Defaqto Engage

PROD data & filters

User Guide

November 23

Contents

Introduction

To help advisers meet their PROD requirements, target market filters and data is now available the platform, investment and pension tables of Engage.

This guide will instruct you how to:

- Understand what Compliance questions the data will help you answer
- Access the relevant filters
- Compare target market data
- Performa a client case study
- Define each data point.

If you have any further questions regarding the contents of this guide, please contact Defaqto Customer Support by calling **01844 295544** or emailing customersupport@defaqto.com.

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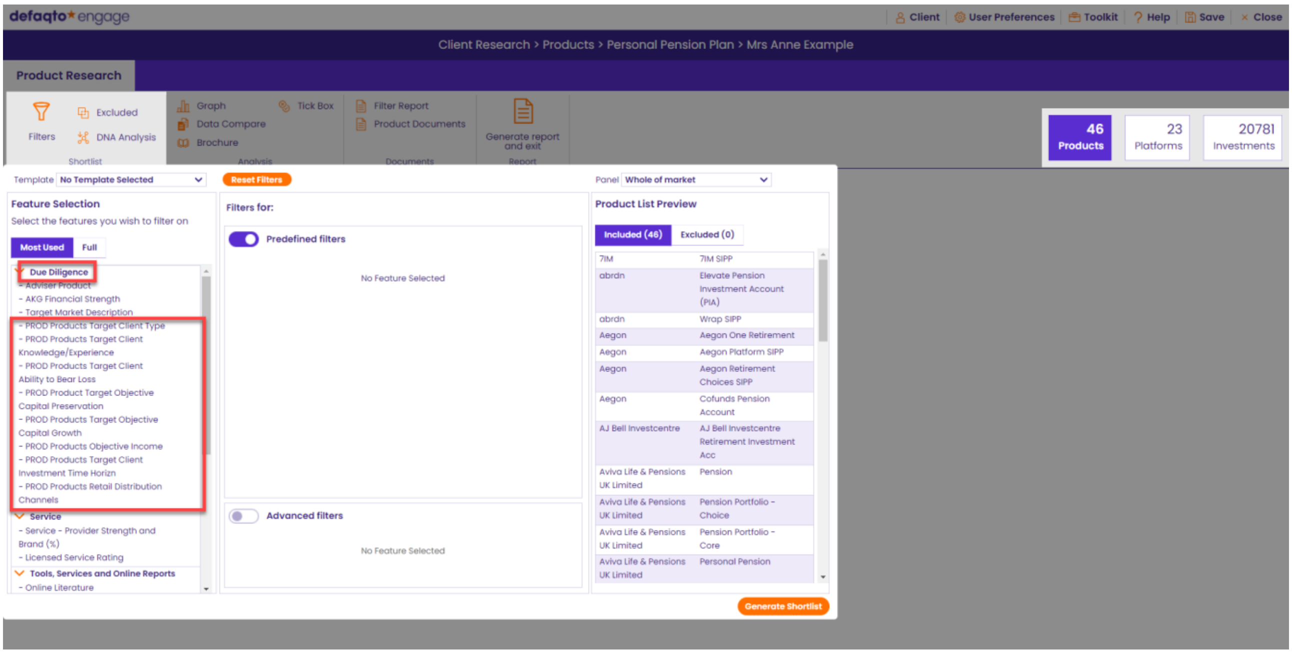
Getting started

The PROD target market data that is available in the platform, investment and pension tables, will allow advisers to answer the following questions:

- What type of client am I advising?
- What level of service is the client using?
- What are the client's objectives and needs?
- What is the knowledge/experience level?
- How much loss is the client able to bear?
- What is the client's time horizon?

Filters

The PROD filters are located under the **Due Diligence** subheading located in the product/platform **Filter** window.



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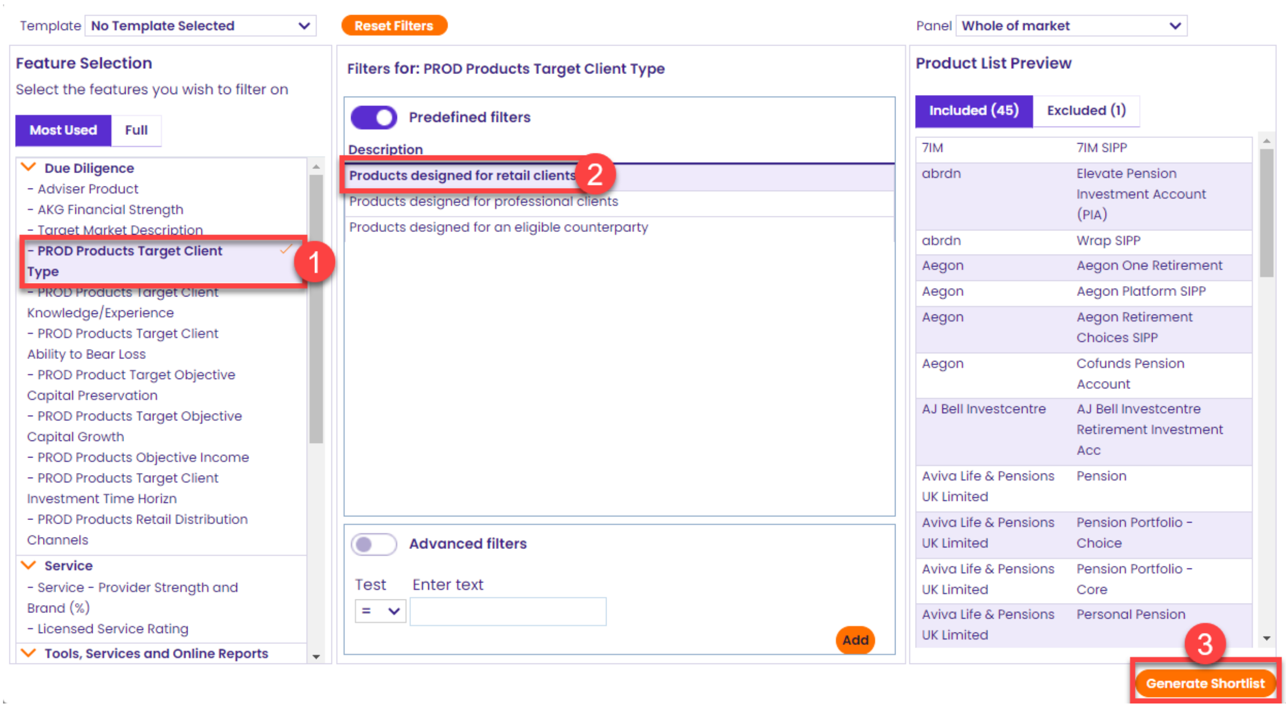
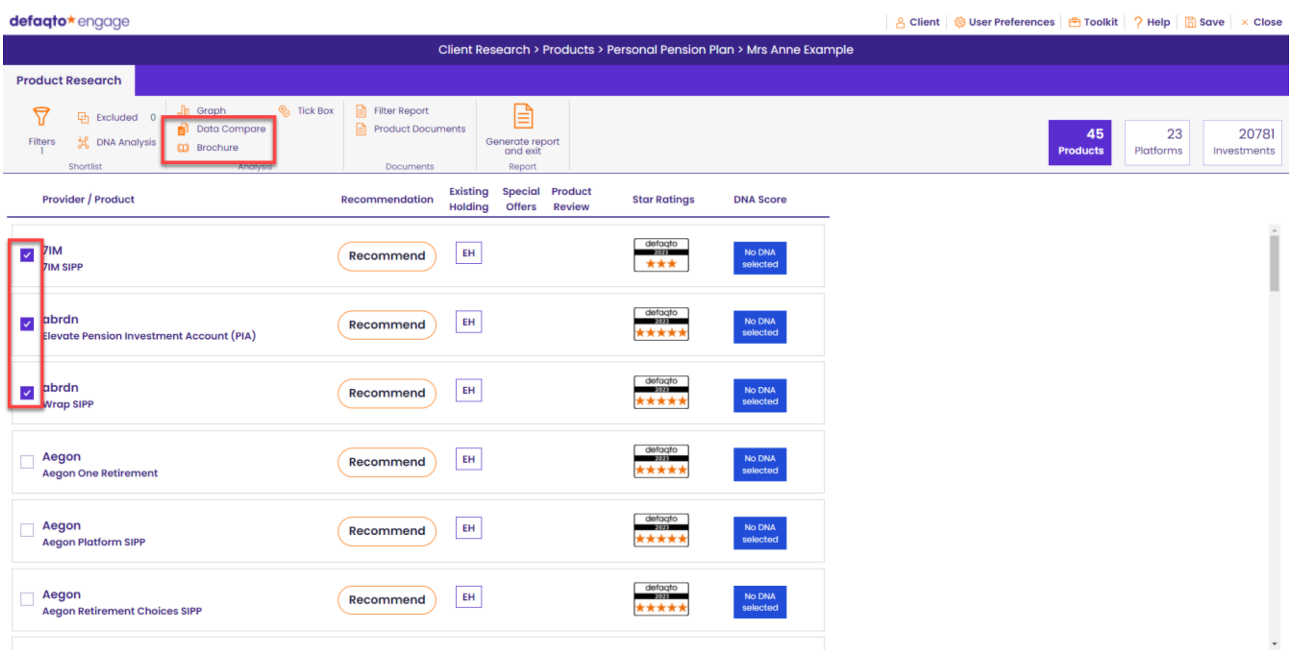
Now select the relevant feature, then apply the required filter.



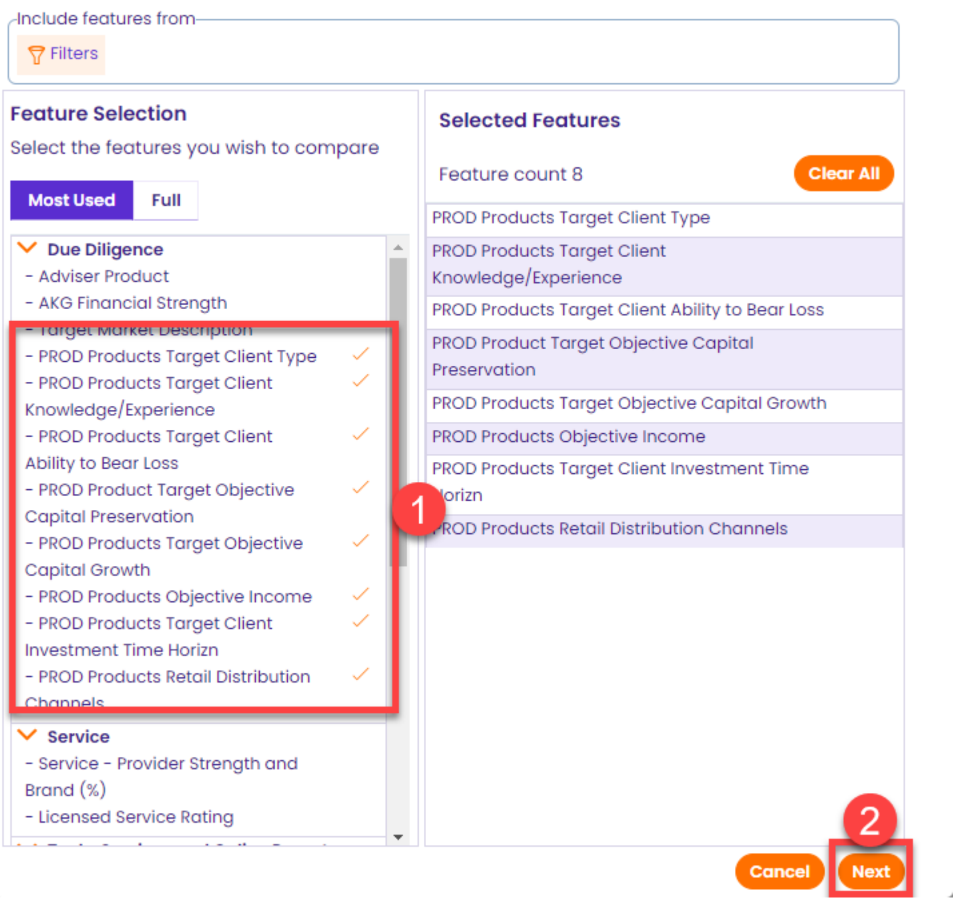
Once you have finished applying all the required filters, click **Generate Shortlist**. You will then see a shortlist of products or platforms that match your filter criteria.

Data/Brochure Compare

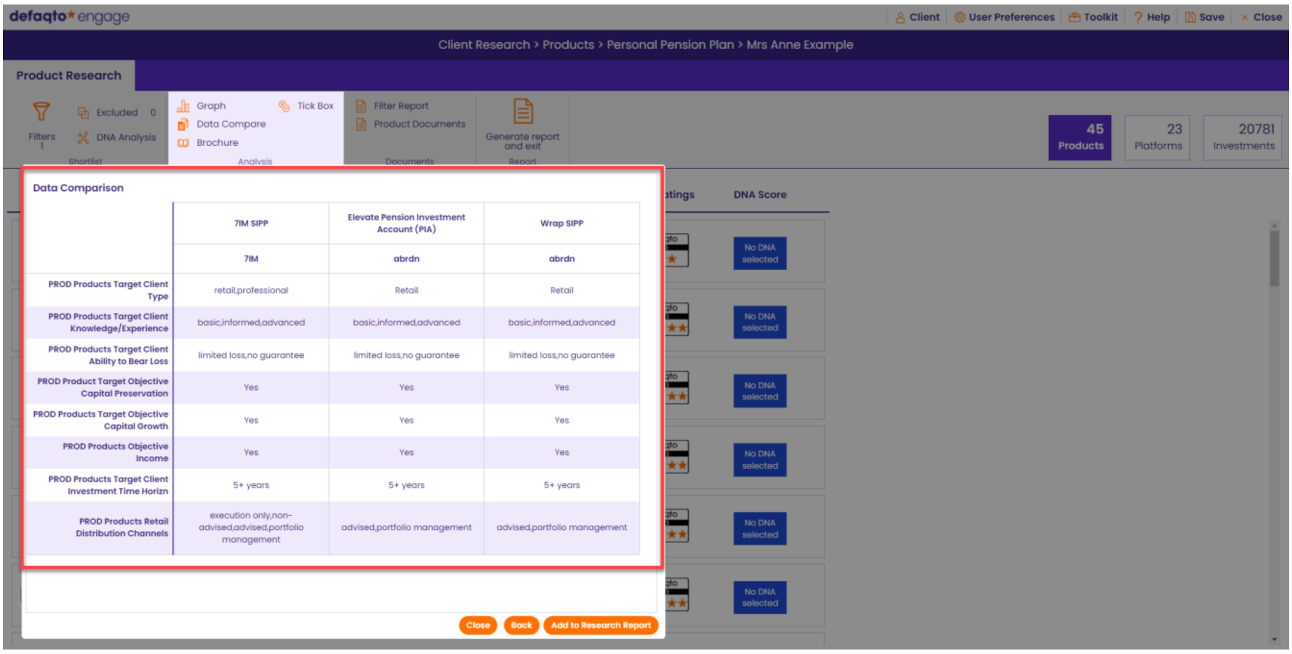
The data can be compared by selecting products and using either the **Brochure** or **Data Compare** functions.



The **Feature Selection** window then allows you to select the features you wish to compare.



Once your selection has been made, click **Next**.



A comparison of the selected features will then load. To add the comparison to your report, click **Add to Research Report**. A detailed breakdown of the PROD features and available responses is available within the appendix of this guide.

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Case Study

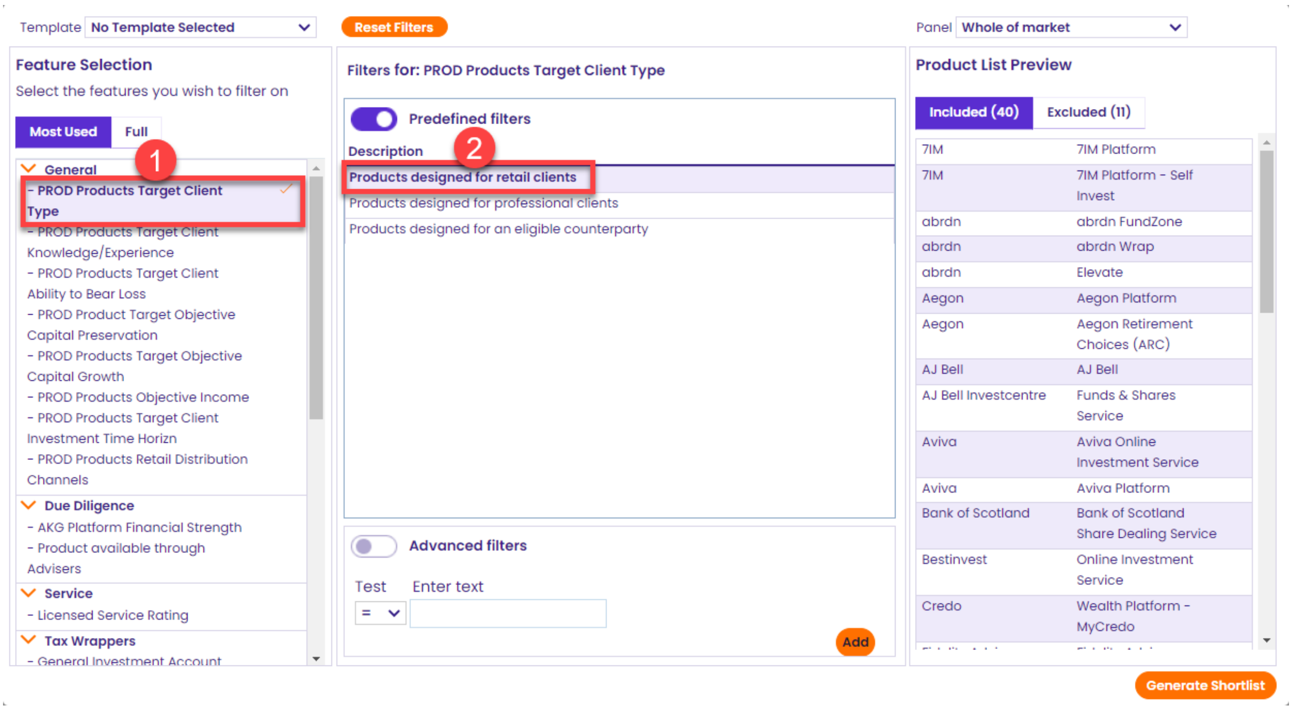
The following example shows how the filters can be used to identify products for a typical client segment.

The client fulfils the following criteria:

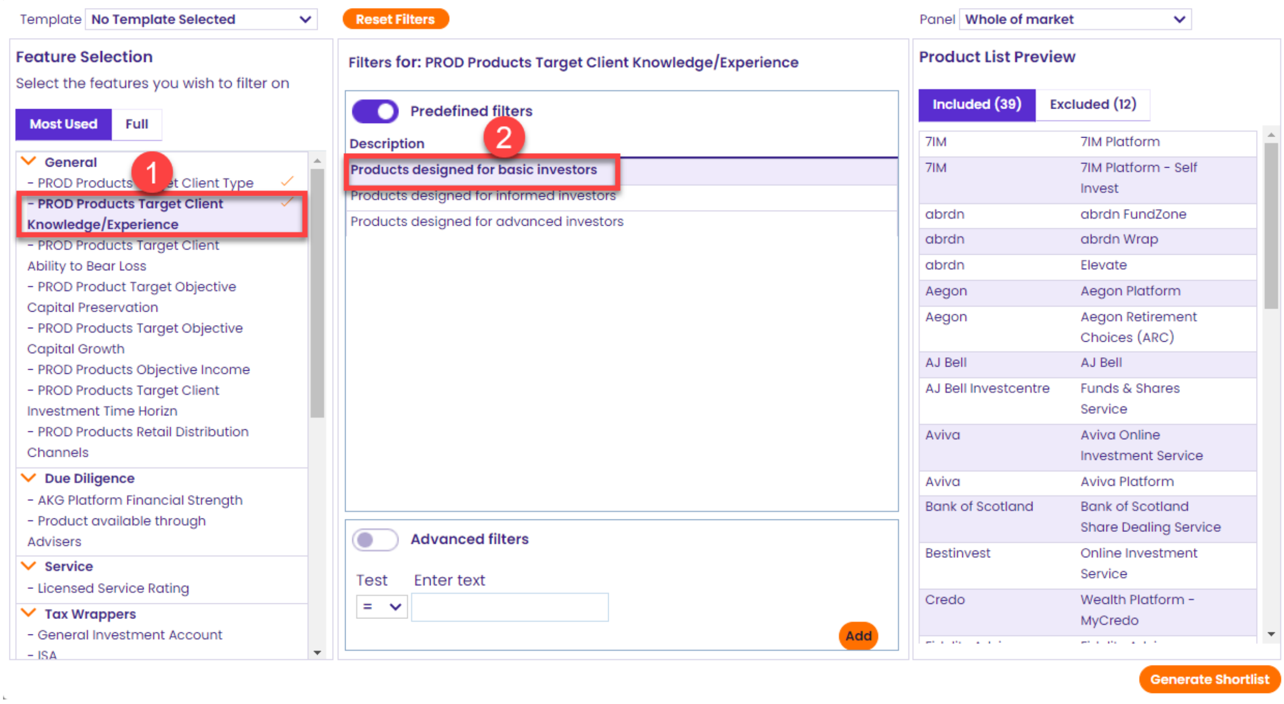
- Retail client
- Basic investor
- Can afford to lose the investment
- Wants the investment to grow
- They are investing for over 5 years
- Is being advised

To start, select **PROD Products Target Client Type**.

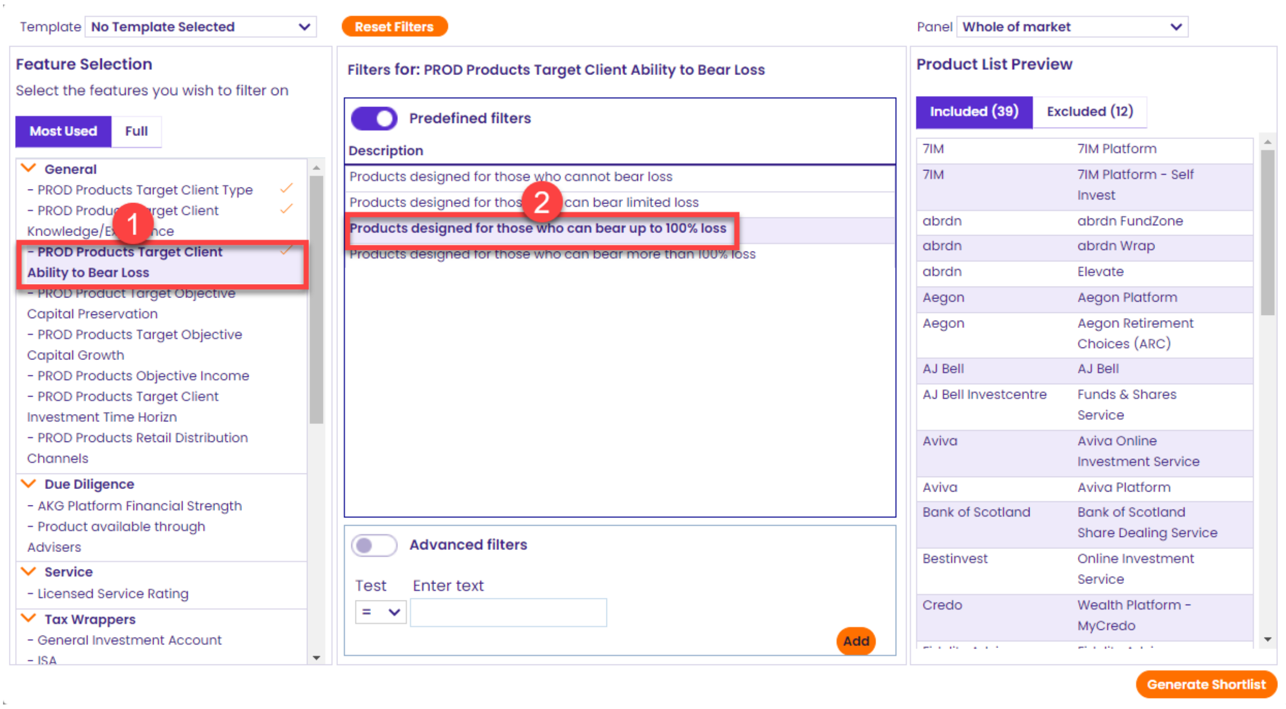
Then select **Products designed for retail clients**.



Then, to ensure the product is suitable for the client's level of knowledge and experience, click **PROD Products Target Client Knowledge/Experience** and click **Products designed for basic investors**.



To identify products that are designed to match the client's capacity for loss, click **PROD Products Target Client Ability to Bear Loss** and select **Products designed for those who can bear up to 100% loss**.



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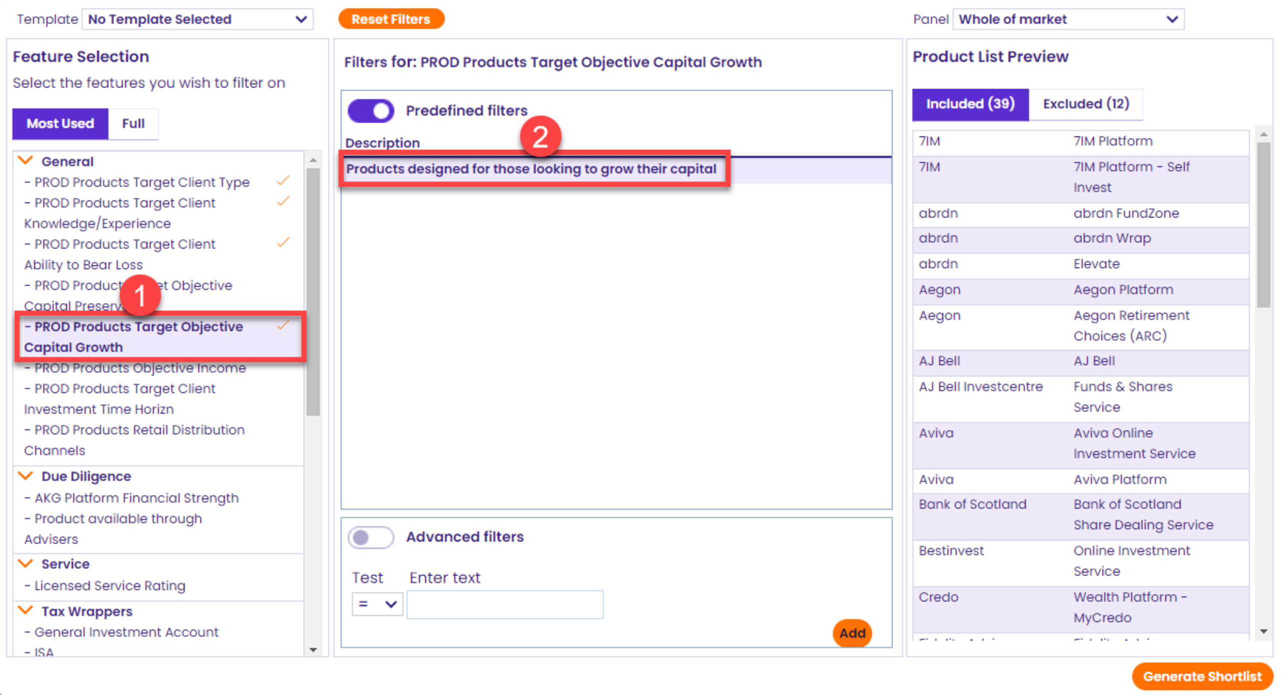
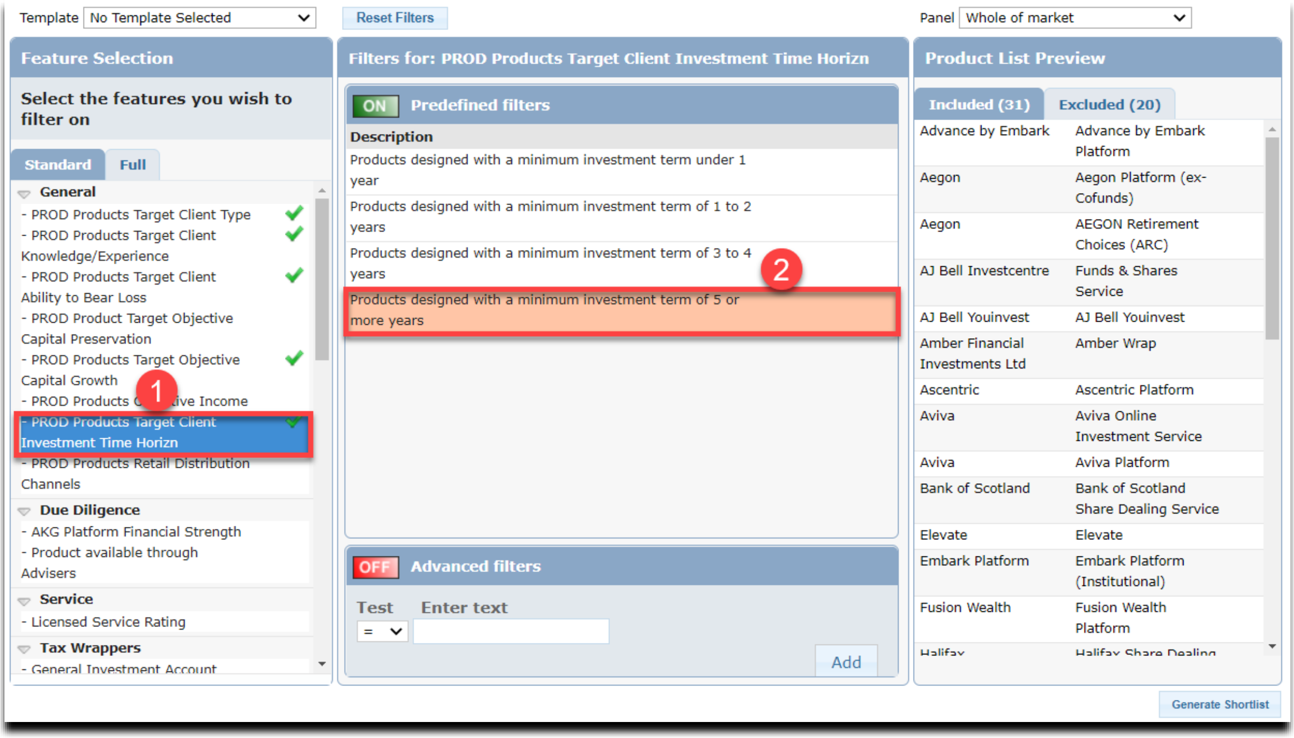
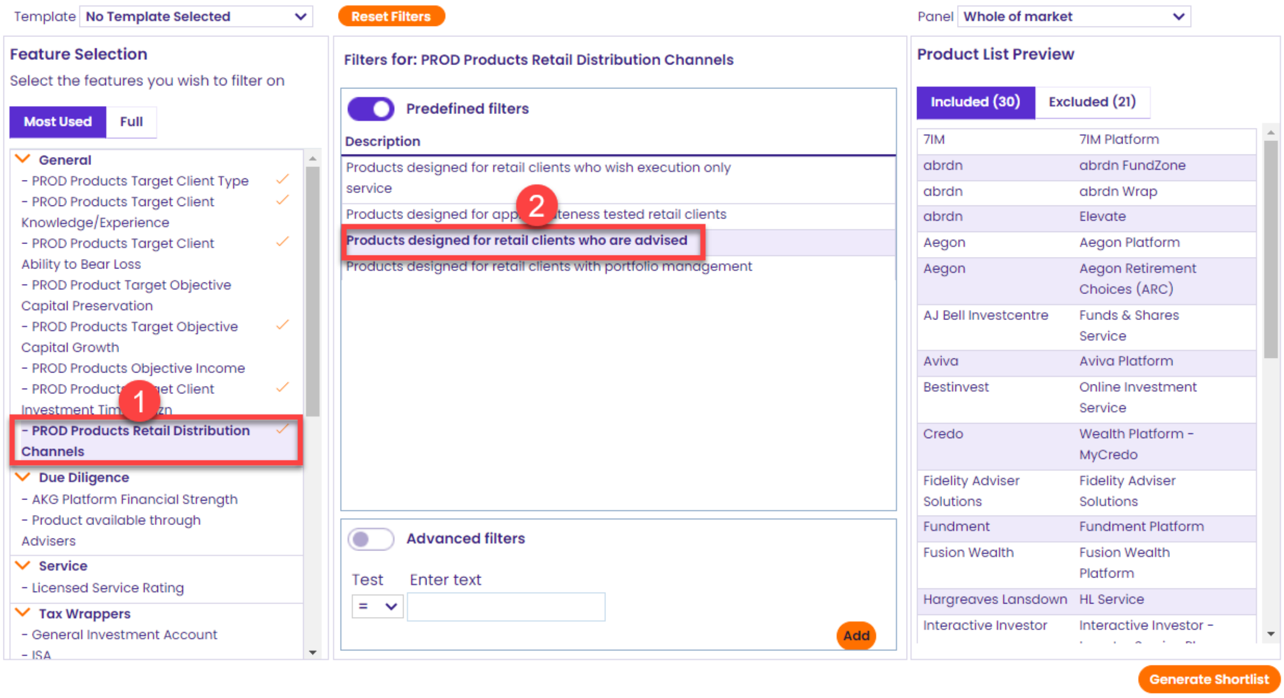
To identify products that are suitable for an investor looking for growth, click **PROD Products Target Objective Capital Growth** and choose **Products designed for those looking to grow their capital**.



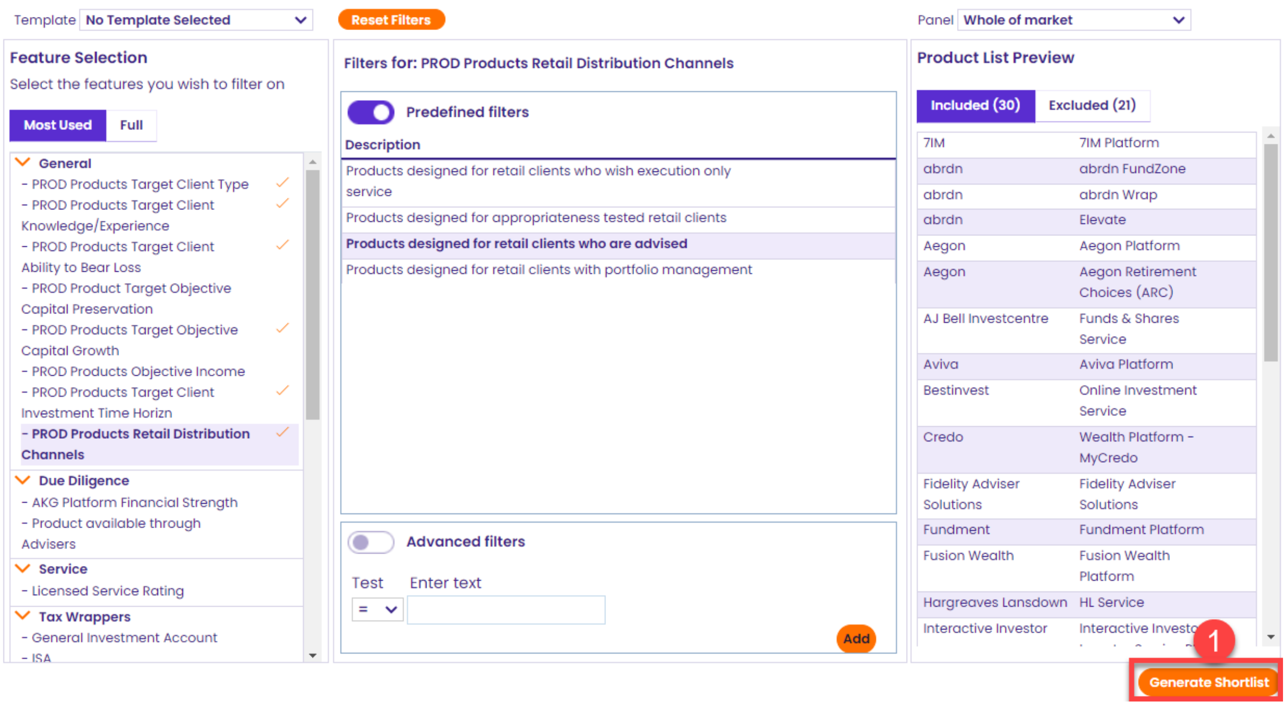
To ensure the product is aligned to the length of the time the client is investing for, click **PROD Products Target Client Investment Time Horizon** and select **Products designed with a minimum investment term of 5 or more years.**



Then finally, to identify products that match the type of advice being given, select **PROD Products Retail Distribution Channels** and select **Products designed for real clients who are advised**.



Once you have completed applying your filters, click **Generate Shortlist** to show a list of products that match your criteria.



Appendix

The following tables outline the PROD data, the available responses and definitions.

Engage feature	**PROD target client type**
Prescribed options	Definitions
Retail	Clients are not a professional client or an eligible counterparty
Professional	Clients are defined as an entity required to be authorised or regulated to operate in the financial markets
Eligible counterparty	Clients are defined as: (1) an investment firm; (2) a credit institution

Engage Feature	**PROD retail distribution channels**
Prescribed options	Definitions
Execution only	Clients who wish to access an execution only service (non-advised)
Non-Advised	Clients who have been through an appropriateness test or guidance tool
Advised	Clients who are advised
Portfolio Management	Clients who are clients are of a Professional client or Eligible Client type

Engage feature	**PROD capital preservation** **PROD capital growth** **PROD income**
Prescribed options	Definitions
Protection	Product is designed to provide insurance protection
Capital preservation	Product is designed for those looking to preserve their capital
Capital growth	Product is designed for those looking to grow their capital
Income	Product is designed for those requiring income

Engage feature	**PROD knowledge/ experience**
Prescribed options	Definitions
Basic	Investors have the following characteristics: Basic knowledge of relevant financial instruments Can make an informed investment decision based on the regulated and authorised offering documentation or with the help of basic information provided by point of sale
Informed	Investors have one, or more, of the following characteristics: Average knowledge of relevant financial products (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) Some financial industry experience.
Advanced	Investors have one, or more, of the following characteristics: Good knowledge of relevant financial products and transactions Financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service

Engage feature	**PROD ability to bear loss**
Prescribed options	Definitions
Zero	Product is designed for those who cannot bear loss
Limited Loss	Product is designed for those who require access to money market funds, structured products and/or funds with explicit protections
No Guarantee	Product is designed for those who require access to investment with up to 100% risk
More than 100%	Product is designed for those who require access to investments where losses in excess of the original capital value can be experienced

Engage feature	**PROD clients time horizon**
Prescribed options	Definitions
Under 1 year	The products recommended minimum term is under 1 year
1-2 years	The products recommended minimum term is 1-2 years
3-4 years	The products recommended minimum term is 3-4 years
5+ years	The products recommended minimum term is 5+ years

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