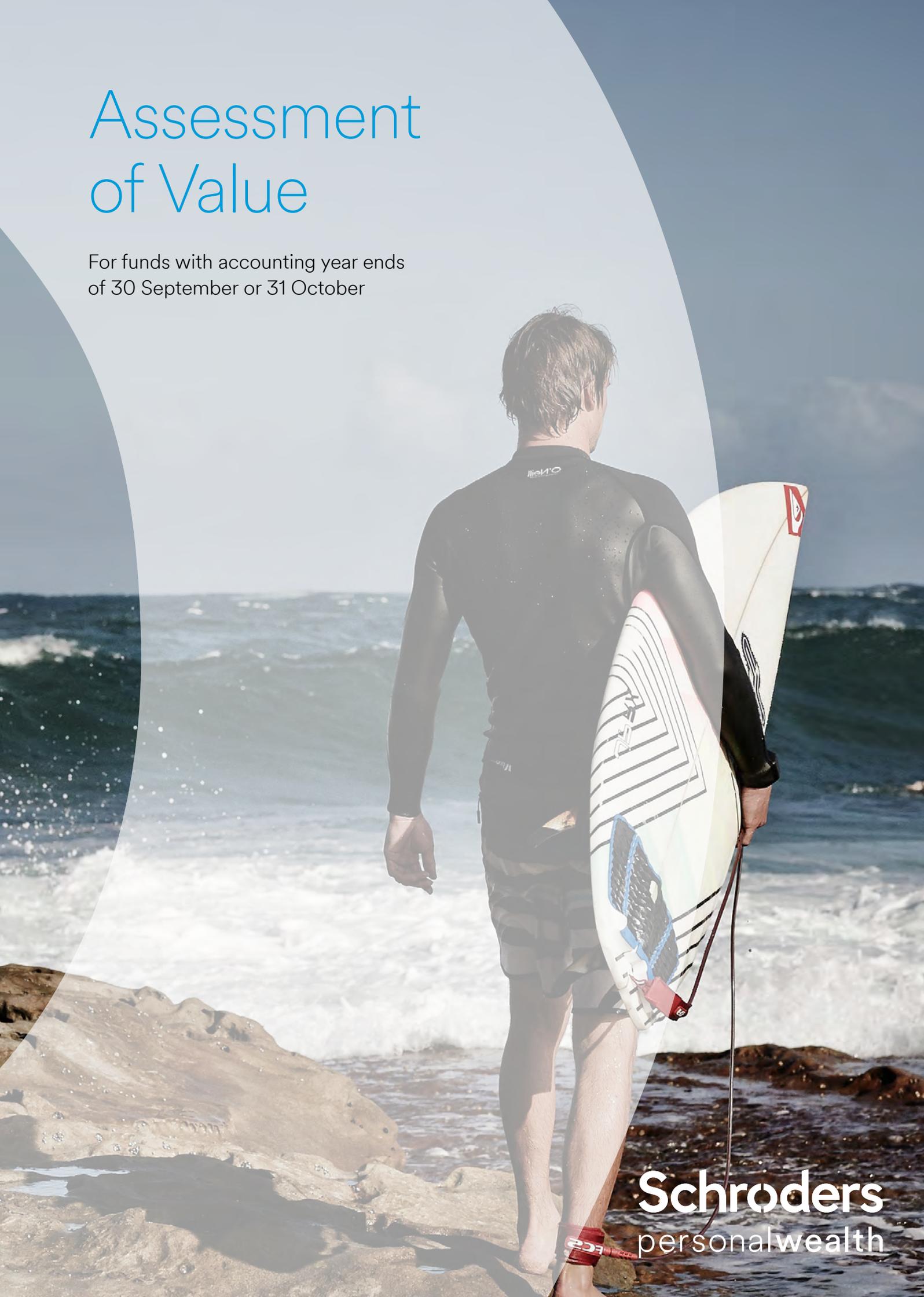


Assessment of Value

For funds with accounting year ends
of 30 September or 31 October



Schroders
personalwealth



Contents

Letter from the Board.....	4
Introduction	5
Solution Fund Summaries	7
Adventurous Solution Fund.....	8
Balanced Solution Fund.....	9
Cautious Solution Fund	10
Defensive Solution Fund	11
Discovery Solution Fund	12
Dynamic Solution Fund	13
Strategic Solution Fund	14
Multi-Manager Fund Summaries	15
Multi-Manager Global Real Estate Securities.....	16
Multi-Manager International Equity	17
Multi-Manager UK Equity Focus	18
Multi-Manager UK Equity Income	19
Multi-Manager UK Equity Growth	20
IPS Fund Summaries	21
IPS Growth Portfolio	22
IPS Income Portfolio	23
IPS Higher Income Portfolio	24
Other	25
Asset Allocator Fund.....	26
Glossary	27

Letter from the Board

Since launching our business last December, our key focus has been our clients. Placing your needs at the heart of everything we do is our priority and we're committed to delivering the results you should expect.

One of the first things we did as a business was to take over responsibility for 16 funds previously managed by Scottish Widows Unit Trust Managers Limited (SWUTM). Since then we've been working with our new investment adviser, Schroder Investment Management Limited (SIM), to look at how we can improve investment performance.

Today we're publishing our first Assessment of Value. This assessment follows new requirements from our regulator, the Financial Conduct Authority (FCA). We welcome this initiative as it's designed to strengthen governance and transparency for you as a client of our funds.

We hope the findings published in this report and future reports will give you confidence in our ability to provide robust oversight and effective management of our funds.

How we approached the assessment: We're keen to demonstrate transparency in everything we do. For a fair and transparent assessment, we asked independent specialists to help us review how our funds fared against the seven criteria set out by the FCA:

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Some of these criteria require us to compare the funds to similar funds managed by other asset managers (known as a peer group). To do this we used fund categories defined by Morningstar, an independent financial research company. We also used Morningstar data for the comparisons.

The data for this report was collected on 30 June 2020. At this point we'd been responsible for day-to-day management of the funds for seven months, but the report assesses value both for this period and further back to when Scottish Widows Unit Trust Managers Limited (SWUTM) provided oversight and management.

What the assessment told us: The assessment showed that, overall, our 16 funds are delivering value but there are areas for improvement.

Across the 112 individual criteria we identified:

- 79 areas where we're delivering value
- 29 areas where improvements were required, and we've already taken action
- 4 areas where we have enhanced oversight.

Performance: On the whole, one, three and five year performance has not been as good as either the benchmark or the peer group. The Board is disappointed in this as it is not where you would expect our funds to be. This meant performance was identified as one area that needs improving across all the funds and we know this subject is really important to you.

Our new investment adviser, Schroder Investment Management Limited (SIM), is one of the leading asset managers in the United Kingdom with a strong client focus to deliver positive outcomes.

Working with them means we can benefit from their extensive analytical resources and the economies of scale that come from being a significant investment manager. It gives us confidence that we can deliver the long-term risk-adjusted returns you expect. And while the last seven months is too short a window to really assess what we're achieving, we hope the appointment of our new investment adviser provides comfort that we're headed in the right direction.

Authorised Fund Manager Costs: The assessment showed that the charges associated with running the funds are appropriate and fair. We'll continue to review charges across all of our fund ranges to ensure they remain competitive and appropriate.

Economies of Scale: The assessment showed that, generally, as assets have increased in our funds, the Ongoing Charges Figure (OCF) has reduced. This is a clear demonstration of how we've passed on any economies of scale to you. The assessment highlighted, however, the Cautious Solution fund, Defensive Solution fund, Discovery Solution fund and the Multi-Manager UK Equity Focus fund as not delivering economies of scale as efficiently as we would have expected.

These funds are now under enhanced oversight and the Board has instructed for a detailed action plan to be presented.

Comparable Market Rates: The assessment showed that our investment charges are broadly in line with the peer group across all 16 funds.

Comparable Services: This does not apply to our fund ranges as they are not available to other clients (for example institutional clients). This means it does not feature in our assessment.

Classes of Shares: We identified that fees for the retail share classes (class A shares) of the Asset Allocator fund, Solutions funds and Multi-Manager funds were not consistent. We have taken remedial action and reduced the Annual Management Charge (AMC) on these share classes.

Quality of Service: We looked at the overall experience we and our suppliers provide to assess whether or not this was in line with what you should expect. The assessment concluded that they do provide value.

We recognise there are always opportunities for improvement and we will continually strive to meet your expectations. For example, in November we are introducing a Client Advisory Board which will enable clients to have regular input on the service we provide. We're committed to improving our services and your feedback is the best way to understand where we could be doing better. We will also be enhancing our digital capabilities to improve the service we provide you.

You can find out more about our conclusions in the body of this report.



Marcus Brookes
Chief Investment Officer

Introduction

The FCA has introduced new rules requiring us to review and analyse our funds annually to ensure each fund provides value to our clients. It has identified seven areas (“criteria”) that we should consider:

1. Performance
2. Authorised Fund Manager Costs
3. Economies of Scale
4. Comparable Market Rates
5. Comparable Services
6. Classes of Shares
7. Quality of Service

It is the responsibility of the ACD Board to apply effective oversight and to challenge the assessments. To ensure this oversight is rigorous and impartial the Board includes independent non-executive directors.

To add further independent analysis and to ensure we took a robust approach to assessing value, we also called on the experience of Broadridge Financial Solutions, an external third party.

How we assessed value based on the FCA’s criteria

Performance

We have compared each fund’s performance against its peers to 30 June 2020. Performance data was sourced from Morningstar and we identified the peer group based on each fund’s asset allocation, objectives and risk profile. All funds within the corresponding Morningstar category were included for comparison.

We also looked at each fund’s current risk profile relative to its investment objective to determine if its absolute performance was in line with what we would expect.

Authorised Fund Manager Costs

We looked at each element of the funds’ costs and the cost of providing the service which make up our Ongoing Charges Figure (OCF).

Economies of Scale

We reviewed the size of each fund relative to its ongoing charges. We then looked at whether our purchasing power – our size and reputation – could have achieved lower costs or a better quality of service for the same cost.

Comparable Market Rates

We looked at the fees we charge our clients for investing in our funds and compared them to the fees for the other funds within the comparison group.

Comparable Services

For each fund we reviewed if we offer alternative funds with a similar mandate within Scottish Widows Schroder Personal Wealth (ACD) Limited. If we did, we asked ourselves if the fees were comparable.

Classes of Shares

We reviewed all share classes within each fund to identify whether any of them were more expensive than other classes similar funds that we manage.

Quality of Service

We looked at the overall client experience. For example, whether the funds have ever breached their investment guidelines, the level of operational errors (if any), and the number of client complaints. We reviewed not only the services provided by us, but also those from external providers including the Depositary, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. For external companies we also considered the level of fees relative to the service provided, whether they have the resources to support our business, and whether they respond to our queries in a timely fashion. We reviewed all key performance indicators that affect our clients to make sure they were in line with expectations.

Summary of results

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

	Solution Funds							Multi-Manager Funds					Investment Portfolio Service Funds (IPS)			Other
	Adventurous	Balanced	Cautious	Defensive	Discovery	Dynamic	Strategic	Global Real Estate	International Equity	UK Equity Focus	UK Equity Growth	UK Equity Income	Growth	Income	Higher Income	Asset Allocator
Performance	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Authorised Fund Manager Costs	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Economies of Scale	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Comparable Market Rates	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Comparable Services	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Classes of Shares	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Quality of Service	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

● Areas delivering value

● Areas where improvement was required and action has been taken

● Areas where enhanced oversight is in place

Solution Funds Summaries





At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments, and taking into account all seven criteria, we believe the fund is delivering value.

Adventurous Solution Fund

Objective:

To provide capital growth through investment in other funds, to provide exposure to a range of different asset classes.

Performance

The Adventurous Solution fund's performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group. This is understandably concerning. This has been due to both the decisions about how the investments were spread across different asset classes, and the performance of the individual funds it has invested in.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The Adventurous Solution fund has demonstrated economies of scale through a reduction in the Ongoing Charges Figure (OCF) in line with an increase in the value of its assets over a five-year period.

Comparable Market Rates

Our assessment found that the fund's Ongoing Charges Figure (OCF) is marginally lower than its peers although the fund is much smaller in size. On the whole, our rates are comparable with the market average and therefore demonstrate value to our clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

We have reviewed the share classes available and as a result reduced the Annual Management Charge (AMC) on the A share class. The A and G share classes are very similar in purpose so, we will consider rationalising them in the future to achieve better outcomes for clients.

Quality of Service

We looked at the overall client experience. We reviewed the fund services provided by the Depository, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.



At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments, and taking into account all seven criteria, we believe the fund is delivering value.

Balanced Solution Fund

Objective:

To provide capital growth through investment in other funds, to provide exposure to a range of different asset classes.

Performance

The Balanced Solution fund's performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group. This is understandably concerning. This has been due to both the decisions about how the investments were spread across different asset classes, and the performance of the individual funds it has invested in.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The Balanced Solution fund has demonstrated economies of scale through a reduction in the Ongoing Charges Figure (OCF) in line with an increase in the value of its assets over a five-year period.

Comparable Market Rates

Our assessment showed that the fund is marginally more expensive than its peer group average. But after reviewing costs associated with the fund, we concluded that overall the fund is providing value to clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

We have reviewed the share classes available and as a result reduced the Annual Management Charge (AMC) on the A share class. The A and G share classes are very similar in purpose so, we will consider rationalising them in the future to achieve better outcomes for clients.

Quality of Service

We looked at the overall client experience. We reviewed the fund services provided by the Depository, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.



At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments taking into account all seven criteria, we conclude that the fund demonstrates value, but enhanced oversight is in place to review the economies of scale.

Cautious Solution Fund

Objective:

To provide an income with the potential for some capital growth through investment in other funds, to provide exposure to a range of different asset classes.

Performance

The Cautious Solution fund's performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group. This is understandably concerning.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The assessment highlighted that the Cautious Solution fund is not delivering economies of scale as efficiently as we would have expected. This fund is now under enhanced oversight and the Board have instructed for a detailed action plan to be presented.

Comparable Market Rates

Our assessment showed that the fund is marginally more expensive than the peer group average. But after reviewing costs associated with the fund, we concluded that overall the fund is providing value to clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

We have reviewed the share classes available and as a result reduced the Annual Management Charge (AMC) on the A share class. The A and G share classes are very similar in purpose so, we will consider rationalising them in the future to achieve better outcomes for clients.

Quality of Service

We looked at the overall client experience. We reviewed the services provided by the Depository, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.



At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments taking into account all seven criteria, we conclude that the fund demonstrates value, but enhanced oversight is in place to review the economies of scale.

Defensive Solution Fund

Objective:

To provide an income with the potential for some capital growth through investment in other funds, to provide exposure to a range of different asset classes.

Performance

The Defensive Solution fund's performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group. This is understandably concerning. This has been due to both the decisions about how the investments were spread across different asset classes, and the performance of the individual funds it has invested in.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The assessment highlighted that the Defensive Solution fund is not delivering economies of scale as efficiently as we would have expected. This fund is now under enhanced oversight and the Board have instructed for a detailed action plan to be presented.

Comparable Market Rates

Our assessment showed that the fund is marginally more expensive than the peer group average. But after reviewing costs associated with the fund, we concluded that overall the fund is providing value to clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

We have reviewed the share classes available and as a result reduced the Annual Management Charge (AMC) on the A share class. The A and G share classes are very similar in purpose so, we will consider rationalising them in the future to achieve better outcomes for clients.

Quality of Service

We looked at the overall client experience. We reviewed the services provided by the Depository, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.



At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments taking into account all seven criteria, we conclude that the fund demonstrates value, but enhanced oversight is in place to review the economies of scale.

Discovery Solution Fund

Objective:

To provide an income with the potential for some capital growth through investment in other funds, to provide exposure to a range of different asset classes.

Performance

The Discovery Solution fund's performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group. This is understandably concerning. This has been due to both the decisions about how the investments were spread across different asset classes, and the performance of the individual funds it has invested in.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The assessment highlighted that the Discovery Solution fund is not delivering economies of scale as efficiently as we would have expected. This fund is now under enhanced oversight and the Board have instructed for a detailed action plan to be presented.

Comparable Market Rates

Our assessment found that the fund's Ongoing Charges Figure (OCF) is marginally lower than the peer group average. Our rates are therefore comparable with the market average and demonstrate value to our clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

We have reviewed the share classes available and as a result reduced the Annual Management Charge (AMC) on the A share class. The A and G share class are very similar in purpose so, we will consider rationalising them in the future to achieve better outcomes for clients.

Quality of Service

We looked at the overall client experience. We reviewed the services provided by the Depositary, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.



At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments taking into account all seven criteria, we conclude that the fund is delivering value.

Dynamic Solution Fund

Objective:

To provide capital growth through investment in other funds, to provide exposure to a range of different asset classes.

Performance

The Dynamic Solution fund's performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group. This is understandably concerning. This has been due to both the decisions about how the investments were spread across different asset classes, and the performance of the individual funds it has invested in.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The Dynamic Solution fund has demonstrated economies of scale through a reduction in the Ongoing Charges Figure (OCF) in line with an increase in the value of its assets over a five-year period.

Comparable Market Rates

Our assessment showed that the fund is marginally more expensive than the peer group average. However, after reviewing costs associated with the fund, we concluded that overall the fund is providing value to clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

We have reviewed the share classes available and as a result reduced the Annual Management Charge (AMC) on the A share class. The A and G share class are very similar in purpose so, we will consider rationalising them in the future to achieve better outcomes for clients.

Quality of Service

We looked at the overall client experience. We reviewed the services provided by the Depositary, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.



At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments taking into account all seven criteria, we conclude that the fund is delivering value.

Strategic Solution Fund

Objective:

To provide capital growth through investment in other funds, to provide exposure to a range of different asset classes.

Performance

The Strategic Solution fund's performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group. This is understandably concerning. This has been due to both the decisions about how the investments were spread across different asset classes, and the performance of the individual funds it has invested in.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The Strategic Solution fund has demonstrated economies of scale through a reduction in the Ongoing Charges Figure (OCF) in line with an increase in the value of its assets over a five-year period.

Comparable Market Rates

Our assessment showed that the fund is marginally more expensive than the peer group average. However, after reviewing costs associated with the fund, we concluded that overall the fund is providing value to clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

We have reviewed the share classes available and as a result reduced the Annual Management Charge (AMC) on the A share class. The A and G share class are very similar in purpose so, we will consider rationalising them in the future to achieve better outcomes for clients.

Quality of Service

We looked at the overall client experience. We reviewed the services provided by the Depositary, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.

Multi-Manager Fund Summaries





At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments taking into account all seven criteria, we conclude that the fund is delivering value.

Multi-Manager Global Real Estate Securities

Objective:

The Fund's aim is to provide a combination of income and capital growth by investing in global property securities.

Performance

The Multi-Manager Global Real Estate Securities fund performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group. This is understandably concerning.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The Multi-Manager Global Real Estate Securities fund has demonstrated economies of scale through a reduction in the Ongoing Charges Figure (OCF) in line with an increase in the value of its assets over a five-year period.

Comparable Market Rates

Our assessment found that the fund's Ongoing Charges Figure (OCF) is marginally lower than the peer group average. Our rates are therefore comparable with the market average and demonstrate value to our clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

We have looked at charges across the share classes in the multi-manager fund range and our assessments concluded that there are no other share classes that serve broadly the same purpose as those that are currently available. However, we have reduced the Annual Management Charge (AMC) for the retail share class (A) and we will consider rationalising the share classes across the range in the future to achieve better outcomes for clients.

Quality of Service

We looked at the overall client experience. We reviewed the services provided by the Depositary, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.



At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments taking into account all seven criteria, we conclude that the fund is delivering value.

Multi-Manager International Equity

Objective:

The Fund's aim is to provide capital growth and some income by investing in global shares.

Performance

The Multi-Manager International Equity fund performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group. This is understandably concerning.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The Multi-Manager International Equity fund has demonstrated economies of scale through a reduction in the Ongoing Charges Figure (OCF) in line with an increase in the value of its assets over a five-year period.

Comparable Market Rates

Our assessment found that the fund's Ongoing Charges Figure (OCF) is marginally lower than the peer group average. Our rates are therefore comparable with the market average and demonstrate value to our clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

We have looked at charges across the share classes in the multi-manager fund range and our assessments concluded there are no other share classes that serve broadly the same purpose as those that are currently available. However, we have reduced the Annual Management Charge (AMC) for the retail share class (A) and we will consider rationalising the share classes across the range in the future to achieve better outcomes for clients.

Quality of Service

We looked at the overall client experience. We reviewed the services provided by the Depositary, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.

Multi-Manager UK Equity Focus

Objective:

The Fund's aim is to provide capital growth and some income by investing in UK shares.

Performance

The Multi-Manager UK Equity Focus fund performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group. This is understandably concerning.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The assessment highlighted that the Multi-Manager UK Equity Focus fund is not delivering economies of scale as efficiently as we would have expected. This fund is now under enhanced oversight and the Board have instructed for a detailed action plan to be presented.

Comparable Market Rates

Our assessment found that the fund's Ongoing Charges Figure (OCF) is marginally lower than the peer group average. Our rates are therefore comparable with the market average and demonstrate value to our clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

We have looked at charges across the share classes in the multi-manager fund range and our assessments concluded there are no other share classes that serve broadly the same purpose as those that are currently available. However, we have reduced the Annual Management Charge (AMC) for the retail share class (A) and we will consider rationalising the share classes across the range in the future to achieve better outcomes for clients.

Quality of Service

We looked at the overall client experience. We reviewed the services provided by the Depositary, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.



At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments taking into account all seven criteria, we conclude that the fund demonstrates value, but enhanced oversight is in place to review the economies of scale.



At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments taking into account all seven criteria, we conclude that the fund is delivering value.

Multi-Manager UK Equity Income

Objective:

The Fund aims to provide an income together with some capital growth by investing in UK shares.

Performance

The Multi-Manager UK Equity Income fund performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group. This is understandably concerning.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The Multi-Manager UK Equity Income fund has demonstrated economies of scale through a reduction in the Ongoing Charges Figure (OCF) in line with an increase in the value of its assets over a five-year period.

Comparable Market Rates

Our assessment found that the fund's Ongoing Charges Figure (OCF) is marginally lower than the peer group average. Our rates are therefore comparable with the market average and demonstrate value to our clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

We have looked at charges across the share classes in the multi-manager fund range and our assessments concluded that there are no other share classes that serve broadly the same purpose as those that are currently available. However, we have reduced the Annual Management Charge (AMC) for the retail share class (A) and we will consider rationalising the share classes across the range in the future to achieve better outcomes for clients.

Quality of Service

We looked at the overall client experience. We reviewed the services provided by the Depositary, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.



At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments taking into account all seven criteria, we conclude that the fund is delivering value.

Multi-Manager UK Equity Growth

Objective:

The Fund's aim is to provide capital growth with some income by investing in UK shares.

Performance

The Multi-Manager UK Equity Growth fund performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group. This is understandably concerning.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The Multi-Manager UK Equity Growth fund has demonstrated economies of scale through a reduction in the Ongoing Charges Figure (OCF) in line with an increase in the value of its assets over a five-year period.

Comparable Market Rates

Our assessment found that the fund's Ongoing Charges Figure (OCF) is marginally lower than the peer group average. Our rates are therefore comparable with the market average and demonstrate value to our clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

We have looked at charges across the share classes in the multi-manager fund range and our assessments concluded that there are no other share classes that serve broadly the same purpose as those that are currently available. However, we have reduced the Annual Management Charge (AMC) for the retail share class (A) and we will consider rationalising the share classes across the range in the future to achieve better outcomes for clients.

Quality of Service

We looked at the overall client experience. We reviewed the services provided by the Depositary, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.

IPS Fund Summaries





At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments taking into account all seven criteria, we conclude that the fund is delivering value.

IPS Growth Portfolio

Objective:

The aim of the Fund is to achieve capital growth by investing indirectly through collective investment schemes and/or directly in a wide range of asset classes.

Performance

The fund is not used as a standalone product, it is used in conjunction with IPS Income or IPS Higher Income in various proportions. The performance has been favourable relative to the average performance of its peers over 1, 3, and 5 year periods. However, due to the nature of this fund, peer-relative assessment is less meaningful.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The IPS Growth portfolio has demonstrated economies of scale through a reduction in the Ongoing Charges Figure (OCF) in line with an increase in the value of its assets over a five-year period.

Comparable Market Rates

Our assessment found that the fund's Ongoing Charges Figure (OCF) is marginally lower than the peer group average. Our rates are comparable with the market average and demonstrate value to our clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

The fund is designed for use as a component within the Schroders Personal Wealth Personal Discretionary Portfolio Service (PDPS) and is not suitable for investment outside of this. There are therefore no other share classes that serve broadly the same purpose as those that are currently available.

Quality of Service

We looked at the overall client experience. We reviewed the services provided by the Depositary, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.



At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments taking into account all seven criteria, we conclude that the fund is delivering value.

IPS Income Portfolio

Objective:

The Fund aims to provide income with some potential for capital growth by investing indirectly through collective investment schemes and/or directly in a wide range of asset classes.

Performance

The fund is not used as a standalone product, it is used in conjunction with IPS Growth in various proportions. Performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group. However, due to the nature of this fund, peer-relative assessment is less meaningful.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The IPS Income portfolio has demonstrated economies of scale through a reduction in the Ongoing Charges Figure (OCF) in line with an increase in the value of its assets over a five-year period.

Comparable Market Rates

Our assessment found that the fund's Ongoing Charges Figure (OCF) is marginally lower than the peer group average. Our rates are therefore comparable with the market average and demonstrate value to our clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

The fund is designed for use as a component within the Schroders Personal Wealth Personal Discretionary Portfolio Service (PDPS) and is not suitable for investment outside of this. There are therefore no other share classes that serve broadly the same purpose as those that are currently available.

Quality of Service

We looked at the overall client experience. We reviewed the services provided by the Depositary, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.



At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments taking into account all seven criteria, we conclude that the fund is delivering value.

IPS Higher Income Portfolio

Objective:

The Fund aims to provide a high level of income by investing indirectly through collective investment schemes and/or directly in a wide range of asset classes.

Performance

The fund is not used as a standalone product, it is used in conjunction with IPS Growth in various proportions. Performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The IPS Higher Income portfolio has demonstrated economies of scale through a reduction in the Ongoing Charges Figure (OCF) in line with an increase in the value of its assets over a five-year period.

Comparable Market Rates

Our assessment found that the fund's Ongoing Charges Figure (OCF) is marginally lower than the peer group average. Our rates are comparable with the market average and demonstrate value to our clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

The fund is designed for use as a component within the Schroders Personal Wealth Personal Discretionary Portfolio Service (PDPS) and is not suitable for investment outside of this. There are therefore no other share classes that serve broadly the same purpose as those that are currently available.

Quality of Service

We looked at the overall client experience. We reviewed the services provided by the Depositary, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.

Other





At a glance

- Areas delivering value
- Areas where improvement was required and action has been taken
- Areas where enhanced oversight is in place

- Performance
- Authorised Fund Manager Costs
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Shares
- Quality of Service

Overall conclusion

Following our assessments taking into account all seven criteria, we conclude that the fund is delivering value.

Asset Allocator Fund

Objective:

The Fund provides a tactical investment strategy. The Fund aims to achieve this by seeking a total return (income and growth) by investing directly or indirectly in a wide range of asset classes and geographic regions (including emerging markets). The Fund's exposure can vary significantly at the fund manager's discretion.

Performance

The Asset Allocator fund is not used as a standalone product, it is used in conjunction with model portfolios. However, performance over 1, 3 and 5 years is behind the average performance of other funds in its peer group.

The fund performance is not where the Board would like it to be and action has been taken to address performance concerns.

Authorised Fund Manager Costs

We have reviewed the fund's on-going costs and have concluded that the charges associated with running the fund are appropriate and fair.

Economies of Scale

The Asset Allocator fund has demonstrated economies of scale through a reduction in the Ongoing Charges Figure (OCF) in line with an increase in the value of its assets over a five-year period.

Comparable Market Rates

Our assessment found that the fund's Ongoing Charges Figure (OCF) is marginally lower than the peer group average. Our rates are therefore comparable with the market average and demonstrate value to our clients. We will continue to monitor costs on an on-going basis.

Comparable Services

This fund is not available in any other form to other clients (such as institutional clients) and therefore, this criteria does not apply.

Classes of Shares

As part of our assessments, we have reduced the Annual Management Charge (AMC) for the retail share class (A) and we will consider rationalising the share classes across the range in the future to achieve better outcomes for clients.

Quality of Service

We looked at the overall client experience. We reviewed the services provided by the Depositary, Custodian, Auditor, Investment Adviser, Transfer Agent and Fund Administrator. We reviewed key performance indicators that affect clients and analysed if they were in line with expectations. Our assessment concluded that these services provide value to our clients.

Glossary



Glossary

We are transparent in everything that we do but we recognise that sometimes there are industry terms that still need explaining. We hope this helps.

ACD – (Authorised Corporate Director)

An ACD is a corporate body given powers and duties under FCA regulations to operate an ICVC. The ACD is responsible for the administration and accountancy as well as providing the legal framework around the funds, including compliance. Our ACD is Scottish Widows Schroder Personal Wealth (ACD) Limited.

ACD Board

Our ACD board is responsible for all activities relating to the funds.

Annual Management Charge (AMC)

The annual fee taken by the fund manager for making investment decisions, usually a percentage of the amount invested.

Authorised Fund Manager (AFM)

The investment management company that provides research and analysis in purchasing portfolio securities on behalf of the fund.

Benchmark

A standard, (usually an index or a market average) that an investment fund's performance is measured against. The benchmark must be disclosed in the fund prospectus.

Classes of Shares

A fund can have different classes of shares. These classes will vary by how they are distributed and whether they are accumulation or income in nature. Share classes will typically have different annual management charges and ongoing charges figures.

Economies of Scale

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

Financial Conduct Authority (FCA)

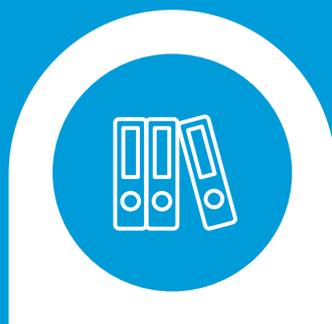
The FCA regulates authorised investment funds. The FCA is the UK regulator of Financial Services and requires firms to adhere to strict rules, principles and guidance.

ICVC (Investment Company with Variable Capital)

A type of investment fund, structured as a company, that can create shares for new investors and which will buy shares back from an investor if they wish to sell.

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.







If you have any questions on the
assessment please contact your adviser.

Schroders Personal Wealth is a trading name of 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.

SPW00172 (09 /20)

Schroders
personalwealth