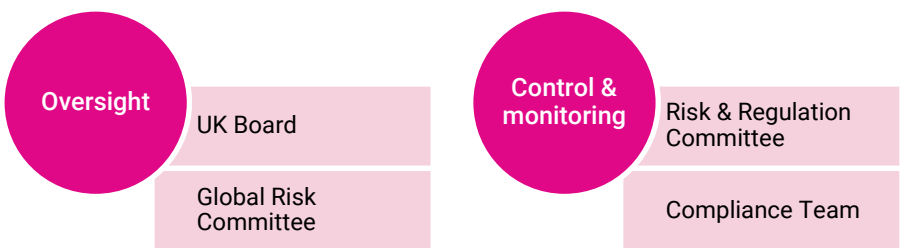


Product Governance overview

The purpose of the Financial Conduct Authority's ("FCA") Product Intervention and Product Governance Sourcebook ("PROD") is to improve firms' product oversight and governance processes. Our product governance framework dictates how we manage all of our products through their lifecycles and mitigate the risk of poor customer outcomes. In simple terms, the product governance framework enables us to:

1. Identify the appropriate target market for our products
2. Design and build products that meet the needs of customers in those target markets
3. Ensure that the products are distributed to customers in those target markets
4. Measure the performance of our products to ensure that they continue to meet the needs of the target customers.

To achieve this, our product governance framework defines the processes and controls that help us to design and monitor products. This includes oversight from our Board as well as our Compliance function.



We take product governance and customer outcomes very seriously; the head of our proposition team under which product governance sits is the UK Commercial Director who sits on the UK Board. In addition to the Board-level oversight, governance processes are delivered via our compliance monitoring programme and are overseen by the compliance team.

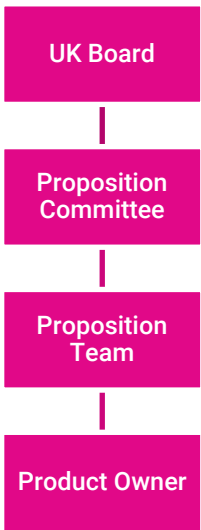
Governance is embedded in our culture, from the tone at the Board level to all staff throughout the business; this ensures our controls and processes are robust and are designed to deliver good outcomes for our clients.

Products are reviewed at least annually by the Proposition Committee and a detailed report presented to the UK Board. Large projects, product developments and significant changes are overseen at Board level, with smaller changes overseen by the Product Owner with oversight by the Proposition Committee.

In practice, the product owner sets the parameters for the design and distribution of the product and features. Adherence to parameters set by the product owner, including product administration and processing, is the responsibility of the Proposition Team and other relevant teams (e.g. administration or IT).

The Product owner carries full responsibility for the day-to-day management of products, their implementation and review. They also report monthly to the Proposition Committee on conduct risk and product performance

The Commercial Director takes ultimate responsibility for implementing the product governance framework, including heading up the Proposition Team and chairing the Proposition Committee, whose members are drawn from senior managers across various areas of the business.



Product governance

The products that we provide (ISA/GIA/JISA and SIPP) are suitable for the mass retail market. Our products are designed for customers who seek and maintain a relationship with a financial adviser; our only distribution channel is via UK-regulated advisers.

When designing our products, we segment our target customer base to ensure that we are providing the products and services that meet their specific needs. The table below outlines the characteristics of customers who form the majority of our target market for our products and services.

Segment	Characteristics/needs	Products and features	Investment Solutions
Young investors	Young savers under the age of 18	Junior Stocks and Shares ISA	Range of in-house model portfolios
		Bare Trust GIA	Range of 3 rd party DFM portfolios
		Ad-hoc and regular payments into the products	Range of ETF and Fund Single Asset models
Accumulators	Mass retail, mass affluent and high net worth individuals looking to consolidate existing savings and continue to invest new money	SIPPs	Range of in-house model portfolios
		Stocks and Shares ISA	Range of 3 rd party DFM portfolios
		GIA	Range of ETF and Fund Single Asset models
		Ad-hoc and regular payments into the products	Range of fixed term deposits
Approaching and at retirement	Mass retail, mass affluent and high net worth individuals looking to draw lump sum and income from their investments	SIPPs	Range of in-house model portfolios
		Stocks and Shares ISA	Range of 3 rd party DFM portfolios
		GIA	Range of ETF and Fund Single Asset models
		Ad-hoc withdrawals and income and regular payments from the products	Range of fixed term deposits
Other	Corporates, trusts, charities, onshore and offshore bonds and appointed representatives (Personal Injury cases for example)	GIAs for non-legal entities	Range of in-house model portfolios
		Accounts managed by appointed attorneys and deputies	Range of 3 rd party DFM portfolios
			Range of ETF and Fund Single Asset models
			Range of fixed term deposits

Pricing of the products forms a key part of any distribution strategy; our pricing is designed to ensure that customers pay for the functionality they access and do not subsidise functionality they have no cause to use.

Negative target market

A negative target market, simply put, consists of customers whose specific needs are not met by the relevant product and therefore they fall out of the target market.

There is no identified negative target market for our pension product.

The ISA wrapper is not targeted at customers intending to hold significant proportions of their assets in cash for the long term.