

# Assessment of Value 2025



## Letter from the ACD Independent Non-Executive Director and Chair of the ACD Board

**Gemma Godfrey**

**At Scottish Widows Schroder Personal Wealth (ACD) Limited, we are responsible for the day-to-day management of the SPW funds, ensuring that they are managed in line with their objectives, strategy and principles.**

I am pleased to present my first statement of value assessment since becoming the Chair of the ACD (Authorised Corporate Director) in October last year.

As discussed in previous statements, as ACD we are responsible for the day-to-day management of the SPW funds, ensuring that they are managed in accordance with their investment objectives and policies.

An element of this is to assess annually whether our funds represent fair value and to provide a report on this to our customers. Our assessment considers key matters across six criteria relating to our funds.

We have reviewed our funds as at the 30 June 2025, and this report aims to enable you to understand whether they are meeting their objectives and providing fair value. Where we have identified issues relevant to the value provided by our funds, these are set out together with an explanation of the action we have taken or intend to take in the future.

Since the 2024 report, as my colleague Alan Goodman, Chief Investment Officer (CIO), discusses later, the ACD completed an extensive programme of work designed to enhance the long-term investment outcomes delivered to customers. I was impressed with how this programme was delivered by the ACD management and I would like to thank Dominic Sheridan and his team for their openness in dealing with me and the other non-executive directors and for their considerable efforts in ensuring the timely and efficient delivery of the programme of change.

The scale of the changes and enhancements can create issues of continuity in our reporting. In this report we have been careful therefore to distinguish between historic or backward-looking analysis such as historic investment performance and forward-looking statements around expectations for future outcomes.

Whilst discussing the investment management process I am pleased to note strong and collaborative relationship between the ACD and our preferred investment manager, Schroder Investment Management Limited (SIML). I believe that better leveraging SIML's scale, experience and expertise will enhance the value provided by our funds in the future.

I hope that you find this report interesting and informative. Where relevant, you should discuss any questions that you have with your SPW (or other) financial adviser. We would all like to thank you for your continued investment in our funds. We remain committed to ensuring that our funds deliver good outcomes to you.

A handwritten signature in black ink that reads 'Gemma Godfrey'.

**Gemma Godfrey**

October 2025

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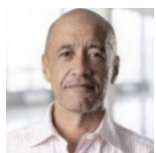
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## SPW (ACD) Board of Directors

The Scottish Widows Schroder Personal Wealth (ACD) Limited 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 customers, ensuring the assessment of our funds is clear, fair and not misleading.

### Executive Directors



#### **Dominic Sheridan, Chief Executive of SPW (ACD)**

Dominic joined SPW in 2023 from Omnis Investments Ltd, where he was the Chief Executive Officer. Dominic has over 25 years' wealth and investment industry experience and extensive fund governance, portfolio management, investment operations and change management expertise. Prior to his role at Omnis, Dominic held senior roles at PineBridge Investment Management, F&C Asset Management and Royal & Sun Alliance Asset Management.



#### **Alan Goodman, ACD Chief Investment Officer**

Having joined SPW in 2023 as Chief Investment Officer, Alan has over 25 years' experience in the investment industry. Alan was most recently at St James's Place and also has experience as Chief Investment Officer for a corporate pension scheme. Having started his career in equity investing at Invesco, Alan has extensive experience managing all asset classes at other organisations.



#### **Chris Morrison, Head of Fund Services**

Chris runs the non-investment aspects of our range of funds, joining from St. James's Place in July 2024, where he held a similar role. Chris began his career as a trader and portfolio manager at investment banks and hedge funds before spending several years leading large regulatory and operational change programmes across investment firms.



#### **Jenna Nolan, Finance Director**

Jenna became a member of the SPW finance team at its inception, taking on the role of Group Financial Controller. She joined from Lloyds Banking Group, where she was previously Head of Finance for the Wealth business. Bringing two decades of experience in financial services across both retail and investment finance, Jenna holds the CIMA CGMA accounting qualification.

### Independent Non-Executive Directors



#### **Gemma Godfrey**

Gemma has over 20 years' experience in financial services. She began her career with investment roles at GAM Investments and Credo Group, and in 2012 was appointed Head of Investment Strategy at Brooks Macdonald. In 2015 she founded Moola, a UK-regulated digital investment platform to make investing simple and accessible, which was later acquired by a global insurer. She has held a number of Non-Executive Director roles and currently chairs Saga Money. She joined SPW as Chair of the ACD Board in 2024.



#### **Paul Simpson**

Paul has over 30 years' experience of securities, markets and financial services. Initially working in risk management and trading in investment banking, since 2000 Paul has worked in the asset management sector. Joining Old Mutual (now Quilter) in 2006 as a Portfolio Manager, Paul was appointed as Director of Investments at Old Mutual Global Investors and for four years held the role of Chief Executive Officer at Quilter Investors. Paul joined SPW in 2022.



#### **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. Dena also worked as Chief Executive Officer of Barclays Savings, Investments and Wealth Management before joining SPW 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 customers in our funds have an informed view of whether their 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 criteria 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 customers, is not covered in this report. This is because we do not offer any funds or services other than the funds in this report and so SPW has no comparable products.

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 customers invested in the most appropriate share class for their investment needs?



## 4. Economies of Scale

Do we pass on savings to our customers as the 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 customers' expectations on the service we deliver?



You can find more details of each fund on the individual fund pages later in the report. By clicking on the small house icon in the bottom right-hand corner of the page, you can return to the contents page.

Words or terms that may need more explanation are set out in the Glossary from page 46.



# Enhancing Value: Actions taken since last report

## Transition to a single Investment Manager Approach

In August 2024, we changed the way the SPW Multi-Manager funds are managed. Previously SIML delegated the management of a significant proportion of the assets to third party investment management firms, referred to as sub-advisers. Although delegation remains possible, currently all assets are directly managed by SIML.

This means our fund ranges are now simpler and easier to manage, with the ability to have greater conviction in their portfolio positioning. We believe that a single investment firm approach is the most appropriate for delivering the best long term investment outcomes for our customers. As the funds were moved to be managed by SIML, the term 'Multi Manager' has since been removed from their names.

## Fund changes

As part of our process to improve customer outcomes, we have made a number of changes to our fund range over the last year.

- We split the Asset Allocator fund into two different variants (Tactical Fund 1 and Tactical Fund 2) which allows more appropriate tactical positioning for customers in different risk profiles.
- We made significant changes to the previously named Global High Income and Emerging Market Debt Fund; significantly reducing the exposure to emerging market debt to focus more on high yield bonds. As a result, this fund was renamed to the Global High Yield Bond Fund.
- We combined the four non-UK regional equity funds via a scheme of arrangement into the new Global (ex UK) Equity Fund. This provides a better style balanced approach to fund management and a more global approach to stock selection.
- We updated the strategic asset allocation for our Solution multi-asset fund range in October 2024 to better align our strategic asset allocations, reducing a significant portion of the interest rate risk from several funds which we believe will deliver better outcomes for our customers. Similar strategic asset allocation changes for the Portfolio multi-asset fund range were notified to customers in May 2025 and will take place at the beginning of August.

## Fund closures

As a result of the changes to some of the Strategic Asset Allocations used by the ACD and some of our customers, the Global Real Estate and UK Equity Income funds were closed in October 2024. The assets of the funds were distributed to customers.

## Fee simplification

We changed how we charge for the management of our funds to make it easier for customers to understand our charges (the Annual Management Charge) and the other charges paid by the funds. These changes took place in August 2024 in relation to the SPW Managed ICVC and August 2025 for the SPW Investment Fund Company.

## Deepening the relationship with our Investment Advisor

Following the transition to the multi-strategy model we have deepened our relationship with SIML, and have further developed our oversight framework to support the effective oversight of the SIML investment process and the client outcomes it delivers, including improved granularity of performance reporting, deepening the due diligence assessment process, and enhancements to the review meetings process and the review of all Key Performance Indicators to ensure they remain appropriate and informative.

## Moving to a new Transfer Agent

Having moved to a new Transfer Agent in June 2024, we have been pleased with progress over the last year and the improvements to customer understanding, investor support, investor service and communication tools, offering better support and online service.

## More structured Economies of Scale framework

In conjunction with the Leading Investment Offering programme and fee simplification, we have further developed our Economies of Scale framework to share the benefits of growth with our customers. Future details can be found on page 13.



**Alan Goodman**

## Review by the ACD Chief Investment Officer

The year since the last assessment of value has been extremely busy for both the markets and our business as we've made significant changes to our funds to better serve our customers. Alongside making these changes, our priority has been to ensure each fund continues to provide good or improving, valuable outcomes to our customers.

### Market Overview

Global financial markets have yet again experienced a turbulent 12 months driven by persistent inflation, trade wars, and geopolitical tensions. Throughout 2024 and into 2025, markets have shown increased volatility and one where we continue to believe that an active approach to fund management can mitigate unrewarded risks for our clients. These recent economic conditions have resulted in increased volatility for some of our funds, affecting their performance. Where relevant, market impact is discussed in the individual fund assessments later in this document – together with fund-specific action(s).

### Leading Investment Offering - Investment Strategy and Fund Changes

As referenced in the Statement from the Chair, there have been a number of changes to our investment approach and products in 2024 and 2025. This includes:

#### Transition to a Preferred Investment Manager Approach

Between August and October of 2024, the SPW 'Multi-Manager' funds transitioned to a preferred investment manager (multi-strategy) investment approach with our Investment Adviser, Schroder Investment Management Limited (SIML). As one of the world's largest investment managers, SIML is known for its strong capability across asset classes and regions. By directly managing all assets, SIML can better understand and manage different investment strategies and styles, which can be used individually or combined in our funds. Furthermore, direct control of the portfolios facilitates the more efficient implementation of changes to investment strategy, particularly in difficult market conditions. Finally, the fund portfolios now reflect the economic, market and asset views of a single, world leading, investment house.

### Change in Strategic Asset Allocation

The changes to the composite, risk rated benchmarks of the Solution funds in October 2024 followed the review of the ACD's Strategic Asset Allocation Models ('SAA'), which is supported by the expert external consultancy Fundhouse. These models represented the ACD's view of the allocations to assets that aims to achieve the best risk adjusted returns for customers over the long term and are developed for differing levels of investment risk. The new benchmarks reflected increased granularity in bond allocations and the amalgamation of the regional equity allocations into a single global (ex-UK) equity allocation.

Similar changes to the composite, risk rated benchmarks of the Portfolio funds were notified to customers in May 2025. These changes have taken place at the beginning of August 2025. For these funds, the UK equity allocation sits partially separately and partially in a global equity allocation.

The SAA is reviewed on an annual basis. The review in May 2025 did not result in changes.

### Change to the Benchmark – SPW Global High Yield Bond Fund

In August 2024, we changed the benchmark of the SPW Global High Yield Bond fund to enable the transition away from Emerging Market Debt to Global High Yield Bonds.

This change reflected our long-term, relative return expectations and our expected volatility (risk) view between the asset classes. We also believe that High Yield Bonds provide better liquidity and improved efficiency of active management (trading ability).

We also recognised that certain types of unexpected risk (not reflected in forward looking estimates of volatility) tend to disproportionately impact Emerging Markets, often with materially negative consequences.



## Review by the ACD Chief Investment Officer

**Alan Goodman**

### **Merger of the SPW Regional Funds**

In October 2024, the assets of four SPW 'regional' equity funds were merged into a single fund investing in equities outside of the UK. This reflected a belief that the most effective approach to global equities, particularly under a single investment firm model, is to invest globally, rather than on a regional basis. The potential benefits of a global model include:

- Improved portfolio volatility management.
- Improved investment coordination and flexibility.
- Better management of potential regional / sector / style bias at a fund level.
- Better focus on stock selection from the global investment universe.
- Improved conviction in the portfolio positioning and access to themes on a global basis.

### **Adoption of a Revised Responsible Investment Policy**

The transition to a single investment manager approach enabled the adoption of a simplified and standardised Responsible Investment Policy across all funds.

### **Split of the SPW Asset Allocator Fund**

In September 2024, the assets of the SPW Asset Allocator Fund were split equally into two new 'tactical' funds.

Tactical Fund 1 is more suited to an investor with a higher weighting to equity markets.

Tactical Fund 2 is more aligned to an investor with a higher fixed income allocation.

These funds are considered only suitable to be held in risk-rated discretionary portfolios offered by the wider SPW group. The change enabled SPW greater precision in discretionary allocations to the new funds. The new SPW funds invest directly in assets rather than through collective investment vehicles.

### **Merger of SPW Dynamic Portfolio with SPW Progressive Portfolio Fund**

In September 2025, through a scheme of arrangement the assets of SPW Dynamic Portfolio have merged with SPW Progressive Portfolio (receiving fund). This consolidation of risk profiles reflects the distribution decision from our sister company Schroder Personal Wealth (SPW Advice company) to no longer deploy capital to the merging fund.

### **Changes to SPW Dynamic Solution Fund**

In October 2025, we changed the name of SPW Dynamic Solution Fund to SPW Progressive Fund to keep consistency in the naming and managing of risk profiles across the ACD business as well as the discretionary management services of the wider Schroders Personal Wealth group.

Whilst I am positive that the changes made will result in better long-term outcomes for customers, we will keep the position, and the investment strategies deployed by our funds, under continuous review.

October 2025

# The Assessment Pillars



## Performance

### Have our funds performed in line with expectations?

As an active fund manager, we consider a fund to provide value when it consistently meets its investment objective, that is typically to outperform its benchmark, over its stated investment time horizon.

The majority of our funds have an investment period or time horizon of 5 to 7 years, which we believe is the minimum holding period to achieve the best results for customers. However, we became the Authorised Corporate Director (ACD) for seven of the funds in this report in December 2019 and have launched all remaining funds between 2019 and present day. Consequently, we are not able to assess the value of performance over the full recommended holding period (5 to 7 years) for all funds. Therefore, conclusions should be viewed in the context of the fund's time horizon which is provided in the fund's performance commentary.

For additional context and transparency, we have included peer group quartile ranking in the fund pages (1st to 4th quartile) where available, although this is not part of our formal performance assessment. The list of peer groups is provided in the appendix.

We have focused our performance assessment since we became the ACD of the funds in December 2019 or since inception of any funds launched more recently. Our approach is to rate a fund Green only if it has outperformed its stated benchmark over the longest period available (since inception or a 5 years if this is available). Performance is shown to the end of June 2025.

SPW (ACD) has delegated investment management to Schroder Investment Management Limited (SIML), which acts as Investment Adviser, providing expert management of the funds. Our independent investment office actively reviews and challenges SIML, maintaining oversight of performance, risk and compliance for the funds. This robust governance and oversight of our funds and third parties is essential to protecting our customers' best interests.

### General Conclusions and Observations

Our review shows that of our 21 funds, we believe one fund provided value under the performance pillar, 11 provided reasonable value, while four funds were deemed not to have provided value in the performance area. Where challenges with performance have been identified, we have already implemented recent actions (please see the individual fund pages for further information) under the LIO programme (see the review by Chief Investment Officer) with the aim of improving performance going forward. However, it is too early to make any definitive conclusions around the impact the actions have had (or will have) on the performance of the relevant funds.

Five funds were launched in 2024, so there is currently insufficient performance history for us to make a meaningful assessment. Performance commentary has been provided for two funds where there is more than one year of performance history.

For all of our funds, we continue to monitor performance throughout the year to make sure they are delivering good outcomes for our customers. We remain committed to making necessary adjustments, enhancing fund strategies, and addressing any issues promptly and as they arise.



## Comparable Market Rates

### How do we assess how our fees compare against those of our competitors?

To assess the competitiveness of our funds' pricing, we compared each fund's ongoing charge figures (OCFs) with those of similar funds managed by other fund managers.

Our selection of third-party funds against which our funds are compared is provided by Morningstar - an independent specialist third-party. The peer groups which are used to compare performance for most of our funds is the starting point, these are then independently narrowed down based on similarities (where applicable) in: domicile, share class, fund size, investment focus, objectives, and style.

By evaluating the charges of our funds relative to similar funds, we aim to ensure that our funds offer reasonable pricing while delivering value to our customers. This approach supports our commitment to transparency and fairness in assessing our overall value proposition.

We consider a fund to offer value against the 'Comparable Market Rates' pillar if its charges are below or close to the median of its peer group.

### General Conclusions and Observations

Our review shows that all of our funds are competitively priced relative to peers. 16 of our 21 funds provided value, and one fund (SPW Global Investment Grade Bond) offered reasonable value.

Four further funds did not have enough relevant peer group data to evidence that the funds offered value on this pillar and therefore we deemed them as only offering reasonable value. This was our four "component funds" that cannot be held on a standalone basis, but only as part of a discretionary portfolios managed by our sister company, Schroders Personal Wealth Limited.

Last year, we completed an action to review the charging structure of all our funds. Following this, we reduced the costs of accessing the underlying investments within Solution funds, which has reduced the OCF of the fund range, we also reduced the Annual Management Charge. As a result of this the two funds identified in our review last year as offering only 'reasonable' value and the one fund not providing value, are now all offering good value.

We will continue to review the charges to ensure they are competitive to peers through our existing governance and periodic reviews.



## Classes of Shares

### **Are customers in the most appropriate share class?**

As an ACD serving a wealth management business, we have different types of shareholders invested in our funds. We deem it appropriate to have separate share classes for each shareholder type where relevant.

For some of our funds, we offer different types of units or classes of shares, each with unique features such as distribution methods, target customers, charges, and income handling (accumulation or distribution). Our ongoing product governance ensures that our customers remain invested in the right share class for their needs. We regularly review and clarify why each customer is invested in a particular share class.

### **General Conclusions, Observations**

All 21 funds provided value for their share classes. Since taking over as ACD in December 2019, we have taken action to make sure that share classes are clear, transparent and appropriate for customers. We believe the funds have a simple, easily understood share class structure and provide equality for customers with the same characteristics.

We effectively offer two share classes across most of our newer funds, one for retail customers (Q class) investing via platforms and one for internal cross-investment (X class). Last year, an in-depth review of our charges was undertaken, which examined both internal costs and those associated with third-party funds held within the portfolios, we have aligned all retail customers with the Q share class where possible and reduced the charges of the X share classes of the Managed funds which are used for cross-holdings. This has made the charging structure more simplistic and transparent.

We believe that the available share classes effectively meet the needs of the diverse types of customers invested in each of the funds, ensuring that each investor is invested in the most suitable share class.



## Economies of Scale

### Do funds enjoy cost savings as they grow?

As a fund grows, the resources needed to run it can also increase, however, these additional costs can grow at a slower pace than revenues, resulting in the potential for economies of scale. This also happens at an overall level where we would expect our total costs to rise less quickly than our total revenues as total Assets Under Management (AUM) grows.

Following enhancements to the fund range last year, the ACD Board have approved a new Economies of Scale framework this year which further develops our Economies of Scale approach. This framework is in place to share the benefits of growth with our customers through the implementation of a tiered annual management charging structure (where the charge is reduced for any assets above the agreed level) where funds satisfy certain triggers in terms of AUM size, growth and margin.

We are also providing economies of scale on our fund of funds ranges through leveraging our scale of AUM, and that of our delegated investment manager Schroder Investment Management Limited (SIML). This allows us to access more cost-effective share classes of third-party funds.

### General Conclusions and Observations

Our review shows that all of our 21 funds delivered value. We have concluded that no individual fund or share classes under the economies of scale framework has reached the relevant AuM threshold during the reporting period, therefore there have been no discounts applied. Four share classes are approaching the thresholds, and this will be monitored closely going forward.

We will review our funds on an ongoing basis and where we are able to achieve Economies of Scale under our framework, we will seek to share any benefits that arise with customers, this will be monitored through our Product governance process.



# Authorised Fund Manager (AFM) Costs

## **Are the costs incurred in running the fund and the charges to customers in relation to those costs reasonable and appropriate?**

We assess the cost to us of providing the service and compare this to what we charge to the customer to ensure that the costs and charges are fair. This ensures that the fund fees and charges remain appropriate and fair for our customers' investment(s) whilst at the same time allowing us to continue to operate as a well-controlled and financially resilient firm, which can withstand shocks and continue to innovate and develop new products and services for our customers.

Key costs incurred in providing the services by SPW ACD as the AFM include:

- Portfolio management: through our delegated Investment Manager, SIML.
- Fund administration: through outsourced providers State Street and SS&C.
- Investment oversight: Maintaining oversight of the funds, monitoring fund managers, defining our investment approach, and applying our investment beliefs to deliver positive customer outcomes.
- Distribution costs.
- Broader corporate costs and capital depreciation/amortisation costs.
- Customer support/communications (for direct customers mainly in our Solutions funds)

## **General Conclusions and Observations**

We concluded that for this pillar we concluded that 17 funds provided value, and four funds provided reasonable value.

There is no further action planned for the four Solutions funds which were rated as only providing reasonable value as after further analysis we deem the charges for these funds to be appropriate.

We have also assessed whether both internal costs and the costs for services provided by delegated third parties are fair to make sure that we continue to deliver cost effective services to customers. Our findings suggest our fund range is appropriately priced based on the costs incurred by the fund including costs allocated by us, the AFM.



## Quality of Service

### Are we meeting expectations on the service that we deliver?

We aim to add value for our customers in three main areas: fund operations, customer experience, and the investment process/resources. To assess whether we have provided value in these areas, we evaluate various factors, including:

- The performance of our key third-party service providers
- The quality of our investment process
- The quality of our investment oversight framework and committee structure
- The quality of our customer communications
- The service our customers receive

### General Conclusions and Observations

We believe that all 21 of our funds delivered good value in terms of service provided and we will continue to review and look for ways to improve the services provided to our clients.

Our SPW (ACD) team aims to ensure that the funds operate efficiently and accurately to provide positive outcomes for our customers. This includes overseeing and challenging activities contracted to third parties, such as the Investment Advisor, Depositary, Custodian, Transfer Agent and Fund Administrator. We monitor whether key aspects have been met for each supplier and believe they are delivering a service that meets our expectations and those of our customers. This supplier oversight is a key area of governance for us to ensure that our customers and the funds receive value and achieve the right outcomes.

Our review of investment oversight demonstrates a robust framework for fund oversight and risk management, and we are pleased that the service provided by our delegated Investment Manager, Schroder Investment Management Limited (SIML), has led to good customer outcomes.

# Summary of results

The assessment is completed at a share class level, results illustrated below are shown for each pillar by fund for simplification

	Performance 2025	Comparable Market Rates 2025	Classes of Shares 2025	Economies of Scale 2025	AFM Costs General 2025	Quality of Service 2025
<b>Managed Funds</b>						
SPW Global (ex UK) Equity Fund						
SPW UK Equity Fund						
SPW Global Corporate Low Duration Bond Fund						
SPW Global Government Low Duration Bond Fund						
SPW Global High Yield Bond Fund						
SPW Global Investment Grade Bond Fund						
SPW Global Sovereign Bond Fund						
<b>Component Funds</b>						
SPW Tactical Fund 1 Fund						
SPW Tactical Fund 2 Fund						
SPW IPS Growth Fund						
SPW IPS Income Fund						
<b>Portfolio Funds</b>						
SPW Cautious Portfolio Fund						
SPW Discovery Portfolio Fund						
SPW Balanced Portfolio Fund						
SPW Progressive Portfolio Fund						
SPW Dynamic Portfolio Fund						
SPW Adventurous Portfolio Fund						
<b>Solution Funds</b>						
SPW Cautious Solution Fund						
SPW Discovery Solution Fund						
SPW Balanced Solution Fund						
SPW Dynamic Solution Fund						

## Pillar assessment key

- Fund provided value.
- Fund provided reasonable value and may merit action.
- Fund does not provide value, action planned/recent action taken.
- Less than 3 years performance history, too early to provide rating but commentary provided (or N/A)
- Less than 12 months performance history, too early to 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.

## Benchmark

The performance comparator of the fund. Where the benchmark is a composite, the full components are listed in the fund's KIID or prospectus.

## Overall Assessment

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

## Performance Data

Here you can find the fund's performance data up to the end of June 2025.

## Pillar Assessment

The assessment of each of the six pillars is summarised here. The colours denote the outcome of each pillar.

## Objective

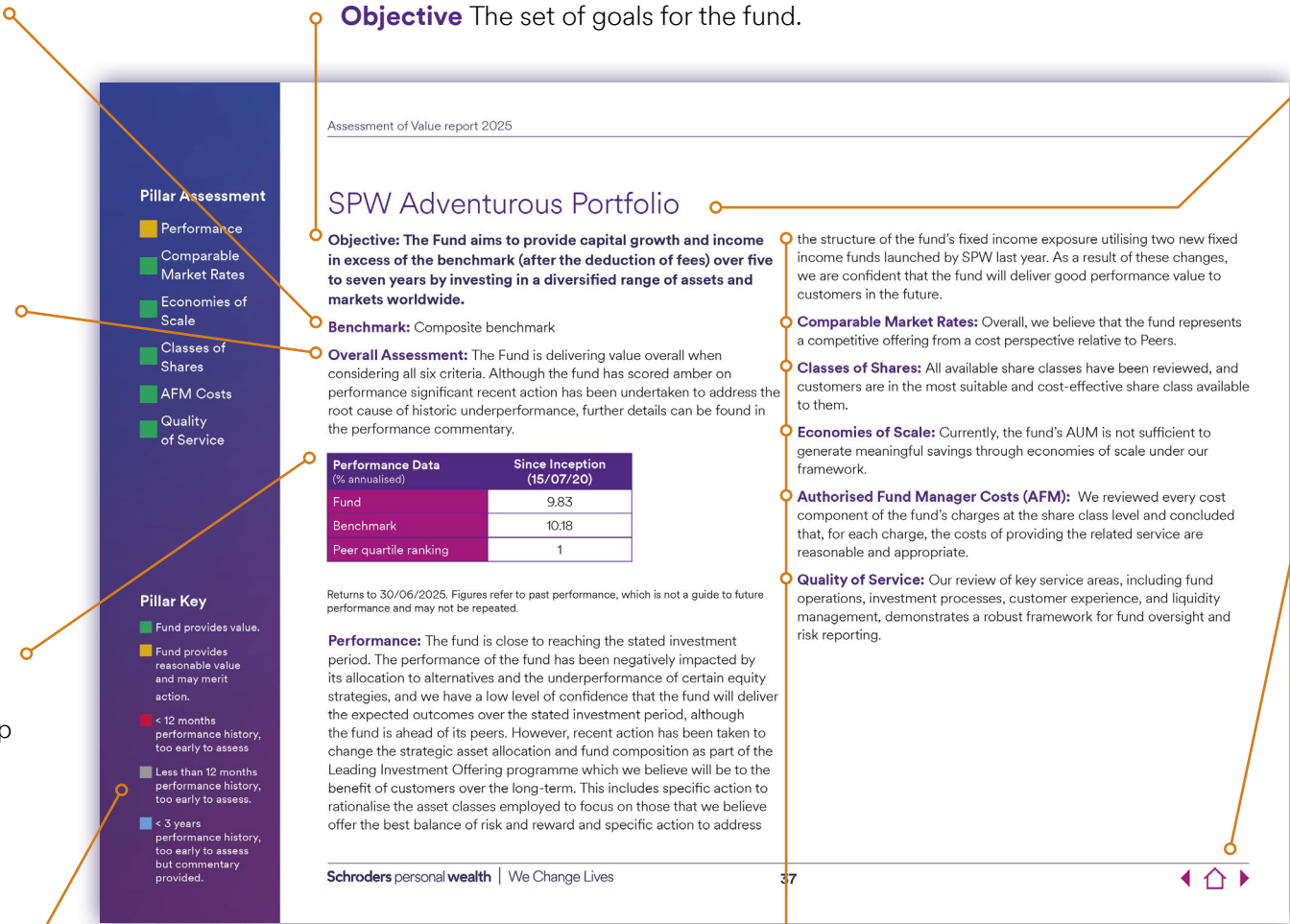
The set of goals for the fund.

## Name of the fund

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

## Navigation

The home icon in the bottom right of each page will redirect you to the contents page. You will also see the direction arrows to take you to the previous, or next page.



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

To access the SPW KIIDs and Factsheets please visit [www.spw.com/what-we-do/spw-funds](http://www.spw.com/what-we-do/spw-funds)

# SPW Managed funds overview






The SPW Managed funds offer a range of single asset class funds, including equity and fixed income. Currently, these funds are not distributed as standalone investments. Instead, SPW (Advice Company) uses them in model portfolios, the SPW Solution funds and SPW Component funds also invest in these funds.

As of October 2024 we changed the way these funds are managed. Previously, the Investment Adviser, SIML, delegated the management of some of the assets to third-party investment management firms, known as sub-advisers. All of the assets are now directly managed by SIML.

## Pillar Assessment

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

## Pillar Key

-  Fund provides value.
-  Fund provides reasonable value and may merit action.
-  < 12 months performance history, too early to assess.
-  Less than 12 months performance history, too early to assess.
-  < 3 years performance history, too early to assess but commentary provided.

# SPW Global Ex-UK Equity Fund

**Objective:** The Fund aims to provide capital growth and income over five to seven years in excess of the MSCI ACWI ex UK GBP (Total Return) Index (after fees have been deducted) by investing in the equities of companies worldwide (with the exception of the United Kingdom).

**Benchmark:** MSCI ACWI ex UK GBP (Total Return) Index

**Overall Assessment:** The fund has been recently launched, and it is too early to assess performance, however based on the product design and assessment of remaining criteria, the fund is delivering value overall and charges are justified with no action identified.

**Performance:** The Fund launched in October last year as a result of a scheme of arrangement between four regional equities funds, and therefore it is too early to assess the performance history. The historic performance of those regional funds can be seen in the 'Funds closed since our last AoV report' section of this report on page 43. The Fund utilises nine investment strategies of SIML to better manage the risk of style and regional bias. The fund is performing in line with expectations, and we have a reasonable degree of confidence that it will deliver good performance value to customers in the future.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.

**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.






**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

## Pillar Assessment

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

## Pillar Key

-  Fund provides value.
-  Fund provides reasonable value and may merit action.
-  < 12 months performance history, too early to assess.
-  Less than 12 months performance history, too early to assess.
-  < 3 years performance history, too early to assess but commentary provided.

# SPW UK Equity Fund

**Objective:** 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.

**Benchmark:** MSCI UK Investable Market Index

**Overall Assessment:** The fund is delivering value overall when considering all six criteria and the charges are justified with no further action identified.

Performance Data (% annualised)	5 Years
Fund	11.27
Benchmark	11.17
Peer quartile ranking	1

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

**Performance:** The fund has reached the minimum stated investment period of 5 years since the inception of SPW (ACD), and over that time has met the expected outcome as stated in the investment objective by delivering performance ahead of benchmark. The fund also remains ahead of its peers. The performance of the fund had been negatively impacted by its allocation to mid-sized companies and a value-style bias. However, recent action taken to transition from multi-manager to multi-strategy using the underlying investment managers of SIML has resulted in a more neutral style balance, and as a result of these changes, the fund is delivering good performance value to customers.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.






**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.






**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

## Pillar Assessment

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

## Pillar Key

-  Fund provides value.
-  Fund provides reasonable value and may merit action.
-  < 12 months performance history, too early to assess.
-  Less than 12 months performance history, too early to assess.
-  < 3 years performance history, too early to assess but commentary provided.

# SPW Global Corporate Low Duration Bond Fund

**Objective:** The Fund aims to provide income and capital growth in excess of the Bloomberg Global Aggregate Corporate 1-5 Year (Total Return) GBP Hedged index (after fees have been deducted) over five to seven years by investing in a range of bonds issued by companies and governments worldwide.

**Benchmark:** Bloomberg Global Aggregate Corporate 1-5 Year (Total Return) GBP Hedged Index

**Overall Assessment:** It is too early to make a performance assessment for the fund given it was launched within the last three years, the fund is delivering value overall when considering all remaining criteria and the charges are justified with no further action identified.

Performance Data (% annualised)	Since Inception (31/01/24)
Fund	5.78
Benchmark	6.09
Peer quartile ranking	1

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

**Performance:** The fund has not reached the minimum stated investment period given it launched in January last year and there is an insufficient period of fund performance history based on which the ACD can make a meaningful and appropriate assessment. At this point, the fund is underperforming its benchmark, however, we remain confident that the fund will deliver good performance value to customers over time.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.

**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.

**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

## Pillar Assessment

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

## Pillar Key

- Fund provides value.
- Fund provides reasonable value and may merit action.
- < 12 months performance history, too early to assess.
- Less than 12 months performance history, too early to assess.
- < 3 years performance history, too early to assess but commentary provided.

# SPW Global Government Low Duration Bond Fund

**Objective:** The Fund aims to provide income and capital growth in excess of the Bloomberg Global Aggregate Government 1-5 Year (Total Return) GBP Hedged index (after fees have been deducted) over five to seven years by investing in a range of bonds issued by governments worldwide.

**Benchmark:** Bloomberg Global Aggregate Government 1-5 Year (Total Return) GBP Hedged Index

**Overall Assessment:** It is too early to make a performance assessment for the fund given it was launched within the last three years, the fund is delivering value overall when considering all remaining criteria and the charges are justified with no further action identified.

Performance Data (% annualised)	Since Inception (22/05/24)
Fund	5.33
Benchmark	5.95
Peer quartile ranking	2

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

**Performance:** The fund has not reached the minimum stated investment period given it launched in May last year and there is an insufficient period of fund performance history based on which the ACD can make a meaningful and appropriate assessment. At this point, the fund is underperforming its benchmark, however, we remain confident that the fund will deliver good performance value to customers over time.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.

**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.

**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

## Pillar Assessment

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

## Pillar Key

- Fund provides value.
- Fund provides reasonable value and may merit action.
- < 12 months performance history, too early to assess.
- Less than 12 months performance history, too early to assess.
- < 3 years performance history, too early to assess but commentary provided.

## SPW High Yield Bond Fund

**Objective:** The fund aims to provide income and capital growth in excess of the Bloomberg Global High Yield 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 governments and companies worldwide.

**Benchmark:** Bloomberg Global High Yield Corporate (Total Return) Value GBP Hedged Index

**Overall Assessment:** The Fund is delivering value overall when considering all six criteria. Although the fund has scored amber on performance significant recent action has been undertaken to address the root cause of historic underperformance, further details can be found in the performance commentary.

Performance Data (% annualised)	Since Inception (26/02/21)
Fund	1.12
Benchmark	1.84
Peer quartile ranking	4

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated. \*Prior to 30/08/2024, the custom benchmark was 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:** The fund is close to reaching the stated investment period. The performance of the fund has been particularly negatively impacted by market volatility caused by geo-political events such as the war in Ukraine and bursting of the Chinese real estate bubble. However, recent action has been taken to transition from multi-manager to a single manager using the in-house investment expertise of SIML and a focus on high yield bonds which we believe will result in a better results than

the previous hybrid strategy of high yield bonds and emerging market debt (this fund was previously named SPW Multi-Manager Global High Income & Emerging Markets Bond Fund). Despite recent setbacks, we have a reasonable degree of confidence that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.

**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.

**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service and the fund's profitability margin are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

## Pillar Assessment

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

## Pillar Key

- Fund provides value.
- Fund provides reasonable value and may merit action.
- < 12 months performance history, too early to assess.
- Less than 12 months performance history, too early to assess.
- < 3 years performance history, too early to assess but commentary provided.

## SPW 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.

**Benchmark:** Bloomberg Global Aggregate Corporate Index

**Overall Assessment:** The Fund is delivering value overall when considering all six criteria. Although the fund has scored amber on performance significant recent action has been undertaken to address the root cause of historic underperformance, further details can be found in the performance commentary.

Performance Data (% annualised)	Since Inception (26/02/21)
Fund	-0.37
Benchmark	-0.13
Peer quartile ranking	3

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

**Performance:** The fund is close to reaching the stated investment period. The performance of the fund has been negatively impacted by market volatility caused by geo-political events such as the war in Ukraine, and subsequent economic challenges. However, recent action has been taken to transition from multi-manager to a single manager using the investment expertise of SIML which we believe will result in a more focussed and transparent strategy. As a result of these changes, we have a good degree of confidence that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers, given the amber rating we will closely monitor this and take action if necessary.

**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.

**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

## Pillar Assessment

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

## Pillar Key

- Fund provides value.
- Fund provides reasonable value and may merit action.
- < 12 months performance history, too early to assess.
- Less than 12 months performance history, too early to assess.
- < 3 years performance history, too early to assess but commentary provided.

# SPW 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.

**Benchmark:** Bloomberg Global Aggregate Treasury Index

**Overall Assessment:** The Fund is delivering value overall when considering all six criteria. Although the fund has scored amber on performance significant recent action has been undertaken to address the root cause of historic underperformance, further details can be found in the performance commentary.

Performance Data (% annualised)	Since Inception (26/02/21)
Fund	-0.73
Benchmark	-0.30
Peer quartile ranking	2

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

**Performance:** The fund is close to reaching the stated investment period. The performance of the fund has been negatively impacted by market volatility caused by geo-political events such as the war in Ukraine, and subsequent economic challenges. However, recent action has been taken to transition from multi-manager to a single manager using the investment expertise of SIML which we believe will result in a more focussed and transparent strategy. As a result of these changes, we have a good degree of confidence that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.

**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.

**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

# SPW Component funds overview

Four of our funds, SPW IPS Growth, SPW IPS Income, SPW Tactical 1 and SPW Tactical 2 are specifically designed to be used as component funds in conjunction with other funds in various proportions to create model portfolios aligned to different risk profiles.

The Component funds are not designed to be standalone funds and are not distributed as such.

Each component fund has an internal strategic asset allocation (SAA) but no benchmark, so we have conducted our assessment using the fund's Strategic Asset Allocation.

## Pillar Assessment

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

## Pillar Key

- Fund provides value.
- Fund provides reasonable value and may merit action.
- < 12 months performance history, too early to assess.
- Less than 12 months performance history, too early to assess.
- < 3 years performance history, too early to assess but commentary provided.

# 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.**

**Overall Assessment:** The Fund is delivering value overall when considering all six criteria. Although the fund has scored amber on performance significant recent action has been undertaken to address the root cause of historic underperformance, further details can be found in the performance commentary.

Performance Data (% annualised)	5 Years
Fund	9.33
Benchmark*	9.71
Peer quartile ranking	n/a

\*The fund does not have a benchmark and so the strategic asset allocation is used for comparison purposes. Returns to 30/06/2025. 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 and so the Strategic Asset Allocation is used for comparison purposes. The fund is specifically designed to be used as a component fund in conjunction with other funds in various proportions to create model portfolios aligned to different risk profiles. The fund has reached the minimum stated investment period of 5 years since the inception of SPW (ACD). At this point, the fund has not met the expected outcome as stated in the investment objective. The performance of the fund has been negatively impacted by its allocation to alternatives and the underperformance of certain equity strategies. However, recent action has been taken to change the strategic asset allocation and fund composition as part of the Leading Investment Offering programme

which we believe will be to the benefit of customers over the long term. This includes specific action to rationalise the asset classes employed to focus on those that we believe offer the best balance of risk and reward and a more neutral style balance. As a result of these changes, we are confident that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Given the nature of how the fund operates there were not enough suitable peers to provide sufficient evidence to demonstrate that the fund offers value for this pillar. Therefore, we have determined that the fund offers reasonable value, noting this is a “component” fund that is not to be held on a standalone basis, but only as part of a discretionary portfolio managed by our sister company, Schroders Personal Wealth Limited (SPW Advice company).





**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund’s AUM is not sufficient to generate meaningful savings through economies of scale under our framework.






**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund’s charges at the share class level and concluded that, for each charge, the costs of providing the related service are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

## Pillar Assessment

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

## Pillar Key

-  Fund provides value.
-  Fund provides reasonable value and may merit action.
-  < 12 months performance history, too early to assess.
-  Less than 12 months performance history, too early to assess.
-  < 3 years performance history, too early to assess but commentary provided.

# 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.**

**Overall Assessment:** The Fund is delivering value overall when considering all six criteria. Although the fund has scored amber on performance significant recent action has been undertaken to address the root cause of historic underperformance, further details can be found in the performance commentary.

Performance Data (% annualised)	5 Years
Fund	1.44
Benchmark*	1.57
Peer quartile ranking	n/a

\*The fund does not have a benchmark and so the strategic asset allocation is used for comparison purposes. Returns to 30/06/2025. 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 and so the Strategic Asset Allocation is used for comparison purposes. The fund is specifically designed to be used as a component fund in conjunction with other funds in various proportions to create model portfolios aligned to different risk profiles. The fund has reached the minimum stated investment period of 5 years since the inception of SPW (ACD). At this point, the fund has not met the expected outcome as stated in the investment objective. The performance of the fund has been negatively impacted by rising interest rates and the underperformance of certain equity strategies. However, recent action has been taken to change the strategic asset allocation and fund composition as part of the Leading Investment Offering programme which we believe will be to the

benefit of customers over the long-term. This includes specific action to address the structure of the fund's fixed income exposure utilising two new fixed income funds launched by SPW last year. As a result of these changes, we are confident that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Given the nature of how the fund operates there were not enough suitable peers to provide sufficient evidence to demonstrate that the fund offers value for this pillar. Therefore, we have determined that the fund offers reasonable value, noting this is a "component" fund that is not to be held on a standalone basis, but only as part of a discretionary portfolio managed by our sister company, Schroders Personal Wealth Limited (SPW Advice company).




**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.






**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

## Pillar Assessment

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

## Pillar Key

-  Fund provides value.
-  Fund provides reasonable value and may merit action.
-  < 12 months performance history, too early to assess.
-  Less than 12 months performance history, too early to assess.
-  < 3 years performance history, too early to assess but commentary provided.

# Tactical Fund 1

**Objective:** The fund aims to provide capital growth and some income over a period of five to seven years by investing in a diversified range of assets and markets worldwide.

**Overall Assessment:** The fund was recently launched, and it is too early to assess performance, however, based on the product design and assessment of remaining criteria, the fund is delivering value overall and charges are justified with no action identified.

**Performance:** The fund has less than 12 months performance history as it was launched in September 2024, therefore it is too early to assess performance. We do not quote a benchmark or performance target for the fund and so the Strategic Asset Allocation is used for comparison purposes. The fund is specifically designed to be used as a component fund in conjunction with other funds in various proportions to create model portfolios aligned to different risk profiles.

**Comparable Market Rates:** Given the nature of how the fund operates there were not enough suitable peers to provide sufficient evidence to demonstrate that the fund offers value for this pillar. Therefore, we have determined that the fund offers reasonable value, noting this is a “component” fund that is not to be held on a standalone basis, but only as part of a discretionary portfolio managed by our sister company, Schroders Personal Wealth Limited (SPW Advice company).





**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund’s AUM is not sufficient to generate meaningful savings through economies of scale under our framework.






**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund’s charges at the share class level and concluded that, for each charge, the costs of providing the related service and reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

## Pillar Assessment

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

## Pillar Key

-  Fund provides value.
-  Fund provides reasonable value and may merit action.
-  < 12 months performance history, too early to assess.
-  Less than 12 months performance history, too early to assess.
-  < 3 years performance history, too early to assess but commentary provided.

# Tactical Fund 2

**Objective:** The fund aims to provide capital growth and some income over a period of five to seven years by investing in a diversified range of assets and markets worldwide.

**Overall Assessment:** The fund was recently launched, and it is too early to assess performance, however, based on the product design and assessment of remaining criteria, the fund is delivering value overall and charges are justified with no action identified.

**Performance:** The fund has less than 12 months performance history as it was launched in September 2024, therefore it is too early to assess performance. We do not quote a benchmark or performance target for the fund and so the Strategic Asset Allocation is used for comparison purposes. The fund is specifically designed to be used as a component fund in conjunction with other funds in various proportions to create model portfolios aligned to different risk profiles.

**Comparable Market Rates:** Given the nature of how the fund operates there were not enough suitable peers to provide sufficient evidence to demonstrate that the fund offers value for this pillar. Therefore, we have determined that the fund offers reasonable value, noting this is a “component” fund that is not to be held on a standalone basis, but only as part of a discretionary portfolio managed by our sister company, Schroders Personal Wealth Limited (SPW Advice company).

**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund’s AUM is not sufficient to generate meaningful savings through economies of scale under our framework.

**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund’s charges at the share class level and concluded that, for each charge, the costs of providing the related service and reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

# Portfolio funds overview

**The Portfolio funds are a multi-asset fund-of-funds range that provides our customers with a low-cost solution for savings and retirement investment.**

The majority of each Portfolio fund's assets is typically invested in funds provided by Schroder Investment Management Limited (SIML), with the remaining invested in SPW Managed Funds and third-party 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). 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 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.

## Pillar Assessment

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

## Pillar Key

- Fund provides value.
- Fund provides reasonable value and may merit action.
- < 12 months performance history, too early to assess.
- Less than 12 months performance history, too early to assess.
- < 3 years performance history, too early to assess but commentary provided.

# SPW Cautious Portfolio

**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.

**Benchmark:** Composite benchmark

**Overall Assessment:** Overall, although there have been challenges in the performance area, we have taken significant recent action to address the root cause of historic underperformance. The fund scored well on all remaining rating criteria, and we have concluded the charges are justified with no further action identified.

Performance Data (% annualised)	Since Inception (15/07/20)
Fund	1.90
Benchmark	2.71
Peer quartile ranking	3

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

**Performance:** The fund is close to reaching the stated investment period. The performance of the fund has been negatively impacted by rising interest rates and the underperformance of certain equity strategies and we have a low level of confidence that the fund will deliver the expected outcomes over the stated investment period. However, recent action has been taken to change the strategic asset allocation and fund composition as part of the Leading Investment Offering programme which we believe will be to the benefit of customers over the long-term. This includes specific action to address the structure of the fund's fixed income exposure utilising two new fixed income funds launched by SPW last year. As a result of these changes, we are confident that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.


**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.






**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

## Pillar Assessment

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

## Pillar Key

-  Fund provides value.
-  Fund provides reasonable value and may merit action.
-  < 12 months performance history, too early to assess.
-  Less than 12 months performance history, too early to assess.
-  < 3 years performance history, too early to assess but commentary provided.

# SPW Discovery Portfolio

**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.

**Benchmark:** Composite benchmark

**Overall Assessment:** Overall, although there have been challenges in the performance area, we have taken significant recent action to address the root cause of historic underperformance. The fund scored well on all remaining rating criteria, and we have concluded the charges are justified with no further action identified.

Performance Data (% annualised)	Since Inception (15/07/20)
Fund	3.25
Benchmark	4.20
Peer quartile ranking	1

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

**Performance:** The fund is close to reaching the stated investment period. The performance of the fund has been negatively impacted by rising interest rates and the underperformance of certain equity strategies and we have a low level of confidence that the fund will deliver the expected outcomes over the stated investment period, although the fund is ahead of its peers. However, recent action has been taken to change the strategic asset allocation and fund composition as part of the Leading Investment Offering programme which we believe will be to the benefit of customers over the long-term. This includes specific action to address the structure of the fund's fixed income exposure utilising two new fixed income funds launched by SPW last year. As a result of these changes,

we are confident that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.

**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.

**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

## Pillar Assessment

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

## Pillar Key

- Fund provides value.
- Fund provides reasonable value and may merit action.
- < 12 months performance history, too early to assess.
- Less than 12 months performance history, too early to assess.
- < 3 years performance history, too early to assess but commentary provided.

## SPW Balanced Portfolio

**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.

**Benchmark:** Composite benchmark

**Overall Assessment:** The Fund is delivering value overall when considering all six criteria. Although the fund has scored amber on performance significant recent action has been undertaken to address the root cause of historic underperformance, further details can be found in the performance commentary.

Performance Data (% annualised)	Since Inception (15/07/20)
Fund	4.92
Benchmark	5.84
Peer quartile ranking	2

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

**Performance:** The fund is close to reaching the stated investment period. The performance of the fund has been negatively impacted by its allocation to alternatives and the underperformance of certain equity strategies, and we have a low level of confidence that the fund will deliver the expected outcomes over the stated investment period, although the fund is ahead of its peers. However, recent action has been taken to change the strategic asset allocation and fund composition as part of the Leading Investment Offering programme which we believe will be to the benefit of customers over the long-term. This includes specific action to rationalise the asset classes employed to focus on those that we believe offer the best balance of risk and reward and specific action to address

the structure of the fund's fixed income exposure utilising two new fixed income funds launched by SPW last year. As a result of these changes, we are confident that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.

**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.

**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

## Pillar Assessment

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

## Pillar Key

- Fund provides value.
- Fund provides reasonable value and may merit action.
- < 12 months performance history, too early to assess.
- Less than 12 months performance history, too early to assess.
- < 3 years performance history, too early to assess but commentary provided.

# SPW Progressive Portfolio

**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.

**Benchmark:** Composite benchmark

**Overall Assessment:** The Fund is delivering value overall when considering all six criteria. Although the fund has scored amber on performance significant recent action has been undertaken to address the root cause of historic underperformance, further details can be found in the performance commentary.

Performance Data (% annualised)	Since Inception (15/07/20)
Fund	7.36
Benchmark	7.95
Peer quartile ranking	1

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

**Performance:** The fund is close to reaching the stated investment period. The performance of the fund has been negatively impacted by its allocation to alternatives and the underperformance of certain equity strategies, and we have a low level of confidence that the fund will deliver the expected outcomes over the stated investment period, although the fund is ahead of its peers. However, recent action has been taken to change the strategic asset allocation and fund composition as part of the Leading Investment Offering programme which we believe will be to the benefit of customers over the long-term. This includes specific action to rationalise the asset classes employed to focus on those that we believe offer the best balance of risk and reward and specific action to address

the structure of the fund's fixed income exposure utilising two new fixed income funds launched by SPW last year. As a result of these changes, we are confident that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.

**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.

**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

## Pillar Assessment

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

## Pillar Key

- Fund provides value.
- Fund provides reasonable value and may merit action.
- < 12 months performance history, too early to assess.
- Less than 12 months performance history, too early to assess.
- < 3 years performance history, too early to assess but commentary provided.

## SPW Dynamic Portfolio\*

**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.

**Benchmark:** Composite benchmark

**Overall Assessment:** The Fund is delivering value overall when considering all six criteria. Although the fund has scored amber on performance significant recent action has been undertaken to address the root cause of historic underperformance, further details can be found in the performance commentary.

Performance Data (% annualised)	Since Inception (15/07/20)
Fund	8.52
Benchmark	8.92
Peer quartile ranking	1

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

**Performance:** The fund is close to reaching the stated investment period. The performance of the fund has been negatively impacted by its allocation to alternatives and the underperformance of certain equity strategies, and we have a low level of confidence that the fund will deliver the expected outcomes over the stated investment period, although the fund is ahead of its peers. However, recent action has been taken to change the strategic asset allocation and fund composition as part of the Leading Investment Offering programme which we believe will be to the benefit of customers over the long-term. This includes specific action to rationalise the asset classes employed to focus on those that we believe offer the best balance of risk and reward and specific action to address

the structure of the fund's fixed income exposure utilising two new fixed income funds launched by SPW last year. As a result of these changes, we are confident that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.

**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.

**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

**\*Note: This fund closed on 12 September 2025**

## Pillar Assessment

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

## Pillar Key

- Fund provides value.
- Fund provides reasonable value and may merit action.
- < 12 months performance history, too early to assess.
- Less than 12 months performance history, too early to assess.
- < 3 years performance history, too early to assess but commentary provided.

## SPW Adventurous Portfolio

**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.

**Benchmark:** Composite benchmark

**Overall Assessment:** The Fund is delivering value overall when considering all six criteria. Although the fund has scored amber on performance significant recent action has been undertaken to address the root cause of historic underperformance, further details can be found in the performance commentary.

Performance Data (% annualised)	Since Inception (15/07/20)
Fund	9.83
Benchmark	10.18
Peer quartile ranking	1

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated.

**Performance:** The fund is close to reaching the stated investment period. The performance of the fund has been negatively impacted by its allocation to alternatives and the underperformance of certain equity strategies, and we have a low level of confidence that the fund will deliver the expected outcomes over the stated investment period, although the fund is ahead of its peers. However, recent action has been taken to change the strategic asset allocation and fund composition as part of the Leading Investment Offering programme which we believe will be to the benefit of customers over the long-term. This includes specific action to rationalise the asset classes employed to focus on those that we believe offer the best balance of risk and reward and specific action to address

the structure of the fund's fixed income exposure utilising two new fixed income funds launched by SPW last year. As a result of these changes, we are confident that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.

**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.

**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service are reasonable and appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting.

# SPW Solution funds overview

**Our Solution funds are multi-asset funds of funds investing in a combination of third-party funds and the SPW Managed funds. We became the ACD of the Solution funds in December 2019.**

While the benchmarks for each fund closely resemble those of our Portfolio funds, the composition of the funds themselves is quite different. The majority of each Solution fund's assets is typically invested in the SPW Managed funds with the remaining invested in SIML Funds and third-party funds, whereas the Portfolio Funds are typically invested in funds provided by SIML.

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. We review the strategic asset allocation of all multi-asset funds every year with the aim of maximising the potential returns for each fund while maintaining the same levels of risk.

## Pillar Assessment

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

## Pillar Key

- Fund provides value.
- Fund provides reasonable value and may merit action.
- < 12 months performance history, too early to assess.
- Less than 12 months performance history, too early to assess.
- < 3 years performance history, too early to assess but commentary provided.

# SPW Cautious Solution

**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.

**Benchmark:** Composite benchmark

**Overall Assessment:** Overall, although there have been challenges in the performance area, we have taken significant recent action to address the root cause of historic underperformance. The fund scored well on most of the remaining rating criteria, and we have concluded the charges are justified with no further action identified.

Performance Data (% annualised)	5 Years
Fund	1.88
Benchmark*	3.03
Peer quartile ranking	4

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated. \*Benchmark available from March 2021, internal SAA used prior to this date.

**Performance:** The fund has reached the minimum stated investment period of 5 years since the inception of SPW (ACD). At this point, the fund has not met the expected outcome as stated in the investment objective. The performance of the fund has been negatively impacted by rising interest rates and the underperformance of certain equity strategies. However, recent action has been taken to change the strategic asset allocation and fund composition as part of the Leading Investment Offering programme which we believe will be to the benefit of customers over the long-term. This includes specific action to address the structure of the fund's fixed income exposure utilising two new fixed income funds

launched by SPW last year. As a result of these changes, we are confident that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.




**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.






**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service provides reasonable value. After conducting further analysis we deem the charges for the funds to be appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting. We received positive feedback from customer surveys and recently enhanced our online service portal to provide better support and functionality.

## Pillar Assessment

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

## Pillar Key

-  Fund provides value.
-  Fund provides reasonable value and may merit action.
-  < 12 months performance history, too early to assess.
-  Less than 12 months performance history, too early to assess.
-  < 3 years performance history, too early to assess but commentary provided.

# SPW Discovery Solution

**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.

**Benchmark:** Composite benchmark

**Overall Assessment:** Overall, although there have been challenges in the performance area, we have taken significant recent action to address the root cause of historic underperformance. The fund scored well on most of the remaining rating criteria, and we have concluded the charges are justified with no further action identified.

Performance Data (% annualised)	5 Years
Fund	1.02
Benchmark*	3.48
Peer quartile ranking	3

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated. \*Benchmark available from March 2021, internal SAA used prior to this date.

**Performance:** The fund has reached the minimum stated investment period of 5 years since the inception of SPW (ACD). At this point, the fund has not met the expected outcome as stated in the investment objective. The performance of the fund has been negatively impacted by rising interest rates and the underperformance of certain equity strategies. However, recent action has been taken to change the strategic asset allocation and fund composition as part of the Leading Investment Offering programme which we believe will be to the benefit of customers over the long-term. This includes specific action to address the structure of the fund's fixed income exposure utilising two new fixed income funds

launched by SPW last year. As a result of these changes, we are confident that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.





**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.






**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service provides reasonable value. After conducting further analysis we deem the charges for the funds to be appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting. We received positive feedback from customer surveys and recently enhanced our online service portal to provide better support and functionality.

## Pillar Assessment

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

## Pillar Key

-  Fund provides value.
-  Fund provides reasonable value and may merit action.
-  < 12 months performance history, too early to assess.
-  Less than 12 months performance history, too early to assess.
-  < 3 years performance history, too early to assess but commentary provided.

# SPW Balanced Solution

**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.

**Benchmark:** Composite benchmark

**Overall Assessment:** The Fund is delivering value overall when considering all six criteria. Although the fund has scored amber on performance significant recent action has been undertaken to address the root cause of historic underperformance, further details can be found in the performance commentary.

Performance Data (% annualised)	5 Years
Fund	4.97
Benchmark*	6.03
Peer quartile ranking	3

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated. \*Benchmark available from March 2021, internal SAA used prior to this date.

**Performance:** The fund has reached the minimum stated investment period of 5 years since the inception of SPW (ACD). At this point, the fund has not met the expected outcome as stated in the investment objective. The performance of the fund has been negatively impacted by its allocation to alternatives and the underperformance of certain equity strategies. However, recent action has been taken to change the strategic asset allocation and fund composition as part of the Leading Investment Offering programme which we believe will be to the benefit of customers over the long-term. This includes specific action to rationalise the asset classes employed to focus on those that we believe offer the best balance

of risk and reward and a more neutral style balance. As a result of these changes, we are confident that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.

**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.

**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service provides reasonable value. After conducting further analysis we deem the charges for the funds to be appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting. We received positive feedback from customer surveys and recently enhanced our online service portal to provide better support and functionality.

## Pillar Assessment

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

## Pillar Key

- Fund provides value.
- Fund provides reasonable value and may merit action.
- < 12 months performance history, too early to assess.
- Less than 12 months performance history, too early to assess.
- < 3 years performance history, too early to assess but commentary provided.

# SPW Dynamic\* Solution

**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.

**Benchmark:** Composite benchmark

**Overall Assessment:** The Fund is delivering value overall when considering all six criteria. Although the fund has scored amber on performance significant recent action has been undertaken to address the root cause of historic underperformance, further details can be found in the performance commentary.

Performance Data (% annualised)	5 Years
Fund	8.15
Benchmark*	8.66
Peer quartile ranking	3

Returns to 30/06/2025. Figures refer to past performance, which is not a guide to future performance and may not be repeated. \*Benchmark available from March 2021, internal SAA used prior to this date.

**Performance:** The fund has reached the minimum stated investment period of 5 years since the inception of SPW (ACD). At this point, the fund has not met the expected outcome as stated in the investment objective. The performance of the fund has been negatively impacted by its allocation to alternatives and the underperformance of certain equity strategies. However, recent action has been taken to change the strategic asset allocation and fund composition as part of the Leading Investment Offering programme which we believe will be to the benefit of customers over the long-term. This includes specific action to rationalise the asset classes employed to focus on those that we believe offer the best balance

of risk and reward and a more neutral style balance. As a result of these changes, we are confident that the fund will deliver good performance value to customers in the future.

**Comparable Market Rates:** Overall, we believe that the fund represents a competitive offering from a cost perspective relative to Peers.

**Classes of Shares:** All available share classes have been reviewed, and customers are in the most suitable and cost-effective share class available to them.

**Economies of Scale:** Currently, the fund's AUM is not sufficient to generate meaningful savings through economies of scale under our framework.

**Authorised Fund Manager Costs (AFM):** We reviewed every cost component of the fund's charges at the share class level and concluded that, for each charge, the costs of providing the related service provides reasonable value. After conducting further analysis we deem the charges for the funds to be appropriate.

**Quality of Service:** Our review of key service areas, including fund operations, investment processes, customer experience, and liquidity management, demonstrates a robust framework for fund oversight and risk reporting. We received positive feedback from customer surveys and recently enhanced our online service portal to provide better support and functionality.

**\*Note:** This fund's name was changed from SPW Dynamic Solution to SPW Progressive Solution on 1st October 2025

# Funds closed since our last AoV report

**In our 2024 Assessment of Value report we signalled that several funds were shortly to be closed. We have included these funds in the next section of this report for transparency, including the performance track record prior to closure.**

# Funds closed since our last AoV report

## Regional Managed Funds

In October 2024, as part of the LIO programme we merged the four below funds to create SPW Global (ex UK) Equity Fund, which allows us to invest globally rather than on a regional basis. It was decided that this would be the most effective approach to accessing equities outside the UK, particularly under the new single investment manager model. Performance figures for the funds at the time of the scheme of arrangement are provided below.

Performance Data (% annualised)	Since Inception (09/07/21)
SPW MM Asia ex-Japan & GI Em Markets Equity Fund	-3.02
Benchmark*	0.52

Performance Data (% annualised)	Since Inception (09/07/21)
SPW MM European ex UK Equity Fund	4.95
Benchmark*	5.38

Performance Data (% annualised)	Since Inception (09/07/21)
SPW MM Japanese Equity Fund	6.80
Benchmark*	5.16

Performance Data (% annualised)	Since Inception (09/07/21)
SPW MM North America Equity Fund	9.14
Benchmark*	10.25

Returns to 30/09/2023

## SPW MM UK Equity Income Fund & SPW MM Global Real Estate Securities Fund

The Funds were created largely for use within SPW's model portfolio service, and we were informed by the manager on the service, Schroders Personal Wealth Limited (SPW Advice company), that it intended to withdraw from the Funds in favour of allocations to other investments. As a result of the redemptions the Funds were too small to operate effectively and were closed in October 2024.

Performance Data (% annualised)	Since Inception (09/12/19)
SPW MM UK Eq Income Fund	7.54
Benchmark*	5.49

Performance Data (% annualised)	Since Inception (09/12/19)
SPW MM GI Real Estate Sec Fund	2.50
Benchmark*	1.17

Returns to 30/09/2023

## SPW Asset Allocator Fund

In September 2024, the assets of the SPW Asset Allocator Fund were split equally into two new 'tactical' funds. The change enabled SPW greater precision in discretionary allocations to the new funds.

Tactical Fund 1 is more suited to an investor with a higher weighting to equity markets. Tactical Fund 2 is more aligned to an investor with a higher fixed income allocation. Performance figures for the fund at the time of close are provided below.

Performance Data (% annualised)	Since Inception (09/12/19)
SPW Asset Allocator Fund	3.25
Benchmark*	3.99

Returns to 30/09/2023. The fund does not have a benchmark and so the internal SAA is used for comparison purposes.

## ACD Peer Group references

**Peer Groups:** Where we have referenced Peer performance on the individual fund pages, the peer group used is provided below.

Fund	Peer Group
SPW Global Ex UK Equity	IA Sector - Global
SPW UK Equity	IA Sector UK All Companies
SPW Global Investment Grade Bond	Morningstar Category Global Corporate Bond - GBP
SPW Global High Yield Bond	Morningstar Category Global High Yield Bond - GBP Hedged
SPW Global Sovereign Bond	Morningstar Category Global Bond - GBP Hedged
SPW Global Corporate Low Duration Bond	Morningstar Category = Global Corporate Bond - GBP Hedged
SPW Global Government Low Duration Bond	Morningstar Category = Global Diversified Bond - GBP Hedged
SPW IPS Growth Portfolio	N/A
SPW IPS Income Portfolio	N/A
SPW Tactical 1	IA Sector Flexible Investments
SPW Tactical 2	IA Sector Flexible Investments
SPW Cautious Solution	Morningstar Category - GBP Allocation 20-40% Equity
SPW Discovery Solution	Morningstar Category - GBP Allocation 20-40% Equity
SPW Balanced Solution	Morningstar Category - GBP Allocation 40-60% Equity
SPW Dynamic Solution	Morningstar Category - GBP Allocation 80%+ Equity
SPW Cautious Portfolio	Morningstar Category - GBP Allocation 20-40% Equity
SPW Discovery Portfolio	Morningstar Category - GBP Allocation 20-40% Equity
SPW Balanced Portfolio	Morningstar Category - GBP Allocation 40-60% Equity
SPW Progressive Portfolio	Morningstar Category - GBP Allocation 60-80% Equity
SPW Dynamic Portfolio	Morningstar Category - GBP Allocation 80%+ Equity
SPW Adventurous Portfolio	Morningstar Category - GBP Allocation 80%+ Equity

# Appendix and 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.

**Authorised Fund Manager (AFM) Costs** The costs that the Authorised fund manager incurs for running 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 borne 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 customers 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 customers.

**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.

**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)** Customers 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.

**Custodian and Depositary** The Custodian and Depositary are financial institutions which play an important role in investor protection and are responsible for the safekeeping of the fund’s assets including operational and compliance aspects of managing investment funds. Their role is to protect the fund’s assets and ensure they are managed in line with regulatory requirements and the fund’s prospectus. Their services help maintain the security and transparency of fund assets, providing confidence to investors and regulatory authorities.

**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.

**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 Administrator** Provide administrative solutions to asset and fund managers. This can include fund accounting, trade settlement and investor communications.

**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) and IA sectors**

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.

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

**Lloyds Banking Group (LBG) Advised** Customers 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 customers 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 customers may bear in accessing this class.

**Legacy Customers** A legacy customer is an SPW (ACD) customer 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 customers may include those advised by SPW (Advice Company), Lloyds Wealth or Scottish Widows. These customers typically hold the funds directly in their own name or via a separate nominee.

**Mean** The arithmetic average of a group of numbers. competitive and with consideration of other costs customers may bear in accessing this class.

**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.

### **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 customers. 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.

**Peer Group / Peers** A selection of funds from competitors that have similar attributes to an SPW fund, allowing for competitor analysis.

**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.

**Peer Quartile ranking** Four equal groups into which

a population of subjects, (e.g. a fund) can be divided according to a particular variable (e.g. performance).

**Redemption** A fund redemption is the term for when a customer 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.

**Retail Non-SPW Advised** Customers in this share class have the right to hold shares without having an advice relationship with SPW (Advice Company). These customers will be direct customers 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 customers should be customers who have had a previous commercial relationship with SPW (Advice Company) or an associated party who originally distributed the fund. Types of customers 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 customers into a different fund without forcing a costly redemption and re-investment. The customer

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 customer 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.

**SPW Advised (Q Share Class)** Customers 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 customers 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 customers may bear in accessing this class in particular platform costs not incurred by retail and LBG Advised customers.

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

**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 a customer.

**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.

**Transfer Agent** A financial intermediary responsible for facilitating the transfer of ownership and record-keeping related to the shares or units of an investment fund. Transfer agents play a vital role in ensuring the smooth functioning of the funds administrative processes.

**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 customers 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.

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