthly basis by the Investment Risk Committee.

16. The Investment Risk Committee will seek to ensure that all portfolios at S&P achieve outcomes in keeping with clients' objectives and expectations. Its role is one of independent oversight and challenge, to check that portfolios are being managed in a consistent manner and in keeping with the views expressed by the ISG and IPC.
17. Where performance, risk or portfolio positioning is not in keeping with expectations, the IRC's role will be to challenge and/or support the Chief Investment Officer, Portfolio Managers and/or Account Directors. The IRC works to ensure that the client outcomes are in keeping with expectations.
18. In addition to the Investment Risk Committee there is a Client Suitability Group which is responsible for reviewing portfolio outliers in terms of performance and risk. Attendees of the Group include representatives from risk, compliance and client teams. The Group meets on a quarterly basis and reports to the Investment Risk Committee.
19. The S&P Best Execution Forum is responsible for oversight of the firm's best execution arrangements including regular reviews of execution venues and brokers. Transaction cost analysis is undertaken to assist the firm in measuring best execution. A copy of S&P's Order Execution Policy dated January 2025 was provided for review. This policy is also located within the 'Important Information' section of the firm's website.
20. Transaction reporting is overseen by the Operations Team. There are specific individuals with the Operations Team with responsibility for oversight of the firm's transaction reporting responsibilities.
21. The MPS service is available via a number of external third-party platforms. Platforms orders are entered into the Charles River system, checked via the firm's proprietary system 'SIC' before being uploaded onto each platform. There are pre and post trade checks conducted during the process. The MPS service is re-balanced at least quarterly.
22. A copy of an example periodic report was provided to threesixty for review which includes the required disclosures.
23. In line with S&P's approach to long-term investing they have committed to the UK Financial Reporting Council's Stewardship Code. S&P have included details on their approach to stewardship within various documents which are located within the 'Stewardship' section of their website. This includes documents such as the firm's Stewardship Report, TCFD report, Net Zero Action Plan and the firm's engagement policy on the Shareholder Rights Directive.
24. S&P is a founding signatory of the Net Zero Asset Managers initiative launched in December 2020, signatories to the initiative commit to support the goal of net zero emissions by 2050 and supporting investing aligned to net zero emissions by 2050 or sooner. Details can be found in the firm's Net Zero Action Plan which is available on the firm's website.

Based upon meetings with representatives of S&P including the Head of Risk Office and the Head of MPS on the controls the firm has established, the firm appears to have procedures which are consistent with its investment philosophy and approach, and include specified systems, controls and reporting to enable it to monitor its investment management activity.

F. Outsourcing

This section looks at the extent that a DIM outsources key tasks to 3rd parties, and if it does what processes are in place to monitor this activity and minimise any adverse impact to clients.

This section is not relevant to all firms as not all firms outsource key tasks to 3rd parties.

Review findings

1. S&P has established relationships with a large number of custodians including, but not limited to, Northern Trust Company, JPMorgan Chase, Bank of New York Mellon, Citibank, State Street and BNP Security Services Jersey. Bank of New York Mellon (BNYM) is the delegated Custodian of S&P custodial services. There are semi-annual service review meetings held between BNYM & S&P. All meetings are scheduled using the K2 system.
2. S&P has a Supplier Provider Oversight Panel (SPOP) chaired by the Chief Operating Officer that meets quarterly to oversee all aspects of S&P's third-party arrangements. It is the responsibility of the Panel to ensure regular due diligence is undertaken on all key suppliers. This includes due diligence on providers Business Continuity, Operational Resilience and Disaster Recovery Plans depending on the level of risk attributed to the provider by S&P. The SPOP provides a dashboard report to the Audit & Risk Committee. A member of the Compliance Team attends the SPOP.
3. threesixty was advised there is an Outsourcing Policy in place dated July 2024, the business owner of the policy is the Chief Operating Officer.
4. There is oversight and monitoring by the compliance team and functional subject matter experts of third- party providers, including onsite visits. threesixty was advised there is an oversight manager for each key relationship.
5. The procedure is for Key Performance Indicators to be provided at least quarterly, and these are subject to a review by the relevant business team. Service level meetings with the providers' business and relationship teams are held at least 6 monthly, and on an ad-hoc basis when required.
6. threesixty were previously advised that reports are provided by Northern Trust to Sarasin to assist their oversight of the service provided. Monthly meetings are held with Northern Trust to review operational and strategic issues. The S&P Operations Team take the lead in these meetings and report to the SPOP.

An overview of the firm's arrangements in this area were provided to threesixty by Head of Compliance as part of the assessment. Based on those discussions the firm appears to have appropriate controls in place in respect of its relationships with third parties.

G. Financial crime, anti-money laundering, data security, fraud and the Bribery Act

This looks at how the DIM assesses its risks of being subject to financial crime and how they mitigate the risks by way of business controls and procedures, monitoring, training and reporting.

Review findings

1. S&P have Anti-Money Laundering (AML) procedures that are intended to comply with the needs of the overall Bank J Safra Sarasin Ltd requirements including Swiss requirements, FCA rules in the U.K. and SEC in the U.S.
2. S&P is committed to a zero tolerance of bribery and corruption either within its organisation or with contractors, suppliers or intermediaries that it deals with and is set out its Anti-Financial Crime Policy Statement (March 2024) which is available on the firm's website.
3. S&P have combined their financial crime policies into an Anti-Financial Crime Policies document dated June 2024. threesixty were not provided with a copy of the AML document during the assessment as it was deemed confidential.
4. threesixty was advised there are procedures in respect of AML, which are incorporated in the Anti-Money Laundering Procedures which set out the account opening processes, client classification, monitoring, reporting, record keeping and training which are managed by the business with support from the Compliance department. threesixty were not provided with a copy of the AML procedures during the assessment as they are deemed confidential.
5. S&P carry out their own screening of all new clients during the account opening process and on an on-going basis going forwards. This is undertaken by the Client Administration Team.
6. As part of the client on-boarding process all clients are reviewed and approved by the Compliance team following the initial review by the Client Administration Team within Client Affairs. threesixty was previously advised the MLRO meets regularly with senior management within the Client Affairs team to discuss any AML issues.
7. Cross checks are carried out against Lexis Nexis /World check which provides internet-based screening against potential client risk – names against databases in US, OFAC, BOE, EU, UN, Interpol, SFO and FATF lists.
8. S&P have a risk-based client classification system based on factors such as:
 - Nationality (of client and beneficial owner)
 - Country of domicile client and B/O
 - Country of business activity
 - Business activity
 - Client segment
 - Legal form – Individual, company, trust etc.
 - PEP status
9. Clients are categorised as High Risk, Enhanced Plus Risk, Enhanced Risk or Low Risk. The status is then reviewed periodically at a frequency depending on the risk category of the client. Additional checks on high-risk clients are undertaken by the compliance team.
10. All portfolios are subject to an AML and record keeping review. The timing of the review will be dependent on the risk category of the client:
 - High Risk/PEP – Annually

- Enhanced Plus – Every two years
 - Enhanced Risk – Every three years
 - Low Risk – Every five years
11. S&P have processes in place to monitor compliance with AML procedures such as reviews of client classification reports, pre-approval on cash withdrawals, various types of transaction monitoring as part of the compliance monitoring programme.
 12. S&P has an AML awareness & training programme in place. All staff are required to undertake training on S&P's anti-money laundering and general financial crime procedures as part of their initial induction when joining the firm.
 13. Compulsory Anti-Financial Crime training including AML is delivered via Computer Based Testing to all staff on an annual basis. In addition, the Compliance department provided face to face training on Anti Financial Crime during 2024.
 14. At the date of the assessment threesixty was advised the latest MLRO report is for the calendar year 2024 which will be presented to the Audit and Risk Committee and then recommended to the Board.
 15. threesixty were advised the latest version of the Gifts & Hospitality Policy is dated January 2025. An Anti-Bribery & Corruption Statement dated September 2024 which was approved by the Board is on the firm's website which provides an overview of the firm's approach to their obligations.
 16. It is a term of the contract of employment for all employees in S&P that they, and connected parties, are bound by S&P's Personal Account Dealing (PAD) policy, the PAD policy was last reviewed and approved in September 2024. All employees are subject to S&P's Market Abuse and Insider Dealing policy and an Insider's Register is maintained by the Compliance department.
 17. S&P has set out procedures to address the implementation of the General Data Protection Regulations and Special Categories of Data in a document located in the Important Information section of its website.

Following discussions with the MLRO it would appear S&P have set out defined policies and procedures to assess and control the risk of financial crime within the organisation, which are regularly reviewed and updated.

H. Complaints

This looks at how the DIM handles complaints and ensures that they are independently handled and that the process is fair and clear.

Depending on the arrangement the intermediary has with the DIM this may be a case of assessing how the DIM deals with complaints from the intermediaries' clients, or if there is no direct relationship with investor clients how would the DIM deal with any potential complaints from the intermediary as a professional client.

Review findings

1. threesixty was advised S&P have procedures and policies in place to ensure complaints are recorded and appropriately reviewed. The procedures are kept under review by the Compliance department. The complaints policy is the responsibility of the Head of Compliance. threesixty was advised the latest version of the Complaints policy is dated July 2024 which is currently under review.
2. The Complaints Procedures are available on the staff intranet and includes detail on the definition of a complaint and the processes to follow.
3. There is annual mandatory complaints CBT training for all staff.
4. S&P have produced a document entitled 'Making a Complaint a Guide for Clients' (May 2020) which explains the process for clients and is available on the S&P website.
5. All complaints are referred to the Compliance department who investigate the complaint including an assessment of the root cause of the complaint.
6. The Compliance department maintains a Complaints Register on behalf of the firm. Complaints information is provided to senior management in the monthly compliance report. threesixty was advised the number of client complaints in 2024 was very low by the Head of Compliance, a number relate to clients invested in Sarasin funds.
7. threesixty was advised the Head of Compliance provides a report to the relevant Board on the number of client complaints.

Following discussions with the Head of Compliance there appears to be policies and procedures in place to review and report to senior management on complaints received, and that these policies and processes are regularly reviewed.

I. Business continuity / disaster recovery

This section looks at the arrangements the DIM has put in place to ensure that if a disaster did occur, they could respond quickly, and either maintain their service to clients, or restore the service in an acceptable time frame in order to minimise any risk of loss.

Review findings

Business Continuity

1. threesixty was advised that business continuity is overseen within S&P by the Head of Information Technology, Head of Infrastructure and Head of Risk.
2. S&P has a Business Continuity Plan (BCP) and a Disaster Recovery Plan (DRP) in place. threesixty was advised the firm's BCP is reviewed annually and is included within the scope of the annual AAF 01/06 controls report.
3. threesixty was advised the BCP was last updated in 2024 following a test. It was noted the BCP includes details on system backups, alternative office locations and home working provisions. The BCP was not provided to threesixty due to the confidentiality of information contained within the document.
4. threesixty was advised the BCP was due to be reviewed in the first half of 2025 and would be tabled for review by the Business Continuity Committee.
5. The BCP and DRP are both overseen by the Business Continuity Committee (BCC) which meets on a quarterly basis. The BCC is chaired by the Head of Risk and its roles and responsibilities are defined within a terms of reference. The BCC is responsible for reviewing the BCP and once approved is notified to the Operations Committee and the Board.
6. The BCP and DRP undergo a full test annually, with additional technical tests being conducted for the DRP each quarter. A DR test report was produced in September 2024 which was circulated to the Operations Committee and the Audit & Risk Committee.
7. All critical data is replicated to a contingency data centre, designed to provide point in time recovery over the preceding 24-hour period, there are six monthly tests undertaken.
8. The remote data centre is located within S&P's recovery facilities and is connected to their main offices over dedicated encrypted dark fibre. This facility allows S&P to have their current systems up and running in less than four hours of the invocation of the BCP. In the event that staff are unable to get to the site, S&P allows secured remote access to the systems. S&P has recently changed its data centre.
9. S&P have individual departmental Business Impact Analysis (BIAs) assessments to assist its approach to business continuity / disaster recovery. These assessments identify the risks that each department is likely to face in the event of a BCP event and lists the priorities for recovery.
10. BIAs are the responsibility of each Business Department Head and are reviewed at least annually in conjunction with the IT Team and are included in the firm's BCP.

Cyber Security / Information Security

1. S&P are subject to the group information security arrangements and are subject to oversight from the Group standards.
2. S&P have an Information Security Policy dated August 2024 in place which was shared with threesixty as part of the assessment which provides an overview of the firm's arrangements. S&P are aligned with ISO27001, the international standard for information security
3. In order to mitigate cyber-crime risk S&P have a number of electronic protection measures, such as multiple firewalls, an Intrusion Prevention System (IPS), multiple virus scanning engines for incoming

emails & desktop-based virus protection as well as a Denial-of-Service System. A dedicated CISSP-qualified Information Security Officer (ISO) undertakes management of incidents. The ISO reports any significant incidents to the local Risk Committee and the group-wide Information Security Office based in Switzerland.

4. All new and existing systems are governed by a corporate information security rule set that defines baseline cyber security requirements.
5. threesixty was advised S&P had undertaken two cyber security incident response workshops with the City of London police in 2024, one workshop was held with the Business Continuity Committee, the other with the S&P Incident Response Team.
6. Penetration testing is undertaken using an external independent vendor who test the firm's network, website, mobile and web applications on an annual basis. Other internal penetration testing is undertaken on an ongoing basis.
7. Cyber security and phishing computer-based training is provided to all employees annually. Training is also provided to all new joiners. The Information Security Officer conducts an induction session for all new joiners. Phishing testing occurs at least annually with tests also provided to new joiners.
8. threesixty was advised the firm has a number of policies in place including a Security policy and an IT Acceptable Use Policy as well as a document covering Ten Security Principles.
9. threesixty was advised the firm's Information Security Officer pro (ISO)vides a monthly incident report on information security to the Operations Committee chaired by the Chief Executive Officer. A quarterly report is also provided to the Audit & Risk Committee.
10. Weekly meetings are held between the ISO, Head of IT, Head of Infrastructure and the Head of Service Desk to review any systems issues.

Operational Resilience

1. An overview of the firm's Operational Resilience requirements was provided to threesixty during the assessment by the Head of Risk Office. It was noted S&P continue to work closely with its key third providers, Northern Trust and BNYM in respect of its Important Business Services (IBS).
2. All IBS have been identified and tested and now form part of S&Ps BAU environment. An Operation Resilience Assessment detailing the firm's arrangements is to be reviewed by the Audit and Risk Committee and the Board.

Following a meeting with the firm's Information Security Officer and the Head of Risk where they provided an overview of the firm's arrangements in respect BCP, Cyber Security and Operational Resilience the firm appears to have an appropriate infrastructure to support the firm's requirements in each of these areas.