



ES AllianceBernstein UK OEIC Assessment of Value

Conducted by Equity Trustees Fund Services Ltd

For accounting period end – 29th February 2020

What is an Assessment of Value?

As an Authorised Corporate Director (ACD) we are regulated by the Financial Conduct Authority (FCA). In 2019 the FCA introduced new rules to strengthen the duty of ACDs to act in investors' best interests. These new rules require all ACDs to conduct an annual detailed assessment of its funds to determine if they are providing value to their investors. Following each review, we are required to publish a statement summarising the outcomes of our assessment.

When assessing value, we consider much more than just the fees that you pay or the performance of the fund. Set out below are the seven 'Value Criteria' that we use within each of our assessments.

Assessment of Value Criteria

- 1 – Quality of Service
- 2 – Sub-fund Performance
- 3 – Costs
- 4 – Economies of Scale
- 5 – Comparable Market Rates
- 6 – Comparable Services
- 7 – Classes of Shares

It is the responsibility of our board of directors to consider the outcomes of these assessments and to ensure that our assessment process, our findings, and our conclusions are fair, appropriate, and clearly communicated to you.

Within this report you will find a detailed breakdown of the areas that we have considered when conducting our assessment along with a summary of the conclusions for each of the seven criteria per sub-fund. We have also included where applicable, details of any steps taken as a result of our assessment.

This report provides you with our assessment of whether the sub-fund, in our opinion, is providing value to you as an investor. When coming to our conclusion we have to consider a wide range of investor types with potentially differing investment needs and can only base our conclusion on information that is available to us. As 'value' is a personal view taking into consideration many individual factors our overall conclusion may not align to your personal view on whether you believe that you are receiving 'good value' from your investment. Should your view differ from our own conclusions we would recommend that you discuss this with your Financial Adviser.

Index

Overall Assessment Conclusions3
Assessment Criteria4
Assessment of Value for the ES AllianceBernstein Europe (Ex UK) Equity Fund7

Assessment of Value for the ES AllianceBernstein UK OEIC

Overall Assessment Conclusions

The board of Equity Trustees Fund Services Ltd have concluded the ES AllianceBernstein Europe (Ex UK) Equity Fund, a sub-fund of the ES AllianceBernstein UK OEIC provides overall good value for its investors.

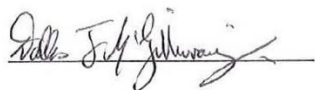
The below table outlines the results of our assessment. Where further action has been identified, this is outlined within the 'Steps taken as a result of our assessment' section of this report for each sub-fund.

ES AllianceBernstein UK OEIC	Quality of Service	Performance	ACD & Supplier Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Shares	Overall Assessment
Europe (Ex UK) Equity Fund	●	●	●	●	●	●	●	●

● = Fund provides value for its investors

● = Fund provides value, but further action or further monitoring is required

● = Fund does not provide value.



Dallas McGillivray

Chair and Independent Director

Equity Trustees Fund Services Ltd

1. Quality of Service

Are the range and quality of services being provided to the sub-fund and its investors of a standard that would represent good value?

What does this section cover?

Within the 'Quality of Service' section of the assessment we assess the range and quality of the services being provided to the sub-fund and its investors by ourselves, the Investment Manager, the Transfer Agent & Registrar, the Fund Accountant, the Custodian and the ICVCs Auditor.

When we consider the quality of the services being provided, we look at several factors relevant to each of the services being provided. We also consider how relevant the service is to you as an investor and how it impacts on your investment experience.

What did we review?

The assessment involves a review of relevant key performance indicators (KPIs) that we use to monitor the services being provided by our key suppliers and delegates. When assessing the quality of service being provided, we also review any findings from our ongoing Operational and Compliance Oversight activities.

We also consider internal KPIs to assess our own performance as the sub-funds ACD.

2. Performance

Is the performance of the sub-fund, after the deduction of charges, in line with the sub-fund's stated investment objectives?

What does this section cover?

Within the 'Fund Performance' criteria of the assessment we assess how each sub-fund has performed against its stated objectives, after all fees have been paid.

The sub-funds performance must be assessed over an appropriate timescale and we must consider the sub-funds Investment Policy and Strategy as part of the review.

What did we review?

We reviewed the sub-fund's performance (after costs) against its stated objectives. This included a comparison of the sub-fund's performance since launch against our recommended comparator benchmark.

3. ACD and Supplier Costs

Are the costs of providing the services to the sub-fund reasonable, fair and are the services associated with the costs are being provided on a competitive basis?

What does this section cover?

Within our assessment we consider the costs charged to the sub-fund which includes the fees payable to the ACD, the Investment Manager and other elements which make up the Ongoing Charges Figure (OCF). Our assessment focuses on whether these costs are reasonable for the level of service being provided and whether they are clearly and transparently disclosed to the sub-funds investors.

What did we review?

We reviewed each of the service costs charged to the sub-fund over the previous 12 months to assess whether they were fair for the services provided. We additionally compared the costs against a limited amount of market data to ensure that the costs were reasonable and in-line with industry standards.

4. Economies of scale

Where available, have the benefits generated through economies of scale been passed on to investors?

What does this section cover?

As sub-funds grow in size, they typically pay proportionally less for the fixed operating costs. They will also typically be able to benefit from reductions in fees from service providers as they are able to leverage economies of scale to generate operational efficiencies.

In this section, we assess if all achievable economies of scale have been passed onto the sub-fund to benefit you as an investor.

What did we review?

We reviewed the tariffs for each of the key suppliers and delegates that provide key services to the sub-fund. Where these tariffs allowed for reductions in fees as the size of the sub-fund increases, we checked to ensure that these reductions were being passed on to the sub-fund.

We also checked that services that could benefit from economies of scale had cost structures that allowed for these to be passed on to the sub-fund when certain triggers were met.

5. Comparable Market Rates

Are the sub-funds costs reasonable when compared to other comparable funds?

What does this section cover?

In this section we review the OCF of the sub-fund against suitable market data to ensure that the OCF is comparable to that of funds of a similar size, complexity and structure and that have a similar Investment Objective, Policy and Strategy. This review enables us to evidence to you that the sub-fund remains competitively priced.

What did we review?

We reviewed the OCF of the sub-funds primary share class against the average OCF for the primary share classes of funds within the same Investment Association (IA) sector. We also reviewed the OCF against the OCFs of a more focused peer group of funds from within the same IA sector of a similar size and with similar product and investment characteristics. The primary share class has been selected for our review as this is the only share class available to all investor types.

6. Comparable Services

Are the services provided to the sub-fund 'good value' when compared to other comparable services provided by the ACD?

Comparable services could include funds of a similar size with similar investment objectives and policies operated in another jurisdiction or Individual mandates operated for institutional investors.

What does this section cover?

Within this value criteria we compare the costs of the sub-fund to the costs of other similar investment products or services that we offer to ensure that any differences are appropriate.

What did we review?

We do not currently offer any similar investment products or services to investors. No review required.

7. Classes of Shares

Do any investors hold shares in classes subject to higher charges than those applying to other classes with substantially similar rights and features? If they do are these higher charges justified?

What does this section cover?

Funds can offer different share classes to investors. Share classes usually have different features such as different minimum initial investment amounts and costs.

Typically, the larger the minimum initial investment amount, the lower the charge for managing your investment. This is similar to getting a cheaper price for buying a product in bulk rather than one at a time. For this reason, when you invest through a third party like an investment platform or a financial adviser, your money is often pooled with others and this pooling may provide you with to a cheaper share class than if you were to invest directly with us.

In this section of the assessment we have determined if investors are invested in the appropriate share class and if the cost difference between share classes is appropriate.

Assessment of Value for the ES Alliance Bernstein Europe (Ex UK) Equity Fund

Sub-fund Specific Conclusions

- **Quality of Service**

We concluded that, based on the areas assessed, Equity Trustees Fund Services and our key service suppliers/delegates are providing a comprehensive range of services to the sub-fund and its investors, which are being delivered to a high standard resulting in good value for investors.

- **Fund Performance**

Investment Objective	To achieve an increase in the value of its investment over a rolling 5-year period after the deduction of all fees through an actively managed, diversified portfolio of shares in European (excluding UK) companies.
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The sub-fund aims to achieve its objective over a rolling 5-year period. At the end of the assessment period, the sub-fund only had an 11-month performance history, and therefore the ACD has concluded that is too soon to provide a fair and appropriate review of the performance of the Sub-fund.

- **Classes of Shares**

	Minimum Initial Investment	Ongoing Charges Figure (OCF)
I Share Class	£1,000.00	0.80%
F Share Class	£5,000,000.00	0.45%
Z Share Class	£20,000,000.00	0.10%

The sub-fund has three share classes, which are offered to investors based on the amount of their initial investment. The lower OCF of the F and Z share class is appropriate in relation to the minimum initial investment amounts.

Our review concluded that all investors are invested in an appropriate share class.

Overall Assessment

● = Fund provides value for its investors

- **ACD & Supplier costs**

We concluded that based on the size and complexity of the sub-fund, the sub-funds costs were fair and reasonable and therefore represented good value for investors.

Costs charged to the sub-fund are clear and are being applied in-line with agreed rates and as disclosed within the prospectus.

The services associated to each cost are being provided on a competitive basis.

- **Economies of scale**

We concluded that the sub-fund does benefit from all available economies of scale. Although, in a number of cases the impact of these economies of scale will not be felt by investors until the sub-fund increases in size.

The ACD does, where possible use the buying power of its wider group to ensure that supplier costs remain competitive even when a sub-fund is small.

- **Comparable Market Rates**

The OCF of the primary share class, is lower than the average OCF of the sub-funds within the IA Europe (Ex UK) sector (-0.52%) and lower than the average OCF of its peer group (-0.26%). We believe that the sub-fund remains competitively priced.

	Ongoing Charges Figure (OCF)	Average OCF of IA Sector	Average peer group OCF
I Share Class	0.80%	1.03%	1.06%

OCF comparisons are accurate as at 8th April 2020.

Source: FE Analytics

- **Comparable Services**

We concluded that there are no comparable services that we offer to investors.

Steps taken as part of, or as a result of our assessment

Although no specific actions have been identified through our assessment, we continue to monitor and assess the range and quality of services being provided to the sub-fund and its investors, to ensure that they remain at a high standard at all times. We will also continue to monitor performance of the fund both internally and through our ongoing oversight of the Investment Manager.