

A close-up, high-angle shot of a cat's eye, showing the iris and pupil. The eye is a warm, golden-brown color. The surrounding fur is also a similar warm tone, with fine details of the fur texture visible. The lighting is soft, creating a gentle glow around the eye.

THE
LANG
CAT

BORN PERFECT. BEEN THAT WAY EVER SINCE.

How firms are putting centralised retirement propositions together

M&G Wealth Platform 2020 ROADSHOWS

JANUARY 2020

CONTENTS

- **A FEW STATS TO GET YOU THINKING (YOU'LL NEED YOUR CASE STUDIES)**
- **WHAT PROD SAYS (AND WHAT IT DOESN'T)**
- **WHAT TO DO NEXT (OR NOT, DEPENDING ON HOW YOU FEEL ABOUT IT ALL)**

CPD LEARNING OBJECTIVES

At the end of this session, you will:

- Understand different approaches firms take to constructing investment propositions for clients in or approaching retirement
- Learn about trends in the adviser industry in relation to centralised retirement propositions
- Understand the regulatory implications of the varying different approaches.

A close-up, dark-toned photograph of a cat's face, focusing on its eye and the texture of its fur. The eye is a striking yellow color, contrasting with the dark fur. The overall mood is mysterious and contemplative.

A FEW STATS TO GET YOU THINKING

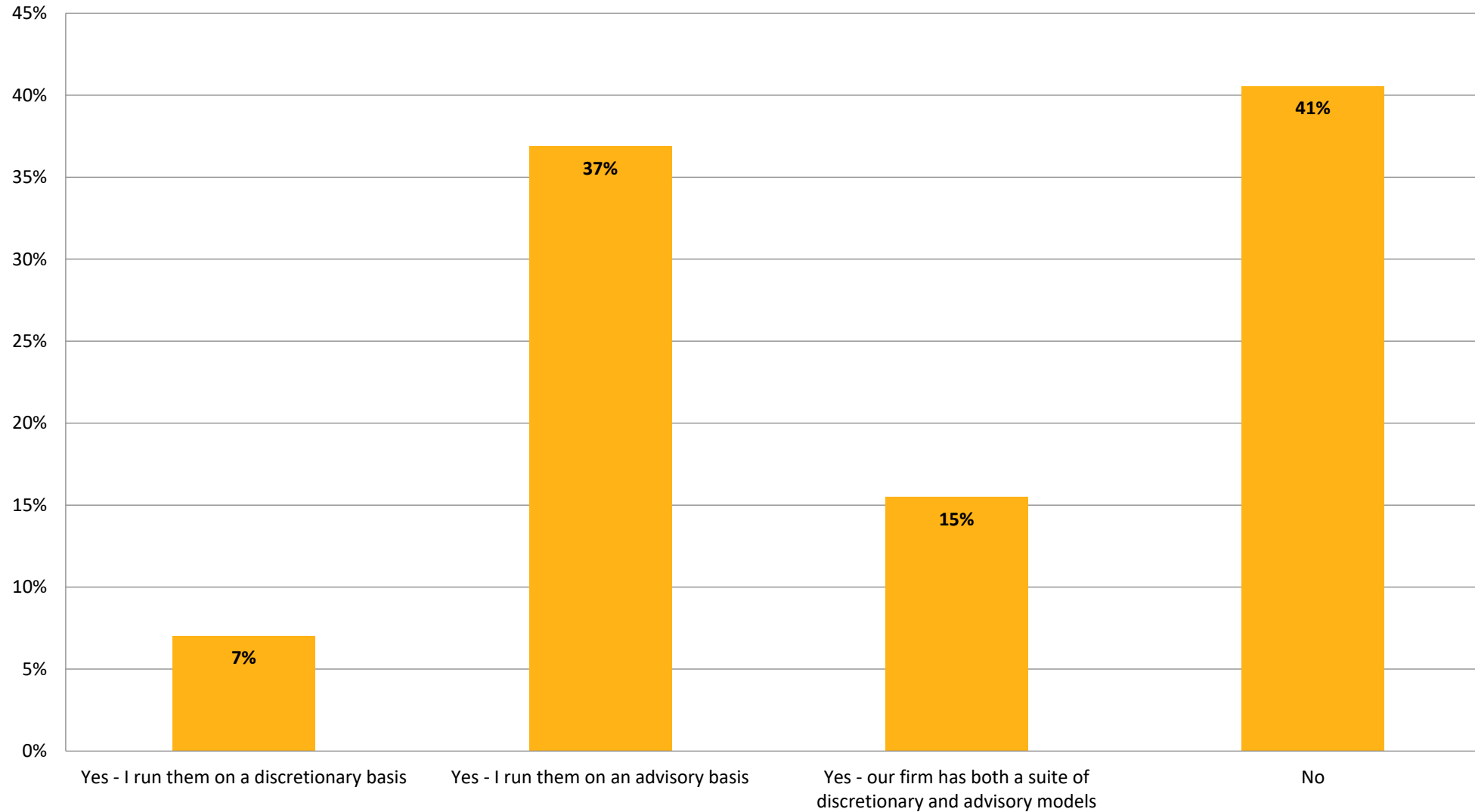
**THE
LANG
CAT**

DO YOU RUN A CIP?

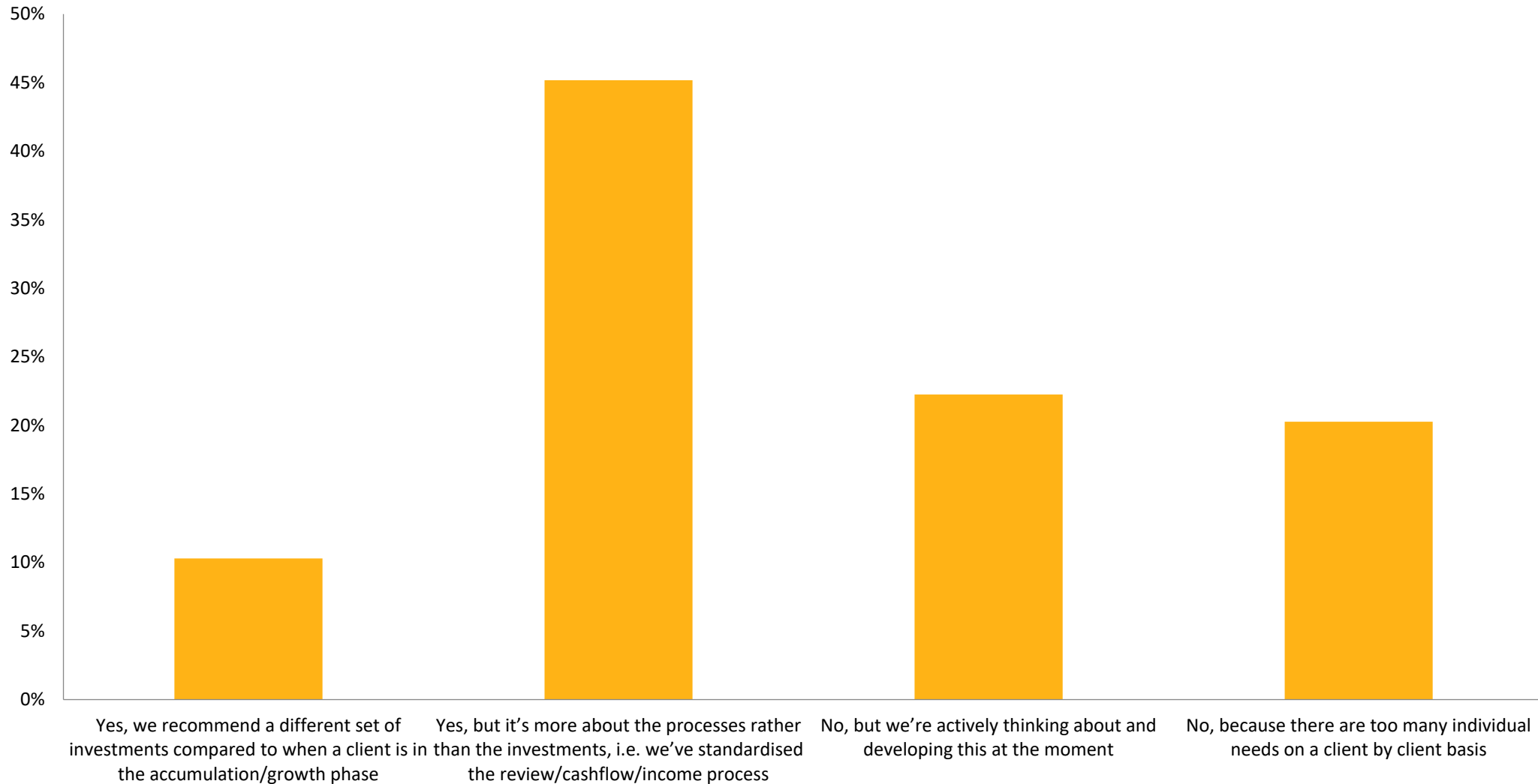
82%

**THE
LANG
CAT**

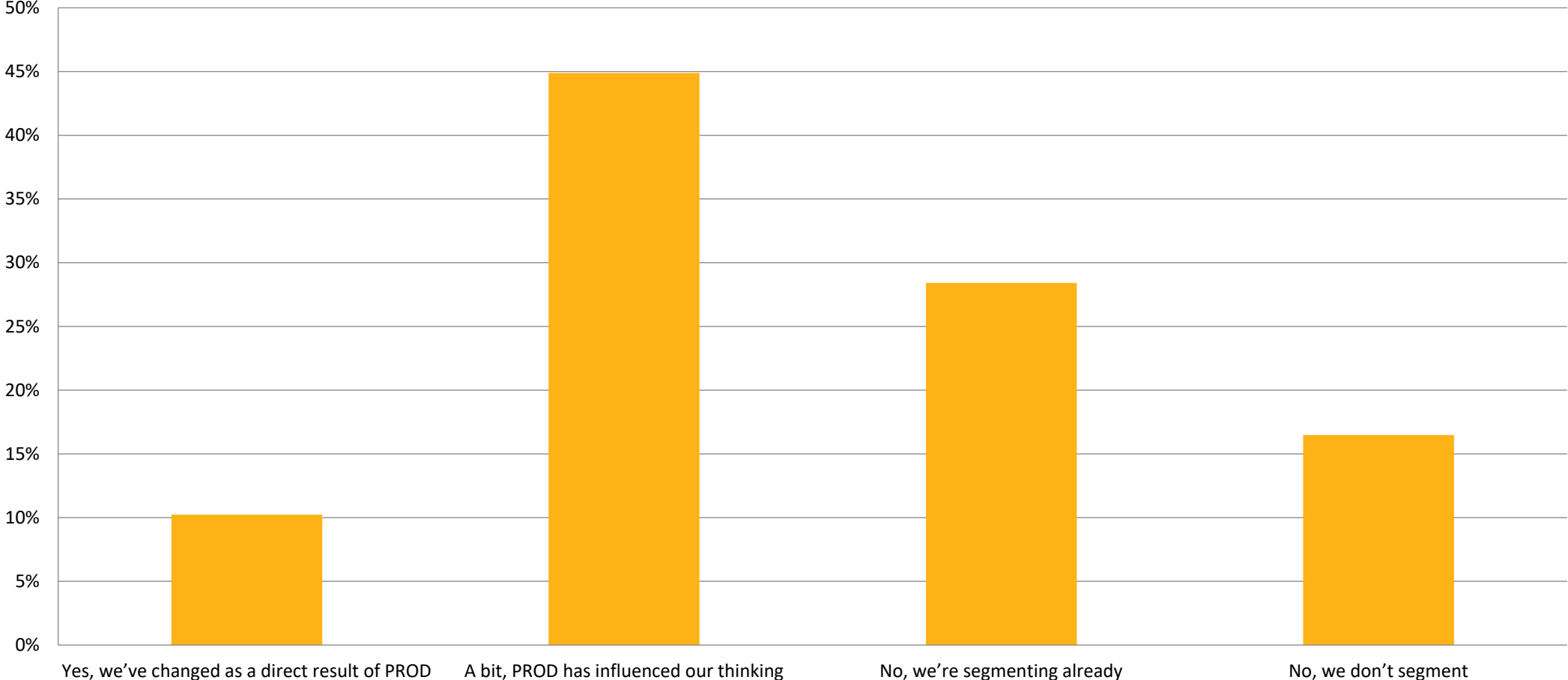
DO YOU RUN A SUITE OF MODEL PORTFOLIOS?



DO YOU HAVE A CENTRALISED RETIREMENT PROPOSITION?



HAS PROD CHANGED HOW YOU SEGMENT?



A close-up, dark-toned photograph of a cat's face, focusing on its eye. The cat's fur is dark and textured, and the eye is a deep, dark color, looking directly at the viewer. The lighting is dramatic, highlighting the texture of the fur and the shape of the eye.

WHAT PROD SAYS AND WHAT IT DOESN'T

**THE
LANG
CAT**

RIGHT FROM THE HORSE'S MOUTH

3.3.1

R

General

A distributor must:

- (1) understand the *financial instruments* it distributes to clients;
- (2) assess the compatibility of the *financial instruments* with the needs of the *clients* to whom it distributes investment services, taking into account the *manufacturer's* identified target market of *end clients*; and
- (3) ensure that *financial instruments* are distributed only when this is in the best interests of the *client* (see ■ COBS 2.1.1R(1)).

[Note: article 24(2) of MiFID]

3.3.2

G

A distributor should consider what impact the selection of a given *manufacturer* could have on the *end client* in terms of charges or the financial strength of the *manufacturer*, or possibly, where information is available to the *distributor*, how efficiently and reliably the *manufacturer* will deal with the *distributor* or *end client* at the point of sale (or subsequently, such as when queries/complaints arise, claims are made, or a *financial instrument* reaches maturity).

3.3.9

R

Target market and distribution strategy

Distributors must determine the target market for the respective *financial instrument*, even if the target market was not defined by the *manufacturer*.

[Note: article 10(1) of the MiFID Delegated Directive]

3.3.10

R

Distributors must identify the target market and their *distribution strategy* using:

- (1) the information obtained from *manufacturers*; and
- (2) information they have on their own *clients*.

3.3.11

G

In identifying the target market and creating a *distribution strategy*, *distributors* should consider:

- (1) the nature of the *financial instruments* to be offered or recommended and how they fit with *end clients'* needs and risk appetite;
- (2) the impact of charges on *end clients*;
- (3) the financial strength of the *manufacturer*; and
- (4) where information is available on the *manufacturer's* processes, how efficiently and reliably the *manufacturer* will deal with the *end client* at the point of sale or subsequently, such as when complaints arise, claims are made or the *financial instrument* reaches maturity.

3.3.12

G

The target market identified by *distributors* for each *financial instrument* should be identified at a sufficiently granular level.

SHUT UP AND PLAY THE HITS. THIS ONE'S ABOUT SUITABILITY.



SO WHAT NOW?

THE
LANG
CAT

ONE LAST THING...NAILED IT

CPD LEARNING OBJECTIVES

At the end of this session, you will:

- Understand different approaches firms take to constructing investment propositions for clients in or approaching retirement
- Learn about trends in the adviser industry in relation to centralised retirement propositions
- Understand the regulatory implications of the varying different approaches.



THANK YOU



THE LANG CAT
PLATFORM ANALYSER

MARK POLSON

www.langcatfinancial.co.uk

JANUARY 2020