Handelsbanken
Wealth & Asset Management

Assessment of Value Report 2024

Published by Handelsbanken ACD Limited, April 2025

A. What is the assessment of value report?

This report is produced by the board of Handelsbanken Authorised Corporate Director Limited (Handelsbanken ACD) and provides an annual assessment of the value that the Handelsbanken Wealth & Asset Management funds offer to customers. Handelsbanken ACD is responsible for the day-to-day management of the funds, ensuring they are managed in line with the regulatory requirements and acting as an independent steward overseeing how a fund is run and protecting the best interests of customers.

The aim of this report is to provide you with the results of our assessment as to whether each of the funds provides overall value to you as a customer. 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 the Client Support team. 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.

Contents

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 Financial Conduct Authority (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.

B. Introducing Handelsbanken Authorised Corporate Director

A message from the Chair – Ann Roughead

Ann Roughead
Independent Chair of Handelsbanken ACD

Dear Investor

I would like to introduce our fourth Assessment of Value report for the Handelsbanken Multi Asset Fund range covering 2024. This is the third full year as the Authorised Corporate Director since being appointed in November 2021, and we have continued to refine our assessment process. This has been a continuous 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 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.

The role of the Authorised Corporate Director

The Authorised Corporate Director (ACD) is responsible for the day-to-day management of an investment fund. They have a duty to act in the best interests of the fund's investors, and to 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 Handelsbanken Wealth & Asset Management, but is operated separately by a dedicated team and independent board to ensure that there are no conflict of interests.

It's an FCA requirement that there are at least two independent directors overseeing the management of the funds. Our three non-executive directors, Ann Roughead, Mike Martin and Wendy Mayall, are all independent directors and have no other connection with our parent company, Handelsbanken Wealth & Asset Management. They all bring extensive executive and non-executive experience to the Board, and play an active role in this Assessment of Value. The Executive Board member, Marc Wood, is the Chief Executive of Handelsbanken ACD and is responsible for Fund Governance & Oversight within the overall business.

ACDs delegate or outsource many of the day-to-day activities needed to administer a fund, but they retain the legal and regulatory responsibility for all of these activities and must effectively oversee that these 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

Ann is Non-Executive Director of Columbia Threadneedle Investments chairing the Independent Client Focus Group, and a member of their Remuneration Committee and Audit and Risk committees. She is a Non Executive Director and Chair of the Remuneration Committee at CCLA Investment Management.

Ann has over thirty years' experience in the financial sector, and her previous board positions include BNY Mellon Investments, Lighthouse Group plc, FundRock 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.

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 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. Previous non-financial board positions include Chairman of The Dundee United Football Company. His executive career in financial services was spent at HedgeServ, where he was senior adviser 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 ensures he is ideally placed to positively contribute as an Independent Non-Executive Director of Handelsbanken ACD and in his capacity as Chairman of the Handelsbanken ACD Audit, Risk and Compliance Committee.

Wendy Mayall
Independent Non-Executive Director of Handelsbanken ACD and Chair of the Product Governance & 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 governance experience. These were gained at Thorn EMI where she started her career as an Investment Manager, followed by Rogers, Casey & Barksdale, a US based consultancy firm. She then co-founded research firm Stamford Associates. Wendy went on to be Chief Investment Officer and Global Consultant for Unilever, Group CIO for Liverpool Victoria and a Non-Executive Director for FTSE 100 life insurance and savings company, Phoenix Group Holdings. She remains a consultant to Phoenix Group. She is currently Chair of Equity Spark, a social impact crowd funding company. Wendy has also held a variety of Non-Executive roles including pension schemes, charities and investment funds.

Marc Wood
Chief 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.

C. Setting the scene

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

Graham Bishop
Chief Investment Officer,
Handelsbanken Wealth & Asset Management

Recent easing of inflationary pressures and the start of an interest rate cutting cycle are having a positive effect on risk assets, with all-time highs recorded in many stock markets. Yet inflation hasn't been completely banished, and Trump's threatened tariffs against major trading partners could ultimately prove inflationary and weigh on both bond and stock markets.

Action by central banks, initially to restore market confidence by reducing interest rates and subsequently raising them to deal with sharply rising inflation, dominated markets for much of the period. While shares rallied strongly, bonds struggled as they provided only a fixed level of interest income even as interest rates climbed and remained elevated.

A key driver of investor sentiment since 2023 has been excitement about rapid developments in artificial intelligence (AI). This led to strong performance from a handful of AI-linked technology shares. Now accounting for a record level of US benchmarks by market value, it has promoted the theme of 'American exceptionalism'. A further driver was the 2024 US election, where Donald Trump's deregulation and low tax manifesto helped support stock markets, although possible tariffs and higher deficits made bond markets more nervous.

Indeed, inflation hasn't been completely banished and Trump's threatened tariffs against major trading partners could prove inflationary and tip the global economy into recession.

What did this mean for our funds?

For the majority of the period (until 1 December 2024), the goal for our funds was to outperform their individual inflation-linked performance targets over a five-year market cycle. Inflation and (with a lag) interest rates usually move in the same direction, but the unusual circumstances during the period (a pandemic and war in Europe) saw them diverge. This contributed to a period of underperformance for our funds and despite a recovery and strong returns, the funds were unable to close the gap and lagged their performance targets over the cycle.

What did this journey look like year-by-year?

2020 was a highly volatile year for investors. The outbreak of Covid at the beginning of the year led to a sell-off for financial markets. Coordinated action by major central banks to lower interest rates helped many stock markets recover. Bond markets also delivered positive returns.

Our positions intended to diversify risk worked as expected at key junctures, including our holdings in gold, the Japanese yen (through Japanese government bonds), and specialist strategies designed to protect against dramatic market falls. Our positions in technology shares and the onshore China stock market were also relatively robust.

Markets continued to rebound during 2021, a process aided by the roll-out of Covid vaccines and the reopening of economies, as well as continuing central bank support in keeping interest rates low. Investment returns slowed as supply chain disruption and inflationary pressures grew. Our stock market positions helped to support returns, as world stock markets were driven higher by a strong ongoing economic recovery, however, our positions in traditional 'safe-haven' asset types like government bonds and gold suffered some weakness.

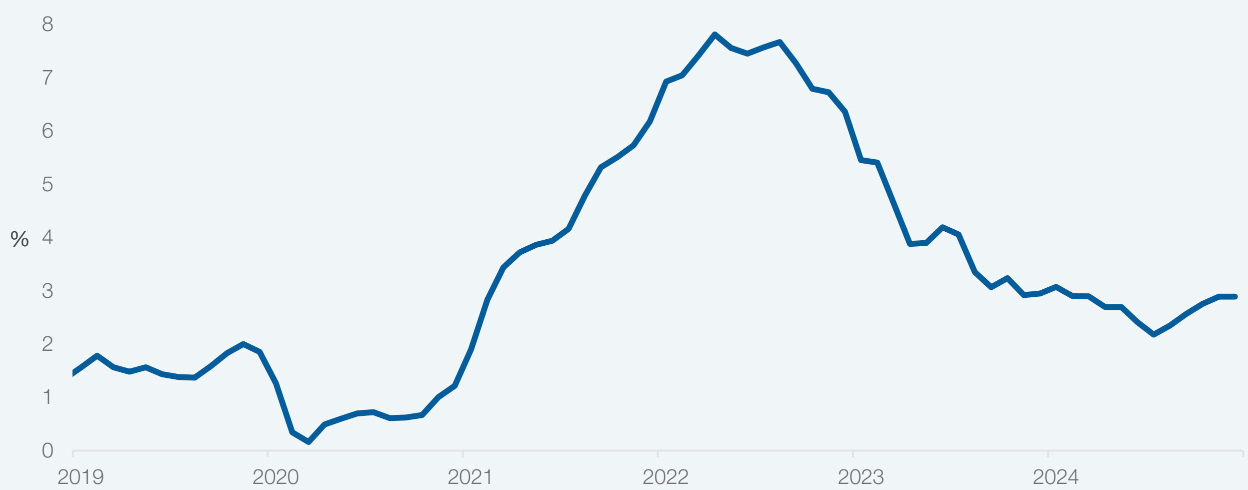
Investment returns fell sharply into negative territory in 2022. Continuing concerns about higher inflation and interest rates, and then Russia's invasion of Ukraine and the consequent jump in energy and other commodity prices exacerbated these shocks. Investors sought safety in the US dollar. Holding anything other than cash would have led to capital losses over the year and our funds delivered negative returns. However, an underweight in fixed income helped to cushion some losses in a year when bond markets were exceptionally weak, delivering their worst performance in decades.

Financial markets rebounded in 2023 as investors welcomed signs that the interest rate hiking cycle had peaked, raising the prospect of lower interest rates. Sentiment was also helped by a resilient global economic backdrop. Technology shares performed strongly, helped by the rapid advance in the potential uses of AI. All our funds delivered positive returns, although we should have owned more US shares and delayed before increasing exposure to fixed income.

In 2024, expectations that interest rates would fall supported stock markets. 'American exceptionalism' was a major theme as a handful of US AI-linked technology companies delivered superior returns. Donald Trump's victory in November's US presidential election was a positive catalyst for shares, but bond yields rose (and bond prices which move in the opposite direction, fell) on concerns inflation could rise. The majority of our funds delivered strong positive absolute returns in 2024, with our gold position in particular adding value, living up to its safe-haven status and in response to falling interest rates and central bank buying.

Sharply higher inflation erupted in the wake of the COVID-19 crisis

Global inflation, measured by headline OECD* G7 Consumer Price Index (CPI), year-on-year



Source: Bloomberg *Organisation for Economic Co-operation and Development

How did the major asset types perform?

Apart from 2022, higher risk assets like shares, commodities and currencies performed well, helped by ultra-low interest rates at the beginning of the period, as well as later signs that inflation had peaked. In 2023 and 2024, stock markets in the US, as well as Europe and Japan, continued reaching new highs, supported by high demand for AI and technology shares.

In contrast, lower risk assets such as government bonds lagged. Most bonds pay a fixed rate of interest, which is attractive in a low or falling interest rate environment. Yet in response to higher levels of inflation, the result of post-pandemic supply disruption and supply shocks following the invasion of Ukraine, the decision by major central banks (led by the Bank of England in December 2021) to begin raising interest rates, pressured bond investments in particular. With inflation now easing, central banks are gradually reducing interest rates, providing a more attractive environment for bond investors.

Alternative assets such as commodities and real estate, delivered a mixed performance. Between 2020 and 2022, commodity prices climbed sharply but stabilised as supply disruption eased. In particular, the price of gold rose strongly in response to heightened economic uncertainty, geopolitical tension and record central bank purchases, notably in developing economies.

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D. Our overall approach to assessing value

In 2019, the Financial Conduct Authority (FCA) introduced a requirement 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 seven criteria specified by the FCA.

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 customers as well as the quality of services received by Handelsbanken ACD in the running of the funds, such as investment management process, Environmental, Social and Governance (ESG) factors, 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 such as communications, client portal and administration and services provided by our Wealth team.
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 fund assessment pages beginning on page 16. Our assessment predominantly looks at the performance of the share classes over a five year period, although we do evaluate other shorter performance periods to provide context.
Costs and charges	**Authorised Fund Manager (AFM)** Economies of scale Comparable market rates Comparable services Share classes	All remaining criteria are reviewed under costs and charges. 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 customers. These include: **AFM** – the assessment considers the costs and charges (as detailed on page 11) of our funds to ensure that the fees and overall ongoing charges figure remains reasonable for the services being provided. **Economies of scale** – we assess the extent to which any savings arising from the scale of a fund are reflected in value for our customers. **Comparable market rates** – we compare the charges to those of our competitors, to determine whether relative value is being offered to our customers. **Comparable services** – we compare the charges for our funds to those of similar mandates managed by Handelsbanken, to ascertain whether relative value is being offered to customers to ensure that no investor is paying materially more than others to access a similar product. **Share classes** – we offer different types of share classes that have different features or charges for our customers; such as how and by whom they are distributed or the differing levels of services which are provided. 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).

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 customers 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.

Customer experience

As customers are Handelsbanken'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 early 2025, the business undertook a customer feedback survey on their experience during 2024, which has been analysed and incorporated into the scoring.

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 customers' 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 customers' best interests.

2. The ACD's board scrutinises how funds are managed. At least 25% of a board's members must be independent, known as Independent Non Executive Directors or iNEDs and in our ACD, they form 75% of the Board members. These iNEDs must be prepared to challenge whether the ACD is managing the fund in the best interests of customers. They are subject to robust regulatory requirements to ensure that governance and independence of the ACD is paramount. Each of our iNEDs also chairs one of the governance committees (Product Governance & Investment Oversight, 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 procedures to correctly process the buying and selling of units/shares by customers.

4. Auditors certify that each fund's report and 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 customers.

Performance

We have analysed investment performance based on the returns generated by the funds net of costs and total return basis, i.e. after ongoing charges have been deducted and distributions re-invested. As well as considering how investments have performed against the stated objectives, we have also considered other relevant factors: CPI (as this was the objective until 1 December 2024) performance versus peers and risk-adjusted performance against the main equity and bond markets. Within the individual fund summary we describe the macroeconomic environment and how this has impacted returns.

Costs and charges

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.

Fund costs and charges

Transaction Costs

Costs incurred in buying and selling securities for the fund

Ongoing Charges Figure (OCF)

The OCF is comprised of the AMC, synthetic costs and direct costs

Annual Management Charge (AMC)

This charge goes to Handelsbanken Wealth & Asset Management to cover the cost of ongoing management

Costs included within the Annual Management Charge:

- Investment management activities
- Fund accounting
- ACD
- Investor reporting and client portal

Synthetic Costs

These are charges made by the underlying holdings held within the fund

Direct Costs

Direct costs include regulatory charges and charges from the fund's other service providers (e.g. depositary, custodian and auditor). Costs incurred in buying and selling securities for the fund

Authorised Fund Manager (AFM)

We have oversight of costs, 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 investment process and managing the investments. This includes Investment Managers maintaining daily oversight of the funds, research and selection, monitoring individual assets including adherence to our responsible investment approach, maintaining systems and processes to monitor and manage risks. This charge also includes the cost for providing the ACD and Fund Accounting.

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 ACD function in-house in 2021, a review and renegotiation of costs took place to provide customers 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 customers wherever possible.

The review we have conducted considers charges for each service in the light of providing these services. A larger company wide review of costs is currently underway and any changes that are agreed will be updated in next year's report.

Economies of scale

As investment funds grow, they can often benefit from economies of scale. It is our belief that our customers, 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 customers 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?

To see how comparable our charges are versus those of our peers, we assessed the fees we charge in the 'C' share class (our most representative class for retail customers), and compared those with our equivalent peers using an applicable peer group. 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.

Comparable services

How have we assessed the comparable services available across the investment strategies we offer?

A review has been completed to identify whether any services offered by Handelsbanken Wealth & Asset Management are comparable to the Multi Asset Funds. At present, there are no comparable services to assess against and as such the rating for this criteria will not form a part of the overall rating.

Share classes

How have we assessed share classes?

We offer a range of share classes to our customers, reflecting the different ways in which our customers 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 customers 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 customers are invested in the most appropriate share class that is available to them.

E. Evolution from last year

Changes to this report

To keep this report concise for investors we are only publishing the Assessment of Value statement for each 'C' share class. However, we will publish other share classes if there is a material difference in rating with the 'C' share class.

Developments over the last year

- In recent history, security selection for our funds has evolved more than any other area of our investment process. We have continued our efforts to simplify the funds' holdings, ensuring that these holdings implement our views on markets as simply and clearly as possible. This action should also reduce idiosyncratic risk and develop a more consistent path for performance. In practice, this has meant opting for more passive (typically cheaper, market-tracking) instruments than in the past, helped by the ongoing rise of available passive investment options. These holdings still express our preferences for styles, sectors and regions, but should also improve efficiency, liquidity (the ease with which assets can be bought/sold as required), and costs.
- We sought an independent assessment of the design and implementation of the investment process. The assessment was a high-level review, focusing on the principles and thinking behind the investment process. Fundhouse, a London-based firm offering investment consulting to a global client base conducted this review and found the philosophy behind the process, its detail, construction, and its application to be of very high quality.
- The fund fees have reduced on average by 6 basis points (equivalent to 0.06%) across the fund range since the beginning of 2024 and 16 basis points (equivalent to 0.16%) since the end of 2021.
- In our last assessment, we stated we would review the fund fees. As a result of this work, we are now examining our overall Wealth & Asset Management charging structure, including our advice fees. Our intention is to make changes so that our overall fees become more transparent and continue to offer value to our customers for the services they receive.
- We have seen positive absolute fund performance across the range which has resulted in ratings improve across all funds.
- Changes to the objectives and benchmarks (detailed on page 14).
- The Sustainable funds names have changed to Responsible, due to Sustainability Disclosure Requirements (SDR) (detailed on page 15). Enhancements have been made to the Responsible Investment Policy and Responsible Investment Committee along with an update to fund disclosures.
- Implementation of new internal bespoke peer groups to allow better performance oversight against similar funds available within the market.

F. Changes to our funds

In last year's Assessment of Value Report 2023, we reported that because the funds had not met their stated objectives, we recommended a number of changes to be implemented during 2024. Here, we report on those changes.

What have we changed?

On 1 December 2024, we removed the multi asset funds' inflation-based target benchmarks and replaced them with market-linked 'composite' comparator benchmarks. (The benchmark of the Adventurous Fund remains the same.)

This change reflects the limitations of using inflation as a performance target. Inflation is measured using the Consumer Price Index; however, the Consumer Price Index is not an investible benchmark. What this means is that it doesn't contain investments that can be purchased in the market or easily replicated. It is therefore not an ideal reference to assess the performance of the investments that we hold in the multi asset funds over different timeframes.

These limitations were highlighted during 2022 and 2023 when inflation rose sharply. Very few assets were able to keep pace with inflation and provide a real return. Consequently, the funds lost ground against their inflation-linked benchmarks, leading to poor outcomes relative to their inflation-based targets. This is particularly important when considered against the regulatory backdrop where there is an expectation the funds should deliver good customer outcomes.

What does this mean?

The funds are invested across many different asset types such as UK bonds or US shares. Each type of asset has its own market benchmark. We have blended a relevant mix of these market benchmarks to create what is called a 'composite benchmark' for each fund. The proportion of each market benchmark used to create the composite reflects the general asset mix of each fund.

Fund performance is now compared against these composite benchmarks. It is important to stress that these benchmarks are for comparison only – they are not target benchmarks and do not form part of the funds' objectives. These changes are aimed at providing investors with a more accurate way to understand how our funds are performing.

The funds continue to be managed in the same way and there is no change to the types of assets the funds can invest in. Most importantly, the funds continue to target long-term growth of capital and income, and the investment philosophy of the funds remains the same.

Additional changes to the Sustainable funds

Also on 1 December 2024, we changed the names of our sustainable funds from 'Sustainable' to 'Responsible' and the name of our investment policy from the 'Sustainable Investment Policy' to the 'Responsible Investment Policy'. The policy can be accessed via this **link**.

Why did we do this?

Our regulator, the Financial Conduct Authority, has introduced new rules on how funds that have environmental, social or governance themes, known as ESG, can be named and marketed. Under these rules, UK investment funds that have ESG characteristics may now only choose to use a sustainability investment label if they meet certain criteria. These investment labels help investors to identify products that have a specific sustainability goal.

We decided not to use a sustainability investment label for our Sustainable funds. The investment approach used to assess and select investments, together with the underlying investments currently held in the funds, would not meet the Financial Conduct Authority's criteria for using a label. This meant that we could no longer use the word 'sustainable' in our fund names, and therefore renamed them as 'responsible'. This better reflects the way that we assess and choose investments for the funds based on their environmental and social themes.

Additional information

The fund names, commentary and data in section G (page 16) – Individual fund assessments – reflect the changes described above. For the period up to the changeover date of 1 December 2024, fund performance is shown against the previous target benchmark, a percentage above inflation as measured by the Consumer Price Index.

From the changeover date onwards, fund performance is shown solely versus the relevant composite comparator benchmark.

G. Individual fund assessments

What the ratings mean

We use a 1 to 4 star rating system to summarise the results of our assessment of value. This lets you see at a glance if your fund is delivering value and is supplemented with a detailed assessment of the seven criteria for the ‘C’ share class from page 17.

The assessment of fund performance is based on the minimum holding period which is five years for our funds.

★★★★	Has consistently demonstrated strong value
★★★☆	Has demonstrated value
★★☆☆	Falls short of expectations of value in certain areas
★☆☆☆	Has not demonstrated value

Defensive Multi Asset Fund

Share class: C accumulation

Investment objective

The fund aims to grow your investment over the long term (five years or more) through a combination of income and capital growth after all costs and charges have been taken. The fund aims to deliver this return with a defensive risk profile. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Fund manager commentary

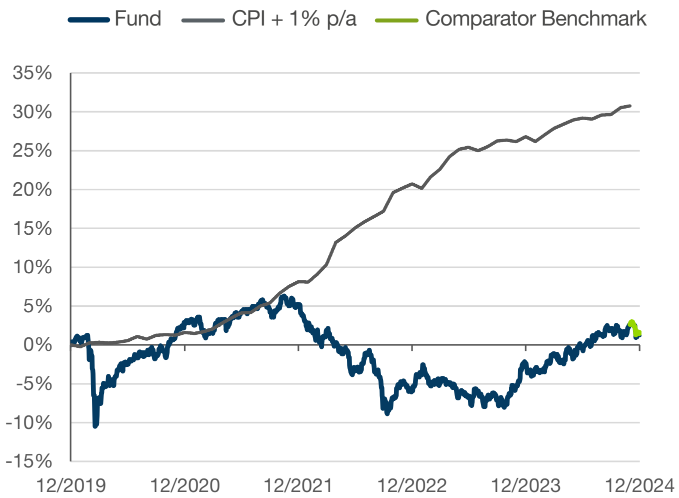
Against a volatile economic and market backdrop, the period under review was challenging even for lower risk assets such as bonds. Despite a volatile start because of the COVID-19 pandemic, fund returns were positive in both 2020 and 2021. Investment returns went into reverse during 2022: this was the first time bonds and shares both delivered negative returns simultaneously since the mid-1970s.

This reflected an unusual set of circumstances – an interest rate hiking cycle in response to growing inflationary pressures, despite a weak economic backdrop. This created challenges for our fund performance, despite bond valuations offering what we considered to be worthwhile entry levels. The result was that investment returns in 2023, while positive, lagged behind the consumer price index (CPI).

In 2024, investor sentiment improved as there was growing evidence in the US and Europe that inflationary pressures were easing. Despite occasional periods of heightened volatility, bonds began to deliver a stronger performance as the US Federal Reserve cut interest rates for the first time this cycle. The fund ended the period by delivering a positive absolute return, outperforming its CPI target (replaced in December 2024).

Performance

(Cumulative returns 31 December 2019 – 31 December 2024)



Performance table >

As noted on page 15, on 1 December 2024, we removed the multi asset funds' inflation-based target benchmarks and replaced them with market-linked 'composite' comparator benchmarks. These benchmarks are for comparison only – they are not target benchmarks and do not form part of the funds' objectives.

For the period up to 1 December 2024, fund performance is shown against the previous target benchmark, a percentage above inflation as measured by the Consumer Price Index. From the changeover date onwards, fund performance is shown solely versus the relevant composite comparator benchmark.

Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

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

Conclusion

Overall, the Board considers the fund has demonstrated value.

The fund has not met its stated objectives but has performed better when assessing other performance measures. Given the elevated levels of inflation as measured by the Consumer Price Index over the recent past, we reviewed the fund objectives and subsequently implemented changes in December 2024. We will monitor progress over the coming period.

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Cautious Multi Asset Fund

Share class: C accumulation

Investment objective

The fund aims to grow your investment over the long term (five years or more) through a combination of income and capital growth after all costs and charges have been taken. The fund aims to deliver this return with a cautious risk profile. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Fund manager commentary

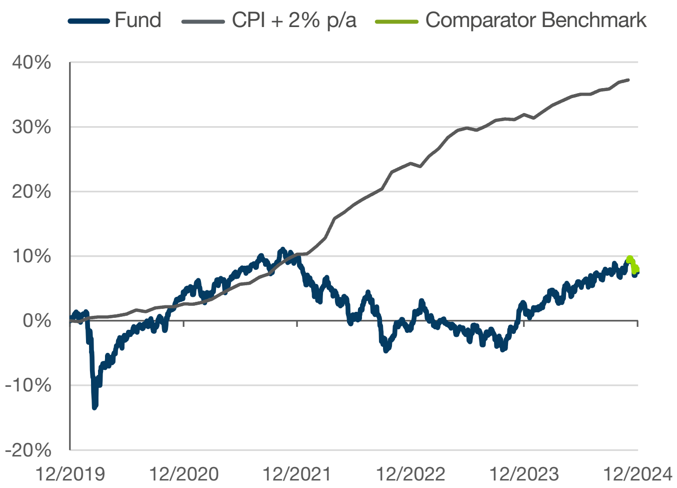
Against a volatile economic and market backdrop, the period under review was challenging even for lower risk assets such as bonds. Despite a volatile start because of the COVID-19 pandemic, fund returns were positive in both 2020 and 2021. Investment returns went into reverse during 2022: this was the first time bonds and shares both delivered negative returns simultaneously since the mid-1970s.

This reflected an unusual set of circumstances – an interest rate hiking cycle in response to growing inflationary pressures, despite a weak economic backdrop. This created challenges for our fund performance, despite bond valuations offering what we considered to be worthwhile entry levels. The result was that investment returns in 2023, while positive, lagged behind the consumer price index (CPI).

In 2024, investor sentiment improved as there was growing evidence in the US and Europe that inflationary pressures were easing. Despite occasional periods of heightened volatility, bonds began to deliver a stronger performance as the US Federal Reserve cut interest rates for the first time this cycle. The fund ended the period by delivering a positive absolute return, outperforming its CPI target (replaced in December 2024).

Performance

(Cumulative returns 31 December 2019 – 31 December 2024)



Performance table >

As noted on page 15, on 1 December 2024, we removed the multi asset funds' inflation-based target benchmarks and replaced them with market-linked 'composite' comparator benchmarks. These benchmarks are for comparison only – they are not target benchmarks and do not form part of the funds' objectives.

For the period up to 1 December 2024, fund performance is shown against the previous target benchmark, a percentage above inflation as measured by the Consumer Price Index. From the changeover date onwards, fund performance is shown solely versus the relevant composite comparator benchmark.

Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

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

Conclusion

Overall, the Board considers the fund has demonstrated value.

The fund has not met its stated objectives but has performed better when assessing other performance measures. Given the elevated levels of inflation as measured by the Consumer Price Index over the recent past, we reviewed the fund objectives and subsequently implemented changes in December 2024. We will monitor progress over the coming period.

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Balanced Multi Asset Fund

Share class: C accumulation

Investment objective

The fund aims to grow your investment over the long term (five years or more) through a combination of income and capital growth after all costs and charges have been taken. The fund aims to deliver this return with a balanced risk profile. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Fund manager commentary

Higher risk assets performed well for most of the time between 2000 and 2024, and this was reflected in the fund's high single-digit performance in three of those years. Stock and bond markets were buoyed at the beginning of the period as central banks cut interest rates to help restore business confidence following the pandemic.

During 2023 and 2024, investors' risk appetite was boosted by growing evidence that inflationary pressures were easing. 'American exceptionalism' was a major theme during this period, buoyed by high returns from a handful of US technology companies. The fund's exposure to the US stock market, and in particular technology and AI-related shares, as well as positions in global themes such as insurance and healthcare helped performance.

The unusual global growth and inflation backdrop in 2022, which saw US interest rates move from 1.5% to over 4%, resulted in negative returns for bonds and shares that year. Bond markets in particular had a challenging few years, but this presented an attractive opportunity and we increased exposure. Bonds delivered a good run of performance as 2023 drew to a close and into 2024. Elsewhere, a specialist strategy designed to protect against sharp market falls added meaningfully to performance during the COVID-19 market sell off. Our gold holdings also performed well.

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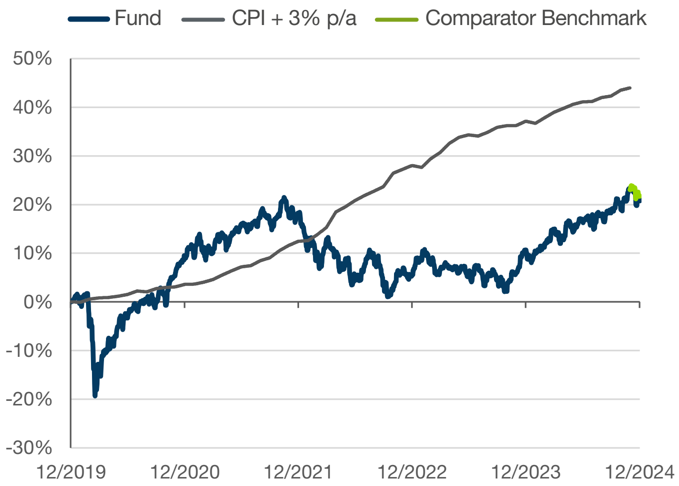
Performance

(Cumulative returns 31 December 2019 – 31 December 2024)



Performance table >

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For the period up to 1 December 2024, fund performance is shown against the previous target benchmark, a percentage above inflation as measured by the Consumer Price Index. From the changeover date onwards, fund performance is shown solely versus the relevant composite comparator benchmark.

Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

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

Conclusion

Overall, the Board considers the fund has demonstrated value.

The fund has not met its stated objectives but has performed better when assessing other performance measures. Given the elevated levels of inflation as measured by the Consumer Price Index over the recent past, we reviewed the fund objectives and subsequently implemented changes in December 2024. We will monitor progress over the coming period.

Growth Multi Asset Fund

Share class: C accumulation

Investment objective

The fund aims to grow your investment over the long term (five years or more) through a combination of income and capital growth after all costs and charges have been taken. The fund aims to deliver this return with a growth risk profile. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Fund manager commentary

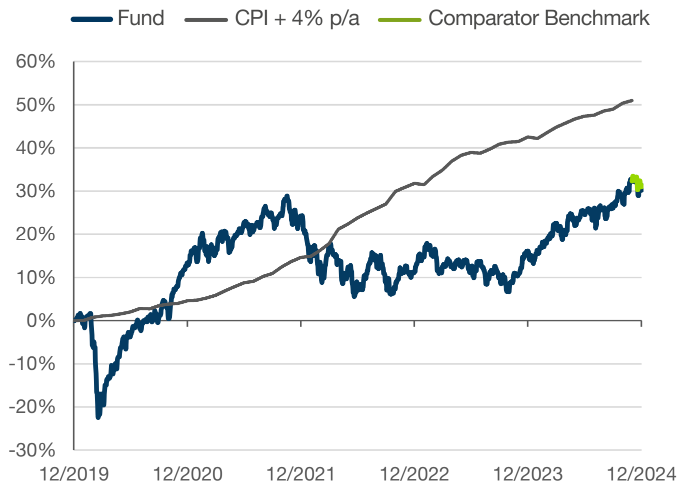
Higher risk assets performed well for most of the period, and this fund delivered double-digit returns in three of the years reviewed: 2020, 2021 and 2024. In contrast, there were negative returns in 2022 as investors reacted to continuing supply chain shocks after the pandemic and the rise in commodity prices following the invasion of Ukraine. All assets apart from cash generated losses that year.

Fund performance recovered during 2023 and 2024 as investors' risk appetite was boosted by evidence that inflationary pressures were easing. 'American exceptionalism' was a major theme during this period, buoyed by high returns from a handful of US technology companies. The fund's exposure to the US stock market, and in particular technology and AI-related shares, as well as positions in global themes such as insurance and healthcare, proved helpful.

We sensed a potential opportunity for bonds midway through the period as prices had fallen and yields had risen. With hindsight, we increased exposure here too early, although bonds began delivering good returns from the end of 2023. Elsewhere, the position in a specialist strategy designed to protect against the most severe market falls added positively to performance.

Performance

(Cumulative returns 31 December 2019 – 31 December 2024)



Performance table >

As noted on page 15, on 1 December 2024, we removed the multi asset funds' inflation-based target benchmarks and replaced them with market-linked 'composite' comparator benchmarks. These benchmarks are for comparison only – they are not target benchmarks and do not form part of the funds' objectives.

For the period up to 1 December 2024, fund performance is shown against the previous target benchmark, a percentage above inflation as measured by the Consumer Price Index. From the changeover date onwards, fund performance is shown solely versus the relevant composite comparator benchmark.

Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

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

Conclusion

Overall, the Board considers the fund has demonstrated value.

The fund has not met its stated objectives but has performed better when assessing other performance measures. Given the elevated levels of inflation as measured by the Consumer Price Index over the recent past, we reviewed the fund objectives and subsequently implemented changes in December 2024. We will monitor progress over the coming period.

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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

This fund delivered strong annual double-digit returns in all but one of the years under review, although performance lagged the benchmark over the cycle. Returns were strongest in 2020, helped by central bank action to cut interest rates. Our positioning in US shares was helpful, as these outperformed. While positive, returns lagged in 2021, as inflationary pressures and supply chain disruption increased. The shares of a limited number of very large US companies led the way, affecting the fund, which had more exposure to the shares of smaller and mid-sized companies. Global investment returns fell sharply in 2022 as continuing concerns about higher inflation and therefore interest rates were exacerbated by the invasion of Ukraine and a jump in commodity prices. This led to bear markets (a percentage decline of 20% or more) for major US stock market indices like the S&P 500 and Nasdaq.

Returns rebounded strongly in 2023 and 2024, helped by a resilient global backdrop and increasing signs that inflationary pressures were easing. Expectations that interest rates were set to fall supported stock markets. Broad exposure to US shares, including strongly performing mega-cap technology companies, as well as holdings in the insurance and healthcare sectors, aided performance.

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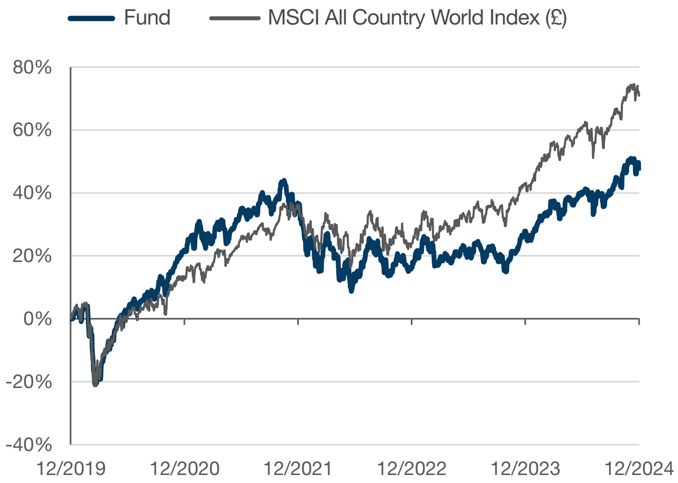
Performance

(Cumulative returns 31 December 2019 – 31 December 2024)



	1 Year cumulative return	3 Years annualised return	5 Years annualised return
Adventurous C Acc	15.5	2.7	8.1
MSCI	19.6	8.2	11.3

Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

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

Conclusion

The fund has not met its stated objectives. However, over the last year the fund performance is in the 49th centile amongst a peer group that also contains trackers/passives. We will monitor progress over the coming period.

Income Multi Asset Fund

Share class: C accumulation

Investment objective

The fund aims to provide income whilst growing your investment over the long term (five years or more) after all costs and charges have been taken. The fund aims to deliver this return with a cautious risk profile. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Fund manager commentary

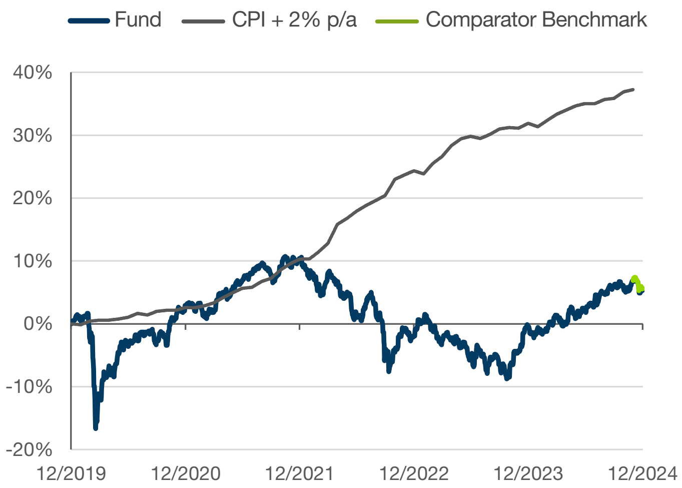
During the period under review, global shocks such as the COVID-19 pandemic and invasion of Ukraine contributed to a high inflation and interest rate environment. This proved to be a challenging backdrop for income investors.

While fund returns were positive in four of the five years under review, high-yield shares struggled to keep pace with other share styles for much of this period, partly due to shifts in investor preferences. In addition, 2020's economic crash spawned the most extreme cuts to global dividends in history, though many dividend payments were resumed in 2021.

The fund's bond holdings also suffered, as this asset class delivered negative real returns (i.e. they lost money when accounting for inflation) in both 2021 and 2022. We took the opportunity when bond prices were lower in 2022 to increase our market positions, and this helped our returns as 2023 drew to a close. Beyond shares and fixed income, some of our holdings in property added to returns, as well as the positioning in gold, which benefited from its traditional 'safe haven' status and central bank buying.

Performance

(Cumulative returns 31 December 2019 – 31 December 2024)



Performance table >

As noted on page 15, on 1 December 2024, we removed the multi asset funds' inflation-based target benchmarks and replaced them with market-linked 'composite' comparator benchmarks. These benchmarks are for comparison only – they are not target benchmarks and do not form part of the funds' objectives.

For the period up to 1 December 2024, fund performance is shown against the previous target benchmark, a percentage above inflation as measured by the Consumer Price Index. From the changeover date onwards, fund performance is shown solely versus the relevant composite comparator benchmark.

Value assessment

Overall rating: ★★★☆

Seven criteria ratings:

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

Conclusion

Overall, the Board considers the fund has demonstrated value.

The fund has not met its stated objectives but has performed better when assessing other performance measures. Given the elevated levels of inflation as measured by the Consumer Price Index over the recent past, we reviewed the fund objectives and subsequently implemented changes in December 2024. We will monitor progress over the coming period.

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Income Plus Multi Asset Fund

Share class: C accumulation

Investment objective

The fund aims to provide income whilst growing your investment over the long term (five years or more) after all costs and charges have been taken. The fund aims to deliver this return with a balanced risk profile. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Fund manager commentary

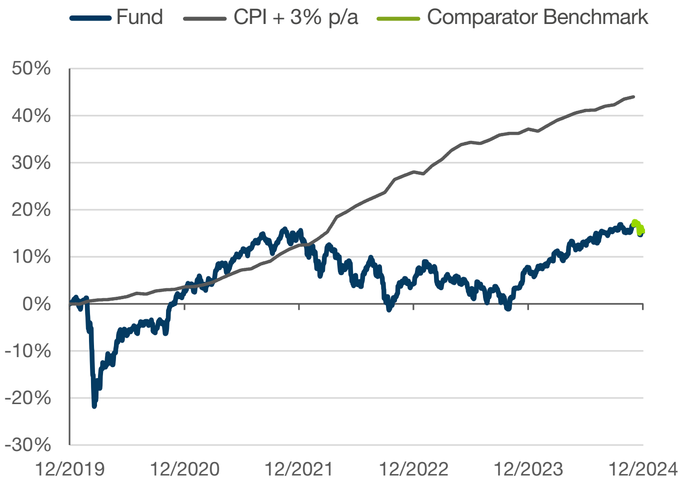
During the period under review, global shocks such as the COVID-19 pandemic and invasion of Ukraine contributed to a high inflation and interest rate environment. This proved to be a challenging backdrop for income investors.

While fund returns were positive in four of the five years under review, high-yield shares struggled to keep pace with other share styles for much of this period, partly due to shifts in investor preferences. In addition, 2020's economic crash spawned the most extreme cuts to global dividends in history, though many dividend payments were resumed in 2021.

The fund's bond holdings also suffered, as this asset class delivered negative real returns (i.e. they lost money when accounting for inflation) in both 2021 and 2022. We took the opportunity when bond prices were lower in 2022 to increase our market positions, and this helped our returns as 2023 drew to a close. Beyond shares and fixed income, some of our holdings in property added to returns, as well as the positioning in gold, which benefited from its traditional 'safe haven' status and central bank buying.

Performance

(Cumulative returns 31 December 2019 – 31 December 2024)



Performance table >

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For the period up to 1 December 2024, fund performance is shown against the previous target benchmark, a percentage above inflation as measured by the Consumer Price Index. From the changeover date onwards, fund performance is shown solely versus the relevant composite comparator benchmark.

Value assessment

Overall rating: ★★☆☆

Seven criteria ratings:

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

Conclusion

The fund has not met its stated objectives. Given the elevated levels of inflation as measured by the Consumer Price Index over the recent past, we reviewed the fund objectives and subsequently implemented changes in December 2024. However, over the last 5 years the fund performed well compared to similar funds and has delivered top third income levels compared to these funds. We will monitor progress over the coming period.

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Defensive Responsible Multi Asset Fund

Share class: C accumulation

Investment objective

The fund aims to grow your investment over the long term (five years or more) through a combination of income and capital growth after all costs and charges have been taken. The fund aims to deliver this return with a defensive risk profile. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Fund manager commentary

Our responsible fund holdings include green bonds (raising funds for projects delivering environmental benefits) as well as social bonds (delivering a positive social outcome) which have been selected on their investment potential, as well as their responsible credentials. Share holdings include positions which display positive environmental and/or social characteristics and are aligned with certain responsible areas of investment, such as health and welfare, sustainable infrastructure/energy and climate mitigation.

Fund returns were positive in the first year after launch in 2020 and rose again in 2021 as investors welcomed signs by key central banks that the interest rate hiking cycle had peaked. The near 50% rebound in the oil price that year supported the energy sector, but the renewable energy sector lagged. Performance struggled in 2022 as this was a particularly difficult year for financial markets including sustainable investing, with all asset classes delivering negative returns.

Returns recovered in 2023 but, while positive, weakened in 2024 as the fund is very sensitive to changes in interest rates. Rising bond yields (and falling bond prices) over the period created challenges for some of the investments. Responsible alternatives such as renewable energy struggled, and so we exited some of our more idiosyncratic positions in these areas.

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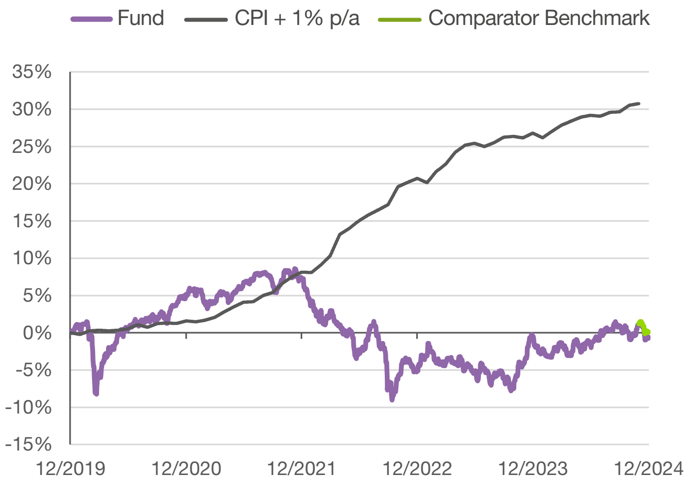
Performance

(Cumulative returns 31 December 2019 – 31 December 2024)



Performance table >

As noted on page 15, on 1 December 2024, we removed the multi asset funds' inflation-based target benchmarks and replaced them with market-linked 'composite' comparator benchmarks. These benchmarks are for comparison only – they are not target benchmarks and do not form part of the funds' objectives.

Also on 1 December 2024, we changed the names of our sustainable funds from 'Sustainable' to 'Responsible' and the name of our investment policy from the 'Sustainable Investment Policy' to the 'Responsible Investment Policy'.

For the period up to 1 December 2024, fund performance is shown against the previous target benchmark, a percentage above inflation as measured by the Consumer Price Index. From the changeover date onwards, fund performance is shown solely versus the relevant composite comparator benchmark.

Value assessment

Overall rating: ★★☆☆

Seven criteria ratings:

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

Conclusion

The fund has not met its stated objectives. Given the elevated levels of inflation as measured by the Consumer Price Index over the recent past, we reviewed the fund objectives and subsequently implemented changes in December 2024. In addition, as we did not adopt a sustainable investment label, this has allowed the investment managers to make changes to the fund holdings which we anticipate will improve performance. We will monitor progress over the coming period.

For comparable market rates, the fund is ranked 3rd quartile in comparison to peers (which includes passive, tracker & standard non ESG funds). This fund includes holdings of ESG funds which are typically more expensive to operate due to the additional screening requirements.

Cautious Responsible Multi Asset Fund

Share class: C accumulation

Investment objective

The fund aims to grow your investment over the long term (five years or more) through a combination of income and capital growth after all costs and charges have been taken. The fund aims to deliver this return with a cautious risk profile. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Fund manager commentary

Our responsible fund holdings include green bonds (raising funds for projects delivering environmental benefits) as well as social bonds (delivering a positive social outcome) which have been selected on their investment potential, as well as their responsible credentials. Share holdings include positions which display positive environmental and/or social characteristics and are aligned with certain responsible areas of investment, such as health and welfare, sustainable infrastructure/energy and climate mitigation.

Fund returns were positive in the first year after launch in 2020 and rose again in 2021 as investors welcomed signs by key central banks that the interest rate hiking cycle had peaked. The near 50% rebound in the oil price that year supported the energy sector, but the renewable energy sector lagged. Performance struggled in 2022 as this was a particularly difficult year for financial markets including sustainable investing, with all asset classes delivering negative returns.

Returns recovered in 2023 but, while positive, weakened in 2024 as the fund is very sensitive to changes in interest rates. Rising bond yields (and falling bond prices) over the period created challenges for some of the investments. Responsible alternatives such as renewable energy struggled, and so we exited some of our more idiosyncratic positions in these areas.

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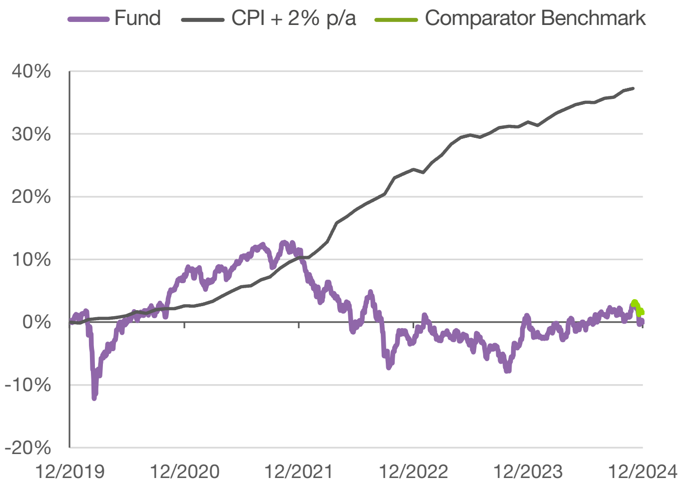
Performance

(Cumulative returns 31 December 2019 – 31 December 2024)



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For the period up to 1 December 2024, fund performance is shown against the previous target benchmark, a percentage above inflation as measured by the Consumer Price Index. From the changeover date onwards, fund performance is shown solely versus the relevant composite comparator benchmark.

Value assessment

Overall rating: ★★☆☆

Seven criteria ratings:

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

Conclusion

The fund has not met its stated objectives. Given the elevated levels of inflation as measured by the Consumer Price Index over the recent past, we reviewed the fund objectives and subsequently implemented changes in December 2024. In addition, as we did not adopt a sustainable investment label, this has allowed the investment managers to make changes to the fund holdings which we anticipate will improve performance. We will monitor progress over the coming period.

For comparable market rates, the fund is ranked 3rd quartile in comparison to peers (which includes passive, tracker & standard non ESG funds). This fund includes holdings of ESG funds which are typically more expensive to operate due to the additional screening requirements.

Balanced Responsible Multi Asset

Share class: C accumulation

Investment objective

The fund aims to grow your investment over the long term (five years or more) through a combination of income and capital growth after all costs and charges have been taken. The fund aims to deliver this return with a balanced risk profile. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Fund manager commentary

Our responsible fund holdings include green bonds (raising funds for projects delivering environmental benefits) as well as social bonds (delivering a positive social outcome) which have been selected on their investment potential, as well as their responsible credentials. Share holdings include positions which display positive environmental and/or social characteristics and are aligned with certain responsible areas of investment, such as health and welfare, sustainable infrastructure/energy and climate mitigation.

Fund returns were positive in the first year after launch in 2020 and rose again in 2021 as investors welcomed signs by key central banks that the interest rate hiking cycle had peaked. The near 50% rebound in the oil price that year supported the energy sector, but the renewable energy sector lagged. Performance struggled in 2022 as this was a particularly difficult year for financial markets including sustainable investing, with all asset classes delivering negative returns.

Returns recovered in 2023 but, while positive, weakened in 2024 as the fund is very sensitive to changes in interest rates. Rising bond yields (and falling bond prices) over the period created challenges for some of the investments. Responsible alternatives such as renewable energy struggled, and so we exited some of our more idiosyncratic positions in these areas.

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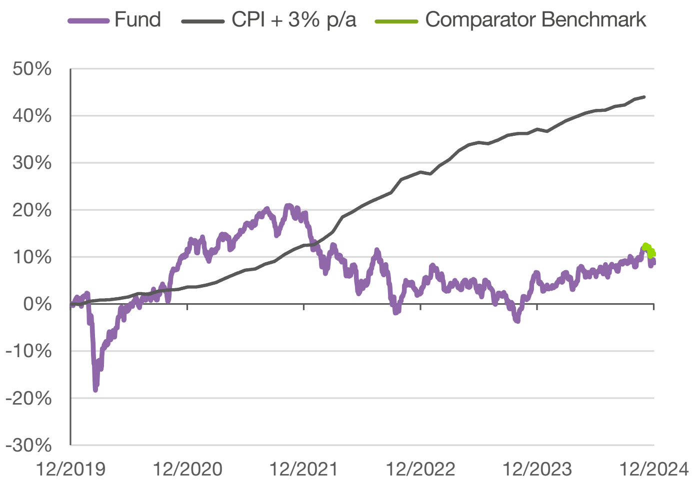
Performance

(Cumulative returns 31 December 2019 – 31 December 2024)



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For the period up to 1 December 2024, fund performance is shown against the previous target benchmark, a percentage above inflation as measured by the Consumer Price Index. From the changeover date onwards, fund performance is shown solely versus the relevant composite comparator benchmark.

Value assessment

Overall rating: ★★☆☆

Seven criteria ratings:

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

Conclusion

The fund has not met its stated objectives. Given the elevated levels of inflation as measured by the Consumer Price Index over the recent past, we reviewed the fund objectives and subsequently implemented changes in December 2024. In addition, as we did not adopt a sustainable investment label, this has allowed the investment managers to make changes to the fund holdings which we anticipate will improve performance. We will monitor progress over the coming period.

Growth Responsible Multi Asset Fund

Share class: C accumulation

Investment objective

The fund aims to grow your investment over the long term (five years or more) through a combination of income and capital growth after all costs and charges have been taken. The fund aims to deliver this return with a growth risk profile. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Fund manager commentary

Our responsible fund holdings include green bonds (raising funds for projects delivering environmental benefits) as well as social bonds (delivering a positive social outcome) which have been selected on their investment potential, as well as their responsible credentials. Share holdings include positions which display positive environmental and/or social characteristics and are aligned with certain responsible areas of investment, such as health and welfare, sustainable infrastructure/energy and climate mitigation.

Fund returns were positive in the first year after launch in 2020 and rose again in 2021 as investors welcomed signs by key central banks that the interest rate hiking cycle had peaked. The near 50% rebound in the oil price that year supported the energy sector, but the renewable energy sector lagged. Performance struggled in 2022 as this was a particularly difficult year for financial markets including sustainable investing, with all asset classes delivering negative returns.

Returns recovered in 2023 but, while positive, weakened in 2024 as the fund is very sensitive to changes in interest rates. Rising bond yields (and falling bond prices) over the period created challenges for some of the investments. Responsible alternatives such as renewable energy struggled, and so we exited some of our more idiosyncratic positions in these areas.

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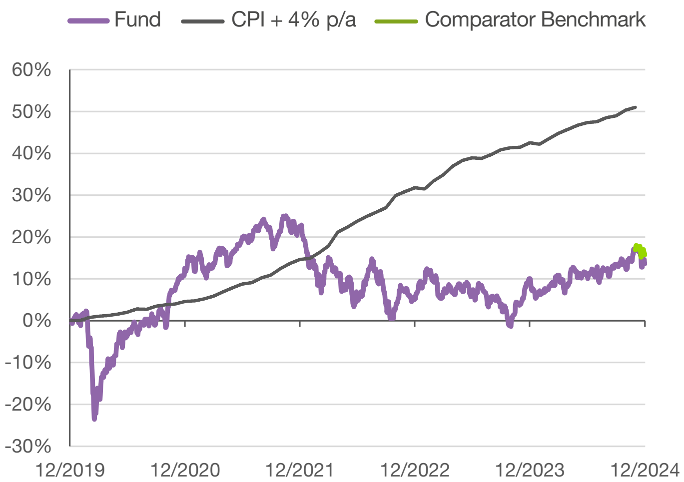
Performance

(Cumulative returns 31 December 2019 – 31 December 2024)



Performance table >

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For the period up to 1 December 2024, fund performance is shown against the previous target benchmark, a percentage above inflation as measured by the Consumer Price Index. From the changeover date onwards, fund performance is shown solely versus the relevant composite comparator benchmark.

Value assessment

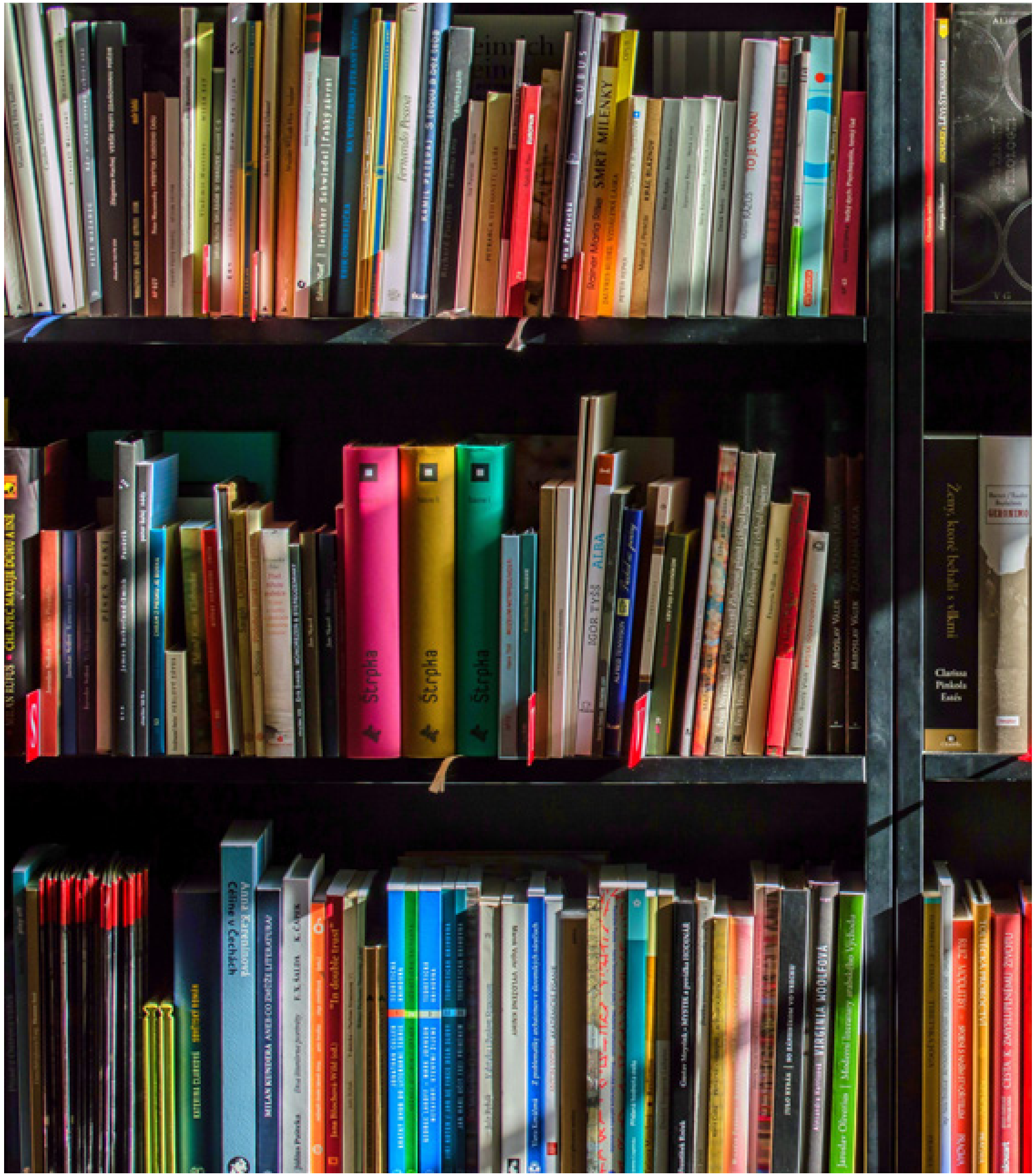
Overall rating: ★★☆☆

Seven criteria ratings:

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

Conclusion

The fund has not met its stated objectives. Given the elevated levels of inflation as measured by the Consumer Price Index over the recent past, we reviewed the fund objectives and subsequently implemented changes in December 2024. In addition, as we did not adopt a sustainable investment label, this has allowed the investment managers to make changes to the fund holdings which we anticipate will improve performance. We will monitor progress over the coming period.



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.

Basis points
A unit of measurement which indicates a percentage change. One basis point equates to 1/100th of 1%, or 0.01%.

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.

Comparator benchmark
Where a fund's performance is compared against an index, indices or similar factor.

Composite benchmark
Composite comparator benchmarks are designed to help our customers compare the performance of the funds with the performance of relevant real financial assets. The comparator benchmarks are made up of a combination of indices, each component index reflects a main asset class in which the funds are likely to invest, in proportions that are consistent with each fund's risk profile.

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.

ESG
Environmental, social and governance factors (including climate change) that are material to the sustainability of an investment.

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 Authorised Corporate Director
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.

Responsible
Responsible investment involves considering environmental, social and governance (ESG) issues when making investment decisions.

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 does 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.

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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 Fund to LF Handelsbanken Multi Asset Fund in November 2020; and to Handelsbanken Multi Asset Fund in November 2021.

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