



Assessment of Value 2021

For funds with accounting years ending on 30 September/31 October/30 November

Schroders
personalwealth



Letter from the Chief Executive Officer

Mark Duckworth

Our vision at Schroders Personal Wealth is to help create a society where everyone sees the value of a great financial plan and benefits from the advantages of financial advice. A key part to the success of such a plan is the value provided by its investments. In our clients' portfolios, these are primarily funds managed by Scottish Widows Schroder Personal Wealth (ACD) Limited ("SPW (ACD)" in this report). This report is designed to help you judge whether the funds managed by SPW (ACD) are meeting their objectives and service obligations, and whether they are doing this at an appropriate price.

Last year's assessment of value report resulted in a number of actions, including a reduction in fees on a number of our share classes, the launch of our online investor portal and the introduction of benchmarks for our multi-asset Solution fund range.

This year's report has shown further progress since the creation of SPW (ACD) and the appointment of our new investment manager, Schroder Investment Management Ltd, in December 2019. Happily, performance of all of our funds improved over the 12-month review period to the end of June 2021, but we still have work to do to reach the high standards we target and that you should expect.

Key actions from this report include further fee reductions on specific funds and a restructuring of fund share classes to improve transparency and simplify your experience as an investor. You can find more details of all these actions in the summary pages that follow.

In this second, annual Assessment of Value, we have incorporated feedback and tried to make the report more detailed, while easier to understand and navigate. We have therefore added a new section providing an overview of each of the Financial Conduct Authority's (FCA) "pillars" covered by the report and a page that helps you interpret the details of how individual funds fared (more details on the Introduction page).

This year, we asked Morningstar to provide an independent and objective analysis of our funds. Morningstar is a market leader in independent investment research with considerable analytical resources and a thorough knowledge of the UK fund industry. They refined the peer groups that are used in this report (more details of which can be found in the Comparable Market Rates section) and their feedback formed the basis of our conclusions.

In the 12 months to the end of June 2021, we launched nine funds and closed one. This Assessment of Value therefore, reviews 24 funds in total, eight more than last year, from SPW (ACD)'s fund range* .

I appreciate the trust that you put in us. I hope that you find the report informative, easy to read and transparent in nature, and so reaffirms the confidence you have in us as stewards of your assets.

*Comprising four funds from SPW Multi-Manager ICVC, 14 funds from SPW Investment Portfolio ICVC and six funds from SPW Investment Fund Company.



Contents

SPW (ACD) Board of Directors	04	Multi-Manager funds overview	30
Introduction	05	SPW Multi-Manager Global Real Estate Securities fund	31
The Assessment Pillars	06	SPW Multi-Manager International Equity fund	32
Performance	07	SPW Multi-Manager UK Equity fund	33
Comparable Market Rates	08	SPW Multi-Manager UK Equity Income fund	34
Classes of Shares	09	SPW Multi-Manager Global Investment Grade Bond fund	35
Economies of Scale	10	SPW Multi-Manager Global High Income & Emerging Markets Bond fund	36
Authorised Fund Manager Costs	11	SPW Multi-Manager Global Sovereign Bond fund	37
Quality of Service	12	Component funds overview	38
Summary of Results	13	SPW IPS Growth Portfolio	39
How to read your fund page	14	SPW IPS Income Portfolio	40
Portfolio funds overview	15	SPW IPS Strategic Income Portfolio	41
SPW Adventurous Portfolio fund	16	SPW Asset Allocator	42
SPW Balanced Portfolio fund	17	Appendix	43
SPW Cautious Portfolio fund	18	Glossary	46
SPW Discovery Portfolio fund	19		
SPW Dynamic Portfolio fund	20		
SPW Progressive Portfolio fund	21		
Solution funds overview	22		
SPW Adventurous Solution fund	23		
SPW Balanced Solution fund	24		
SPW Cautious Solution fund	25		
SPW Defensive Solution fund	26		
SPW Discovery Solution fund	27		
SPW Dynamic Solution fund	28		
SPW Strategic Solution fund	29		



SPW (ACD) Board of Directors

The Scottish Widows Schroder Personal Wealth (ACD) Limited (referred to as “SPW (ACD)” in this report) board of directors includes the Executive Directors and Independent Non-Executive Directors. The board is responsible for administration, accountancy and providing the legal framework around the funds, including compliance. The SPW (ACD) board represents the best interests of our clients, ensuring the assessment of our funds is clear, fair and not misleading.

Executive Directors



Mark Duckworth, Chief Executive Officer

Mark has over 30 years' experience in financial services and joined Schroders Personal Wealth in September 2020 as Chief Executive Officer. From 2015 he served as Chief Executive Officer of Openwork, one of the largest financial advice networks in the United Kingdom. Before this, Mark held tenures at various major investment firms including Prudential, AXA and Scottish Amicable.



Marcus Brookes, Chief Investment Officer

Prior to joining SPW as CIO, Marcus served as Head of Multi-Manager at Cazenove Capital Management and Schroders (which acquired Cazenove in 2013), where he was responsible for managing various multi-asset funds. He has over 25 years' investment experience focused on manager selection and asset allocation, including time at Gartmore and Rothschild Asset Management.



Julian Walker-Hazell, Head of Fund Services

Julian has more than three decades of experience in financial services, over half of which was spent at Cazenove Capital Management and Schroders (which acquired Cazenove in 2013), where his roles included Director of Investment Operations and Head of UK Fund Services. He joined SPW as Head of Fund Services in 2019.



Joel Ripley, Chief Financial Officer

Joel is responsible for creating SPW's finance infrastructure and risk management framework. Previously, he was Finance Director of Wealth and Stockbroking at Lloyds Banking Group, having joined the bank in 2003. Prior to this, Joel held roles at JP Morgan and Deloitte. Joel is a Fellow of the Institute of Chartered Accountants in England and Wales.

Independent Non-Executive Directors



Dena Brumpton

Dena has over 30 years' experience as a senior financial services professional, the large majority of which she spent at Citigroup, where her roles included global Chief Operating Officer of Citibank Private Bank. She also worked as CEO of Barclays Savings, Investments and Wealth Management before joining SPW in 2019.



Jim Black

Jim has over 30 years' experience in Financial Services, during which time his roles have included MD Product Management and CEO Healthcare at Standard Life and latterly Director of Pensions Operations at Lloyds Banking Group. He also serves as a Non-Executive at MDDUS. He has served as chairman of the board since January 2021.



Adam Seale

Adam began his career at the Bank of England in 1983, and spent 18 years at global consulting firm Booz Allen Hamilton, where he led the UK financial services practice. His other roles have included MD Specialist Banking at HBOS, UK High Net Worth Director at Lloyds Banking Group and CEO of Interactive Investor. He was appointed to the board in 2019.

Introduction

This Assessment of Value report (AoV) is written on behalf of the board of Scottish Widows Schroder Personal Wealth (ACD) Limited, which is referred to as ‘SPW (ACD)’, ‘we’ or ‘our’ in this report. It aims to help investors in SPW funds make informed decisions about their investments through an assessment of whether each fund provides value or not. The assessment is based on the framework provided by our regulator, the Financial Conduct Authority (FCA) and comprises seven key “pillars” – the term the FCA uses to mean different aspects of value.

One of the pillars, Comparable Services, which asks how the fees charged to a fund compare with those charged to similar funds or services offered to other clients, is not covered in this report. This is because we do not offer any funds or services other than the funds in this report, so we have no comparable products against which to compare our funds.

The report therefore covers the remaining six pillars:

- 1. Performance** – have our funds performed in line with expectations?
- 2. Comparable Market Rates** – how do our fees compare against those of our competitors?
- 3. Classes of Shares** – are our clients invested in the most appropriate share class for their investment needs?
- 4. Economies of Scale** – do we pass on savings to our clients as funds grow?
- 5. Authorised Fund Manager costs** – are the fees charged to the fund reasonable and appropriate?
- 6. Quality of Service** – are we meeting our clients’ expectations on the service we deliver?

You can find more details of each fund on the individual fund pages later in the report.

Where performance figures are referenced, we show returns of the primary share class, but our assessment has covered all classes of each fund. Performance is shown to the end of June 2021.

The report has been created in a way that should make it easy to navigate and interactive. For example, you can return to the contents page by clicking on the small house icon in the top right hand corner of a page, and words or terms that may need more explanation have a link to the Glossary.



The Assessment Pillars



Performance

Has the fund performed in line with expectations?

As an [active fund manager](#), we consider a fund to be providing good value when it consistently meets its investment objective, normally to outperform its benchmark, over its stated investment time horizon. We also consider how our funds performed in comparison to peers (more details can be found on Peers in our Comparable Market Rates summary) over a range of time periods, in both [absolute](#) and [risk-adjusted terms](#). The time horizon may vary by fund, but our focus is primarily on long-term periods, over which we believe investors will achieve the best results.

We became the [Authorised Corporate Director \(ACD\)](#) for 15 of the funds in this report in December 2019, and launched nine more funds since then to the end of June 2021. Our window to assess the performance of our funds, therefore, is shorter than their stated investment time horizon. That limits our ability to give a definitive conclusion in the context of the above. Nonetheless, we have tried to give an indication of whether our funds have delivered value so far under our management and since the cut-off of our last AoV (at the end of June 2020). We used the following framework to define the status of each fund:

- **Fund provides good value** – the fund is ahead of its stated benchmark since SPW became ACD and over five years (if applicable) to the end of June 2021.
- **Fund provides value but merits some action or further monitoring** – the fund is ahead of its stated benchmark over the last 12 months (or since launch if younger) but is behind since SPW became ACD and over five years (if applicable) to the end of June 2021.
- **Fund does not provide value, action planned** – the fund is lagging its stated benchmark over all trailing time periods and we plan to take action to address this.

General Conclusions and Observations

Following our review, we conclude that 10 of our 24 funds provide good value with regards to performance, with the remaining 14 funds providing value but meriting further monitoring in the form of formal bi-annual reviews.



The six Portfolio funds all delivered strong absolute and relative returns since launch in July 2020. While this is too short a period to give a meaningful assessment against any objective, initial results suggest that good value has been achieved so far.

The three [Multi-Manager fixed income](#) funds have lagged their [benchmarks](#) and peers since launch in February 2021. While this is too short a period to give a meaningful assessment against any objective, initial results suggest that the funds provide value but merit further monitoring.

Importantly, all 15 funds that were in last year's AoV saw an improvement in returns, both absolute and relative (to benchmark and peers), over the 12 months to the end of June 2021. However, for all seven of the [Solution funds](#) and the four [component funds](#), this was not enough to result in outperformance since we became ACD or over five years.

Actions

The Solution funds, four component funds (SPW Asset Allocator, SPW IPS Growth, SPW IPS Income and SPW IPS Strategic Income) and three Multi-Manager fixed income funds will all be subject to bi-annual performance reviews with our investment manager to ensure that returns are as expected and that they see a continued improvement.

Comparable Market Rates

How do our fees compare against those of our competitors?

In order to assess the competitiveness of the pricing of our funds, we used an independent fund research and data specialist, Morningstar, to compare each fund's [ongoing charge figures \(OCFs\)](#) against its peers.

Morningstar Categories group funds together based on the holdings that they own, as well as by their prospectus objectives and investment styles,

Morningstar used its own categories (referred to in the report as the [Broad Peer Group](#) or Broad Peers) as a starting point. They also created custom made Peer groups (referred to as the [Similar Peer Group](#) or Similar Peers) of more directly comparable peers. Here, they used a similar approach to that applied in last year's AoV, but with some additional criteria to improve the peer groups' accuracy and integrity.

Morningstar primarily considered a fund to be providing good value with respect to relative costs if they were lower than both those of the Broad Peer Group median and the Similar Peer Group median. Where a fund's OCF was less competitive against those of the Broad Peer Group median and/or the Similar Peer Group median, the conclusion was also influenced by the size of the differences in price, and the context of the fund's size and performance relative to peers.

We followed the same approach, using Morningstar's output as our primary guide, although incorporating additional information (such as expected cost changes for example, due to a change in underlying component fund fees) to arrive at a final conclusion.

General Conclusions and Observation

After our review on comparable market rates, we conclude that 15 of our funds provide good value, eight provide value but merit further action, and one does not provide value with remedial action planned.

All but one of the funds in the Solution fund range are deemed to be adding value but merit further monitoring due to their high costs relative to peers. The SPW Balanced Solution fund's OCF was deemed too high relative to peers, so we find it does not provide value and needs remedial action.



Two of our new Multi-Manager fixed income funds (SPW Multi-Manager Global Investment Grade Bond and SPW Multi-Manager Global Sovereign Bond) are also expensive versus peers, although this is based on the [all-in-charge](#) OCF, which is a maximum value. In practice, we expect the OCF to be lower and therefore more competitive. However, for now we deem them to provide value but warrant further monitoring.

Actions

We will lower the [AMC](#) of the two Solution funds with the highest fees (Balanced Solution and Defensive Solution) to bring their pricing, relative to their peers, more into line with the rest of the range. All of the Solution funds will be formally monitored to ensure that performance continues to justify a pricing premium.

The two new Multi-Manager fixed income funds will be monitored on a biannual basis to see how the OCF evolves at the end of the financial year.

Classes of Shares

Are investors in the most appropriate share class?

For some of our funds, we issue different types of shares that have different features and/or charges depending on the characteristics of the respective investors for whom they are intended. These are called '[share classes](#)' and can differ for various reasons. For example, the fee charged on a share class for an individual investor may differ to that of a share class for an [SPW wrapper fund](#), such as SPW Adventurous Solution Fund, which is already charging a management fee to its investors. We review all share classes across our fund ranges with the aim of ensuring that our investors are invested in the correct share class for their investment needs. We also look at whether it is clear to the end investor why they are invested in a particular share class.

As a result of last year's AoV, we reduced the [Annual Management Charge](#) for our most expensive retail share classes and committed to undertaking a review into the potential for rationalising share classes across a number of our funds. We therefore carried out a detailed analysis of all share classes of all our funds to determine if further benefits can be passed on to investors.

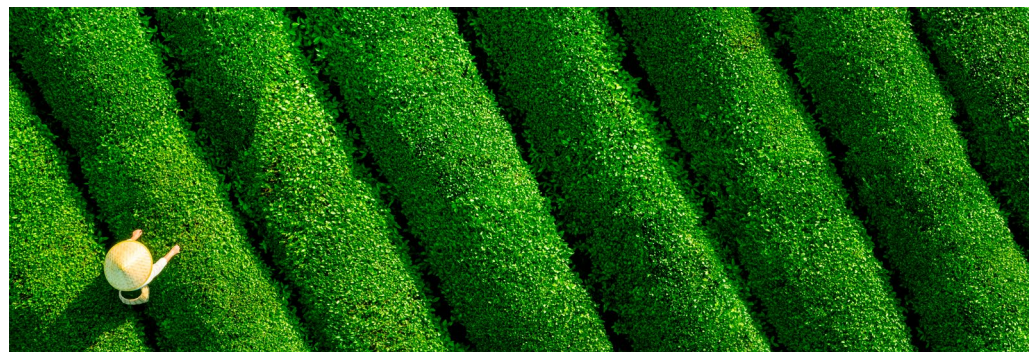
General Conclusions, Observations and Actions

With regards to Classes of Shares, we find that 13 funds provide good value, seven provide value but merit action, and four do not provide value, one with action taken (SPW Multi-Manager International Equity Fund) and three with action planned.

We find that all nine new funds launched since our last AoV provide good value. We believe they have a simple, easily understood share class structure and provide equality for investors with the same characteristics.

As an ACD serving a wealth management business with some [legacy](#) clients, we have four types of shareholders invested in our funds: retail [SPW advised](#), [retail non-SPW advised](#), [LBG advised](#), and [cross-held](#). We deem it appropriate to have separate share classes for each shareholder type with [income](#) and [accumulation](#) variants as required.

Our retail non-SPW advised share classes in some of our [Multi-Manager](#) funds show no discernible differences in terms of shareholder rights but have varying fees. We are therefore going to consolidate all the share classes serving retail non-SPW



advised investors into a single share class. This new class will adopt the price of the cheapest existing non-SPW advised share class. We aim to implement this by the beginning of 2022.

Last year's reduction in the AMC of the A share class of the funds in the SPW Solution Fund range resulted in their two main share classes having the same ongoing charge figure [OCE](#). Given that there is no discernible difference in the rights between investors in each share class, we have decided to take action to consolidate investors into a single share class. The new share class structure will be implemented in early 2022 and will create a more easily understood share class structure.

Cross-held shareholders are invested in SPW wrapper funds (for example SPW Solution Funds) that are largely invested in retail classes of our Multi-Manager funds, with the AMC of the underlying fund rebated back into the [wrapper fund](#). This makes it unclear and creates confusion for those invested in the SPW wrapper funds, as the stated fees of the underlying funds do not align with the fees they are actually paying. To improve clarity and understanding for investors on what they are charged, we are going to move the SPW Solution Fund investors to the X share class of the SPW Multi-Manager funds, which have no AMC, by the beginning of 2022. We will also undertake a review into consolidating the share classes used by cross-held shareholders within Component funds (for example, SPW Asset Allocator) to improve transparency for investors.

Economies of Scale

Do funds enjoy cost savings as they grow?

While the costs of running a fund typically increase as it gets bigger (for example, costs linked to an increase in resource required for risk/liquidity management across a larger asset base), the rate of increase is rarely as high as the increase in the fund's size. We look at whether our funds are generating [economies of scale](#) and whether these are then being passed on to investors.

In order to assess this, we examine the costs of each fund to see how they change as the fund grows. We also consider how the fund size and the fee level have correlated over time (primarily the period since SPW (ACD) took over management), and how this compares with peers.

Our assessment of value last year resulted in four funds being placed under stricter oversight (SPW Cautious Solution, SPW Defensive Solution, SPW Discovery Solution and SPW MM UK Equity fund) due to their costs not falling as their size increased. As a result, we undertook a review of these, and all our funds, to better understand their costs, the results of which form the basis of the view below.

General Conclusions and Observations

Following our review, we find that all our funds provide value, but merit further action with regard to economies of scale.

We provide economies of scale on our fund of funds ranges (Solution funds and Portfolio funds) and component funds (SPW Asset Allocator, SPW IPS Growth, SPW IPS Income and SPW IPS Strategic Income), through leveraging our scale of [assets under management \(AUM\)](#), and that of our delegated investment manager Schroder Investment Management, so that we can access the cheapest share classes of third party external funds. Similarly, for our Multi-Manager funds, our sizeable AUM allows us to negotiate lower fees for the underlying managers. SPW's own manager research team also undertakes both annual and ad hoc share class fee reviews to ensure that our investors are always invested in the cheapest share class available.



Overall, however, we find that the existing fee structure provides limited opportunities to pass on economies of scale, because the majority of charges are set as a percentage of fund assets, and so automatically increase pro rata to increases in the size of the fund. Fixed fees, such as audit and FCA fees, are currently relatively small in comparison to percentage-based fees and therefore have little meaningful impact on economies of scale.

Actions

We will undertake a review into how we can better pass on economies of scale to investors, for example through structures such as a tiered fee system, where the fees can structurally be reduced as the fund size increases. We aim to complete the review, with proposed actions and an implementation timeline, by the second quarter of 2022.

Authorised Fund Manager (AFM) Costs

Are the fees charged to the fund reasonable and appropriate?

We have assessed the fund costs and what we charge the client for each element that makes up the [Ongoing Charge Figure \(OCF\)](#). The breakdown of these costs includes our annual management charge, audit fees, custody fees, depositary fees, administrative costs, and other costs.

Where a fund is invested in third party funds, the related costs are netted with any [rebate agreements](#) that are currently in place with the respective third-party managers. We ensure that our funds are accessing the cheapest possible third party fund share classes through a formal annual review and ongoing interaction with our investment manager, Schroder Investment Management.

With the help of Morningstar, we compare each cost against what we charge to our clients to ensure that they remain appropriate and fair for our clients' investment(s) while remaining a commercially viable product. We also compare our various costs against those of our peers to determine if we are competitive versus similar funds. We do not include transaction costs in our assessment as these are not comparable between peers (no consistent methodology for estimating transaction costs exists across the industry).

General Conclusions and Observations

After our review, we conclude that 17 funds provide good value and eight provide value but merit further action/monitoring with regards to AFM costs.

The Solution funds make up seven of the eight funds deemed to provide value but meriting further action. While we found the fees broadly appropriate for the costs involved, we believe that the use of rebates on some of the underlying funds does not offer adequate transparency for investors.

We continuously review our costs and fee structures to ensure that they are appropriate for investors. In a move to make our fees simpler, more certain and easier to understand, all nine of the funds launched in the last 12 months use an



'All-in' fee structure. This sees investors pay a single fee that covers all of the costs involved in the running of the fund (excluding any transaction fees, which are charged separately). The 'All-in' fee is capped at a specified level; any actual costs incurred above this level are met by SPW (ACD), while if actual costs fall below this level, the difference is paid back into the fund (thereby lowering actual costs below the stated ['all-in' OCF](#)).

Actions

For the Solution funds, we plan to transition their investments in other SPW funds into share classes that do not charge an AMC and therefore do not need a rebate. More detail on this can be found in the Classes of Shares summary.

In addition to the formal monitoring of the funds that provide value but merit monitoring, we will continue to review the cost and fee structures of all our funds.

Quality of Service

Are we meeting expectations for the service that we deliver?

When it comes to service, we are able to add value to investors across three main areas: fund operations, client experience and investment process/resource. In order to assess whether we have provided good value across these areas, we look at a variety of factors including Key Performance Indicators (KPIs) used to measure the performance of our key third party suppliers, including our delegated investment manager (fund operations), client communications (client experience) and an independent assessment of our investment manager by Morningstar (investment resource).

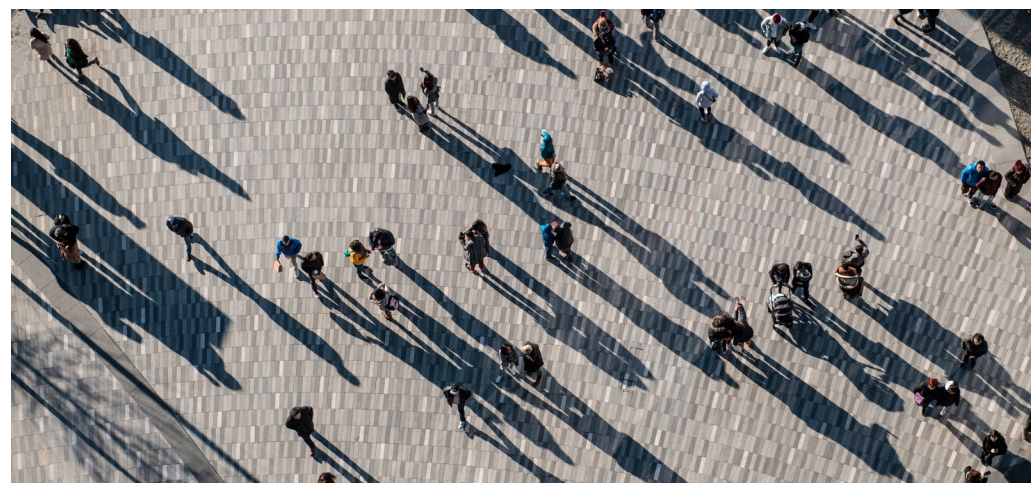
Last year, we planned to enhance our client engagement to provide investors with a greater input on the service we provide. We have since held a number of Client Advisory Boards and smaller focus groups, which have helped our understanding of client needs. In addressing the action to improve client experience, we changed our provider for fund documentation in early 2021 and now have new and improved Key Investor Information Documents (KIIDs), with new fund Factsheets to be published at the end of 2021. These have a clear format to ensure clients can engage fully with the material, and understand the funds and their objectives. Lastly, in order to provide investors with online valuations, we launched the SPW Funds portal in July 2021, which allows investors instant access to their fund valuations online.

General Conclusions and Observations

Following our review and the actions we have taken, we find that all of our funds provide good value with regards to quality of service.

Since our last assessment of value, we have made a number of other service enhancements, including improvements to the prospectuses of SPW Multi-Manager ICVC and [SPW Portfolio ICVC](#), introducing [benchmarks](#) to our Solution fund range (previously they had none), and changing some of our index providers to improve the uniformity of approach with regards to our benchmarks.

However, our review of client communications highlights the differences in service experience between our [SPW-advised investors](#) and [non-SPW advised investors](#)



(primarily Solution fund holders). We find that investor engagement is stronger with SPW advised clients due to more frequent and detailed communication than with non-SPW advised investors, where there are areas for improvement. The launch of the online SPW Funds portal faced some initial implementation issues but is now functional.

Our employees benefit from good levels of training but this can be improved through a more targeted approach that focuses specifically on ACD training for SPW employees related to ACD matters.

Actions

We will continue to monitor all aspects of our services. On client experience, we will produce new factsheets in the last quarter of 2021, which will help inform investors in a clearer and more transparent fashion how each fund is performing and how it is positioned. We will also seek to improve our ACD website by mid-2022. On engagement, with non-SPW advised clients, we recognise that improvements still need to be made with regards to our online ACD fund portal, which we aim to do in the next 12 months. We will put in place a training program for SPW employees, which focuses specifically on ACD content, within the next 12 months.



Summary of results

The results for each pillar by fund is illustrated in the following diagram:

		Performance	Comparable Market Rates	Classes of Shares	Economies of Scale	AFM Costs	Quality of Service	Overall
Portfolio	SPW Adventurous Portfolio fund	+	+	+	+	+	+	+
	SPW Balanced Portfolio fund	+	+	+	+	+	+	+
	SPW Cautious Portfolio fund	+	+	+	+	+	+	+
	SPW Discovery Portfolio fund	+	+	+	+	+	+	+
	SPW Dynamic Portfolio fund	+	+	+	+	+	+	+
	SPW Progressive Portfolio fund	+	+	+	+	+	+	+
Solution	SPW Adventurous Solution fund							
	SPW Balanced Solution fund							
	SPW Cautious Solution fund							
	SPW Defensive Solution fund							
	SPW Discovery Solution fund							
	SPW Dynamic Solution fund							
	SPW Strategic Solution fund							
Multi-Manager	SPW Multi-Manager Global Real Estate Securities fund							
	SPW Multi-Manager International Equity fund							
	SPW Multi-Manager UK Equity fund							
	SPW Multi-Manager UK Equity Income fund							
	SPW Multi-Manager Global Investment Grade Bond fund	+	+	+	+	+	+	+
	SPW Multi-Manager Global High Income and Emerging Markets Bond fund	+	+	+	+	+	+	+
	SPW Multi-Manager Global Sovereign Bond fund	+	+	+	+	+	+	+
Component	SPW IPS Growth Portfolio							
	SPW IPS Income Portfolio							
	SPW IPS Strategic Income Portfolio							
	SPW Asset Allocator fund							

■ Fund provides good value.
 ■ Fund provides value but merits some action or further monitoring.
 ■ Fund does not provide value, action planned/action taken.
 + Newly launched funds - limited performance to meaningfully assess.



How to read your fund page

To help you make the most of the Assessment of Value and the individual fund commentary pages, we have created the following guide to highlight the key areas.

Broad & Similar Peers

As dictated by the independent reviewer, Morningstar. These include funds with similar characteristics to our own, and the definitions and methodology can be found in the Appendix.

Benchmark

The performance comparator of the fund. Where the benchmark is a composite, the full components are listed in the Appendix.

Performance Data

Here you can find the fund's performance data up to the end of June 2021.

To access the SPW KIIDs and Factsheets please visit www.spw.com/fund-info

Key The assessment of each of the six pillars is summarised here. The colours denote the outcome of each area with a final overview status, and the + denote young funds.

Objective

The set of goals for the fund.

Navigation

The home icon in the top right of each page will redirect you to the contents page. Bottom right, you will see the page numbers and the direction arrows to take you to the previous, or next page.

Name of the fund

You should review the reports for each fund in which you are invested.

Conclusion

Our conclusions take into account the assessments for all six pillars, for each of our funds. This contributes to an overall assessment as to whether or not we believe the fund delivers value to our clients.

Assessment of Value report 2021

SPW Adventurous Portfolio fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

Broad Peer Group: Morningstar GBP Adventurous Allocation

Similar Peer Group: Similar Fettered fund of funds

Benchmark: Composite benchmark (see appendix)

Performance Data (%)	Since Inception
Fund	21.20
Benchmark	20.50
Broad Peers	20.06
Similar Peers	22.09

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund was launched in July 2020 and has less than a one-year track record. The fund has performed well since inception, outperforming the benchmark and Broad Peers. Positive contributions to performance have been driven by short-term asset allocation decisions and fund selection choices. Therefore, we conclude the fund provides good value on this pillar.

Comparable Market Rates: The recent launch date of the fund means that the fund is relatively small in size. It is significantly smaller than many funds in the Broad and Similar Peer groups but despite this, it is one of the most attractively priced versus Peers. Overall, we conclude that the fund represents a competitive offering from a cost perspective relative to Peers and provides good value on this pillar.

Classes of Shares: The fund was launched with a simple two share class structure for SPW advised clients and cross held clients,

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value. The fund benefits from a fixed annual all-in-charge, which provides shareholders with certainty and transparency on fees.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion
Following our assessment, and taking into account all six pillars, we find the fund provides good value.

Schroders personal wealth

16

The Six Pillars Analysis for each of the six pillars, including proposed actions.

Portfolio funds overview

We launched six Portfolio funds on 15th July 2020. The [multi-asset fund-of-funds](#) range was launched to provide clients with a low-cost solution for savings and retirement assets, and to complement the existing Solution fund range. While the [benchmarks](#) for each fund closely resemble those of our Solution funds, the composition of the funds themselves is quite different. Where the Solution funds utilise an [open architecture](#) approach to manager selection via the [SPW Multi-Manager](#) funds, the majority of each Portfolio fund's assets (at least 80%) is invested in funds provided by Schroder Investment Management, with the balance invested in third party [index-tracking funds](#).

One of the main contributors to returns in a multi-asset fund is its [asset allocation](#): the way it combines different types of investment. This can be split into long-term views or a [strategic asset allocation \(SAA\)](#), and short-term views or a [tactical asset allocation \(TAA\)](#). A SAA typically takes a five to ten year view of potential investment returns, while a TAA focuses on what might happen over the next 12 months. The second main contributor is selecting the right funds and other investments.

The [investment objective](#) of each fund is to outperform its respective [composite benchmark](#) over five to seven years. Performance is expected to derive from both fund selection and asset allocation. Since launch, asset allocation has been materially beneficial across the range. Given that we do not yet have a full year's performance history, it is impossible to give a meaningful assessment of returns against any objective. Initial results suggest that good value has so far been added with regard to performance across the range.





- + Performance
- + Comparable Market Rates
- + Classes of Shares
- + Economies of Scale
- + AFM Costs
- + Quality of Service
- + Overall

- Fund provides good value.
- Fund provides value but merits some action or further monitoring.
- Fund does not provide value, action planned/ action taken.
- + Newly launched funds - limited performance record to meaningfully assess.

SPW Adventurous Portfolio fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

Broad Peer Group: Morningstar GBP Adventurous Allocation

Similar Peer Group: Similar [Fettered fund of funds](#)

Benchmark: Composite benchmark ([see appendix](#))

Performance Data (%)	Since Inception
Fund	21.20
Benchmark	20.50
Broad Peers	20.06
Similar Peers	22.09

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund was launched in July 2020 and has less than a one-year track record. The fund has performed well since inception, outperforming the benchmark and Broad Peers. Positive contributions to performance have been driven by short-term asset allocation decisions and fund selection choices. Therefore, we conclude the fund provides good value on this pillar.

Comparable Market Rates: The recent launch date of the fund means that the fund is relatively small in size. It is significantly smaller than many funds in the Broad and Similar Peer groups but despite this, it is one of the most attractively priced versus Peers. Overall, we conclude that the fund represents a competitive offering from a cost perspective relative to Peers and provides good value on this pillar.

Classes of Shares: The fund was launched with a simple two share class structure for SPW advised clients and cross held clients,

(investors in this share class have the rights to hold these shares as a second scheme within a fund). Both share classes have the same minimum investment amount as well as a capped all-in fee (a single charge that captures all of the costs of managing a fund), providing clarity to investors on fees. We conclude the share class structure is simple and therefore provides good value.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value. The fund benefits from a fixed annual all-in-charge, which provides shareholders with certainty and transparency on fees.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Following our assessment, and taking into account all six pillars, we find the fund provides good value.



- + Performance
- + Comparable Market Rates
- + Classes of Shares
- + Economies of Scale
- + AFM Costs
- + Quality of Service
- + Overall

- Fund provides good value.
- Fund provides value but merits some action or further monitoring.
- Fund does not provide value, action planned/ action taken.
- + Newly launched funds - limited performance record to meaningfully assess.

SPW Balanced Portfolio fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

Broad Peer Group: Morningstar GBP Adventurous Allocation

Similar Peer Group: Similar [Fettered fund of funds](#)

Benchmark: Composite benchmark ([see appendix](#))

Performance Data (%)	Since Inception
Fund	12.70
Benchmark	11.80
Broad Peers	12.19
Similar Peers	12.70

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund was launched in July 2020 and has less than a one-year track record. The fund has performed well since inception, outperforming the benchmark and Broad Peers. Positive contributions to performance have been driven by short-term asset allocation decisions and fund selection choices. Therefore, we conclude the fund provides good value on this pillar.

Comparable Market Rates: The recent launch date of the fund means that the fund is relatively small in terms of size. It is significantly smaller than many funds in the Broad and Similar Peer groups but despite this, it is one of the most attractively priced versus Peers. Overall, we conclude that the fund represents a competitive offering from a cost perspective relative to Peers and provides good value on this pillar.

Classes of Shares: The fund was launched with a simple two share class structure for SPW advised clients and cross held clients,

(investors in this share class have the rights to hold these shares as a second scheme within a fund). Both share classes have the same minimum investment amount as well as a capped all-in fee (a single charge that captures all of the costs of managing a fund), providing clarity to investors on fees. We conclude the share class structure is simple and therefore provides good value.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value. The fund benefits from a fixed annual all-in-charge, which provides shareholders with certainty and transparency on fees.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Following our assessment, and taking into account all six pillars, we find the fund provides good value.



- + Performance
- + Comparable Market Rates
- + Classes of Shares
- + Economies of Scale
- + AFM Costs
- + Quality of Service
- + Overall

- Fund provides good value.
- Fund provides value but merits some action or further monitoring.
- Fund does not provide value, action planned/ action taken.
- + Newly launched funds - limited performance record to meaningfully assess.

SPW Cautious Portfolio fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

Broad Peer Group: Morningstar GBP Adventurous Allocation

Similar Peer Group: Similar [Fettered fund of funds](#)

Benchmark: Composite benchmark ([see appendix](#))

Performance Data (%)	Since Inception
Fund	7.10
Benchmark	6.09
Broad Peers	7.13
Similar Peers	6.78

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund was launched in July 2020 and has less than a one-year track record. The fund has performed well since inception, outperforming the benchmark and Similar Peers. Positive contributions to performance have been driven by short-term asset allocation decisions and fund selection choices. Therefore, we conclude the fund provides good value on this pillar.

Comparable Market Rates: The recent launch date of the fund means that the fund is relatively small in terms of size. It is significantly smaller than many funds in the Broad and Similar Peer groups but despite this, it is one of the most attractively priced versus Peers. Overall, we conclude that the fund represents a competitive offering from a cost perspective relative to Peers and provides good value on this pillar.

Classes of Shares: The fund was launched with a simple two share class structure for SPW advised clients and cross-held clients,

(investors in this share class have the rights to hold these shares as a second scheme within a fund). Both share classes have the same minimum investment amount as well as a capped all-in fee (a single charge that captures all of the costs of managing a fund), providing clarity to investors on fees. We conclude the share class structure is simple and therefore provides good value.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value. The fund benefits from a fixed annual all-in-charge, which provides shareholders with certainty and transparency on fees.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Following our assessment, and taking into account all six pillars, we find the fund provides good value.



- + Performance
- + Comparable Market Rates
- + Classes of Shares
- + Economies of Scale
- + AFM Costs
- + Quality of Service
- + Overall

- Fund provides good value.
- Fund provides value but merits some action or further monitoring.
- Fund does not provide value, action planned/ action taken.
- + Newly launched funds - limited performance record to meaningfully assess.

SPW Discovery Portfolio fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

Broad Peer Group: Morningstar GBP Adventurous Allocation

Similar Peer Group: Similar [Fettered fund of funds](#)

Benchmark: Composite benchmark ([see appendix](#))

Performance Data (%)	Since Inception
Fund	9.90
Benchmark	8.75
Broad Peers	7.13
Similar Peers	9.71

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund was launched in July 2020 and has less than a one-year track record. The fund has performed well since inception, outperforming all comparators. Positive contributions to performance have been driven by short-term asset allocation decisions and fund selection choices. Therefore, we conclude the fund provides good value on this pillar.

Comparable Market Rates: The recent launch date of the fund means that the fund is relatively small in terms of size. It is significantly smaller than many funds in the Broad and Similar Peer groups but despite this, it is one of the most attractively priced versus Peers. Overall, we conclude that the fund represents a competitive offering from a cost perspective relative to Peers and provides good value on this pillar.

Classes of Shares: The fund was launched with a simple two share class structure for SPW advised clients and cross held clients,

(investors in this share class have the rights to hold these shares as a second scheme within a fund). Both share classes have the same minimum investment amount as well as a capped all-in fee (a single charge that captures all of the costs of managing a fund), providing clarity to investors on fees. We conclude the share class structure is simple and therefore provides good value.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value. The fund benefits from a fixed annual all-in-charge, which provides shareholders with certainty and transparency on fees.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Following our assessment, and taking into account all six pillars, we find the fund provides good value.



- + Performance
- + Comparable Market Rates
- + Classes of Shares
- + Economies of Scale
- + AFM Costs
- + Quality of Service
- + Overall

- Fund provides good value.
- Fund provides value but merits some action or further monitoring.
- Fund does not provide value, action planned/ action taken.
- + Newly launched funds - limited performance record to meaningfully assess.

SPW Dynamic Portfolio fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

Broad Peer Group: Morningstar GBP Adventurous Allocation

Similar Peer Group: Similar [Fettered fund of funds](#)

Benchmark: Composite benchmark ([see appendix](#))

Performance Data (%)	Since Inception
Fund	18.80
Benchmark	17.93
Broad Peers	20.06
Similar Peers	18.47

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund was launched in July 2020 and has less than a one-year track record. The fund has performed well since inception, outperforming the benchmark and Similar Peers. Positive contributions to performance have been driven by positive short-term asset allocation decisions and fund selection choices. Therefore, we conclude the fund provides good value on this pillar.

Comparable Market Rates: The recent launch date of the fund means that the fund is relatively small in size. It is significantly smaller than many funds in the Broad and Similar Peer groups but despite this, it is one of the most attractively priced versus Peers. Overall, we conclude that the fund represents a competitive offering from a cost perspective relative to Peers and provides good value on this pillar.

Classes of Shares: The fund was launched with a simple two share class structure for SPW advised clients and cross held clients,

(investors in this share class have the rights to hold these shares as a second scheme within a fund). Both share classes have the same minimum investment amount as well as a capped all-in fee (a single charge that captures all of the costs of managing a fund), providing clarity to investors on fees. We conclude the share class structure is simple and therefore provides good value.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value. The fund benefits from a fixed annual all-in-charge, which provides shareholders with certainty and transparency on fees.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Following our assessment, and taking into account all six pillars, we find the fund provides good value.

SPW Progressive Portfolio fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

Broad Peer Group: Morningstar GBP Adventurous Allocation

Similar Peer Group: Similar [Fettered fund of funds](#)

Benchmark: Composite benchmark ([see appendix](#))

Performance Data (%)	Since Inception
Fund	17.50
Benchmark	15.83
Broad Peers	15.96
Similar Peers	16.99

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund was launched in July 2020 and has less than a one-year track record. The fund has performed well since inception, outperforming all comparators. Positive contributions to performance have been driven by positive short-term asset allocation decisions and fund selection choices. Therefore, we conclude the fund provides good value on this pillar.

Comparable Market Rates: The recent launch date of the fund means that the fund is relatively small in size. It is significantly smaller than many funds in the Broad and Similar Peer groups but despite this, it is one of the most attractively priced versus Peers. Overall, we conclude that the fund represents a competitive offering from a cost perspective relative to Peers and provides good value on this pillar.

Classes of Shares: The fund was launched with a simple two share class structure for SPW advised clients and cross held clients,

(investors in this share class have the rights to hold these shares as a second scheme within a fund). Both share classes have the same minimum investment amount as well as a capped all-in fee (a single charge that captures all of the costs of managing a fund) providing clarity to investors on fees. We conclude the share class structure is simple and therefore provides good value.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value. The fund benefits from a fixed annual all-in-charge, which provides shareholders with certainty and transparency on fees.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Following our assessment, and taking into account all six pillars, we find the fund provides good value.

- + Performance
- + Comparable Market Rates
- + Classes of Shares
- + Economies of Scale
- + AFM Costs
- + Quality of Service
- + Overall

- Fund provides good value.
- Fund provides value but merits some action or further monitoring.
- Fund does not provide value, action planned/ action taken.
- Newly launched funds - limited performance record to meaningfully assess.

Solution funds overview

Our Solution Funds are [multi-asset funds of funds](#) investing in a combination of third party funds and the [SPW Multi-Manager funds](#).

One of the main contributors to returns in a multi-asset fund is its asset allocation: the way it combines the different types of investment. This can be split into long-term views or a [strategic asset allocation \(SAA\)](#), and short-term views or [tactical asset allocation \(TAA\)](#). An SAA typically takes a five to ten year view of potential investment returns, while a TAA focuses on what might happen over the next 12 months. The second main contributor is selecting the right funds and other investments.

The SAA for the Solution Fund range was reviewed in 2016 by the previous Authorised Corporate Director, Scottish Widows Unit Trust Managers. It was adopted by SPW (ACD) in December 2019 when it took over responsibility for the funds. As an action from the Assessment of Value in 2020, we updated the SAA in August 2020 to maximise the potential returns for each fund while maintaining the same levels of risk.

We applied these changes across all the Solution funds and from the end of August 2020 to the end of June 2021 they have had a positive effect on performance.

Historically, the Solution funds have not had a prospectus [benchmark](#). To increase transparency and help investors better appraise relative performance, we added benchmarks to each fund in the prospectus in March 2021. Since then, the investment objective of each fund has been to outperform its respective composite benchmark over five to seven years. As SPW became ACD in December 2019, it is difficult to make a meaningful assessment of returns against any objective. Returns for the period from December 2019 to the end of June 2021 have disappointed. Over the 12 months to the end of June 2021 however, returns have improved significantly relative to broad and similar peers. As a result, all the funds in the Solution range are deemed to provide value but still merit further formal monitoring with biannual reviews.





Performance

Comparable
Market RatesClasses
of SharesEconomies
of Scale

AFM Costs

Quality
of Service

Overall

Fund provides
good value.Fund provides value
but merits some
action or further
monitoring.Fund does not
provide value,
action planned/
action taken.+ Newly launched
funds - limited
performance record
to meaningfully
assess.

SPW Adventurous Solution fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

Broad Peer Group: Morningstar GBP Adventurous Allocation

Similar Peer Group: Similar [Third Party fund of funds](#)

Benchmark: Composite benchmark ([see appendix](#))

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	9.01	23.73	7.55	5.55	8.78
Broad Peers	12.03	21.81	10.11	7.95	9.48
Similar Peers	12.42	23.60	9.53	7.03	9.65

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund did not have a benchmark in its objective until March 2021 hence, the main comparators are Peers. Performance has lagged Peers over most time periods to the end of June 2021. However, actions taken since our last Assessment of Value, such as adjusting the asset allocation and fund selection, have proven effective in improving returns over the last 12 months. We believe, therefore, the fund provides value but merits further monitoring with formal bi-annual reviews.

Comparable Market Rates: The fund is in the higher fee bracket in comparison to Peers and longer-term performance has lagged Peers too. However, we believe the strong returns over the 12 months to the end of June 2021 demonstrate that the fund is on a pathway to long-term outperformance, thereby warranting a price premium. We determine that the fund provides value but merits further monitoring, in the form of formal bi-annual reviews.

Classes of Shares: After reviewing the number of share classes available for this fund we recognise that some action is required to simplify the

structure. Whilst different share classes are required for different investor types, the A and G share classes have become duplicates of each other following the fee reduction of the A share class in 2020. We will therefore work to consolidate them into a single share class, and conclude that the fund is providing value on this pillar with some action required.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): After reviewing the fund we recognise action can be taken to improve the charging structure. Currently, annual management charges (AMC) of investments in SPW funds are rebated. We will work to transition SPW fund investments to share classes that do not charge an AMC so rebating will no longer be required; this will improve transparency for investors. We conclude that the charges associated with running the fund provide value but some action is required.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Following our assessment, and taking into account all six pillars, we find the fund provides value but merits further action.



- Performance
- Comparable Market Rates
- Classes of Shares
- Economies of Scale
- AFM Costs
- Quality of Service
- Overall

- Fund provides good value.
- Fund provides value but merits some action or further monitoring.
- Fund does not provide value, action planned/ action taken.
- Newly launched funds - limited performance record to meaningfully assess.

SPW Balanced Solution fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide

Broad Peer Group: Morningstar GBP Adventurous Allocation

Similar Peer Group: Similar [Third Party fund of funds](#)

Benchmark: Composite benchmark ([see appendix](#))

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	4.85	14.48	4.19	3.45	5.37
Broad Peers	6.69	13.65	6.21	5.11	5.95
Similar Peers	7.78	14.39	6.56	5.39	6.15

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund did not have a benchmark in its objective until March 2021 hence, the main comparators are Peers. Performance has lagged Peers over most time periods to the end of June 2021. However, actions taken since our last Assessment of Value, such as adjusting the asset allocation and fund selection, have proven effective in improving returns over the last 12 months. We believe, therefore, the fund provides value but merits further monitoring with formal bi-annual reviews.

Comparable Market Rates: The fund is in the higher fee bracket in comparison to Peers by a significant margin and longer term performance has lagged Peers too. As a result, we plan to reduce the fund's AMC by 10bps in order to improve the cost relative to Peers. We will also continue to monitor the performance of the fund, in the form of formal biannual reviews, to ensure performance justifies pricing relative to Peers. To conclude, we find the fund does not provide value and action is planned.

Classes of Shares: After reviewing the number of share classes available for this fund we recognise that some action is required to simplify the

structure. Whilst different share classes are required for different investor types, the A and G share classes have become duplicates of each other following the fee reduction of the A share class in 2020. We will therefore work to consolidate them into a single share class, and conclude that the fund is providing value on this pillar with some action required.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): After reviewing the fund we recognise action can be taken to improve the charging structure. Currently, annual management charges (AMC) of investments in SPW funds are rebated. We will work to transition SPW fund investments to share classes that do not charge an AMC so rebating will no longer be required; this will improve transparency for investors. We conclude that the charges associated with running the fund provide value but some action is required.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

We will take action to address where the fund does not provide value with Comparable Market Rates. On balance, taking into account all six pillars, we find that, overall, the fund provides value but merits further action.



- Performance
- Comparable Market Rates
- Classes of Shares
- Economies of Scale
- AFM Costs
- Quality of Service
- Overall

- Fund provides good value.
- Fund provides value but merits some action or further monitoring.
- Fund does not provide value, action planned/ action taken.
- Newly launched funds - limited performance record to meaningfully assess.

SPW Cautious Solution fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

Broad Peer Group: Morningstar GBP Adventurous Allocation

Similar Peer Group: Similar [Third Party fund of funds](#)

Benchmark: Composite benchmark ([see appendix](#))

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	2.83	7.25	2.87	2.88	3.55
Broad Peers	4.81	7.96	4.28	3.87	4.09
Similar Peers	4.50	7.58	4.04	3.67	4.44

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund did not have a benchmark in its objective until March 2021 hence the main comparators are Peers. Performance has lagged Peers over all stated time periods to the end of June 2021. However, actions taken since our last Assessment of Value, such as adjusting the asset allocation and fund selection, have improved returns over the last 12 months, albeit still trailing Peers. We believe, therefore, the fund provides value but merits further monitoring with formal bi-annual reviews.

Comparable Market Rates: The fund is in the higher fee bracket in comparison to Peers and longer term performance has lagged Peers too. However, we believe the improvement in returns over the 12 months to the end of June 2021 demonstrate that the fund is on a pathway to long-term outperformance, thereby warranting a price premium. We determine that the fund provides value but merits further monitoring, in the form of formal bi-annual reviews.

Classes of Shares: After reviewing the number of share classes available for this fund we recognise that some action is required to simplify the

structure. Whilst different share classes are required for different investor types, the A and G share classes have become duplicates of each other following the fee reduction of the A share class in 2020. We will therefore work to consolidate them into a single share class, and conclude that the fund is providing value on this pillar with some action required.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): After reviewing the fund we recognise action can be taken to improve the charging structure. Currently, annual management charges (AMC) of investments in SPW funds are rebated. We will work to transition SPW fund investments to share classes that do not charge an AMC so rebating will no longer be required; this will improve transparency for investors. We conclude that the charges associated with running the fund provide value but some action is required.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Following our assessment, and taking into account all six pillars, we find the fund provides value but merits further action.



Performance

Comparable
Market RatesClasses
of SharesEconomies
of Scale

AFM Costs

Quality
of Service

Overall

Fund provides
good value.Fund provides value
but merits some
action or further
monitoring.Fund does not
provide value,
action planned/
action taken.+ Newly launched
funds - limited
performance record
to meaningfully
assess.

SPW Defensive Solution fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

Broad Peer Group: Morningstar GBP Adventurous Allocation

Similar Peer Group: Similar [Third Party fund of funds](#)

Benchmark: Composite benchmark ([see appendix](#))

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	2.22	5.16	2.46	2.66	3.10
Broad Peers	3.89	5.21	3.95	3.74	3.91
Similar Peers	3.37	6.54	3.17	3.11	3.61

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund did not have a benchmark in its objective until March 2021 hence the main comparators are Peers. Performance has lagged Peers over all stated time periods to the end of June 2021. However, actions taken since our last Assessment of Value, such as adjusting the asset allocation and fund selection, have improved returns over the last 12 months, albeit still trailing Peers. We believe, therefore, the fund provides value but merits further monitoring with formal bi-annual reviews.

Comparable Market Rates: The fund is in the higher fee bracket in comparison to Peers and longer term performance has lagged Peers too. However, we believe the improvement in returns over the 12 months to the end of June 2021 demonstrates that the fund is on a pathway to long-term outperformance. We find that the fund provides value but we will reduce its AMC by 0.07% (7bps) to bring its pricing, relative to its peers, further into line with the rest of the range. We will also continue to monitor the performance of the fund, in the form of formal biannual reviews, to ensure performance justifies pricing relative to Peers.

Classes of Shares: After reviewing the number of share classes available for this fund we recognise that some action is required to simplify the structure. Whilst different share classes are required for different investor types, the A and G share classes have become duplicates of each other following the fee reduction of the A share class in 2020. We will therefore work to consolidate them into a single share class, and conclude that the fund is providing value on this pillar with some action required.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): After reviewing the fund we recognise action can be taken to improve the charging structure. Currently, annual management charges (AMC) of investments in SPW funds are rebated. We will work to transition SPW fund investments to share classes that do not charge an AMC so rebating will no longer be required; this will improve transparency for investors. We conclude that the charges associated with running the fund provide value but some action is required.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Following our assessment, and taking into account all six pillars, we find the fund provides value but merits further action.



Performance

Comparable
Market RatesClasses
of SharesEconomies
of Scale

AFM Costs

Quality
of Service

Overall

 Fund provides
good value.

 Fund provides value
but merits some
action or further
monitoring.

 Fund does not
provide value,
action planned/
action taken.

 Newly launched
funds - limited
performance record
to meaningfully
assess.

SPW Discovery Solution fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

Broad Peer Group: Morningstar GBP Adventurous Allocation

Similar Peer Group: Similar [Third Party fund of funds](#)

Benchmark: Composite benchmark ([see appendix](#))

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	3.44	11.04	3.12	2.73	4.30
Broad Peers	4.81	7.96	4.28	3.87	4.09
Similar Peers	6.28	11.60	5.40	4.77	5.97

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund did not have a benchmark in its objective until March 2021 hence the main comparators are Peers. Performance has lagged Peers over most time periods to the end of June 2021. However, actions taken since our last Assessment of Value, such as adjusting the asset allocation and fund selection, have improved returns over the last 12 months, albeit still trailing Similar Peers. We believe, therefore, the fund provides value but merits further monitoring with formal bi-annual reviews.

Comparable Market Rates: The fund is in the higher fee bracket in comparison to Peers and longer term performance has lagged Peers too. However, we believe the improvement in returns over the 12 months to the end of June 2021 demonstrate that the fund is on a pathway to long-term outperformance, thereby warranting a price premium. We determine that the fund provides value but merits further monitoring, in the form of formal bi-annual reviews.

Classes of Shares: After reviewing the number of share classes available for this fund we recognise that some action is required to simplify the

structure. Whilst different share classes are required for different investor types, the A and G share classes have become duplicates of each other following the fee reduction of the A share class in 2020. We will therefore work to consolidate them into a single share class, and conclude that the fund is providing value on this pillar with some action required.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): After reviewing the fund we recognise action can be taken to improve the charging structure. Currently, annual management charges (AMC) of investments in SPW funds are rebated. We will work to transition SPW fund investments to share classes that do not charge an AMC so rebating will no longer be required; this will improve transparency for investors. We conclude that the charges associated with running the fund provide value but some action is required.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Following our assessment, and taking into account all six pillars, we find the fund provides value but merits further action.



Performance

Comparable
Market RatesClasses
of SharesEconomies
of Scale

AFM Costs

Quality
of Service

Overall

 Fund provides
good value.

 Fund provides value
but merits some
action or further
monitoring.

 Fund does not
provide value,
action planned/
action taken.

 Newly launched
funds - limited
performance record
to meaningfully
assess.

SPW Dynamic Solution fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

Broad Peer Group: Morningstar GBP Adventurous Allocation

Similar Peer Group: Similar [Third Party fund of funds](#)

Benchmark: Composite benchmark ([see appendix](#))

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	8.01	21.60	6.68	5.11	7.99
Broad Peers	12.03	21.81	10.11	7.95	9.48
Similar Peers	10.62	21.60	8.85	6.48	8.53

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund did not have a benchmark in its objective until March 2021 hence the main comparators are Peers. Performance has lagged Peers over most time periods to the end of June 2021. However, actions taken since our last Assessment of Value, such as adjusting the asset allocation and fund selection, have improved returns over the last 12 months versus Similar Peers. We believe, therefore, the fund provides value but merits further monitoring with formal bi-annual reviews.

Comparable Market Rates: The fund is in the higher fee bracket in comparison to Peers and longer term performance has lagged Peers too. However, we believe the improvement in returns over the 12 months to the end of June 2021 demonstrate that the fund is on a pathway to long-term outperformance, thereby warranting a price premium. We determine that the fund provides value but merits further monitoring, in the form of formal bi-annual reviews.

Classes of Shares: After reviewing the number of share classes available for this fund we recognise that some action is required to simplify the

structure. Whilst different share classes are required for different investor types, the A and G share classes have become duplicates of each other following the fee reduction of the A share class in 2020. We will therefore work to consolidate them into a single share class, and conclude that the fund is providing value on this pillar with some action required.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): After reviewing the fund we recognise action can be taken to improve the charging structure. Currently, annual management charges (AMC) of investments in SPW funds are rebated. We will work to transition SPW fund investments to share classes that do not charge an AMC so rebating will no longer be required; this will improve transparency for investors. We conclude that the charges associated with running the fund provide value but some action is required.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Following our assessment, and taking into account all six pillars, we find the fund provides value but merits further action.



- Performance
- Comparable Market Rates
- Classes of Shares
- Economies of Scale
- AFM Costs
- Quality of Service
- Overall

- Fund provides good value.
- Fund provides value but merits some action or further monitoring.
- Fund does not provide value, action planned/ action taken.
- Newly launched funds - limited performance record to meaningfully assess.

SPW Strategic Solution fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

Broad Peer Group: Morningstar GBP Adventurous Allocation

Similar Peer Group: Similar [Third Party fund of funds](#)

Benchmark: Composite benchmark ([see appendix](#))

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	6.46	18.82	5.35	4.10	6.54
Broad Peers	9.54	17.71	8.32	6.65	8.04
Similar Peers	9.52	19.14	7.61	6.00	7.92

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund did not have a benchmark in its objective until March 2021 hence the main comparators are Peers. Performance has lagged Peers over most time periods to the end of June 2021. However, actions taken since our last Assessment of Value, such as adjusting the asset allocation and fund selection, have improved returns over the last 12 months, albeit still trailing Similar Peers. We believe, therefore, the fund provides value but merits further monitoring with formal bi-annual reviews.

Comparable Market Rates: The fund is in the higher fee bracket in comparison to Peers and longer term performance has lagged Peers too. However, we believe the improvement in returns over the 12 months to the end of June 2021 demonstrate that the fund is on a pathway to long-term outperformance, thereby warranting a price premium. We determine that the fund provides value but merits further monitoring, in the form of formal bi-annual reviews.

Classes of Shares: After reviewing the number of share classes available for this fund we recognise that some action is required to simplify the

structure. Whilst different share classes are required for different investor types, the A and G share classes have become duplicates of each other following the fee reduction of the A share class in 2020. We will therefore work to consolidate them into a single share class, and conclude that the fund is providing value on this pillar with some action required.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees can structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): After reviewing the fund we recognise action can be taken to improve the charging structure. Currently, annual management charges (AMC) of investments in SPW funds are rebated. We will work to transition SPW fund investments to share classes that do not charge an AMC so rebating will no longer be required; this will improve transparency for investors. We conclude that the charges associated with running the fund provide value but some action is required.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Following our assessment, and taking into account all six pillars, we find the fund provides value but merits further action.

Multi-Manager funds overview

The portfolios of our [Multi-Manager funds](#) are split into various sub-portfolios, the management of which is outsourced to [sub-investment managers](#). This approach provides increased levels of diversification and allows each fund to benefit from a number of best-in-class managers. These include managers such as Blackrock, PIMCO, T Rowe Price and Man GLG. Schroders investment managers accounted for less than 10% of the managers used in our Multi-Manager funds at the end of June 2021, with the balance invested in other external investment managers.

Since our last Assessment of Value, we closed the Multi-Manager UK Equity Growth fund. This followed a planned [redemption](#) by a large shareholder, which left the fund at a size that made it no longer viable as a product to deliver for the remaining investors.

In addition, on the 9th July 2021, we undertook a [scheme of arrangement](#) on the Multi-Manager International Equity Fund (MMIEF) as we felt that it was not providing value to investors and warranted a restructure. This involved splitting the fund into four regional funds (they do not feature in this report as they were not in existence during the assessment period) to give sub-managers more control over decisions within asset classes, sectors or geographies. The MMIEF was subsequently closed. It is therefore included in this assessment as it was live during the review period, but its assessment is theoretical given that it no longer exists.

At the beginning of July 2021 (so not captured within the commentary of each fund), we changed the benchmarks for three of our Multi-Manager funds in order to bring a uniform approach to our benchmarks across all of our equity funds. We moved from indices provided by FTSE to those provided by MSCI for Multi-Manager UK Equity, Multi-Manager UK Equity Income and Multi-Manager Global Real Estate Securities funds. More details can be found on the individual fund pages.





Performance

Comparable
Market RatesClasses
of SharesEconomies
of Scale

AFM Costs

Quality
of Service

Overall

Fund provides
good value.Fund provides value
but merits some
action or further
monitoring.Fund does not
provide value,
action planned/
action taken.+ Newly launched
funds - limited
performance record
to meaningfully
assess.

SPW Multi-Manager Global Real Estate Securities fund

Objective: The fund aims to provide income and capital growth in excess of the FTSE EPRA Nareit Developed index* (after fees have been deducted) over five to seven years by investing in property securities worldwide.

Broad Peer Group: Morningstar Property - Indirect Global

Similar Peer Group: Similar Global REIT funds

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	3.78	21.57	4.75	6.68	6.20
Benchmark	-0.14	18.15	0.97	4.57	4.68
Broad Peers	1.67	17.66	2.93	5.31	4.66
Similar Peers	3.33	16.71	4.41	6.81	6.08

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund has outperformed its benchmark and Peers since SPW (ACD) took over its management in December 2019 to the end of June 2021. Apart from Similar Peers over three years, it also outperformed all comparators over all periods. Strong absolute and relative performance has been driven by security selection in Hong Kong, Japan, and the US. The fund has met its objective and we therefore find that it provides good value to investors but we will, nonetheless, continue to monitor performance rigorously at regular investment meetings.

Comparable Market Rates: Overall, we conclude that the fund represents a competitive offering from a cost perspective relative to Peers. Therefore, we deem the fund to provide good value on this pillar.

Classes of Shares: After reviewing the number of share classes available for this fund we recognise action is required to simplify the structure. Whilst different share classes are required for different investor types, there are multiple share classes available for a retail non-SPW advised investor and we will work to consolidate them into

a single share class. Therefore, we conclude the fund is not providing value on this pillar and action is planned.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value. We note that the majority of the fund's costs are attributable to the underlying sub-manager fees.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Taking into account all the pillars, we find the fund to be providing value but some action and further monitoring is required, particularly on classes of shares.

*The objective changed on 1st July 2021 to: The fund aims to provide capital growth and income in excess of the MSCI World Investable Market Core Real Estate (Net Total Return) index (after fees have been deducted) over five to seven years by investing in the equities of UK companies.



Performance

Comparable
Market Rates

Classes
of Shares

Economies
of Scale

AFM Costs

Quality
of Service

Overall

Fund provides
good value.

Fund provides value
but merits some
action or further
monitoring.

Fund does not
provide value,
action planned/
action taken.

+ Newly launched
funds - limited
performance record
to meaningfully
assess.

SPW Multi-Manager International Equity fund

Objective: The fund aims to provide capital growth and income in excess of the benchmark* (after fees have been deducted) over five to seven years by investing in equity securities worldwide.

Broad Peer Group: Morningstar Global Large Cap Blend Equity

Similar Peer Group: Similar Global Equity funds

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	17.92	25.65	15.22	11.99	13.78
Benchmark	17.01	24.48	14.42	12.82	13.85
Broad Peers	15.28	22.05	12.16	10.12	11.57
Similar Peers	18.41	25.21	14.43	13.00	13.78

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund outperformed its benchmark and Broad Peers since we took over its management in December 2019 to the end of June 2021. It also outperformed its benchmark and Similar Peers over one and two years, and had superior performance to the Broad Peer Group over all time periods. In July 2020, the fund was re-structured, introducing new managers for the US, Japan, Emerging Market and European regions. The actions taken proved effective with the fund enjoying strong absolute returns since the re-structure. Most areas of the market performed well, with [cyclical](#) segments notably strong. We found the fund provided good value but was terminated in July 2021 as the assets transitioned to four new regional equity funds.

Comparable Market Rates: Overall, we concluded the fund represented a competitive offering from a cost perspective relative to Peers. Therefore, we deemed the fund to provide good value on this pillar.

Classes of Shares: After reviewing the number of share classes available for this fund we recognised simplification was required. Whilst different share classes are necessary for different investor types, we noted that there were multiple share classes available for a retail

non-SPW advised investor. Action has been taken as the fund was terminated on 9 July 2021 and transitioned into four new regional equity funds with a simple share class structure. We concluded the fund was not providing value on this pillar and took action to address this.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We reviewed the fund's on-going costs and concluded the charges associated with running the fund provided good value. We noted that the majority of the fund's costs were attributable to the underlying sub-manager fees.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

We find that the fund provided value to investors based on the assessments of the six pillars but was terminated on 9 July 2021 and transitioned into four new regional equity funds.

*The fund's benchmark is a composite of 63.2% MSCI North American index, 13.7% MSCI Europe ex UK index, 7.1% MSCI Japan index, 8% MSCI ACWI Asia ex Japan, 8% MSCI Emerging Markets index.



Performance

Comparable Market Rates

Classes of Shares

Economies of Scale

AFM Costs

Quality of Service

Overall

Fund provides good value.

Fund provides value but merits some action or further monitoring.

Fund does not provide value, action planned/ action taken.

Newly launched funds - limited performance record to meaningfully assess.

SPW Multi-Manager UK Equity fund

Objective: The fund aims to provide capital growth and income in excess of the FTSE All Share index* (after fees have been deducted) over five to seven years by investing in the equities of UK companies.

Broad Peer Group: Morningstar UK Large Cap Equity

Similar Peer Group: Similar UK Equity funds

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	4.32	25.17	4.17	1.94	7.83
Benchmark	2.93	21.45	2.80	2.05	6.48
Broad Peers	4.16	23.09	3.83	2.35	6.70
Similar Peers	3.40	22.49	2.71	1.40	6.34

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund has outperformed its benchmark and Peers since we took over its management in December 2019 to the end of June 2021. It has also outperformed all comparators over five years. The line-up of sub-managers was restructured in July 2020, since when the performance of the fund has been strong. Outperformance was driven by a combination of stock selection and a moderate value style bias. The fund has met its objective of exceeding the FTSE All Share index over five years. We therefore find that it provides good value to investors but we will, nonetheless, continue to monitor performance rigorously at regular investment meetings.

Comparable Market Rates: Overall, we conclude that the fund represents a competitive offering from a cost perspective relative to Peers. Therefore, we deem the fund to provide good value on this pillar.

Classes of Shares: After reviewing the number of share classes available for this fund we recognise action is required to simplify the structure. Whilst different share classes are required for different investor types, there are multiple share classes available for a retail

non-SPW advised investor and we will work to consolidate them into a single share class. Therefore, we conclude the fund is not providing value on this pillar and action is planned.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value. We note that the majority of the fund's costs are attributable to the underlying sub-manager fees.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Taking into account all the pillars, we find the fund to be providing value but some action and further monitoring is required - particularly on classes of shares.

*The objective changed on 1st July 2021 to: The fund aims to provide capital growth and income in excess of the MSCI UK Investable Market (Gross Total Return) index (after fees have been deducted) over five to seven years by investing in the equities of UK companies.



- Performance
- Comparable Market Rates
- Classes of Shares
- Economies of Scale
- AFM Costs
- Quality of Service
- Overall

- Fund provides good value.
- Fund provides value but merits some action or further monitoring.
- Fund does not provide value, action planned/ action taken.
- Newly launched funds - limited performance record to meaningfully assess.

SPW Multi-Manager UK Equity Income fund

Objective: The fund aims to provide income and capital growth in excess of the FTSE All Share index (after fees have been deducted) over five to seven years by investing in the equities of UK companies. The Fund will also aim to provide a dividend yield that is 110% of the FTSE All Share index on a three year rolling basis.*

Broad Peer Group: Morningstar UK Equity Income

Similar Peer Group: Similar UK Equity funds

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	5.45	28.93	5.70	2.10	6.30
Benchmark	2.93	21.45	2.80	2.05	6.48
Broad Peers	1.50	22.06	1.93	0.35	4.70
Similar Peers	3.41	23.35	3.57	2.41	6.35

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: The fund has outperformed its benchmark and Peers since we took over its management in December 2019 to the end of June 2021. Performance over longer time periods is in line with the benchmark and ahead of Broad Peers. The line-up of sub-managers was restructured in July 2020, since when the performance of the fund has been strong. The fund has exceeded its objective of providing a dividend yield of 110% of the index on a rolling three-year basis and has met its objective of exceeding the FTSE All Share index over seven years. We therefore find that it provides good value to investors but we will, nonetheless, continue to monitor performance rigorously at regular investment meetings.

Comparable Market Rates: Overall, we conclude that the fund represents a competitive offering from a cost perspective relative to Peers. Therefore, we deem the fund to provide good value on this pillar.

Classes of Shares: After reviewing the number of share classes available for this fund we recognise action is required to simplify the structure. Whilst different share classes are required for different investor types, there are

multiple share classes available for a retail non-SPW advised investor and we will work to consolidate them into a single share class. Therefore, we conclude the fund is not providing value on this pillar and action is planned.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value. We note that the majority of the fund's costs are attributable to the underlying sub-manager fees.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Taking into account all the pillars, we find the fund to be providing value but some action and further monitoring is required - particularly on classes of shares.

*The objective changed on 1st July 2021 to: The fund aims to provide income and capital growth in excess of the MSCI UK Investable Market (Gross Total Return) index (after fees have been deducted) over five to seven years by investing in the equities of UK companies. The fund will also aim to provide a dividend yield that is at least equal to that of the MSCI UK Investable Market (Gross Total Return) index on a three year rolling basis.



- + Performance
- + Comparable Market Rates
- + Classes of Shares
- + Economies of Scale
- + AFM Costs
- + Quality of Service
- + Overall

- Fund provides good value.
- Fund provides value but merits some action or further monitoring.
- Fund does not provide value, action planned/ action taken.
- + Newly launched funds - limited performance record to meaningfully assess.

SPW Multi-Manager Global Investment Grade Bond fund

Objective: The fund aims to provide income and capital growth in excess of Bloomberg Global Aggregate Corporate (Total Return) Value GBP Hedged index (after fees have been deducted) over five to seven years by investing in a range of bonds issued by companies worldwide.

Broad Peer Group: Morningstar Global Corporate Bond - GBP Hedged

Similar Peer Group: GBP Hedged Corporate Bond funds

Performance Data (%)	Since Inception
Fund	1.60
Benchmark	1.90
Broad Peers	1.46
Similar Peers	1.72

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: Since inception in February 2021 to the end of June 2021, the fund has underperformed both benchmark and Similar Peers alike but has outperformed Broad Peers. The fund's investment objective is set over five to seven years; given that we have less than five months' performance history, it is impossible to give a meaningful assessment of returns against the objective. Overall, we believe the fund is providing value but as the fund has so far underperformed, it merits further monitoring with formal bi-annual reviews.

Comparable Market Rates: Against the Broad Peer Group, the fund looks slightly expensive but it is in line with the median for the Similar Peer Group. On this basis we conclude the fund provides value but merits further monitoring on this pillar due to its infancy. This will be done in conjunction with the performance bi-annual reviews.

Classes of Shares: We launched this fund in February this year with a single share class but with an income and accumulation variant for different investor needs. All investors are charged the same fee and have the same minimum investment amounts, so we conclude the fund provides good value on this pillar.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide value but warrant further monitoring. The fund benefits from a fixed annual All-in charge, which provides shareholders with certainty and transparency on fees.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

While the fund is relatively new, we find it provides value to investors based on our assessments of the six pillars with the data available so far but merits further monitoring.

SPW Multi-Manager Global High Income & Emerging Markets Bond fund

Objective: The fund aims to provide income and capital growth in excess of the composite benchmark* (after fees have been deducted) over five to seven years by investing in a range of bonds issued by governments and companies worldwide.

Broad Peer Group: Morningstar Global Corporate Bond - GBP Hedged

Similar Peer Group: GBP Hedged High Yield funds with high Emerging Market Debt exposure

Benchmark: *The composite benchmark comprises 50% Bloomberg Global High Yield Corporate (Total Return) Value GBP Hedged index and 50% Bloomberg Emerging Market Debt (Total Return) Value GBP Hedged index.

Performance Data (%)	Since Inception
Fund	1.89
Benchmark	1.99
Broad Peers	2.54
Similar Peers	2.35

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: Since inception in February 2021 to the end of June 2021, the fund marginally underperformed the benchmark and trailed Peers. The fund's investment objective is set over five to seven years; given that we have less than five months' performance history, it is not yet possible to give a meaningful assessment of returns against the objective. Overall, we believe the fund is providing value but as the fund has so far underperformed, it merits further monitoring with formal bi-annual checkpoints.

Comparable Market Rates: Against the Broad Peer Group, the fund initially looks slightly expensive. However, this Peer Group is mainly formed of global high yield funds, not specialised offerings like the SPW fund. Our fund combines global high yield with emerging market debt and we believe this justifies levying a higher fee. When compared to the

Similar Peer Group, the fund's OCF is the median in terms of costs and hence we conclude the fund provides good value on this pillar.

Classes of Shares: We launched this fund in February this year with a single share class but with an income and accumulation variant for different investor needs. All investors are charged the same fee and have the same minimum investment amounts, so we conclude the fund provides good value on this pillar.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value. The fund benefits from a fixed annual all-in-charge, which provides shareholders with certainty and transparency on fees.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

While the fund is relatively new, we find it provides good value to investors based on our assessments of the six pillars with the data available so far.

+ Performance

+ Comparable Market Rates

+ Classes of Shares

+ Economies of Scale

+ AFM Costs

+ Quality of Service

+ Overall

■ Fund provides good value.

■ Fund provides value but merits some action or further monitoring.

■ Fund does not provide value, action planned/ action taken.

+ Newly launched funds - limited performance record to meaningfully assess.



- + Performance
- + Comparable Market Rates
- + Classes of Shares
- + Economies of Scale
- + AFM Costs
- + Quality of Service
- + Overall

- Fund provides good value.
- Fund provides value but merits some action or further monitoring.
- Fund does not provide value, action planned/ action taken.
- + Newly launched funds - limited performance record to meaningfully assess.

SPW Multi-Manager Global Sovereign Bond fund

Objective: The fund aims to provide income and capital growth in excess of the Bloomberg Global Aggregate Treasury (Total Return) Value GBP Hedged index (after fees have been deducted) over five to seven years by investing in a range of bonds issued or guaranteed by governments worldwide.

Broad Peer Group: Morningstar Global Bond - GBP Hedged

Similar Peer Group: Similar GBP Hedged Global Bond funds

Performance Data (%)	Since Inception
Fund	0.04
Benchmark	0.41
Broad Peers	0.57
Similar Peers	0.24

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: Since inception in February 2021 to the end of June 2021, the fund has underperformed both benchmark and Peers alike. The fund's investment objective is set over five to seven years; given that we have less than five months' performance history, it is not yet possible to give a meaningful assessment of returns against the objective. Overall, we believe the fund is providing value but as the fund has so far underperformed, it merits further monitoring with formal bi-annual reviews.

Comparable Market Rates: Against the Broad Peer Group the fund looks slightly expensive, but when compared to the Similar Peer Group, the fund's OCF is the median in terms of costs. Hence, we conclude the fund provides value on this pillar but warrants further monitoring.

Classes of Shares: We launched this fund in February this year with a single share class but with an income and accumulation variant for different investor needs. All investors are charged the same fee and have the same minimum investment amounts, so we conclude the fund provides good value on this pillar.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value. The fund benefits from a fixed annual all-in-charge, which provides shareholders with certainty and transparency on fees.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

While the fund is relatively new, we find it provides value to investors based on our assessments of the six pillars with the data available so far but merits further monitoring.

Component funds overview

Four of our funds, SPW Asset Allocator, SPW IPS Growth, SPW IPS Income and SPW IPS Strategic Income, are not offered as standalone products. They are used as component funds in conjunction with other funds in various proportions to create model portfolios aligned to different risk profiles. Each component fund has a [neutral asset allocation](#) but no [benchmark](#). This makes any benchmark- and peer-relative assessment challenging, although we have endeavoured to give a view using the Similar Peer Groups created by Morningstar.

As an action from the Assessment of Value in 2020, we updated the [SAA](#) for SPW's model portfolios within which these four component funds are used. The SAA was updated to maximise the potential [returns](#) for each model portfolio while maintaining the same levels of risk.

We applied these changes across all the component funds and, since the end of August 2020 to the end of June 2021, they have had a positive effect on performance relative to Similar Peers. They remained behind their respective Similar Peers from when SPW (ACD) took them over to the end of June 2021, however.



SPW IPS Growth Portfolio

Objective: The fund aims to provide income and capital growth by investing in a diversified range of assets and markets worldwide.

Similar Peer Group: Similar fund of funds

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	11.60	23.87	10.03	7.80	9.97
Similar Peers	12.56	23.67	10.03	7.52	9.97

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: We do not quote a benchmark or performance target for the fund. This is because it is used in conjunction with either SPW IPS Income or SPW IPS Strategic Income to form a range of aggregated multi-asset portfolios (that each have their own respective benchmarks at the portfolio level). This makes comparing to Peers problematic as they are not necessarily managed in the same way. The fund was behind Similar Peers since we took over its management in December 2019 to the end of June 2021. However, the fund has been ahead of or in line with Similar Peers over the other periods. We believe the fund provides value but merits further monitoring with formal bi-annual reviews.

Comparable Market Rates: Overall, we conclude that the fund represents a competitive offering from a cost perspective relative to Peers. So, we conclude the fund provides good value on this pillar.

Classes of Shares: After reviewing this fund we deem there is an appropriate number of share classes available for the different types of investors who are invested in the fund. Therefore, we conclude the fund provides good value on this pillar.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Taking into account all the pillars, we find the fund to be providing good value.

Performance

Comparable
Market Rates

Classes
of Shares

Economies
of Scale

AFM Costs

Quality
of Service

Overall

Fund provides
good value.

Fund provides value
but merits some
action or further
monitoring.

Fund does not
provide value,
action planned/
action taken.

+ Newly launched
funds - limited
performance record
to meaningfully
assess.



Performance

Comparable Market Rates

Classes of Shares

Economies of Scale

AFM Costs

Quality of Service

Overall

Fund provides good value.

Fund provides value but merits some action or further monitoring.

Fund does not provide value, action planned/ action taken.

Newly launched funds - limited performance record to meaningfully assess.

SPW IPS Income Portfolio

Objective: The fund aims to provide income and capital growth by investing in a diversified range of assets and markets worldwide.

Similar Peer Group: Similar fund of funds

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	3.00	6.03	3.26	3.68	3.41
Similar Peers	2.51	6.03	2.70	3.08	3.55

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: We do not quote a benchmark or performance target for the fund. This is because it is used in conjunction with either SPW IPS Growth or SPW IPS Strategic Income to form a range of aggregated multi-asset portfolios (that each have their own respective benchmarks at the portfolio level). This makes comparing to Peers problematic as they are not necessarily managed in the same way. The fund was behind Similar Peers over five years to the end of June 2021. However, the fund has been ahead or in line with Similar Peers over the other periods. We believe the fund provides value but merits further monitoring with formal bi-annual reviews.

Comparable Market Rates: Overall, we conclude that the fund represents a competitive offering from a cost perspective relative to Peers. So, we conclude the fund provides good value on this pillar.

Classes of Shares: After reviewing this fund we deem there is an appropriate number of share classes available for the different types of investors who are invested in the fund. Therefore, we conclude the fund provides good value on this pillar.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Taking into account all the pillars, we find the fund to be providing good value.



Performance

Comparable Market Rates

Classes of Shares

Economies of Scale

AFM Costs

Quality of Service

Overall

Fund provides good value.

Fund provides value but merits some action or further monitoring.

Fund does not provide value, action planned/ action taken.

Newly launched funds - limited performance record to meaningfully assess.

SPW IPS Strategic Income Portfolio

Objective: The fund aims to provide income by investing in a diversified range of assets and markets worldwide. The Fund also aims to provide capital growth.

Similar Peer Group: Similar fund of funds

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	1.62	7.35	2.46	3.39	3.83
Similar Peers	4.73	7.35	4.08	3.67	3.74

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: We do not quote a benchmark or performance target for the fund. This is because it is used in conjunction with either SPW IPS Growth or SPW IPS Income to form a range of aggregated multi-asset portfolios (that each have their own respective benchmarks at the portfolio level). This makes comparing to Peers problematic as they are not necessarily managed in the same way. The fund was behind Similar Peers over two and three years, as well as since we took over its management in December 2019, to the end of June 2021. However, the fund has been ahead of or in line with Similar Peers over one and five years. We believe the fund provides value but merits further monitoring with formal bi-annual reviews.

Comparable Market Rates: Overall, we conclude that the fund represents a competitive offering from a cost perspective relative to Peers. So, we conclude the fund provides good value on this pillar.

Classes of Shares: After reviewing this fund we deem there is an appropriate number of share classes available for the different types of investors who are invested in the fund. Therefore, we conclude the fund provides good value on this pillar.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Taking into account all the pillars, we find the fund to be providing good value.



- Performance
- Comparable Market Rates
- Classes of Shares
- Economies of Scale
- AFM Costs
- Quality of Service
- Overall

- Fund provides good value.
- Fund provides value but merits some action or further monitoring.
- Fund does not provide value, action planned/ action taken.
- + Newly launched funds - limited performance record to meaningfully assess.

SPW Asset Allocator fund

Objective: The fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide.

Similar Peer Group: Similar fund of funds

Performance Data (%) (over 1 year annualised)	ACD Change	1 Year	2 Year	3 Year	5 Year
Fund	6.18	17.58	5.69	4.07	4.76
Similar Peers	8.82	14.37	7.36	5.78	4.76

Returns to 30th June 2021. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

Performance: We do not quote a benchmark or performance target for this fund. It is used to implement asset allocation changes within broader model portfolios without creating capital gains tax events for clients. As such, it can rapidly change its asset composition, so comparing to Peers is problematic as they are not necessarily managed in the same way. The fund's performance was in line with Similar Peers over five years to the end of June 2021 but behind over the majority of shorter time periods. However, actions taken since our last Assessment of Value have proven effective in improving returns over the last 12 months. We believe the fund provides value but merits further monitoring with formal bi-annual reviews.

Comparable Market Rates: Overall, we conclude that the fund represents a competitive offering from a cost perspective relative to Peers. So, we conclude the fund provides good value on this pillar.

Classes of Shares: After reviewing this fund we deem there is an appropriate number of share classes available for the different types of investors who are invested in the fund. Therefore, we conclude the fund provides good value on this pillar.

Economies of Scale: We find that this fund provides value with regard to economies of scale but merits further action. We will undertake a review into how we can better pass on economies of scale to investors through structures such as a tiered fee system, where the fees will structurally be reduced as the fund size increases.

Authorised Fund Manager Costs (AFMs): We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund provide good value.

Quality of Service: We believe we provide good value for investors in terms of quality of service. This is through the high levels of service provided by our suppliers (indicated by both KPIs and positive feedback from surveys), improvements to our client literature and the addition of an online investor portal over the last year. Our Key Investor Information Documents (KIIDs) have been updated and our fund Factsheets are being updated to enhance transparency and user experience. However, we acknowledge that more can be done to enhance the client experience regarding communications. At the time of writing, we are currently undertaking a review to redesign the SPW (ACD) website and improve the ACD fund portal.

Conclusion

Taking into account all the pillars, we find the fund to be providing good value.



Appendix





Portfolio funds benchmarks

Asset Class	Sector	Region	Benchmark	SPW Cautious Portfolio	SPW Discovery Portfolio	SPW Balanced Portfolio	SPW Progressive Portfolio	SPW Dynamic Portfolio	SPW Adventurous Portfolio
Fixed Income	Government	Global	Bloomberg Global Aggregate Treasury Total Return GBP Hedged Index	13.00%	10.00%	7.00%	3.00%	2.00%	0.00%
	Investment Grade	Global	Bloomberg Global Aggregate Corp Hedged	46.00%	36.00%	26.00%	13.00%	8.00%	0.00%
	High Yield	Global	Bloomberg Global High Yield Corporate 100% Hedged to GBP Index	4.00%	3.50%	2.50%	1.50%	1.00%	1.00%
	Emerging Market Debt	Global	Bloomberg EM Hard Currency Aggregate 100% GBP Hedged Index	4.00%	3.50%	2.50%	1.50%	1.00%	1.00%
Equity	UK	United Kingdom	FTSE All Share index (TR) GBP*	5.00%	8.00%	13.00%	18.00%	21.00%	15.00%
	Global	Global	MSCI All Country World Net Index in GBP	11.00%	22.00%	32.00%	47.00%	55.00%	74.00%
Alternative Investments	Property	Global	FTSE EPRA NAREIT Developed index (TR Net) GBP*	4.00%	4.00%	4.00%	5.00%	5.00%	5.00%
	Absolute Return	Other	SONIA (Sterling Over Night Index Average) + 2%	7.00%	7.00%	6.00%	4.00%	0.00%	0.00%
	Commodities	All Commodities	Bloomberg Commodity Index Total Return in GBP	2.00%	2.00%	3.00%	3.00%	3.00%	2.00%
Cash	Cash	UK	SONIA (Sterling Over Night Index Average)	4.00%	4.00%	4.00%	4.00%	4.00%	2.00%
Total				100%	100%	100%	100%	100%	100%

*FTSE All Share and FTSE EPRA NAREIT Developed changed to MSCI UK IMI (TR Gross) GBP and MSCI World IMI Core Real Estate (TR Net) GBP, respectively, on 1st July 2021.



Solution funds benchmarks

Asset Class	Sector	Region	Benchmark	SPW Defensive Solution	SPW Cautious Solution	SPW Discovery Solution	SPW Balanced Solution	SPW Strategic Solution	SPW Dynamic Solution	SPW Adventurous Solution
Fixed Income	Government	Global	Bloomberg Global Aggregate Treasury GBP Hedged Index	15.00%	13.00%	10.00%	7.00%	3.00%	2.00%	0.00%
	Investment Grade	Global	Bloomberg Global Aggregate Corporate GBP Hedged	54.00%	46.00%	36.00%	26.00%	13.00%	8.00%	0.00%
	High Yield	Global	Bloomberg Global High Yield Corporate GBP Hedged	5.00%	4.00%	3.50%	2.50%	1.50%	1.00%	1.00%
	Emerging Market Debt	Global	Bloomberg Emerging Markets Hard Currency Aggregate GBP Hedged	5.00%	4.00%	3.50%	2.50%	1.50%	1.00%	1.00%
Equity	UK	United Kingdom	FTSE All Share index (TR) GBP*	3.00%	5.00%	9.00%	14.00%	20.00%	23.00%	18.00%
	North America	North America	MSCI North America (TR Net) GBP	3.10%	6.90%	13.20%	19.50%	28.40%	33.50%	44.80%
	Europe	Europe ex UK	MSCI Developed Europe ex UK (TR Net) GBP	0.70%	1.50%	2.90%	4.30%	6.20%	7.30%	9.70%
	Japan	Japan	MSCI Japan (TR Net) GBP	0.40%	0.80%	1.50%	2.20%	3.20%	3.80%	5.10%
	Asia Pacific ex Japan	Asia Pacific ex Japan	MSCI Asia Pacific x Japan (TR Net) GBP	0.40%	0.90%	1.70%	2.50%	3.60%	4.20%	5.70%
	Emerging Markets	Emerging Markets	MSCI Emerging Market Equity (TR Net) GBP	0.40%	0.90%	1.70%	2.50%	3.60%	4.20%	5.70%
Alternative Investments	Property	Global	FTSE EPRA NAREIT Developed index (TR Net) GBP*	2.00%	4.00%	4.00%	4.00%	5.00%	5.00%	5.00%
	Absolute Return	Other	GBP SONIA (Sterling Over Night Index Average) + 2%	8.00%	7.00%	7.00%	6.00%	4.00%	0.00%	0.00%
	Commodities	All Commodities	Bloomberg Commodity Index Total Return in GBP	0.00%	2.00%	2.00%	3.00%	3.00%	3.00%	2.00%
Cash	Cash	UK	GBP SONIA (Sterling Over Night Index Average)	3.00%	4.00%	4.00%	4.00%	4.00%	4.00%	2.00%
Total				100%	100%	100%	100%	100%	100%	100%

*FTSE All Share and FTSE EPRA NAREIT Developed changed to MSCI UK IMI (TR Gross) GBP and MSCI World IMI Core Real Estate (TR Net) GBP, respectively, on 1st July 2021.



Glossary





Absolute Return The return an asset achieves over a specified period, without being compared to a benchmark or comparator. This measure is expressed as a percentage and for time periods greater than 12 months is annualised. For example, for £100 invested, a 10% absolute return over one year, would give a £10 return, taking the total to £110.

ACD (Authorised Corporate Director) An ACD is a corporate body which is given powers and duties under FCA regulations to operate an Investment Company with Variable Capital (ICVC). The ACD is responsible for administration and accountancy as well as providing the legal framework around the funds, including compliance.

Active Fund Unlike a passive fund, which seeks to match the return of an index, an active fund seeks to outperform the return of an index. It does this by investing in companies whose share price the manager thinks will increase more than that of the index.

Accumulation Share Class A share class that automatically reinvests its income (derived from dividends or interest of the underlying securities) back into the fund.

All-in Charge A single charge that captures all of the costs of managing a fund, which include the annual management charge, the administration charge and other “operating costs”. The All-in charge represents a maximum charge – should costs exceed the stated All-in figure, the excess costs are born by the ACD; should the costs be below the stated All-in figure, the difference will be paid into the fund. The All-in charge does not include the costs of buying and selling the fund’s assets. Some of SPW’s funds have adopted an All-in charge approach.

Annual Management Charge (AMC) The annual fee taken by the fund manager for making investment decisions, usually a percentage of the amount invested.

Annualised An annualised rate of return is the return over a period of time, calculated down to a 12-month period. This scaling process allows investors to objectively compare the returns of any assets over any period.

Asset A resource or security with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit.

Asset Allocation This asset mix within a fund, usually broken down into equities (stocks), fixed income (bonds), cash and alternatives such as commodities or property. This may be broken down by geographic region or sector.

Assets Under Management (AUM) The total market value of the investments that a person or entity manages on behalf of clients.

Bps (basis points) A basis point is one hundredth of one per cent. For example, 10bps = 0.1%, 50bps = 0.5%.

Benchmark A standard, (usually an index or a market average) that an investment fund’s performance is measured against. A fund’s benchmark is usually disclosed in its prospectus. A composite benchmark is one that is comprised of different modules / indexes to create a benchmark more reflective of the fund itself.

Broad Peer Group This is the Morningstar Category in which a given SPW fund is categorised by Morningstar.

Composite When referring to benchmarks, a composite is a collection of indices that may be weighted differently to create a truer benchmark for a particular fund to better reflect its investable universe.

Cross held (share class) Investors in this share class have the rights to hold these shares as a second scheme within a fund. To avoid double charging, an annual management charge is typically not levied on these shares. Access to this share class should only be granted if made from an appropriate primary scheme of SPW (ACD) or associated parties of SPW.

Cyclicals Companies whose performance moves in line with the general health of the economy. Share prices are strong when growth is good but suffer severely during a recession. Examples are automobiles, construction, and manufacturing companies. These include aerospace and aerospace industries, building supplies, industrial-building products, business equipment, chemicals, machinery (both light and industrial), metals fabrication (iron, steel, coal, and rare metals), paper and packaging, and photo equipment.

Economies of Scale An economic principle stating that as the volume of production increases, the cost of producing each incremental unit decreases. As applied to the fund business, the implication is that as the assets in a fund increase, the percentage cost of managing and/or servicing those assets decreases.

Fettered funds A term usually used in relation to a fund of funds. It means the fund of funds is restricted to investing only in the internal funds run by the same fund management group. The opposite is an unfettered fund of funds.



Financial Conduct Authority (FCA) The FCA regulates authorised investment funds. The FCA is the UK regulator of Financial Services and requires firms to adhere to strict rules, principles and guidance.

Fixed Income Securities such as bonds on which the holder typically receives a predetermined interest pattern on the face value. However, the term is also used for debt securities even when there is no regular interest and when interest varies.

Fund of Funds A fund that invests the money raised from investors in a range of funds.

Fund Management Investment and administration of a quantity of money on behalf of the fund's owners.

Growth (Strategy) Refers to an investment strategy that selects shares with a record of past growth and the potential for future increases in capital value. Usually, that means companies with high growth in earnings or expected earnings, and hence the potential for big increases in their share price. If the company fails to deliver growth however, the price can fall dramatically.

Income Shares A share class that pays out its income (derived from dividends or interest of the underlying securities).

Index Fund A fund whose objective is to match the total investment performance of a publicly recognised securities market index. A fund designated as 'pure index' is passively managed and invests a majority of its assets in virtually all the securities of the targeted index, rebalancing regularly to mimic the proportions of the index. The performance of such a fund is likely to track its index very closely.

Investment Association (IA) The Investment Association is the trade body that represents UK Investment managers. The IA maintains a classification scheme, IA sectors, that groups funds based on their investment objective.

LBG Advised Investors in this share class have the right to hold shares as part of a product managed by LBG but advised by SPW (Advice Company). This share class type should be reserved exclusively for the use of clients accessing shares via a commercial arrangement with SPW (Advice Company). The AMC is set at a suitable discount to the retail class to ensure the shares are commercially competitive and with consideration of other costs investors may bear in accessing this class.

Legacy Clients A legacy client is an SPW (ACD) client who purchased the fund either directly or via an advice event but who no longer has an ongoing relationship with the company that advised them. Legacy clients may include those advised by SPW (Advice Company), Lloyds Wealth or Scottish Widows. These clients typically hold the funds directly in their own name or via a separate nominee.

Mean The arithmetic average of a group of numbers.

Median A value in an ordered set of values (sorted from largest to smallest) below and above which there is an equal number of values; or a value that is the arithmetic mean of the two middle values if there is no one middle number.

Multi-Asset A combination of asset classes (such as cash, equity and/or bonds) used as an investment. A multi-asset class investment contains more than one asset class, thus creating a group or portfolio of assets.

Multi-Manager A multi-manager arrangement is one in which there are a number of different sub-managers each responsible for a particular element within the fund.. A portfolio's assets are divided into sub-portfolios, which are managed separately by the individual sub-managers.

Net Asset Value (NAV) The fund's per-share value as calculated by the sum of underlying investment assets, after deducting all liabilities and accrued unpaid charges, divided by the number of shares outstanding.

Investment Objective The set goal / target for the fund, usually to aim to beat a benchmark or criteria over a specific time period.

Open-ended investment companies (OEICs) / Investment Company with Variable Capital (ICVC)

An Open Ended Investment Company (OEIC) or Investment Company with Variable Capital (ICVC) is a professionally managed collective investment scheme that pools your money with that of other investors. OEICs and ICVCs issue shares, each time someone invests and the size of the fund will grow or shrink to mirror the buying and selling of shares.

Ongoing Charges Figure (OCF) The OCF is made up of the Annual Management Charge (AMC) and other operating costs. Other operating costs include the costs for other services paid for by the fund, such as the fees paid to the trustee (or depositary), custodian, auditor and regulator.

Open Architecture See Unfettered funds.

Primary Share Class As defined by SPW (ACD), this is the share class that is used for new business, most widely available or holds the most assets.



Rebate When a fund manager wants to offer an investor a more favourable fee than those for any existing share classes of a fund, they may offer a rebate to the investor. This sees the investor pay the full OCF of a share class, but receive a partial refund, the 'rebate', from the fund manager thereby creating an artificially lower OCF.

Redemption A fund redemption is the term for when an investor sells their shares in a fund. The fund manager typically meets the redemption by providing cash from the sale of the corresponding underlying assets.

Relative Return The return an asset achieves over a specified period, when compared to a benchmark. When focused on active portfolio management this can be referred to as Alpha.

Representative Cost ex Transaction Fee An indication of the known recurring costs for the share class as levied by the management group, excluding transaction costs incurred by the fund in trading its holdings. This measure does not include one-off costs, or costs levied by third parties such as investment advisors or platforms. This data is annualised and indicates the fees that would be payable over a year.

Retail Non-SPW Advised Investors in this share class have the right to hold shares without having an advice relationship with SPW (Advice Company). These investors will be direct clients of SPW (ACD) and will not bear the same distribution costs associated with accessing the fund via other methods such as the platform fee. As SPW (ACD) does not actively provide funds for distribution outside of SPW (Advice Company) all retail clients should be clients who have had a previous commercial relationship with SPW (Advice Company) or an associated party who originally distributed the fund. Types of investors in this class include Individuals, 3rd-Party Nominees, Charities, Corporates, Life Companies and Trusts.

Risk-Adjusted Returns A calculation of the profit or potential profit from an investment that takes into account the degree of risk that must be accepted in order to achieve it.

Scheme of Arrangement In relation to a fund, a Scheme of Arrangement is a tax efficient method of moving investors into a different fund without forcing a costly redemption and re-investment. The investor will receive units in the target fund and their units in the existing fund will be cancelled.

Share Classes A fund can have different classes of shares. These classes will vary depending on how they are distributed, the type of end investor they serve and whether they accumulate or distribute any income derived from the underlying holdings. Share classes will typically have different annual management charges and ongoing charges figures, so this can result in different returns between classes.

Similar Peer Group A group of funds, chosen by Morningstar, that have similar characteristics to the SPW fund under review.

SPW Advised (Share Class) Investors in this share class have the right to hold shares as part of a product sold by SPW (Advice Company) or an associated party of SPW (Holdings Company). This share class should be reserved exclusively for the use of clients accessing shares via an advised arrangement with SPW (Advice Company). The Annual Management Charge is set at a suitable discount to the retail class & LBG Advised class to ensure the shares are commercially competitive and with consideration of other costs investors may bear in accessing this class in particular platform costs not incurred by retail and LBG Advised investors.

SPW (Advice Company) Scottish Widows Schroders Personal Wealth Limited, referred to as SPW (Advice Company) in this report, is a wealth advice company that invests primarily in SPW (ACD) funds.

SPW (Holdings Company) Scottish Widows Schroders Wealth Limited, referred to as SPW (Holdings Company) in this report, is the holdings company that owns SPW (ACD) and SPW (Advice Company).

Strategic Asset Allocation (SAA) The longer-term average asset allocation of an investment portfolio across different kinds of assets such as absolute return strategies, bonds, property, equities, and commodities that is designed to meet the aims and objectives of an investor.



Sub-manager Fee Fees paid to any third party (other than the investment manager) that has been selected by the investment manager to manage all or a portion of the assets of the fund.

Synthetic Fee Fees paid to underlying funds in a fund of funds structure (being a structure whereby the fund primarily invests into other investment funds) .

Tactical Asset Allocation (TAA) The short-term actual asset allocation of an investment portfolio across different kinds of assets, which varies from the long-term strategic asset allocation to take advantage of investment opportunities in the marketplace. TAA amendments can be made to an investment portfolio at any time.

Transaction Costs The costs associated with buying and selling assets in the funds. Transaction costs are important because they are one of the key determinants of net returns.

Unfettered funds A term usually used in relation to a fund of funds. It means the fund of funds can invest in both internal and external or third party funds. The opposite is a fettered fund of funds.

Value (strategy) An investment strategy that selects shares that are attractively priced, relative to the earnings or the internal value of the company – or, in some cases, relative to the market. The theory is that the share price of these companies will eventually rise to reflect the true value. Many consider value investing safer than growth investing, since prices of value stocks tend to be less volatile.

Volatility The speed and magnitude of price change over time, measured by standard deviation or variance.

Wrapper / Wrapped fund A wrapper fund consolidates an investors investment portfolio, typically through investing in a combination of collective investment schemes held in specified proportions to achieve a specific investment goal.

Yield The annual rate of return on an investment, as paid in dividends or interest. It is expressed as a percentage, generally obtained by dividing the annual dividend or interest payment into the current market price for a stock or bond.



Schroders

personalwealth

spw.com

Schroders Personal Wealth (ACD) which is a trading name for Scottish Widows Schroder Personal Wealth (ACD) Limited. Registered in England and Wales No. 11722973. Authorised and regulated by the Financial Conduct Authority number 834833. Registered office: 25 Gresham Street, London, EC2V 7HN. Claims may be protected by the Financial Services Compensation Scheme. We are covered by the Financial Ombudsman Service.