

Model Portfolio Service (MPS) Due Diligence Report

DUE DILIGENCE QUESTIONNAIRE

Firm Name:	RSMR Ltd
Firm Address:	20 Ryefield Business Park, Belton Road, Silsden BD20 0EE
Contact at Firm:	Caroline Spencer
Date Completed:	13.5.19
Completed by:	Ken Rayner / Caroline Spencer
Website and password if any:	n/a

1.0 About the MPS

1.0.1 Background to supplier of the service? E.g. How long have they provided the service?

The RSMR Discretionary portfolios have been supplied to Simply Biz since March 2013. RSMR have been advisers to the discretionary portfolios since inception and have run them on the mandate provided by Verbatim and subsequently SIS.

1.0.2 Is their criteria for fund selection sufficient to ensure we can meet the definition of independence?

The selection of the underlying holdings is based on a completely independent research process that covers the whole market for retail open ended funds. The method of research is outlined on a separate document attached.

1.0.3 How does the MPS fit with our risk profiling outcomes?

The portfolios are managed to the mandate given to RSMR by SIS which includes parameters for risk and requires RSMR to follow pre-set asset allocations determined by SIS.

1.0.4 Is the asset allocation of each MPS in keeping with our own philosophy about investment risk and asset allocation?

The portfolios are managed to stay within the guidelines set by SIS and independently monitored by the Verbatim investment committee. The portfolios are monitored by HOST the ACD and reported on by Statpro.

1.0.5 How often does the supplier review its portfolios?

RSMR review the portfolios formally monthly but should any changes occur to the underlying holdings in the interim then this will be reviewed at the time it occurs.

1.0.6 At what frequencies do they recommend rebalancing of the portfolio?

RSMR recommend rebalancing the portfolios on a quarterly basis.

1.0.7 How do they benchmark portfolios?

RSMR benchmark the portfolios against a composite benchmark of the underlying asset classes set by asset allocation provider. RSMR also consider the peer group performance by comparing with the equivalent IA mixed sector returns and volatility.

1.0.8 What is their track record / past performance?

The track record is contained in the regular Statpro reports which in summary confirm that the portfolios have outperformed their benchmark over the short medium and longer term.

2.0 Corporate Governance

2.1 CORPORATE GOVERNANCE STRUCTURE AND POLICIES

2.1.1 Please describe your corporate structure including parent companies and subsidiaries

RSMR is a privately owned company, with 49% being owned by Benchmark Capital and 51% by the founder Directors.

2.1.2 What corporate identity or identities will the SimplyBiz Group contract with?

RSMR

2.1.3 Can we see the report and accounts for the appropriate corporate identities listed above? If yes, please include with response.

Yes

2.1.4 What is the country(s) of incorporation and operation?

UK

2.2 CORPORATE STATUS AND ACTIVITIES

2.2.1 Please briefly describe your corporate status

Private company

2.2.2 Are you planning any material changes to your business, products or services?

No

2.3 CORPORATE RELATIONSHIPS WITH REGULATORY BODIES

2.3.1 What authorities regulate your activity?

RSMR is not regulated, RSMR Portfolio Services Limited is regulated by the FCA.

2.3.2 What are your authorised and regulated activities?

Discretionary Portfolios offered by RSMR PS.

2.3.3 Has your company or any of your employees ever been censured by a regulatory body? If so, what for?

No.

3.0 Organisation

3.1 ORGANISATIONAL AND REPORTING STRUCTURE

3.1.1 Please provide details of your issue escalation process

Any day to issues are dealt with by our Operations team headed up by Caroline Spencer the Director of Operations. If unresolved any issue would be escalated to a Board Director.

3.1.2 To what level do issues get escalated and how quickly?

As above. The timescale will depend upon the seriousness of the issue.

4.0 HR

4.0.1 To the best of your knowledge, are there any issues concerning Key Personnel, which would material effect your relationship with SimplyBiz?

No.

5.0 Technology

5.1 SYSTEM FUNCTIONALITY

5.1.1 Please outline core systems and technology and the functions that support your business

Microsoft Office software used by the team with performance data from FE Analytics and Bloomberg.

5.2 SUPPORT AND STABILITY

5.2.1 How often are your systems subject to an independent audit?

We use an independent outsourced IT support service.

5.2.2 Have you experienced any IT failures in excess of 6 hours over the previous 6 months, 1-year, 3 years? If yes, can you provide details? How long was it before normal BAU functionality was restored?

No

5.3 SYSTEM SECURITY

5.3.1 What security measures are in place to protect the integrity of your systems and stored data?

All standard procedures on ID and passwords plus Malware software as advised to us by our IT support company.

5.3.2 How do you comply with the GDPR/Data Protection Act?

Both companies are registered with the ICO and we have processes in place to comply with all current DPA & GDPR regulations.

5.3.3 How do you ensure personnel do not use data for inappropriate purposes?

This forms part of our ongoing monitoring and discussion with the team.

5.3.4 What measures are in place to prevent unauthorised access to your system?

Secure and robust ID and Password procedures.

6.0 Business Continuity Plan (BCP) / Data Restore (DR)

6.1 BCP/DR ARRANGEMENTS AND POLICY

6.1.1 What is your data back-up process and when was a full data restore tested?

All our data is backed up daily and kept off site.

6.1.2 Do you have a defined BCP/DR policy?

Yes.

6.1.3 Have you had to invoke DR over the previous 6 months, 1-year, 3 years? If yes, what was the recovery time?

No.

6.1.4 What contingency arrangements are in place to alleviate the risk of key-person dependency?

We operate a team approach to our client relationships, and have keyman insurance in place for key staff.

6.2 ALTERNATE SITE

6.2.1 Do you have a dedicated, alternate site from which to continue your business activities?

No, but this is covered in our BCP

6.2.2 Are there any time restrictions over how long DR facilities would be available, once invoked?

No

6.2.3 What percentage of your activities can be realistically maintained from the site and for how long?

n/a

7.0 Legal Requirements

7.0.1 Please provide details of any ongoing or threatened litigation, arbitration, mediation or similar proceedings or disputes against the Company or employees that would be subjects of contract with SimplyBiz PLC.

None

IMPORTANT INFORMATION