CAPITAL
INTERNATIONAL

Suitability Policy

Investment Management

Create Tomorrow.
Start Today.

Platform | Investment | Bank

Introduction

Rule 6.32, paragraph 2 of the Financial Services Rule Book 2016 (the "Rule Book") states:

> *A licenceholder must ensure that any transaction for a client is suitable for his circumstances (including attitude to risk, time horizon for the investment, age, state of health and any vulnerability in terms of rule 6.31).*

Rule 6.32 is applicable to:

> *All Class 2 except those acting on an execution only basis in compliance with rule 6.17.*
>
> *For those undertaking activities on a limited advice basis, this rule applies only in relation to the extent of the information provided.*

The Group provides discretionary investment management services, necessitating the assessment of suitability under Rule 6.32.

The Rule Book does not provide a definition of what constitutes a suitable transaction and there is no guidance provided by the Financial Services Authority in relation to the assessment of suitability by Investment Managers.

This document therefore sets out the policies and procedures that Capital International Limited ("CIL") will adopt when assessing suitability. Consideration has been given to regulatory guidance in the UK and industry standard practice in determining this suitability policy, which may be updated from time to time.

Client Types

Discretionary services may be provided to a range of client types including:

- **Direct Retail Clients**
  A client who may not have sufficient knowledge or experience to understand the investment risks associated with their portfolio and is relying on CIL to advise them in relation to suitability.
- **Experienced Clients**
  Experienced, professional and institutional clients who have, or may reasonably be expected to have, sufficient knowledge or experience to understand the investment risks associated with their investment portfolio.
- **Professionally Advised Clients**
  Clients that are advised by a 3rd party professional adviser in relation to their investment requirements and are not relying on CIL to advise them in relation to suitability of those requirements.

Your Investment Mandate

We will manage all discretionary investment portfolios in accordance with an investment mandate, defined at inception and updated from time to time.

For Direct Retail Clients we will help you define your investment mandate through the assessment of your specific client requirements as detailed below. This assessment of your requirements will comprise part of our overall consideration of suitability.

Experienced Clients may define their own investment mandate, which constitutes a summary of your investment requirements and attitude to risk in our assessment of suitability. CIL will not separately collate and assess your underlying requirements, unless requested to do so, and we will consider only the suitability of the proposed investment strategy to meet the specified investment mandate.

The investment mandate for Professionally Advised Clients will typically be determined by your appointed 3rd party adviser, which constitutes a summary of your investment requirements and attitude to risk in our assessment of suitability. CIL will not separately collate and assess your underlying requirements, unless requested to do so, and we will consider only the suitability of the proposed investment strategy to meet the specified investment mandate.

Suitability Policy

Investment Management

CAPITAL INTERNATIONAL

Client Requirements

Where CIL assess your requirements to determine a suitable investment mandate and strategy, we will do so through the use of our Client Requirements Profiling questionnaire or online tool. This profile may be completed directly by you, or by your CIL Investment Professional based on our discussions and understanding of your requirements, or by your duly appointed 3rd party adviser.

A summary of your requirements profile will be detailed in any advice letter or strategy recommendations that we make. We will send you a copy of your requirements profile periodically to ensure it remains relevant and to enable you to update it with any changes as may be required. For Professionally Advised Clients we will communicate with you and /or your duly appointed 3rd party adviser in relation to your requirements and investment mandate. It is your 3rd party adviser's responsibility to ensure that your investment mandate is suitable and appropriate to your specific requirements.

Experienced clients or professionally advised clients may define their investment mandate and requirements directly with us. We will communicate with you and /or your duly appointed 3rd party adviser in relation to these requirements and investment mandate and we will reconfirm the same with you on a periodic basis. It is your responsibility as an Experienced Client, or it is the responsibility of your 3rd party adviser, to ensure that your investment mandate is suitable and appropriate to your specific requirements.

Suitability

Where we have assessed your requirements directly, we will write to you with a summary of those requirements and our recommendations for an investment mandate and strategy that is suitable for you.

In preparing our investment recommendations we will considered your circumstances and objectives as detailed in your requirements profile (or as summarised in your specified investment mandate) from an investment perspective only. We are not able to give you taxation advice or to advise you on general financial matters such as insurance policies, mortgages or pension schemes and recommend that you discuss these matters with a Financial Adviser.

For Experienced Clients who have specified their own investment mandate, we will only consider the suitability of our investment proposals in relation to the investment mandate specified. We will not separately assess or consider the appropriateness of that investment mandate to your individual circumstances and you acknowledge that we may rely upon your specified investment mandate as a summary of your circumstances and requirements.

For Professionally Advised Clients, we will only consider the suitability of our investment proposals in relation to the investment mandate specified by your duly appointed 3rd party adviser. We will not separately assess or consider the appropriateness of that investment mandate to your individual circumstances and you acknowledge that we may rely upon your 3rd party adviser to assess and advise you on these matters directly.

Limited Advice

CIL will only provide you with advice in relation to a discretionary managed investment portfolio. We will not provide you with ad hoc investment advice or in relation to general financial planning matters such as taxation, insurance policies, mortgages and pension schemes. We will not assess your requirements in relation to these matters and, as a consequence, our advice will be considered to be limited advice as defined by the Rule Book.

Our advice is limited to the consideration of the circumstances and investment requirements stated in your requirements profile, or as summarised by the investment mandate specified by you or your duly appointed 3rd party adviser.

Transaction Suitability

After the investment mandate has been agreed and suitability, where appropriate, confirmed, the investment team will follow CIL's centralised investment process which will determine suitable asset allocation for each mandate and will make use of funds, stocks and bonds (as appropriate) that have been agreed through the centralised process to be used within investment portfolios. The suitability of these underlying transactions is not assessed on a client by client basis but rather for each investment strategy.

Capital International Limited

t +44 (0) 1624 654200 **e** clientservices@capital-iom.com **w** capital-iom.com

Issue Date: 22/10/2024

Ref: SPIMv1b