Schroders

Assessment of Value (AoV) Report

October 2022

Chairman's Letter

Soaring inflation is on everyone's minds right now, with households feeling the squeeze and markets facing up to the end of a low-inflation era. At levels not seen in the UK since the 1970s, high inflation could have a significant impact on real investment returns. This effect is felt particularly for funds with benchmarks that aim to beat inflation indices.
While we are navigating through these challenging times, safeguarding our clients' interests remain our first priority.

James Rainbow
Chairman of Schroder Unit Trusts Limited

"We believe this is a constant process that we have incorporated into the everyday oversight of our funds."

This is our third Assessment of Value report, covering our Wealth funds, and it aligns with our core purpose, to provide the best possible service and investment performance through active management.

As part of our continued commitment to you, and the reporting responsibility set by the Financial Conduct Authority (FCA), we produce this Assessment of Value report annually for each UK-domiciled investment fund that we manage. The data for this report was collected at the end of 30 June 2022.

We believe this is a constant process that we have incorporated into the everyday oversight of our funds. The risk and performance of each fund is formally reviewed at committees and the Board of Schroder Unit Trusts Limited every quarter, and these discussions are integrated into our annual assessment.

We take pride in the fact that we take appropriate, timely action when necessary. As a result of last year's assessment of our funds, over the past year we have:

- Taken action on individual funds which were identified as not consistently demonstrating value, by instigating fund manager and portfolio composition changes (see the performance section on p7 for more information).
- Established an automated process for share class conversions to move eligible investors into cheaper classes.
- Continued to offer scale discounts for retail investors in our largest funds (see the economies of scale section on p12 for more information).

Again this year we have sought to enhance the overall presentation of our report, where possible, to ensure it is clearer to understand. We have also continued to set out our methodology, conclusions and next steps for each of the seven areas, and to describe the key governance steps we take during the Assessment of Value lifecycle.

Where we have identified that certain funds are not demonstrating value consistently, we have completed a further review and shared the measures that we have taken, or plan to take, to address the issues.

We hope this report will reassure you as it provides a detailed breakdown of the value that our funds provide. We also hope it will help to promote enhanced transparency, governance and outcomes, ultimately strengthening trust in the asset management industry.

Andy Howard
Global Head of
Sustainable Investment

Sustainability in focus:
a message from our Global Head of Sustainable Investment

Societal, political and regulatory focus on sustainability and sustainable investment is intensifying. Issues such as climate change, biodiversity loss, inequality, discrimination, and corruption present risks and opportunities and, in many cases, will require significant and sustained investment. Asset managers are at the centre of these pressures and can play a crucial role in tackling them.

Historically, the purpose of asset management has been capital allocation, that is, deciding what businesses to invest in to achieve the best risk-return outcome for their clients. However, what used to be one- or two-dimensional is now multi-dimensional.

First, what makes a good risk-return outcome has changed. The importance of ESG factors to investment risk or opportunity is increasingly clear. Integration of ESG in investment decisions is now the new normal.

Second, there is a new dimension next to risk and return; degrees and forms of impact. The effects that companies have on the environment and society represent risks to their business models which can make or break an investment decision.

Third, the role of an asset manager is not only to allocate capital by considering ESG risks and opportunities. They also fulfil a broader role of stewardship and oversight for the capital that they have allocated. How we own investments is becoming as important as which investments we choose to own.

As a result, the nature of the debate has changed from whether we do sustainable investment to how we invest sustainably.

The message from our clients, through our Global and Institutional Investor Studies, has been clear and consistent. Clients need more transparency and better understanding of their sustainable investment options. They need clarity regarding the goals and strategies fund managers employ and ways to track their performance. Increasingly, many want to know the impacts their investments deliver.

Our latest Global Investor Study showed that the main reason why retail investors find sustainable funds attractive is the environmental effect that they may have.

We have invested heavily in establishing a robust ESG integration process and in developing our own proprietary tools to measure the sustainability of our investments and quantify their environmental and social impact.

To deliver on the transparency that clients have been asking for, we report on sustainability metrics in quarterly valuation reports for clients. We have also included a link to the annual impact reports for the funds with an explicit sustainability commitment within the investment policy in the Assessment of Value.

Where funds have an explicit sustainability commitment as part of their investment objective, the delivery of this commitment has been assessed as part of the Performance criterion.

As we look to the future, demonstrating through these disclosures how we can make a difference for our clients, the environment and society, is crucial. Our investment in developing insights and analysis, and the data and infrastructure to apply that analysis, is becoming increasingly important to the value we bring to our clients.

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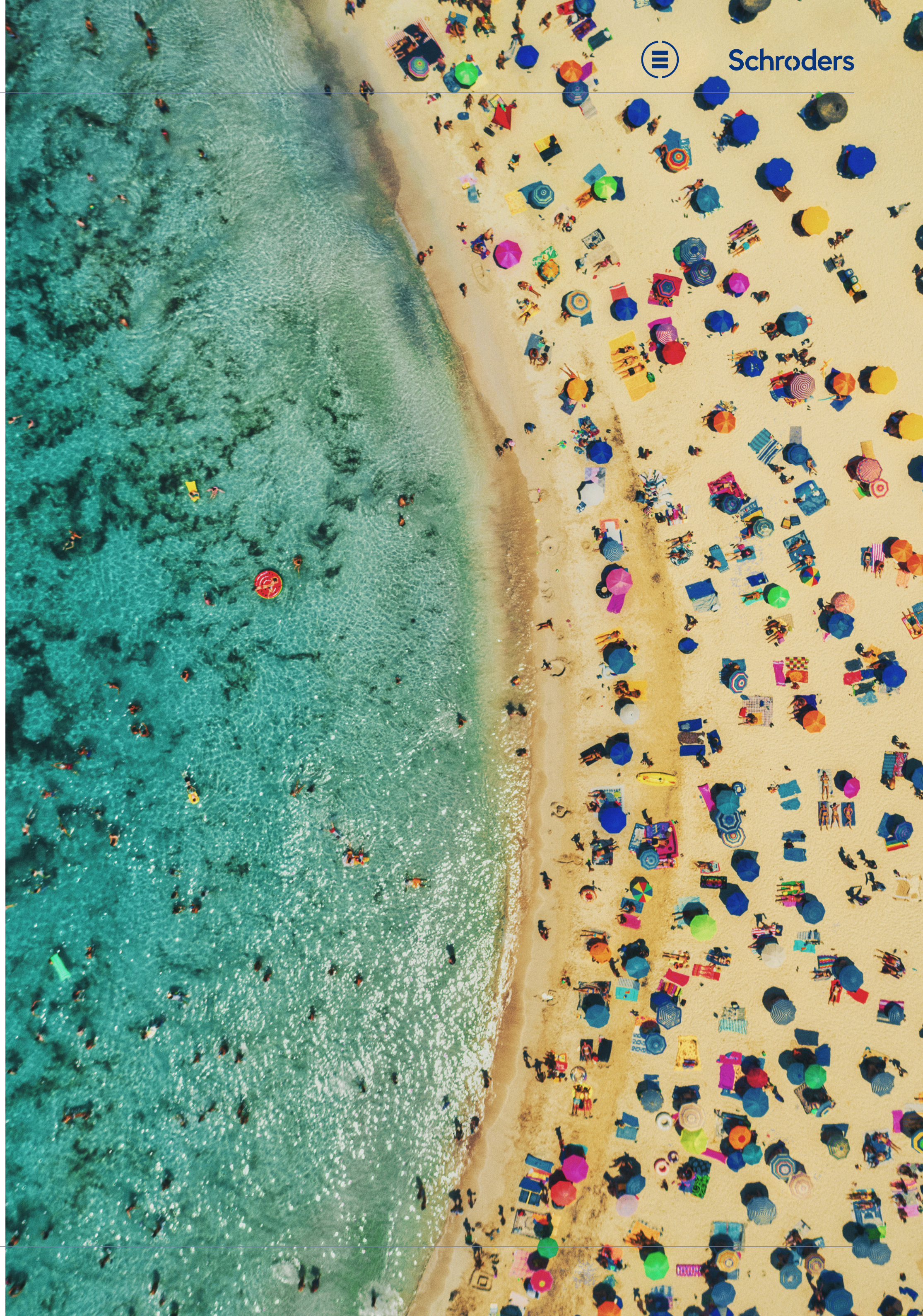
Click this icon (situated in the top right of each page) to return back to the contents page.



Schroder Unit Trusts Ltd (SUTL) board of directors

The SUTL board, which includes executive directors and independent non-executive directors, is responsible for representing the best interests of investors and ensuring the outcomes of the Assessment of Value are clear and fair.

Executive Directors

James Rainbow
Head of UK Distribution and Latin America

James Rainbow is the Chairman of SUTL and joined the board in December 2019.

James is currently Head of UK Distribution and Latin America at Schroders. He joined Schroders in 2007 and has more than 20 years of industry experience.

As Chairman of the SUTL board, James holds the regulatory responsibility to ensure SUTL complies with its obligation as Authorised Fund Manager (AFM) to carry out the Assessment of Value, recruit independent directors and act in the best interests of investors.

Lesley-Ann Morgan
Head of Multi-asset Strategy

Lesley-Ann Morgan is the Chief Executive Officer (CEO) of SUTL and joined the board in June 2022.

Lesley-Ann is currently Head of Multi-Asset Strategy at Schroders. She joined Schroders in 2011 and has more than 29 years of industry experience.

As CEO of SUTL, Lesley-Ann is responsible for the conduct of the business and plays a key role in the decision-making process. She also supports the Chairman in carrying out his regulatory duties.

Anna O'Donoghue
Global Head of Product Development and Governance

Anna O'Donoghue is an executive director of SUTL and joined the board in September 2022.

Anna is currently Global Head of Product Development and Governance at Schroders and she has an executive MBA. She joined Schroders in 2019 and has more than 20 years of industry experience.

Paul Chislett
Head of Asset Management Finance

Paul Chislett is an executive director of SUTL and joined the board in July 2013.

Paul is currently Head of Asset Management Finance at Schroders, a role he has held since 2013. Paul is a chartered management accountant with more than 20 years of industry experience.

Stephen Reedy
Head of EMEA Operations Hub

Stephen Reedy is an executive director of SUTL and joined the board in December 2019.

Stephen is currently Head of EMEA Operations Hub at Schroders, providing operational services across the region. He joined Schroders in 2019 and is a chartered accountant with more than 25 years of industry experience.

Paul Truscott
Regional Head of Product Development – UK and Europe

Paul Truscott is an executive director of SUTL and joined the board in July 2019.

Paul is currently Regional Head of Product Development – UK and Europe at Schroders. He joined Schroders in 1991 and is a chartered management accountant with more than 30 years of industry experience.

Independent Non-Executive Directors

Calum Thomson
Independent Non-Executive Director

Calum Thomson is an independent non-executive director of SUTL and was appointed to the board in July 2017.

Calum is a former Senior Audit Partner at Deloitte LLP and currently holds a number of non-executive directorships within the investment industry. He has more than 25 years of industry experience.

Our independent non-executive directors bring an external perspective to support our executive directors and undertake a key role providing independent oversight and challenging the approach taken where necessary.

Howard Williams
Independent Non-Executive Director

Howard Williams is an independent non-executive director of SUTL and was appointed to the board in February 2018.

Howard worked for 23 years at JP Morgan Asset Management where he was the Chief Investment Officer and Head of Global Equities. He has more than 35 years of industry experience.

Our independent non-executive directors bring an external perspective to support our executive directors and undertake a key role providing independent oversight and challenging the approach taken where necessary.

Introduction

Throughout this report, the Schroder Unit Trusts Limited (SUTL) board, will be referred to as 'we'.

Who is the report designed for?

This annual Assessment of Value report is aimed at individuals who invest in our UK domiciled wealth management funds or their advisers. It outlines each fund's assessment and concludes on whether we believe that we have demonstrated value.

How should you use it?

We recommend that you take time to read the 'Seven areas' section to understand how we have made our assessment, which has been conducted using data as at 30 June 2022.

Our conclusions on each fund are set out separately in each individual fund's report.

The report complements other fund documentation such as the Factsheet and the Key Investor Information Document (KIID).

The document is interactive; please use the Contents page to navigate your way around it.

We have included a glossary at the back of the document to define the technical terms which some investors may not be familiar with.

Where we write 'share class' in the report, it is to be construed as meaning unit/share class as applicable to the relevant fund.

What will the report tell you?

The FCA has asked us to look at seven specific areas when assessing the value we deliver to our investors:

1. **Performance** – has the fund performed in line with expectations?
2. **Quality of service** – are we meeting expectations on the service we deliver?
3. **Authorised fund manager costs** – are the fees charged to the fund reasonable and appropriate?
4. **Comparable market rates** – how do our fees compare against competitors?
5. **Economies of scale** – do our funds enjoy cost savings as they grow?
6. **Comparable services** – how do the fees we charge your fund compare with what we charge clients for similar products?
7. **Classes of shares or units** – are you in the most appropriate type of share or unit?

Please follow the link here to find the detail of the regulation in COLL 6.6.21.

What do the icons used throughout the report represent?

We have used iconography to help you understand the outcome of our assessment of each area.

Where an area has this icon, we believe that the fund is demonstrating value in that area.

Where an area has this icon, we have concluded that the fund is demonstrating value in that area. However, our initial quantitative review indicated that further qualitative analysis was required before we could conclude that the fund is demonstrating value. We believe the combination of these reviews ensures you are provided with a comprehensive conclusion.

Where an area has this icon, we recognise that the fund is not demonstrating value in that area consistently. We have completed a further review and shared the outcomes with you.

What to do if you have any questions

You can contact us at wmteam@cazenovecapital.com if you have any further questions. You may wish to discuss your questions with your usual Cazenove Capital contact.

1. Performance

Has the fund performed in line with expectations?

We think clients can reasonably expect funds to meet their investment objectives, albeit with the knowledge that they are not guaranteed. We consider the performance of our funds after the fees have been deducted.

Our methodology

You will find the investment objective of a fund in its Prospectus, Key Investor Information Document (KIID) and factsheet (if available). These clearly describe the aim of the fund and the investment strategy used to achieve this goal.

We assess the returns of each share class (or unit class, see glossary) over the performance period to give us an indication of how well a fund is meeting its investment objectives. The performance period is the length of time over which we expect the fund to deliver its investment objective. If we state a time range, then for the purposes of this report we look at the upper end of the range. For example, if the range is three-to-five years, we assess the delivery of the investment objective over five years.

Where a fund has not been in existence long enough to be compared against its benchmark over the performance period, we have not been able to complete a full review of performance.

We also look at how the fund has performed against its peers, both within the Investment Association (IA) sector or Asset Risk Consultants (ARC) review and against a customised peer group provided by an independent third party, Broadridge (see the Comparable Market Rates section on p11 for more information).

Broadridge is a global consultant to the financial services industry. This is the third year we are working with Broadridge on the Assessment of Value.

We acknowledge that sometimes funds will underperform their investment objectives given their particular investment style. We consider a number of measures over that time period to make a judgement on whether or not the investment objectives are being met, including specific sustainability, income or volatility objectives where applicable.

We review the performance of all funds as part of the Assessment of Value process. Additionally, we hold Asset Class Risk and Performance Committees every quarter which evaluate the performance of our funds against the expectations set (see the Assessment of Value report lifecycle section on p16 for more information on our governance process).

"Our disciplined process led us to reduce risk in portfolios during the period. Sharply rising inflation and falling asset prices has been a significant headwind to performance compared to inflation based benchmarks, but our performance relative to the peer group has been strong."

Caspar Rock,
Chief Investment Officer

Our conclusion

Our initial review of all share classes identified that 22 out of the 47 funds are demonstrating value in the performance area. After further qualitative analysis on the remaining 25 funds, we concluded that, in total, 45 out of the 47 funds, are demonstrating value.

More information on fund-level performance is captured within the individual fund pages of this report. Where any share class of a fund has underperformed its investment objectives, we have provided a detailed performance commentary and outlined the remedial actions we are taking where we believe appropriate.

Next steps

As this is now our third report, we have been able to identify funds that have flagged as requiring a further review for three years in a row. For these funds there has been particular scrutiny placed via each stage of our governance lifecycle. See p16 for more detail.

We are always looking at ways we can improve the long-term performance of our funds. More information on the actions that we have taken, or plan to take, is captured within the individual fund pages of this report.

2. Quality of service

Are we meeting expectations on the service we deliver?

Several elements contribute to the service we offer all of our clients, in particular, fund operations, investment process and the client experience. We have reviewed the quality of service we directly provide and the quality of service provided by any third party we have delegated services to.

Our methodology

We assess whether we are delivering against each of the three elements – fund operations, investment process and client experience – well enough to deliver value for our clients.

- Our fund operations team aims to ensure that we execute all operations of the fund efficiently and accurately. We assess whether key aspects of fund operations have met or exceeded the rigorous internal and external standards that we have set for them. For example, we look at whether investors are able to make informed decisions based on accurate and timely financial reporting and distributions, whether our complaints resolution handling process is effective, and how risk controls and events are managed. These standards, known as Key Performance Indicators (KPIs), enable us to provide accurate and timely financial reporting to both our clients and the regulators. We use JP Morgan to externally validate our fund operations services.
- The strength of our investment process for each fund is validated through a number of effective governance processes and forums. We also review our own governance around liquidity and risk management to ensure that the policies and procedures we have in place are robust and fit for purpose.
- Communications and client service form an important part of our clients' experience, and we evaluate these to ensure they are relevant, current and tailored to a client's needs. We want our clients to be clear about the funds they are investing in and the associated risks. The client experience that we provide is evaluated internally, using internal and external metrics provided from third parties such as Research in Finance. This provides us with a holistic view of the client experience.

Our conclusion

Our initial review identified that out of the 47 funds, 42 are demonstrating value in the quality of service area. After further qualitative analysis on the remaining 5 funds, we concluded that all 47 funds are demonstrating value.

We have flagged five funds in this report as they experienced operational issues as part of fund operations. We do not have any outstanding concerns with these issues. This is because we identified and addressed these appropriately, and we have since improved our controls.

More information on fund-level quality of service is captured within the individual fund pages of this report.

"We have comprehensively tested a wide range of our operational and marketing materials with consumers, actively seeking their personal feedback. This research process has reassured us that our documentation provides all the necessary information and in a format that people can easily access and consume."

**Keith Evins,
Head of UK Marketing**

Next steps

We will continue to monitor closely the range of Management Information (MI) we collate so we can provide the best quality of service to our clients. In particular, the importance of having strong liquidity oversight, risk management and operational resilience controls in place.

3. Authorised fund manager costs

Are the fees charged to the fund reasonable and appropriate?

"Our Finance team have continued to enhance the approach to the AFM Costs General and Comparable Services criteria during 2021, increasing the level of granular analysis to support the board's decision making in the Assessment of Value."

Richard Keers,
Chief Financial Officer

We review every cost component of the Ongoing Charges Figure (OCF) at a share class level.

Our methodology

Following our first Assessment of Value, we decided to move to an "all-in fee" to make charging structures simpler, more transparent and easier to understand. This means that clients pay a single fee which is set with reference to the OCF. This is called the Schroders Annual Charge (SAC) and was implemented across this cohort of funds in March 2021. In December 2021 we assessed the effectiveness of the charging structure as part of an annual review process.

We undertake a detailed assessment of our management costs (SAC), administration and 'other' costs to the fund that form part of the OCF. The administration fee includes directly attributable costs, such as Transfer Agency costs and Fund Accounting fees, and allocated costs to support functions, such as Finance, Tax, Risk, Audit, Legal and Compliance.

We compare these costs against what we charge our investors. This is to ensure that they are appropriate, while at the same time allowing us to:

- Remain a well-capitalised business
- Continue to operate during stress scenarios
- Continue to innovate and develop new products

We do not include transaction costs in our assessment as these are not comparable between peers. This is due to a lack of consistent methodology for estimating transaction costs across firms. It is also due to the fact that the overall number reflects circumstances that are unique to each fund such as the securities and volume traded, the market conditions while trading, and the amount of fund inflows and outflows.

Where funds have third party manager costs, we seek value by negotiating the fees through our procurement framework with regular monitoring to ensure that these continue to be reasonable and appropriate.

The following table is taken from a fund's Key Investor Information Document (KIID) for a particular share class and provides an example of how fees are charged to you. It tells us that if you invested £1,000 into the fund, you would not pay an entry or exit cost, but you would pay £7.70 in annual costs per year.

One-off charges taken before or after you invest	
Entry charge	none
Exit charge	none
This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out.	
Charges taken from the fund over a year	
Ongoing charges	0.77%

Our conclusion

After our assessment of all share classes, we have concluded that all of the 47 funds are demonstrating value in the authorised fund manager costs area. We reviewed every cost component of the OCF at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

We are continuously reviewing our costs and fee structures to ensure they are appropriate for our clients.

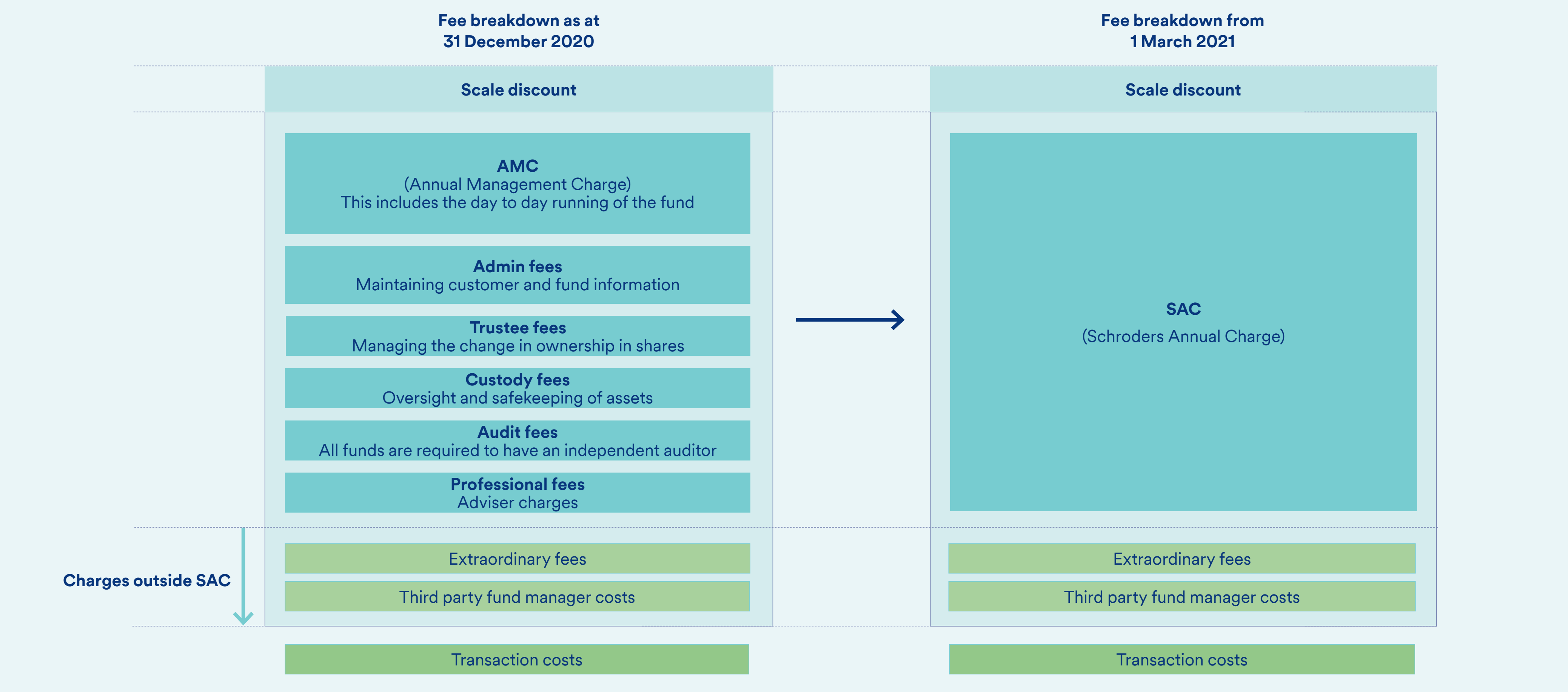
Next steps

For funds with third party fund manager costs, these costs will continue to be disclosed separately outside of the SAC. This is to provide transparency of third party fund manager costs, given that they can vary. For funds which have scale discounts applied, the SAC will be adjusted on a monthly basis (see the economies of scale section on p12 for more information).

3. Authorised fund manager costs

Impact on Ongoing Charges Figure (OCF)

This diagram illustrates the difference between the previous fee breakdown (as at 31 December 2020) and the fee breakdown from 1 March 2021 (when the Schroders Annual Charge (SAC) was introduced).



4. Comparable market rates

How do our fees compare against our competitors?

We assess the amount we charge you at a share class level by comparing the price of our funds against the price of similar funds offered by our external peers in the relevant Investment Association (IA) Sector, and against the customised peer group provided by Broadridge where required.

Our methodology

The Investment Association (IA) is a trade body that represents investment managers and asset management firms in the UK. The IA divides large numbers of funds into smaller groups to aid comparisons between funds in one or more sectors. The Multi-Asset Charity Fund Review is published by ARC (an external consultancy firm) on a quarterly basis. The Multi-Asset Charity Fund Review covers all the charity specific multi-asset funds available to charities in the UK.

We use an independent third party, Broadridge, to compare the charges of our funds against the relevant IA sector (where applicable) and share class type. Broadridge categorise share classes into one of three types – (i) retail share classes with no intermediary commissions, (ii) share classes with bundled charges, paying commission to intermediaries and (iii) share classes which are for institutional investors or have limited investment opportunities for retail investors – to ensure a like for like comparison.

As the investment approach of funds in an IA sector can vary, we also assess each fund against a customised peer group (where applicable). The funds in the customised peer groups are selected by Broadridge on the basis that they are more directly comparable than other funds in the IA Sector or ARC peer group.

In addition, our Wealth team undertakes an internal assessment of charges which is based on our pricing framework and with a view to ensuring that our pricing is fair. This analysis is conducted across all share classes and includes comparison vis-à-vis peers and our pricing framework. Targeted fee reductions are then proposed as appropriate.

Our bespoke trusts are created in a tailored way for our clients and this means there are no competitor funds against whose price we can benchmark the amount we charge our investors at a share class level.

Our conclusion

Our initial review of all share classes identified that 44 out of 47 funds are demonstrating value in the comparable market rates area.

"The importance of having meaningful peers for analysis of Comparable Market Rates is of the utmost importance to the board. As market conditions change and new competitors take the lead in adjusting costs it is critical to ensure peers are relevant and reflect current pricing strategies in the marketplace. By having relevant peers and current, accurate data the board is best positioned to evaluate costs and propose changes."

Devin McCune,
Regulatory & Compliance Vice President Governance, Broadridge

After further analysis on the remaining 3 funds, we concluded that all 47 funds are demonstrating value.

We have found that where applicable our funds are fairly priced compared to the majority of their peers, and are therefore demonstrating value to our clients by being competitively priced. For those funds we found to be more expensive than the majority of peers, we conducted further analysis of our pricing.

Next steps

We will continue to review our fees against our competitors on an ongoing basis to ensure that we deliver a compelling value proposition to our clients.

5. Economies of scale

"As our AUM has grown this year so has the value of scale discounts that we pass onto our investors to reflect the economies of scale in our products."

Paul Chislett,
Global Head of Asset Management Finance

Do funds enjoy cost savings as they grow?

A fund can generate economies of scale as it grows. This is because we are able to manage larger funds more efficiently. We have considered whether a fund achieves economies of scale and whether it is appropriate to share these savings with you as our retail clients.

Our methodology

We generate economies of scale at both fund and group level. A fund can generate economies of scale because we are able to manage larger funds more efficiently, meaning that our costs of managing the fund decrease as the size of the fund grows. The size of our Schroders group and global presence is an ancillary benefit as it enables negotiating power, resulting in lower prices.

We have completed this assessment at fund level so we can assess whether there are potential economies of scale in each fund and whether or not these have been achieved in practice. Where economies of scale have been achieved, we then consider whether that benefit is being reflected in lower charges for you as investors in retail share classes. Every fund can, in theory, benefit from economies of scale but whether or not your fund does will depend on the overall fund size.

We have determined that funds generally generate meaningful economies of scale when a fund grows to assets under management (AUM) of £1 billion, although this can vary depending on the type of investments that we manage for you. Scale discounts only apply to retail share classes (A, Z, Charity A, S). Non-retail share classes receive discounts via lower management fees or rebates and therefore a scale discount has not been applied.

Our conclusion

After our assessment, we have concluded that all of the 47 funds are demonstrating value in the economies of scale area. Following our first Assessment of Value we determined that it is appropriate that we share some of these economies of scale savings with you. We use a tiered system to offer this saving; as the AUM of the fund increases so does the saving.

In December 2020, we implemented scale discounts in retail share classes for every fund that is larger than £1 billion.

This implementation of scale discounts has reduced the cost of our products for retail investors in aggregate by approximately £2 million annually as at 31 December 2021.

The aggregate quantum of the discount will vary depending on the AUM of our funds; for example, where the AUM of a fund has dropped below £1 billion the discount will no longer apply, and where the AUM of a fund has fallen but remains above £1 billion, the saving will reduce in line.

Next steps

We will continue to review the economies of scale that each fund produces on an ongoing basis to enable us to deliver a compelling value proposition to our clients. When a fund reaches the required level, scale discounts are applied automatically to each fund's retail share classes.

6. Comparable services

How do the fees we charge your fund compare with what we charge clients for similar products?

We have compared internally each individual charge to assess whether it is possible to receive the same service for a lower charge in another Schroders' fund or mandate of comparable size with a similar investment objective and policy. We would like to emphasise here that comparable services is an internally focused assessment against Schroders' funds and/or segregated mandates, whereas comparable market rates is an externally focused assessment against external competitor and/or peer funds (see the comparable market rates section on p11 for more information).

Our methodology

We manage money for a range of different clients all over the world, including individuals, charities, pension schemes and large institutions. In particular instances, some of that money is managed in the same way as your fund.

Where this is the case, we have compared different types of clients and the services that they receive in relation to the fees that we charge for funds with similar institutional segregated mandates or non-UK domiciled funds with similar investment strategies.

We recognise that clients behave in different ways and we set different charges to reflect this. Lower charges for institutional clients can be justified by their higher longevity (i.e. the longer length of time they invest). This differential also reflects the higher costs of running funds that are sold through distributors or intermediaries, such as an online platform or a financial adviser.

Sometimes, the strategy forms part of a much larger mandate which is priced differently as the mandate benefits from economies of scale, which lower the operational costs of management. Therefore, it is reasonable to expect a price differential.

For our bespoke funds, there is no service offered which can act as a direct comparison.

> "We have recently enhanced our competitor evaluation process in order to narrow in on similar fund strategies. This provides a more rigorous view of similar funds and strategies within our offering for comparison. This comparison enables us to thoroughly examine that our pricing is fair across our products."
>
> Tom Darnowski, Global Head of Product Strategy

Our conclusion

Our initial review of all share classes identified that all 47 funds are demonstrating value in the comparable services area.

We have concluded that the fees are reasonable and appropriate relative to other funds and/or segregated mandates with similar objectives and services offered to clients. The fees are also reasonable and appropriate depending on the client type and share class.

Next steps

We will continue to review the charges against comparable services for each fund on an ongoing basis to ensure that we deliver a compelling value proposition to our clients. Where appropriate, we will make changes in the best interest of investors.

7. Classes of shares or units

Are you in the most appropriate type of share or unit?

For some of our funds, we issue different types of shares (or units if your fund is a unit trust) which depend upon the features and services we offer. These are called 'share classes' or 'unit classes' and 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 an adviser. We have considered whether you are invested in the share class that is the best price for you.

Our methodology

Our aim is that you are invested in the share class that is the best price for you, given how you are investing and the features you are looking for.

Where there are different classes of shares in your fund, we compare the value we deliver across these.

We review the charges across all share classes in your fund. We look at all the share classes that serve broadly the same purpose and compare those charges.

Our conclusion

Our review of all share classes identified that all 47 funds are demonstrating value in the classes of shares or units area.

In December 2021 and May 2022 we converted 32 investors to cheaper share classes comprising of A to Z conversions (see share class table on the next page for more information).

These holdings equate to c.£335.000 AUM invested in the Managed Wealth Portfolio pre-RDR A share class and have saved investors c.£2,500 per annum in total.

Next steps

We have since moved to a semi-annual automatic conversion for investors that have had their advisor removed. This automation is carried out every May and November, with the first automatic conversion beginning in November 2021.

We will continue to monitor and review our share classes throughout the year and convert investors to cheaper share classes where appropriate. Further conversions are expected as we have identified some complexities with converting certain types of holdings which we are currently addressing.

"We have continued to build on the hard work from 2020 in transferring investors, where appropriate, to lower cost share classes. This year we worked with HSBC to ensure that conversions are automated on a semi-annual basis for investors that meet the requirements for conversion to be placed in a cheaper class available to them. "

Doug Abbott, Head of UK Intermediary Distribution

7. Classes of shares or units

Share Class Table

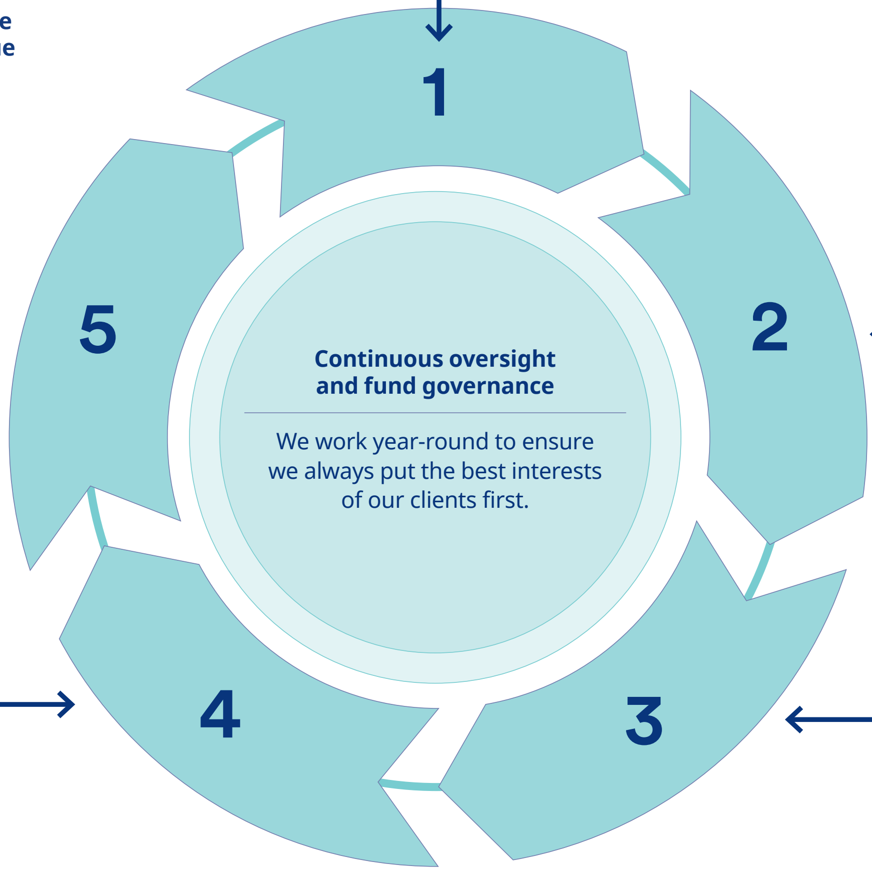
Having multiple share classes means we can apply the appropriate charging rates for different types of client for example, institutional or retail clients. All our mainstream share classes are shown in the table opposite. Each share class in the fund may have a different charge, minimum investment levels or other restrictions or features.

The implementation of the Retail Distribution Regulation (RDR) rules on charging have resulted in new share classes (widely referred to in the industry as 'clean' share classes) in funds. These classes bear a lower annual management charge (AMC), excluding the portion of the charge that was formerly rebated to advisors.

Share class	Who is it for?	Explanation of charges
Retail share classes		
Z	The main share class for retail investors.	Clean fee share class created post-RDR.
A	The main share class for advised investors.	Substantially similar rights to the Z share class for clients without an advisor. Where the client is not receiving advice they have now been converted to the Z share class.
S	The main share class for Cazenove Capital investors.	Substantially similar rights to the Z share class.
Charity share classes		
A	Clean fee share class for UK registered charities.	Clean fee share class created post-RDR.
Institutional share classes		
I	The main share class for institutional investors.	Clean fee share class.

The Assessment of Value report lifecycle

On this page we share the key governance steps taken to produce our annual Assessment of Value report. Additionally, we describe our rigorous fund governance and oversight model; although the Assessment of Value is an annual process, we review the value we deliver to our investors throughout the year.



1. Governance inputs

We use an independent third party, Broadridge, to provide data on performance and charges and to construct customised fund peer groups. Additionally, multiple internal teams - including Finance, Fund Operations, Distribution, Investment, Compliance, Legal, Risk and Marketing – provide input to the assessment process.

2. Risk and Performance Committees

The risk and performance of each fund is reviewed every quarter at a formal Committee. Currently, there are 16 of these Committees across Schroders covering every asset class.

3. Product Governance Committee (PGC)

The Product Governance Committee appraise the seven areas for each fund and share class, and subsequently determine the recommended assessment outcome for the SUTL board. This process can take several days to complete and draws on the experience of key stakeholders from across the business. The Product Governance Committee also review underperforming funds each quarter following the Risk and Performance Committees.

4. SUTL board

Each step of the Assessment of Value methodology is comprehensively reviewed and validated by the SUTL board. Their role includes reviewing, challenging and validating each individual recommended fund assessment outcome approved by the Product Governance Committee. These outcomes and proposed remedial actions are presented to the SUTL board by the Product Governance Team.

5. Publish report

After robust evaluation and challenge, we publish the Assessment of Value report externally on our website or make it available on request for clients and investors to view. We publish this report for our core Asset Management funds in April every year and for our Wealth Management funds in October every year.

> **"As independent non-executive directors, we bring an external perspective to the Assessment of Value process. Our role is to challenge the delivery of value, not just at the time of publication, but continuously throughout the year."**
>
> **Calum Thomson and Howard Williams, Independent Non-Executive Directors**

How to read your fund page

To assist you in finding your way around the individual fund pages we have created the following guide to highlight the key areas.

Performance data

Here you can find the fund's performance data, typically a factsheet or Key Investor Information Document (KIID), up to the reference date of 30 June 2022 or earlier. To get the latest performance data, please visit the Schroders' Fund Centre and refer to the Documents section for your fund.

Navigation

You can click this icon which is situated at the top right of each page to return back to the contents page.

Your fund reports

You should review the reports for each fund that you are invested in and decide whether you feel the product is still suitable for your needs and delivering what you expected from it.

Overall conclusion

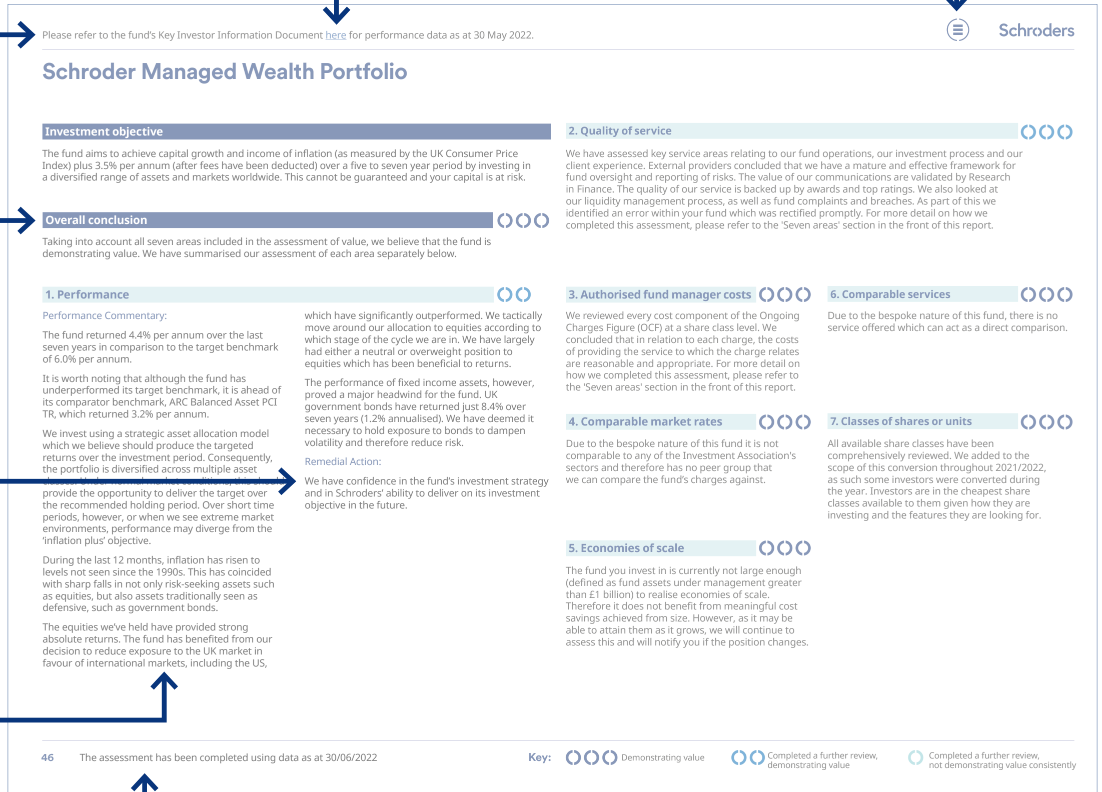
Our conclusions on each fund are set out separately in each individual fund's report. Each area is considered separately for every fund and is given equal weighting. This contributes to an overall assessment as to whether or not we believe that we have delivered value to our clients. This incorporates both qualitative information as well as quantitative data.

Actions

Where this report identifies that certain funds are not demonstrating value consistently, we have completed a further review and shared the remedial actions that we have taken, or plan to take, to address the issues we have identified.

The seven areas

We have explained our analysis for each of the seven assessment criteria in these sections.


Please refer to the fund's Key Investor Information Document here for performance data as at 30 May 2022.

Schroders

Schroder Managed Wealth Portfolio

Investment objective

The fund aims to achieve capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 3.5% per annum (after fees have been deducted) over a five to seven year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and your capital is at risk.

Overall conclusion

Taking into account all seven areas included in the assessment of value, we believe that the fund is demonstrating value. We have summarised our assessment of each area separately below.

1. Performance

Performance Commentary:

The fund returned 4.4% per annum over the last seven years in comparison to the target benchmark of 6.0% per annum.

It is worth noting that although the fund has underperformed its target benchmark, it is ahead of its comparator benchmark, ARC Balanced Asset PCI TR, which returned 3.2% per annum.

We invest using a strategic asset allocation model which we believe should produce the targeted returns over the investment period. Consequently, the portfolio is diversified across multiple asset classes ... provide the opportunity to deliver the target over the recommended holding period. Over short time periods, however, or when we see extreme market environments, performance may diverge from the 'inflation plus' objective.

During the last 12 months, inflation has risen to levels not seen since the 1990s. This has coincided with sharp falls in not only risk-seeking assets such as equities, but also assets traditionally seen as defensive, such as government bonds.

The equities we've held have provided strong absolute returns. The fund has benefited from our decision to reduce exposure to the UK market in favour of international markets, including the US, which have significantly outperformed. We tactically move around our allocation to equities according to which stage of the cycle we are in. We have largely had either a neutral or overweight position to equities which has been beneficial to returns.

The performance of fixed income assets, however, proved a major headwind for the fund. UK government bonds have returned just 8.4% over seven years (1.2% annualised). We have deemed it necessary to hold exposure to bonds to dampen volatility and therefore reduce risk.

Remedial Action:

We have confidence in the fund's investment strategy and in Schroders' ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. External providers concluded that we have a mature and effective framework for fund oversight and reporting of risks. The value of our communications are validated by Research in Finance. The quality of our service is backed up by awards and top ratings. We also looked at our liquidity management process, as well as fund complaints and breaches. As part of this we identified an error within your fund which was rectified promptly. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

3. Authorised fund manager costs

We reviewed every cost component of the Ongoing Charges Figure (OCF) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

4. Comparable market rates

Due to the bespoke nature of this fund it is not comparable to any of the Investment Association's sectors and therefore has no peer group that we can compare the fund's charges against.

5. Economies of scale

The fund you invest in is currently not large enough (defined as fund assets under management greater than £1 billion) to realise economies of scale. Therefore it does not benefit from meaningful cost savings achieved from size. However, as it may be able to attain them as it grows, we will continue to assess this and will notify you if the position changes.

6. Comparable services

Due to the bespoke nature of this fund, there is no service offered which can act as a direct comparison.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. We added to the scope of this conversion throughout 2021/2022, as such some investors were converted during the year. Investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

46 The assessment has been completed using data as at 30/06/2022

Key: Demonstrating value; Completed a further review, demonstrating value; Completed a further review, not demonstrating value consistently

Assessment period

Our assessment is carried out using data as at 30/06/2022.

Index of funds

Schroder Managed Wealth Portfolio

Investment objective

The fund aims to achieve capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 3.5% per annum (after fees have been deducted) over a five to seven year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and your capital is at risk.

Overall conclusion

Taking into account all seven areas included in the assessment of value, we believe that the fund is demonstrating value. We have summarised our assessment of each area separately below.

1. Performance

Performance Commentary:

The fund returned 4.4% per annum over the last seven years in comparison to the target benchmark of 6.0% per annum.

It is worth noting that although the fund has underperformed its target benchmark, it is ahead of its comparator benchmark, ARC Balanced Asset PCI TR, which returned 3.2% per annum.

We invest using a strategic asset allocation model which we believe should produce the targeted returns over the investment period. Consequently, the portfolio is diversified across multiple asset classes. Under normal market conditions, this should provide the opportunity to deliver the target over the recommended holding period. Over short time periods, however, or when we see extreme market environments, performance may diverge from the 'inflation plus' objective.

During the last 12 months, inflation has risen to levels not seen since the 1990s. This has coincided with sharp falls in not only risk-seeking assets such as equities, but also assets traditionally seen as defensive, such as government bonds.

The equities we've held have provided strong absolute returns. The fund has benefited from our decision to reduce exposure to the UK market in favour of international markets, including the US, which have significantly outperformed. We tactically move around our allocation to equities according to which stage of the cycle we are in. We have largely had either a neutral or overweight position to equities which has been beneficial to returns.

The performance of fixed income assets, however, proved a major headwind for the fund. UK government bonds have returned just 8.4% over seven years (1.2% annualised). We have deemed it necessary to hold exposure to bonds to dampen volatility and therefore reduce risk.

Remedial Action:

We have confidence in the fund's investment strategy and in Schroders' ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. External providers concluded that we have a mature and effective framework for fund oversight and reporting of risks. The value of our communications are validated by Research in Finance. The quality of our service is backed up by awards and top ratings. We also looked at our liquidity management process, as well as fund complaints and breaches. As part of this we identified an error within your fund which was rectified promptly. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

3. Authorised fund manager costs

We reviewed every cost component of the Ongoing Charges Figure (OCF) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

4. Comparable market rates

Due to the bespoke nature of this fund it is not comparable to any of the Investment Association's sectors and therefore has no peer group that we can compare the fund's charges against.

5. Economies of scale

The fund you invest in is currently not large enough (defined as fund assets under management greater than £1 billion) to realise economies of scale. Therefore it does not benefit from meaningful cost savings achieved from size. However, as it may be able to attain them as it grows, we will continue to assess this and will notify you if the position changes.

6. Comparable services

Due to the bespoke nature of this fund, there is no service offered which can act as a direct comparison.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. We added to the scope of this conversion throughout 2021/2022, as such some investors were converted during the year. Investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

SUTL Cazenove Charity Bond Fund

Investment objective

The fund aims to provide income by investing in fixed and floating rate securities. The Fund aims to provide a total return in excess of the FTSE A Government All Stocks (Gross Total Return) index (after fees have been deducted) over rolling five-year periods but this cannot be guaranteed and your capital is at risk.

Overall conclusion

Taking into account all seven areas included in the assessment of value, we believe that the fund is demonstrating value. We have summarised our assessment of each area separately below.

1. Performance

The fund has delivered its investment objective over the recommended performance period and is delivering value. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. External providers concluded that we have a mature and effective framework for fund oversight and reporting of risks. The value of our communications are validated by Research in Finance. The quality of our service is backed up by awards and top ratings. We also looked at our liquidity management process, as well as fund complaints and breaches. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

3. Authorised fund manager costs

We reviewed every cost component of the Ongoing Charges Figure (OCF) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

4. Comparable market rates

Our quantitative assessment found that at least one of the fund's share classes are more expensive than the majority of its peers. As a result, we conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

5. Economies of scale

The fund you invest in is currently not large enough (defined as fund assets under management greater than £1 billion) to realise economies of scale. Therefore it does not benefit from meaningful cost savings achieved from size. However, as it may be able to attain them as it grows, we will continue to assess this and will notify you if the position changes.

6. Comparable services

Due to the bespoke nature of this fund, there is no service offered which can act as a direct comparison.

7. Classes of shares or units

We have looked at charges across all of the share and unit classes in this fund. Our assessment has concluded that there are no other share or unit classes that broadly serve the same purpose as the one you are currently in, thus we have not made any changes to your holding.

The assessment has been completed using data as at 30/06/2022

Key: Demonstrating value — Completed a further review, demonstrating value — Completed a further review, not demonstrating value consistently

SUTL Cazenove Charity Equity Income Fund

Investment objective

The fund aims to provide income and capital growth by investing in equities of UK companies. The fund aims to provide income in excess of the FTSE All Share Index yield and a total return that exceeds the FTSE All Share Index (after fees have been deducted) over rolling 5-year periods but this cannot be guaranteed and your capital is at risk.

Overall conclusion

Taking into account all seven areas included in the assessment of value, we believe that the fund is demonstrating value. We have summarised our assessment of each area separately below.

1. Performance

The fund has delivered its investment objective over the recommended performance period and is delivering value. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. External providers concluded that we have a mature and effective framework for fund oversight and reporting of risks. The value of our communications are validated by Research in Finance. The quality of our service is backed up by awards and top ratings. We also looked at our liquidity management process, as well as fund complaints and breaches. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

3. Authorised fund manager costs

We reviewed every cost component of the Ongoing Charges Figure (OCF) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

4. Comparable market rates

Due to the bespoke nature of this fund it is not comparable to any of the Investment Association's sectors and therefore has no peer group that we can compare the fund's charges against.

5. Economies of scale

The fund you invest in is currently not large enough (defined as fund assets under management greater than £1 billion) to realise economies of scale. Therefore it does not benefit from meaningful cost savings achieved from size. However, as it may be able to attain them as it grows, we will continue to assess this and will notify you if the position changes.

6. Comparable services

Due to the bespoke nature of this fund, there is no service offered which can act as a direct comparison.

7. Classes of shares or units

We have looked at charges across all of the share and unit classes in this fund. Our assessment has concluded that there are no other share or unit classes that broadly serve the same purpose as the one you are currently in, thus we have not made any changes to your holding.

The assessment has been completed using data as at 30/06/2022

Key: Demonstrating value | Completed a further review, demonstrating value | Completed a further review, not demonstrating value consistently

SUTL Cazenove Charity Equity Value Fund

Investment objective

The fund aims to provide income and capital growth by investing in equities of UK companies. The fund aims to provide a return in excess of the FTSE All-Share (Gross Total Return) index (after fees have been deducted) over 5-year rolling periods but this cannot be guaranteed and your capital is at risk.

Overall conclusion

Taking into account all seven areas included in the assessment of value, we believe that the fund is demonstrating value. We have summarised our assessment of each area separately below.

1. Performance

The fund has delivered its investment objective over the recommended performance period and is delivering value. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. External providers concluded that we have a mature and effective framework for fund oversight and reporting of risks. The value of our communications are validated by Research in Finance. The quality of our service is backed up by awards and top ratings. We also looked at our liquidity management process, as well as fund complaints and breaches. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

3. Authorised fund manager costs

We reviewed every cost component of the Ongoing Charges Figure (OCF) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

4. Comparable market rates

Due to the bespoke nature of this fund it is not comparable to any of the Investment Association's sectors and therefore has no peer group that we can compare the fund's charges against.

5. Economies of scale

The fund you invest in is currently not large enough (defined as fund assets under management greater than £1 billion) to realise economies of scale. Therefore it does not benefit from meaningful cost savings achieved from size. However, as it may be able to attain them as it grows, we will continue to assess this and will notify you if the position changes.

6. Comparable services

Due to the bespoke nature of this fund, there is no service offered which can act as a direct comparison.

7. Classes of shares or units

We have looked at charges across all of the share and unit classes in this fund. Our assessment has concluded that there are no other share or unit classes that broadly serve the same purpose as the one you are currently in, thus we have not made any changes to your holding.

The assessment has been completed using data as at 30/06/2022

Key: Demonstrating value | Completed a further review, demonstrating value | Completed a further review, not demonstrating value consistently

SUTL Cazenove Charity Multi-Asset Fund

Investment objective

The fund aims to provide income and capital growth in excess of inflation (as measured by the UK Consumer Price Index) plus 4% per annum (after fees have been deducted) over rolling 10-year periods by investing in equities, bonds and alternative assets worldwide. This cannot be guaranteed and your capital is at risk.

Overall conclusion

Taking into account all seven areas included in the assessment of value, we believe that the fund is demonstrating value. We have summarised our assessment of each area separately below.

1. Performance

This fund has not reached its minimum recommended performance period. Therefore we are unable to use this as an accurate measure of performance. We have concluded from our assessment of the performance criteria that we are delivering value. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. External providers concluded that we have a mature and effective framework for fund oversight and reporting of risks. The value of our communications are validated by Research in Finance. The quality of our service is backed up by awards and top ratings. We also looked at our liquidity management process, as well as fund complaints and breaches. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

3. Authorised fund manager costs

We reviewed every cost component of the Ongoing Charges Figure (OCF) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

4. Comparable market rates

Our quantitative assessment found that at least one of the fund's share classes are more expensive than the majority of its peers. As a result, we conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

5. Economies of scale

The fund you invest in is currently not large enough (defined as fund assets under management greater than £1 billion) to realise economies of scale. Therefore it does not benefit from meaningful cost savings achieved from size. However, as it may be able to attain them as it grows, we will continue to assess this and will notify you if the position changes.

6. Comparable services

Due to the bespoke nature of this fund, there is no service offered which can act as a direct comparison.

7. Classes of shares or units

We have looked at charges across all of the share and unit classes in this fund. Our assessment has concluded that there are no other share or unit classes that broadly serve the same purpose as the one you are currently in, thus we have not made any changes to your holding.

Key: Demonstrating value | Completed a further review, demonstrating value | Completed a further review, not demonstrating value consistently

SUTL Cazenove Charity Responsible Multi-Asset Fund

Investment objective

The fund aims to provide income and capital growth in excess of inflation (as measured by the UK Consumer Price Index) plus 4% per annum (after fees have been deducted) over rolling 10-year periods by investing in equities, fixed and floating rates securities and alternative assets worldwide. This cannot be guaranteed and your capital is at risk.

Overall conclusion

Taking into account all seven areas included in the assessment of value, we believe that the fund is demonstrating value. We have summarised our assessment of each area separately below.

1. Performance

This fund has not reached its minimum recommended performance period. Therefore we are unable to use this as an accurate measure of performance. We have concluded from our assessment of the performance criteria that we are delivering value. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. External providers concluded that we have a mature and effective framework for fund oversight and reporting of risks. The value of our communications are validated by Research in Finance. The quality of our service is backed up by awards and top ratings. We also looked at our liquidity management process, as well as fund complaints and breaches. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

3. Authorised fund manager costs

We reviewed every cost component of the Ongoing Charges Figure (OCF) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

4. Comparable market rates

Our quantitative assessment found that at least one of the fund's share classes are more expensive than the majority of its peers. As a result, we conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

5. Economies of scale

The fund you invest in is currently not large enough (defined as fund assets under management greater than £1 billion) to realise economies of scale. Therefore it does not benefit from meaningful cost savings achieved from size. However, as it may be able to attain them as it grows, we will continue to assess this and will notify you if the position changes.

6. Comparable services

Due to the bespoke nature of this fund, there is no service offered which can act as a direct comparison.

7. Classes of shares or units

We have looked at charges across all of the share and unit classes in this fund. Our assessment has concluded that there are no other share or unit classes that broadly serve the same purpose as the one you are currently in, thus we have not made any changes to your holding.

The assessment has been completed using data as at 30/06/2022

Key: Demonstrating value | Completed a further review, demonstrating value | Completed a further review, not demonstrating value consistently

SUTL Cazenove GBP Balanced Fund

Investment objective

The fund aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 3.25% (after fees have been deducted) over a five to seven year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and your capital is at risk.

Overall conclusion

Taking into account all seven areas included in the assessment of value, we believe that the fund is demonstrating value. We have summarised our assessment of each area separately below.

1. Performance

This fund has not reached its minimum recommended performance period. Therefore we are unable to use this as an accurate measure of performance. We have concluded from our assessment of the performance criteria that we are delivering value. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. External providers concluded that we have a mature and effective framework for fund oversight and reporting of risks. The value of our communications are validated by Research in Finance. The quality of our service is backed up by awards and top ratings. We also looked at our liquidity management process, as well as fund complaints and breaches. As part of this we identified an operational issue within your fund. This issue was addressed appropriately and we have remediated our controls. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

3. Authorised fund manager costs

We reviewed every cost component of the Ongoing Charges Figure (OCF) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

4. Comparable market rates

Due to the bespoke nature of this fund it is not comparable to any of the Investment Association's sectors and therefore has no peer group that we can compare the fund's charges against.

5. Economies of scale

The fund's AUM is greater than £1bn and therefore it is achieving sufficient Economies of Scale (EoS). A discount of 2bps has been applied to the retail share classes of the fund and investors in these classes are currently benefiting from economies of scale. Investors in non-retail share classes 'S' receive discounts via lower management fees and therefore a scale discount has not been applied.

6. Comparable services

We have reviewed the fee rates of funds from Schroder Unit Trusts Limited (SUTL) against those of other non-UK domiciled funds managed across Schroders and Cazenove Capital. This fund has fee rates that are lower than equivalent funds in the same investment strategy. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

We have looked at charges across all of the share and unit classes in this fund. Our assessment has concluded that there are no other share or unit classes that broadly serve the same purpose as the one you are currently in, thus we have not made any changes to your holding.

 The assessment has been completed using data as at 30/06/2022

Key: Demonstrating value | Completed a further review, demonstrating value | Completed a further review, not demonstrating value consistently

SUTL Cazenove GBP Cautious Fund

Investment objective

The fund aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 2.5% (after fees have been deducted) over any five to seven year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and your capital is at risk.

Overall conclusion

Taking into account all seven areas included in the assessment of value, we believe that the fund is demonstrating value. We have summarised our assessment of each area separately below.

1. Performance

This fund has not reached its minimum recommended performance period. Therefore we are unable to use this as an accurate measure of performance. We have concluded from our assessment of the performance criteria that we are delivering value. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. External providers concluded that we have a mature and effective framework for fund oversight and reporting of risks. The value of our communications are validated by Research in Finance. The quality of our service is backed up by awards and top ratings. We also looked at our liquidity management process, as well as fund complaints and breaches. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

3. Authorised fund manager costs

We reviewed every cost component of the Ongoing Charges Figure (OCF) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

4. Comparable market rates

Due to the bespoke nature of this fund it is not comparable to any of the Investment Association's sectors and therefore has no peer group that we can compare the fund's charges against.

5. Economies of scale

The fund you invest in is currently not large enough (defined as fund assets under management greater than £1 billion) to realise economies of scale. Therefore it does not benefit from meaningful cost savings achieved from size. However, as it may be able to attain them as it grows, we will continue to assess this and will notify you if the position changes.

6. Comparable services

Due to the bespoke nature of this fund, there is no service offered which can act as a direct comparison.

7. Classes of shares or units

We have looked at charges across all of the share and unit classes in this fund. Our assessment has concluded that there are no other share or unit classes that broadly serve the same purpose as the one you are currently in, thus we have not made any changes to your holding.

The assessment has been completed using data as at 30/06/2022

Key: Demonstrating value — Completed a further review, demonstrating value — Completed a further review, not demonstrating value consistently

SUTL Cazenove GBP Equity Focus Fund

Investment objective

The fund aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 4.7% (after fees have been deducted) over any five to seven year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and your capital is at risk.

Overall conclusion

Taking into account all seven areas included in the assessment of value, we believe that the fund is demonstrating value. We have summarised our assessment of each area separately below.

1. Performance

This fund has not reached its minimum recommended performance period. Therefore we are unable to use this as an accurate measure of performance. We have concluded from our assessment of the performance criteria that we are delivering value. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. External providers concluded that we have a mature and effective framework for fund oversight and reporting of risks. The value of our communications are validated by Research in Finance. The quality of our service is backed up by awards and top ratings. We also looked at our liquidity management process, as well as fund complaints and breaches. As part of this we identified an error within your fund which was rectified promptly. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

3. Authorised fund manager costs

We reviewed every cost component of the Ongoing Charges Figure (OCF) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

4. Comparable market rates

Due to the bespoke nature of this fund it is not comparable to any of the Investment Association's sectors and therefore has no peer group that we can compare the fund's charges against.

5. Economies of scale

The fund you invest in is currently not large enough (defined as fund assets under management greater than £1 billion) to realise economies of scale. Therefore it does not benefit from meaningful cost savings achieved from size. However, as it may be able to attain them as it grows, we will continue to assess this and will notify you if the position changes.

6. Comparable services

Due to the bespoke nature of this fund, there is no service offered which can act as a direct comparison.

7. Classes of shares or units

We have looked at charges across all of the share and unit classes in this fund. Our assessment has concluded that there are no other share or unit classes that broadly serve the same purpose as the one you are currently in, thus we have not made any changes to your holding.

The assessment has been completed using data as at 30/06/2022

Key: Demonstrating value | Completed a further review, demonstrating value | Completed a further review, not demonstrating value consistently

SUTL Cazenove GBP Growth Fund

Investment objective

The fund aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 4% (after fees have been deducted) over a five to seven year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and your capital is at risk.

Overall conclusion

Taking into account all seven areas included in the assessment of value, we believe that the fund is demonstrating value. We have summarised our assessment of each area separately below.

1. Performance

This fund has not reached its minimum recommended performance period. Therefore we are unable to use this as an accurate measure of performance. We have concluded from our assessment of the performance criteria that we are delivering value. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. External providers concluded that we have a mature and effective framework for fund oversight and reporting of risks. The value of our communications are validated by Research in Finance. The quality of our service is backed up by awards and top ratings. We also looked at our liquidity management process, as well as fund complaints and breaches. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

3. Authorised fund manager costs

We reviewed every cost component of the Ongoing Charges Figure (OCF) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

4. Comparable market rates

Due to the bespoke nature of this fund it is not comparable to any of the Investment Association's sectors and therefore has no peer group that we can compare the fund's charges against.

5. Economies of scale

The fund's AUM is greater than £1bn and therefore it is achieving sufficient Economies of Scale (EoS). A discount of 2bps has been applied to the retail share classes of the fund and investors in these classes are currently benefiting from economies of scale. Investors in non-retail share classes 'S' receive discounts via lower management fees and therefore a scale discount has not been applied.

6. Comparable services

Due to the bespoke nature of this fund, there is no service offered which can act as a direct comparison.

7. Classes of shares or units

We have looked at charges across all of the share and unit classes in this fund. Our assessment has concluded that there are no other share or unit classes that broadly serve the same purpose as the one you are currently in, thus we have not made any changes to your holding.

 The assessment has been completed using data as at 30/06/2022

Key: Demonstrating value | Completed a further review, demonstrating value | Completed a further review, not demonstrating value consistently

SUTL Cazenove Sustainable Balanced Fund

Investment objective

The fund aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 3.25% (after fees have been deducted) over a five to seven year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and your capital is at risk.

Overall conclusion

Taking into account all seven areas included in the assessment of value, we believe that the fund is demonstrating value. We have summarised our assessment of each area separately below.

1. Performance

This fund has not reached its minimum recommended performance period. Therefore we are unable to use this as an accurate measure of performance. We have concluded from our assessment of the performance criteria that we are delivering value. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. External providers concluded that we have a mature and effective framework for fund oversight and reporting of risks. The value of our communications are validated by Research in Finance. The quality of our service is backed up by awards and top ratings. We also looked at our liquidity management process, as well as fund complaints and breaches. As part of this we identified an error within your fund which was rectified promptly. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

3. Authorised fund manager costs

We reviewed every cost component of the Ongoing Charges Figure (OCF) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

4. Comparable market rates

Due to the bespoke nature of this fund it is not comparable to any of the Investment Association's sectors and therefore has no peer group that we can compare the fund's charges against.

5. Economies of scale

The fund you invest in is currently not large enough (defined as fund assets under management greater than £1 billion) to realise economies of scale. Therefore it does not benefit from meaningful cost savings achieved from size. However, as it may be able to attain them as it grows, we will continue to assess this and will notify you if the position changes.

6. Comparable services

Due to the bespoke nature of this fund, there is no service offered which can act as a direct comparison.

7. Classes of shares or units

We have looked at charges across all of the share and unit classes in this fund. Our assessment has concluded that there are no other share or unit classes that broadly serve the same purpose as the one you are currently in, thus we have not made any changes to your holding.

SUTL Cazenove Sustainable Growth Fund

Investment objective

The fund aims to provide capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 4% (after fees have been deducted) over any five to seven year period by investing in a diversified range of assets and markets worldwide which meet the Investment Manager's sustainability criteria. This cannot be guaranteed and your capital is at risk.

Overall conclusion

Taking into account all seven areas included in the assessment of value, we believe that the fund is demonstrating value. We have summarised our assessment of each area separately below.

1. Performance

This fund has not reached its minimum recommended performance period. Therefore we are unable to use this as an accurate measure of performance. We have concluded from our assessment of the performance criteria that we are delivering value. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. External providers concluded that we have a mature and effective framework for fund oversight and reporting of risks. The value of our communications are validated by Research in Finance. The quality of our service is backed up by awards and top ratings. We also looked at our liquidity management process, as well as fund complaints and breaches. As part of this we identified an error within your fund which was rectified promptly. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

3. Authorised fund manager costs

We reviewed every cost component of the Ongoing Charges Figure (OCF) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

4. Comparable market rates

Due to the bespoke nature of this fund it is not comparable to any of the Investment Association's sectors and therefore has no peer group that we can compare the fund's charges against.

5. Economies of scale

The fund you invest in is currently not large enough (defined as fund assets under management greater than £1 billion) to realise economies of scale. Therefore it does not benefit from meaningful cost savings achieved from size. However, as it may be able to attain them as it grows, we will continue to assess this and will notify you if the position changes.

6. Comparable services

Due to the bespoke nature of this fund, there is no service offered which can act as a direct comparison.

7. Classes of shares or units

We have looked at charges across all of the share and unit classes in this fund. Our assessment has concluded that there are no other share or unit classes that broadly serve the same purpose as the one you are currently in, thus we have not made any changes to your holding.

The assessment has been completed using data as at 30/06/2022

Key: Demonstrating value | Completed a further review, demonstrating value | Completed a further review, not demonstrating value consistently

Glossary of Terms

Absolute return

An asset's standalone return (gain or loss) over time. It is not being compared to anything else such as a benchmark or another asset.

Active management

The management of investments based on active decision-making rather than with the objective of replicating the return of an index. The manager aims to beat the market through research, analysis and their own judgement.

AFM (Authorised Fund Manager)

The AFM is responsible for the overall management of the fund and invests money on behalf of clients. An authorised investment fund is one that is authorised and regulated by the UK financial regulator, the FCA. *Please also see FCA definition*.

Alternative asset

An investment outside of the traditional asset classes of equities, bonds and cash. Alternative investments include property, hedge funds, commodities, private equity, and infrastructure.

AMC (Annual Management Charge)

Following the introduction of the Schroders Annual Charge, AMC has been replaced by SAC. *Please see SAC definition.*

Assessment of Value

As a result of new regulations, the FCA now requires managers of UK funds to publish an annual report demonstrating how they are providing value to investors in their funds.

Asset allocation

The apportionment of a portfolio's assets between asset classes and/or markets. For example, a fund may hold a combination of shares, bonds and cash. The weightings given vary according to the investment objective and the investment outlook.

Asset class

Broad groups of different types of investments. The main investment asset classes are equities, bonds and cash. Non-traditional asset classes are known as alternative investments.

Benchmark

A standard (usually an index or a market average) against which an investment fund's performance is measured. *Please also see comparator benchmark and target benchmark definitions.*

Bond

A way for governments and companies (the issuers of the bond) to borrow money for a certain amount of time. A typical arrangement would be in exchange for an upfront payment from an investor, the issuer will make periodic interest payments to the investor and then repay the initial investment amount at the end of the bond's term (its maturity).

Business cycle

Also referred to as the "economic cycle". Essentially it describes how business activity goes up and down over time. There are four stages of the business or economic cycle: expansion, slowdown, recession and recovery.

Capital growth

The increase in the value of an asset or investment over time.

Capital risk

The potential loss of all or part of an investment.

Cazenove Capital

A long-established wealth manager which is part of the Schroders group.

Conservative (investment style)

Prioritises the preservation of capital over market returns by investing in lower-risk securities.

Comparator benchmark

A standard (usually an index or a market average) against which an investment fund's performance is compared to.

Covid-19

The name given by the World Health Organisation (WHO) to the illness caused by the coronavirus illness which was first recorded in 2019.

CPI (Consumer Price Index)

The Consumer Price Index (CPI) measures how much prices of consumer goods and services change over a period of time. For example, if CPI is 2.5% for the 12 months ending January 2020, this means that on average, the price of consumer goods will be about 2.5% higher than they were in January 2019. *Please also see Inflation definition*.

Defensive stock

A stock which aims to provide consistent dividends and stable earnings regardless of the overall stock market environment.

Dividend

A payment made by a company to its shareholders. The company decides how much the dividend will be, and when it will be paid.

Domicile (e.g. a UK-domiciled fund)

A fund's domicile is essentially its country of residence. It determines how a fund is to be treated from a tax perspective much as the domicile (i.e. permanent home) determines what tax legislation applies. Schroders has a range of unit trust funds that are UK-domiciled while the Schroder International Selection Fund range is domiciled in Luxembourg.

Duration

A measure of a bond investment's sensitivity to changes in interest rates. The longer the duration, the more sensitive it is. Calculating duration for a fixed income investment such as a bond is a complicated sum. It takes into account the current value of the bond, the coupon or interest payment, the book cost, and the number of years the bond has left to run. Put simply, the higher the duration number the higher the potential return (and the greater the risk).

Economic cycle

Also referred to as the "business cycle". *Please also see Business cycle definition*.

Glossary of Terms

Emerging markets

Countries that have rapidly growing economies and may be going through the process of industrialisation. This is compared to developed markets which have already undergone this process and are considered to be already economically advanced.

Equities

Also known as shares or stocks, this represents a share in the ownership of a company.

ESG (Environmental, Social and Governance)

ESG represents environmental, social and governance considerations and covers issues such as climate change, energy use, labour standards, supply chain management and how well a company is run.

ETF (Exchange-Traded Fund)

ETFs usually track an underlying index and trade just as a normal stock would on an exchange. ETFs can track stocks in a single industry or an entire index of equities.

Factor (investment style)

An approach that involves targeting specific drivers of return across asset classes.

FCA (Financial Conduct Authority)

The FCA regulates the UK's financial markets. Its objective is to ensure that relevant markets function well - for individuals, for business and for the economy as a whole.

FTSE All Share

A price-weighted index comprising of approximately 650 of the top UK publicly listed companies.

Fundamental analysis

The process of identifying stocks that are undervalued by looking at the underlying investment.

Growth (investment style)

Companies perceived as stable growers that investors are willing to pay a premium for on the basis of their future growth prospects.

Earnings are expected to increase at an above-average rate compared to their industry sector or the overall market.

Hedge fund

A collective name for funds targeting absolute returns through investment in financial markets and/or applying non-traditional portfolio management techniques. Hedge funds can invest using a broad array of strategies, ranging from conservative to aggressive.

IA (Investment Association) sector

As published by the Investment Association, the IA sectors divide the fund universe to reflect the asset type, industry sector, or geographic regions funds are invested in. There are over 35 IA sectors. These are there to help navigate the large universe of funds in the UK and include some offshore (EU) funds. The sectors divide up the funds into smaller groups, to allow like-for-like comparisons between funds in one or more sectors, for instance to look at performance and fund charges.

Index (investment style)

A passive investment strategy that seeks to replicate the returns of a benchmark index.

Inflation

A measure of the increase in prices of goods and services over time.

Investment universe

The range of stocks in which a portfolio can invest.

KIID (Key Investor Information Document)

A two-page document that summarises a fund's investment objective, key risks, ongoing charges figure (*please see OCF definition*) and past performance. It is required for funds that come under EU law and is designed to allow comparability across funds.

Large cap

Please see Market capitalisation definition.

Liquidity

The ease with which an asset can be sold for cash. An asset can be described as illiquid if it takes a long time to sell, such as property, or if it is difficult to find someone willing to buy it.

Macroeconomic

Refers to the behaviour and drivers of an economy as a whole. Factors include inflation, unemployment, etc. as opposed to microeconomic which is the behaviour of small economic units, such as individual consumers or households.

Market capitalisation

A measure of a company's size, calculated by multiplying the total number of shares in issue by the current share price. Companies are commonly grouped according to size, such as small cap, mid cap, large cap or all cap. There is no consensus on the definition of these groupings and they may vary from fund to fund depending on the country of investment.

Mid cap

Please see Market capitalisation definition.

MSCI (Morgan Stanley Capital International)

An investment research firm that provides stock indices, portfolio risk and performance analytics, and government tools.

Multi Asset

An investment which contains a combination of asset classes, creating a group or portfolio of assets.

Nominal return

A value which has not been adjusted for inflation.

OCF (Ongoing Charges Figure)

The OCF is made up of the Schroders Annual Charge (SAC), the administration charge and 'other' costs. The administration fee includes directly attributable costs, such as Transfer Agency costs and Fund Accounting fees, and allocated costs to support functions, such as Finance, Tax, Risk, Audit, Legal and Compliance.

Glossary of Terms

Overweight

When a portfolio or fund has a greater percentage weighting in an asset class, sector, geographical region or stock than the index or benchmark against which it is measured.

Passive management

A style of investment management that aims to replicate the performance of a set benchmark.

Peer group

A group of funds that may be compared with one another, often for performance purposes. A peer group will usually be based on the fund's investment scope.

Performance period

The length of time over which we expect the fund to deliver its investment objective.

Qualitative analysis

The use of subjective judgment and information that cannot be represented by numbers (such as a company's culture) to evaluate an investment.

Quality (investment style)

Companies with higher profitability and perceived to be stable over time relative to their peers. Quality is measured by its profitability, stability, financial strength, sales growth and governance.

Quantitative analysis

Quantitative is often better understood as "numerical". It is used to identify and target the underlying factors responsible for the outperformance of some financial assets over others.

RDR (Retail Distribution Review)

A Financial Conduct Authority (FCA) initiative that aims to provide greater clarity about different types of financial services available. It also seeks to improve transparency around the costs and fees associated with financial advice. The amount of risk capital set by legislation or local regulators, which companies must hold against any difficulties such as market or credit risks.

Real return

The return generated by an investment, having been adjusted for the effects of inflation. For example, an investment grew in value by 5% return over one year, and the rate of inflation was 2%, the real return would be 3%.

Risk-adjusted return

A technique to measure the returns from an investment that takes into account the degree of risk that must be accepted in order to achieve it.

Risk-free rate

The rate of return over a specified period of time on an investment with zero risk.

RPI (Retail Price Index)

The Retail Price Index (RPI) measures how much prices of consumer goods and services change over a period of time. RPI is a measure of inflation and takes the exact same premise as CPI; however, it also includes housing costs. RPI has been deemed an inferior measure to CPI. *Please also see Inflation definition.*

S&P 500

A stock market index that tracks the average performance of the top 500 listed US companies.

Schroder Investment Management (Schroders)

Schroders is a global investment manager. It actively manages investments for a wide range of institutions and individuals, to help them meet their financial goals.

Schroders Annual Charge (SAC)

A single all-in-fee charged to the funds which includes the previously separated Annual Management Charge (AMC), administration fee and most of the other fees that are normally charged. It excludes the extraordinary legal/tax fees and third party fund manager costs.

Share class

A way to differentiate between different types of shares. For companies, this may mean that some shares have voting rights while others do not. Within a fund, the different share classes may represent different ways of paying the investor the income from the fund, different fees and expenses or different base currencies. For example, a fund will often have an "accumulation" share class and an "income" share class. With the former, any income produced will be automatically reinvested back into the fund (more shares will be bought in the fund). With the income share class, income can either be received as a regular payment or reinvested.

Small cap

Please see Market capitalisation definition.

SONIA (Sterling Overnight Index Average)

The interest rate paid by financial institutions during periods when the markets are closed.

Stress test

The process of testing the resilience of institutions and investment portfolios against possible worst case future financial situations.

Target benchmark

A standard (usually an index or a market average) which an investment fund's performance aims to match or exceed.

TER (Total Expense Ratio)

Following the introduction of KIIDs, TERs have been replaced with OCFs. *Please see OCF definition*.

Thematic (investment style)

Investing according to a chosen investment theme. For example, an investor with a "health and wellness" focus will likely only consider funds that invest in healthy food brands or those companies focused on developing new vaccines.

Glossary of Terms

Top-down (investment style)

An investment strategy which finds the best sectors or industries to invest in, based on analysis of the corporate sector as a whole and macroeconomic trends such as GDP and CPI to determine investment decisions (as opposed to bottom-up investing).

Total return

The total return of an investment is the combination of any capital appreciation (or depreciation) plus any income from interest or dividends. It is measured over a set period, and is given as a percentage of the value of the investment at the start of that period.

Underweight

When a portfolio or fund has a lower percentage weighting in an asset class, sector, geographical region or stock than the index or benchmark against which it is measured.

Unit class

Unit classes are a way to differentiate between different types of units in a unit trust. Where we write 'share class' in the report, it is to be construed as meaning unit/share class as applicable to the relevant fund. *Please also see Share class definition*.

Unit trust

A type of open-ended pooled investment vehicle, or fund, which is structured as a trust. It is split up into equal portions called “units” which belong to the unitholder. The money paid for the units goes into a pool with other investors’ money which an investment manager uses to buy financial instruments on behalf of the unitholders, with the aim of generating a return for them.

Value (investment style)

A style of investing that involves buying securities that are trading at a significant discount to their true value in the belief that over time, the asset’s relatively low price will rise to more accurately reflect the intrinsic value of the business. Value is measured by a company’s cash flows, dividends, earnings and assets.

Volatility

A statistical measure of the fluctuations in a security’s price or particular market. For example, a highly volatile share experiences greater changes in price than other investments. High volatility is taken as an indication of higher risk.

Yield

A measure of the income return earned on an investment. In the case of a share, the yield is the annual dividend payment expressed as a percentage of the market price of the share. For property, it is the rental income as a percentage of the capital value. For bonds, the yield is the annual interest as a percentage of the current market price.

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