



Introduction

LGT Wealth Management (LGT) has undertaken an assessment of the LGT Sustainable Model Portfolio Service. (SMPS). As a result of this assessment, we can confirm that this service is providing fair value for clients.

To establish this outcome LGT has used data as at 31st March 2023 (where applicable).

Financial Benefits Assessment

LGT compared the performance of each of the Sustainable Model Portfolios against their equivalent Asset Risk Consultant (ARC) benchmark over one and three years.

We also considered a range of factors including:

- The continual monitoring of each portfolio against their respective target volatility band
- The continual monitoring of the Sustainable Model Portfolios and their alignment to a range of risk profiling tools
- Liquidity Risk

Non-Financial Benefits Assessment

LGT has considered a range of factors in assessing the non-financial benefits of the service including:

- Alignment to the Target Market and their UN Sustainable Development Goals framework
- Client vulnerability impacting the ability of clients being able to realise the benefits of the SMPS.
- Price Governance Framework.
- Appropriate oversight of distributors of the SMPS.
- Quality and capability of the LGT investment process, including the quality of the investment service and any investment breaches.
- Risk management and research capability.
- The LGT administrative and operational efficiencies, including the provision of reports, factsheets and the outcome of external assessment reports.
- Distribution strategy.
- Any explicit limitations that could potentially impact good client outcomes, including technology and operational risks.

Expense Assessment

We have compared the costs incurred by LGT as a manufacturer of the SMPS and the charges for the end client.

This exercise included an assessment of:

- Any initial and/or entry charges.
- The LGT Investment Management Fee.
- The Ongoing Charge Figure (OCF) for each of the Model Portfolios and any subsequent savings passed onto clients invested the SMPS.
- Any exit payments.
- The Total Cost of Investment.
- Cost of trades and any associated contingent payments.
- Costs of distribution.
- Profitability analysis.
- Trends as to inflows and outflows into and from the SMPS.

Competitor Assessment

LGT has compared the overall price of the LGT SMPS with our peer group in the advised market using third party independently researched sources and data.

- LGT has concluded that our pricing remains fair value as compared to our peer group

Adviser and Customer Assessment

LGT has undertaken a review of adviser and client feedback where relevant including:

- Client complaints including any investment breaches.
- Adviser and client-led research.

Annual Assessment

Following this assessment of the SMPS, LGT will undertake to conduct an annual assessment with the aim of continuing to improve and enhance this proposition for advisers and their clients and to commit to providing ongoing fair value.

Important information

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