Handelsbanken
Wealth & Asset Management

# Assessment of Value Report 2022

**Published by Handelsbanken ACD Limited, April 2023**


# A What is an assessment of value report?

This report provides an annual assessment of the overall value that the Handelsbanken Wealth & Asset Management funds offer to investors. The industry regulator, the Financial Conduct Authority (FCA) requires all asset managers with UK-domiciled funds to carry out these assessments as part of its objective of strengthening fund governance.

The purpose of this report is to help you to assess the value that each of the funds provides. The level of value that the funds provide is determined by the assessment of seven criteria covering performance, costs and the quality of service. If having read the report you require further help or information, please contact your Handelsbanken Wealth & Asset Management Client Director or your financial adviser. We welcome any feedback or comments you may have on the content of this report so please do contact Handelsbanken Authorised Corporate Director at ACD@Handelsbanken.co.uk

## What is in the report?

This report provides an assessment of whether each of the funds is providing value to investors. The funds have been evaluated against the following seven criteria as defined by the FCA. These are:

1. Quality of service
2. Performance
3. AFM (Authorised Fund Manager) costs
4. Economies of scale
5. Comparable market rates
6. Comparable services
7. Share classes

This report allows us to demonstrate how we deliver value, and also to highlight the areas where we can do more to ensure our investors receive the high level of service and investment performance on which we pride ourselves.

## How to navigate this report

On page 5 you will find a table where we provide our assessment of value for each of the funds by share class.

**Tip:** You can use the links in the table to access more detailed information for each fund and share class, which are on pages 20 -100.

# Report Roadmap


# B How have our funds performed?

### What the ratings mean

This year we have introduced a new 1 to 4 star rating system to summarise the results of our assessment of value (further details of the enhancements to our assessment approach can be found on page 19). This lets you see at a glance if your share class is delivering good value and is supplemented with a detailed assessment of the seven criteria by share class from page 20.

★★★★ Outstanding

★★★☆ Good

★★☆☆ Moderate

★☆☆☆ Poor

⃠ Too new/insufficient data available to appropriately assess

| Fund name | Share class | Overall rating |
|---|---|---|
| Defensive Multi Asset Fund | B Acc | ★★☆☆ |
| | B Inc | ★★☆☆ |
| | C Acc | ★★★☆ |
| | C Inc | ★★★☆ |
| | D Acc | ★★★☆ |
| | D Inc | ★★★☆ |
| | H Acc | ★★★☆ |
| | H Inc | ★★★☆ |
| | I Acc | ★★★☆ |
| | I Inc | ★★★☆ |
| Cautious Multi Asset Fund | B Acc | ★★★☆ |
| | B Inc | ★★★☆ |
| | C Acc | ★★★☆ |
| | C Inc | ★★★☆ |
| | D Acc | ★★★☆ |
| | D Inc | ★★★☆ |
| | H Acc | ★★★☆ |
| | H Inc | ★★★☆ |
| | I Acc | ★★★☆ |
| | I Inc | ★★★☆ |
| Balanced Multi Asset Fund | B Acc | ★★★☆ |
| | B Inc | ★★★☆ |
| | C Acc | ★★★☆ |
| | C Inc | ★★★☆ |
| | D Acc | ★★★☆ |
| | D Inc | ★★★☆ |
| | H Acc | ★★★☆ |
| | H Inc | ★★★☆ |
| | I Acc | ★★★☆ |
| | I Inc | ★★★☆ |

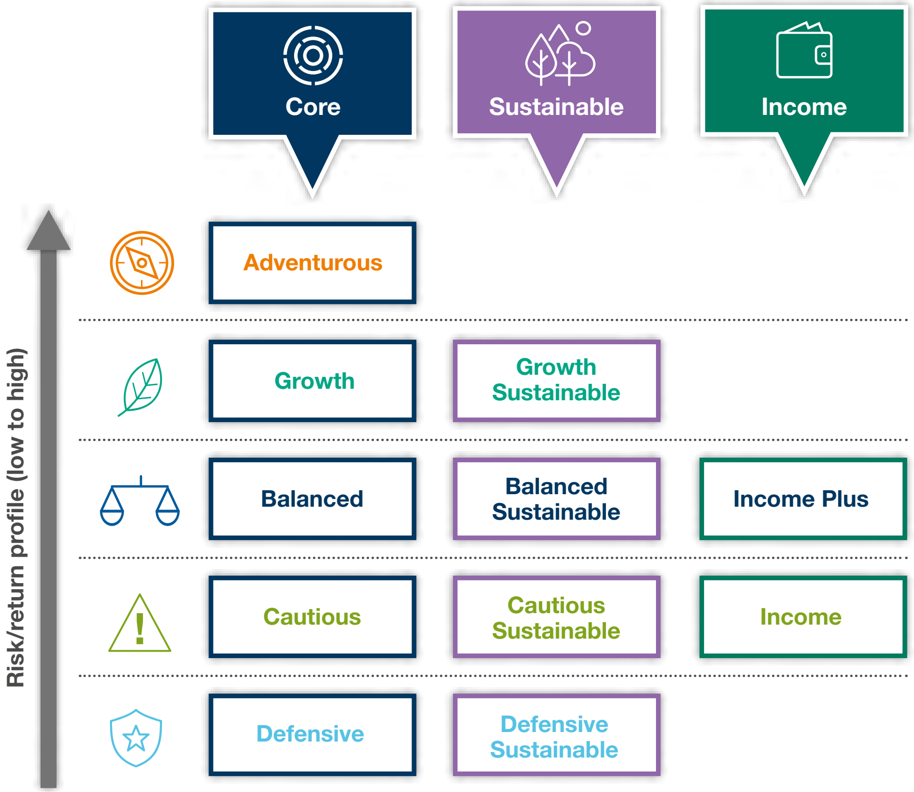
| Fund name | Share class | Overall rating |
|---|---|---|
| Growth Multi Asset Fund | B Acc | ★★★☆ |
| | C Acc | ★★★☆ |
| | D Acc | ★★★☆ |
| | H Acc | ★★★☆ |
| | I Acc | ★★★☆ |
| Adventurous Fund | B Acc | ★★★☆ |
| | C Acc | ★★★★ |
| | D Acc | ★★★★ |
| | H Acc | ★★★★ |
| | I Acc | ★★★☆ |
| Income Multi Asset Fund | B Acc | ★★☆☆ |
| | B Inc | ★★☆☆ |
| | C Acc | ★★☆☆ |
| | C Inc | ★★☆☆ |
| | D Acc | ★★★☆ |
| | D Inc | ★★☆☆ |
| | H Acc | ★★★☆ |
| | H Inc | ★★★☆ |
| | I Acc | ★★☆☆ |
| | I Inc | ★★☆☆ |
| Income Plus Multi Asset Fund | B Acc | ★★☆☆ |
| | B Inc | ★★★☆ |
| | C Acc | ★★★☆ |
| | C Inc | ★★★☆ |
| | D Acc | ★★★☆ |
| | D Inc | ★★★☆ |
| | H Acc | ★★★☆ |
| | H Inc | ★★★☆ |
| | I Acc | ★★★☆ |
| | I Inc | ★★★☆ |

| Fund name | Share class | Overall rating |
|---|---|---|
| Defensive Sustainable Multi Asset Fund | B Acc | ★★★☆ |
| | C Acc | ★★★☆ |
| | D Acc | ★★★☆ |
| | H Acc | ★★★☆ |
| | I Acc | ★★★☆ |
| Cautious Sustainable Multi Asset Fund | B Acc | ★★★☆ |
| | C Acc | ★★★★ |
| | D Acc | ★★★☆ |
| | H Acc | ★★★☆ |
| | I Acc | ★★★☆ |
| Balanced Sustainable Multi Asset Fund | B Acc | ★★★☆ |
| | C Acc | ★★★☆ |
| | D Acc | ★★★☆ |
| | H Acc | ★★★☆ |
| | I Acc | ★★★☆ |
| Growth Sustainable Multi Asset Fund | B Acc | ★★★☆ |
| | C Acc | ★★★★ |
| | D Acc | ★★★☆ |
| | H Acc | ★★★☆ |
| | I Acc | ★★★☆ |

## A reminder of Handelsbanken Wealth & Asset Management's proposition

At Handelsbanken Wealth & Asset Management, we have a long track record in global multi asset investing, offering a range of investment funds (core, sustainable, income) to meet different customer goals and preferences. We help you, our customer decide which fund is best for you, finding a balance between the financial returns you hope to achieve and the level of investment risk you are willing to take on in return.

Investments are managed in-house by our team of fund managers who are global multi asset investors. We have a highly flexible investment approach with the freedom to invest in a variety of assets from anywhere in the world. Whatever the market environment, our aim is to smooth the investment journey. That means the majority of our funds invest in a blend of asset types (such as shares, bonds and alternative assets) in order to perform in a range of financial market conditions.




Our objective is simple: to deliver investment returns above inflation (as measured by the Consumer Price Index) over the long term (with the exception of the Adventurous Fund which has an objective to deliver a total return in excess of the MSCI All Country World Index (£) - net total return).

Each of the multi asset funds has a clear target return and aims to deliver a positive real return (that is after the effects of inflation are removed) over any given five-year period.

## CPI+ benchmarks

The five actively managed funds making up the **core investment range** cater to a spectrum of different risk preferences and financial return targets. Four of the five aim to offer financial returns in excess of inflation as measured by the Consumer Price Index (CPI) over any given five-year period, from CPI+1% to CPI+4%. The CPI+X% benchmarks have been selected as the funds aim to achieve a return that is either 1%, 2%, 3% or 4% above the rate of UK inflation.

The funds will achieve their CPI+X% benchmarks if they deliver a total return that at the end of any five-year period is equivalent to achieving a total return of CPI plus their specified percent each year over that period, after all costs and charges have been taken. The Adventurous fund, which is designed for the most pro-risk investors, aims specifically to beat the returns offered by the global stock market. The aim is to deliver a total return (the combination of income and capital growth) in excess of the MSCI All Country World Index (£) – net total return over any period of five years, after all costs and charges have been taken.

In the **sustainable range**, the four funds aim to offer financial returns in excess of consumer price inflation over any given five-year period, from CPI+1% to CPI+4%. These funds are actively managed within the same investment process as the core funds, but with the overlay of our 'three pillars' sustainability process:

### Exclusions

We don't invest in businesses that focus on tobacco, alcohol or weapons or engage in pornography or gambling. Investments are excluded if more than 5%* or $500 million of their revenue is generated from these sectors.

### Environmental, Societal & Governance (ESG) Integration

These are investment products that try first, to invest in companies that have positive ESG factors and second, to invest in companies and governments that can evidence commitment to improving their ESG scores.

### Impact investing

The goal is to make money by solving a specific problem, such as building social housing or renewable energy generation, or researching biotech solutions for hard-to-treat diseases or conditions.

*Zero tolerance for producers of tobacco and 15% for sales.

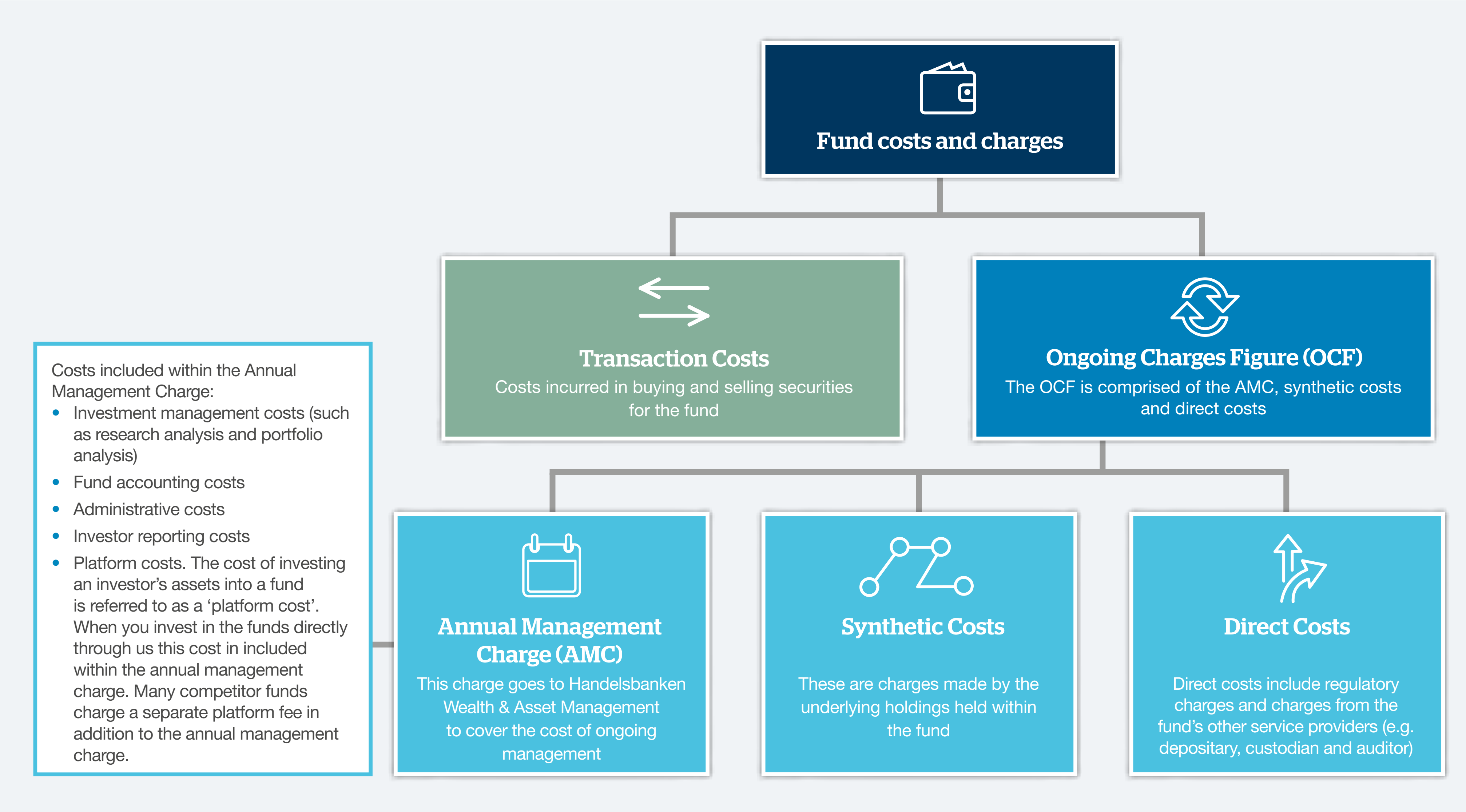
In the **income range**, the two funds aim to offer financial returns in excess of consumer price inflation over any given five-year period, from CPI+2% to CPI+3%, as well as the option to withdraw or reinvest the income received. The funds will achieve their CPI+X% benchmarks if they deliver a total return that at the end of any five-year period is equivalent to achieving a total return of CPI plus their specified percent each year over that period, after all costs and charges have been taken.

## Share classes

<table>
<tr><th>Share class</th><th>Annual management charge</th><th>Who is it for?</th><th>Additional information</th></tr>
<tr><td>B</td><td>1.25%</td><td rowspan="2">These share classes are designed for advised and non-advised investors investing via Handelsbanken Wealth & Asset Management. They are primarily clients of the funds’ primary distributor, the Wealth Management team within Handelsbanken Wealth & Asset Management.</td><td rowspan="4">An investor may be deemed suitable for the B or C or I or D share class based on the size of their investment and the services they receive. For example, investors with a large sum of money to invest are typically eligible for a share class with a lower annual management charge due to economies of scale.<br><br>The Wealth Management team are responsible for deeming share class suitability for their clients and operate a tiered fee structure whereby for example the first £3 million will be invested in the C share class and anything over £3 million will then be invested in the I share class.</td></tr>
<tr><td>C</td><td>1.00%</td></tr>
<tr><td>I</td><td>0.75%</td><td rowspan="2">These share classes are designed for:<br>• Advised and non-advised investors investing via Handelsbanken Wealth & Asset Management. They are primarily clients of the funds’ primary distributor, the Wealth Management team within Handelsbanken Wealth & Asset Management.<br>• Institutional investors (such as pension providers) investing via Handelsbanken Wealth & Asset Management.<br>• Wealth retail investors, advised by and invested via an external Independent Financial Adviser (IFA). Fund distribution via IFAs is no longer an active target market for Handelsbanken Wealth & Asset Management.<br><br>These share classes may also be suitable for other clients of Handelsbanken Wealth & Asset Management, depending on the size of their investment.</td></tr>
<tr><td>D</td><td>0.50%</td></tr>
<tr><td>H</td><td>0.30%</td><td>This share class is designed for employees of Handelsbanken Wealth & Asset Management and its parent company Handelsbanken Plc, and the employees’ associated parties. This share class is not publicly available.</td><td></td></tr>
</table>

## What are the costs?

Our assessment of investment performance is based on the return of each share class after all costs and charges have been taken. These costs and charges include transaction costs and the ongoing charges figure.



Following industry guidance, Handelsbanken Authorised Corporate Director has moved to a new single cost disclosure from January 2022. This means that the OCF has been updated since our last Assessment of Value report to include additional assets such as Closed Ended Collective Investment Schemes (CIS) and Investment Trusts. Therefore the published OCF has increased. It is worth stressing that the actual cost of these funds has not risen as a result of this change as the costs of Closed Ended CIS and other CIS have always previously been reflected in the funds' performance.

Closed ended vehicles, such as investment trusts, provide an opportunity to diversify investments through alternative asset classes (such as infrastructure, long/short hedge funds, real estate and music royalties). They provide a more liquid alternative to investing directly in such assets, as shares in closed ended vehicles may be traded.

HACD are committed to communicating clearly with investors and are aligned to industry guidance and best practice. However, it has become apparent that the move to single cost disclosure has not been universally implemented across the industry and therefore calls into question whether both investors and firms can have full confidence in comparing fund costs across the market. This is something that is being actively discussed with both the Financial Conduct Authority and the industry associations in order to ensure consistency and provide investors with reliable and robust assessments of fund costs.

The table below is a summary of the 2021 OCF and the change in January 2022 following implementation of the guidance. We have actively sought to reduce fees so have also included the reduction in OCF achieved during the remainder of 2022.

| | OCF 31/1/21 | Reported increase after guidance | Reduction in OCF since change |
|---|---|---|---|
| Handelsbanken Income Plus Multi Asset Fund C Acc | 1.50% | 0.46% | -0.18% |
| Handelsbanken Balanced Multi Asset Fund C Acc | 1.47% | 0.34% | -0.16% |
| Handelsbanken Income Multi Asset Fund C Acc | 1.47% | 0.44% | -0.13% |
| Handelsbanken Cautious Multi Asset Fund C Acc | 1.34% | 0.31% | -0.19% |
| Handelsbanken Defensive Multi Asset Fund C Acc | 1.40% | 0.43% | -0.34% |
| Handelsbanken Growth Multi Asset Fund C Acc | 1.57% | 0.26% | -0.25% |
| Handelsbanken Adventurous Multi Asset Fund C Acc | 1.73% | 0.03% | -0.18% |
| Handelsbanken Defensive Sustainable Multi Asset Fund C Acc | 1.53% | 0.16% | 0.01% |
| Handelsbanken Cautious Sustainable Multi Asset Fund C Acc | 1.46% | 0.26% | -0.10% |
| Handelsbanken Balanced Sustainable Multi Asset Fund C Acc | 1.54% | 0.27% | -0.13% |
| Handelsbanken Growth Sustainable Multi Asset Fund C Acc | 1.61% | 0.29% | -0.15% |

**Ann Roughead**
Independent Chair of Handelsbanken ACD

# C Introducing Handelsbanken Authorised Corporate Director

## A message from the Chair - Ann Roughead

Dear Investor

I am delighted to introduce our second Assessment of Value report for the Handelsbanken Multi Asset Fund range covering 2022. This is the first full year as the Authorised Corporate Director since taking over regulatory responsibility in November 2021, and we have continued to refine our assessment process. (Further details of the changes to this report can be found on page 19). This will be a continual evolution as we identify areas of improvement in our assessment, more focused data for comparison purposes becomes available, and further guidance on best practice is provided by the Financial Conduct Authority (FCA) and industry bodies.

The annual Assessment of Value process is an important part of our ongoing oversight of the Handelsbanken Multi Asset Fund range and is intended to help investors understand how our products are delivering and where improvements or changes are required.

The Board of Handelsbanken Authorised Corporate Director (HACD) has independently scrutinised Handelsbanken's management of its UK funds in a broad context; while fund performance and costs are an essential aspect of the report, consideration has also been given to the overall scope and quality of services offered. Many investors will appreciate that this year's assessment was against a particularly volatile and challenging market environment which has continued into 2023.

2022 presented the world with many challenges, from cost of living crises to military warfare. Initial optimism about a post-COVID global economic recovery quickly faded as the war in Ukraine and the subsequent energy shock reverberated throughout the global economy. High inflation and central banks' efforts to control it through higher interest rates (and the removal of other economic stimulus) became the dominant issue.

Against this backdrop, financial markets endured a tough year with poor returns across most major asset types. Bond markets bore the brunt of a difficult 12 months, with virtually all areas, including corporate bonds and emerging market debt, suffering. With global stock markets also struggling, and 'alternative' (non-traditional) asset types offering limited reprieve, there were very few places for investors to hide. This was reflected in the performance of our own investment funds, which have the additional challenge of benchmarks that aim to beat inflation.

## Our independent oversight and the role of the Authorised Corporate Director

Authorised Corporate Directors (ACDs) are responsible for the running of an investment fund. They have a duty to act in the best interests of the fund's investors, and ensure that the fund is well managed in line with regulations and with the investment objectives and policies set out in the fund's prospectus.

In our model, the ACD is part of the Handelsbanken Group including the Investment Manager, but is run separately by an independent management team and independent board to ensure that there is no conflict of interest.

Our three non-executive directors, Ann Roughead, Mike Martin and Wendy Mayall, are all independent directors who have no financial links with Handelsbanken ACD Limited or our parent company, Handelsbanken Wealth & Asset Management. They all bring extensive executive and non-executive experience to the Board, and have played an active role in this Assessment of Value. The two remaining Board members, Marc Wood and Peter McCree, are not Handelsbanken Wealth & Asset Management Investment Managers.

ACDs delegate or outsource many of the day-to-day functions needed to administer a fund, but they retain the legal and regulatory responsibility for all of these activities and must effectively oversee that the activities are being performed properly. These include the following:

**Administration** – call centre, investor enquiries, dealing, calculating prices, fees.

**Investment Management** – managing the assets of the funds.

**Auditors** – annual audit and production for financial statements.

**Depositary** – oversees the work of the ACD, and is responsible for making sure that the fund assets are kept safely.

**Custodian** – holds the assets of the funds.

**Ann Roughead**
Independent Chair of Handelsbanken ACD

# Introducing the board

**Ann Roughead**
**Independent Chair of Handelsbanken ACD and Chair of the Product Governance Committee**

Ann is Chair of Handelsbanken ACD, Non-Executive Director of Columbia Threadneedle Investment chairing the Independent Client Focus Group, and a member of Remco and Audit and Risk committees. She is a Non-Executive Director and Chair of Remco at CCLA, and is on the board of the Rock Trust, a Youth Homeless charity in Scotland. She is also an adviser to the Saphira Group.

Ann has over thirty years' experience in the financial sector, and her previous board positions include BNY Mellon Investments, Lighthouse Group plc, Funds Rock Partners and the Rugby Players Association. In her executive career Ann was CEO of LV Asset Management and CEO of Ellis Clowes & Company, a London-based Lloyds Insurance Broker. At Citi she was Chief Operating Officer of the Private Bank (Europe), Head of Smith Barney (Europe), Head of Investment for Citi's Retail Bank and Head of UK Wealth Management and Banking. She was also Head of European Product Development and Strategy for JP Morgan Asset Management. Ann is a qualified solicitor and was a member of the Ethics committee for 11 years and is now a member of Disciplinary Committees of the Chartered Institute of Securities and Investments.

**Mike Martin**
**Independent Non-Executive Director of Handelsbanken ACD and Chair of the Audit, Risk & Compliance Committee**

Mike has an extensive background in asset servicing. He is currently a Non-Executive Director at Euroclear Bank SA (EB), chairman of the EB Risk Committee, member of the EB Audit and Nominations & Governance Committees and an official observer at the Risk Committee of Euroclear Group. In addition he is Non-Executive Chairman of True Potential Administration LLP (TPA), chairman of the TPA Audit, Risk & Compliance Committee and a member of the TPA Investment Oversight Committee.

Mike is also Chairman of Consilium Sports Group, which he co-founded and previous non-financial board positions include Chairman of The Dundee United Football Company. His executive career in financial services was spent at HedgeServ, in his capacity as senior advisor to this US headquartered hedge fund administration business, HSBC Securities Services, where Mike's last position was Global Head of Client Management Group and The WM Company, as a Senior Director responsible for a range of institutional performance analytics and investment accounting services. Mike's experience and knowledge ensure he is ideally placed to positively contribute as an Independent Non-Executive Director of HACD and in his capacity as Chairman of the HACD Audit and Risk Committee.

**Wendy Mayall**
**Independent Non-Executive Director of Handelsbanken ACD and Chair of the Investment Oversight Committee**

Wendy is a former Chief Investment Officer and leading expert on investments. She has extensive experience and skills in complex investment strategies across all global asset classes in addition to her business management and development, and governance experience. These were gained at Thorn EMI where she started her career as an Investment Manager, followed by Rogers, Casey & Barksdale. She then co-founded research firm Stamford Associates, and was later CIO for Unilever UK pension scheme, Group CIO for Liverpool Victoria and previously a Non-Executive Director for FTSE 100 Phoenix Group Holdings.

She is currently a member of the Oversight Council for Quilter Investors and Chair of the Advisory Committee for Haven Green (an alternative investment manager). Wendy has also held a variety of Non-Executive roles including pension schemes, charities and investment funds.

**Peter McCree**
**Executive Director of Handelsbanken ACD and Chief Operating Officer of Handelsbanken Wealth & Asset Management**

Peter joined Handelsbanken Wealth & Asset Management in 2001 as Head of Settlement and Custody and was promoted to Chief Operating Officer in 2019. Peter is responsible for all actions and outcomes delivered by Business Support, Operations, IT Governance, and Change Management in line with company strategy, risk management controls and our regulatory obligations. He is also Executive Director (SMF3) of the Handelsbanken Wealth & Asset Management Board and has the regulatory responsibility for CASS and is a member of the management group and audit, risk & compliance committee. Prior to joining Handelsbanken Wealth & Asset Management, Peter held positions at Dresdner RCM Global Investors UK Ltd and Kleinwort Benson Investment Management where he was responsible for settlement, trade processing and custody.

**Marc Wood**
**Executive Officer of Handelsbanken ACD and Head of Fund Governance & Oversight for Handelsbanken Wealth & Asset Management**

Marc has extensive experience gained over 20 years within the investment management sector having held a number of senior leadership, executive and non-executive director positions. Marc joined Handelsbanken Wealth & Asset Management in June 2019 with a specific remit to create and manage an in-house authorised corporate director (ACD) to enhance the overall governance and oversight of the Handelsbanken Multi Asset Fund range. Marc has previously been Managing Director of a UK Host ACD and as such has in-depth knowledge and experience of the specific regulatory and legal requirements of an ACD. He has varied experience gained in a number of organisations including Legal & General Investment Management, F&C Asset Management, RBS and Fidelity covering specialist areas such as Trustee and Depositary Services, Investment Operations, Supplier Management and Oversight, Client Services, Distribution and CASS Oversight.

D

# Setting the scene

## Graham Bishop, CIO, Handelsbanken Wealth & Asset Management, outlines the market environment

It's no surprise that interest rates and inflation are at the forefront of our customers' minds. Over the course of recent history, we'd all grown used to low inflation, and a regime of historically low interest rates. In 2022, this all changed, and both consumers and financial markets have scrambled to adapt.

Graham Bishop
**Chief Investment Officer, Handelsbanken Wealth & Asset Management**

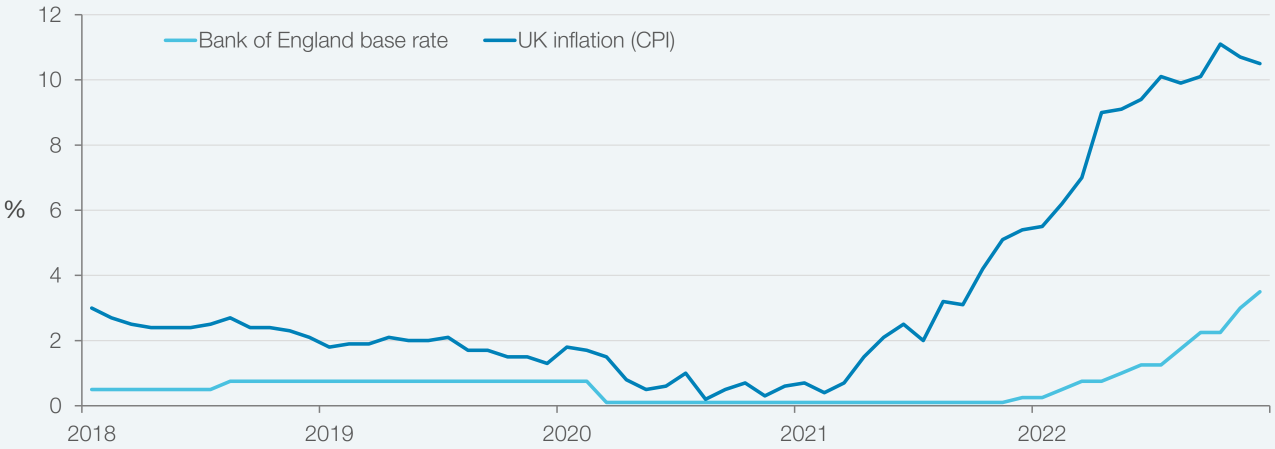
### Where are inflation and interest rates headed next?

The COVID-19 pandemic created a perfect storm for inflation, from supply chain disruptions to the release of pent-up, post-lockdown consumer demand. However, the latest economic data gives us good cause to believe that – absent a left-field shock – most of the factors pushing prices upwards over the course of 2022 are now either close to peaking, or have already peaked. This doesn't mean that inflation will fall sharply, or that it will drop to the ultra-low levels we'd grown used to, but we certainly don't expect double-digit inflation to be a permanent feature.

What happens to inflation very much influences what happens to interest rates. Central banks have put their credibility on the line in a bid to bring inflation to heel, and interest rates are their weapon of choice. The aggressive interest rate hikes delivered in 2022 (and 2023 so far) are designed to slow economic activity, reducing demand in the economy and taking some of the heat out of inflation. While we think we are nearer to the end than the beginning of interest rate hikes, the war on inflation is not yet won, and financial markets continue to adjust to this new regime.

## Central banks have hiked interest rates to combat Inflation

**The Bank of England 'base rate' and UK inflation (Consumer Price Index, or CPI, year on year)**




Source Bloomberg as at 31/12/2022

## What does this mean for the funds?

The funds aim to outperform their inflation-linked targets over any given five-year period, in order to strip out shorter-term market and economic noise. Over the course of 2018 to 2022, the economic landscape has played host to government and central bank stimulus, interest rate changes, higher demand, and supply-chain issues. The more rigorous inflation towards the end of this window has hurt the funds' five-year performance numbers.

Nevertheless, we believe that these targets continue to keep us focused on finding solutions that will grow the real wealth of our customers over the long run.

## Where has the past half-decade taken our funds?

The past five years opened with a difficult period for financial markets. In 2018, we held an appropriate amount of risk for the market environment, but this was among the toughest years for financial markets since 1929. A global approach, diversified across a range of asset types, did not work well for anyone in 2018: an astonishing 90% of global assets failed to produce a positive return after accounting for inflation.

2019 marked a return to better performance for the funds, bolstered by our increased exposure to the US stock market. In particular, our positions in US software and technology businesses were strong.

The now infamous 2020 was actually a good year overall in performance terms, though the headline numbers masked a year of extremes. Specialist protection strategies ('tail-risk hedging') within the funds provided a buffer, allowing us to keep hold of riskier asset types. They also generated cash payouts that let us buy into the right assets at the right time, at attractive prices.

An upbeat market mood rode through into 2021. Over the course of the year, we lowered fund risk levels slightly, taking profits in some of our corporate debt and stock market positions, but kept the funds' high conviction themes in place.

Creating a fitting (if extremely challenging) bookend to this five-year period, 2022 looked rather like 2018 for financial markets, but with the unwelcome twist of a sharp surge in inflation. Almost all types of financial assets fared badly, and inflation further devalued our funds' returns in real-world terms.

> "While we think we are nearer to the end than the beginning of interest rate hikes, the war on inflation is not yet won, and financial markets continue to adjust to this new regime."

## How have different types of assets fared?

With the exception of 2022, much of the past five-year period has been kind to riskier asset types like shares. Fair winds from (formerly) ultra-accommodative central banks fuelled risk-taking among investors, pushing share prices higher.

It's been a very different story for lower risk assets like government bonds. After 40 years in relative favour, the past five years have delivered not one but three calendar years (2018, 2020 and 2022) of negative real returns for the assets traditionally known as investor 'safe havens'. The majority of bonds pay a fixed interest rate, which becomes more attractive when interest rates fall, and less attractive when interest rates rise. The aforementioned sharp interest rate hikes (aimed at countering inflation) created a difficult environment for bond markets in 2022.

Meanwhile, alternative asset types (which lie beyond traditional bond and stock markets) have delivered mixed performance for us in recent years. We have already mentioned our 'tail-risk hedging' position, which proved very important during the financial market lows of 2020. However, while we are yet to be rewarded for our exposure to other alternative assets, we believe we are well positioned to receive the full benefit of these diverse holdings in the future.

**wealthandasset.handelsbanken.co.uk**

# E Our overall approach to assessing value

In 2019, the Financial Conduct Authority (FCA) introduced a requirement for all investment companies to produce an annual Assessment of Value report to help investors better understand whether the products they are invested in represent value for money. In this report we assess value according to the criteria specified by the FCA.

The FCA set a minimum of seven criteria we must consider and we chose not to add any others for this report. This will be reviewed on an annual basis to consider if we feel other criteria such as Environmental, Social and Governance factors should be included. As part of the review process we analysed information already used by Handelsbanken Wealth & Asset Management for management information and governance of the funds. The analysis is completed at the share class level.

To simplify the assessment we have grouped the criteria into three categories:

| Value category | What we considered | |
|---|---|---|
| Services | Quality of service | Our assessment considers the quality of service we provide to clients as well as the quality of services received by Handelsbanken ACD Limited in the running of the funds, such as fund administration, fund accounting, registration, custody and other services provided by external providers. As part of our assessment, we also seek feedback from investors on the quality of service they receive from us. |
| Performance | Performance | Each fund has its own investment goals, known as objectives, which the fund manager aims to meet or exceed. A typical objective might be to outperform an index, achieve capital growth above a certain level, generate income, maintain a certain level of risk, or a combination of all of these. You can find each fund's specific objectives on the individual share class assessment pages beginning on page 20. Our assessment looked at the performance of the share classes over five years, and for those share classes with a less than five-year history, we have included commentary on their performance to date. |
| Costs and charges | **Authorised Fund Manager** (AFM)<br>Economies of scale<br>Comparable market rates<br>Comparable services<br>Share classes | All remaining criteria are reviewed under costs. Each criteria considers costs from a slightly different perspective, although we also take an holistic approach to our assessment to examine how best they serve investors. These include:<br>**AFM** – the assessment considers the costs and charges (as detailed on page 9) of our funds to ensure that the fees and overall Ongoing Charges Figure remains reasonable for the services being provided.<br>**Economies of scale** – we assess the extent to which any savings arising from the scale of a fund are reflected in value for our investors.<br>**Comparable market rates** – we compare the charges for each of our share classes to those of their competitors, to determine whether relative value is being offered to our investors.<br>**Comparable services** – we compare the charges for each of our share classes to those of similar mandates managed by Handelsbanken, to ascertain whether relative value is being offered to investors to ensure that no investor is paying materially more than others to access a very similar product.<br>**Share classes** – our assessment considers the differences in charges between the share classes within the fund, including types of investors in each share class, the minimum investment amount and whether charges include a provision for payment of additional services (such as platform administration and ongoing service provided by a financial adviser). |

# Services

## Quality of service

Our assessment is based on whether we are delivering against each of the elements we regard as core to the quality of service provided as outlined below:

### Fund operations

To ensure that we execute all operations of the fund efficiently and accurately, we assess whether key aspects of fund operations have met the standards set. For example:

- Can investors make informed decisions based on accurate, clear and fair fund documentation.
- Are the fund daily prices published in a timely manner and accurate.
- Are income payments made on time.
- Do we respond to complaints promptly.
- Are investor statements accurate and sent out in a timely manner.
- Has the fund been managed in line with the prospectus and regulatory requirements.

This information, in conjunction with Key Performance Indicators, allows us to build an overall picture of how well our business is operating and to understand where to focus our time and resources.

### Investment process

The experience of the investment team and the strength of their investment process for each fund is validated through a number of oversight and governance processes and committees. We also review our own governance around liquidity, risk management and ESG to ensure that the policies and procedures we have in place are robust and fit for purpose.

### Client experience

As clients are Handelsbanken Wealth & Asset Management's key focus, it is essential that their feedback is regularly sought. This includes items such as client reporting, communications and the online portal 'Client Centre'. In 2022, the business undertook a customer feedback survey, achieving 83% of clients rating the funds good value over the last year.

### Authorised Corporate Director 'ACD'

The ACD has the legal responsibility for managing the Handelsbanken Multi Asset funds on a day-to-day basis, and we have therefore provided some insight into its role and responsibilities.

The ACD delegates investment management activities to Handelsbanken Wealth & Asset Management and also outsources other functions such as the fund administration (fund accounting, custody, depositary and transfer agency). These delegated and outsourced organisations play an important role in safeguarding investors' money so it is important that their work is appropriately overseen and scrutinised. This happens in four key ways:

1. The ACD will ensure that the investment manager is fulfilling the roles expected of them, acting in investors' best interests.
2. The ACD's board scrutinises how funds are managed. At least 25% of a board's members must be totally independent, known as Independent Non-Executive Directors or iNEDs and in our ACD, they form 60% of the Board members. These iNEDs must be prepared to challenge whether the ACD is managing the fund in the best interests of investors. They are subject to robust regulatory requirements to ensure that governance and independence of the ACD is paramount. Each of our iNED's also chairs one of the governance committees (Investment Oversight, Product Governance and Audit, Risk & Compliance Committee) to further strengthen the independent challenge and oversight.
3. The Depositary has a legal duty to oversee the work of the ACD. The Depositary is independent from the ACD and has an important role in investor protection. It is responsible for the safekeeping of a fund's assets, which are held separately from those of the ACD in case the ACD becomes insolvent. The Depositary also has oversight responsibilities of the ACD's operations, ensuring each fund's investments are in line with the rules and the fund's investment objective, that the fund is valued correctly, and that the ACD has proper procedures to correctly process the buying and selling of units/ shares by investors.
4. Auditors certify that each fund's report & accounts present a true and fair record of the fund, such as investment holdings (including valuation and change in valuation) and details of any that have been bought and sold in the period under review.

### Brand

The integrity and strength of the Handelsbanken brand and the value placed on this by investors.

# Performance

We have analysed investment performance based on the returns generated by the share class considered on a net of costs, total return basis, i.e. after ongoing charges have been deducted and distributions re-invested. Since the investment returns delivered by a fund vary by share class, and as each carries their own specific charges, we analyse investment performance by share class.

As well as considering how investments have performed against the stated objectives, we have also considered other relevant factors: performance versus peers, risk-adjusted performance against peers and assessment against the strategic asset allocation baseline. Within the individual share class summary we describe the macroeconomic environment and how this has impacted returns. Where share classes do not have a complete five-year track record since launch, we have not assessed the share class using a star rating, however fund manager commentary is included.

# Costs and charges

## Authorised Fund Manager (AFM)

We have tight controls around cost management, including a budgeting process that monitors all of the company's costs. These can be split into two main categories:

### The Annual Management Charge (AMC)

This covers the charge for the selection and management of the investments held by the funds and includes other costs such as Fund Accounting, Administration and Investor Reporting fees.

### Additional operating expenses

These reflect the costs of the various services provided to the funds, for example, custody, audit, transfer agent, depositary charges and the charges for the underlying funds – the synthetic cost. As part of bringing the Authorised Corporate Director function in-house in 2021, a review and renegotiation of costs took place to provide investors with the best possible service at the lowest cost.

Keeping our costs constantly under review means we can aim to increase value for money for our investors wherever possible.

## Economies of scale

As investment funds grow, they can often benefit from economies of scale. It is our belief that our investors rather than investment managers should benefit from economies of scale, and this is always at the forefront of our minds.

Having established tiered agreements with our suppliers, we feel we have set out the path for future growth with our investors best placed to benefit. We will continue to monitor the impact of the growth in assets under management on the cost of services provided and will also continue this engagement with third-party suppliers to negotiate preferential terms.

## Comparable market rates

### How have we assessed comparable market rates?

Across our funds, we offer a range of different share classes to cater for different types of investors. To see how comparable our charges are versus those of our peers, we assessed the fees we charge at a share class level, and compared those with our equivalent peers using the applicable Morningstar Sector.

In order to complete this review, we have an industry data set in our analysis, provided by Fitz Partners, an independent, specialist research company focused on fees and expense data for the asset management industry.

While this is the best data set we are able to access investors should note that there are limitations in the mapping process that may result in some share classes being compared to other share classes that have a different charging structure or target market. Additionally, as noted on page 9 of this report, the costs of investing into Closed Ended Collective Investment Schemes and Investment Trusts has not been universally implemented across the industry, leading to difficulties in comparing fund costs.

Outside of this assessment of value, Handelsbanken Wealth & Asset Management undertakes an internal assessment of charges which is based on the overall fee structure including any initial and ongoing financial advice fee with a view to ensuring that our pricing is fair and competitive.

## Comparable services

### How have we assessed the Comparable Services available across the investment strategies we offer?

We have compared the fees we charge on similar products or services for different client types such as segregated client mandates with a similar investment objective and policy. For the funds where this is applicable, we evaluate the extent to which the fees are consistent, and where differences exist, whether they are justifiable and reasonable.

## Share classes

### How have we assessed share classes?

We offer a range of share classes to our investors, reflecting the different ways in which our investors choose to invest and the services they receive from us. These share classes can differ for various reasons, for example you could hold a share class that was set up specifically so that you could buy it through a financial adviser or fund platform. By clearly defining the minimum investment amounts and eligibility criteria to access our various share classes, we aim to ensure that investors access the share class that is the most suitable for them. We have also considered whether share classes within each fund are appropriately priced, and whether investors are invested in the most appropriate share class that is available to them. Where a potentially better outcome may be applicable for an investor, we consider whether suitable action, such as offering the investor a free switch into an alternative class, has been taken within a reasonable period of time.

# F Evolution from last year

## Changes to this report

A couple of changes have been made to improve our reporting in this year's Assessment of Value.

Firstly, each share class has an overall rating. This is based on the weighted average score applied to each factor. This gives an investor the opportunity get an overall picture of how the share class is doing without necessarily delving into the detail.

Secondly, we have moved from a three-level assessment to four levels. As performance and comparable market rates have higher weights than some other factors, four levels aligns well with quartile rankings.

## What has the HACD done?

- HACD has implemented swing pricing as a replacement for the anti-dilution levy (ADL). Swing pricing ensures that all investors who are investing into a fund or taking money out of a fund are quoted the same price. It is primarily an investor protection tool. It protects long-term investors from transaction costs generated by large redemption and subscription requests of other investors. The advantages over ADL are that it is automated and creates less operational risk and burden. Increasingly in recent years, swing pricing has become industry best practice.
- As the first full year as ACD (2022), HACD has reduced the number of operational errors compared to the previous ACD. Operationally, risk has been reduced as a result of the transfer.
- **Distribution dates** – with effect from 29 September 2022 the distribution dates of the accumulation share classes for the following funds changed from quarterly to annual distributions:
  - Handelsbanken Defensive Multi Asset Fund
  - Handelsbanken Cautious Multi Asset Fund
  - Handelsbanken Balanced Multi Asset Fund

  This change has saved investors money as a fee is paid per distribution without any subsequent impact for the investor.
- **Timely NAV** – 98.65% of NAVs were published in a timely manner.
- A change to reflect industry best practice of including closed ended vehicles within the OCF cost. This change reflected an increase within the OCF in January 2022 since which time the synthetic fees have been lowered over the rest of the year.
- During 2022 it was identified that the B share class (1.25% AMC) was no longer appropriate for our investors due to a change in our Wealth Management fee structuring and a project was initiated to switch investors into the C class (1% AMC). The project is due to conclude in June 2023 and we estimate our investors will make savings of approximately £1.2 million.

# G Individual share class assessments

### A reminder of what our ratings mean

★★★★ Outstanding

★★★☆ Good

★★☆☆ Moderate

★☆☆☆ Poor

⃠ Too new/insufficient data available to appropriately assess

# Defensive Multi Asset Fund

## Share class: B accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

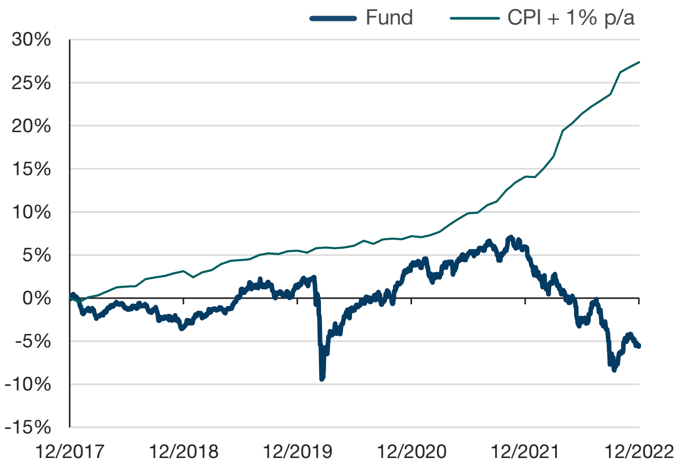
The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

We had diversified the positions designed to drive returns in the fund via alternative assets (i.e. beyond traditional bond and stock markets), but have recently cut back exposure given the rewards that traditional fixed income (bonds) now offer.

More recently, abnormally higher inflation has also created challenges. But while inflation-linked targets can be very hard to beat near term when inflation is high, they serve to keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.73% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★☆☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★☆☆☆ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing moderate overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Defensive Multi Asset Fund

## Share class: B income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

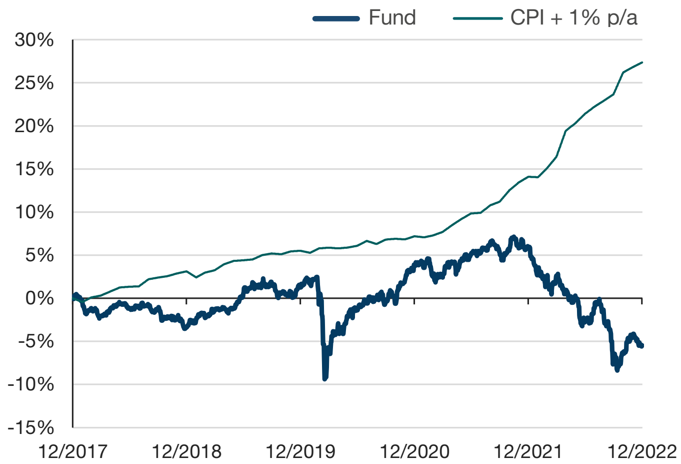
The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

We had diversified the positions designed to drive returns in the fund via alternative assets (i.e. beyond traditional bond and stock markets), but have recently cut back exposure given the rewards that traditional fixed income (bonds) now offer.

More recently, abnormally higher inflation has also created challenges. But while inflation-linked targets can be very hard to beat near term when inflation is high, they serve to keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.73% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★☆☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★☆☆☆ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing moderate overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Defensive Multi Asset Fund

## Share class: C accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

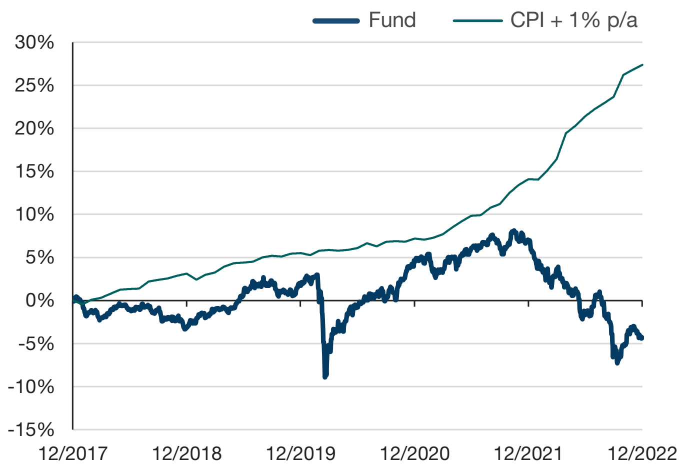
The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

We had diversified the positions designed to drive returns in the fund via alternative assets (i.e. beyond traditional bond and stock markets), but have recently cut back exposure given the rewards that traditional fixed income (bonds) now offer.

More recently, abnormally higher inflation has also created challenges. But while inflation-linked targets can be very hard to beat near term when inflation is high, they serve to keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.48% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

★★★★ Quality of service

★☆☆☆ Performance

★★★★ AFM costs

★★★★ Economies of scale

★★★☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Defensive Multi Asset Fund

## Share class: C income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

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### Performance

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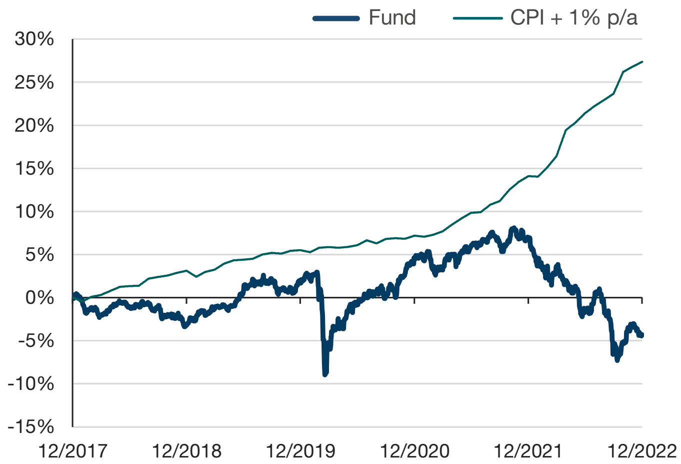


Performance table >

### Costs and charges

The OCF of 1.48% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

★★★★ Quality of service

★☆☆☆ Performance

★★★★ AFM costs

★★★★ Economies of scale

★★★☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Defensive Multi Asset Fund

## Share class: D accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

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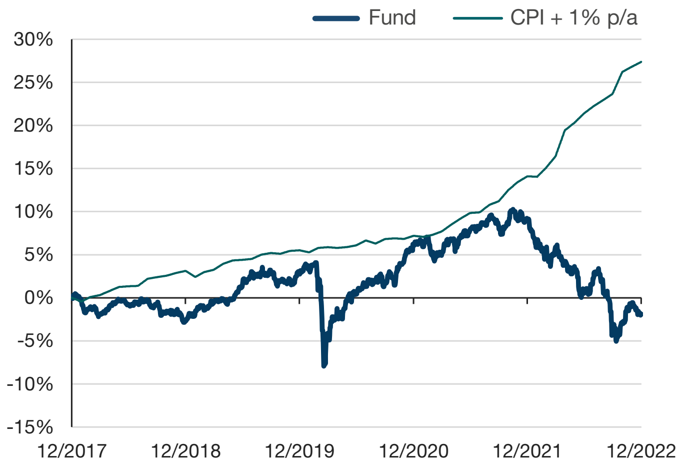


Performance table >

### Costs and charges

The OCF of 0.98% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Defensive Multi Asset Fund

## Share class: D income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

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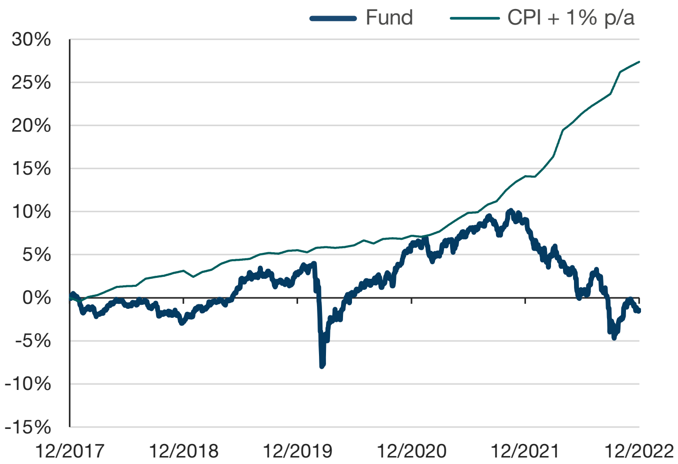


Performance table >

### Costs and charges

The OCF of 0.98% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Defensive Multi Asset Fund

## Share class: H accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

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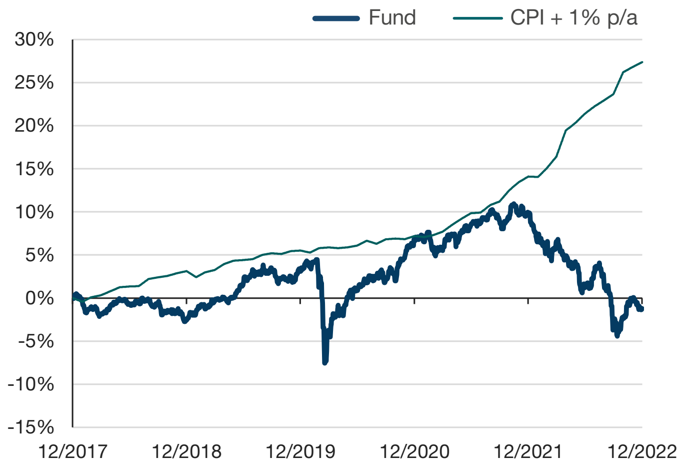
(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 0.78% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

★★★★ Quality of service

★★☆☆ Performance

★★★★ AFM costs

★★★★ Economies of scale

★★★☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Defensive Multi Asset Fund

## Share class: H income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

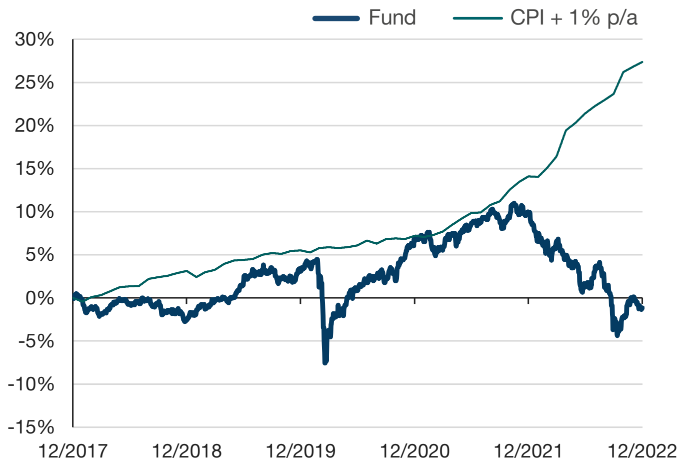
The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

We had diversified the positions designed to drive returns in the fund via alternative assets (i.e. beyond traditional bond and stock markets), but have recently cut back exposure given the rewards that traditional fixed income (bonds) now offer.

More recently, abnormally higher inflation has also created challenges. But while inflation-linked targets can be very hard to beat near term when inflation is high, they serve to keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 0.78% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Defensive Multi Asset Fund

## Share class: I accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

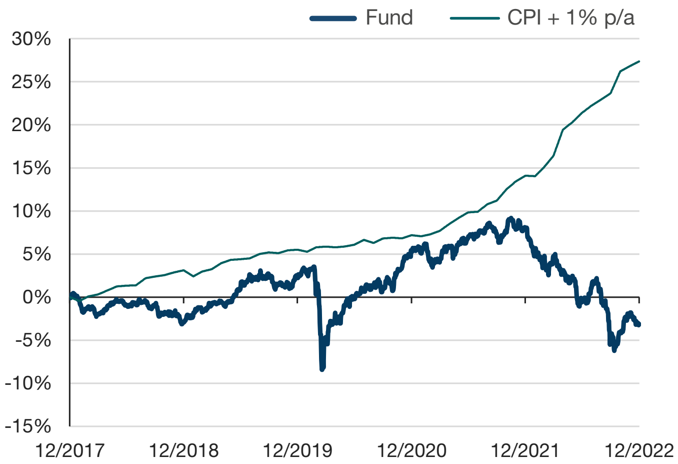
The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

We had diversified the positions designed to drive returns in the fund via alternative assets (i.e. beyond traditional bond and stock markets), but have recently cut back exposure given the rewards that traditional fixed income (bonds) now offer.

More recently, abnormally higher inflation has also created challenges. But while inflation-linked targets can be very hard to beat near term when inflation is high, they serve to keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.23% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

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# Defensive Multi Asset Fund

## Share class: I income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

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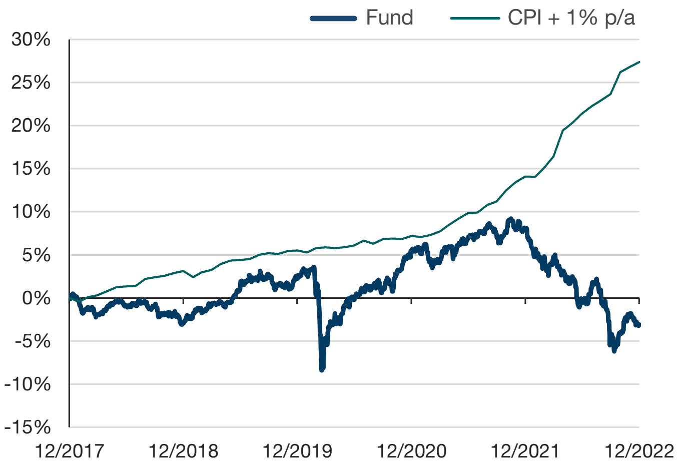
wealthandasset.handelsbanken.co.uk

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.23% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

★★★★ Quality of service

★★☆☆ Performance

★★★★ AFM costs

★★★★ Economies of scale

★☆☆☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Cautious Multi Asset Fund

## Share class: B accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

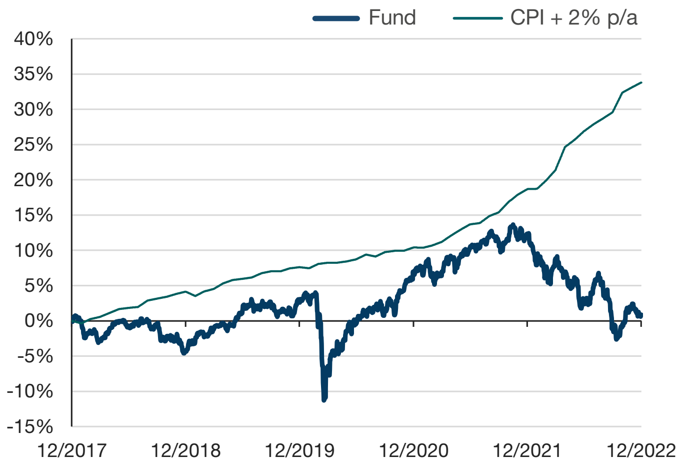
The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

We had diversified the positions designed to drive returns in the fund via alternative assets (i.e. beyond traditional bond and stock markets), but have recently cut back exposure given the rewards that traditional fixed income (bonds) now offer.

More recently, abnormally higher inflation has also created challenges. But while inflation-linked targets can be very hard to beat near term when inflation is high, they serve to keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.71% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★☆☆☆ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Cautious Multi Asset Fund

## Share class: B income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

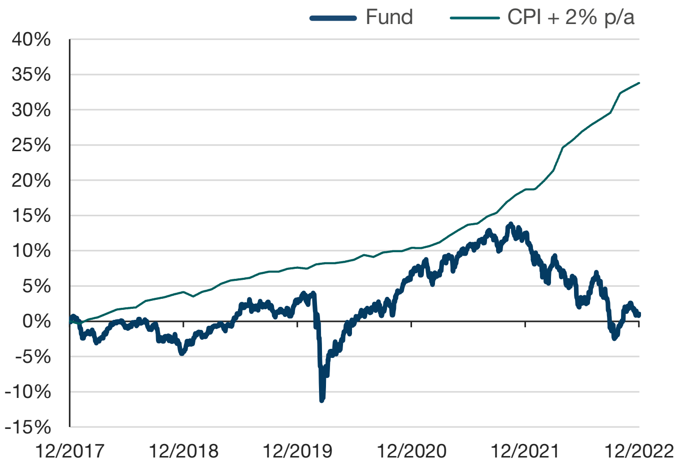
The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

We had diversified the positions designed to drive returns in the fund via alternative assets (i.e. beyond traditional bond and stock markets), but have recently cut back exposure given the rewards that traditional fixed income (bonds) now offer.

More recently, abnormally higher inflation has also created challenges. But while inflation-linked targets can be very hard to beat near term when inflation is high, they serve to keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

**(Cumulative returns 31 December 2017 – 31 December 2022)**




Performance table >

### Costs and charges

The OCF of 1.71% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★☆☆☆ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

**Conclusion**

We have rated this share class as providing good overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Cautious Multi Asset Fund

## Share class: C accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

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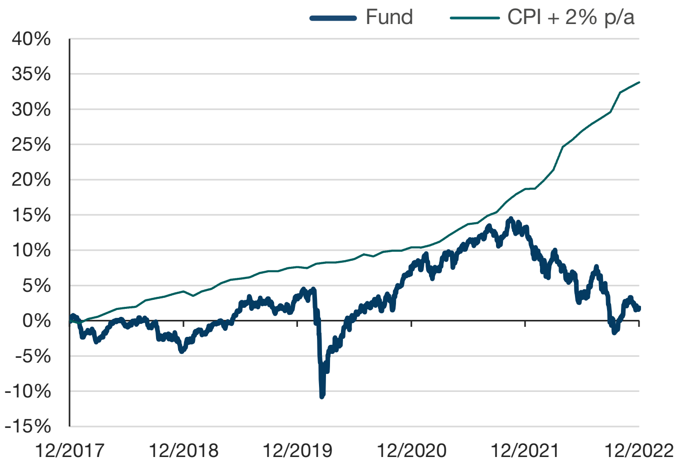
More recently, abnormally higher inflation has also created challenges. But while inflation-linked targets can be very hard to beat near term when inflation is high, they serve to keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.46% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Cautious Multi Asset Fund

## Share class: C income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

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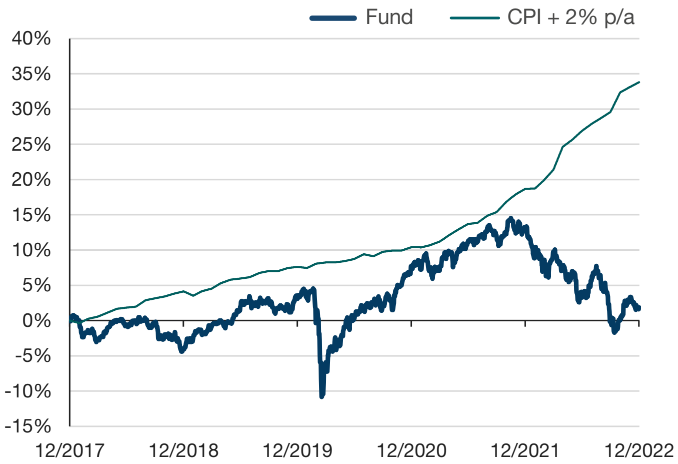
More recently, abnormally higher inflation has also created challenges. But while inflation-linked targets can be very hard to beat near term when inflation is high, they serve to keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

**(Cumulative returns 31 December 2017 – 31 December 2022)**




Performance table >

### Costs and charges

The OCF of 1.46% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Cautious Multi Asset Fund

## Share class: D accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

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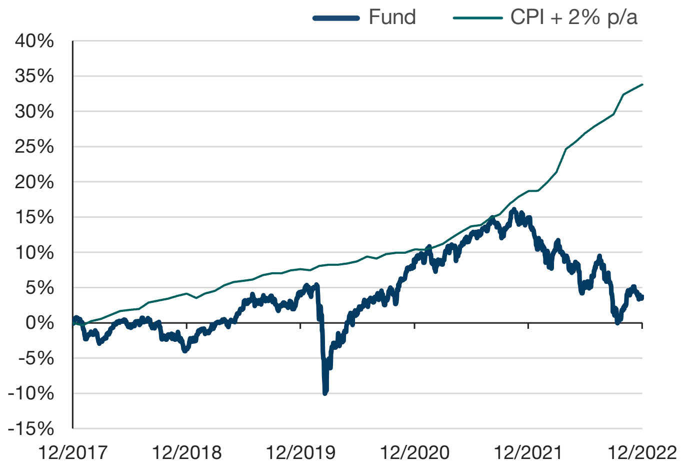
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 0.96% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

**Conclusion**

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Cautious Multi Asset Fund

## Share class: D income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

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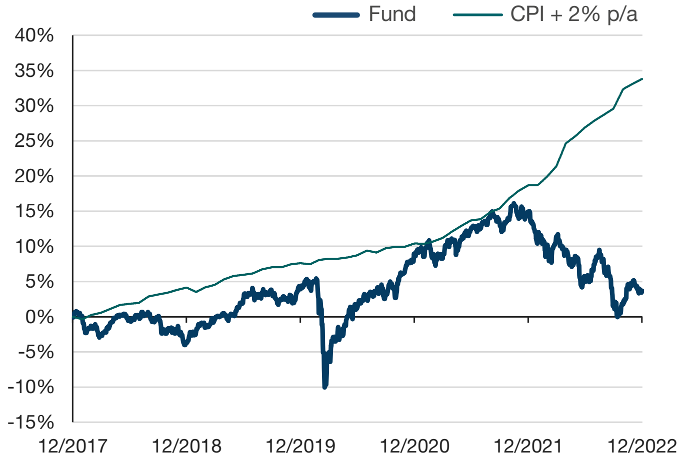
More recently, abnormally higher inflation has also created challenges. But while inflation-linked targets can be very hard to beat near term when inflation is high, they serve to keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 0.96% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

Conclusion

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Cautious Multi Asset Fund

## Share class: H accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

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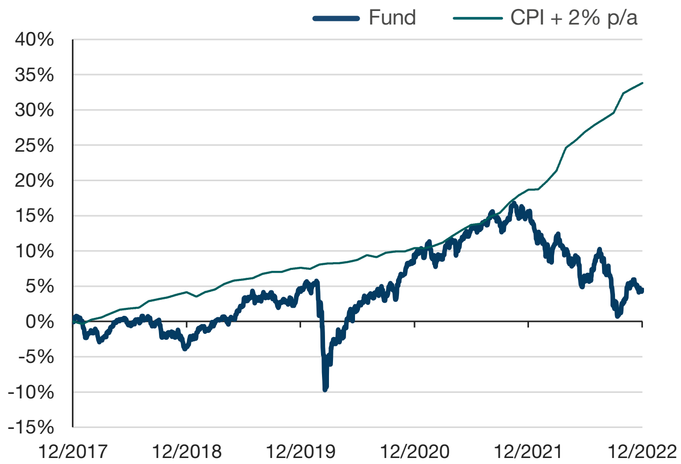
More recently, abnormally higher inflation has also created challenges. But while inflation-linked targets can be very hard to beat near term when inflation is high, they serve to keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 0.76% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Cautious Multi Asset Fund

## Share class: H income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

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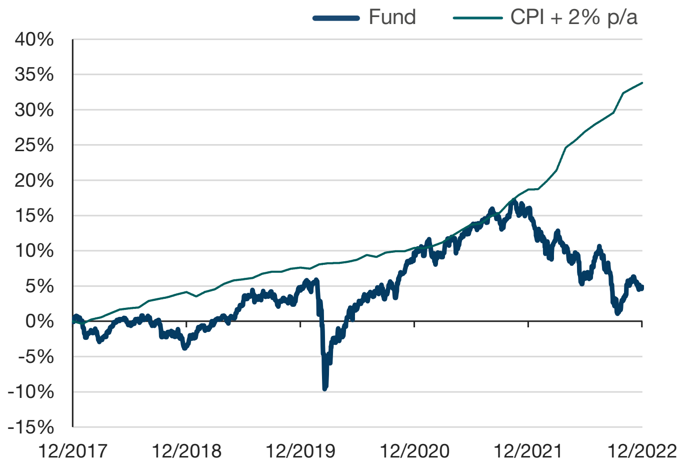
More recently, abnormally higher inflation has also created challenges. But while inflation-linked targets can be very hard to beat near term when inflation is high, they serve to keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 0.76% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

★★★★ Quality of service

★★☆☆ Performance

★★★★ AFM costs

★★★★ Economies of scale

★★★☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Cautious Multi Asset Fund

## Share class: I accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

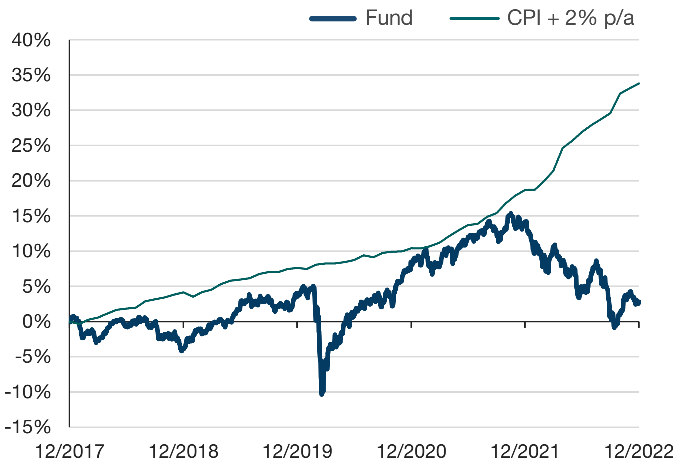
The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

We had diversified the positions designed to drive returns in the fund via alternative assets (i.e. beyond traditional bond and stock markets), but have recently cut back exposure given the rewards that traditional fixed income (bonds) now offer.

More recently, abnormally higher inflation has also created challenges. But while inflation-linked targets can be very hard to beat near term when inflation is high, they serve to keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.21% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Cautious Multi Asset Fund

## Share class: I income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

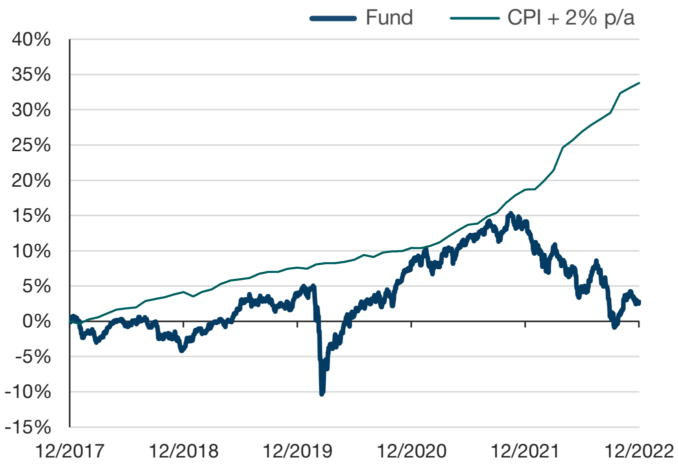
The past five years (to the end of 2022) presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets like bonds. Having spent four decades in favour, this period saw three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This presented substantial challenges for the fund, but future potential returns from this area have improved significantly as bond yields have risen.

We had diversified the positions designed to drive returns in the fund via alternative assets (i.e. beyond traditional bond and stock markets), but have recently cut back exposure given the rewards that traditional fixed income (bonds) now offer.

More recently, abnormally higher inflation has also created challenges. But while inflation-linked targets can be very hard to beat near term when inflation is high, they serve to keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.21% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

#### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Balanced Multi Asset Fund

## Share class: B accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Riskier asset types like shares fared relatively well over the past five years (to the end of 2022). The fund's exposure to the US stock market, as well as positions in global themes like technology, insurance and healthcare, helped performance. However, the same period presented a very challenging environment for bond markets, playing host to three full calendar years (2018, 2020 and 2022) of negative real returns on bonds. Overall, the fund's bond holdings have detracted from performance over a five-year frame, though we believe bonds now represent compelling opportunities.

Beyond bond and stock markets, a specialist strategy designed to protect against sharp market falls added meaningfully to performance during the COVID-19 market sell off. Our exposure to the renewable energy sector has also been positive, working to counterbalance a period of weakness in commercial property. Gold has also performed well.

Towards the end of the period under review, high inflation created additional challenges. Inflation-linked targets can be tough to fulfil during periods of heightened pricing pressures, but they keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

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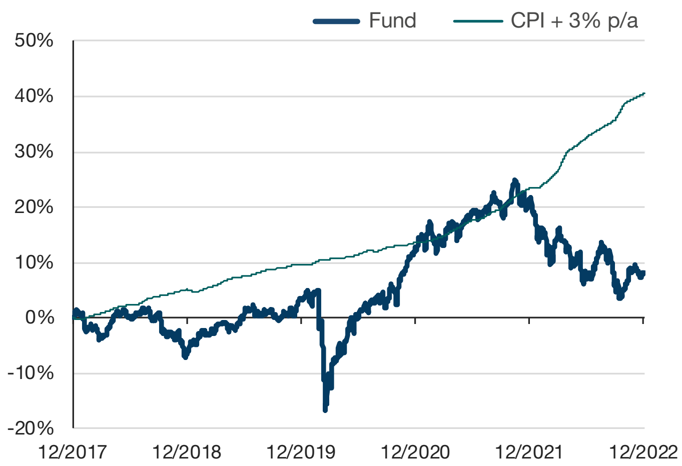
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.89% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

★★★★ Quality of service

★★☆☆ Performance

★☆☆☆ AFM costs

★★★★ Economies of scale

★★★☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Balanced Multi Asset Fund

## Share class: B income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Riskier asset types like shares fared relatively well over the past five years (to the end of 2022). The fund's exposure to the US stock market, as well as positions in global themes like technology, insurance and healthcare, helped performance. However, the same period presented a very challenging environment for bond markets, playing host to three full calendar years (2018, 2020 and 2022) of negative real returns on bonds. Overall, the fund's bond holdings have detracted from performance over a five-year frame, though we believe bonds now represent compelling opportunities.

Beyond bond and stock markets, a specialist strategy designed to protect against sharp market falls added meaningfully to performance during the COVID-19 market sell off. Our exposure to the renewable energy sector has also been positive, working to counterbalance a period of weakness in commercial property. Gold has also performed well.

Towards the end of the period under review, high inflation created additional challenges. Inflation-linked targets can be tough to fulfil during periods of heightened pricing pressures, but they keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

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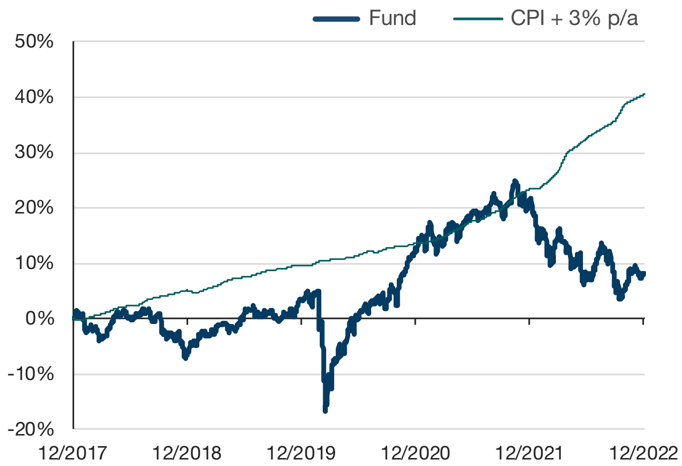
### Performance

**(Cumulative returns 31 December 2017 – 31 December 2022)**




Performance table >

### Costs and charges

The OCF of 1.89% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★☆☆☆ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Balanced Multi Asset Fund

## Share class: C accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Riskier asset types like shares fared relatively well over the past five years (to the end of 2022). The fund's exposure to the US stock market, as well as positions in global themes like technology, insurance and healthcare, helped performance. However, the same period presented a very challenging environment for bond markets, playing host to three full calendar years (2018, 2020 and 2022) of negative real returns on bonds. Overall, the fund's bond holdings have detracted from performance over a five-year frame, though we believe bonds now represent compelling opportunities.

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Towards the end of the period under review, high inflation created additional challenges. Inflation-linked targets can be tough to fulfil during periods of heightened pricing pressures, but they keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

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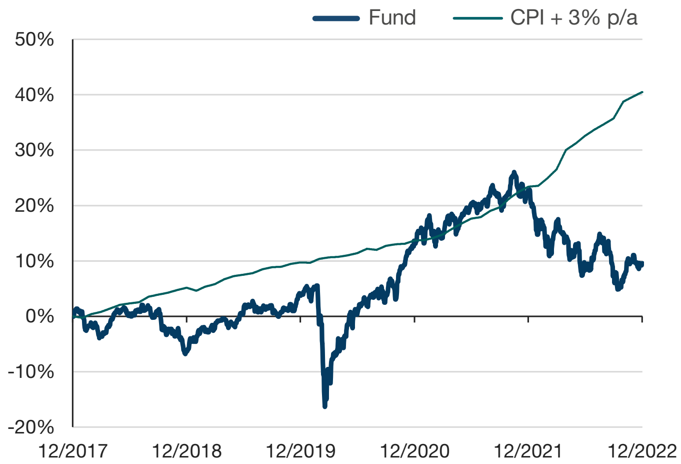
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.64% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Balanced Multi Asset Fund

## Share class: C income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Riskier asset types like shares fared relatively well over the past five years (to the end of 2022). The fund's exposure to the US stock market, as well as positions in global themes like technology, insurance and healthcare, helped performance. However, the same period presented a very challenging environment for bond markets, playing host to three full calendar years (2018, 2020 and 2022) of negative real returns on bonds. Overall, the fund's bond holdings have detracted from performance over a five-year frame, though we believe bonds now represent compelling opportunities.

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Towards the end of the period under review, high inflation created additional challenges. Inflation-linked targets can be tough to fulfil during periods of heightened pricing pressures, but they keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

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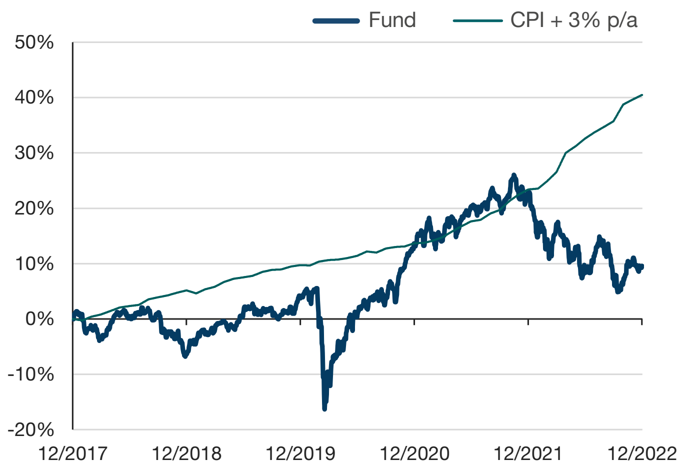
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.64% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Balanced Multi Asset Fund

## Share class: D accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Riskier asset types like shares fared relatively well over the past five years (to the end of 2022). The fund's exposure to the US stock market, as well as positions in global themes like technology, insurance and healthcare, helped performance. However, the same period presented a very challenging environment for bond markets, playing host to three full calendar years (2018, 2020 and 2022) of negative real returns on bonds. Overall, the fund's bond holdings have detracted from performance over a five-year frame, though we believe bonds now represent compelling opportunities.

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Towards the end of the period under review, high inflation created additional challenges. Inflation-linked targets can be tough to fulfil during periods of heightened pricing pressures, but they keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

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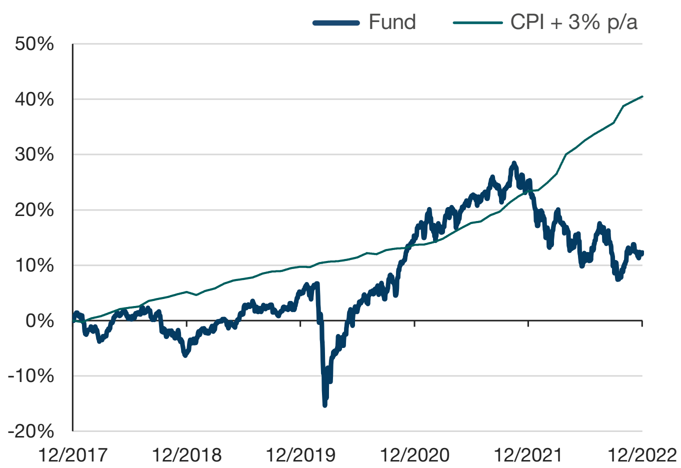
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.14% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

| | |
|---|---|
| ★★★★ | Quality of service |
| ★★☆☆ | Performance |
| ★★★★ | AFM costs |
| ★★★★ | Economies of scale |
| ★★☆☆ | Comparable market rates |
| ★★★★ | Comparable services |
| ★★★★ | Share classes |

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Balanced Multi Asset Fund

## Share class: D income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Riskier asset types like shares fared relatively well over the past five years (to the end of 2022). The fund's exposure to the US stock market, as well as positions in global themes like technology, insurance and healthcare, helped performance. However, the same period presented a very challenging environment for bond markets, playing host to three full calendar years (2018, 2020 and 2022) of negative real returns on bonds. Overall, the fund's bond holdings have detracted from performance over a five-year frame, though we believe bonds now represent compelling opportunities.

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Towards the end of the period under review, high inflation created additional challenges. Inflation-linked targets can be tough to fulfil during periods of heightened pricing pressures, but they keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

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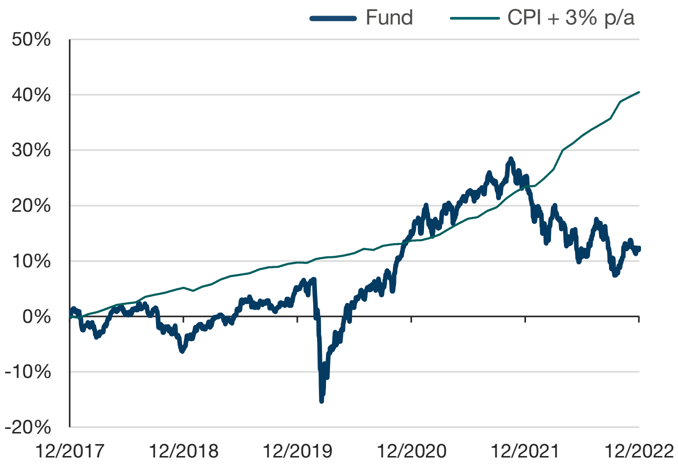
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.14% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Balanced Multi Asset Fund

## Share class: H accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Riskier asset types like shares fared relatively well over the past five years (to the end of 2022). The fund's exposure to the US stock market, as well as positions in global themes like technology, insurance and healthcare, helped performance. However, the same period presented a very challenging environment for bond markets, playing host to three full calendar years (2018, 2020 and 2022) of negative real returns on bonds. Overall, the fund's bond holdings have detracted from performance over a five-year frame, though we believe bonds now represent compelling opportunities.

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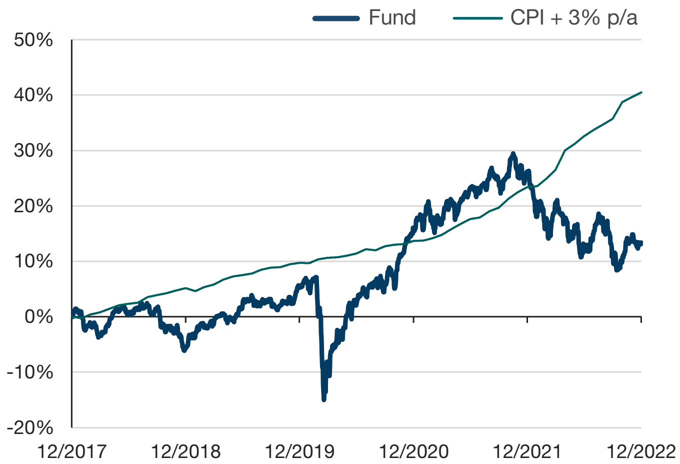
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 0.94% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

**Conclusion**

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Balanced Multi Asset Fund

## Share class: H income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Riskier asset types like shares fared relatively well over the past five years (to the end of 2022). The fund's exposure to the US stock market, as well as positions in global themes like technology, insurance and healthcare, helped performance. However, the same period presented a very challenging environment for bond markets, playing host to three full calendar years (2018, 2020 and 2022) of negative real returns on bonds. Overall, the fund's bond holdings have detracted from performance over a five-year frame, though we believe bonds now represent compelling opportunities.

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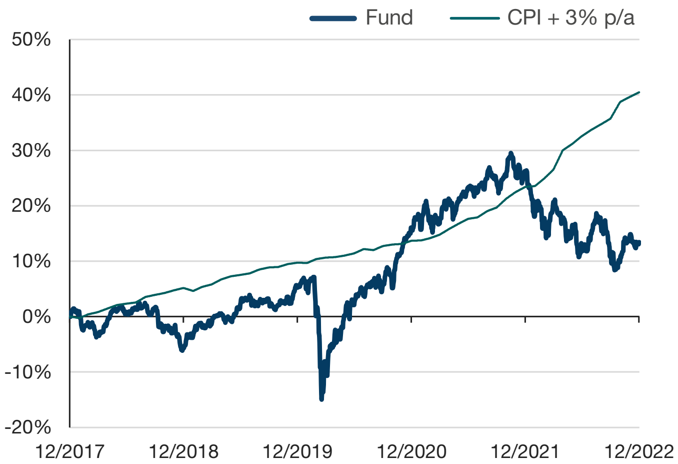
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 0.94% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Balanced Multi Asset Fund

## Share class: I accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Riskier asset types like shares fared relatively well over the past five years (to the end of 2022). The fund's exposure to the US stock market, as well as positions in global themes like technology, insurance and healthcare, helped performance. However, the same period presented a very challenging environment for bond markets, playing host to three full calendar years (2018, 2020 and 2022) of negative real returns on bonds. Overall, the fund's bond holdings have detracted from performance over a five-year frame, though we believe bonds now represent compelling opportunities.

Beyond bond and stock markets, a specialist strategy designed to protect against sharp market falls added meaningfully to performance during the COVID-19 market sell off. Our exposure to the renewable energy sector has also been positive, working to counterbalance a period of weakness in commercial property. Gold has also performed well.

Towards the end of the period under review, high inflation created additional challenges. Inflation-linked targets can be tough to fulfil during periods of heightened pricing pressures, but they keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

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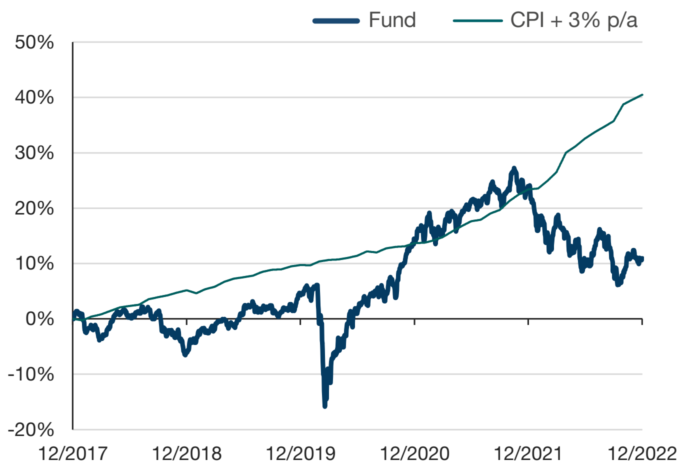
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.39% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

**Conclusion**

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Balanced Multi Asset Fund

## Share class: I income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Riskier asset types like shares fared relatively well over the past five years (to the end of 2022). The fund's exposure to the US stock market, as well as positions in global themes like technology, insurance and healthcare, helped performance. However, the same period presented a very challenging environment for bond markets, playing host to three full calendar years (2018, 2020 and 2022) of negative real returns on bonds. Overall, the fund's bond holdings have detracted from performance over a five-year frame, though we believe bonds now represent compelling opportunities.

Beyond bond and stock markets, a specialist strategy designed to protect against sharp market falls added meaningfully to performance during the COVID-19 market sell off. Our exposure to the renewable energy sector has also been positive, working to counterbalance a period of weakness in commercial property. Gold has also performed well.

Towards the end of the period under review, high inflation created additional challenges. Inflation-linked targets can be tough to fulfil during periods of heightened pricing pressures, but they keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

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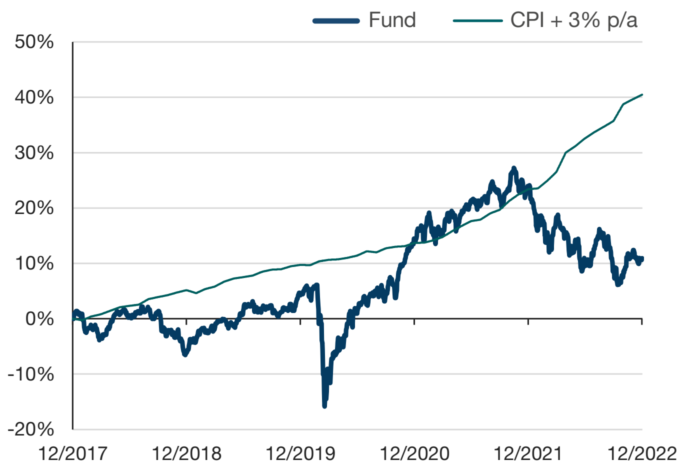
### Performance

**(Cumulative returns 31 December 2017 – 31 December 2022)**




Performance table >

### Costs and charges

The OCF of 1.39% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Growth Multi Asset Fund

## Share class: B accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 4% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

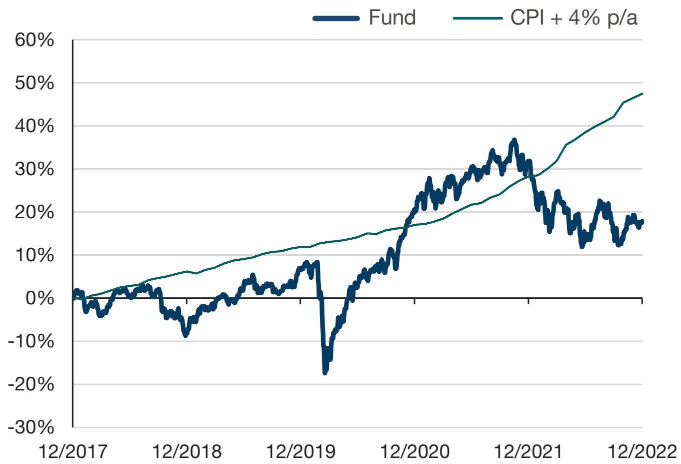
For much of the past five years (to the end of 2022), riskier asset types like shares have fared well, with policies from the world's leading central banks pushing investors into relatively higher risk areas of financial markets in search of attractive returns. The fund's exposure to US shares helped performance over this period, as did positions in high-conviction global themes, including technology, insurance and healthcare.

Beyond traditional bond and stock markets, our position in a specialist strategy designed to protect against the most severe market falls added positively to performance, kicking in during 2020's market lows.

The final year of this period marked a much more difficult market environment for almost all asset types, but especially for bonds. The fund has limited bond positions, given its growth remit, but these positions were among its performance detractors in 2022. A burst of inflation has also created new challenges: inflation-linked targets can be tough to fulfil during periods of heightened pricing pressures, but they keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.84% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

★★★★ Quality of service

★★☆☆ Performance

★☆☆☆ AFM costs

★★★★ Economies of scale

★★★☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Growth Multi Asset Fund

## Share class: C accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 4% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

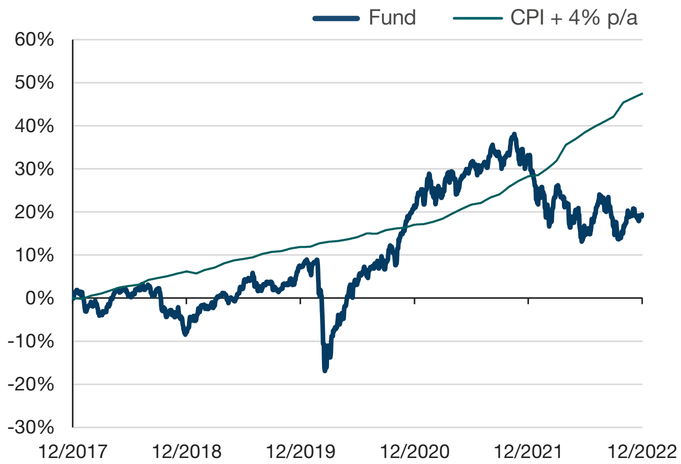
For much of the past five years (to the end of 2022), riskier asset types like shares have fared well, with policies from the world's leading central banks pushing investors into relatively higher risk areas of financial markets in search of attractive returns. The fund's exposure to US shares helped performance over this period, as did positions in high-conviction global themes, including technology, insurance and healthcare.

Beyond traditional bond and stock markets, our position in a specialist strategy designed to protect against the most severe market falls added positively to performance, kicking in during 2020's market lows.

The final year of this period marked a much more difficult market environment for almost all asset types, but especially for bonds. The fund has limited bond positions, given its growth remit, but these positions were among its performance detractors in 2022. A burst of inflation has also created new challenges: inflation-linked targets can be tough to fulfil during periods of heightened pricing pressures, but they keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.59% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Growth Multi Asset Fund

## Share class: D accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 4% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

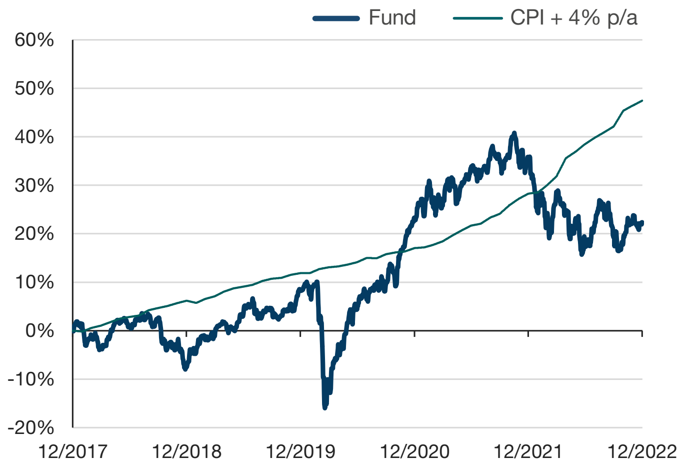
For much of the past five years (to the end of 2022), riskier asset types like shares have fared well, with policies from the world's leading central banks pushing investors into relatively higher risk areas of financial markets in search of attractive returns. The fund's exposure to US shares helped performance over this period, as did positions in high-conviction global themes, including technology, insurance and healthcare.

Beyond traditional bond and stock markets, our position in a specialist strategy designed to protect against the most severe market falls added positively to performance, kicking in during 2020's market lows.

The final year of this period marked a much more difficult market environment for almost all asset types, but especially for bonds. The fund has limited bond positions, given its growth remit, but these positions were among its performance detractors in 2022. A burst of inflation has also created new challenges: inflation-linked targets can be tough to fulfil during periods of heightened pricing pressures, but they keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

**(Cumulative returns 31 December 2017 – 31 December 2022)**




Performance table >

### Costs and charges

The OCF of 1.09% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

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# Growth Multi Asset Fund

## Share class: H accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 4% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

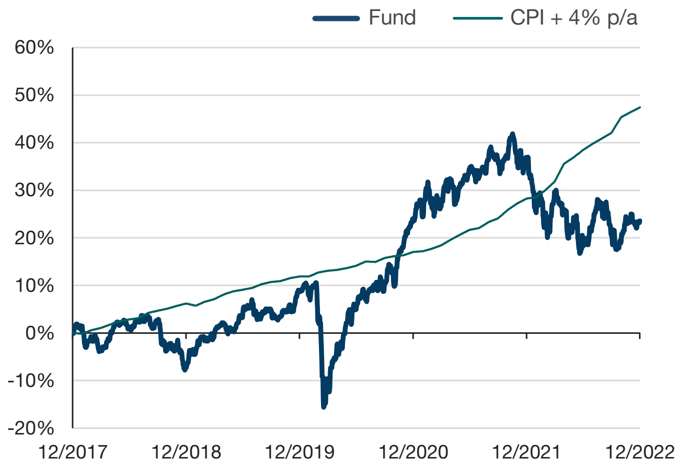
For much of the past five years (to the end of 2022), riskier asset types like shares have fared well, with policies from the world's leading central banks pushing investors into relatively higher risk areas of financial markets in search of attractive returns. The fund's exposure to US shares helped performance over this period, as did positions in high-conviction global themes, including technology, insurance and healthcare.

Beyond traditional bond and stock markets, our position in a specialist strategy designed to protect against the most severe market falls added positively to performance, kicking in during 2020's market lows.

The final year of this period marked a much more difficult market environment for almost all asset types, but especially for bonds. The fund has limited bond positions, given its growth remit, but these positions were among its performance detractors in 2022. A burst of inflation has also created new challenges: inflation-linked targets can be tough to fulfil during periods of heightened pricing pressures, but they keep us tightly focused on finding investment solutions to grow the real-world value of our customers' wealth.

### Performance

**(Cumulative returns 31 December 2017 – 31 December 2022)**




Performance table >

### Costs and charges

The OCF of 0.89% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

★★★★ Quality of service

★★★☆ Performance

★★★★ AFM costs

★★★★ Economies of scale

★★☆☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Growth Multi Asset Fund

## Share class: I accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 4% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

For much of the past five years (to the end of 2022), riskier asset types like shares have fared well, with policies from the world's leading central banks pushing investors into relatively higher risk areas of financial markets in search of attractive returns. The fund's exposure to US shares helped performance over this period, as did positions in high-conviction global themes, including technology, insurance and healthcare.

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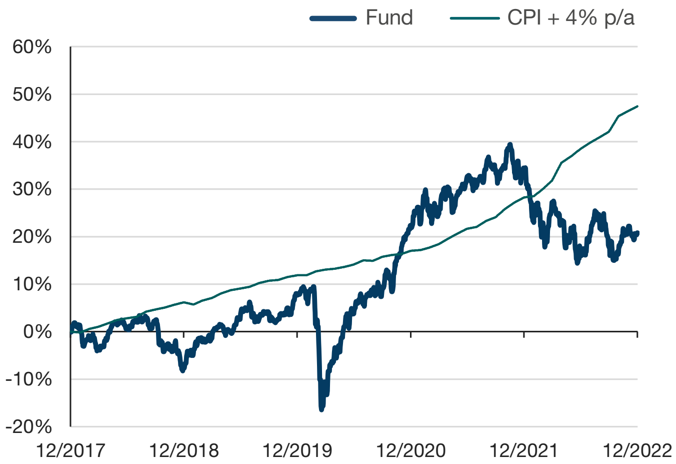
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.34% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Adventurous Fund

## Share class: B accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) in excess of the MSCI All Country World Index (£) - Net total return over any period of five years, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

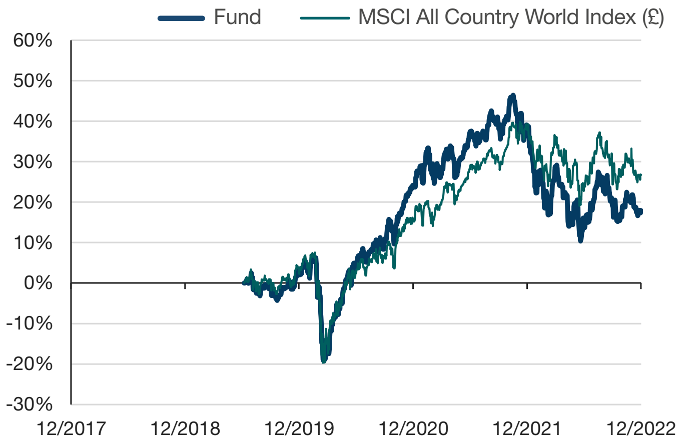
The fund was launched in 2019 – a great year for stock markets generally, with all major regions generating double-digit returns. The fund's first full calendar year – 2020 – was a decidedly eventful one, and our high-conviction thematic positions in technology and healthcare shares delivered particularly strong returns. Meanwhile, our exposure to typically cheaper 'value' shares dragged on performance.

In 2021, despite delivering strong financial returns, the fund's performance lagged behind global stock markets. The shares of a limited number of very large US companies led the way, while the fund has a preference for the shares of smaller and mid-sized companies. The US market also outperformed some of our other preferred areas, such as emerging markets and global thematic investments.

Turning to 2022, this was a challenging year for almost all asset types, as markets reacted to high inflation and a spate of sharp interest rate hikes from leading central banks. The fund had a difficult year, and its tilts towards higher growth and smaller companies negatively impacted performance, despite positions in cheaper parts of the market (like insurance and UK larger companies) performing well.

### Performance

(Cumulative returns since inception 8 July 2019 – 31 December 2022)




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.83% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ⃠ Performance
- ★☆☆☆ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

**Conclusion**

We have rated this share class as providing good overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees.

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# Adventurous Fund

## Share class: C accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) in excess of the MSCI All Country World Index (£) - Net total return over any period of five years, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

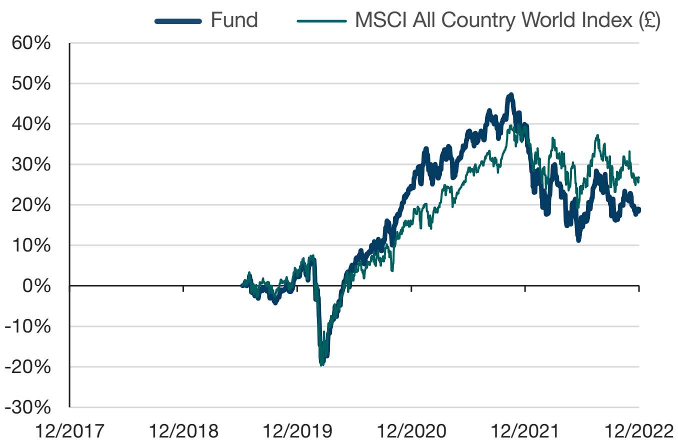
The fund was launched in 2019 – a great year for stock markets generally, with all major regions generating double-digit returns. The fund's first full calendar year – 2020 – was a decidedly eventful one, and our high-conviction thematic positions in technology and healthcare shares delivered particularly strong returns. Meanwhile, our exposure to typically cheaper 'value' shares dragged on performance.

In 2021, despite delivering strong financial returns, the fund's performance lagged behind global stock markets. The shares of a limited number of very large US companies led the way, while the fund has a preference for the shares of smaller and mid-sized companies. The US market also outperformed some of our other preferred areas, such as emerging markets and global thematic investments.

Turning to 2022, this was a challenging year for almost all asset types, as markets reacted to high inflation and a spate of sharp interest rate hikes from leading central banks. The fund had a difficult year, and its tilts towards higher growth and smaller companies negatively impacted performance, despite positions in cheaper parts of the market (like insurance and UK larger companies) performing well.

### Performance

(Cumulative returns since inception 8 July 2019 – 31 December 2022)




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.58% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★★

**Seven criteria ratings:**

- ★★★★ Quality of service
- ⃠ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★★☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing outstanding overall value.

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# Adventurous Fund

## Share class: D accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) in excess of the MSCI All Country World Index (£) - Net total return over any period of five years, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

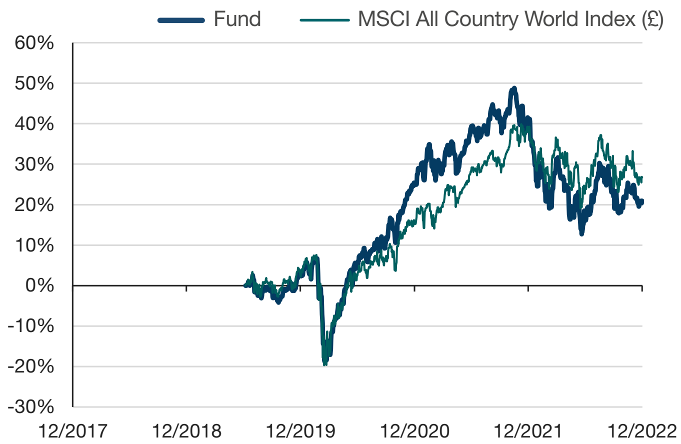
The fund was launched in 2019 – a great year for stock markets generally, with all major regions generating double-digit returns. The fund's first full calendar year – 2020 – was a decidedly eventful one, and our high-conviction thematic positions in technology and healthcare shares delivered particularly strong returns. Meanwhile, our exposure to typically cheaper 'value' shares dragged on performance.

In 2021, despite delivering strong financial returns, the fund's performance lagged behind global stock markets. The shares of a limited number of very large US companies led the way, while the fund has a preference for the shares of smaller and mid-sized companies. The US market also outperformed some of our other preferred areas, such as emerging markets and global thematic investments.

Turning to 2022, this was a challenging year for almost all asset types, as markets reacted to high inflation and a spate of sharp interest rate hikes from leading central banks. The fund had a difficult year, and its tilts towards higher growth and smaller companies negatively impacted performance, despite positions in cheaper parts of the market (like insurance and UK larger companies) performing well.

### Performance

**(Cumulative returns since inception 8 July 2019 – 31 December 2022)**




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF is 1.08%. The identified peer group is insufficient in size to provide a quartile ranking.

### Value assessment

**Overall rating:** ★★★★

**Seven criteria ratings:**

- ★★★★ Quality of service
- ⃠ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ⃠ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

**Conclusion**

We have rated this share class as providing outstanding overall value.

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# Adventurous Fund

## Share class: H accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) in excess of the MSCI All Country World Index (£) - Net total return over any period of five years, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The fund was launched in 2019 – a great year for stock markets generally, with all major regions generating double-digit returns. The fund's first full calendar year – 2020 – was a decidedly eventful one, and our high-conviction thematic positions in technology and healthcare shares delivered particularly strong returns. Meanwhile, our exposure to typically cheaper 'value' shares dragged on performance.

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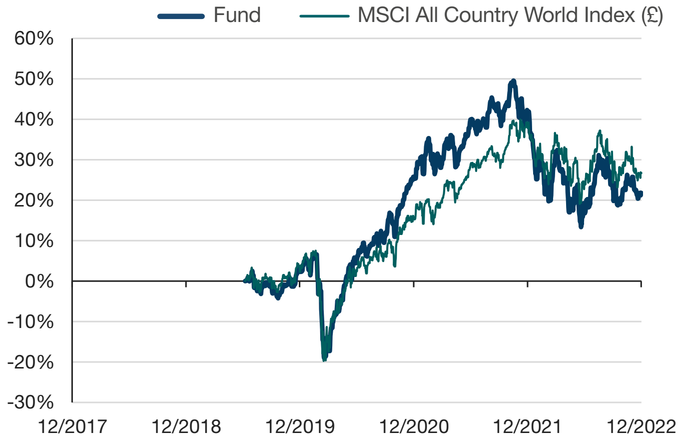
### Performance

(Cumulative returns since inception 8 July 2019 – 31 December 2022)




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF is 0.88%. The identified peer group is insufficient in size to provide a quartile ranking.

### Value assessment

**Overall rating:** ★★★★

**Seven criteria ratings:**

- ★★★★ Quality of service
- ⃠ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ⃠ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing outstanding overall value.

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# Adventurous Fund

## Share class: I accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) in excess of the MSCI All Country World Index (£) - Net total return over any period of five years, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

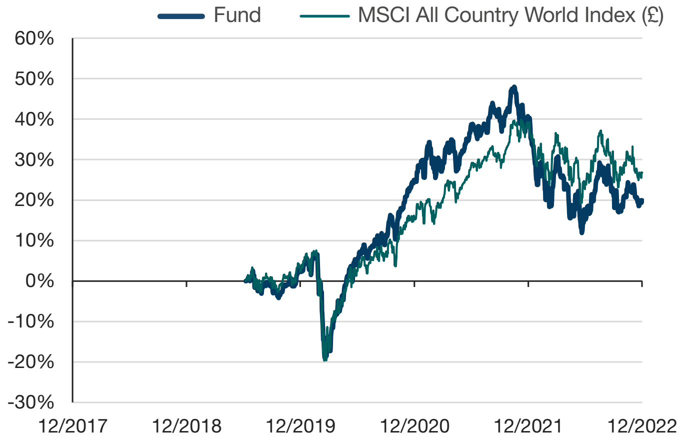
The fund was launched in 2019 – a great year for stock markets generally, with all major regions generating double-digit returns. The fund's first full calendar year – 2020 – was a decidedly eventful one, and our high-conviction thematic positions in technology and healthcare shares delivered particularly strong returns. Meanwhile, our exposure to typically cheaper 'value' shares dragged on performance.

In 2021, despite delivering strong financial returns, the fund's performance lagged behind global stock markets. The shares of a limited number of very large US companies led the way, while the fund has a preference for the shares of smaller and mid-sized companies. The US market also outperformed some of our other preferred areas, such as emerging markets and global thematic investments.

Turning to 2022, this was a challenging year for almost all asset types, as markets reacted to high inflation and a spate of sharp interest rate hikes from leading central banks. The fund had a difficult year, and its tilts towards higher growth and smaller companies negatively impacted performance, despite positions in cheaper parts of the market (like insurance and UK larger companies) performing well.

### Performance

**(Cumulative returns since inception 8 July 2019 – 31 December 2022)**




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.33% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ⃠ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Income Multi Asset Fund

## Share class: B accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

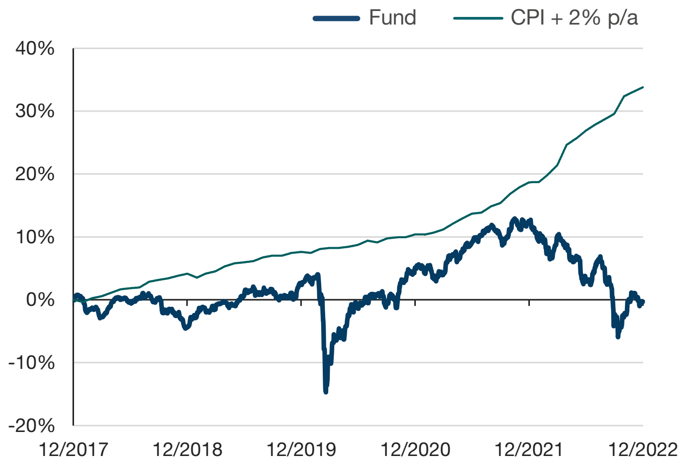
### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, significant shifts in investor preferences saw the prices of high-yielding shares struggle to keep pace with other segments of the stock market over the majority of this period. On top of this, 2020's economic crash spawned the most extreme cuts to global dividends in history, though 2021 saw many dividend payments resumed.

Meanwhile in mainstream bond markets, having spent four decades in favour, the past five years have seen three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This has presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets, like this fund. However, we feel that future returns from this area continue to improve as bond yields have risen. Among the fund's alternative holdings (i.e. beyond traditional bond and stock markets), some of our property holdings have added to performance, as well as our position in gold.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 2.03% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

Overall rating: ★★☆☆

Seven criteria ratings:

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★☆☆☆ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing moderate overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Income Multi Asset Fund

## Share class: B income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, significant shifts in investor preferences saw the prices of high-yielding shares struggle to keep pace with other segments of the stock market over the majority of this period. On top of this, 2020's economic crash spawned the most extreme cuts to global dividends in history, though 2021 saw many dividend payments resumed.

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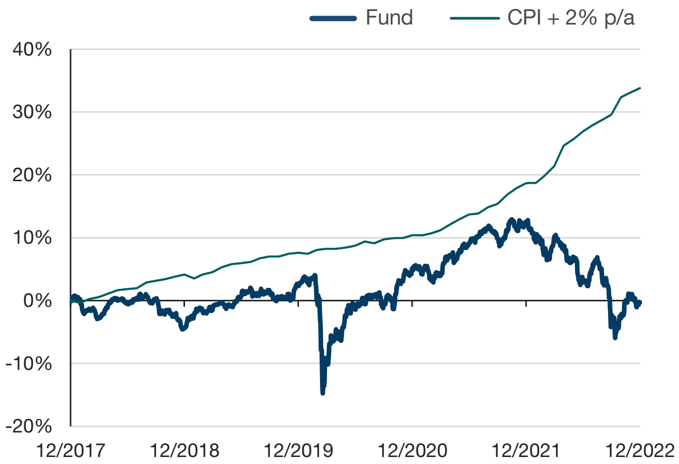
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 2.03% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★☆☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★☆☆☆ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing moderate overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

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# Income Multi Asset Fund

## Share class: C accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, significant shifts in investor preferences saw the prices of high-yielding shares struggle to keep pace with other segments of the stock market over the majority of this period. On top of this, 2020's economic crash spawned the most extreme cuts to global dividends in history, though 2021 saw many dividend payments resumed.

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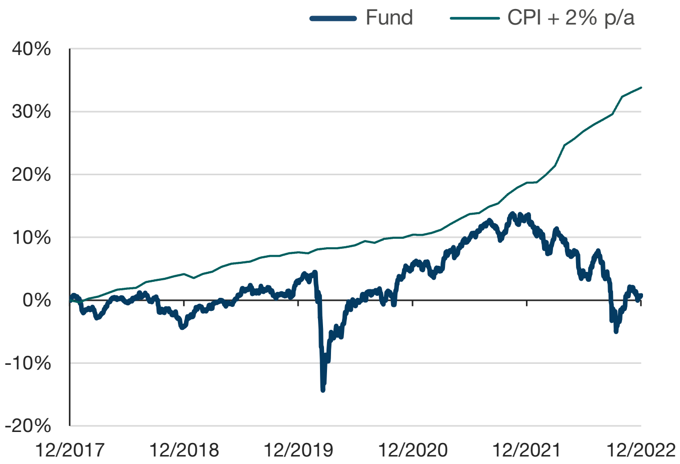
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.78% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★☆☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing moderate overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

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# Income Multi Asset Fund

## Share class: C income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, significant shifts in investor preferences saw the prices of high-yielding shares struggle to keep pace with other segments of the stock market over the majority of this period. On top of this, 2020's economic crash spawned the most extreme cuts to global dividends in history, though 2021 saw many dividend payments resumed.

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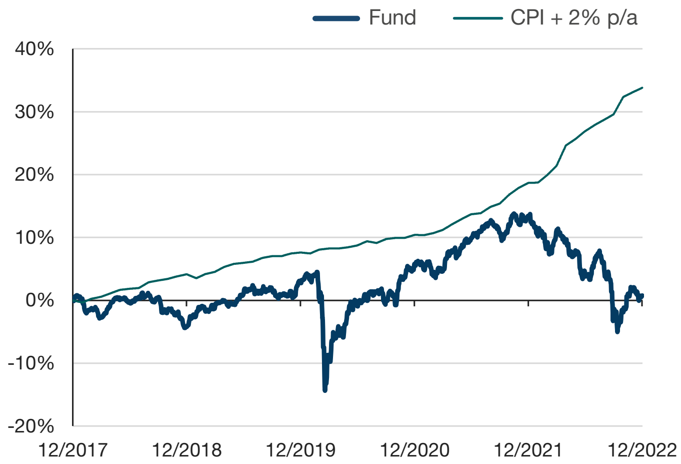
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.78% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★☆☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing moderate overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

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# Income Multi Asset Fund

## Share class: D accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

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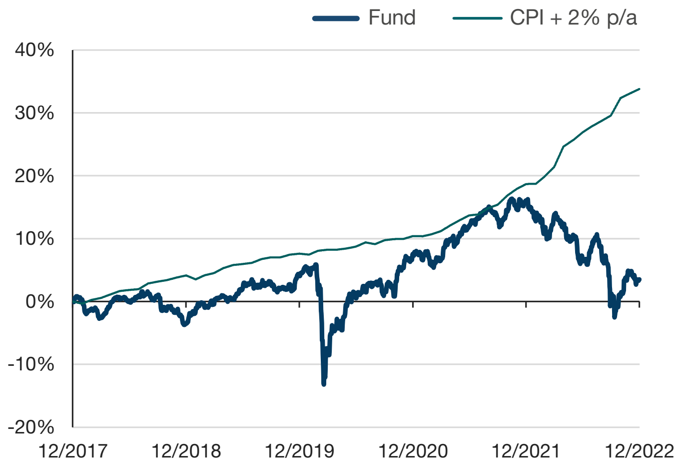
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.28% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Income Multi Asset Fund

## Share class: D income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, significant shifts in investor preferences saw the prices of high-yielding shares struggle to keep pace with other segments of the stock market over the majority of this period. On top of this, 2020's economic crash spawned the most extreme cuts to global dividends in history, though 2021 saw many dividend payments resumed.

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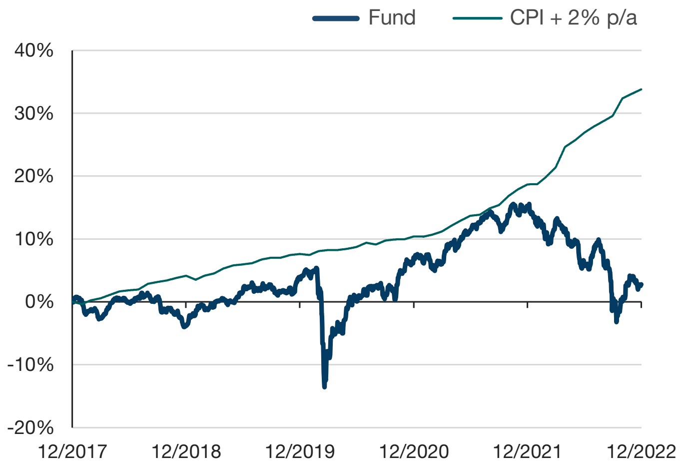
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.28% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★☆☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing moderate overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Income Multi Asset Fund

## Share class: H accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, significant shifts in investor preferences saw the prices of high-yielding shares struggle to keep pace with other segments of the stock market over the majority of this period. On top of this, 2020's economic crash spawned the most extreme cuts to global dividends in history, though 2021 saw many dividend payments resumed.

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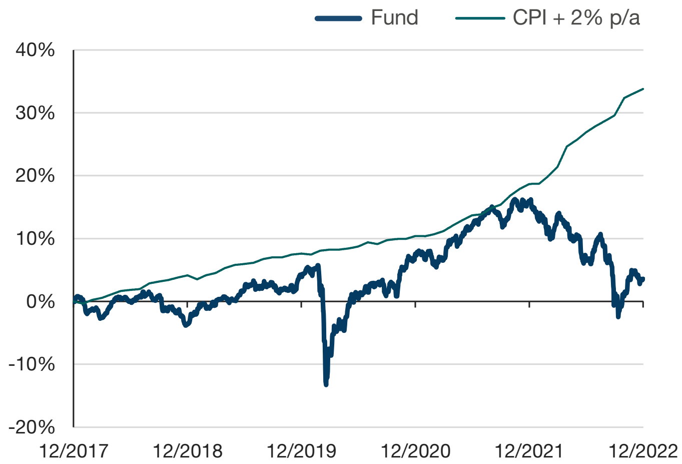
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.08% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

| | |
|---|---|
| ★★★★ | Quality of service |
| ★☆☆☆ | Performance |
| ★★★★ | AFM costs |
| ★★★★ | Economies of scale |
| ★☆☆☆ | Comparable market rates |
| ★★★★ | Comparable services |
| ★★★★ | Share classes |

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Income Multi Asset Fund

## Share class: H income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

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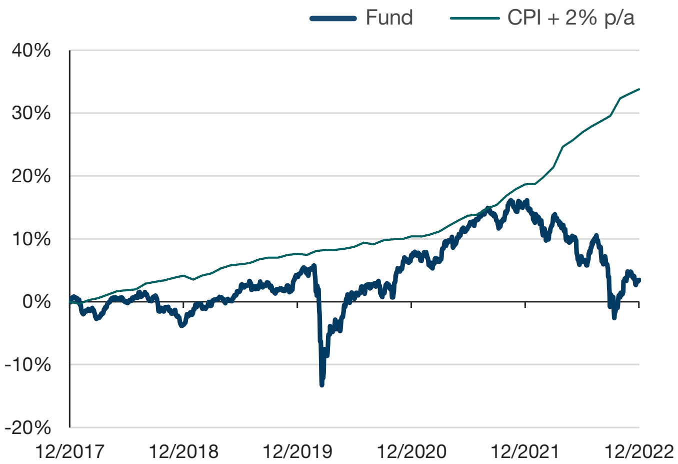
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.08% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

| | |
|---|---|
| ★★★★ | Quality of service |
| ★☆☆☆ | Performance |
| ★★★★ | AFM costs |
| ★★★★ | Economies of scale |
| ★☆☆☆ | Comparable market rates |
| ★★★★ | Comparable services |
| ★★★★ | Share classes |

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Income Multi Asset Fund

## Share class: I accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

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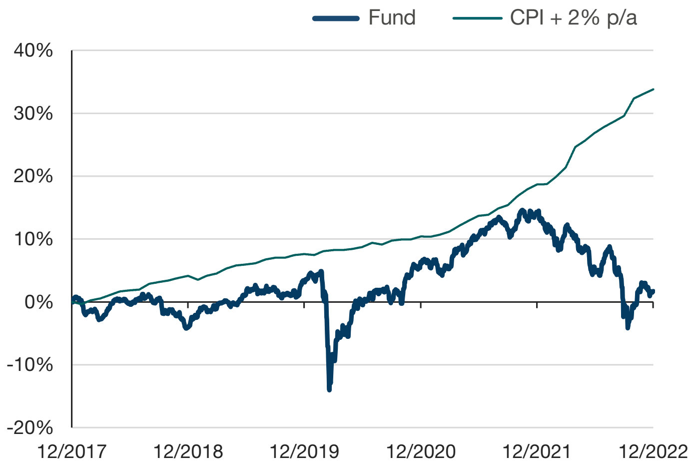
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.53% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

Overall rating: ★★☆☆

Seven criteria ratings:

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing moderate overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Income Multi Asset Fund

## Share class: I income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, significant shifts in investor preferences saw the prices of high-yielding shares struggle to keep pace with other segments of the stock market over the majority of this period. On top of this, 2020's economic crash spawned the most extreme cuts to global dividends in history, though 2021 saw many dividend payments resumed.

Meanwhile in mainstream bond markets, having spent four decades in favour, the past five years have seen three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. This has presented a very challenging environment for investment strategies skewed towards traditionally lower risk assets, like this fund. However, we feel that future returns from this area continue to improve as bond yields have risen. Among the fund's alternative holdings (i.e. beyond traditional bond and stock markets), some of our property holdings have added to performance, as well as our position in gold.

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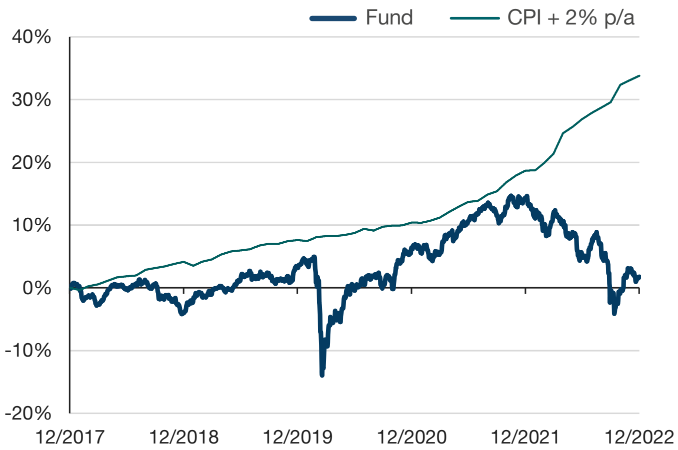
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.53% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★☆☆

**Seven criteria ratings:**

★★★★ Quality of service

★☆☆☆ Performance

★★★★ AFM costs

★★★★ Economies of scale

★☆☆☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

### Conclusion

This share class is rated as providing moderate overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Income Plus Multi Asset Fund

## Share class: B accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

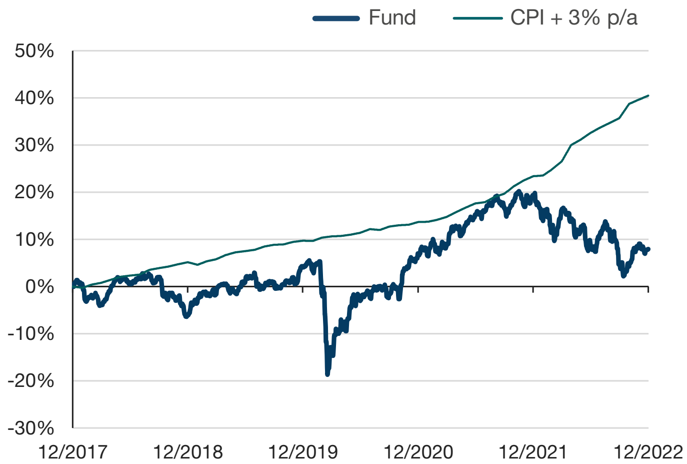
### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, high-yielding share prices have struggled to keep pace with other segments of the stock market over the majority of this period. Investors have been willing to pay handsomely for shares in 'growth' businesses (which rarely return cash to shareholders), while shares in 'value' companies (more likely to offer high dividend payouts) have been comparatively unloved. In addition, 2020's economic crash spawned historically extreme cuts to global dividends, though 2021 saw many dividend payments resumed.

In mainstream bond markets, having spent four decades in favour, the past five years have seen three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. However, we feel that future returns from this area continue to improve as bond yields have risen. Among the fund's alternative holdings (i.e. beyond traditional bond and stock markets), some of our property holdings have added to performance, as well as our position in gold.

### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 2.03% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★☆☆

**Seven criteria ratings:**

| | |
|---|---|
| ★★★★ | Quality of service |
| ★☆☆☆ | Performance |
| ★☆☆☆ | AFM costs |
| ★★★★ | Economies of scale |
| ★★☆☆ | Comparable market rates |
| ★★★★ | Comparable services |
| ★★★★ | Share classes |

### Conclusion

We have rated this share class as providing moderate overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

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# Income Plus Multi Asset Fund

## Share class: B income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, high-yielding share prices have struggled to keep pace with other segments of the stock market over the majority of this period. Investors have been willing to pay handsomely for shares in ‘growth’ businesses (which rarely return cash to shareholders), while shares in ‘value’ companies (more likely to offer high dividend payouts) have been comparatively unloved. In addition, 2020’s economic crash spawned historically extreme cuts to global dividends, though 2021 saw many dividend payments resumed.

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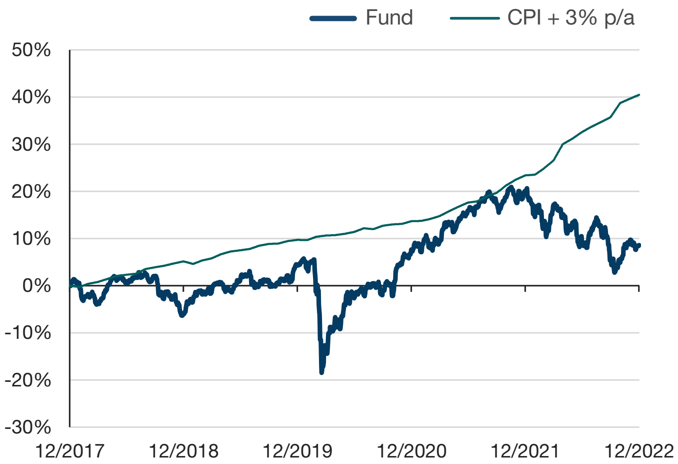
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 2.03% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★☆☆☆ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

We have rated this share class as providing good overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Income Plus Multi Asset Fund

## Share class: C accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, high-yielding share prices have struggled to keep pace with other segments of the stock market over the majority of this period. Investors have been willing to pay handsomely for shares in 'growth' businesses (which rarely return cash to shareholders), while shares in 'value' companies (more likely to offer high dividend payouts) have been comparatively unloved. In addition, 2020's economic crash spawned historically extreme cuts to global dividends, though 2021 saw many dividend payments resumed.

In mainstream bond markets, having spent four decades in favour, the past five years have seen three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. However, we feel that future returns from this area continue to improve as bond yields have risen. Among the fund's alternative holdings (i.e. beyond traditional bond and stock markets), some of our property holdings have added to performance, as well as our position in gold.

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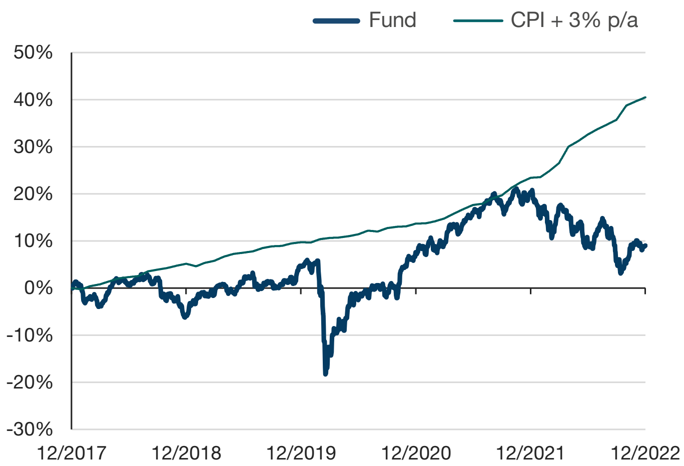
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.78% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Income Plus Multi Asset Fund

## Share class: C income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, high-yielding share prices have struggled to keep pace with other segments of the stock market over the majority of this period. Investors have been willing to pay handsomely for shares in 'growth' businesses (which rarely return cash to shareholders), while shares in 'value' companies (more likely to offer high dividend payouts) have been comparatively unloved. In addition, 2020's economic crash spawned historically extreme cuts to global dividends, though 2021 saw many dividend payments resumed.

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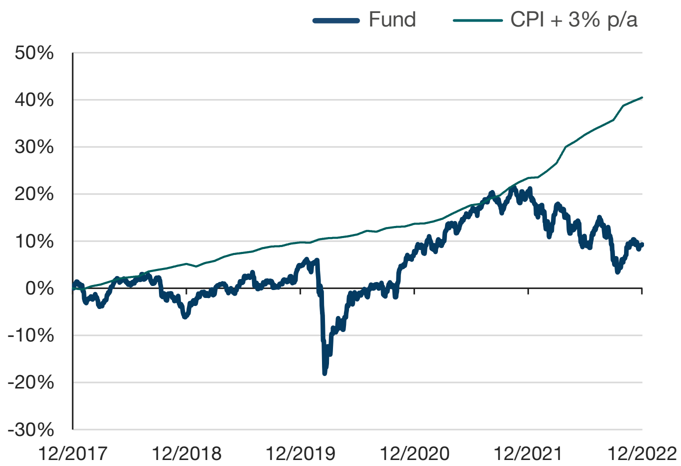
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.78% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Income Plus Multi Asset Fund

## Share class: D accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, high-yielding share prices have struggled to keep pace with other segments of the stock market over the majority of this period. Investors have been willing to pay handsomely for shares in 'growth' businesses (which rarely return cash to shareholders), while shares in 'value' companies (more likely to offer high dividend payouts) have been comparatively unloved. In addition, 2020's economic crash spawned historically extreme cuts to global dividends, though 2021 saw many dividend payments resumed.

In mainstream bond markets, having spent four decades in favour, the past five years have seen three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. However, we feel that future returns from this area continue to improve as bond yields have risen. Among the fund's alternative holdings (i.e. beyond traditional bond and stock markets), some of our property holdings have added to performance, as well as our position in gold.

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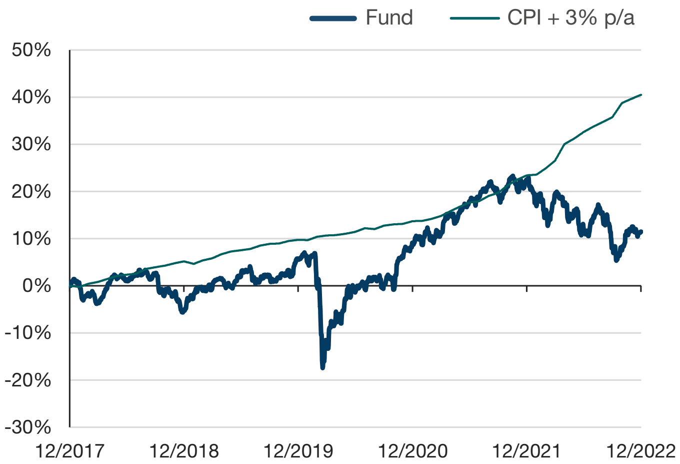
### Performance

**(Cumulative returns 31 December 2017 – 31 December 2022)**




Performance table >

### Costs and charges

The OCF of 1.28% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

**Conclusion**

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Income Plus Multi Asset Fund

## Share class: D income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, high-yielding share prices have struggled to keep pace with other segments of the stock market over the majority of this period. Investors have been willing to pay handsomely for shares in 'growth' businesses (which rarely return cash to shareholders), while shares in 'value' companies (more likely to offer high dividend payouts) have been comparatively unloved. In addition, 2020's economic crash spawned historically extreme cuts to global dividends, though 2021 saw many dividend payments resumed.

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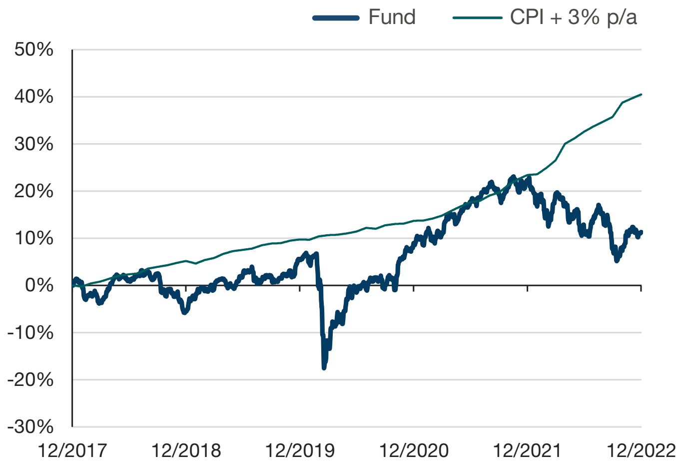
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.28% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Income Plus Multi Asset Fund

## Share class: H accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

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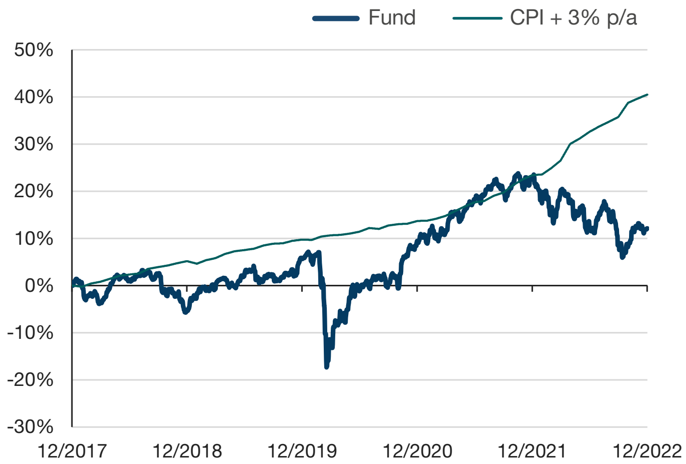
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.08% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★☆☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Income Plus Multi Asset Fund

## Share class: H income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, high-yielding share prices have struggled to keep pace with other segments of the stock market over the majority of this period. Investors have been willing to pay handsomely for shares in 'growth' businesses (which rarely return cash to shareholders), while shares in 'value' companies (more likely to offer high dividend payouts) have been comparatively unloved. In addition, 2020's economic crash spawned historically extreme cuts to global dividends, though 2021 saw many dividend payments resumed.

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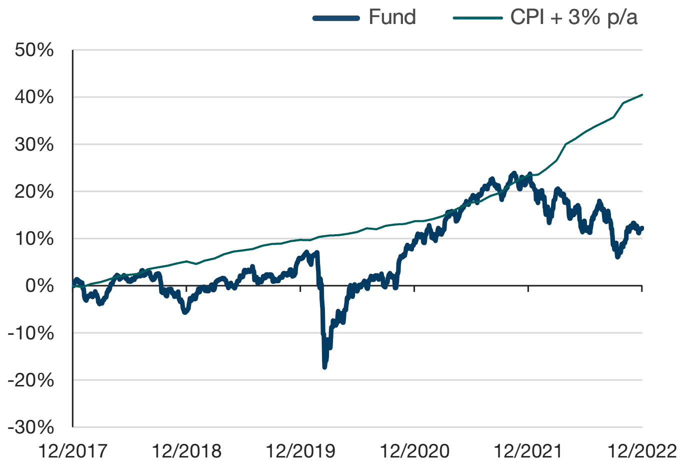
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.08% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ★★☆☆ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Income Plus Multi Asset Fund

## Share class: I accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, high-yielding share prices have struggled to keep pace with other segments of the stock market over the majority of this period. Investors have been willing to pay handsomely for shares in 'growth' businesses (which rarely return cash to shareholders), while shares in 'value' companies (more likely to offer high dividend payouts) have been comparatively unloved. In addition, 2020's economic crash spawned historically extreme cuts to global dividends, though 2021 saw many dividend payments resumed.

In mainstream bond markets, having spent four decades in favour, the past five years have seen three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. However, we feel that future returns from this area continue to improve as bond yields have risen. Among the fund's alternative holdings (i.e. beyond traditional bond and stock markets), some of our property holdings have added to performance, as well as our position in gold.

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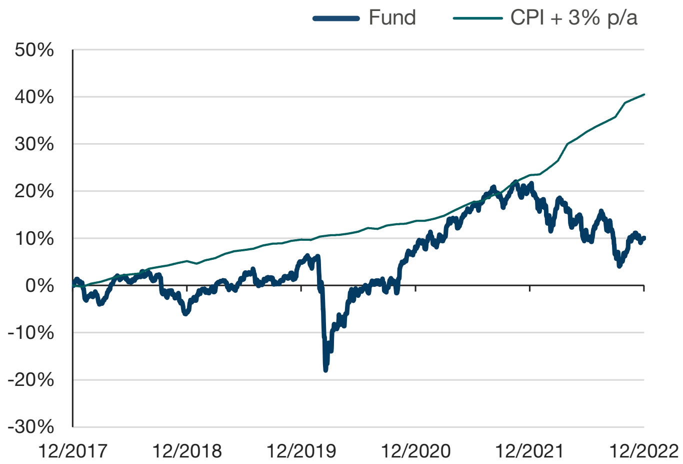
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.53% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

★★★★ Quality of service

★☆☆☆ Performance

★★★★ AFM costs

★★★★ Economies of scale

★☆☆☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Income Plus Multi Asset Fund

## Share class: I income

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. The fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

Over the past five years, our stock market positions (global, US and UK) have driven the majority of returns within the fund. However, high-yielding share prices have struggled to keep pace with other segments of the stock market over the majority of this period. Investors have been willing to pay handsomely for shares in 'growth' businesses (which rarely return cash to shareholders), while shares in 'value' companies (more likely to offer high dividend payouts) have been comparatively unloved. In addition, 2020's economic crash spawned historically extreme cuts to global dividends, though 2021 saw many dividend payments resumed.

In mainstream bond markets, having spent four decades in favour, the past five years have seen three calendar years (2018, 2021 and 2022) of negative real returns on nominal bonds. Indeed, while 2022 was difficult for almost all asset types, it marked the worst year in modern history for bonds. However, we feel that future returns from this area continue to improve as bond yields have risen. Among the fund's alternative holdings (i.e. beyond traditional bond and stock markets), some of our property holdings have added to performance, as well as our position in gold.

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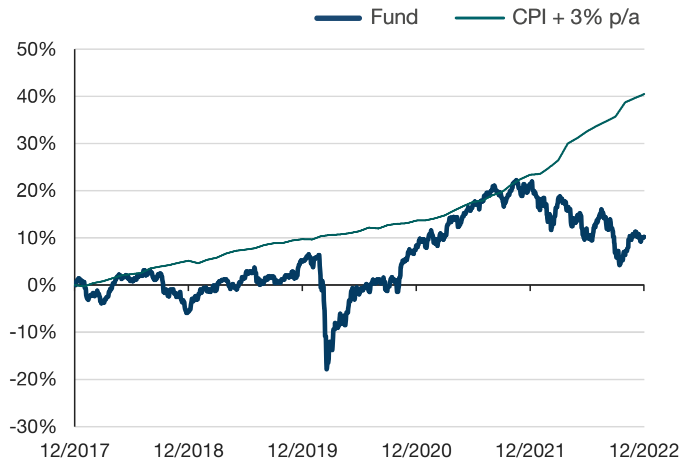
### Performance

(Cumulative returns 31 December 2017 – 31 December 2022)




Performance table >

### Costs and charges

The OCF of 1.53% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

| | |
|---|---|
| ★★★★ | Quality of service |
| ★☆☆☆ | Performance |
| ★★★★ | AFM costs |
| ★★★★ | Economies of scale |
| ★☆☆☆ | Comparable market rates |
| ★★★★ | Comparable services |
| ★★★★ | Share classes |

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective have not been able to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Defensive Sustainable Multi Asset Fund

## Share class: B accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

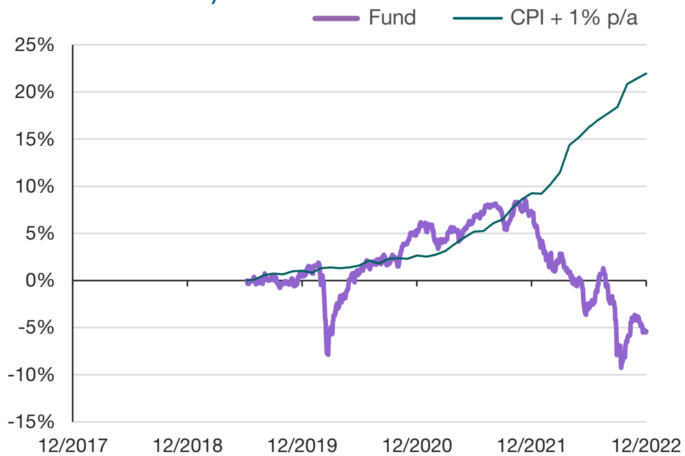
The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, bonds, including green bonds and social bonds, saw losses over the year. Within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

(Cumulative returns since inception 8 July 2019 – 31 December 2022)




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.95% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

| | |
|---|---|
| ★★★★ | Quality of service |
| ⃠ | Performance |
| ★☆☆☆ | AFM costs |
| ★★★★ | Economies of scale |
| ★★☆☆ | Comparable market rates |
| ★★★★ | Comparable services |
| ★★★★ | Share classes |

### Conclusion

We have rated this share class as providing good overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Defensive Sustainable Multi Asset Fund

## Share class: C accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

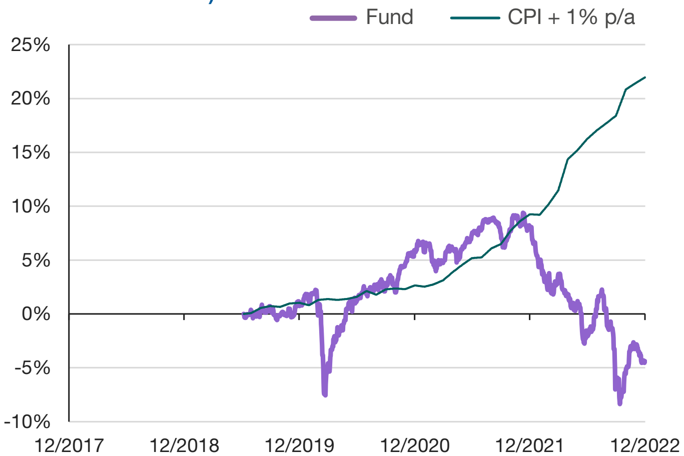
The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, bonds, including green bonds and social bonds, saw losses over the year. Within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

(Cumulative returns since inception 8 July 2019 – 31 December 2022)




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.70% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

- ★★★★ Quality of service
- ⃠ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

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# Defensive Sustainable Multi Asset Fund

## Share class: D accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

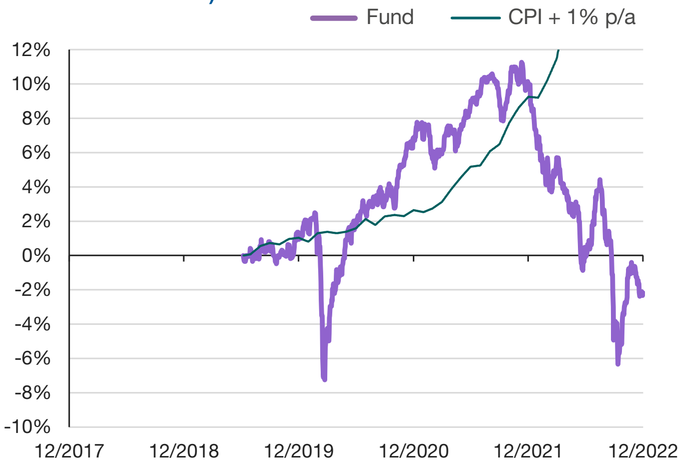
The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, bonds, including green bonds and social bonds, saw losses over the year. Within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

(Cumulative returns since inception 8 July 2019 – 31 December 2022)




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.20% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

- ★★★★ Quality of service
- ⃠ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objectiveare not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

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# Defensive Sustainable Multi Asset Fund

## Share class: H accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

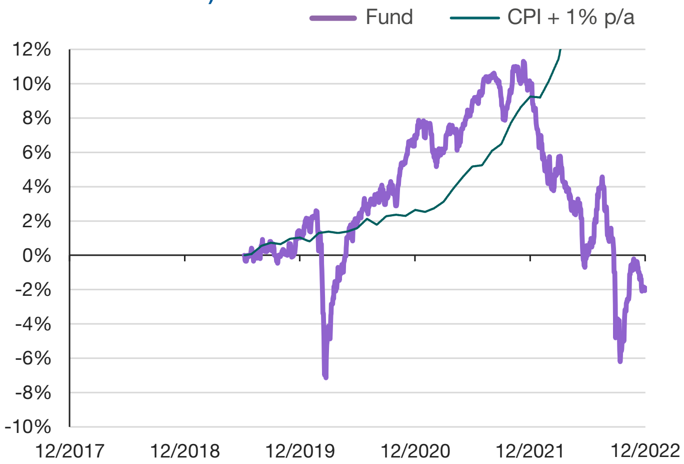
The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, bonds, including green bonds and social bonds, saw losses over the year. Within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

(Cumulative returns since inception 8 July 2019 – 31 December 2022)




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.00% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

- ★★★★ Quality of service
- ⃠ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

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# Defensive Sustainable Multi Asset Fund

## Share class: I accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

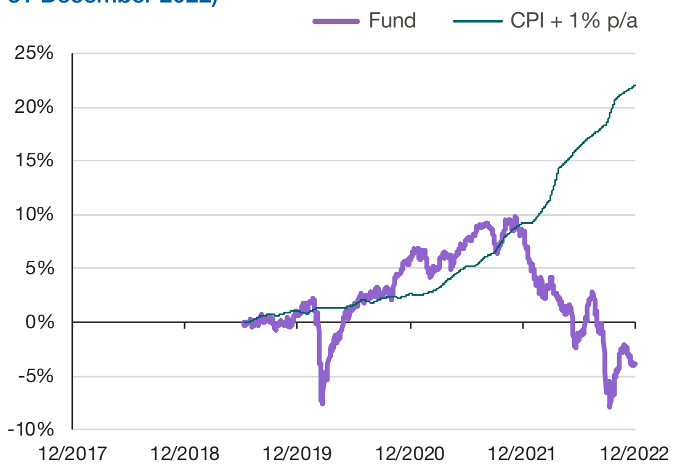
The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, bonds, including green bonds and social bonds, saw losses over the year. Within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

(Cumulative returns since inception 8 July 2019 – 31 December 2022)




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.45% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

- ★★★★ Quality of service
- ⃠ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Cautious Sustainable Multi Asset Fund

## Share class: B accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

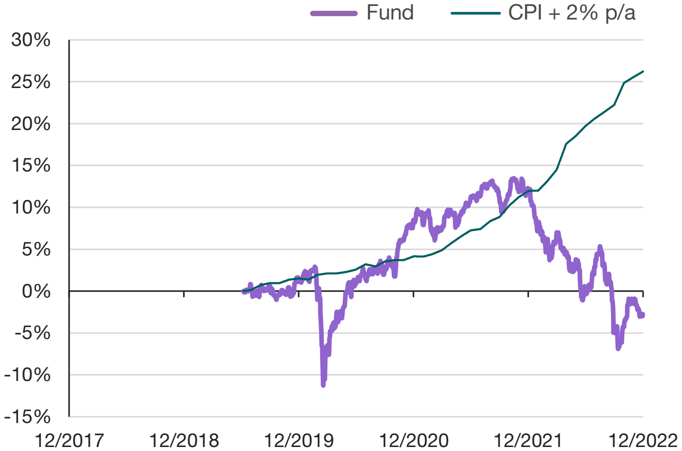
The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, bonds, including green bonds and social bonds, saw losses over the year. Within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

(Cumulative returns since inception 8 July 2019 – 31 December 2022)




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.87% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

| | |
|---|---|
| ★★★★ | Quality of service |
| ⃠ | Performance |
| ★☆☆☆ | AFM costs |
| ★★★★ | Economies of scale |
| ★★★☆ | Comparable market rates |
| ★★★★ | Comparable services |
| ★★★★ | Share classes |

### Conclusion

We have rated this share class as providing good overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

# Cautious Sustainable Multi Asset Fund

## Share class: C accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

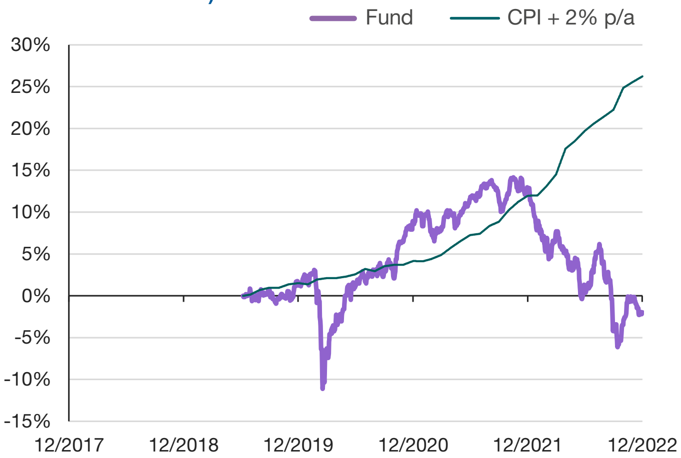
The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, bonds, including green bonds and social bonds, saw losses over the year. Within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

**(Cumulative returns since inception 8 July 2019 – 31 December 2022)**




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.62% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★★

**Seven criteria ratings:**

★★★★ Quality of service

⃠ Performance

★★★★ AFM costs

★★★★ Economies of scale

★★★☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

### Conclusion

We have rated this share class as providing outstanding overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

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# Cautious Sustainable Multi Asset Fund

## Share class: D accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, bonds, including green bonds and social bonds, saw losses over the year. Within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

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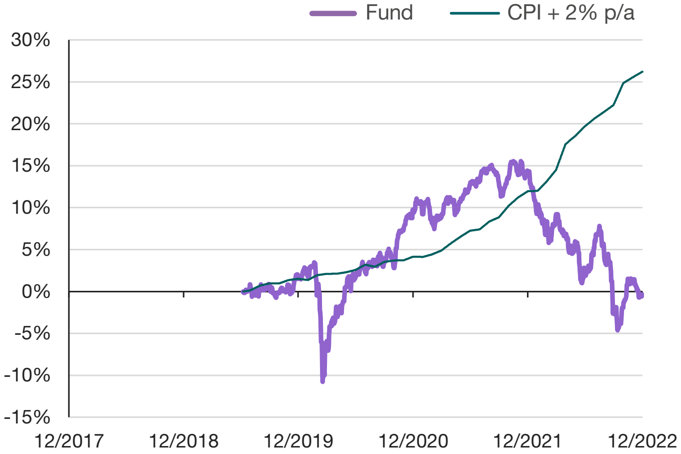
### Performance

(Cumulative returns since inception 8 July 2019 – 31 December 2022)




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.12% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ⃠ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Cautious Sustainable Multi Asset Fund

## Share class: H accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, bonds, including green bonds and social bonds, saw losses over the year. Within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

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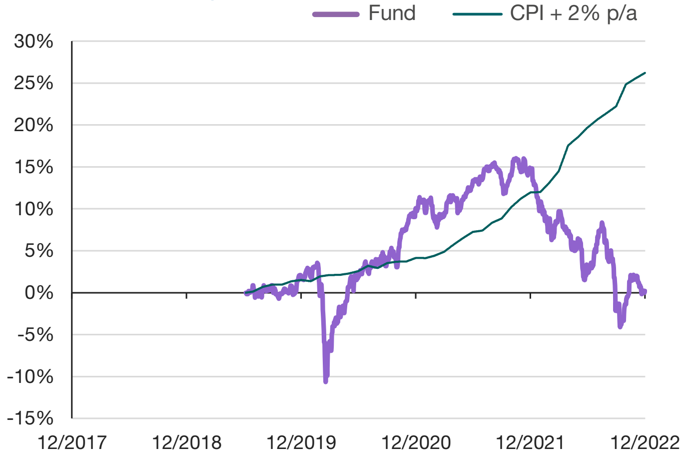
### Performance

(Cumulative returns since inception 8 July 2019 – 31 December 2022)




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 0.92% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

- ★★★★ Quality of service
- ⃠ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Cautious Sustainable Multi Asset Fund

## Share class: I accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

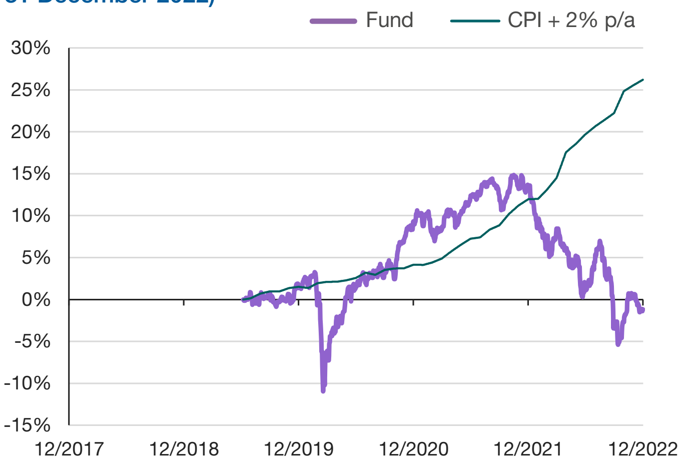
The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, bonds, including green bonds and social bonds, saw losses over the year. Within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

**(Cumulative returns since inception 8 July 2019 – 31 December 2022)**




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.37% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

★★★★ Quality of service

⊘ Performance

★★★★ AFM costs

★★★★ Economies of scale

★★☆☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Balanced Sustainable Multi Asset Fund

## Share class: B accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

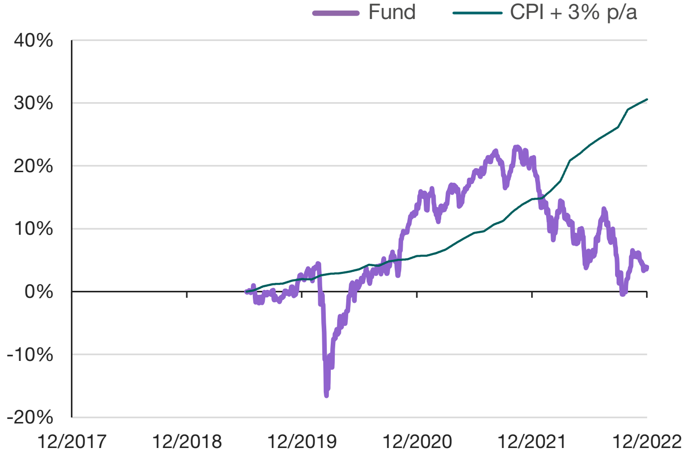
The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Bonds, including green bonds and social bonds, saw losses over the year. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

**(Cumulative returns since inception 8 July 2019 – 31 December 2022)**




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.94% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

★★★★ Quality of service

⊘ Performance

★☆☆☆ AFM costs

★★★★ Economies of scale

★★☆☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

**Conclusion**

We have rated this share class as providing good overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed

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# Balanced Sustainable Multi Asset Fund

## Share class: C accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

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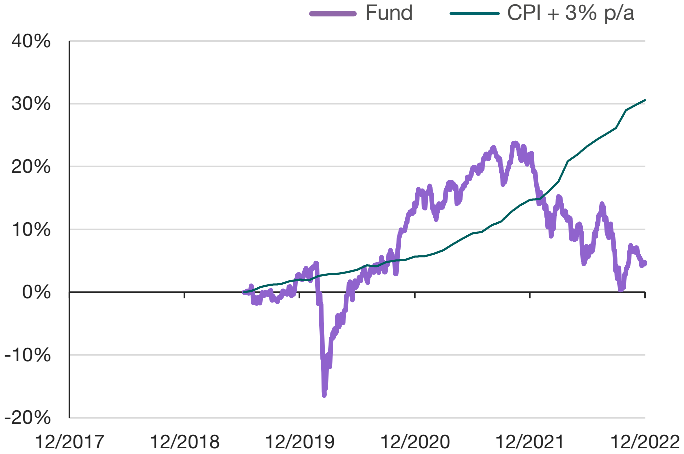
2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

**(Cumulative returns since inception 8 July 2019 – 31 December 2022)**




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.69% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ⃠ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Balanced Sustainable Multi Asset Fund

## Share class: D accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

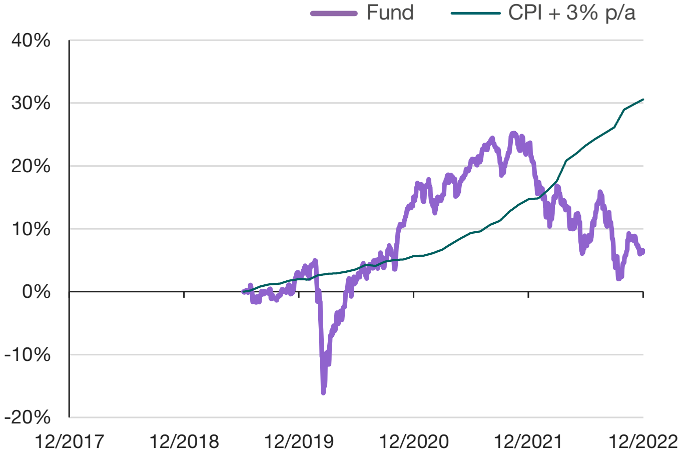
The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Bonds, including green bonds and social bonds, saw losses over the year. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

**(Cumulative returns since inception 8 July 2019 – 31 December 2022)**




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.19% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ⊘ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★★☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Balanced Sustainable Multi Asset Fund

## Share class: H accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

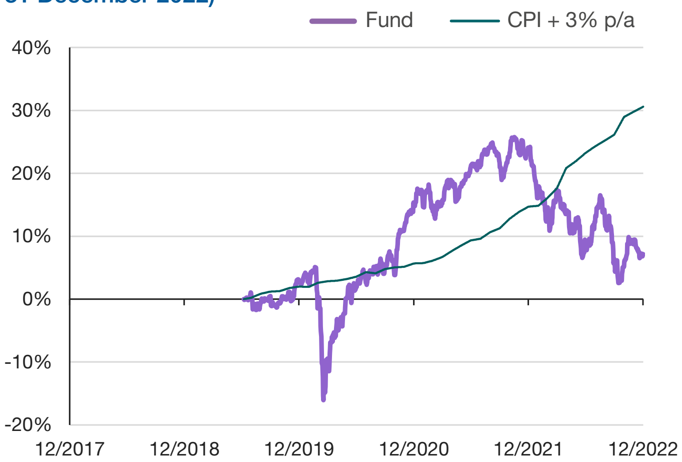
The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Bonds, including green bonds and social bonds, saw losses over the year. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

**(Cumulative returns since inception 8 July 2019 – 31 December 2022)**




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 0.99% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

★★★★ Quality of service

⃠ Performance

★★★★ AFM costs

★★★★ Economies of scale

★☆☆☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Balanced Sustainable Multi Asset Fund

## Share class: I accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

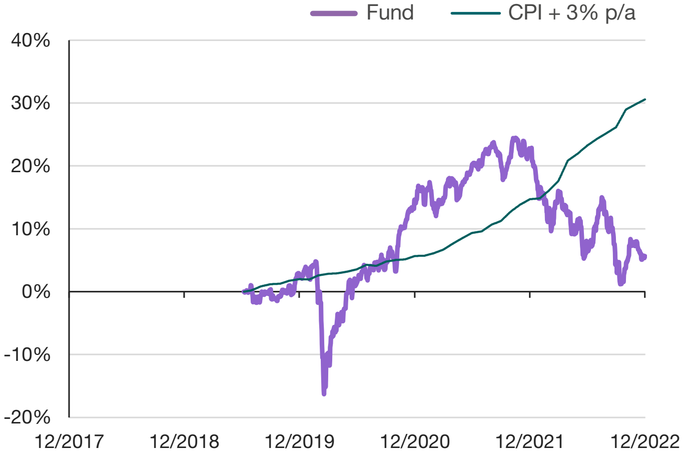
The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Bonds, including green bonds and social bonds, saw losses over the year. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

**(Cumulative returns since inception 8 July 2019 – 31 December 2022)**




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.44% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

- ★★★★ Quality of service
- ⃠ Performance
- ★★★★ AFM costs
- ★★★★ Economies of scale
- ★☆☆☆ Comparable market rates
- ★★★★ Comparable services
- ★★★★ Share classes

### Conclusion

This share class is rated as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed. To assess the comparable market rates we used data from Fitz Partners, an independent research company focused on fee data. They map the different level of fees of each share class to specific investor types such as retail investors or institutions. As there is such a variation in fees and share classes, there are some limitations in this mapping process which may result in certain share classes being compared to other share classes that have a different charging structure. Whilst we have assessed the share class and indicated a 1 or 2 star, we believe these rates do offer good value when these points are taken into consideration.

# Growth Sustainable Multi Asset Fund

## Share class: B accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 4% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

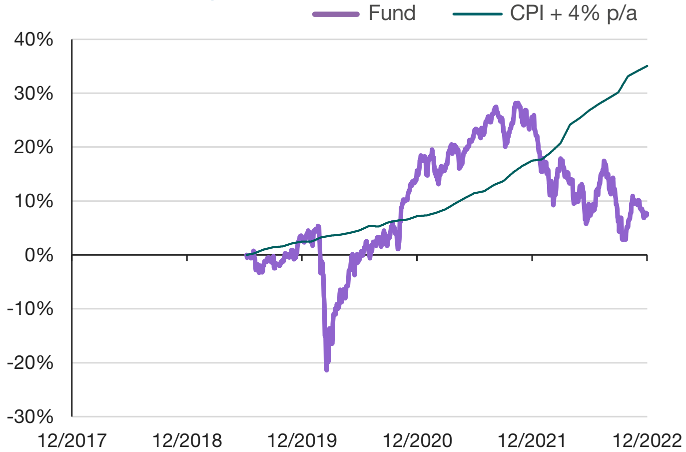
The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Bonds, including green bonds and social bonds, saw losses over the year. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

(Cumulative returns since inception 8 July 2019 – 31 December 2022)




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 2.00% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

| | |
|---|---|
| ★★★★ | Quality of service |
| ⃠ | Performance |
| ★☆☆☆ | AFM costs |
| ★★★★ | Economies of scale |
| ★★★☆ | Comparable market rates |
| ★★★★ | Comparable services |
| ★★★★ | Share classes |

### Conclusion

We have rated this share class as providing good overall value. The AFM costs for all B share classes have been given a 1 star rating as all investors will be automatically switched in 2023 to the C share class equivalent, thereby benefitting from lower fees. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

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# Growth Sustainable Multi Asset Fund

## Share class: C accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 4% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

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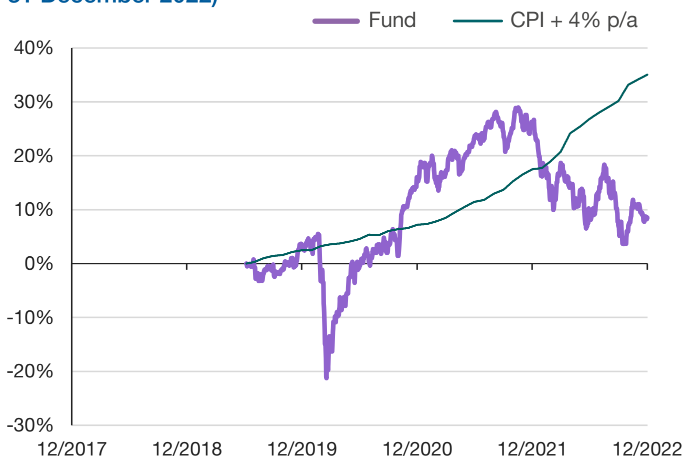
2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

(Cumulative returns since inception 8 July 2019 – 31 December 2022)




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.75% is in the second quartile of the peer group and has been rated 3 stars for comparable market rates.

### Value assessment

Overall rating: ★★★★

Seven criteria ratings:

| | |
|---|---|
| ★★★★ | Quality of service |
| ⃠ | Performance |
| ★★★★ | AFM costs |
| ★★★★ | Economies of scale |
| ★★★☆ | Comparable market rates |
| ★★★★ | Comparable services |
| ★★★★ | Share classes |

### Conclusion

We have rated this share class as providing outstanding overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

wealthandasset.handelsbanken.co.uk

# Growth Sustainable Multi Asset Fund

## Share class: D accumulation

### Investment objective

To deliver a total return (the money made or lost on an investment from the combination of income and capital growth) that at the end of any five-year period is equivalent to achieving a total return of the Consumer Price Index plus 4% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and you may get back less than you invest.

### Fund manager commentary

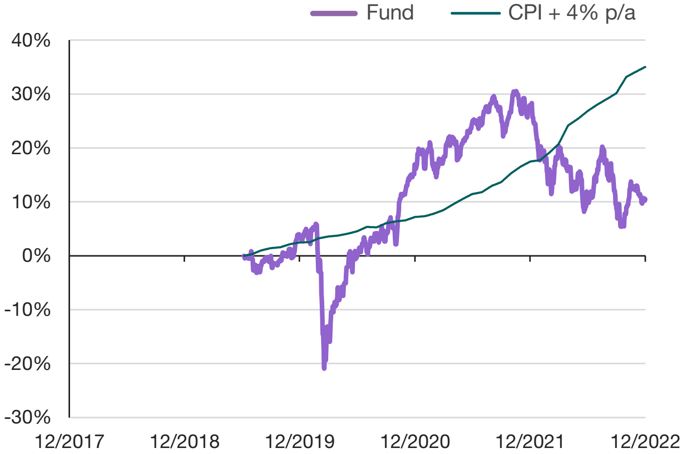
The fund was launched in 2019 – a great year for stock markets generally. The fund's first full calendar year – 2020 – was decidedly eventful, and our exposure to stock market indices tracking the best companies (based on an analysis of their environmental, social and governance credentials), added positively to performance, particularly in the UK market. Within the fund's exposure to 'alternative' asset types (beyond traditional bond and equity markets), renewables, social housing and specialist healthcare property produced robust performance versus the broader market.

In 2021, within the fund's allocation to shares, a number of impact strategies continued to perform well following a very strong 2020. Bonds, including green bonds and social bonds, saw losses over the year. Alternative asset types offered broadly flat performance overall, with gains from renewables and care homes roughly offsetting losses in social housing.

2022 presented a challenging short-term market environment for sustainable investing and wider financial markets. This was reflected in the strategy's performance, although a number of our 'impact' holdings enjoyed a positive run, including a sustainable energy fund and our renewable energy/battery storage infrastructure holdings.

### Performance

**(Cumulative returns since inception 8 July 2019 – 31 December 2022)**




We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.25% is in the third quartile of the peer group and has been rated 2 stars for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

★★★★ Quality of service

⃠ Performance

★★★★ AFM costs

★★★★ Economies of scale

★★☆☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

**Conclusion**

We have rated this share class as providing good overall value. Due to the unusually high inflationary environment, all funds with a CPI-based objective are not on track to meet this target. As a result, we will be reviewing the objectives alongside the investment approach to assess whether these targets are achievable in future. This will also include considering the investment costs incurred by the funds due to the way they are managed.

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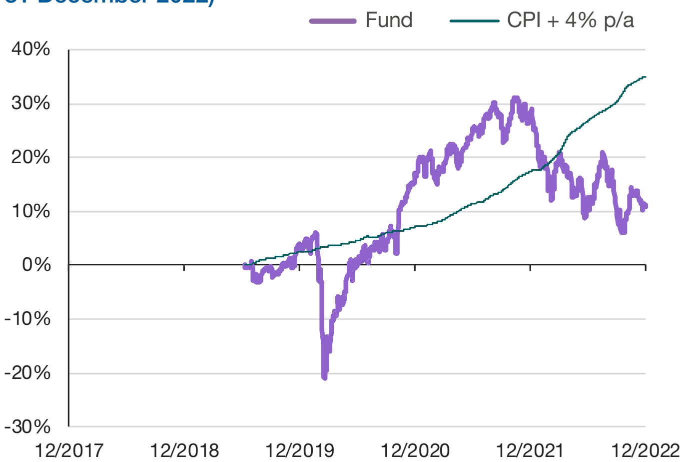


We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.05% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

★★★★ Quality of service

⃠ Performance

★★★★ AFM costs

★★★★ Economies of scale

★☆☆☆ Comparable market rates

★★★★ Comparable services

★★★★ Share classes

### Conclusion

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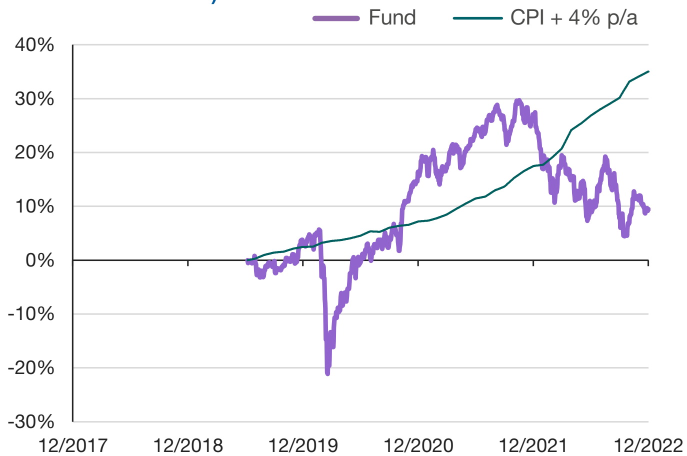


We measure fund performance versus a target return benchmark over five-year periods. As this fund does not yet have a five-year history, performance is shown from 2019 – the year the fund was launched.

Performance table >

### Costs and charges

The OCF of 1.50% is in the fourth quartile of the peer group and has been rated 1 star for comparable market rates.

### Value assessment

**Overall rating:** ★★★☆

**Seven criteria ratings:**

| | |
|---|---|
| ★★★★ | Quality of service |
| ⃠ | Performance |
| ★★★★ | AFM costs |
| ★★★★ | Economies of scale |
| ★☆☆☆ | Comparable market rates |
| ★★★★ | Comparable services |
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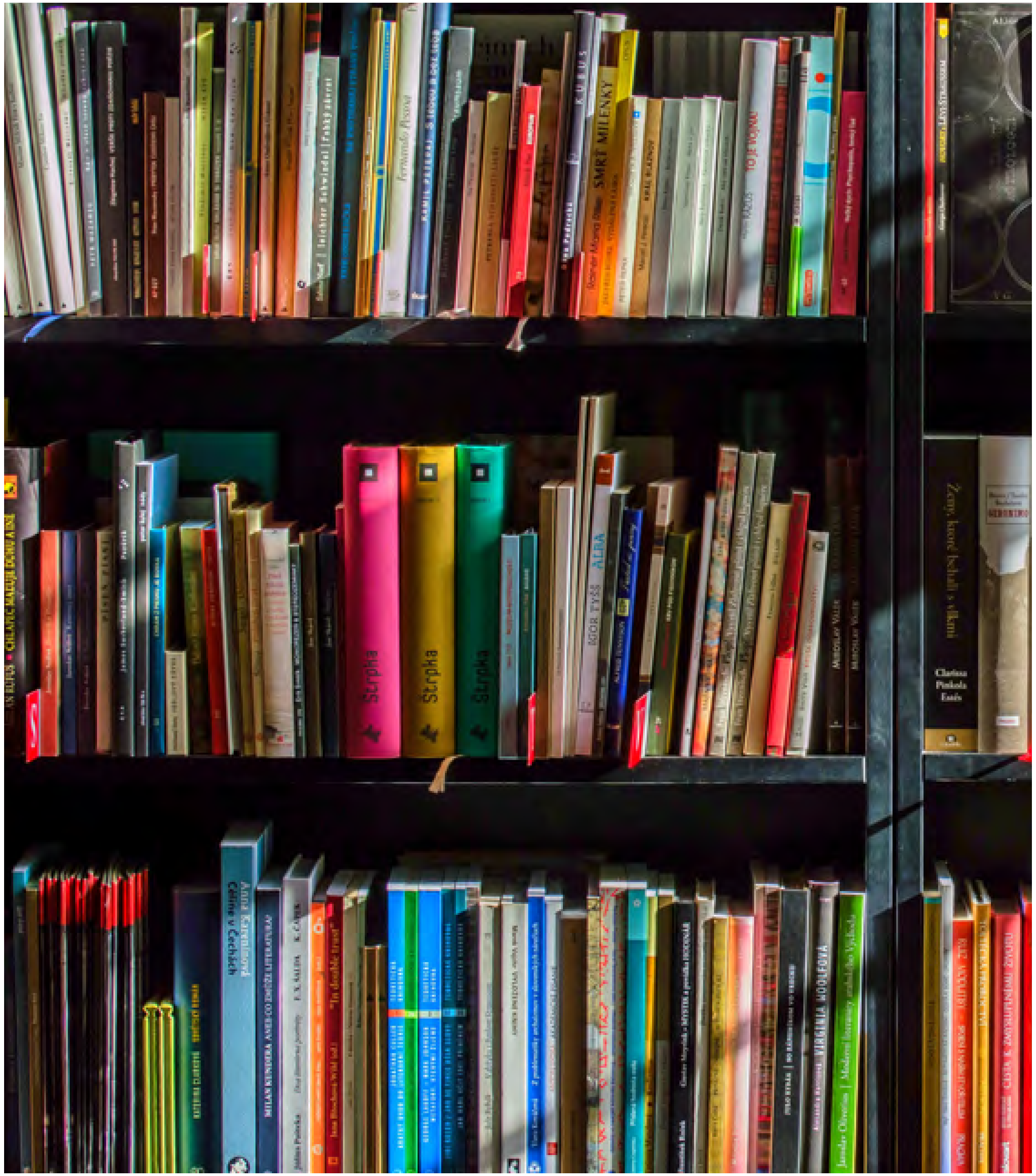

# H Glossary of terms

# Key investment terms

### Active
Where the fund manager uses their expertise to pick investments to achieve the fund's objectives rather than copy the investments in a market index.

### Alternatives
Different types of investments outside of company shares, bonds and cash. They may include, but are not limited to, property, gold and infrastructure.

### AMC
Annual Management Charge on funds, typically a percentage of the value of the investment.

### Assets
Anything having commercial or exchange value that is owned by a business, institution or individual.

### Asset allocation
Apportioning a portfolio's assets to achieve a defined level of risk tolerance and investment goals.

### Bond
An investment in the debt of a government or corporation, where investors receive a fixed rate of interest over a specified time period, at the end of which the initial amount is repaid.

### Consumer Price Index (CPI)
A measure of inflation constructed by using the price of a basket of goods and services.

### Diversification
Holding different types of assets in a portfolio to spread the risk.

### Economic cycle
The fluctuation between an economy's periods of expansion (growth) and contraction (recession).

### Equity
Shares in a company.

### Fixed income
A sector of investments which offer fixed rates of interest over a specified time period, at the end of which the initial amount is repaid. This may include, but is not limited to, government bonds and corporate debt.

### Handelsbanken ACD
The authorised corporate director of the Handelsbanken Multi Asset Funds, responsible for ensuring that the company is operated, managed and administered in accordance with applicable rules and regulations.

### Index
A representative portfolio of shares which helps to track market trends and performance.

### Inflation
The rate at which the price of goods and services rises.

### Liquidity
The degree to which an investment can be quickly bought or sold on a market without affecting its price.

### Multi asset investing
Investing in different types of assets such as company shares, bonds, property or cash amongst others.

### Platform
Software used to manage investments through a financial intermediary.

### Return
The money made or lost on an investment.

### Real return
The return from an investment after the effects of inflation are removed.

### Risk
The level of risk in a portfolio is essentially the probability for loss.

### Safe-haven assets
Assets that investors perceive to be relatively safe from suffering a loss in times of market turmoil.

### Sector
An investment category used to define the primary business of a company, such as technology, energy or healthcare.

### Share/stock
A stake representing part ownership of a company.

### Synthetic costs
These are charges made by the underlying funds held within Handelsbanken Wealth & Asset Management's funds.

### Volatility
The degree to which the price of a given asset rapidly changes. The higher the volatility, the riskier the asset tends to be.

### Yield
The income from an investment, usually stated as a percentage of the value of that investment.

# Important information

**This report has been prepared by Handelsbanken ACD Limited for existing and/or potential investors in the Handelsbanken Multi Asset Funds. Any observations and commentary made within this report are Handelsbanken ACD Limited's unless otherwise specified.**

**This report is not intended to be a definitive analysis of financial or other markets or investment research, it dœs not constitute advice and should not be treated as an offer or invitation to buy, sell or otherwise trade in any of the investments mentioned. Professional advice should be taken before investing. Past performance is not a reliable indicator of future results. The value of any investment and income from it is not guaranteed and can fall as well as rise, so that you may not realise the amount originally invested.**

The Handelsbanken Multi Asset Funds may include individual investments in structured products, foreign currencies and funds (including funds not regulated by the FCA) which may individually have a relatively high risk profile. They may specifically include hedge funds, property funds, private equity funds and other funds which may have limited liquidity. Changes in exchange rates between currencies can cause investments of income to go down or up.

Handelsbanken ACD Limited is authorised and regulated by the Financial Conduct Authority (FCA) in the conduct of investment business, and is a wholly owned subsidiary of Handelsbanken Wealth & Asset Management Limited. Handelsbanken Wealth & Asset Management Limited is a wholly-owned subsidiary of Handelsbanken Plc.

Handelsbanken ACD Limited is the authorised corporate director of the Handelsbanken Multi Asset Funds and has delegated investment management responsibilities to Handelsbanken Wealth & Asset Management Limited. Handelsbanken Wealth & Asset Management Limited is also the primary distributor of the Handelsbanken Multi Asset Funds.

The Handelsbanken Multi Asset Funds' Registrar and Depositary is The Bank of New York Mellon (International) Limited, which is authorised by the Prudential Regulation Authority and regulated by the FCA.

The funds' umbrella name was changed from LF Heartwood Multi Asset Funds to LF Handelsbanken Multi Asset Funds in November 2020; and to Handelsbanken Multi Asset Funds in November 2021.

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