

## MiFID II target market

### Sanlam SRI Model Portfolios

#### Description of product or service

The Sanlam Socially Responsible Investing (SRI) Model Portfolios is a range of risk rated model portfolios managed on a discretionary basis by Sanlam Private Wealth, with the asset allocation of each model portfolio being designed to deliver a level of risk and reward that is aligned to the Sanlam risk profiling process.

Socially responsible investments tend to actively seek out firms which make a positive contribution to society, for example environmental improvements and pollution control whereas ethical investments tend to concentrate on negative criteria to avoid investing in companies involved in areas such as tobacco, alcohol and arms.

The Sanlam Socially Responsible Investment (SRI) Model Portfolios have an investment bias away from many of the largest companies, especially oil and mining companies. This is because they don't meet investment criteria of 'Green' funds, especially the 'Ethical' funds. However, it is important to understand that the SRI model portfolios are not specifically designed to meet any particular set of principles nor do they have any specific avoidance criteria for investing. Clients must satisfy themselves that these model portfolios meet their own socially responsible requirements.

#### Type of client to whom this product is targeted

Clients are categorised as retail, professional including per se professional and elective professional or eligible counterparty.

<b>Retail client</b>	<b>Y</b>
<b>Professional client</b>	<b>Y</b>
<b>Eligible counterparty</b>	<b>N</b>

## Knowledge and experience

Clients will be introduced via a regulated financial adviser who will discuss their personal and financial situation and their investment requirements. Clients will have some financial awareness and the capacity to understand how financial markets operate and the risks and costs of investing.

### Indicate the level of knowledge and experience a client investing in the product/service would require

Investor type	Description	Y	N	Neutral
<b>Basic investor</b>	<p>Having the following characteristics:</p> <ul style="list-style-type: none"> <li>• Basic knowledge of relevant financial instruments (a basic investor can make an informed decision based on the regulated and authorised offering documentation or with the help of information provided by the financial adviser).</li> <li>• No financial industry experience, i.e. suited to a first time investor, who has the capacity to understand the characteristics on investing in equity based investment.</li> </ul>	●		
<b>Informed investor</b>	<p>Having one, or more, of the following characteristics:</p> <ul style="list-style-type: none"> <li>• Average knowledge of relevant financial products (an informed investor can make an informed investment decision based on the regulated and authorised offering documentation, together with knowledge and understanding of the specific factors/risks highlighted within them only).</li> <li>• Some financial industry experience.</li> </ul>	●		
<b>Advanced investor</b>	<p>Having one, or more, of the following characteristics:</p> <ul style="list-style-type: none"> <li>• Good knowledge of relevant financial products and transactions.</li> <li>• Financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service.</li> </ul>	●		

## Financial situation with a focus on the ability to bear losses

Clients should have a minimum of £1,000 to invest or be able to make regular contributions of £50 per month. A client's attitude to risk and capacity for loss should be considered in discussions with their financial adviser, culminating in a risk rating score in the scale range (e.g. Sanlam 1 to 7; Distribution Technology 1 to 10) employed by the risk profiling tool being used. Three SRI model portfolios are available with risk ratings of 2, 4 and 5 on the Sanlam risk scale of 1 to 7.

### Indicate clients' capacity for loss from the product/service.

		Y	N	Neutral
<b>No capital loss</b>	Investor can bear no loss of capital. Minor losses especially due to costs possible.		●	
<b>Limited capital loss</b>	Investor seeking to preserve capital or can bear losses limited to a level specified by the product.		●	
<b>No capital guarantee</b>	No capital guarantee nor protection. 100% capital at risk.	●		
<b>Loss beyond capital</b>	Loss beyond the capital.			●

## Risk tolerance

All clients should go through a risk profiling process with the financial adviser to determine their attitude to risk and capacity for loss, culminating in a risk reward profile. The model portfolio selected should be appropriate for the risk reward profile of the client. Clients should be clearly informed of the underlying associated generic risks with investing: asset backed risk, credit risk, foreign investment risk, liquidity risk, market risk, model risk plus specific product risks. Clients should be clearly advised that a lower risk category does not mean risk free and that their investment can fall as well as rise.

## Clients' objectives and needs

Clients' objectives will be determined by the financial adviser. For investments into model portfolios, the time horizon should be of a minimum of five years.

		Y	N	Neutral
<b>Return profile: Preservation</b>			●	
<b>Return profile: Growth</b>		●		
<b>Return profile: Income</b>				●
<b>Return profile: Hedging</b>			●	
<b>Option or leveraged return profile</b>			●	
<b>Return profile other</b>				●
<b>Time horizon</b>	Minimum of 5 years.			
<b>Maturity date</b>	N/A			
<b>May be terminated early (Structured products only)</b>	N/A			
<b>Specific investment need</b>	Socially responsible and ethical investments.			

## Characteristics deemed unsuitable – 'negative target market'

Investments into model portfolios is not suited to those who do not wish to expose their investment to fluctuations in value or who are seeking an investment time horizon or less than five years.

Model portfolios may not be suitable for the following target markets:

- Clients with less than an initial amount of £1,000 to invest or unable to make regular contributions of £50 per month