HL FUND MANAGERS VALUE ASSESSMENT

September 2022 to September 2023

HL Multi-Manager Special Situations
HL UK Income*
HL Multi-Manager Equity & Bond**
HL Multi-Manager Balanced Managed
HL Select UK Growth
HL Select UK Income
HL Select Global Growth
HL Growth
HL Multi-Manager High Income
HL Multi-Manager UK Growth
HL Multi-Manager European
HL Multi-Manager Asia & Emerging Markets
HL Multi-Manager Strategic Bond
HL Cautious Managed***

* HL UK Income was previously called HL Multi-Manager Income & Growth Trust. The Fund changed name, Investment Objective, Investment Policy and adopted the Target Benchmark of FTSE All Share Total Return Index on 14 Nov 2022.

** HL Income was previously called the HL Multi-Manager Equity & Bond Trust. The Fund changed name, Investment Objective, and Investment Policy on 22 January 2024 following an Extraordinary Meeting of investors on 9 January 2024.

*** HL Cautious Managed fund was previously called the HL Multi-Manager Strategic Assets fund. The Fund changed name, Investment Objective, Investment Policy and comparator benchmark and adopted a new comparator benchmark of the IA Mixed Investment 0-35% Shares on 20 March 2023 following an Extraordinary Meeting of investors on 3 March 2023.

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Important information

This document is not personal advice or a recommendation to buy, sell, or hold any of the investments mentioned. All investments can fall as well as rise in value so you could get back less than you put in. The HLFM Funds are for investors who prefer to make their own investment decisions without personal advice, or investors who have received financial advice. The choice of underlying investments within the funds does not take your personal circumstances into consideration. The HLFM Funds are managed by Hargreaves Lansdown Fund Managers.

Past performance is not a guide to future returns.

Tax rules can change, and any benefits depend on individual circumstances.

Source for performance and charges data is Lipper IM. Performance data has been calculated on a NAV basis with any income reinvested as at the 30 September 2023 unless otherwise stated.

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INTRODUCTION

INTRODUCTION FROM OUR CHAIRMAN

JOHN MISSELBROOK
Chairman

Welcome to our 2023 Value Assessment report for the Hargreaves Lansdown Fund Managers Ltd. (HLFM) funds.

This is the fifth year we have produced this report and much has changed in our fund range, in the way we manage our funds and in the way we prepare this report. What has not changed is that our funds form a key part of the HL investment proposition, and we strive to put our clients first and at the heart of everything we do. Our aim is to help you create a better financial future for yourselves and your families, by empowering you to save and invest with confidence.

The framework through which we arrive at the results shown in our Value Assessment report has further improved during the year and while the methodology has remained very similar to last year, the process has become more challenging. We have also seen the introduction of the Consumer Duty regulations in July 2023 requiring firms to provide good outcomes to retail clients. We welcome this new regulation which we see as building on our value assessment work and places responsibility on us to ensure that the principle of delivering good client outcomes is fully embedded in what we do.

We continue to assess value predominantly over five years, being the minimum recommended holding period for our funds. The result is that while this year shows a similar number of eight funds that deliver value, we also have five funds where improvement to value is required. While this rating is similar to last year, this year two of our funds have an overall RED rating. These two funds have experienced a prolonged period of investment underperformance. We have not seen sufficient improvement in shorter term performance and further actions are being taken which are outlined in the report. For another fund, HL Multi-Manager Strategic Assets, which had seen similar underperformance, fund holder approval was sought to make significant change to the investment objectives and benchmark resulting in a change to a cautious risk managed fund at a lower fee rate.

We will also be shortly reducing the asset management charge on three funds where we believe the fees are high relative to the complexity of the investment strategy and comparable market rates.

Last year I described the strengthening of our investment team, combined with the enhancements to our investment process and to the investment risk function and all these changes are resulting in improvements both to shorter term investment performance and to the consistency of that performance. Our focus is on repeatable investment performance and delivering upon client longer term objectives, and I am pleased with the results we are seeing which will reflect through in future reports.

Additionally, the programme of work to change and improve our fund proposition that I referred to last year has moved forward at pace with five new funds launched during the year. We are well on our way to providing investors with a range of funds that can provide ready-made investment solutions, funds that can be used together with advice and funds to support those who make their own investment decisions.

Finally, I would like to welcome our new Chief Investment Officer, Toby Vaughan, who joined us in June 2023 and is leading these challenging and exciting developments in the business.

“Our aim is to help you create a better financial future for yourselves and your families

VALUE ASSESSMENT SUMMARY OF FINDINGS

Fund	Overall Fund Rating	Service Quality	Performance	Afm Costs	Economies Of Scale	Comparable Market Rates	Comparable Services	Share Classes
HL Multi-Manager Special Situations	🟢	🟢	🟡	🟢	🟢	🟢	🟢	🟢
HL UK Income	🟢	🟢	🟡	🟢	🟢	🟢	🟢	🟢
HL Multi-Manager Equity & Bond	🟢	🟢	🟡	🟢	🟢	🟡	🟢	🟢
HL Multi-Manager Balanced Managed	🟢	🟢	🟡	🟢	🟢	🟡	🟢	🟢
HL Select UK Growth	🟢	🟢	🟢	🟢	🟡	🟢	🟢	🟢
HL Select UK Income	🟢	🟢	🟡	🟢	🟡	🟢	🟢	🟢
HL Select Global Growth	🟢	🟢	🟢	🟢	🟡	🟢	🟢	🟢
HL Growth	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
HL Multi-Manager High Income	🟡	🟢	🟡	🟢	🟢	🟢	🟢	🟢
HL Multi-Manager UK Growth	🟡	🟢	🔴	🟡	🟢	🟡	🟢	🟢
HL Multi-Manager European	🟡	🟢	🟡	🟡	🟢	🔴	🟢	🟢
HL Multi-Manager Asia & Emerging Markets	🔴	🟢	🔴	🟡	🟢	🟡	🟢	🟢
HL Multi-Manager Strategic Bond	🔴	🟢	🔴	🟢	🟢	🟡	🟢	🟢

Please note that our overall value assessment is performed on Funds that have been in existence for over one year.

🟢 **Represents overall value**
Value is delivered to our clients under this pillar or overall.

🟡 **Represents value but requires continued focus**
Whilst the fund broadly provides value, some areas require additional focus to deliver value under this pillar, or overall.

🔴 **Poor value**
Action must be taken to deliver value under this pillar, or overall, to improve outcomes.

WHAT ASPECTS DO WE CONSIDER WHEN ASSESSING VALUE?

Our regulator, The Financial Conduct Authority (FCA) places a requirement on Authorised Fund Managers (AFM's), such as ourselves, Hargreaves Lansdown Fund Managers Ltd. (HLFM), to carry out an annual value assessment offered by our funds to investors.

So that AFM's deliver a broad assessment, the FCA has specified seven criteria, or pillars, that should be used, and we carry out our review of each fund against these factors. We give a summary of our overall findings, along with a detailed analysis of how each of our funds performed under each pillar.

In addition to the 7 formal FCA assessment areas, for this 2023 report we have also included ESG factors in the review process, however, we have not included them as part of the formal overall assessment or overall scoring output.

To identify how we are doing, we use a traffic light system for each pillar of the review, and for each fund, to identify that value is being delivered or, to identify where improvements can be made for our clients.

CHIEF INVESTMENT OFFICER REPORT

TOBY VAUGHAN
Chief Investment Officer

As Chief Investment Officer, I lead the teams responsible for the investment management of the funds included in this report. The effective management of these funds are key to drive our objective of helping our clients to save and invest with confidence. The focus on delivering good client outcomes is at the heart of what we do. The range of funds that we manage covers multi asset solutions together with underlying building blocks that aim to deliver growth (and/ or income) over the longer term, whilst effectively managing risk throughout the investment journey.

Value Assessment Developments

With respect to the Value Assessment process for 2023, this is an area where we have continued to develop and enhance our approach. I would highlight a couple of areas – notably the enhanced structure of our approach, together with improvements in the governance framework and challenge around the process. We ensure we apply close scrutiny and employ an evidence-based approach, to ensure that funds are being sufficiently challenged against the overall experience and outcomes we are looking to deliver to clients.

We have established a committee of the Board that focuses explicitly on the Value Assessment. This committee is responsible for approving and developing the process together with challenging and approving ratings applied to each fund. We have also developed both the structure and the required evidence for all the key pillars that need to be assessed, scrutinised and considered as part of the assessment undertaken for our funds. These enhancements were enacted during the 2023 process.

People & Process

We have been improving our investment decision making processes, investing into capabilities with key hires, and developing our fund range to ensure it delivers on evolving client needs. Material progress is being made here. We have strengthened our approach across asset allocation, manager selection, risk management and how we access markets to enhance our decision making. Key new hires include a new Head of Multi-Manager (November 2022), adding to portfolio management resourcing, and the ongoing development of our risk team.

Performance

The developments mentioned above in relation to capabilities and investment process are designed to improve longer term performance outcomes and improve risk management. The five year time horizon remains a key timeframe for our objective value assessment applied to our fund ranges, which is one reason we have continued to be strict on the ratings that we apply to the funds. That said, within this period we are seeing improved trends over the shorter term across a number of our multi asset funds in particular. Key drivers of improvement have been the transitioning to a more global asset allocation approach, maintaining risk levels during 2023, as well as more effective management of style and risk factors cross our strategies. We are confident that the improvements to risk management and decision-making processes will ensure continued progress and improvement going forward.

Product

Going forward we will continue to invest into and develop these processes around decision making, risk management and oversight of our fund ranges delivering value. In addition to this, however we will continue to develop our fund range. We see the evolution of the fund range as a continuous exercise through either making enhancements to existing funds or through the launch of new investment solutions (be those multi or single asset class) to deliver upon our clients needs.

Recently we launched a new suite of actively managed 'ready-made' risk managed multi asset funds across different risk profiles, starting (beginning 2023) with our range that uses actively managed vehicles for underlying exposure, and latterly (November 2023) with funds that use passively managed vehicles. We will look to include these funds in the 2024 Value Assessment report, and through the course of the coming 12 months will look to complete the range of risk managed multi asset (active/ passive/ income) funds.

To supplement the developments of our risk managed multi asset ranges we continue to develop our building block single asset funds, as well as maintain focus on our high conviction direct equity strategies (the Select Fund range)
.

Market Outlook

Following a couple of years of significant moves across markets with the sell-off in 2022 followed by the recovery in 2023, we expect a period of continued fragility in the macroeconomic backdrop and volatility across financial markets. Whilst the focus is often on a soft landing in the US, there are challenging growth trends across the globe and whilst inflation is moderating its unlikely to fall towards levels that warrant material interest rate cuts, so this trade-off between growth/ inflation/ interest rates and market volatility will continue. Added to that, the challenges from heightened geopolitical risk present a challenge, and with the re-rating of certain equity markets last year there is an increased dependency on earnings growth to drive returns.

Whilst this creates a challenging backdrop, we continue to believe that embracing volatility to generate longer term returns continues to be the right strategy, and it's more important than ever to be invested in the 'right' solution that ensures risks are managed effectively to deliver the longer-term objectives. Our view is that our multi asset product ranges are ideal vehicles to invest to generate growth over the longer term, that enable returns to be delivered more smoothly due to the embedded diversification and risk management inherent in our investment approach. Risk needs to be taken to generate the longer-term returns, but it equally needs to be effectively managed through diversification across asset classes, sectors, styles, and managers.

Active management is arguably more important than ever as we enter an ever-changing world with some material megatrends underway – whether this be related to the rapid expansion and integration of AI, transitioning to a cleaner economy, or a re-design of global supply chains as the world order continues to evolve. This is one reason that we continue to believe the use of active strategies across our fund ranges is both an appropriate and an advantage going forward, as increased dispersion between winners and losers across and within markets grows.
We embrace active exposures within our Multi-Manager ranges where we believe it will deliver value, and expect our high conviction approach within our direct equity Select Fund range to be rewarded over the longer term.

Whilst the investment climate will remain challenging, we continue to believe in embracing risk over the longer term, investing actively where appropriate, whilst always managing risk effectively through building best in class and highly diversified portfolios.

DEVELOPING THE MULTI-MANAGER PROPOSITION

In February 2022, Hargreaves Lansdown announced the details of its vision to redefine wealth management. Our fund management service is one of several critical elements of this vision and in line with our strategy we are developing our proposition. Over the last year, we launched a range of funds to meet the growth and income requirements of our clients. The newly launched funds are the HL US Fund, six volatility managed mixed asset growth funds, our Global Corporate Bond Fund and we restructured our HL UK Income Fund. The volatility managed funds offer a blend of asset classes designed to maximise the long-term return for your chosen level of risk.

Our evolution through these launches aims to provide our clients with a clear range of risk managed solutions across growth and income to help them achieve their investment goals.

With these developments, we took the opportunity to make improvements across the fund management business in order to have the best foundations for our future growth.

Through the introduction of new systems and processes, we have developed the back-office capacity to manage a larger number of funds and the capability to oversee the increased number of segregated accounts.

We are proud of the longer-term performance of our funds, some of which current team members have been managing for almost

20 YEARS

We have also invested in our fund management team, adding experienced fund managers and analysts and supporting them with the best analytical systems. In recognition of some weaker performance in recent years the team upgraded their investment processes. This included enhancing our asset allocation process across strategic and tactical horizons, improving manager selection and risk management, all of which add further rigour to our portfolio construction processes. We believe the actions taken will improve performance and risk outcomes over the longer term.

The following funds which have recently launched, or had significant changes made to them, lack a minimum required track record and a full review will be added to the value assessment report once they achieve at least one year of results.

- **HL US Fund**
- **HL Global Corporate Bond Fund**
- **HL Cautious Managed**
- **HL Balanced Managed**
- **HL Moderately Adventurous**
- **HL Adventurous**
- **HL Multi-Index Cautious**
- **HL Multi-Index Moderately Adventurous**

ESG INTEGRATION IN FOCUS

We have been integrating Environmental, Social and Governance (ESG) factors into our investment processes for several years now. However, ESG best practice is continually evolving, and we're always developing our approach too. Whilst our range currently offers no funds that are run to a specific ESG objective, HLFM uses an ESG-integrated investment process to invest in sustainable and resilient businesses, which helps generate sustainable revenues, profits, and dividends.

Fund group expectations

All funds held within our investment solutions must comply with HL's ESG policy, which specifies that the fund groups that manage them must have set, or be in the process of setting, Net Zero targets for their Scope 1 and 2 emissions – a pledge to balance the amount of greenhouse gas produced and the amount removed from the atmosphere – and be working towards creating a robust transition plan to support this pledge. We also expect all fund groups to be a Principles for Responsible Investment (PRI) signatory. When firms sign up to the PRI, they make a commitment to invest responsibly, incorporate ESG issues into their investment analysis and decision-making processes, and to develop their approach over time. We're pleased to say that all of the fund groups we invest with are PRI signatories.

ESG is also integrated into our fund selection and analyst processes to ensure the fund managers are both aware of the risks posed by ESG issues and are managing these risks effectively. This is supported by a periodic review of the funds through fund manager meetings, our ongoing due diligence and monitoring processes, and our ESG Data Dashboard. Our analysts and fund managers are also supported by HL's dedicated ESG Analysis team.

Exclusions

Exclusionary screening means avoiding companies or countries on the basis of traditional moral values, standards, or norms. Where possible we prefer to engage rather than exclude. However, some businesses engage in practices that damage society or the environment to the point where they constitute an unacceptably high risk to investors.

Across the HL Select funds and the segregated mandates held within the HL Portfolio funds and HL Building Block ranges (where we directly control the assets) we currently prevent investment in:

- Companies that generate 20% or more of their revenues from oil sands extraction or thermal coal power generation and extraction (although our investment team may allow a thermal coal power generator to be held if the firm has a clear plan to phase out thermal coal, and managers are incentivised to bring about this outcome).
- Companies involved in creating Controversial weapons (antipersonnel mines, cluster munitions, biological and chemical weapons).
- Persistent violators of the United Nations Global Compact (UNGC) principles (a UN agreement on human rights, labour, the environment, and anti-corruption).

Engagement

We use engagement to both aid our decision-making processes and to influence companies and fund groups. To ensure our engagement is effective, we define specific engagement objectives informed by our ESG data and supported by the ESG Analysis team. We track progress against these engagement objectives over time, focusing our resources on areas where we think we can have a positive impact, our chances of success are higher, and on the topics that align with our investors' interests.

If fund managers and/or companies fail to respond positively to our engagement, we will seek additional meetings and join collaborative engagement schemes where appropriate. Should this escalation fail to invoke meaningful change within a set time period, we may consider divestment.

Voting

Within our HL Select funds, we always seek to vote at meetings of the companies we invest in unless we're in the process of selling the position and will do so in a way that's aligned with investors' best interests. While we make our own decisions on how to vote, we take advice from governance specialists Institutional Shareholder Services (ISS) about the issues underpinning individual votes.

Within the HL Portfolio Fund and HL Portfolio Building Block Fund ranges, where we don't directly invest in the companies, we delegate voting responsibility to the underlying fund managers. We receive regular updates from them about how they voted, and question fund managers on the voting outcomes where appropriate.

VALUE ASSESSMENT PILLARS

QUALITY OF SERVICE

Does the range, features and quality of services provided to investors in our funds provide value?

How we assessed it

We believe this is a fundamental pillar of concluding the outcome of the overall assessment for the funds.

Many of the services we provide to our fund investors are not so visible. Aspects such as our data security, risk management, fund administration, the placing and checking of trades, governance, complaints handling, ESG considerations, and diversity of thought and culture, all impact the overall service investors in the funds receive and, as a result, metrics are monitored on a daily, weekly, or monthly basis. The outcome of this monitoring is used in the preparation of this report, and in our conclusions.

The vast majority of investors into our funds will access their investments through the Hargreaves Lansdown platform, or through one of their professional advisers. Through the HL platform, or through their advisers, investors have access to well signposted pages for the HL Multi-Manager & Select ranges and can get access to the full range of our investments and its documentation. Here they can see the strategy and performance of each fund, gain knowledge of the experience and strength of the investment teams, and see details of where their money is invested. In addition, they can get key updates and hear from our Fund Managers through blogs, articles and videos.

Investors in our Multi-Manager funds benefit from an institutional level of fund selection, access, and pricing. The fund's managers perform in-depth analysis of underlying manager performance, ensure diversified portfolio construction, and provide ongoing management and rebalancing of the investments.

Our Select range of funds are transparent and the fund managers show a daily breakdown of portfolio holdings. The managers explain why each investment is held and provide clients with regular information on what's happening with their investment.

Regular monitoring of our own operational performance is undertaken, including the level and type of customer complaints, breaches and errors, as well as on the quality of services provided by delegated external service providers. This ongoing monitoring confirms high standards are being maintained.

Product range, features and accessibility.

We offer a diverse range of products / solutions geared towards helping clients at different levels of experience and financial freedom achieve their goals for growth or income at competitive prices. These are through ready-made investments, building blocks or equity solutions. Additionally, under the Mult-Manager banner, we launched the HL Growth Fund, designed for workplace defined contribution pension schemes. Our products are available through a range of accounts on the Hargreaves Lansdown investment platform offering. Our proposition is constantly under review and development to ensure we are able to provide adequate solutions at great value for our clients and empower them to save and invest with confidence.

We also make our complete fund range available to invest into with a minimum lump sum requirement of just £100, or where clients are looking to invest regularly, from just £25 per month. Additionally, for those clients who are looking to take income from their investments, HLFM facilitates monthly, smoothed income across five funds in our range that have specific income objectives. Whilst the level of income is not guaranteed, this is a service that we know clients appreciate.

Communication

Investors in the HL Multi-Manager funds are kept informed with regular updates on how the funds are performing. These updates are currently delivered quarterly via the fund factsheets, which are easily accessible though the website, or posted to clients on request. The HL Select funds show a daily breakdown of portfolio holdings. The managers explain why each investment is held and provide clients with regular information on what's happening with their investment. Showing what a fund manager does and how they assess stocks and markets helps to build investor confidence in financial markets. Any investor in the HL Multi-Manager or HL Select funds also have access to the HL Helpdesk with the forum to ask questions of their investment managers, or request further information on their investment, and is available over the phone, online and by post.

Service Level

As the majority of service interactions for our funds comes via the HL Platform, we are keen to understand the feedback that is provided and the challenges that investors in the funds face in carrying out transactions, or finding information. In the period under review, from the HL Platform, we were able to identify 12 complaints relating to HLFM, none of which were upheld. At a more granular level, Northern Trust, a multi-faceted global financial services provider with c. $14.2trn in assets under custody, as part of their Asset Servicing business are engaged to provide a number of services to the funds inclusive of, independent daily pricing of the funds, custody of the fund assets and processing of client trade orders. During the period evaluated, Northern Trust delivered successfully to our service level agreement.

What we concluded

We have concluded, based on the analysis of the quality of services, that we are providing value to investors on all our funds.

What we will be doing to improve our quality of service

We are continuing to develop and launch a range of solutions to aid our clients in managing their investment journeys catered to a range of interests spanning from risk rated, low cost, growth and income solutions. Separately, we continue to assess and implement changes to our existing range of funds to ensure they are competitive and deliver value. All these actions are subject to receiving the required regulatory approval.

There have also been improvements to the user experience and journey in the platform app and website, including plans to improve and diversify communication with our (HLFM) clients through blogs, webinars, articles and videos for our dedicated pages. This would help to keep our clients informed about our funds and activities beyond launches and marketing campaigns and also create an easier web journey when navigating to appropriate investment solutions.

New launches will be supported by dedicated marketing and communications campaigns, and a newly designed portal for clients to get the information they require to help make informed decisions regarding their investment choices. HLFM continues to focus on client engagement and communication for improvements and enhancements. Whilst the vast majority of clients will look to find information via the HL Platform, we also recognise that some investors also value the availability of downloadable fund factsheets. In an effort to improve the experience of those clients, project is currently underway to deliver this information monthly, rather than the existing quarterly basis.

PERFORMANCE

Did your fund perform in line with its investment objectives?

How we assessed it

We assessed the performance of the funds against the objectives, policy and strategy set out in the prospectus and Key Investor Information Documents (KIIDs). For each of the funds we measured performance after all fund management fees and charges (excluding any advice fee or platform charges).

We evaluated performance both quantitively, i.e., what the numbers tell us (absolutely and relatively), as well as qualitatively, in four ways:

- Firstly, we measured how each fund performed in comparison to its stated comparator benchmark, over its most recent recommended minimum holding period, typically 5 years or since inception if fund had existed for between 2 to 5 years. Funds with multiple comparators were evaluated against both, while funds with income objectives were additionally evaluated against income orientated comparators.
- We then measured how each fund had performed over rolling periods of 5 years, against the comparators. This allowed us to identify the consistency of our performance since launch against the comparators or benchmarks used.
- To supplement our longer term relative performance measures, we evaluated whether each fund achieved its absolute objective, for example delivering capital growth over its most recent recommended minimum holding period of 5 years.
- Finally, we analysed the relative 12-month performance of the funds from 1st October 2022, in order to measure the most recent period of performance as well as the success of any improvements we committed to put in place in last year's Value Assessment.

The use of both a qualitative and quantitative assessment process allows us to see a much wider picture than may be provided by a performance table. By understanding whether any over, or under, performance was solely driven by market conditions, fund versus comparator valuation timing differences, or perhaps changes to the way in which the funds were being managed in order to deliver their objectives.

How did we compare

When assessing absolute returns, ten of the eleven funds in our range that were launched more than five years ago have delivered positive capital growth over the last five years, with HL Multi-Manager Strategic Bond being the exception.

Looking at the long term performance of the funds, seven funds of eleven with sufficient history have generated, on average, better or in-line performance compared to their Investment Association sector peers on a rolling basis. Only three funds outperformed in the most recent five year period, or since inception if less than five years, at the end of September 2023. However, this improves to seven out of thirteen outperforming their IA Sectors on a one year basis.

HL Multi-Manager Balanced Managed, HL Multi-Manager Special Situations, HL Income (formerly called the HL Multi-Manager Equity & Bond), and HL UK Income (formerly called the HL Multi-Manager Income & Growth) improved their performance scores, primarily driven by improved recent performance. HL Growth has been included in this year's assessment now that it has over one year of performance history and has outperformed, by delivering a one year return of 7.0% versus 5.2% for the IA Sector.

HL Multi-Manager Asia & Emerging Markets, HL Multi-Manager Strategic Bond and HL Multi-Manager UK Growth continue to be rated as underperforming, despite the recent improvement in performance of the latter. The reasons for this underperformance are detailed in the individual fund assessments, along with any changes being made to the fund to deliver improved performance.

For those funds where producing income is an objective, the income objective has been achieved over the period under review.

What we concluded

We have concluded, based on the analysis of performance, that three funds are not delivering value to investors and require improvements to be made. These funds are HL Multi-Manager UK Growth, HL Multi-Manager Asia & Emerging Markets and the HL Multi-Manager Strategic Bond. Further details of each fund's performance, and of our plans to deliver improved value, can be found in the fund reports section.

Seven of our funds have been assessed to be delivering some value but could use some improvement.

Three of our funds have been assessed to be delivering overall value.

What we will be doing to improve

We are continually looking to improve consistency in the delivery of long-term outperformance of our funds. Where funds have underperformed relative to the comparator, as previously highlighted, some of the weaknesses have been identified and addressed. Formal actions plans have also been set in place to review and address our concerns around performance for any Fund that flags amber or red in our review.

Our strategic asset allocation process mentioned in the previous report has been successfully rolled out and feeds into recommendations for our multi-asset funds.

AFM - COST OF THE FUNDS

What makes up the charges you pay, and are these appropriate?

Fund	Total OCF % (2022 figure)	Basis point change over five years	Charge (£) p/a on £1,000 investment
HL Multi-Manager Special Situations	1.16 (1.37)	-0.33	£11.60
HL UK Income	1.09 (1.20)	-0.22	£10.90
HL Multi-Manager Equity & Bond	1.21 (1.26)	-0.16	£12.10
HL Multi-Manager Balanced Managed	1.15 (1.29)	-0.30	£11.50
HL Select UK Growth	0.60 (0.60)	N/A	£6.00
HL Select UK Income	0.60 (0.60)	N/A	£6.00
HL Select Global Growth	0.60 (0.60)	N/A	£6.00
HL Growth	0.10 (N/A)	N/A	£1.00
HL Multi-Manager High Income	1.16 (1.20)	-0.13	£11.60
HL Multi-Manager UK Growth	1.30 (1.30)	-0.07	£13.00
HL Multi-Manager European	1.37 (1.31)	-0.10	£13.70
HL Multi-Manager Asia & Emerging Markets	1.48 (1.46)	-0.11	£14.80
HL Multi-Manager Strategic Bond*	0.93 (1.05)	-0.33	£9.30

Source: Northern Trust and HL, ex-ante OCFs as of 7/7/2023 versus 2022 ex-post OCF numbers.

*HL Multi-Manager Strategic Bond ex-ante OCF as of 30/11/2023 to incorporate fund rebalance.

The Ongoing Charges Figure (OCF) is the charge you will pay over a year as long as you hold your investment.

How we assessed it

We used a number of metrics to understand and assess our costs applied to our funds. In justifying the numbers, we considered third-party costs such as manager, middle office, back office and the underlying components of the investment strategy, for example, asset allocation preferences, style, portfolio construction and more. It was also important to compare our funds to each other in a transparent and clear manner, providing a helpful and visual mechanism in making necessary changes.

In addition to the metrics above, we also compare our funds and underlying manager funds (in the Multi-Manager range) to their industry counterparts. At a high level, this allows us to assess value based on cost alone before considering any unique or niche components of the strategies. It is important to us that all our costs are fully understood to ensure that our funds receive only the charges that they are due and nothing more. So, for example, where one of our Multi-Manager strategies uses another HL fund within, this will use our Z share class which has zero HL Management fees and only covers the underlying costs of the fund. This provides clients of the fund with the benefit of the components of the fund and avoids double charging for our HL management fees. We regularly review the charges of our third party managers and with scale, we will endeavour to negotiate more favourable fees for our clients.

Multi-manager costs are typically broken down into three distinct categories; our annual management charge, the underlying fund manager charges and the 'other costs' of the fund, which includes many external administration and custody charges. We frequently negotiate with the underlying fund managers to reduce the charges incurred by their funds. Any reduction in these charges have been passed back to investors via a reduction of the OCF.

For the Select Range, ongoing charges have been fixed at 0.6%. Any additional costs will be met by the Fund Manager. This fixed charges figure does however exclude the costs of buying or selling assets for the fund.

Other expenses

The other expenses incurred by the HL Multi-Manager funds are charged separately to the expenses on underlying funds and the Annual Management Charge (AMC) of the fund. These costs are typically fixed, and any reduction in these costs are passed directly on to investors. The other expenses within the HL Select funds & HL Growth Fund are incorporated into the OCF.

The following list is an example of some of the fees covered by 'other expenses':

- Trustee/Depository fees
- Safe custody fees
- Administration fees
- Registrar fees
- FCA fees
- Insurance
- Audit fees
- Dealing fees
- Transaction charges

What we concluded

We have concluded, based on the analysis of AFM costs, all but three funds are delivering value based on their AFM costs. The three we flagged as amber, HL Multi-Manager UK Growth, HL Multi-Manager European and HL Multi-Manager Asia & EM will be receiving a fee reduction. On review of our entire range of funds, we are pleased to confirm that in line with industry trends, we are on average, seeing a decline in our OCFs charged to clients over time.

Through the analysis carried out on comparable market rates we believe the underlying fund charges of the HL Multi-Manager funds are reasonable for actively managed funds. We negotiate with managers we invest with to ensure that we receive a competitive price and, where we can, we have introduced segregated mandates. These segregated mandates are all cheaper than, or the same price as, the equivalent institutional funds in which the funds would otherwise invest.

We will continue to look for opportunities to reduce our 'other expenses' for our funds and any savings that we achieve will be passed back to clients via a reduction in the funds' OCF.

What we can do better

We will continue to review all costs incurred by the funds to ensure fair and reasonable charges. We will also continue to search for opportunities to reduce our external costs by continuing our rollout of segregated mandates and continuing to negotiate with underlying fund managers.

COMPARABLE MARKET RATES

How do the charges you pay for your fund measure against other comparable funds?

How we assessed it

We assessed whether the fees for the HL Multi-Manager & Select ranges, as well as our HL Growth Fund are reasonable compared to their peers using an average of four comparisons in the market. We compared the OCF, which provides a complete picture of costs a fund incurs (the OCF does not include any performance fees, but no HLFM fund applies this charge).

We supplemented our methodology used previously with additional comparators to add to the scrutiny of our review of fees. We have specifically incorporated comparisons against share classes available through third party platforms, as well as against similar strategies. This means there are up to four comparators making up our composite benchmark for OCFs. This enhanced methodology means that we have created a composite score for comparable rates, which is typically more challenging than last year.

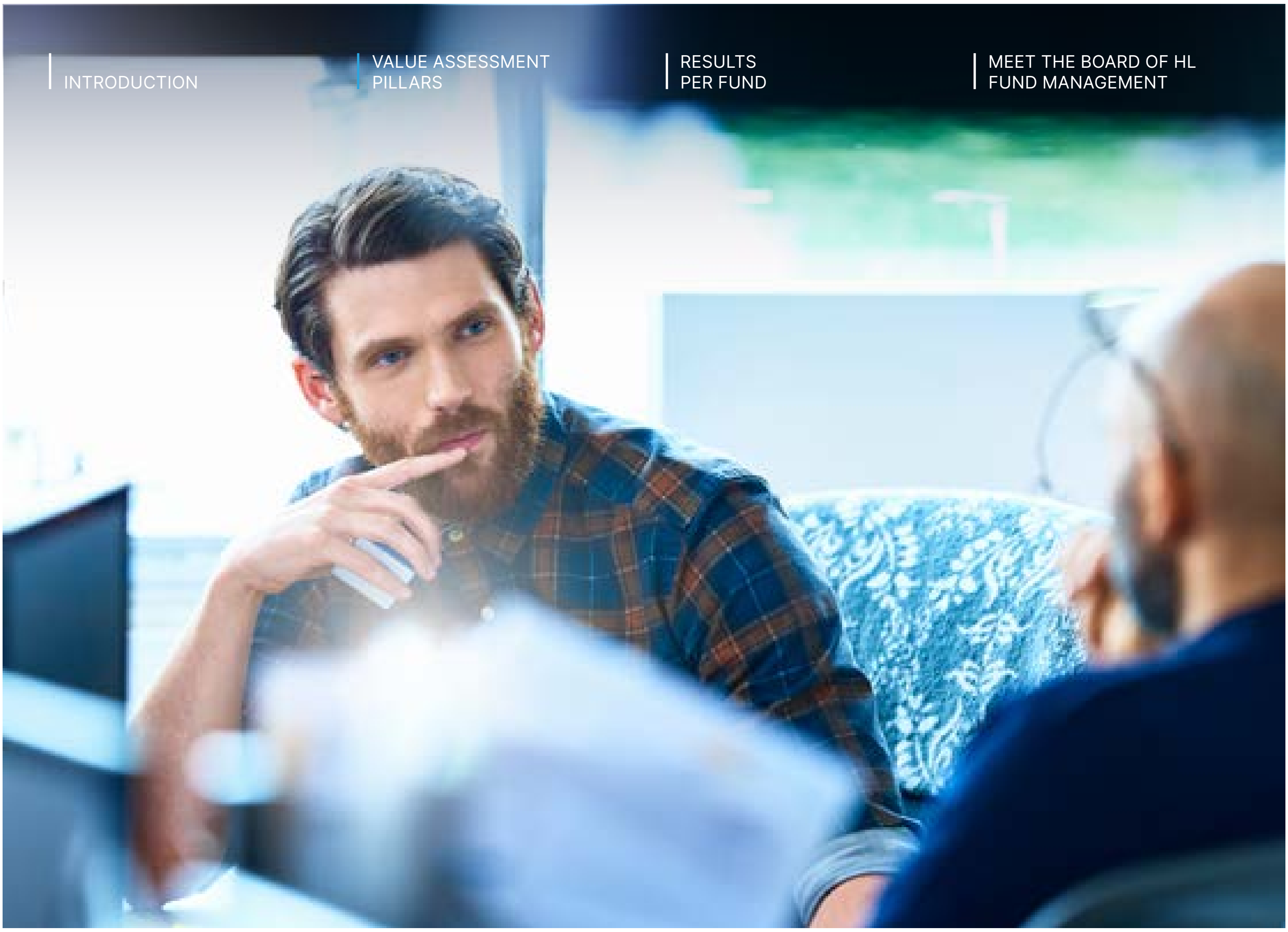
For the 2023 report, using data provided by Lipper IM an external data provider, we have created IA Sector peer groups for the funds. For the Multi-Manager range, we have compared the funds against all of the actively managed primary funds for sale in the UK, within the IA sector in which they sit. For the HL Select range we additionally excluded the typically higher charging Multi-manager funds. While for the HL Growth Fund we compared to both active and passive funds. In order to provide further transparency, we provide our comparator median composite OCF of all of the primary unit classes of funds available in their respective sectors on the individual fund results page.

What we concluded

We have concluded based on the analysis of comparable market rates that seven of our funds are delivering value. Five funds are rated amber and though they provide some value, we believe they can improve. We have also concluded that one fund, the HL Multi-Manager European fund, is failing to deliver value and has been rated red with further details on actions found in its relevant section.

What we can do better

We will continue to monitor the adequacy of our fee structure throughout our product range and maintain our objective of reducing fees for clients moving forward. We have already committed to reducing our fees on some of our funds; the Multi-Manager European, Multi-Manager Asia & Emerging Markets and Multi-Manager UK Growth solutions. We also aim to reduce the price of one of our multi-asset income solutions in the near future. We are constantly reviewing where we can provide added cost savings for our clients and hope to implement more reductions where possible across a wider range of funds in the future. With increasing scale of our funds, there will be additional savings as we should be able to negotiate better rates affecting the overall management and implementation of the solutions.



COMPARABLE SERVICES

Are there similar investments available to different client groups with different charging structures?

How we assessed it

We compared the service and mandate offered by each fund against similar funds offered by HLFM to retail clients or otherwise.

What we concluded

We have concluded, based on analysis of our comparable services, that all funds offer value under this pillar. Each HL fund is distinctly different to the others, despite some funds sitting in the same IA sector or having similar objectives. For example, while the HL Multi-Manager UK Growth Fund and the HL Select UK Growth Shares Fund both have growth objectives and invest in UK equities, the fund-of-funds approach used in the HL Multi-Manager fund is a different service to the concentrated, direct equity approach of the HL Select fund. They therefore should not be considered 'comparable services'. In addition, the HL Growth Fund has a specific objective of delivering its return over 10 years, for the accumulation stage of pension saving, and therefore does not share a similar objective to any other fund within our range. On this basis, we believe we are providing value to investors, as each of our funds is distinctly different to the other funds that we offer.

What we can do better

Our focus has been on offering funds for retail clients, and we will continue with this focus going forward. Should we provide mandates or funds to non-retail clients in the future, we will consider how this impacts our retail offering to ensure we continue to deliver in this area.

ECONOMIES OF SCALE

How do you benefit from the savings HLFM makes as the funds grow?

How we assessed it

We regularly review and negotiate with fund groups on the charges they apply to their funds. All funds are accessed via institutional share class or units, which may not be available to retail investors. With increasing scale, we look to ensure the charges of the underlying third-party funds, as well as the managers we appoint to run our segregated mandates are, and remain, competitive. Our HL Multi-Manager funds have also reached such a size that many of them make use of segregated mandates where our fund managers believe opportunities for better performance potential and lower costs exist. This type of service cannot typically be accessed until significant scale is achieved. Over time this has driven down the charges incurred by our HL Multi-Manager funds and this saving is passed on to end investors in the form of a reduction in OCF.

Other expenses

Many of the fees covered by 'other expenses' are fixed and as our funds increase in size these fees become a smaller proportion of the fund. That said we still conduct periodic reviews of these fees and the services we receive from third parties

What we concluded

We have concluded, based on the analysis of our economies of scale, that overall value is being delivered to investors on all but three funds where some value is currently being delivered.

The three funds are the HL Select UK, HL Select UK Growth and HL Select Global Growth. We have excluded funds with less than a one year track record in this analysis. We continue to use our relationships to leverage and reduce the charges on underlying funds where possible, implement segregated mandates and lower our administration and other costs. These savings are passed onto HL Multi-Manager fund clients via a reduction in the OCF.

The HL Select funds were priced for scale at their launch, as are the more recent portfolio funds and building block funds and we continue to review for further economies of scale.

As at 30th September 2023, the following funds (HL Multi-Manager Special Situations, HL Multi-Manager Balanced Managed, HL Multi-Manager Asia and Emerging Markets, HL Multi-Manager High Income, HL Multi-Manager Equity and Bond, HL Multi-Manager European, HL Multi-Manager Strategic Bond, HL Multi-Manager UK Growth, HL UK Income UK Growth) have a tiered charging structure that reduces HLFM's AMC as the size of each fund increases which sees the AMC remain in place for the first £1 billion of assets but falling by 6.66% - 7.7% for each £1 billion in assets up to a maximum fall in AMC of 23% on assets over £3 billion in any one fund. An example for the HL Multi-Manager Balanced Managed Fund is provided below.

As the funds continue to grow, we will consider how best we can pass on any further realised benefits to investors.

What we can do better

We will continue to seek opportunities to reduce all our fund charges as our funds continue to build further scale and as we adapt our fund range. We will continue to negotiate on the charges of underlying fund managers and will add additional segregated mandates where we find the opportunity to do so.

Assets	Fee on each tier
Up to £1 billion	0.72%
£1 billion to £2 billion	0.67%
£2 billion to £3 billion	0.62%
£3 billion+	0.58%

CLASSES OF UNITS

Does your fund have cheaper share classes available?

How we assessed it

We compared the OCF of the classes of units for each of our funds that are available to investors and whether investors hold the most appropriate unit classes.

What we concluded

We have concluded, based on our analysis of unit classes, that all funds offer value to investors. Where we offer multiple share classes for a fund, either for Income or Accumulation units, or for classes set up for operational reasons, the charging structure is identical.

At times, our fund managers may invest in our "building blocks". Internally, we use a "Z" share class for these funds which carry zero fund management fees. This share class is provided for use by our fund managers to ensure clients are not double charged for exposures through the building blocks.

What we can do better

We are satisfied that we meet this criterion across our fund range. Should we look to launch new share classes of our funds, we will consider the impact across all share classes

RESULTS PER FUND

HL MULTI-MANAGER SPECIAL SITUATIONS

We have concluded that, based on the areas assessed, the HL Multi-Manager Special Situations Fund represents overall value to its investors.

Where we delivered good value

We believe that Quality of Services, AFM Costs, Economies of Scale, Comparable Market Rates, Comparable Services and Classes of Units are delivering good value.

Where we delivered some value

We believe that some value is being delivered under Performance.

Over the last annual performance period (1st Oct 22 – 30th Sep 23) markets have trended higher following a challenging environment the previous year. The rise in the market was mainly driven by the US market which benefited from a good run from the large cap technology stocks. Investors' expectations around the artificial intelligence's market opportunity were a major driver for these growth stocks. In addition, good news on the macro front helped drive markets higher. A downward trend in inflation led to expectations that central banks might be done with their rate hikes, which was a good support to the equity market.

In this environment, the fund was up by 7.7% driven by the US and global equity allocation, slightly ahead of the IA Global sector average. The fund benefited from a diversified allocation The increase in the weight of the US market was a clear positive driver. In addition, the fund benefited from good manager selection in some markets like Asia ex Japan. The main detractor to performance was the exposure to some mid and small cap stocks which were impacted by the rapid rise in interest rates. Small and mid-cap companies tend to be more sensitive to changes in rates globally.

Over the course of the year, we have made several changes to the portfolio. The main change was the increase in the US equity weight through the allocation to the HL US fund and to the L&G US index fund. We also reduced the allocation to the UK market as we exited some of the mandates like the Artemis Income and the Liontrust UK equity and our allocation to dedicated small caps funds with the sale of the Marlborough mandate. Within European equities, we added the Polar European income strategy which provided a value exposure and balanced the style within this region.

Overall rating

- Represents value

Assessment criteria

- Service quality
- Performance
- AFM cost
- Economies of scale
- Comparable market rates
- Comparable services
- Share classes

Comparable fees

OCF: **1.16%**
Comparator median composite: **1.16%**

Following these changes and the ongoing focus on a disciplined process for allocation and manager selection, we believe the fund is well positioned to deliver on its objective over the long term.

We feel that some value is being delivered through performance but requires continued focus to ensure changes made deliver value for all investors. The upgrades to the investment processes are expected to enhance future performance in line with the action plan requirements.

	30/09/2018 - 30/09/2019	30/09/2019 - 30/09/2020	30/09/2021 - 30/09/2021	30/09/2021 - 30/09/2022	30/09/2022 - 30/09/2023	5 Year ending Sept 23 (Annualised)
HL Multi-Manager Special Situations Trust Acc	-0.6	-1.2	24.3	-12.9	7.7	2.7
IA Global	5.9	7.4	23.8	-8.9	7.5	6.6

Past performance is not a guide to future returns. Performance numbers expressed in %.

Source: Lipper for Investment Management to 30/09/2023, Total Return Net Distribution Re-invested.

HL UK INCOME

We have concluded that, based on the areas assessed, the HL UK Income Fund represents overall value to its investors.

Where we delivered good value
We believe that Quality of Services, AFM Costs, Economies of Scale, Comparable Market Rates, Comparable Services and Classes of Units are delivering good value.

Where we delivered some value
We believe that some value is being delivered under Performance.

The last twelve months saw strong returns from the UK stock market despite a backdrop of seven interest rate rises from the Bank of England coupled with the ongoing conflict in Ukraine. Smaller and medium-sized businesses in general fared relatively poorly over the year versus their larger counterparts as the market perceived greater resilience to macro-economic factors. UK Equity Income, as a style, was a headwind relative to the broad FTSE All-Share index. The Fund altered its objective and benchmark during the period and performed in-line with its feeless benchmark. The Fund has continued to meet its income objective producing a yield of 4.7% over the last twelve months compared to the broad FTSE All-Share index yield of 3.9%. In addition, the Fund has continued to grow its income, paying a distribution that was 4.1% higher than that paid during financial year 2021-2022 (A Income share class).

As discussed in last year's report, the Fund has continued to moderate style exposures relative to its new benchmark however given its income objective, will typically have a bias to higher yielding companies within the UK. Investments with Marlborough were exited, and a new position was initiated with iShares Core FTSE 100 ETF. The net result has seen a shift away from smaller companies to larger counterparts allowing exposure to the largest companies within the UK market via a cost-effective vehicle. We remain focused on an appropriate blend of managers to ensure the Fund meets its dual objectives.

We feel that some value is being delivered through performance but requires continued focus to ensure changes made deliver value for all investors. The upgrades to the investment processes are expected to enhance future performance in line with the action plan requirements.

Overall rating
- Represents value

Assessment criteria
- Service quality
- Performance
- AFM cost
- Economies of scale
- Comparable market rates
- Comparable services
- Share classes

Comparable fees

OCF: **1.09%**
Comparator median composite: **1.07%**

	30/09/2018 - 30/09/2019	30/09/2019 - 30/09/2020	30/09/2021 - 30/09/2021	30/09/2021 - 30/09/2022	30/09/2022 - 30/09/2023	5 Year ending Sept 23 (Annualised)
HL UK Income Class A Acc	-5.4	-18.9	30.4	-10.0	13.8	0.5
FTSE All-Share TR	2.7	-16.6	27.9	-4.0	13.8	3.7
IA UK Equity Income	-0.4	-17.3	32.7	-8.7	13.5	2.5

Past performance is not a guide to future returns. Performance numbers expressed in %.
Source: Lipper for Investment Management to 30/09/2023, Total Return Net Distribution Re-invested.

HL MULTI-MANAGER EQUITY & BOND

Overall rating

- Represents value

Assessment criteria

- Service quality
- Performance
- AFM cost
- Economies of scale
- Comparable market rates
- Comparable services
- Share classes

Comparable fees

OCF: **1.21%**
Comparator median composite: **1.08%**

We have concluded that, based on the areas assessed, the HL Multi-Manager Equity & Bond Fund represents overall value to its investors.

Where we delivered good value
We believe that Quality of Services, AFM Costs, Economies of Scale, Comparable Services and Classes of Units are delivering good value.

Where we delivered some value
Some value is being delivered through Comparable Market Rates but requires focus. Value also is being delivered through Performance but requires continued focus to ensure changes deliver value over a five year period.

Over the 12 months to 30th September 2023 equity markets have performed reasonably well, while fixed income investors have seen some relatively testing times. Central banks across the globe continued to hike interest rates in their bids to bring inflation back under control. While inflation rates have fallen significantly, the yields on bonds have not fallen in the same way.

Against this backdrop the fund made 5.1%, which was ahead of the IA Mixed Investment 20-60% Shares peer group average. However, the fund is still behind the peer group over a five-year horizon.

Some of our equity positions performed very well, notably in Japan and continental Europe but our new US holding (JPM US Income) disappointed as income-oriented stocks lagged the fast-moving technology-related US 'growth' stocks which stormed ahead. The fund made respectable gains on the fixed income portfolio as a whole.

We made significant changes to the portfolio during the period under review. Most notably, we significantly increased our strategic exposure to US equities funded by a reduction in other equity regions (especially the UK). We closed out our positions in 'total return' funds, where the managers make allocation decisions on our behalf, to allow us to take these decisions within HLFM.

During the period, HLFM launched a Global Corporate Bond 'building block'. This allows us to create bespoke segregated mandates with our preferred managers at low prices and with complete transparency. We have transferred most of our exposure to these assets to the building blocks in our internal Z share class which carries no HLFM management fees to ensure clients are not double charged for the exposure.

The fund no longer has a significant exposure to smaller companies, although it still has some exposure to these stocks. There remains an income bias to maintain the fund's relatively high yield but we have also moderated active style, country and sector positioning more generally.

We believe these changes will allow us to deliver the fund's objectives and to improve long-term performance relative to the IA Mixed Investment 20-60% Shares peer group aided by high-calibre fund managers.

We feel that some value is being delivered through performance, but requires continued focus to ensure changes made deliver value for all investors. The upgrades to the investment processes are expected to enhance future performance in line with the action plan requirements.

	30/09/2018 - 30/09/2019	30/09/2019 - 30/09/2020	30/09/2021 - 30/09/2021	30/09/2021 - 30/09/2022	30/09/2022 - 30/09/2023	5 Year ending Sept 23 (Annualised)
HL Multi-Manager Equity & Bond Trust Acc	-1.5	-7.9	16.6	-8.3	5.1	0.4
IA Mixed Investment 20-60% Shares	4.1	-1.5	12.8	-10.9	4.3	1.5

Past performance is not a guide to future returns. Performance numbers expressed in %.

Source: Lipper for Investment Management to 30/09/2023, Total Return Net Distribution Re-invested.

HL MULTI-MANAGER BALANCED MANAGED

Overall rating

- Represents value

Assessment criteria

- Service quality (green)
- Performance (amber)
- AFM cost (green)
- Economies of scale (green)
- Comparable market rates (amber)
- Comparable services (green)
- Share classes (green)

Comparable fees

OCF: **1.15%**
Comparator median composite: **1.03%**

We have concluded that, based on the areas assessed, the HL Multi-Manager Balanced Managed Fund represents overall value to its investors.

Where we delivered good value
We believe that Quality of Services, AFM Costs, Economies of Scale, Comparable Services and Classes of Units are delivering good value.

Where we delivered some value
We believe that some value is being delivered under Comparable Market Rates and Performance.

Over the 12 months to 30th September 2023, equity markets have performed reasonably well, while fixed income investors have seen some relatively testing times. Central banks across the globe continued to hike interest rates in their bids to bring inflation back under control. While inflation rates have fallen significantly, the yields on bonds have not fallen in the same way.

Against this backdrop, the fund made 7.7% in returns, comfortably ahead of the IA Mixed Investment 40-85% Shares peer group average. However, the fund is still behind the peer group over a five-year horizon.

The Man GLG Japan Core Alpha fund was our best performer with a one-year total return of more than 25% with the BlackRock European Dynamic fund also performing strongly. A few holdings lost money over the period, including the FSSA Japan Focus fund with its higher exposure to medium-sized Japanese 'growth' companies. The fund made respectable gains on the fixed income portfolio as a whole.

We made significant changes to the portfolio during the period under review. Most notably, we significantly increased our strategic exposure to US equities funded by a reduction in other equity regions (especially the UK and continental Europe). We closed out our positions in 'total return' funds, where the managers made allocation decisions on our behalf, to allow us to take these decisions within HLFM.

During the period HLFM launched US and Global Corporate Bond 'building blocks'. These allow us to create bespoke segregated mandates with our preferred managers at low prices and with complete transparency. We have transferred most of our exposure to these assets to the building blocks in our internal Z share class which carries no HLFM management fees to ensure clients are not double charged for the exposure.

The fund no longer has a significant exposure to smaller companies and we have also moderated active style, country and sector positioning more generally.

We believe these changes will allow us to deliver the fund's objectives and to improve long-term performance relative to the IA Mixed Investment 40-85% Shares peer group aided by high-calibre fund managers.

We feel that some value is being delivered through performance, but requires continued focus to ensure changes made deliver value for all investors. The upgrades to the investment processes are expected to enhance future performance in line with the action plan requirements.

	30/09/2018 - 30/09/2019	30/09/2019 - 30/09/2020	30/09/2021 - 30/09/2021	30/09/2021 - 30/09/2022	30/09/2022 - 30/09/2023	5 Year ending Sept 23 (Annualised)
HL Multi-Manager Balanced Managed Trust A Acc	-0.3	-4.0	18.9	-11.3	7.7	1.7
IA Mixed Investment 40-85% Shares	4.1	-0.4	17.1	-10.2	5.2	2.8

Past performance is not a guide to future returns. Performance numbers expressed in %.

Source: Lipper for Investment Management to 30/09/2023, Total Return Net Distribution Re-invested.

HL SELECT UK GROWTH

We concluded that, based on the areas assessed, HL Select UK Growth Shares represents overall value to its investors.

Where we delivered good value
We believe that Quality of Services, Performance, AFM Costs, Comparable Market Rates, Comparable Services and Classes of Units are delivering good value.

Where we delivered some value
We believe that some value is being delivered under Economies of Scale.

The HL Select funds were priced at launch as though they had already achieved scale. As the fund continues to grow, we will consider how best to pass on any benefit to investors.

The fund delivered a return of 9.6% over the period. Performance was driven by negative stock selections, only partly compensated by positive sector allocations. The greatest positive contributions came from Adobe Inc, Next plc and Auto Trader Group plc. Our largest losing positions were GB Group plc, Close Brothers Group and Experian plc. Our investment philosophy has not altered; we look for quality companies capable of delivering substantial growth over time. Our insistence on financial strength should be beneficial as the global economy navigates current challenges.

We are satisfied with the performance of the fund and believe that it is delivering value.

Overall rating

- Represents value

Assessment criteria

- Service quality
- Performance
- AFM cost
- Economies of scale
- Comparable market rates
- Comparable services
- Share classes

Comparable fees

OCF: **0.60%**
Comparator median composite: **1.00%**

	30/09/2018 - 30/09/2019	30/09/2019 - 30/09/2020	30/09/2021 - 30/09/2021	30/09/2021 - 30/09/2022	30/09/2022 - 30/09/2023	5 year ending Sept 23 (Annualised)
HL Select UK Growth Shares A Acc	3.8	-0.7	20.1	-12.7	9.6	3.5
FTSE All-Share	2.7	-16.6	27.9	-4.0	13.8	3.7
IA UK All Companies	0.1	-13.1	32.5	-15.5	12.4	1.8

Past performance is not a guide to future returns. Performance numbers expressed in %.
Source: Internal, Lipper for Investment Management to 30/09/2023, Total Return Net Distribution Re-invested.

HL SELECT UK INCOME

We concluded that, based on the areas assessed, HL Select UK Income Shares represents overall value.

Where we delivered good value
We believe that Quality of Services, AFM Costs, Comparable Market Rates, Comparable Services and Classes of Units are delivering good value.

Where we delivered some value
We believe that some value is being delivered under Performance and Economies of Scale.

The HL Select funds were priced at launch as though they had already achieved scale. As the fund continues to grow, we will consider how best to pass on any benefit to investors.

The fund delivered a return of 6.3% over the period. Performance was driven by weakness in both our stock selection and sector allocation outcomes. The greatest positive contributions to the fund came from Next plc, Cranswick plc and Haleon plc, with the most significant negative contributions coming from GB Group plc, Pennon Group plc and Experian plc. Our investment philosophy has not altered; we look for quality companies capable of delivering substantial growth over time. Our insistence on financial strength should be beneficial as the global economy navigates current challenges.

We feel that some value is being delivered through performance but requires continued focus to ensure changes made deliver value for all investors.

Overall rating

- Represents value

Assessment criteria

- Service quality
- Performance
- AFM cost
- Economies of scale
- Comparable market rates
- Comparable services
- Share classes

Comparable fees

OCF: **0.60%**
Comparator median composite: **1.08%**

	30/09/2018 - 30/09/2019	30/09/2019 - 30/09/2020	30/09/2021 - 30/09/2021	30/09/2021 - 30/09/2022	30/09/2022 - 30/09/2023	5 year ending Sept 23 (Annualised)
HL Select UK Income Shares A Acc	4.1	-11.4	26.3	-8.6	6.3	2.5
FTSE All-Share	2.7	-16.6	27.9	-4.0	13.8	3.7
IA UK Equity Income	-0.4	-17.3	32.7	-8.7	13.5	2.5

Past performance is not a guide to future returns. Performance numbers expressed in %.

Source: Internal, Lipper for Investment Management to 30/09/2023, Total Return Net Distribution Re-invested.

*On 22nd October 2018, HL Select Funds changed from a dual to a single pricing basis.

HL SELECT GLOBAL GROWTH

We concluded that, based on the areas assessed, HL Select Global Growth Shares represents overall value.

Where we delivered good value
We believe that Quality of Services, Performance, AFM Costs, Comparable Market Rates, Comparable Services and Classes of Units are delivering good value.

Where we delivered some value
We believe that some value is being delivered under Economies of Scale.

The HL Select funds were priced at launch as though they had already achieved scale. As the fund continues to grow, we will consider how best to pass on any benefit to investors.

The fund delivered a return of 10.7% over the period. Within the portfolio we saw notable positive outcomes from Booking Holdings, West Pharmaceuticals and Diversey Holdings. Negative contributors were led by Charles Schwab Corp, Cryoport Inc and Autodesk Inc. Our investment philosophy has not altered; we look for quality companies capable of delivering substantial growth over time.

Our insistence on financial strength should be beneficial as the global economy navigates current challenges.

We are satisfied with the performance of the fund and believe that it is delivering value.

Overall rating

- Represents value

Assessment criteria

- Service quality
- Performance
- AFM cost
- Economies of scale
- Comparable market rates
- Comparable services
- Share classes

Comparable fees

OCF: **0.60%**
Comparator median composite: **1.10%**

	30/09/2018 - 30/09/2019	30/09/2019 - 30/09/2020	30/09/2021 - 30/09/2021	30/09/2021 - 30/09/2022	30/09/2022 - 30/09/2023	SI ending Sept 23 (Annualised)
HL Select Global Growth A ACC	n/a	21.6	24.0	-16.9	10.7	9.0
FTSE World TR GBP	7.9	5.2	24.0	-3.0	12.2	10.1
IA Global	5.9	7.4	23.8	-8.9	7.5	7.4

Past performance is not a guide to future returns.

Source: Bloomberg, Lipper for Investment Management to 30/09/2023, Total Return Net Distribution Re-invested, Bid to Bid.

The Fund was launched on 3 May 2019. N/A: full year past performance data is unavailable.

HL GROWTH

We have concluded that, based on the areas assessed, the HL Growth Fund represents overall value.

Where we delivered good value
We believe that all the Pillars assessed are delivering good value.

Quality of service
The ACD has delegated investment management to Legal & General Investment Management Limited. Regular monitoring of our own operational performance is undertaken, including the level and type of customer complaints, breaches & errors, as well as on the quality of services provided by the Investment Adviser, and other delegated external service providers. This ongoing monitoring confirms high standards are being maintained. We believe that the quality of services received by investors in this fund is delivering value.

Performance
We are satisfied with the performance of the fund and believe that it is delivering value.

AFM costs
The ongoing charges (OCF) have been fixed at 0.1%. Any additional costs will be met by the Fund Manager. This fixed charges figure does however exclude the costs of buying or selling assets for the fund. We believe the costs of the fund are appropriate and feel that value is being delivered.

Economies of scale
The HL Growth Fund was priced at launch as though it had already achieved scale.

Comparable market rates
The fund's OCF was found to be priced below that of its peers. We believe that the fund is priced competitively and is offering value.

Comparable services
HL does not offer a comparable service within other mandates or institutional funds.

Classes of units
This fund is only available in one unit class.

Overall rating

- Represents value

Assessment criteria

- Service quality
- Performance
- AFM cost
- Economies of scale
- Comparable market rates
- Comparable services
- Share classes

Comparable fees

OCF: **0.10%**
Comparator median composite: **1.03%**

	30/09/2018 - 30/09/2019	30/09/2019 - 30/09/2020	30/09/2021 - 30/09/2021	30/09/2021 - 30/09/2022	30/09/2022 - 30/09/2023	1 Year ending Sept 23 (Annualised)
HL Growth Class A Accumulation Shares	n/a	n/a	n/a	n/a	7.0	7.0
IA Mixed Investment 40-85% Shares NR (HLG)	4.1	-0.4	17.1	-10.2	5.2	5.2

Past performance is not a guide to future returns. Performance numbers expressed in %.

Source: Bloomberg, Lipper for Investment Management to 30/09/2023, Total Return Net Distribution Re-invested.

The HL Growth Fund launched on 15th December 2021.

HL MULTI-MANAGER HIGH INCOME

Overall rating

- Represents some value but requires continued focus

Assessment criteria

- Service quality
- Performance
- AFM cost
- Economies of scale
- Comparable market rates
- Comparable services
- Share classes

Comparable fees

OCF: **1.16%**
Comparator median composite: **1.08%**

We have concluded that, based on the areas assessed, the HL Multi-Manager High Income Fund broadly provides some value, however it requires additional focus to improve the delivery of overall value.

Where we delivered good value
We believe that Quality of Services, AFM Costs, Economies of Scale, Comparable Market Rates, Comparable Services and Classes of Units are delivering good value.

Where we delivered some value
We believe that some value is being delivered under Performance.

The fund aims to deliver a high and sustainable income from a portfolio of equity and fixed income assets for investors that wish to receive an immediate income stream. Our level of income distribution can, however, be impacted by Sterling currency movements with last year's appreciation reducing the Sterling value of our overseas dividends. We are pleased therefore, in the face of this currency headwind, to have been able to deliver an income distribution of 4.08p, a one percent reduction on last year's pay-out of 4.13p.

Performance over the past 12 months to end of September 2023 was in line with the IA Mixed Investment 20-60% Shares peer group. As noted in last year's Value Assessment, we continue to make changes to the fund to run a more core equity proposition by reducing country, style, and capitalisation biases. It is our expectation that these changes will improve investor outcomes over the longer term. In the past 12 months, we sold three UK centric equity managers, added FSSA Asian Equity Plus, a specialist Asian equity manager, and selectively used passive ETFs within UK, Global and Japan equity. These changes provide more diversification within our equity allocation, which should increase the sustainability of the fund's distribution and improve total return performance.

Within our fixed income allocation, we moved away from UK to global centric bond managers. This change resulted in the sale of three bond managers and the addition of PGIM Global High Yield Bond Fund, BlueBay Emerging Market Aggregate Bond fund, Capital Group Emerging Markets Currency Fund and HL Global Corporate Bond Fund. By investing in iShares $ Treasury Bond 20+yr UCITS ETF also enabled us to increase efficiently interest rate duration exposure in the fund and take advantage of higher interest rates. It is expected that these changes will improve the fund's distribution over time.

We feel that some value is being delivered through performance but requires continued focus to ensure changes made deliver value for all investors. The upgrades to the investment processes are expected to enhance future performance in line with the action plan requirements.

	30/09/2018 - 30/09/2019	30/09/2019 - 30/09/2020	30/09/2021 - 30/09/2021	30/09/2021 - 30/09/2022	30/09/2022 - 30/09/2023	5 year ending Sept 23 (Annualised)
HL Multi-Manager High Income	0.7	-8.8	20.8	-11.3	4.2	0.5
IA Mixed Investment 20-60% Shares	4.1	-1.5	12.8	-10.9	4.3	1.5

Past performance is not a guide to future returns. Performance numbers expressed in %.
Source: Lipper for Investment Management to 30/09/2023, Total Return Net Distribution Re-invested.

HL MULTI-MANAGER UK GROWTH

We concluded that, based on the areas assessed, the HL Multi-Manager UK Growth Fund broadly provides some value, however it requires additional focus to improve the delivery of overall value.

Where we delivered good value
We believe that Quality of Services, Economies of Scale, Comparable Services and Classes of Units are delivering good value.

Where we delivered some value
We believe that some value is being delivered under AFM Costs and Comparable Market Rates and will be reducing the fees for the fund.

Where we delivered poor value
We believe that the Performance for this fund is delivering poor value.

The last twelve months saw strong returns from the UK stock market. This was despite a backdrop of seven interest rate rises from the Bank of England to tackle elevated inflation coupled with the ongoing conflict in Ukraine. Smaller and medium-sized businesses in general fared relatively poorly over the year, versus their larger counterparts as the market perceived greater resilience to macro-economic factors. The Fund performed in line with its peers in the IA UK All Companies sector over the period, and was impacted by a market rally on the final day of the period which was not captured by the Fund until a day later.

The Fund has seen significant change over the last twelve months resulting in a consolidation of managers. Investments within Marlborough and Franklin Templeton were sold, both of which were heavily invested within medium and smaller companies as well as Columbia Threadneedle, AXA, Troy and Lindsell Train, the former due to the retirement of the manager. New investments were made with Royal London and Liontrust adding exposure to larger companies as well as a new position within Vanguard Funds Plc FTSE 250 UCITs ETF which provides cost effective exposure to the FTSE 250. A small position has also been initiated within iShares Core FTSE 100 ETF to aid cash management. The resultant changes create a balanced portfolio and enable the Fund to be less sensitive to style rotations. We remain focused on an appropriate blend of managers to ensure the Fund meets its objective.

Overall rating

- Represents some value but requires continued focus

Assessment criteria

- Service quality
- Performance
- AFM cost
- Economies of scale
- Comparable market rates
- Comparable services
- Share classes

Comparable fees

OCF: **1.30%**
Comparator median composite: **1.06%**

We feel that the Fund is not providing value through performance. Close attention has, and will continue to be, placed on the managers in order that improvements are made to the benefit of fund investors. The upgrades to the investment processes are expected to enhance future performance in line with the action plan requirements.

	30/09/2018 - 30/09/2019	30/09/2019 - 30/09/2020	30/09/2021 - 30/09/2021	30/09/2021 - 30/09/2022	30/09/2022 - 30/09/2023	5 year ending Sept 23 (Annualised)
HL Multi-Manager UK Growth A Acc	-3.6	-12.9	29.8	-17.4	12.6	0.3
IA UK All Companies	0.1	-13.1	32.5	-15.5	12.4	1.8

Past performance is not a guide to future returns. Performance numbers expressed in %.

Source: Lipper for Investment Management to 30/09/2023, Total Return Net Distribution Re-invested.

HL MULTI-MANAGER EUROPEAN

We have concluded that, based on the areas assessed, the HL Multi-Manager European Fund broadly provides some value, however it requires additional focus to improve the delivery of overall value.

Where we delivered good value
We believe that Quality of Services, Economies of Scale, Comparable Services and Classes of Units are delivering good value.

Where we delivered some value
We believe that some value is being delivered under Performance and AFM Costs and will be reducing the fees for the fund.

Where we delivered poor value
We believe that Comparable Market Rates for this fund is delivering poor value and will be reducing the fees for the fund.

The last 12 months saw strong returns from European stock markets. This was despite a backdrop of central banks raising interest rates to combat elevated inflation in the region and the ongoing conflict in Ukraine. Smaller and medium-sized businesses in general fared relatively poorly over the year, versus their larger counterparts. The fund lagged its peers in the IA Europe excluding UK sector over the period. This was in part due to underexposure to cheaper, 'value' companies that fared especially well over the period. Performance was also impacted by a market rally on the final day of the period which was not captured by the fund until a day later.

During the last year, we made several changes to the portfolio as we continued to focus on bringing balance to the fund. We concluded a review of the value space, as referred to in last year's report. This involved adding a holding in the Polar Capital European ex UK Income fund, which adds useful exposure to cheaper companies that pay attractive dividends. We also added a new holding in the MFS Continental European Equity fund, which is a relatively 'core' fund (i.e., is not overly skewed to any one area of the market), with a preference for high quality companies. We also added to another existing core fund, JPM Europe Dynamic ex UK. We focused the list of managers who seek higher growth businesses by adding to BlackRock European Dynamic, while selling Jupiter European and CT European Select in their entirety. We exited a mandate managed by Crux Asset Management and the Schroder European fund, as we saw better opportunities elsewhere. We also sold the L&G European Index fund, given the opportunities we saw with active managers. Finally, within the small and medium-sized manager area, we reduced exposure overall by selling Jupiter European Smaller Companies in its entirety and we reduced the Barings Europe Select fund.

The net result of the changes above is a balanced portfolio of five active managers. Our ongoing monitoring will focus on maintaining an appropriate blend of managers, while always being on the lookout for ways to improve the quality of the portfolio.

We feel that some value is being delivered through performance, but requires continued focus to ensure changes made deliver value for all investors. The upgrades to the investment processes are expected to enhance future performance in line with the action plan requirements.

Overall rating

- Represents some value but requires continued focus

Assessment criteria

- Service quality
- Performance
- AFM cost
- Economies of scale
- Comparable market rates
- Comparable services
- Share classes

Comparable fees

OCF: **1.37%**
Comparator median composite: **1.09%**

	30/09/2018 - 30/09/2019	30/09/2019 - 30/09/2020	30/09/2021 - 30/09/2021	30/09/2021 - 30/09/2022	30/09/2022 - 30/09/2023	5 year ending Sept 23 (Annualised)
HL Multi-Manager European A Acc	2.5	7.7	21.5	-20.1	14.1	4.1
IA Europe (Excluding UK)	2.0	3.5	22.4	-16.5	18.4	5.0

Past performance is not a guide to future returns. Performance numbers expressed in %.
Source: Lipper for Investment Management to 30/09/2023, Total Return Net Distribution Re-invested.

HL MULTI-MANAGER ASIA & EMERGING MARKETS

Overall rating

● Represents poor value

Assessment criteria

- ● Service quality
- ● Performance
- ● AFM cost
- ● Economies of scale
- ● Comparable market rates
- ● Comparable services
- ● Share classes

Comparable fees

OCF: **1.48%**
Comparator median composite: **1.35%**

We have concluded that, based on the areas assessed, the HL Multi-Manager Asia & Emerging Markets Fund is delivering poor value to its investors and an action plan has been put in place to improve outcomes.

The Fund will undergo a complete assessment with changes effected over the next twelve months with a focus on performance outcomes as per changes made to our investment process, and a fee reduction. Our investment process has been enhanced across portfolio construction, selection, risk management and strategy objectives. The long and short term impact of the changes will be reviewed and monitored through our Investment and AOV committees.

Where we delivered good value
We believe that Quality of Services, Economies of Scale, Comparable Services and Classes of Units are delivering good value.

Where we delivered some value
We believe that some value is being delivered under AFM Costs and Comparable Market Rates and will be reducing the fees for the fund.

Where we delivered poor value
We believe that the Performance for this fund is delivering poor value.

The fund's performance over the past year was disappointing due to poor stock selection from our Asian equity managers. Our managers focus on bottom-up stock picking and therefore missed out on a momentum-driven equity rally that favoured expensive Taiwanese and Indian stocks over cheaper Chinese and Hong Kong listed ones. We believe that stock prices follow company earnings, and therefore as fundamentals reassert themselves in markets, our managers will again outperform for the benefit of our fund.

In the context of challenging relative performance, as noted in last year's Value Assessment, we continue to make changes to the fund that we believe will deliver an improvement in investor outcomes over the longer term. In 2023, we further concentrated the number of managers within the fund, removing two managers, and adding one. As of 30 September 2023, we had eight managers within HL Multi-Manager Asia & Emerging Markets, down from nine a year ago.

Furthermore, recognising the potential negative consequences of running significant country, style, or capitalisation biases, we have actively been reweighting the managers' allocations within the fund to create a more core proposition that should be able to outperform across different market conditions. For example, Invesco Global Emerging Markets Fund, a contrarian emerging market value manager, was introduced into the fund in September 2023 to increase exposure to non-Asian value stocks. This activity builds on the fund changes from last year where two small cap managers were sold to reduce our bias to small cap equity.

We currently believe this fund is not delivering value to investors through performance. The upgrades to the investment processes and the changes detailed above have been made to enhance future performance and we continue to review the fund proposition.

	30/09/2018 - 30/09/2019	30/09/2019 - 30/09/2020	30/09/2021 - 30/09/2021	30/09/2021 - 30/09/2022	30/09/2022 - 30/09/2023	5 year ending Sept 23 (Annualised)
HL Multi-Manager Asia & Emerging Markets A Acc	7.9	0.8	15.8	-10.5	-5.3	1.3
IA Asia Pacific (Excluding Japan)	6.1	7.6	15.2	-9.7	0.5	3.6
IA Global Emerging Markets	7.3	2.1	18.8	-14.2	3.0	2.8

Past performance is not a guide to future returns. Performance numbers expressed in %.

Source: Lipper for Investment Management to 30/09/2023, Total Return Net Distribution Re-invested.

HL MULTI-MANAGER STRATEGIC BOND

Overall rating

🔴 Represents poor value

Assessment criteria

- 🟢 Service quality
- 🔴 Performance
- 🟢 AFM cost
- 🟢 Economies of scale
- 🟡 Comparable market rates
- 🟢 Comparable services
- 🟢 Share classes

Comparable fees

OCF: **0.93%**
Comparator median composite: **0.81%**

We have concluded that, based on the areas assessed, the HL Multi-Manager Strategic Bond Fund is delivering poor value to its investors and an action plan has been put in place to improve outcomes.

The Fund will undergo a complete assessment over the next six months with a focus on performance outcomes as per changes made to our investment process. Our investment process has been enhanced across portfolio construction, selection and risk management. The long- and short-term impact of the changes will be reviewed and monitored through our Investment and AOV committees.

Where we delivered good value
We believe that Quality of Services, AFM Costs, Economies of Scale, Comparable Services and Classes of Units are delivering good value.

Where we delivered some value
We believe that some value is being delivered under Comparable Market Rates.

Where we delivered poor value
We believe that the Performance for this fund is delivering poor value.

Central banks across the globe continued to hike interest rates over the 12 months to 30th September 2023 in their bids to bring inflation back under control. While inflation rates have fallen significantly, the yields on bonds had not fallen in the same way and this was a relatively testing backdrop for fixed income investments such as those in the HL MM Strategic Bond fund. The fund made a positive return of more than 4.5% over the period under review but posted a slight loss over the five years to 30th September 2023. Performance was behind the IA peer group average and the fund ended the period in the third quartile over both one year and five-year horizons.

The fund's high yield and emerging market debt holdings did well over the period, but government-related bonds had a relatively tough time.

Over the last 12 months we have executed a near-total overhaul of our portfolio. This largely reflects the significantly more attractive yields on offer from bonds compared with a year earlier. It also reflects a desire to have more control over the fund's allocations. Previously, we delegated such decisions to managers of 'strategic' bond funds. Going forward, we will decide how much we wish to allocate to government bonds, investment grade corporate bonds, higher-yielding debt and bonds from emerging markets.

We believe these changes will allow us to deliver the fund's objectives and to improve long-term performance relative to the IA £ Strategic Bond peer group aided by high-calibre bond fund managers, including those running global funds and with a broad opportunity set.

We feel that the performance of the Fund is not providing value through performance. Close attention has, and will continue to be, placed on the managers in order that improvements are made to the benefit of fund investors. The upgrades to the investment processes are expected to enhance future performance in line with the action plan requirements.

	30/09/2018 - 30/09/2019	30/09/2019 - 30/09/2020	30/09/2021 - 30/09/2021	30/09/2021 - 30/09/2022	30/09/2022 - 30/09/2023	5 year ending Sept 23 (Annualised)
HL Multi-Manager Strategic Bond Trust A Acc	5.9	3.6	3.6	-16.1	4.5	-0.1
IA £ Strategic Bond	6.8	3.2	4.8	-15.6	5.0	0.6

Past performance is not a guide to future returns. Performance numbers expressed in %.

Source: Lipper for Investment Management to 30/09/2023, Total Return Net Distribution Re-invested.

HL CAUTIOUS MANAGED

The HL Cautious Managed Fund, previously the HL Multi-Manager Strategic Assets does not have an overall rating, or a rating for performance for this Value Assessment as following significant changes made to the fund in Q1 2023, it has not been in existence for the minimum one year requirement we need to conduct our review.

In our previous Value Assessment, we determined the HL Multi-Manager Strategic Assets Fund to be amber rated and broadly provided value but needed some improvements with performance. Upon review of the Fund, we decided that the fund needed to be changed to make it have a clearer focus and embed risk management more clearly. These changes covered a number of areas, including a name change, an objective change, benchmark changes and a reduction in fees.

The Fund had been aiming to achieve attractive returns over the long term, but with less volatility than investing only in shares, by having a portfolio diversified across different assets. That way when certain assets perform poorly, others can perform better and smooth returns. With less allocation to shares, this means that although there might be less potential for growth, there's also less potential for loss. We proposed that the objective was made more specific and changed to aim to maximise returns for a specified level of risk. We proposed that the Fund should be changed to be managed in line with our range of risk-managed funds as the lowest risk fund in the range, and in its revised form would allow investors to better compare what level of risk they are looking for.

The proposal which we put to Fund holders in Q1 of 2023, included a fund name change, an investment Objective, Investment Policy, a change to the comparator benchmark (to the IA Mixed Investment 0-35% Shares) and a reduction in fees. Over 96% of the votes cast at the Extraordinary General Meeting were in favour of the changes being made for HL Cautious Managed. We therefore decided to restructure the fund to be managed in line within our new risk managed range as the HL Cautious Managed Fund.

These changes were approved by the Fund holders at an Extraordinary General Meeting on 3 March 2023 and implemented on 20 March 2023. The new Fund will be reviewed in conjunction with the other risk managed range in the next year AOV report.

Where we delivered good value
We believe that Quality of Services, AFM Costs, Comparable Market Rates, Comparable Services and Classes of Units are delivering good value.

Where we delivered some value
We believe that some value is being delivered under Economies of Scale.

No performance assessment has been included within this report due to the fund's short performance history. We will include a full review and rating of the fund in the next Value Assessment Report.

Overall rating

- Not rated

Assessment criteria

- Service quality
- Performance
- AFM cost
- Economies of scale
- Comparable market rates
- Comparable services
- Share classes

Comparable fees

OCF: **0.88%**
Comparator median composite: **0.96%**

MEET THE BOARD OF HARGREAVES LANSDOWN FUND MANAGEMENT

MEET THE BOARD OF HARGREAVES LANSDOWN FUND MANAGEMENT

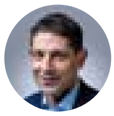
Our Board of Directors has the responsibility for ensuring that all the funds we manage are run in the best interests of our investors. As a principal subsidiary of Hargreaves Lansdown plc (HL plc), the services provided throughout HLFM benefits from robust challenge and oversight, through an extremely robust supervisory and advisory structure. The Board takes an active role in the Value Assessment process, both reviewing the quantitative analysis, as well as contributing to, and challenging, the methodology and qualitative review that is carried out on each fund. Two of the Board members are Independent Non-Executive Directors, including the Chair, providing further challenge and oversite to the process, ensuring that the interests of our investors are always represented. Full Biographies of our Board members are at the end of this report.

JOHN MISSELBROOK
Chairman

John was appointed to the board in July 2020. John has extensive executive and non-executive financial services experience and has worked in asset and wealth management for 30 years. He was Chief Operating Officer at Baring Asset Management for 11 years and more recently Chairman of Aviva Investors Ltd, Northern Trust Global Services SE and JP Morgan China Growth and Income plc. John brings a wealth of operational, governance regulatory and transformation experience.

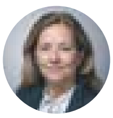
TOBY VAUGHAN
Chief Investment Officer

Toby is the Chief Investment Officer and has been with Hargreaves Lansdown since June 2023. He has over 22 years' experience in the investment industry spanning time across the institutional, retail wealth and private banking sectors. Toby's primary responsibilities focus on the development and oversight of investment process, risk, and performance outcomes at Hargreaves Lansdown Fund Managers.



JOHN TROIANO
Independent Non-Executive Director

John has significant Investment and asset management experience. John has spent 38 years at Schroders in a wide range of roles including investment research and analysis, fund management, and has worked across both the retail and institutional channel. Most recently, as Head of Distribution, he was responsible for the design and implementation of business strategy globally and the oversight of sale and client service activities.



SHAWN GAMBLE
Group Chief Risk Officer

Shawn Gamble is the Executive member responsible for Risk and Compliance. Shawn has over 20 years of corporate risk management experience, holding leadership roles at a number of multi-national banks and investment firms and working both in the UK and internationally, including in her native Canada. Prior to joining HL she was CRO of Fidelity International where she was responsible for their global Risk teams.

PAUL DIMAMBRO
Investment and Retirement Director

Paul has over 22 years experience in financial services with a focus on investments, trading, foreign exchange and product development. As Hargreaves Lansdown's Investment & Retirement Director, Paul is responsible for proposition strategy, product governance, distribution of investments across the platform, investment solutions and HL's range of ISA and pension products.

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