

A scenic landscape photograph of a mountain range with snow-capped peaks, a turquoise lake in the foreground, and evergreen trees. The image is framed by a blue curved border at the top.

ASSESSMENT OF VALUE REPORT

LF BENTLEY INVESTMENT FUNDS
31 MARCH 2023

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LETTER FROM THE BOARD

My name is Alistair Reid, and I am the Non-Executive Chair of the Link Fund Solutions Limited (LFSL) Authorised Corporate Director (ACD) Board, and Independent Chair of LFSL's Value Assessment Committee. I have specific overall responsibility for the annual Assessment of Value reporting and I, supported by Liz Tracey and Tony Stuart, the other Non-Executive Directors of the LFSL Board, seek to ensure that LFSL acts in investors' best interests and adheres to the highest standards of product governance. We are, within LFSL, the independent voice of you, the investor, and this Assessment of Value has been produced with you in mind.

Our responsibility is to assess whether the payments from each fund are justified in the context of overall value delivered to investors. In that context, the Board's top priority is ensuring that our funds deliver the best possible outcomes for investors over the recommended holding period (RHP). By this we mean strong investment returns and equitable and transparent cost structures relative to our peers, combined with excellent service levels. At LFSL, creating and maintaining value for investors is integral to everything we do. The principle of delivering value is woven into every stage of overseeing our Investment Managers, operations, product development and governance processes, and we welcome the opportunity to share our report for the past twelve months with you. While the report is published on an annual basis, each step of our wider governance process ensures that all our funds are regularly reviewed throughout the year.

2022 proved to be a challenging year for global markets, amid political uncertainty and rising energy prices following the outbreak of war in Ukraine. Rising inflation was the main pressure faced by Central Banks globally, with inflation reaching levels not seen in four decades; this weighed heavily on retail sales, manufacturing, and services activities, and increased the risk of recession. The US, UK, and Eurozone all revised down their 2022 economic growth forecasts and aggressively tightened their monetary policies to tackle this. The cost-of-living crisis and market uncertainty led to retail investors withdrawing £25.7bn from UK investment funds over the course of the year, but, as the year drew to a close, there was a small increase in fund inflows. During the first quarter of 2023, inflation continued to cause problems in the UK and led to further interest rate rises. However, the Bank of England believes that inflation will continue to fall over the remainder of the year and 2024.

During the last 12 months, we have continued to support our Investment Managers and investors by successfully deploying two new platforms. In addition, we have continued to simplify our operating model and drive greater collaboration across LFSL. These changes will further enhance our fund governance, monitoring and oversight framework, specifically around quality of service, and strengthen our operation resilience.

We have recently been working on implementing the FCA's new Consumer Duty regulations which aim to introduce higher standards of customer care across all financial products including funds. This new regulation contains enhanced requirements for LFSL to "act to deliver good outcomes for *retail customers*". This overarching requirement is supplemented by four "outcome" requirements relating to:

- Products and Services
- Price and Value
- Consumer Understanding
- Consumer Support

Although the Consumer Duty is new, many of the requirements – including the first two outcomes – are existing requirements reconfirmed. For some time, we have followed both formal product governance requirements and produced value assessment reports. Save where we identify enhancement opportunities over time, these will continue largely as before. The areas where you will see greater emphasis and information will principally be those relating to Consumer Understanding and Consumer Support. In particular, there is a greater range of guidance material available on our website or on request, and, in the future, we are likely to place greater emphasis not just on customer service, but also on ensuring that our customers are making informed decisions.

Socially responsible investing continues to be a significant consideration for investors with Environmental, Social and Governance (ESG) considerations a key factor for the wider world as well as our industry. The goal of ESG is to identify the non-financial risks and opportunities inherent to a company's day-to-day activities. These non-financial elements are becoming an increasingly important part of the investment process, so our oversight of all funds is being enhanced ahead of the finalisation of the UK's Sustainability Disclosure Requirements (SDR) in late 2023. The UK Government was the first G20 country to mandate TCFD (Task Force on Climate Related Financial Disclosures) reporting for large financial firms. On 30 June 2023, to meet this obligation, LFSL published an initial set of reports which provides details of carbon emissions, scenario analysis, and other responsible investing metrics. Reporting on sustainability exposures will continue to evolve in response to investor needs and legislation, and, where appropriate, will become increasingly prominent in our Assessment of Value.

Open and transparent communication with investors is important to us, so we do hope that this report will provide a useful insight and help to inform your investment decisions. Thank you for taking the time to read our report and, if you have any feedback about the report, we would be delighted to hear from you. Please email us at aovfeedback@linkgroup.co.uk.

Alistair Reid
For and on behalf of the Board of Directors

Link Fund Solutions Limited
31 July 2023

COMPANY DETAILS

Company	LF Bentley Investment Funds
Authorised Corporate Director (ACD)	Link Fund Solutions Limited ("LFSL")
Investment Manager	Bentley Capital Limited ("Bentley Reid")

SUMMARY OF RESULTS

Fund	Overall	Quality of Service	Investment Performance	Costs
LF Bentley Global Growth Fund				
LF Bentley Sterling Balanced Fund				
LF Bentley Sterling Income Fund				
LF Bentley US Dollar Balanced Fund				

Please refer to page 15 for explanation of ratings.

LINK FUND SOLUTIONS LIMITED (LFSL) BOARD OF DIRECTORS

This Assessment of Value report has been approved by the LFSL Board of Directors. The Board is comprised of the Chair, who is one of three independent Non-Executive Directors, plus three Executive Directors.

Independent Directors



Alistair Reid
Independent Non-Executive Director and Chair of LFSL Board

Alistair joined as an iNED to the Board in February 2021 and took on the roles of Chair of the LFSL Board and the Value Assessment Committee. Alistair has worked both in and alongside the investment management industry for more than 40 years, holding senior positions at both large international and smaller UK firms including Crux Asset Management, Thornhill Holdings, and JP Morgan Chase.



Tony Stuart
Independent Non-Executive Director

Tony was appointed an iNED of both Link Fund Solutions Limited and Link Financial Investments Limited on 15 November 2017. Tony is a Chartered Accountant and Investment Banker. He was a Managing Director and Executive Committee member with N M Rothschild, where for 30 years he advised on strategy, financing and M&A for a wide variety of companies in the UK, Europe and Australia. He has held a number of non-executive directorships since his retirement in 2011 and currently is the Hon Treasurer and a council member at the University of Surrey. He is also an Independent Director of LME Clear Limited, an Independent Director of the London Metal Exchange and an Independent Director of Link Market Services Trustees Limited.



Elizabeth Tracey
Independent Non-Executive Director

Elizabeth Tracey joined as an iNED to the Board in February 2021, taking on the role of Chair of the Link Fund Solutions Limited Risk, Compliance, and Audit Committee. Elizabeth brings a wealth of expertise, having worked for over 37 years in the financial services industry. This includes senior operational roles at large asset managers such as Merrill Lynch Investment Managers and BlackRock Fund Managers. Specialising in global operations, Elizabeth's experience includes oversight of projects in Europe, Asia, the US, and Australia.

Executive Directors



Karl Midl
Managing Director

Karl joined the Link Fund Solutions business in 1995 as a junior Fund Accountant and was promoted to the Board in 2002, becoming Managing Director in September 2019. Karl has held a number of executive roles including Operations Director, Programme Director and Director of Relationship Management and Product and Change Management. He has been instrumental in the operational design of our business, and the selection of major outsourcing arrangements such as the supply of custody and Depositary services in the UK and the transfer of fund administration roles to our operational centre in Mumbai.



Ben Hammond
Finance Director

Ben has worked within the funds industry for over 20 years since he was first recruited as an accounts assistant with City Financial Administrators in 1999. Since the firm has been acquired, Ben has continued to be a part of the Link Fund Solutions Finance team, during which time he has held a variety of positions and gained a wealth of experience, and assumed the position of Finance Director in 2016. He was involved in the acquisitions of both Northern Administration and Sinclair Henderson as well as overseeing, from a finance perspective, the implementation and migration of the finance general ledger and reporting function from an in-house legacy system to SAP in 2010. In 2013, he was appointed as Head of Collectives Finance, bringing all of Link Fund Solutions' finance functions in the UK (financial accounts, operational finance and commercial matters) under one direct management structure.



Nigel Boyling
Director

Nigel joined Link Fund Solutions in 2009 and became a Director in 2011, establishing the risk-based oversight model of the Investment Manager Delegates ('IMD') and the funds managed by them. Prior to joining Link, Nigel worked in the asset management industry since 1988, firstly with Manulife Financial as Head of Group Audit and Compliance and then with Prudential and M&G as a Risk and Compliance Director. Nigel commenced his career as a trainee accountant in the public sector including the water industry, local government, and British Gas. Nigel is a qualified Chartered Public Finance Accountant and a Fellow of both the Royal Statistical Society and the Institute of Internal Auditors.



INDIVIDUAL FUND SUMMARIES

LF BENTLEY GLOBAL GROWTH FUND

Overall Rating

- Quality of Service
- Investment Performance
- Costs

Based on our annual assessment, we have concluded that the Fund provides overall value to investors. All of the criteria which form part of the assessment are within our tolerance levels, with all payments out of the scheme property being justified. We have therefore rated it Green.

Investment Objective

To seek to achieve growth in capital (net of fees), ahead of inflation (UK Consumer Price Index), over any five-year period, with no more than half the risk* of the FTSE All Share Index.

* Risk is measured as the Fund's maximum drawdown relative to the FTSE All Share Index's maximum drawdown at any time.

Recommended Holding Period (RHP)	5 years	IA Sector	Flexible Investment
Assets Under Management (AUM)	£64,510,622	Launch Date	09 September 2010
Target Benchmark	UK CPI	Investment Manager	Bentley Capital Limited ("Bentley Reid")

Actions carried forward from 2022 Assessment – Discuss the Fund's investment performance and costs with Bentley Reid.

Proposed actions arising from 2023 Assessment – None.

Quality of Service

LFSL has put the investment process of the Fund through its quality of service assessment and concluded that it adheres to all the criteria set out in our Assessment of Value framework. In particular, the Fund demonstrates stability in the investment team, a strong change and governance process around its use of data and systems, relevancy and robustness at each phase of the investment process and has evidenced that it adheres to its prospectus and integrated risk management procedures.

In addition, our assessment of the administrators' performance and services, namely but not limited to Fund Accounting, Transfer Agency, complaints and breaches, as well as their related oversight processes, concluded that all of the Key Performance Indicators (KPIs) in place were met for the period and no concerns were raised.

Therefore, the Fund provides value for Quality of Service and has been rated Green.

LF BENTLEY GLOBAL GROWTH FUND CONTINUED

Investment Performance

Whilst the Fund has a positive return of 2.06% over its RHP, it has underperformed its target benchmark by 2.13%. As this underperformance is within an acceptable tolerance, the Fund has been rated Green for Investment Performance.

The Fund is mostly exposed to equities with a particular focus on growth sectors through fund of fund holdings. In 2022, growth sectors underperformed other sectors especially in the wake of interest rate increases, and recession risk following the start of the Ukraine War. We will continue to closely monitor investment performance but do not recommend any actions at this time.

Annualised Performance – Periods to 31 March 2023

	12 Months	3 Years	5 Years	Inception to Date
Fund Return	-8.27%	5.41%	2.06%	3.86%
Relative to UK CPI	-18.33%	-0.45%	-2.13%	0.94%

Discrete Performance – Rolling 12-Month Periods

	31 March 2020	31 March 2021	31 March 2022	31 March 2023
Fund Return	-9.31%	25.86%	1.46%	-8.27%
Relative to UK CPI	-10.83%	25.14%	-5.56%	-18.33%

Costs

Our review has evidenced that the Fund's OCF and AMC are lower or comparable to their peer group middle value (median) for some but not all of the share classes. While the publicly available share classes are in line with their peers, the share classes restricted to Bentley Reid advised clients are more expensive because they include additional advisory services.

We have concluded that there are no concerns over share class suitability and that the currently available benefits of economies of scale have been passed on to investors. Based on our review of Costs, the Fund has offered value to investors.

The Fund has been rated Green for costs.

Share Class Name	Share Class OCF	IA Sector Median OCF	Synthetic*	Share Class AMC	IA Sector Median AMC
Accumulation Shares	2.20%	1.47%	0.62%	1.50%	1.41%
USD Accumulation Shares	2.20%	1.47%	0.62%	1.50%	1.41%
B Accumulation Shares	1.80%	1.47%	0.62%	1.10%	1.41%
C Accumulation Shares	1.30%	0.84%	0.62%	0.75%	0.50%

* Where a synthetic fee exists, the OCF less the synthetic is used for comparison purposes.

- Comparable Market Rates
- AFM Costs
- Economies of Scale
- Classes of Units/Shares
- Comparable Services

LF BENTLEY STERLING BALANCED FUND

Overall Rating

- Quality of Service
- Investment Performance
- Costs

Based on our annual assessment, the Fund provides overall value to investors, but we will continue to closely monitor its investment performance. All other criteria which form part of the assessment are within our tolerance levels, with all payments out of the scheme property justified. We have therefore rated it Amber.

Investment Objective

To seek to achieve growth in capital (net of fees), ahead of inflation (UK Consumer Price Index), over any five-year period, with no more than half the risk* of the FTSE All Share Index.

* Risk is measured as the Fund's maximum drawdown relative to the FTSE All Share Index's maximum drawdown at any time.

Recommended Holding Period (RHP)	5 years	IA Sector	Flexible Investment
Assets Under Management (AUM)	£171,976,545	Launch Date	05 January 2005
Target Benchmark	UK CPI	Investment Manager	Bentley Capital Limited ("Bentley Reid")

Actions carried forward from 2022 Assessment – Discuss the Fund's investment performance and continue our discussions on costs with Bentley Reid.

Proposed actions arising from 2023 Assessment – We will continue to closely monitor the Fund's investment performance and will discuss the appropriateness of the Fund's investment objective and benchmark with the IMD.

Quality of Service

LFSL has put the investment process of the Fund through its quality of service assessment and concluded that it adheres to all the criteria set out in our Assessment of Value framework. In particular, the Fund demonstrates stability in the investment team, a strong change and governance process around its use of data and systems, relevancy and robustness at each phase of the investment process and has evidenced that it adheres to its prospectus and integrated risk management procedures.

In addition, our assessment of the administrators' performance and services, namely but not limited to Fund Accounting, Transfer Agency, complaints and breaches, as well as their related oversight processes, concluded that all of the Key Performance Indicators (KPIs) in place were met for the period and no concerns were raised.

Therefore, the Fund provides value for Quality of Service and has been rated Green.

LF BENTLEY STERLING BALANCED FUND CONTINUED

Investment Performance

While the Fund has been run in line with its investment objective and has met the requirement with no more than half the risk of the FTSE All Share Index, it has a slightly negative return of 0.16% over its RHP and has underperformed its target benchmark by 4.34%. Therefore, the Fund has been rated Amber for Investment Performance.

2022 has been challenging for equities and fixed income asset classes, which explains the negative performance of long-only multi asset funds. Performance has been improving since the beginning of the year. It is worth noting that the Fund uses a CPI benchmark which is quite unusual for a long-only fund with no particular exposures to Derivatives.

Action: Conversations are underway with the IMD regarding the appropriateness of the CPI as a target benchmark and if any potential changes to the benchmark might result in amendments to the Fund's investment objective.

Annualised Performance – Periods to 31 March 2023

	12 Months	3 Years	5 Years	Inception to Date
Fund Return	-6.76%	0.78%	-0.16%	3.04%
Relative to UK CPI	-16.82%	-5.08%	-4.34%	0.21%

Discrete Performance – Rolling 12-Month Periods

	31 March 2020	31 March 2021	31 March 2022	31 March 2023
Fund Return	-3.63%	6.85%	2.75%	-6.76%
Relative to UK CPI	-5.15%	6.14%	-4.27%	-16.82%

Costs


Our review has evidenced that the Fund's OCF and AMC are lower or comparable to their peer group middle value (median) for all of the share classes. While the publicly available share classes are in line with their peers, the share classes restricted to Bentley Reid advised clients are more expensive because they include additional advisory services.

We have concluded that there are no concerns over share class suitability and that the currently available benefits of economies of scale have been passed on to investors. Based on our review of Costs, the Fund has offered value to investors.

The Fund has been rated Green for costs.

Share Class Name	Share Class OCF	IA Sector Median OCF	Synthetic*	Share Class AMC	IA Sector Median AMC
Accumulation Shares	2.07%	1.47%	0.57%	1.50%	1.41%
B Accumulation Shares	1.67%	1.47%	0.57%	1.10%	1.41%
EUR B Accumulation Shares	1.67%	1.47%	0.57%	1.10%	1.41%
C Accumulation Shares	1.17%	0.84%	0.57%	0.60%	0.75%

* Where a synthetic fee exists, the OCF less the synthetic is used for comparison purposes.

-  Comparable Market Rates
-  AFM Costs
-  Economies of Scale
-  Classes of Units/Shares
-  Comparable Services

LF BENTLEY STERLING INCOME FUND

Overall Rating

- Quality of Service
- Investment Performance
- Costs

Based on our annual assessment, we have concluded that the Fund provides overall value to investors. All of the criteria which form part of the assessment are within our tolerance levels, with all payments out of the scheme property being justified. We have therefore rated it Green.

Investment Objective

To achieve a higher income return than short-term cash deposits*, over any three-year period, after all costs and charges have been taken. Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

* The Investment Manager will aim to achieve a level of income higher than the average level of income achieved by the Barclays Benchmark Overnight GBP Cash Index over any three-year period.

Recommended Holding Period (RHP)	3 years	IA Sector	Specialist Bond
Assets Under Management (AUM)	£13,459,089	Launch Date	02 February 2007
Target Benchmark	Barclays Benchmark Overnight GBP Cash Index	Investment Manager	Bentley Capital Limited ("Bentley Reid")

Actions carried forward from 2022 Assessment – Discuss the Fund's investment performance and costs with Bentley Reid.

Proposed actions arising from 2023 Assessment – None.

Quality of Service

LFSL has put the investment process of the Fund through its quality of service assessment and concluded that it adheres to all the criteria set out in our Assessment of Value framework. In particular, the Fund demonstrates stability in the investment team, a strong change and governance process around its use of data and systems, relevancy and robustness at each phase of the investment process and has evidenced that it adheres to its prospectus and integrated risk management procedures.

In addition, our assessment of the administrators' performance and services, namely but not limited to Fund Accounting, Transfer Agency, complaints and breaches, as well as their related oversight processes, concluded that all of the Key Performance Indicators (KPIs) in place were met for the period and no concerns were raised.

Therefore, the Fund provides value for Quality of Service and has been rated Green.

LF BENTLEY STERLING INCOME FUND CONTINUED

Investment Performance

The Fund has met its income objective over its RHP, exceeding the income yield of its target benchmark. Therefore, the Fund has been rated Green for Investment Performance.

It is worth noting that, while the Fund achieved its yield objective, 2022 was a challenging year from a performance perspective. It is mainly exposed to Fixed Income through fund of fund holdings and UK Government bonds which underperformed given the significant increase in Government yields and monetary policy tightening. Performance has improved since the beginning of the year, consistent with the asset class rebound. We will continue to closely monitor investment performance but do not recommend any actions at this time.

Fund Yield – Rolling 12-Month Periods

	31 March 2020	31 March 2021	31 March 2022	31 March 2023
Fund Yield	1.11%	1.03%	2.72%	6.45%
Benchmark Yield	0.68%	0.06%	0.14%	2.28%

Annualised Performance – Periods to 31 March 2023

	12 Months	3 Years	5 Years	Inception to Date
Fund Return	-8.02%	-4.21%	-2.05%	0.52%

Discrete Performance – Rolling 12-Month Periods

	31 March 2020	31 March 2021	31 March 2022	31 March 2023
Fund Return	1.18%	-1.43%	-3.05%	-8.02%






Costs

Our review has evidenced that the Fund's OCF and AMC are lower or comparable to their peer group middle value (median). We have concluded that there are no concerns over share class suitability and that the currently available benefits of economies of scale have been passed on to investors. Based on our review of Costs, the Fund has offered value to investors.

The Fund has been rated Green for Costs.

Share Class Name	Share Class OCF	IA Sector Median OCF	Synthetic*	Share Class AMC	IA Sector Median AMC
Income Shares	0.95%	0.69%	0.29%	0.50%	0.60%

* Where a synthetic fee exists, the OCF less the synthetic is used for comparison purposes.

-  Comparable Market Rates
-  AFM Costs
-  Economies of Scale
-  Classes of Units/Shares
-  Comparable Services

LF BENTLEY US DOLLAR BALANCED FUND

Overall Rating

- Quality of Service
- Investment Performance
- Costs

Based on our annual assessment, the Fund provides overall value to investors, but we will continue to closely monitor its investment performance. All other criteria which form part of the assessment are within our tolerance levels, with all payments out of the scheme property justified. We have therefore rated it Amber.

Investment Objective

To seek to achieve growth in capital (net of fees), ahead of inflation (US Consumer Price Index), over any five-year period, with no more than half the risk* of the FTSE USA Index.

* Risk is measured as the Fund's maximum drawdown relative to the FTSE USA Index's maximum drawdown at any time.

Recommended Holding Period (RHP)	5 years	IA Sector	Specialist
Assets Under Management (AUM)	\$97,535,398	Launch Date	01 February 2006
Target Benchmark	US CPI	Investment Manager	Bentley Capital Limited ("Bentley Reid")

Actions carried forward from 2022 Assessment – Discuss the Fund's investment performance and costs with Bentley Reid.

Proposed actions arising from 2023 Assessment – We will continue to closely monitor the Fund's investment performance and will discuss the appropriateness of the Fund's investment objective and benchmark with the IMD.

Quality of Service

LFSL has put the investment process of the Fund through its quality of service assessment and concluded that it adheres to all the criteria set out in our Assessment of Value framework. In particular, the Fund demonstrates stability in the investment team, a strong change and governance process around its use of data and systems, relevancy and robustness at each phase of the investment process and has evidenced that it adheres to its prospectus and integrated risk management procedures.

In addition, our assessment of the administrators' performance and services, namely but not limited to Fund Accounting, Transfer Agency, complaints and breaches, as well as their related oversight processes, concluded that all of the Key Performance Indicators (KPIs) in place were met for the period and no concerns were raised.

Therefore, the Fund provides value for Quality of Service and has been rated Green.

LF BENTLEY US DOLLAR BALANCED FUND CONTINUED

Investment Performance

While the Fund has been run in line with its investment objective and has met the requirement with no more than half the risk of the FTSE USA Index, it has not achieved a positive return over its RHP and has underperformed its target benchmark by 3.89%. Therefore, it has been rated Amber for Investment Performance.

2022 has been challenging for equities and fixed income asset classes, which explains the negative performance of long-only multi asset funds. Performance has been improving since the beginning of the year. It is worth noting that the Fund uses a CPI benchmark which is quite unusual for a long-only fund with no particular exposures to Derivatives.

Action: Conversations are underway with the IMD regarding the appropriateness of the CPI as a target benchmark and if any potential changes to the benchmark might result in amendments to the Fund's investment objective.

Annualised Performance – Periods to 31 March 2023

	12 Months	3 Years	5 Years	Inception to Date
Fund Return	-9.91%	1.00%	-0.01%	1.50%
Relative to US CPI	-14.90%	-4.35%	-3.89%	-0.97%

Discrete Performance – Rolling 12-Month Periods

	31 March 2020	31 March 2021	31 March 2022	31 March 2023
Fund Return	-2.52%	13.56%	0.71%	-9.91%
Relative to US CPI	-4.06%	10.94%	-7.83%	-14.90%

Costs

Our review has evidenced that the Fund's OCF and AMC are lower or comparable to their peer group middle value (median) for some but not all of the share classes. While the publicly available share classes are in line with their peers, the share classes restricted to Bentley Reid advised clients are more expensive because they include additional advisory services.

We have concluded that there are no concerns over share class suitability and that the currently available benefits of economies of scale have been passed on to investors. Based on our review of Costs, the Fund has offered value to investors.

The Fund has been rated Green for costs.

Share Class Name	Share Class OCF	IA Sector Median OCF	Synthetic*	Share Class AMC	IA Sector Median AMC
Accumulation Shares	1.97%	1.50%	0.39%	1.50%	1.33%
B Accumulation Shares	1.57%	1.50%	0.39%	1.10%	1.33%
C Accumulation Shares	1.07%	0.68%	0.39%	0.60%	0.60%

* Where a synthetic fee exists, the OCF less the synthetic is used for comparison purposes.

-  Comparable Market Rates
-  AFM Costs
-  Economies of Scale
-  Classes of Units/Shares
-  Comparable Services



OUR VALUE ASSESSMENT PROCESS

OUR VALUE ASSESSMENT PROCESS

This is the fourth year of the Assessment of Value and, since its establishment, our process has evolved and matured to reflect industry best practice, as well as revised guidance from the FCA. Our Assessment of Value applies a combination of quantitative and qualitative metrics to assess whether funds provide value to our investors. The FCA has set out seven key assessment criteria (detailed below). We have grouped these criteria into three pillars: Quality of Service, Investment Performance and Costs. Under the pillar of Costs, we include: Comparable Market Rates, AFM Costs, Economies of Scale, Classes of Units/Shares and Comparable Services (where appropriate) but also noted there may be 'Other' appropriate assessment factors.

Our assessment also considers if any additional criteria should be assessed. In particular, we are starting to focus on the Environmental, Social, and Governance (ESG) impact to the investment process. Where ESG forms part of a fund's objective and/or policy, the assessment is included in the Quality of Service pillar. However, where the Investment Manager has identified ESG priorities even if they are not part of the investment objective but a clear part of their investment process, these are also monitored against the IMD's policies or guidelines.

Where appropriate and relevant to our assessment, we comment on events that have occurred outside of the investment reporting period to 31 March 2023.

FCA Criteria

Fund Performance

The performance of the fund, after deduction of all payments out of scheme property, as set out in the prospectus. Performance should be considered over an appropriate timescale having regard to the scheme's investment objectives, policy and strategy.



Economies of Scale

Whether the AFM is able to achieve savings and benefits from economies of scale, relating to the direct and indirect costs of managing the scheme property and taking into account the value of the scheme property and whether it has grown or contracted in size as a result of the sale and redemption of units/shares.



Quality of Service

The range and quality of services provided to investors.



Classes of Units/Shares

Whether it is appropriate for unit/shareholders to hold units/shares in classes subject to higher charges than those applying to other classes of the same scheme with substantially similar rights.



Comparable Market Rates

In relation to each service, the market rate for any comparable service provided by the AFM, or to the AFM or on its behalf, including by a person to which any aspect of the scheme's management has been delegated.



Comparable Services*

In relation to each separate charge, the AFM's charges and those of its associates for comparable services provided to clients, including for institutional mandates of a comparable size and having similar investment objectives and policies.

** as Host or Independent ACD, we are not expected to look at institutional mandates.*



AFM Costs

In relation to each charge, the cost of providing the service to which the charge relates, and when money is paid directly to associates or external parties, the cost is the amount paid to that person.



Other

This includes any additional factors which we might consider on a case by case basis, e.g. ESG.



OUR VALUE ASSESSMENT PROCESS

CONTINUED

We employ a robust governance and risk management framework in our oversight and monitoring process. This includes the funds, the various third parties – investment managers and administrators – and the internal teams within LFSL. We undertake regular reviews to identify any potential issues in the administration, investment and product processes, utilising Key Performance Indicators and Service Level Agreements where appropriate.





Ratings

The results of our assessments are presented using a traffic light rating system. A rating is given for each of the three pillars, and these form the basis of the overall fund rating. This overall rating is calculated using metrics agreed by the LFSL Board, with some criteria having greater weightings than others. Our Assessment of Value framework (including weightings) is reviewed at least annually to ensure appropriateness and relevancy.

For newly launched funds, whilst we assess them, we will rate them differently. Where there is a performance history of less than one year or if there has been a material change to the fund's investment objective and/or policy, we assign a grey rating as it is too soon to rate the fund.

Likewise in relation to costs, we recognise that newly launched funds are still in their growth stage and can experience higher fixed costs. If a fund has launched within 3 years of the reporting period, we will assign a grey rating, indicating that it is too soon to rate it for costs.

Our summary page shows a rating for all funds assessed for the reporting period to 31 March 2023.

-  Has not provided value; appropriate further action will be agreed
-  Has provided value in some but not all areas; additional monitoring and/or further action may be proposed
-  Provides value
-  Too soon to measure investment performance/costs – fund has been live for less than 1 year (for performance)/3 years (for costs) or has had a material change to its investment objective, policy or benchmark during that period

Quality of Service

To assess the quality of service provided to you, we look through two lenses:

Quality of our administrative services

We perform extensive oversight on all delegated service providers as part of a detailed Vendor Management Policy. This ensures that service quality is maintained in line with documented Service Level Agreements which, in turn, delivers performance that meets or exceeds regulatory requirements. This includes a review of the following:

- Services provided by the Fund Administrator and Transfer Agent and Registrar, for example accuracy and timeliness of fund pricing, contract notes and statements, income and redemption payments etc.
- Other providers including Depository and Custodians.
- Complaints, errors, breaches, and incidents.
- Accessibility, accuracy, and use of plain language, in fund documentation, investor communications and the website.

Quality and integrity of our appointed Investment Manager and their investment process.

Here, we engage directly with the Investment Manager Delegate's (IMD) investment team, examining the following areas:

- Conduct due diligence on the IMD including their governance, data and systems, culture and conduct, human resources (particularly where there are critical employees) as well as their corporate and regulatory framework.
- The different phases of the investment processes and how they interact with each other.
- The IMD's investment strategies and their adherence to the prospectus.
- The integration of risk management for global exposures, idiosyncratic and concentration risks.
- The relevancy and robustness of top-down and bottom-up phases as well as quantitative and qualitative approaches embedded in those.

Where ESG forms part of a fund's policy and/or objective or is a fundamental part of the investment process, our assessment reviews if the fund or the Investment Manager is adhering to the prospectus and/or their ethical screening policy.

OUR VALUE ASSESSMENT PROCESS CONTINUED

Investment Performance

As part of this review, we consider the fund's performance against its investment objective and relative to its benchmark. The investment performance of the fund is assessed for the RHP as stated in the fund prospectus and is listed in the individual fund summary. Where a fund has not reached its RHP, it is assessed from launch date but we note that the RHP has not been reached and, therefore, it may be too soon to measure performance against its agreed strategy. If a fund has more than one benchmark, all benchmarks are assessed to provide the rating.

Each strategy of the fund is assessed against its respective benchmark as well as the fund's objective. How we measure each strategy is explained below:



Capital Growth

Has the fund provided capital growth over the RHP?



Total Return

Has the fund provided a positive total return over the RHP?



Income

Has the fund provided income on an annual basis over the RHP in addition to a positive total return over the same period? We also compare the fund's average annual income yield over the RHP against its benchmark.



Absolute Return

Has the fund provided a positive total return over each of the previous 12-month periods of the RHP?



Volatility

Where relevant, we consider the fund's volatility during the assessment period relative to its identified target.

Costs

Under the pillar of Costs, we look at Comparable Market Rates, AFM Costs, Economies of Scale, Classes of Units/Shares and Comparable Services (where appropriate).

Where any of the criteria assessed under the Costs pillar results in an Amber or Red rating, any remedial action(s) will be displayed in the individual fund summaries from page 6.

Comparable Market Rates

Here, we consider the third-party costs and focus on determining whether they are fair and comparable with the market. Mainly these include Transfer Agency, Depositary and other operating costs eg audit and legal.

AFM Costs

To assess this, we look at the Ongoing Charges Figure (OCF) and Annual Management Charge (AMC) against the relevant sector or, where appropriate, peer group median.

We also compare the OCF of all share classes against what our investors would pay for holding a similar investment elsewhere in a fund with similar investment objectives and strategies. Where funds invest in other underlying fund(s), there is a requirement to identify any additional costs associated with these and include them in the OCF. This is called the Synthetic OCF. To ensure transparency, we exclude synthetic costs from the OCF used for share class comparison purposes.

We recognise that certain asset classes such as property, infrastructure and private equity can be more expensive owing to additional costs associated with the investment process and asset level due diligence; these costs are also considered as part of our assessment.

Economies of Scale

Our review of third-party costs focusses on determining whether they are fair and comparable with the market. The Investment Manager's fees make up the majority of costs charged to the funds and, where appropriate, we discuss with them whether or not economies of scale can or have been achieved.

On an ongoing basis, we strive to ensure that service, performance, and costs are in line with market best practice. Measures which we have in place to support this effort include:

- Adopting a standard operating approach across all funds supported by each service delegate and using this to leverage economies of scale.
- Employing an independent consultancy to provide regular benchmark data that compares service delivery for fund administration and custody against other clients of that service provider and against the whole of the market.
- Periodically commissioning an analysis of services, fees and costs to ensure they remain competitive. In the past three years, this has included a review of custody fees at one of our major providers, a renegotiation of Trustee and Depositary fees and a full market review (costs and service capability) for the provision of Fund Administration services.

OUR VALUE ASSESSMENT PROCESS CONTINUED

Classes of Units/Shares

As part of our cost analysis, we seek to ensure that all investors are in the most appropriate share class. Where we identify that there is a cheaper, more appropriate share class available, we will transfer investors across within a reasonable time frame. We take into account the fund's distribution model, target investors, and minimum investment amount. Where a fund has been designed for, and is only distributed to, a limited number of clients of the Investment Manager, we consider the higher costs associated with the additional services received by investors and ensure they are of sufficient value.

Comparable Services

This is an internal assessment and compares the services provided to the fund against those we provide to other funds and different client types, eg segregated mandates. These should be comparable in terms of strategy, investment remit and investor outcome. As host or independent ACD, we are not required to look at institutional mandates.

A photograph of a forest at sunrise or sunset. The sun is low in the sky, creating a warm, golden glow that filters through the tall, thin trees. In the foreground, a large, thick tree trunk is visible on the right side. The ground is covered with fallen leaves and some small evergreen trees. The overall atmosphere is serene and peaceful.

GLOSSARY

GLOSSARY

Absolute Return

The return an asset achieves over a specified period, without being compared to a benchmark or comparator. This measure is expressed as a percentage and for time periods greater than 12 months is annualised.

Accumulation Share Class

A share class that reinvests any income back into the fund. The income can be from interest or dividends.

ACD (Authorised Corporate Director)

In LFSL's capacity as Authorised Fund Manager we act as the ACD (Authorised Corporate Director) where we are responsible for providing the legal and regulatory framework for each fund through our extensive Product Governance process, Value Assessment, Risk Monitoring and Reporting and Regulatory Change.

AFM (Authorised Fund Manager)

Link Fund Solutions Limited (LFSL) is an independent provider of Authorised Fund Manager (AFM) services for a range of UK regulated funds.

AIFM (Alternative Investment Fund Manager)

An Investment Manager with responsibility for investing in alternative investment funds.

Annualised Performance

The equivalent annual return an investor receives over a given period.

Annual Management Charge (AMC)

An ongoing fee paid to the management company for managing the fund, usually charged as a percentage of the fund's value.

Assets Under Management (AUM)

Is the total market value of the investments of a fund.

Benchmark

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

Bottom-up Strategy

A fund management style where individual securities are initially selected.

Capped Ongoing Charges Figure (OCF)

The maximum amount that will be charged to hold an investment.

Clean Share Class

An unbundled – free of any rebates or intermediary commission – share class freely available through third-party distributors in the retail market.

Comparator Benchmark

An index or similar factor against which a fund manager invites investors to compare a fund's performance.

Composite Benchmark

A composite benchmark combines a number of different indices which may have different weights.

Constraint Benchmark

An index or similar factor that fund managers use to limit or constrain how they construct a fund's portfolio.

Consumer Price Index (CPI)

Measures the change in prices paid by consumers for goods and services.

Cumulative Return

Shows the aggregated return from an investment over a specific time period.

Custodian

A financial institution that holds customers' securities for safekeeping to prevent them from being stolen or lost.

Depository

A depository is an independent third party that is responsible for the safekeeping of assets of an investment fund, performing the cash flow monitoring and the oversight duties of the fund.

Discrete Performance

The percentage return on an investment over specific defined time periods.

Drawdown

The decline in price from a historical peak value of an investment. It's a measurement of the maximum amount an investor could have lost since an investment was at its highest price.

Economies of Scale

Savings in costs which can be achieved from an increase in production, for example, when a fund grows, it may experience economies of scale through a decrease in fixed costs.

Financial Conduct Authority (FCA)

The FCA regulates the financial services industry in the UK. Its role includes protecting consumers, keeping the industry stable and promoting healthy competition between financial service providers.

Fund Administrator

Fund administrators are responsible for maintaining accurate records of the fund's transactions, holdings, and performance. They also prepare regulatory filings and provide other compliance-related support.

High Net Worth Individual

A person or family with liquid assets above a certain figure.

Idiosyncratic

Type of risk that can have a negative impact on a specific asset as opposed to the entire market.

Institutional Investor

An Institutional Investor is a company or organisation that invests money in large quantities, typically on behalf of other people.

Institutional Mandate

Legal agreement between two parties such as a fund manager and a financial institution which outlines how a client fund will be managed.

Intermediary

An individual or organisation which acts as a link between the investor and the fund: for example, a financial adviser.

Investment Association (IA) Sector Median

The median is the middle point of a set of data. The Investment Association (IA) classifies funds under different sectors according to their investment strategy. The IA sector median for costs is calculated by ordering the OCF of all funds in a sector from lowest to highest and taking the middle OCF.

GLOSSARY CONTINUED

Investment Manager Delegate (IMD)

The company or individual to whom the ACD delegates the responsibility for deciding how to invest the money in the fund's assets.

Investment Objective

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

Key Performance Indicator (KPI)

Quantifiable measures used to assess the performance of a process.

Morningstar

An investment research firm that compiles and analyses fund, stock and general market data.

Ongoing Charges Figure (OCF)

A single percentage figure used to show the total annual operating costs taken from the assets of the relevant share class over the year, and based on the figures for the preceding year, including the Annual Management Charge, registration fees, the Trustee's periodic charge, custody fees and the Auditor's fees, but excluding any redemption charge, brokerage charges, taxes or other dealing costs incurred in respect of the fund's Scheme Property.

Performance

The profit or loss derived from an investment over a specified time period.

Platform Investor

An investor who utilises an online service that makes products available from more than one provider.

Primary Share Class

The highest charging unbundled – free of any rebates or intermediary commission – share class freely available through third-party distributors in the retail market.

Proxy Benchmark

An alternative benchmark which mimics the performance of the original benchmark.

Recommended Holding Period

Recommended minimum period for which an investment should be held.

Relative Return

The return an asset achieves over a specified period, when compared to a benchmark. When focused on active portfolio management this can be referred to as Alpha.

Retail Investor

Is an individual who purchases shares for their own personal account rather than for an organisation. They also typically trade in much smaller quantities.

Share Class

A fund can have several share classes which can have different characteristics and/or charging structures, reflecting the type of investor that would typically buy them.

Synthetic Costs

Fees paid (i.e. management fees) to other funds and/or investment trusts which the fund invests in.

Synthetic Fee

Fees that the Investment Manager pays to a third party to manage the assets of a fund.

Systematic Risk

Risk inherent to the entire market and cannot be diversified. Examples include inflation and changes in interest rates.

Target Benchmark

An index or similar factor that is part of a target a fund manager has set for a fund's performance to match or exceed.

Top-down Strategy

A fund management style where broader asset classes are initially specified such as the macro factors of the economy, for example, interest rates and taxation.

Total Return

A combination of capital appreciation plus any income from interest or dividends.

Volatility

A measure of the size and frequency of changes in the value of an investment.

Yield

The income from an investment usually stated as a percentage of the value of the investment.

Please note that this document is not intended to recommend or to sell an investment and is intended only as a summary. Please refer to the Key Investor Information Document (KIID), Prospectus and Report & Accounts for full details about the specific risks, performance history and other full investment objectives and policies applicable to each fund before investing in a fund. Please remember that the value of investments, and the income from them, can go down as well as up and an investor may get back less than the amount originally invested. Past performance is not a guide to future results. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law changes. If you invest through a third-party provider you are advised to consult directly with them as charges, performance and/or terms and conditions may differ. If you are not sure how the information contained in this document may affect your investment, please contact a professional adviser.