

Product Intervention & Product Governance

SAMPLE

This document details the results of our analysis to meet the
MiFID Product Governance requirements.

2025

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Background

PROD and MiFID II

Under PROD and MiFID II regulations, we are aware of the obligation on us to assess our (current and future) client bank and ensure the products and financial instruments we advise upon are suited to these clients.

Our approach

As part of this process, we will assess the target markets we operate in, and the features of the current and future clients we advise upon. At Coldrey, we do not have any specific target market as we seek to cater for clients within all life stages, and would like to build our PROD documentation around offering our service to anyone that seeks our assistance.

We have considered how we will segment our clients and how we determine the appropriate level of service they may require. The segments identified as part of this analysis feeds into the choice of an investment strategy and a platform and / or provider.

This document serves to provide the detail behind the business and this is supported by a separate Centralised Investment Proposition (CIP) and Platform Due Diligence document.

Company Assessment – Target Clients

Introduction

To meet PROD requirements, we have undertaken an assessment of both the clients we currently work with and the clients we expect to work with in the future. Our assessment aims to aligns the needs of these clients with the products and financial instruments we offer. We are an independent financial adviser firm and not limited in products or providers.

Client classification

Our first consideration is of the type of client we might expect to work with, which are categorised as follows:

Retail

(Ordinary, Sophisticated,
High Net Worth)

Professional

Eligible
Counterparties

We expect to work with Retail clients (all sub-classifications) in the majority of instances and seek products and investments that are targeted to these types of clients. We will not include as standard products marketed to Professional or Eligible Counterparties

Company Assessment – Financial Instruments

Financial Instruments

There are a range of instruments available by manufacturers and we need to assess the range of instruments and determine which of those are suitable to be offered to our current and future clients, based on the target market.

The instruments that are manufactured for use by Retail Clients are:

UCITS Funds

Investment trusts

Exchange Traded
Funds (ETFs)

Structured
Products

We will not as standard offer retail clients access to any instrument that is not determined by ourselves or the manufacturer as falling within these categories.

We will review, on an ongoing basis, the classification given by the manufacturer and make our own assessment as to whether we agree with this.

Company Assessment – Method of Delivery

Method of Delivery

The manufacturer of a financial instrument and/or product can stipulate how these are accessed by the end consumer. The main ways which impact on our ability to advise clients are:

Advised

Non-Advised

Execution only

The crucial feature of any product or instrument is that it is available 'Advised' as we will always seek to offer advised products as part of our service. It is not policy of Coldrey to advise clients on an execution only basis.

Company Assessment – Investments

Investments

At the investment level, there are a range of features and characteristics definable by the manufacturer. These will be used across both client segments and based on individual circumstances. They consider the following:

Capacity For Loss

None

Small loss

Medium loss

Large loss

Objective

Capital preservation

Growth

Income

Income & Growth

Knowledge

Basic

Informed

Advanced

A manufacturer may also make reference to a risk level. The scale will differ between manufacturer and we will look to make our own assessment of the level of risk the instrument is suitable to.

Each individual product/investment will be considered according to the characteristics detailed here.

Company Profile – Target Market

Existing Clients

The current client demographic at Coldrey spans a range of life stages from young, early accumulators to clients who are many years into retirement.

Ideal Client Profile

The ideal client for Coldrey will have assets of a wide range of values across pensions and / or investments for our ongoing advice service. We will consider taking on clients with any value of investible assets if there is scope for their holdings to grow over the long term.

The main focus for our advice is retirement planning and investment advice covering ISAs, GIAs, Onshore and Offshore Investment Bonds. We also offer specialist tax advice.

Client Segmentation

Client segmentation is used to categorise the common needs and requirements between groups of our typical and target market clients. We use segmentation to tailor suitable service standards, investment solutions and product recommendations.

It is noted and understood by the firm and our advisers that segmentation only serves to be a guide to the typical needs likely from the specified segments. All clients are treated as individuals and solutions will be researched and recommended outside of our CIP, CRP and PROD table wherever appropriate to do so.

Client Segmentation

Early Accumulators

These clients are generally under 40 with little to no investment experience. They are likely to have some pension and ISA savings of around £50k to £100k. Their requirements are likely to include setting up a new investment / pension plan, committing to regular contributions, protection planning, saving towards a first home deposit. Clients in this segment are likely to appreciate a more tech-focused service.

Lite Service

Annual Portfolio Report

Remote annual review with adviser

Initial cashflow forecast

Online portal access

Client Segmentation

Later Accumulators

These clients are typically between 40 and 65 years of age and are unlikely to be sophisticated investors. They are likely to have reasonable pension and ISA savings; some may have substantial savings. They are likely to be looking to consolidate their existing pensions and / or investments, increase their regular contributions and to review their protection arrangements. They are likely to have a mortgage in place, and perhaps looking to review or overpay. As their retirement age nears, cashflow planning will become more of a priority. They are likely to be thinking about retirement, or part-retirement for those aged 55+, but have no need for income. Some clients may be considering starting estate planning.

Lite Service

Annual Portfolio Report

Remote annual review with adviser

Initial cashflow forecast

Online portal access

Standard Service

Face to face annual review

Risk update

Investment strategy review

Tax reports (Pensions / CGT / Income)

Updated cashflow forecast

Ongoing access to a qualified adviser

Ongoing administration support

Online portal access

Large Estate Service

In addition to Standard:

Bespoke investment solutions

Specialist tax planning

Additional financial advice as needed

Liaison with third parties

Client Segmentation

In Retirement

These clients are typically age 65+ and are likely to have reasonable pension and ISA savings. Some may be looking to enter drawdown whilst still working, whilst others will be looking to increase their pension wealth further. They are likely to own their own home with no outstanding mortgage. They are likely to need regular reviews and cashflow planning. Some clients may have an interest in IHT or later life planning.

Lite Service

Annual Portfolio Report

Remote annual review with adviser

Online portal access

Standard Service

Face to face annual review

Risk update

Investment strategy review

Tax reports – Pn/CGT/Income

Cashflow forecast

Ongoing access to an adviser

Ongoing administration support

Online portal access

Drawdown

In addition to Standard:

Personal relationship with adviser

Bi-annual meetings

Initial Retirement Financial Plan

Documented Withdrawal Policy

Income Drawdown Annual Review

Interim update

Unlimited ad-hoc withdrawals

Large Estate Service

In addition to Standard:

Bespoke investment solutions

Specialist tax and estate planning

Additional financial advice as needed

Liaising with third parties

Client Segmentation

Later Life

These clients are typically above 75 years of age and are likely to have reasonable pension and ISA savings, with some having substantial savings. Some may be looking to increase their drawdown level, whilst others may be looking to increase their pension wealth further. They are likely to own their own home with no outstanding mortgage. They are likely to need regular reviews and cashflow planning to monitor their retirement income. Clients in this sector are likely to have an interest in IHT or later life planning, with more of a focus on capital preservation.

Lite Service

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Additional financial advice as needed

Liaising with third parties

Outliers

At Coldrey, we deal with a highly diverse range of clients and their unique needs, both within our current client bank and clients we expect to bring on board.

Cases involving socially responsible investing (SRI), specific ethical requirements, or a guaranteed income element (annuity) will involve bespoke research, and bespoke costing for our advice in these areas. This is as a result of the range of products to cater for very specific client requirements that we are unable to plan ahead for as part of our PROD exercise.

We do not anticipate having to advise on many cases of this nature, and fully expect the great majority of our clientele to be offered one of our predefined products / investments from our panel.

Research - Summary

Product / Provider Due Diligence

When undertaking due diligence, we will now include a section within our analysis that highlights intended client type as explained by the provider, plus our own analysis on which type of client we deem the product/service to be suitable for.

Investment Solutions (CIP)

Our investment philosophy is such that we believe a globally diversified portfolio of stocks, bonds and property is suitable for most client requirements. The key differentiator between clients and their needs is their risk profile and therefore the variations in outcome are down to asset allocation. The solutions within our CIP are therefore very likely to be suitable for most scenarios. However, where a client has a specific need, such as only to receive income via dividend yield, we will research such cases individually. The research will include provider due diligence and target market assessment.

Service Levels

In addition to considering the product and investment solution recommendations, we have included the likely required service level. Our ongoing service proposition has been designed to cater for segmentation based on needs. A younger couple in their 30's with basic accumulation needs do not require the same level of service as a retired couple in income drawdown, regardless of their respective portfolio sizes. Clients are able to choose more or less service, with guidance, in some circumstances; however, in other such as income drawdown clients, a certain level of service is required to ensure the suitability of our advice.

PROD Table

Early Accumulators

Product Needs	Potential Solution	Investment Needs	Potential Investment	Ongoing Service
Convenient to pay in, simple, low cost, ISA / GIA / Pension wrappers, consolidated view	True Potential	Simple, low cost	True Potential Model Portfolio	Lite

PROD Table

Late Accumulators

Product Needs	Potential Solution	Investment Needs	Potential Investment	Ongoing Service
Convenient to pay in, simple, low cost, ISA / GIA / Pension wrappers, consolidated view	True Potential	Simple, low cost, managed service	True Potential Model Portfolio	Lite
	Transact	Enhanced diversification, ESG preference, managed service	Blackfinch MPS	Standard
Specialist tax planning	Bespoke	VCT share portfolio BR-qualifying portfolio	Bespoke	Large Estate

PROD Table

In Retirement

Product Needs	Potential Solution	Investment Needs	Potential Investment	Ongoing Service
Convenient to pay in, simple, low cost, ISA / GIA / Pension wrappers, consolidated view	True Potential	Simple, low cost, managed service	True Potential Model Portfolio	Lite
	Transact	Enhanced diversification, ESG preference, managed service	Blackfinch MPS	Standard Drawdown
Specialist tax planning	Bespoke	VCT share portfolio BR-qualifying portfolio	Bespoke	Large Estate

PROD Table

Later life

Product Needs	Potential Solution	Investment Needs	Potential Investment	Ongoing Service
Convenient to pay in, simple, low cost, ISA / GIA / Pension wrappers, consolidated view	True Potential	Simple, low cost, managed service	True Potential Model Portfolio	Lite
	Transact	Enhanced diversification, ESG preference, managed service	Blackfinch MPS	Standard Drawdown
Specialist tax planning	Bespoke	VCT share portfolio BR-qualifying portfolio	Bespoke	Large Estate

Summary

- We are confident that following our PROD analysis ensures that our clients are only being recommended products and investment solutions that are suitable for them and as intended by the product manufacturers.
- All advisers have received internal training on PROD.
- We will reassess PROD and review the PROD table on an annual basis.

Our next formal PROD review will be undertaken in May 2026.