

# MODEL PORTFOLIO SERVICE AND RESPONSIBLE MODEL PORTFOLIO SERVICE

## FAIR VALUE ASSESSMENT OUTCOME

As part of the Consumer Duty, firms who manufacture products and services for retail clients are required to regularly assess whether they provide fair value.

At Sarasin & Partners, we have assessed the Model Portfolio Service (MPS) and the Responsible Model Portfolio Service (RMPS) against each of the six elements within our Fair Value Assessment to determine whether the service provides fair value to investors.

### SUMMARY OF ASSESSMENT

<b>FINANCIAL BENEFITS</b>	On average, the MPS <b>outperformed</b> its primary benchmark and the ARC benchmark. However, it <b>underperformed</b> the CPI benchmark*.
<b>NON-FINANCIAL BENEFITS</b>	The value received from non-financial benefits, such as client service and administration met or exceeded expectations.
<b>COSTS: INITIAL, TRANSACTION, EXIT</b>	Ongoing charges paid by clients are fair across all model portfolios with no entry or exit charges. Sarasin profit margins are similar across products.
<b>COMPARABLE MARKET RATES / BENCHMARK</b>	Fees are amongst the lowest across the peer group (average 0.30%) according to the internal MPS benchmark review performed by the team.
<b>FULL DISTRIBUTION CHAIN</b>	We have reviewed our monitoring over intermediaries involved in the distribution chain and have met all expected standards.
<b>TREND ANALYSIS</b>	Our assessment validated that our fees remain competitive across strategies in the review period and where efficiencies are achieved, economies of scale are passed on to clients in the form of lower fees. There is no evidence from our analysis that additional efficiencies are not passed on.

\*The performance figures have been calculated as of 31.12.22 based on the value assessment methodology that factors in performance over 1, 3, and 5-year periods, as well as AuM and investment strategy.

### RATING

This document outlines the outcome of our first annual Fair Value Assessment, covering the period of 1 January 2022 to 31 December 2022.

We have concluded that, overall, the MPS and the RMPS have performed in line with expectations and delivered value to clients. We are also satisfied that the service will continue to provide value over the coming year.

PORTFOLIO	RATING	PORTFOLIO	RATING
DEFENSIVE CORE	○	DEFENSIVE RESPONSIBLE	○
CAUTIOUS CORE	○	CAUTIOUS RESPONSIBLE	○
BALANCED CORE	○	BALANCED RESPONSIBLE	○
GROWTH CORE	○	GROWTH RESPONSIBLE	○
EQUITY CORE	○	EQUITY RESPONSIBLE	○
<b>OVERALL MPS AND RMPS RATING</b>			○

The RAG scale should be interpreted as follows:

○ **GREEN**

Indicates that we are satisfied that value is currently being delivered to investors.

○ **AMBER**

Indicates that, whilst we are generally satisfied that value is currently being delivered, there are some areas that will be considered and may result in action being taken.

○ **RED**

Indicates that we are not currently satisfied that value is being delivered to investors and there are areas that will be considered and may result in action being taken.

## COSTS

Costs can vary per customer based on the distribution channel and waterfall fee scale. However, all costs were assessed to be fair.

### MPS FEES

CORE DFM FEE	0.25%
RESPONSIBLE DFM FEE	0.10%
WEIGHTED COST OF CORE UNDERLYING POSITIONS**	0.45%
WEIGHTED COST OF RESPONSIBLE UNDERLYING POSITIONS**	0.69%

\*\*Based on the charges for the Core Balanced Portfolio and the Responsible Balanced Portfolio.

## IMPORTANT INFORMATION

**This document is for investment professionals only and should not be relied upon by private investors.**

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