



HILBERT
Investment Solutions

Consumer Duty Guidance

**For Professional Advisers
and Distributors only**



INTRODUCTION

Hilbert Investment Solutions Limited created this document to present the outcome of our Target Market and Fair Value Assessment, carried out during the lead up to implementing the FCA's Consumer Duty Policy at the end of July 2023. We have concluded that not only are our products and services priced competitively, but the products and services are aligned to our target market and continues to deliver fair value for all customers, including those who are vulnerable.

This perspective was developed through customer outcome testing, lapse and complaints data reviews, distributor feedback, new and existing business monitoring across a range of business metrics.

This document provides important information about Hilbert Investment Solutions as the comanufacturer of our Self-Invested Personal Pension (SIPP), manufacturer of our Managed Portfolio Service (MPS), and as the distributor of structured deposits/structured products, and MPS services. All of our products and services are suitable for the mass retail market. All investments are subject to our due diligence, and we reserve the right to decline any instructions where we are unable to complete due diligence to our satisfaction.

HILBERT RETIREMENT PROTECT 90

Target market summary

With its exceptional flexibility and features, Hilbert Retirement Protect 90 is a Self-Invested Personal Pension (SIPP) that has been designed to accommodate the needs of customers across the whole pension saving lifecycle. This product is available to any customer who is eligible to join in a UK pension scheme and wants to use more sophisticated investment alternatives.

It is suitable for customers who are saving for retirement, are about to take their benefits or those already receiving an income.

Our fees have been reviewed and compared in line with our competitors in the market. Our

product is intended for customers who have retained a professional Financial Adviser to assist them with their financial planning and investment choices.

Who is it suitable for?

- Retail customers in the UK
- Minimum age of 18 (no contributions for customers aged 75 or older)
- Able to invest a minimum of £5,000
- Prepared to invest for the medium to long-term
- Prepared to have no access to their money until the age of 55, unless retiring early due to ill health (with a life expectancy of less than a year), or certain sports professions
- Able to accept the risk of some capital loss
- Either in the accumulation stage of their pensions' lifecycle, or the decumulation stage
- Seeking to use a pension as a vehicle to pass on wealth to beneficiaries or dependents
- Considering to consolidate existing pensions held elsewhere
- Receiving financial advice on the suitability of the product based on the customer's risk profile, objectives and personal circumstances
- Seeking to invest in a range of investments, which can include ETFs, and conservative assets like cash, deposits, money market securities and bonds
- Not intending to invest in non-standard investments (included but not limited to shares in unquoted private companies; thirdparty loans; unlisted bonds/loan notes)

It's not suitable for savers and investors who are:

- Non-UK residents (at the time of taking out a plan)
- Not intending to use the services of a Financial Adviser

- Looking to make short-term, high-risk investments
- Unable to tolerate market volatility and accept any capital loss
- Seeking to make investments for a guaranteed return
- Intending to invest in non-standard investments

HILBERT MPS PROTECT 90

Target market summary

- Hilbert MPS Protect 90 is a managed portfolio that is accessible to customers through our discretionary investment management service. It's appropriate for customers who prefer to not be involved in the day-to-day decision-making and management of their investments, and are seeking long-term returns in the form of capital growth. Our Managed Portfolio Service (MPS) is designed to work towards the financial goals that a customer has agreed with their Financial Adviser.
- We have assessed that our target market meet the needs, characteristics and objectives of our customers. Our fees have been reviewed and compared in line with our competitors in the market. Our MPS is intended for customers who have retained a professional Financial Adviser to assist them with their financial planning and investment choices.

Who is it suitable for?

- Retail customers in the UK
- Minimum age of 18
- Able to invest a minimum of £5,000
- Prefers to hand over the investment decisions and management to professional investment managers, who actively take care of their money on their behalf
- Able to access sufficient money in the

short-term, to cater for emergencies and unforeseen expenditure

- Confident investing for the medium to long-term and are willing to accept a level of market risk to increase potential reward
- Receiving financial advice on the suitability of the product based on the customers' objectives and personal circumstances
- Not intending to invest in non-standard investments (included but not limited to shares in unquoted private companies; thirdparty loans; unlisted bonds/loan notes
- Prefers regular rebalancing of their portfolio

It's not suitable for savers and investors who are:

- Non-UK residents (at the time of taking out a plan)
- Not intending to use the services of a Financial Adviser
- Seeking to make short-term, high-risk investments
- Unable to tolerate market volatility and accept any capital loss
- Seeking to make investments for a guaranteed return
- Intending to invest in non-standard investments

STRUCTURED PRODUCTS & DEPOSITS

Target market summary

The target market for structured products and structured deposits is determined by the Issuer, but we also carry out independent research to make sure our target market is well-defined and that our findings align with the Issuer's target market classification. The Issuers for the structured products and deposits do also conduct their own fair value assessment which includes our fees.

As a member of the UK Structured Products

Association (UKSPA), we follow their guidelines for target market analysis and best practice. UKSPA has commissioned regular independent research surveys of over 2,000+ UK investors, exploring their views on various markets, their ability to bear losses, their risk tolerance, objectives, investment time horizons and their knowledge and experience. The research also includes an assessment into the ability to understand different products, underlying markets and features, which helps to inform us whether a product should be available to a target market on an advised-only basis.

Who is it suitable for?

- Retail customers in the UK
- Minimum age of 18
- Able to invest a minimum of £5,000
- Able to access sufficient money in the short-term, to cater for emergencies and unforeseen expenditure
- Confident investing for the medium to long-term and are willing to accept a level of market risk to increase potential reward
- Receiving financial advice on the suitability of the product based on the customers' objectives and personal circumstances
- Not intending to invest in non-standard investments (included but not limited to shares in unquoted private companies; third-party loans; unlisted bonds/loan notes)

Who is it not suitable for?

- Non-UK residents (at the time of taking out an investment plan)
- Not intending to use the services of a financial adviser or a non-advised/or execution-only financial intermediary
- Want to make short-term, high-risk investments
- Can't tolerate market volatility and can't accept any capital loss

- Want to make investments for a guaranteed return
- Intend to invest in non-standard investments

PRODUCT GOVERNANCE FOR ALL PRODUCTS & SERVICES

Hilbert has a product governance policy in place which set out requirements for the design, approval, and review of each of its products and services. Specifically, these ensure:

- Senior Management is responsible for the approval of any new product developments and changes to existing products.
- Target markets & negative target markets are identified, validated, communicated, and reviewed for all products.
- New products and product changes are subject to approval and appropriate stress and scenario testing.
- Management Information (MI) Data is monitored on an ongoing basis to ensure that products can meet the needs of customers in the target market and deliver fair value and good outcomes across the life of the product.
- Relevant risks, foreseeable harms and potential conflicts are identified, monitored and any appropriate mitigations are put in place.
- The distribution method is appropriate, and the products can be distributed compliantly.
- The products can be managed and maintained in line with customer expectations and terms and conditions.
- The products comply with relevant regulation and legislation.
- Products are regularly reviewed to ensure they remain capable of meeting customers' needs and delivering fair value, and that the distribution method and medium remains appropriate.

- Pricing is reviewed annually via Senior Management and where present, agrees what further action could be taken to ensure customers receive optimal value from the product.

POST-SALES MONITORING

We monitor all our products after they are sold to make sure there are no hazards associated with our products being dispersed outside of the original target market. This includes number of cancellations by the customers, complaints received, reviewing the age of investors, distributors feedback, distributors charges, and any sales outside the target market.

DISTRIBUTION CHANNEL

- Given the potentially complex needs of the target market, our products and services are intended to be distributed via FCA regulated Financial Advisers who provide initial and ongoing advice and support to their customers on the use of the products and their investment choices.
- Some of our structured products, structured deposits and services are distributed via FCA regulated non-advised (or execution-only) financial intermediaries, subject to appropriateness assessment on the customer(s).

CUSTOMER VULNERABILITY

We have both a moral and regulatory duty to ensure that vulnerable customers are identified and treated fairly, according to their needs and experience outcomes as good as those for all other customers. We understand the importance of recognising and responding to vulnerability and the varied needs of vulnerable customers. To that end, we have a policy in place and staff have received and continue to receive ongoing training and support in recognising, dealing with and accommodating the needs of vulnerable customers.

To achieve good outcomes for vulnerable customers, we have in place multiple communication channels available to all customers to contact us, via emails, post, and telephone.

We constantly assess our processes to make sure we can anticipate and address the needs of customers with characteristics of vulnerability.

We recognise the important role that a financial adviser and non-advised (or execution-only) financial intermediaries play in identifying and supporting customers with additional needs. A person in vulnerable circumstances may require bespoke support, so please contact us for more guidance or information on what we can do to help you to support your customers.

FAIR VALUE ASSESSMENT

Under the Consumer Duty, the delivery of fair value is supported by our product governance framework and product approval process by the development of a clear target market, appropriate distribution strategy, and servicing designed to support good outcomes.

- **Fees and charges:** a review of the costs incurred by our customers to ensure they represent fair value, taking into account the features and benefits of this product; scenario testing based upon our target market; margin level assessment; competitor analysis, as well as the costs associated with financial advice for customers engaging with this product. We review all our fees on annual basis.
- **Customer feedback:** including complaints analysis and customer research survey.
- **Target market distribution strategy:** considering whether our products and services meet the needs, characteristics and objectives of the target market, any risks of the product to the target market and vulnerable customers, and adviser feedback.
- **Communications:** testing of our customer communications to help ensure our customers receive communications which are clear and understandable.

- **Service:** ensuring we can provide a service level in line with the expectations of our customers, and aid in avoiding foreseeable harms.

Outcome of fair value assessment

Considering the FCA rules and guidance, and UKSPA guidelines, our products and services provide fair value to retail customers within the target market.

- Hilbert considers the product and associated service offers fair value, and that costs and charges associated with all the products are proportionate and reasonable.
- We will conduct annual assessments and review all our products and services to ensure it continues to represent fair value in the future.
- Our charges in our view are transparent and easy for the customers to understand.
- We only accept new business via FCA regulated financial advisers and non-advised (or execution-only) financial intermediaries.

Thank you for taking Hilbert Investment Solutions into consideration. Should you have additional inquiries not addressed in this document, kindly reach out to your Business Development Manager or email us at hilbert@hilbert-is.com.

Please be aware that the value of your clients' investments can fluctuate, and there is a possibility they may not recover the initial investment. This document can be provided in a range of formats, including large print. If you have difficulties reading this document please contact your financial adviser, who will be able to request an alternative format.

Hilbert Investment Solutions

St Clements House
27-28 Clements Lane
London EC4N 7AE
United Kingdom

Visit: www.hilbert-is.com

Email: contact@hilbert-is.com

Call: +44 (0) 203 808 7138

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