Ranmore Global Equity Fund plc ("RGEF") is the "Manufacturer" under the Consumer Duty standard. UK platforms, which offer, on an execution-only basis to retail investors, the sale of shares in RGEF is/are "Distributor(s)".

Background

The FCA's Consumer Duty ('the Duty') sets the standard of care that firms should give to customers in retail financial markets.

The Duty sets 'four outcomes' which are a suite of rules and guidance setting more detailed expectations for firm conduct in four areas that represent key elements of the firm-consumer relationship:

– the governance of products and services

– price and value

– consumer understanding, and

– consumer support

A manufacturer must:

(1) ensure that its products provide fair value to retail customers in the target markets for those products; and

(2) carry out a value assessment of its products and review that assessment on a regular basis appropriate to the nature and duration of the product. (PRIN 2A.4.2)

The price and value outcome

What is value?

Retail customers experience harm where they don't get value for their money. A lack of fair value is unlikely to be consistent with customers realising their financial objectives and firms cannot act in good faith if they are knowingly manufacturing or distributing poor value products or services.

The specific focus of the price and value outcome rules is on ensuring the price the customer pays for a product or service is reasonable compared to the overall benefits (the nature, quality and benefits the customer will experience considering all these factors). Value needs to be considered in the round and low prices do not always mean fair value.

Value is the relationship between the amount paid by a retail customer for the product and the benefits they can reasonably expect to get from the product; and a product provides fair value where the amount paid for the product is reasonable relative to the benefits of the product (PRIN 2A.4.1R).

Assessing value

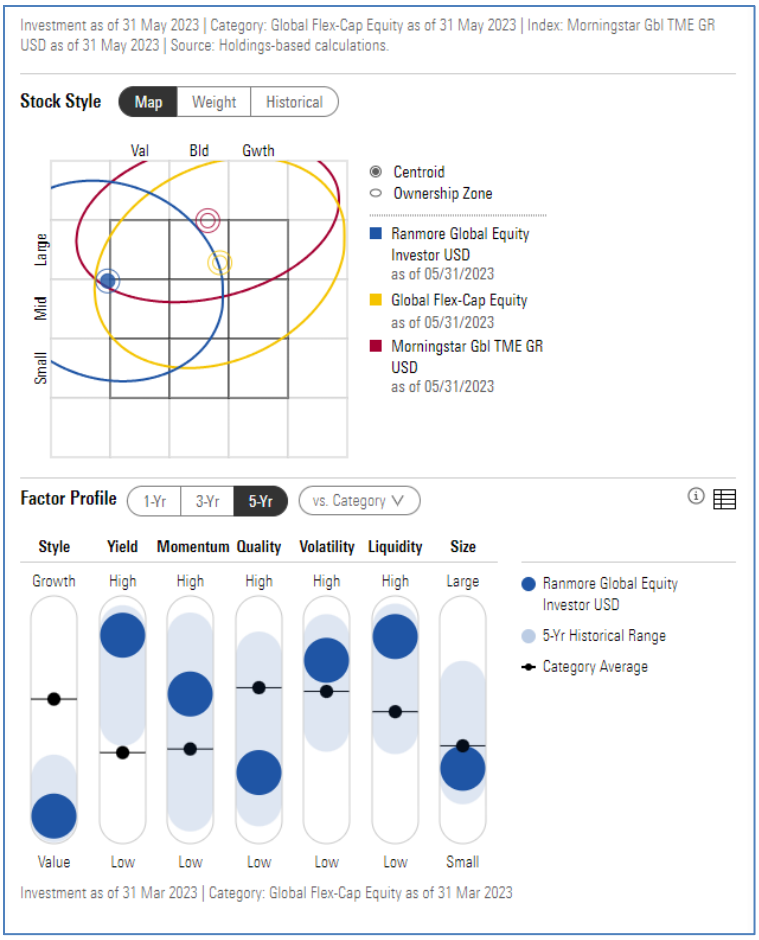
In order to assess if a product or service provides value, firms must consider at least the following (PRIN 2A.4.8):

Point to consider	the nature of the product or service, including the benefits that will be provided or may reasonably be expected and their qualities	any limitations that are part of the product or service (eg limitations on scope of cover for insurance products)	the expected total price customers will pay, including all applicable fees and charges over the lifetime of the relationship between customers and firms
Response	RGEF is a global Value fund. There are few pure Value active funds, and even fewer whose stock selection is in mid-caps (please see Morningstar graphics below). Many retail investors, exposed to global equity active and passive funds will be exposed to funds which predominantly invest in large-cap Growth shares, resulting in overlap between the holdings of the funds they own and arguably lacking the diversification a global mid-cap Value fund can offer. In addition, the Fund has very high Active Share (typically 99%), meaning there is little "benchmark hugging" / exposure to a benchmark that could otherwise be obtained from passive funds.	The Fund will offer little or no exposure to Growth shares and will not subscribe to a "buy-and-hold" stock-picking approach.	The Fund, given the size of its assets under management relative to much larger funds, offers a very competitive pricing structure. For UK platforms – via which many retail investors obtain exposure to funds – the Fund has introduced a share class which aims to cap the Ongoing Charges Figure at an annualised 1.00%. In addition, the investment manager has introduced a tiered IM fee, meaning that as assets under management increase, the fee charged on higher bands of assets decreases.

	The Fund does not charge performance fees.		

Morningstar data:

Europe/Asia/Africa-domiciled funds (by oldest share class) whose investment style is	Global Large-Cap Growth equities	Global Large-Cap equities with neither a clear Growth nor Value bias ("Blend")	Global Large-Cap Value equities
Number of funds (February 2023) **Source: Morningstar Direct**	449	1,596	142



When firms perform value assessments, in addition to the above, they may consider a range of factors in demonstrating that the price paid is reasonable compared to the benefits. These are also factors that we may consider when we look at the firms' value assessments. They include the following points.

• The costs firms incur to manufacture and/or distribute the product or service, including the cost of funding (eg for loans). Difference in costs may for example explain why otherwise similar products are priced differently, and/or explain changes in the price charged over time. There are limited distribution costs – Ranmore Fund Management Ltd is the appointed Distributor of the Fund, for which it receives no fees.

• The market rates and charges for comparable products or services and whether the product is a significant outlier compared to these. Where a product or service is a significant outlier, it might prompt the firm to check that other elements of the design of, and support for a product or service are functioning properly, and/or to confirm they are still confident the price is reasonable compared to the benefits received. Please see table above.

• Whether there are any products in the firm's portfolio which are priced significantly lower for a similar or better level of benefit. UK platforms are eligible for access to the Institutional share class, which aims to cap the Ongoing Charges Figures at 1.00%

• Any accrued costs and/or benefits for existing or closed products.

The role of Distributors

A distributor must not distribute a product unless its distribution arrangements are consistent with the product providing fair value to retail customers. (PRIN 2A.4.16)

Conclusion as to whether charges are justifiable

Only COLL 9 of the COLL Sourcebook applies to RGEF, COLL 4.5.7R(8)(d)&(e) requires of UK investment companies with variable capital to disclose in the their annual reports:

(d) the conclusion of the authorised fund manager's assessment of whether the charges are justified in the context of the overall value delivered to the unitholders in the scheme; and

(e) if the assessment has identified that the charges are not justified in the context of the overall value delivered to the unitholders, a clear explanation of what action has been or will be taken to address the situation.

Should COLL 4.5.7 apply to RGEF, based on the aforementioned information in this assessment, Ranmore Fund Management Ltd concludes that the charges are justified in the context of the overall value delivered to unitholders in RGEF.

Review

PRIN 2A.4.24R requires *A manufacturer must regularly review the value assessment throughout the life of the product to ensure that the product continues to provide fair value to retail customers in the target market.*

Ranmore Fund Management Ltd will review this Value-for-Money assessment on a quarterly basis.