

Conducted by Equity Trustees Fund Services Ltd

For accounting period end – 30 April 2023



ES INVESTEC WEALTH &  
INVESTMENT OEIC  
ASSESSMENT OF VALUE



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## WHAT IS AN ASSESSMENT OF VALUE?

As an Authorised Corporate Director (the “ACD”), Equity Trustees Fund Services Ltd is 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 their 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 costs (including 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 – Fund Performance
- 3 – Costs
- 4 – Economies of Scale
- 5 – Comparable Market Rates
- 6 – Comparable Services
- 7 – Classes of Units

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 conclusion for each of the seven criteria. We have also included an Overall Assessment Conclusion and where applicable, details of any steps taken as a result of our assessment.

This report provides you with our assessment of whether the Fund, in our opinion, has provided value to you as an investor. When coming to our conclusion we 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 (if relevant).



## ASSESSMENT PERIOD

The Assessment Period in this Report is from 1 May 2022 to 30 April 2023.

## OVERALL ASSESSMENT CONCLUSIONS

The Board of Equity Trustees Fund Services Ltd (the “Board”) has concluded that over the stated assessment period, the ES Investec Wealth Investment OEIC and its 4 Sub-Funds, continues to provide overall value for its investors.

The table below outlines the results of our assessment, and the following pages provide further details around the ratings provided.

	Overall Conclusion	Quality of Service	Fund Performance	Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units
ES Investec Wealth & Investment Cautious Fund	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●
ES Investec Wealth & Investment Balanced Fund	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●
ES Investec Wealth & Investment Growth Fund	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●
ES Investec Wealth & Investment Income Fund	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●

- ● ● = The Fund has provided value for its investors
- ● = The Fund has provided value for its investors, but further action or monitoring is required
- = The Fund has not provided value for its investors

Dallas McGillivray

Chair and Independent Director, Equity Trustees Fund Services Ltd



# ASSESSMENT CRITERIA

## 1. QUALITY OF SERVICE

Are the range and quality of services provided to The Fund and its investors of a standard that would represent good value?

### What does this criterion cover?

Within the 'Quality of Service' criterion of the assessment we assess the range and quality of the services that have been provided to the Fund and its investors by the ACD, the Investment Manager, the Transfer Agent & Registrar, the Fund Accountant, the Custodian, and the Fund's Auditor.

When we consider the quality of the services, we assess a number of factors relevant to each of the services that has been 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 involved a review of relevant key performance indicators ("KPIs") to monitor the services that have been provided by the key suppliers and delegates. In the assessment, we also reviewed any findings from our ongoing Operational and Compliance Oversight activities.

We also consider internal KPIs to assess our own performance as the Funds' ACD.

## 2. FUND PERFORMANCE

Is the performance of the Fund, after the deduction of charges<sup>1</sup>, in line with the Fund's stated Investment Objectives?

### What does this criterion cover?

Within the 'Fund Performance' criterion of the assessment, we assess how the Fund has performed against its stated Investment Objectives (as set out in the Prospectus), after all fees have been paid.

The Fund's performance is assessed over an appropriate timeframe, and we also consider the Fund's Investment Policy and Strategy as part of this criterion of the assessment.

### What did we review?

We reviewed the Fund's performance (after the deduction of charges) against its stated Investment Objectives, which can be to generate capital growth and/or income. For some Funds, the Investment Objective may also contain a volatility target<sup>2</sup>. Where such a target exists, we will additionally consider this alongside the Fund's primary objective.

Where a Fund has no stated performance Target Benchmark within its Investment Objective, we will compare the Fund's performance against its Comparator Benchmark.

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<sup>1</sup> Performance after the deduction of charges, also referred to as 'performance net of fees' shows the fund's return after the deduction of expenses, which is the return the fund has actually earned for the investors.

<sup>2</sup> Volatility target is a target range the fund manager aim to control the rises and falls of the fund in a short period.



Where a Fund has been operating for longer than 5 years, we review the 5-year total return on the last dealing day of each calendar month for the 12 months in the stated assessment period. We then take an average of these 12 performance data points to produce an average rolling 5-year performance figure for our review.

Where a Fund has been operating for less than 5 years, we will apply a similar approach but over a shorter time period. Details of the approach taken for each Fund can be found in the Fund specific pages of this review.

To help you with your own review of a Fund's performance, we will additionally provide details of following information in the report:

- Where a Fund has more than 1 year of performance data available for review, we will additionally provide the 'annualised' performance figure. This figure enables investors to better compare the performance of the Fund to cash based products such as a standard bank account. Note: The annualised performance figure is produced on a compound basis<sup>3</sup>.
- An illustration of the impact of the Fund's performance on a single £1,000.00 investment over a full 12-month period. Assuming that the Investment was made into the primary share class of the Fund, on the accounting end date of the previous reporting period.
- An illustrative indication of the impact of Costs and Charges, which is represented by the Ongoing Charges Figure ('OCF') on the same £1,000.00 investment based on the latest published OCF for the Fund. Note: this figure is provided for illustrative purposes only and may not be the actual value charged due to the daily fluctuations in the valuation of the Fund. Investors should also note that the costs and charges represented by the OCF are deducted from the scheme property of the Fund and are reflected in the daily published Net Asset Value ('NAV') of the Fund. Such OCF is not a charge to any investor's account.

### 3. COSTS

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

#### What does this criterion cover?

Within the assessment we consider the costs charged to the Fund, which includes the ACD Cost, Investment Manager Fee, and other elements which make up the overall OCF such as Supplier Costs. Our assessment focuses on whether these costs are reasonable for the service provided and whether they are clearly and transparently disclosed to Fund's investors.

#### What did we review?

We reviewed each of the service costs charged to the Fund over the review period to assess whether the costs are fair for the services provided. We additionally compared the costs against a limited amount of available market data to ensure that the costs are reasonable.

### 4. ECONOMIES OF SCALE

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

#### What does this criterion cover?

When Funds grow in size, the Fund typically pays proportionally less for the fixed costs of operating the Fund. As Funds increase in size, they will also typically be able to benefit from reductions in fees from service providers

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<sup>3</sup> Compound basis means the interest is calculated on the principal amount and the accumulated interest of previous periods, and thus can be regarded as "interest on interest."



as they are able to leverage economies of scale to generate operational efficiencies. In this criterion, we assess if all achievable economies of scale have been passed onto the 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 Fund. Where these tariffs allowed for reductions in fees as the size of the Fund increases, we reviewed to ensure that these reductions of fees have been applied to the Fund and savings are passed on to investors.

Additionally, we considered whether there had been any changes to the environment or conditions under which each key supplier and delegate operates, to assess if any change had resulted in further economies of scale and whether these have been passed on to investors.

## **5. COMPARABLE MARKET RATES**

Are the Funds' costs reasonable when compared to other comparable funds?

### **What does this criterion cover?**

In this criterion we review the OCF of the Fund to assess whether it's comparable to a focused peer group of funds in the market, where the focused peer group is formed by funds of a similar size, complexity, structure, and that have a similar Investment Objective and policy. This review enables us to evidence that the Fund remains competitively priced.

### **What did we review?**

We reviewed the OCF of the Fund's primary Share Class, as of the end of the accounting period, against the average OCF for the Primary Share Class of the focused peer group of funds.

## **6. COMPARABLE SERVICES**

Are the services provided to the 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 criterion cover?**

Within this criterion we compare the costs of the Fund to the costs of other similar investment products or services that we offer to assess whether any differences are considered to be appropriate.

### **What did we review?**

We do not currently offer any similar investment products or services to investors and therefore no review was undertaken in this criterion.

## **7. CLASSES OF UNITS**

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 criterion cover?**

Funds can offer different share classes to investors; usually that have different characteristics such as different minimum initial investment amounts and/or different cost structures.



Typically, the larger the minimum initial investment amount, the lower the charge for managing the underlying investments. 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 access to a cheaper share class than if you were to invest directly.

### **What did we review?**

The assessment reviewed and determined: if investors are invested in the appropriate share class; and if there's any investors in a class with higher charges when there is a cheaper alternative available to them.





## FUND SPECIFIC CONCLUSIONS

### 1. ES INVESTEC WEALTH & INVESTMENT CAUTIOUS FUND

#### ••• Quality of Service

We concluded that, based on the areas assessed, the ACD and our key service suppliers/delegates have provided a comprehensive range of services to the Fund and its investors, which have been delivered to a high standard resulting in good value for investors.

#### ••• Performance

Investment Objective  <i>Note: The Fund is managed with an aim of achieving its Investment Objective over a rolling 3-year period. There is no guarantee that the Fund will achieve its Investment Objective, and there may be periods of time within the rolling 5 years where the objective is not met.</i>	The Fund objective is to achieve a positive total return (income and capital growth) over a rolling three year period, after the deduction of all fees, whilst targeting volatility (i.e. the degree of fluctuation of the value of the assets) of its portfolio of between 40% and 50% of the volatility of the FTSE All Share Index over the same rolling three year period.
Target Benchmark	N/A. The Fund is not managed to target or exceed the performance of any specific benchmark.

As the Fund launched in October 2020, it has less than 3 years of performance history by the end of the assessment period. Therefore we have concluded that it is too soon to provide a fair and appropriate performance review of the Fund against its stated rolling 3-year Investment Objective.

However, we would like to take this opportunity to provide investors with an overview of the Fund's performance. Since launch in October 2020, the Fund has a positive total return of 1.5% by the end of the assessment period. We also reviewed the Fund's performance based on the average of the 1-year performance recorded at each month-end during the assessment period. We noted that, on average, the Fund has delivered a negative return of -6.9% using this measurement.

The Fund is not managed to target or exceed the performance of any specific benchmark. However, the ACD welcomes investors to compare the Fund's performance by comparing it to the IA Mixed Investment 20-60% Shares (the comparator benchmark). It's noted that the Fund has underperformed this comparator benchmark by 0.8% over the same period.

	AVERAGE 1-YEAR PERFORMANCE (IN GBP)*
A Acc Share Class	-6.9%
IA Mixed Investment 20-60% Share	-6.1%

To further assist with your assessment of the Fund's value in the recent short term, we have illustrated in below table the return of the Fund, on a single investment of £1,000, over the assessment period (from 1 May 2022 to 30 April 2023). This table also shows you an illustrative impact of the Fund's costs and charges ('OCF') on this return.

	VALUE OF £1,000.00 INVESTMENT **	ILLUSTRATIVE IMPACT OF COSTS AND CHARGES (THE 'OCF') ***
A Acc Share Class	£958.50	£8.82

We also assessed the volatility of the Fund since its inception, though the Fund's volatility objective is measured in 3-year period. The volatility was assessed by comparing the daily volatility of the Fund with the volatility of the Index. We noted that, on average, the Fund's volatility is within the targeted range; and the Fund's volatility is below the upper target at all times.



	<b>SUB-FUND VOLATILITY AS OF INDEX VOLATILITY</b>	<b>TARGET RANGE</b>	<b>% OF TIME BELOW THE UPPER TARGET</b>
A Acc Share Class	41.3%	40% - 50%	100%

### ••• Costs

Our assessment noted that the costs charged to the Fund are clearly identifiable and have been applied in-line with agreed rates and as disclosed within the prospectus. We are additionally satisfied that the services associated to each cost have been provided on a competitive basis.

We therefore concluded that based on the activity undertaken and the services provided, the ACD and supplier costs applied to the Fund are fair and reasonable and therefore represented good value for investors.

### ••• Economies of Scale

During the assessment period, the average size of the Fund was £25m.

Our assessment concluded that during the assessment period, all available economies of scale were utilised with the resulting cost efficiencies being appropriately passed onto the Fund's investors.

As the ACD of the Fund, we use the buying power of our wider group, where possible, to ensure that supplier costs remain competitive even when the Fund is small in size.

### ••• Comparable Market Rates

The table below shows a comparison of the OCF of the primary share class of this Fund with the average OCF of a peer group of similar funds. The OCF of A share class of 0.92% is lower than the average OCF of the peer group; therefore, we have concluded that the Fund costs are reasonable and competitive.

	<b>ONGOING CHARGES FIGURE (OCF)</b>	<b>AVERAGE PEER GROUP OCF*</b>
A Share Class	0.92%	0.96%

### ••• Comparable Services

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

### ••• Classes of Units

	<b>MINIMUM INITIAL INVESTMENT</b>	<b>ONGOING CHARGES FIGURE (OCF)</b>	<b>INVESTMENT MANAGER FEE</b>
A Share Class	£1,000	0.92%	0.50%
W Share Class	£100,000,000	0%	0.00%

The Fund has 2 share classes offered to investors, where A class is for retail & institutional investors based on the value of their initial investment and W class is for institutional investors who has a direct fee arrangement with the Investment Manager.

Following our review, we have concluded that during the assessment period, all unitholders in this Fund are in the appropriate share classes, and there are no alternative share class available to any unitholders offering similar rights with lower fees.



## ●●● Overall Conclusion

Based on the assessment results of the above 7 criteria, the Board has concluded that the Fund provided overall value to its investors during the assessment period.

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\*Source – Data extracted from FE Analytics as of July 2023.

\*\*Based on an investment of £1,000.00 originally made on the last dealing day of the previous accounting period into the Fund's primary share class, revalued on the last dealing day for the accounting period that is applicable to this assessment.

\*\*\*Calculated by multiplying the illustrative current value of the £1,000 investment by the Fund's published OCF at the latest accounting period end date.  
Note: this figure is provided purely for illustrative purposes only and may not be the actual value charged due to the daily fluctuations in the valuation of the Fund. Investors should also note that the costs and charges represented by the OCF are deducted from the scheme property rather than individual investor accounts and are reflected in the daily published NAV price for the Fund.



## 2. ES INVESTEC WEALTH & INVESTMENT BALANCED FUND

### ••• Quality of Service

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

### ••• Performance

Investment Objective <i>Note: The Fund is managed with an aim of achieving its Investment Objective over a rolling 5-year period. There is no guarantee that the Fund will achieve its Investment Objective, and there may be periods of time within the rolling 5 years where the objective is not met.</i>	The Fund objective is to achieve a positive total return (income and capital growth) over a rolling five year period, after the deduction of all fees, whilst targeting volatility (i.e. the degree of fluctuation of the value of the assets) of its portfolio of between 55% and 65% of the volatility of the FTSE All Share Index over the same rolling five year period.
Target Benchmark	N/A. The Fund is not managed to target or exceed the performance of any specific benchmark.

As the Fund launched in October 2020, it has less than 3 years of performance history by the end of the assessment period. Therefore we have concluded that it is too soon to provide a fair and appropriate performance review of the Fund against its stated rolling 5-year Investment Objective.

However, we would like to take this opportunity to provide investors with an overview of the Fund's performance. Since launch in October 2020, the Fund has a positive total return of 6.3% by the end of the assessment period.

We also reviewed the Fund's performance based on the average of the 1-year performance recorded at each month-end during the assessment period. We noted that, on average, the Fund has delivered a negative return of -7.2% using this measurement. The Fund is not managed to target or exceed the performance of any specific benchmark. However, the ACD welcomes investors to compare the Fund's performance by comparing it to the IA Mixed Investment 40-85% Shares (the comparator benchmark). It's noted that the Fund has underperformed this comparator benchmark by 1.7% over the same period.

	AVERAGE 1-YEAR PERFORMANCE (IN GBP)*
A Acc Share Class	-7.2%
IA Mixed Investment 40-85% Share	-5.6%

To further assist with your assessment of the Fund's value in the recent short term, we have illustrated in below table the return of the Fund, on a single investment of £1,000, over the assessment period (from 1 May 2022 to 30 April 2023). This table also shows you an illustrative impact of the Fund's costs and charges ('OCF') on this return.

	VALUE OF £1,000.00 INVESTMENT **	ILLUSTRATIVE IMPACT OF COSTS AND CHARGES (THE 'OCF') ***
A Acc Share Class	£979.70	£9.31

We also assessed the volatility of the Fund since its inception, though the Fund's volatility objective is measured in 5-year period. The volatility was assessed by comparing the daily volatility of the Fund with the volatility of the Index. We noted that, on average, the Fund's volatility is within the targeted range; and the Fund's volatility is below the upper target at all times.



	<b>SUB-FUND VOLATILITY AS OF INDEX VOLATILITY</b>	<b>TARGET RANGE</b>	<b>% OF TIME BELOW THE UPPER TARGET</b>
A Acc Share Class	57.8%	55% - 65%	100%

### ••• Costs

Our assessment noted that the costs charged to the Fund are clearly identifiable and have been applied in-line with agreed rates and as disclosed within the prospectus. We are additionally satisfied that the services associated to each cost have been provided on a competitive basis.

We therefore concluded that based on the activity undertaken and the services provided, the ACD and supplier costs applied to the Fund are fair and reasonable and therefore represented good value for investors.

### ••• Economies of Scale

During the assessment period, the average size of the Fund was £140m.

Our assessment concluded that during the assessment period, all available economies of scale were utilised with the resulting cost efficiencies being appropriately passed onto the Fund's investors.

As the ACD of the Fund, we use the buying power of our wider group, where possible, to ensure that supplier costs remain competitive even when the Fund is small in size.

### ••• Comparable Market Rates

The table below shows a comparison of the OCF of the primary share class of this Fund with the average OCF of a peer group of similar funds. The OCF of A share class of 0.95% is lower than the average OCF of the peer group; therefore, we have concluded that the Fund costs are reasonable and competitive.

	<b>ONGOING CHARGES FIGURE (OCF)</b>	<b>AVERAGE PEER GROUP OCF*</b>
A Share Class	0.95%	1.05%

### ••• Comparable Services

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

### ••• Classes of Units

	<b>MINIMUM INITIAL INVESTMENT</b>	<b>ONGOING CHARGES FIGURE (OCF)</b>	<b>INVESTMENT MANAGER FEE</b>
A Share Class	£1,000	0.95%	0.50%
W Share Class	£100,000,000	0%	0.00%

The Fund has 2 share classes offered to investors, where A class is for retail & institutional investors based on the value of their initial investment and W class is for institutional investors who has a direct fee arrangement with the Investment Manager.

Following our review, we have concluded that during the assessment period, all unitholders in this Fund are in the appropriate share classes, and there are no alternative share class available to any unitholders offering similar rights with lower fees.



## ●●● Overall Conclusion

Based on the assessment results of the above 7 criteria, the Board has concluded that the Fund provided overall value to its investors during the assessment period.

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\*Source – Data extracted from FE Analytics as of July 2023.

\*\*Based on an investment of £1,000.00 originally made on the last dealing day of the previous accounting period into the Fund's primary share class, revalued on the last dealing day for the accounting period that is applicable to this assessment.

\*\*\*Calculated by multiplying the illustrative current value of the £1,000 investment by the Fund's published OCF at the latest accounting period end date.  
Note: this figure is provided purely for illustrative purposes only and may not be the actual value charged due to the daily fluctuations in the valuation of the Fund. Investors should also note that the costs and charges represented by the OCF are deducted from the scheme property rather than individual investor accounts and are reflected in the daily published NAV price for the Fund.



### 3. ES INVESTEC WEALTH & INVESTMENT GROWTH FUND

#### ••• Quality of Service

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

#### ••• Performance

Investment Objective <i>Note: The Fund is managed with an aim of achieving its Investment Objective over a rolling 5-year period. There is no guarantee that the Fund will achieve its Investment Objective, and there may be periods of time within the rolling 5 years where the objective is not met.</i>	The Fund objective is to achieve a positive total return (income and capital growth) over a rolling five year period, after the deduction of all fees, whilst targeting volatility (i.e. the degree of fluctuation of the value of the assets) of its portfolio of between 70% and 80% of the volatility of the FTSE All Share Index over the same rolling five year period.
Target Benchmark	N/A. The Fund is not managed to target or exceed the performance of any specific benchmark.

As the Fund launched in October 2020, it has less than 3 years of performance history by the end of the assessment period. Therefore we have concluded that it is too soon to provide a fair and appropriate performance review of the Fund against its stated rolling 5-year Investment Objective.

However, we would like to take this opportunity to provide investors with an overview of the Fund's performance. Since launch in October 2020, the Fund has a positive total return of 10.4% by the end of the assessment period.

We also reviewed the Fund's performance based on the average of the 1-year performance recorded at each month-end during the assessment period. We noted that, on average, the Fund has delivered a negative return of -6.8% using this measurement. The Fund is not managed to target or exceed the performance of any specific benchmark. However, the ACD welcomes investors to compare the Fund's performance by comparing it to the IA Mixed Investment 40-85% Shares (the comparator benchmark). It's noted that the Fund has underperformed this comparator benchmark by 1.3% over the same period.

	AVERAGE 1-YEAR PERFORMANCE (IN GBP)*
A Acc Share Class	-6.8%
IA Mixed Investment 40-85% Share	-5.6%

To further assist with your assessment of the Fund's value in the recent short term, we have illustrated in below table the return of the Fund, on a single investment of £1,000, over the assessment period (from 1 May 2022 to 30 April 2023). This table also shows you an illustrative impact of the Fund's costs and charges ('OCF') on this return.

	VALUE OF £1,000.00 INVESTMENT **	ILLUSTRATIVE IMPACT OF COSTS AND CHARGES (THE 'OCF') ***
A Acc Share Class	£997.30	£9.47

We also assessed the volatility of the Fund since its inception, though the Fund's volatility objective is measured in 5-year period. The volatility was assessed by comparing the daily volatility of the Fund with the volatility of the Index. We noted that, on average, the Fund's volatility is slightly lower than the targeted range, which we do not have any concern with; and the Fund's volatility is below the upper target at all times.



	<b>SUB-FUND VOLATILITY AS OF INDEX VOLATILITY</b>	<b>TARGET RANGE</b>	<b>% OF TIME BELOW THE UPPER TARGET</b>
A Acc Share Class	69.24%	70% - 80%	100%

### ••• Costs

Our assessment noted that the costs charged to the Fund are clearly identifiable and have been applied in-line with agreed rates and as disclosed within the prospectus. We are additionally satisfied that the services associated to each cost have been provided on a competitive basis.

We therefore concluded that based on the activity undertaken and the services provided, the ACD and supplier costs applied to the Fund are fair and reasonable and therefore represented good value for investors.

### ••• Economies of Scale

During the assessment period, the average size of the Fund was £75m.

Our assessment concluded that during the assessment period, all available economies of scale were utilised with the resulting cost efficiencies being appropriately passed onto the Fund's investors.

As the ACD of the Fund, we use the buying power of our wider group, where possible, to ensure that supplier costs remain competitive even when the Fund is small in size.

### ••• Comparable Market Rates

The table below shows a comparison of the OCF of the primary share class of this Fund with the average OCF of a peer group of similar funds. The OCF of A share class of 0.95% is lower than the average OCF of the peer group; therefore, we have concluded that the Fund costs are reasonable and competitive.

	<b>ONGOING CHARGES FIGURE (OCF)</b>	<b>AVERAGE PEER GROUP OCF*</b>
A Share Class	0.95%	1.10%

### ••• Comparable Services

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

### ••• Classes of Units

	<b>MINIMUM INITIAL INVESTMENT</b>	<b>ONGOING CHARGES FIGURE (OCF)</b>	<b>INVESTMENT MANAGER FEE</b>
A Share Class	£1,000	0.95%	0.50%
W Share Class	£100,000,000	0%	0.00%

The Fund has 2 share classes offered to investors, where A class is for retail & institutional investors based on the value of their initial investment and W class is for institutional investors who has a direct fee arrangement with the Investment Manager.

Following our review, we have concluded that during the assessment period, all unitholders in this Fund are in the appropriate share classes, and there are no alternative share class available to any unitholders offering similar rights with lower fees.





## ●●● Overall Conclusion

Based on the assessment results of the above 7 criteria, the Board has concluded that the Fund provided overall value to its investors during the assessment period.

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\*Source – Data extracted from FE Analytics as of July 2023.

\*\*Based on an investment of £1,000.00 originally made on the last dealing day of the previous accounting period into the Fund's primary share class, revalued on the last dealing day for the accounting period that is applicable to this assessment.

\*\*\*Calculated by multiplying the illustrative current value of the £1,000 investment by the Fund's published OCF at the latest accounting period end date.  
Note: this figure is provided purely for illustrative purposes only and may not be the actual value charged due to the daily fluctuations in the valuation of the Fund. Investors should also note that the costs and charges represented by the OCF are deducted from the scheme property rather than individual investor accounts and are reflected in the daily published NAV price for the Fund.



## 4. ES INVESTEC WEALTH & INVESTMENT INCOME FUND

### ••• Quality of Service

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

### ••• Performance

<p>Investment Objective</p> <p><i>Note: The Fund is managed with an aim of achieving its Investment Objective over a rolling 5-year period. There is no guarantee that the Fund will achieve its Investment Objective, and there may be periods of time within the rolling 5 years where the objective is not met.</i></p>	<p>The Fund objective is to primarily achieve a return in the form of income over a rolling five year period, after the deduction of all fees. The Fund also aims to achieve a positive total return (income and capital growth over the same rolling five year period, after the deduction of all fees. These objectives are combined with targeting volatility (i.e. the degree of fluctuation of the value of the assets of its portfolio of between 55% and 65% of the volatility of the FTSE All Share Index over the same rolling five year period.</p>
<p>Target Benchmark</p>	<p>N/A. The Fund is not managed to target or exceed the performance of any specific benchmark.</p>

As the Fund launched in October 2020, it has less than 3 years of performance history by the end of the assessment period. Therefore we have concluded that it is too soon to provide a fair and appropriate performance review of the Fund against its stated rolling 5-year Investment Objective.

However, we would like to take this opportunity to provide investors with an overview of the Fund's performance. Since launch in October 2020, the Fund has a positive total return of 7% by the end of the assessment period.

We also reviewed the Fund's performance based on the average of the 1-year performance recorded at each month-end during the assessment period. We noted that, on average, the Fund has delivered a negative return of -6.6% using this measurement. The Fund is not managed to target or exceed the performance of any specific benchmark. However, the ACD welcomes investors to compare the Fund's performance by comparing it to the IA Mixed Investment 40-85% Shares (the comparator benchmark). It's noted that the Fund has underperformed this comparator benchmark by 1.1% over the same period.

	AVERAGE 1-YEAR PERFORMANCE (IN GBP)*
A Acc Share Class	-6.6%
IA Mixed Investment 40-85% Share	-5.6%

To further assist with your assessment of the Fund's value in the recent short term, we have illustrated in below table the return of the Fund, on a single investment of £1,000, over the assessment period (from 1 May 2022 to 30 April 2023). This table also shows you an illustrative impact of the Fund's costs and charges ('OCF') on this return.

	VALUE OF £1,000.00 INVESTMENT **	ILLUSTRATIVE IMPACT OF COSTS AND CHARGES (THE 'OCF') ***
A Acc Share Class	£969.20	£9.21

We also assessed the volatility of the Fund since its inception, though the Fund's volatility objective is measured in 5-year period. The volatility was assessed by comparing the daily volatility of the Fund with the volatility of



the Index. We noted that, on average, the Fund's volatility is within the targeted range; and the Fund's volatility is below the upper target at all times.

	<b>SUB-FUND VOLATILITY AS OF INDEX VOLATILITY</b>	<b>TARGET RANGE</b>	<b>% OF TIME BELOW THE UPPER TARGET</b>
A Acc Share Class	55.16%	55% - 65%	100%

### ••• Costs

Our assessment noted that the costs charged to the Fund are clearly identifiable and have been applied in-line with agreed rates and as disclosed within the prospectus. We are additionally satisfied that the services associated to each cost have been provided on a competitive basis.

We therefore concluded that based on the activity undertaken and the services provided, the ACD and supplier costs applied to the Fund are fair and reasonable and therefore represented good value for investors.

### ••• Economies of Scale

During the assessment period, the average size of the Fund was £40m.

Our assessment concluded that during the assessment period, all available economies of scale were utilised with the resulting cost efficiencies being appropriately passed onto the Fund's investors.

As the ACD of the Fund, we use the buying power of our wider group, where possible, to ensure that supplier costs remain competitive even when the Fund is small in size.

### ••• Comparable Market Rates

The table below shows a comparison of the OCF of the primary share class of this Fund with the average OCF of a peer group of similar funds. The OCF of A share class of 0.95% is lower than the average OCF of the peer group; therefore, we have concluded that the Fund costs are reasonable and competitive.

	<b>ONGOING CHARGES FIGURE (OCF)</b>	<b>AVERAGE PEER GROUP OCF*</b>
A Share Class	0.95%	1.17%

### ••• Comparable Services

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

### ••• Classes of Units

	<b>MINIMUM INITIAL INVESTMENT</b>	<b>ONGOING CHARGES FIGURE (OCF)</b>	<b>INVESTMENT MANAGER FEE</b>
A Share Class	£1,000	0.95%	0.50%
W Share Class	£100,000,000	0%	0.00%

The Fund has 2 share classes offered to investors, where A class is for retail & institutional investors based on the value of their initial investment and W class is for institutional investors who has a direct fee arrangement with the Investment Manager.



Following our review, we have concluded that during the assessment period, all unitholders in this Fund are in the appropriate share classes, and there are no alternative share class available to any unitholders offering similar rights with lower fees.

## ●●● Overall Conclusion

Based on the assessment results of the above 7 criteria, the Board has concluded that the Fund provided overall value to its investors during the assessment period.

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\*Source – Data extracted from FE Analytics as of July 2023.

\*\*Based on an investment of £1,000.00 originally made on the last dealing day of the previous accounting period into the Fund's primary share class, revalued on the last dealing day for the accounting period that is applicable to this assessment.

\*\*\*Calculated by multiplying the illustrative current value of the £1,000 investment by the Fund's published OCF at the latest accounting period end date.  
Note: this figure is provided purely for illustrative purposes only and may not be the actual value charged due to the daily fluctuations in the valuation of the Fund. Investors should also note that the costs and charges represented by the OCF are deducted from the scheme property rather than individual investor accounts and are reflected in the daily published NAV price for the Fund.

ETFS is authorised and regulated by the Financial Conduct Authority and is entered on the register under reference 227807.  
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