HARGREAVES LANSDOWN

HL FUND MANAGERS ASSESSMENT OF VALUE

September 2021 to September 2022

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

* With effect from 14 November 2022, this fund is now called HL UK Income

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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 HL Multi- Manager and Select 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 HL Multi-Manager funds and HL Select 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 bid-to-bid basis with any income reinvested. All data is correct as at the 30 September 2022 unless otherwise stated.

Issued by Hargreaves Lansdown Fund Managers Ltd. Authorised and regulated by the Financial Conduct Authority.

INTRODUCTION FROM OUR CHAIRMAN

JOHN MISSELBROOK
Chairman

Welcome to our 2022 Assessment of Value report, which assesses the full Hargreaves Lansdown Fund Managers (HFLM) range of funds.

As independent Chairman, I lead the HLFM Board (the “Board”) whose role is to provide effective oversight of the funds managed by HLFM in which you invest, to ensure that the interests of our fund investors are at the forefront at all times.

We continuously review the value our funds deliver to our clients throughout the year, and this annual report enables us to provide you with our assessment that the funds in which you are investing are delivering value on a consistent basis. Where issues have been identified, your Board is engaged with the HLFM management team to rectify them and seek improvements. As we stated last year, your Board welcomes transparency within the report and, this year, we have set out the important changes we are making to the way the funds are managed in order to further improve the value they provide to our fund investors, and the significant changes we are in the process of making to the funds themselves.

The HLFM funds form a key part of the Hargreaves Lansdown investment proposition. At HL, and by extension HLFM, 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.

Our approach to assessing the value criteria is consistent with the previous year. Quality of Service is one of the harder criteria to measure and we have sought to identify what makes our service offering different and provides investors with a service offering of quality. We continue to measure investment performance over five years using several metrics. However, as we seek to recognise near term outperformance, or underperformance, we are now including a weighting for one year performance and have reduced the weighting given to rolling five year performance since inception. We also take note of guidance from the Financial Conduct Authority and best practice reporting from other providers.

On completing the assessment across the full range of funds that we offer, our conclusion is that nine of fourteen funds continue to offer value to our investors, with five funds requiring additional focus to improve their overall value.

Investment performance across our multi-manager fund range, with some exceptions, needs further improvement. In our five-year performance assessment model we have lost a good year of investment performance, and performance in the current year has been mixed. Under the performance pillar, this has resulted in us applying a RED ranking for four funds and an AMBER ranking for a further five funds. In 2021 we had two red and six amber rated funds in the same offering.

Through the current year we have taken steps to improve our investment performance by strengthening our investment function. Senior investment professionals have been added to the multi-manager investment team, the independent investment risk function has been developed, and our investment process has been reviewed with clearer disciplines over asset allocation, portfolio construction and manager selection. We are beginning to see the benefits of these changes.

In 2022 the funds saw the full year benefit of the fee reductions we made to the Multi-Manager funds that were introduced during 2021. We reduced the fee for fixed income funds, and this also benefitted multi-asset funds, and we introduced a tiered fee structure as funds grew in size. We have also continued to enhance our investment performance through the move away from investing in the funds of preferred investment managers to creating bespoke segregated mandates with these managers. This change enables us to better define the investment mandate, to improve our measurement of performance and to further reduce fees.

The other significant change we are continuing to make is to the multi-manager funds themselves. In December 2021 we launched the HL Growth Fund, designed for long-term growth and incorporating ESG objectives, and, more recently, the launch of the HL US Fund was followed by the transformation of the Income and Growth Fund into the UK Income Fund. These changes are part of a broader development of our Multi-Manager funds to be launched over the next two years providing our investors with risk based funds, building block funds and low cost core funds for more bespoke portfolios. Our objective is to provide our fund investors with better value through a greater choice of diversified multi-manager solutions delivering good investment performance at a competitive price.

The FCA's Consumer Duty will lead to a major shift in financial services. The new rules look at improving standards and will be rolled out in 2023 and 2024. The Board recognises that even greater focus will be needed in its reporting under the Assessment of Value, and, as a Group, HL is fully engaged in ensuring it is fully able to adhere to the new rules as they apply to HLFM. We have moved into a period of greater economic uncertainty with large energy price rises leading to inflation at 30-year highs, global supply chain disruption and we may be heading into a period of high investment volatility, perhaps at levels that have not previously been seen by some investors. The objective of the changes we are making is to improve the investment performance and consistency of returns of our funds in this challenging period.

Finally, I want to refer to Environmental, Social and Governance (ESG) factors. Whilst, currently, only one of our funds, the HL Growth Fund, has a specific target for ESG investment in its objectives and policy, we have a clear objective that our funds should invest in companies that will deliver sustainable growth. As our Chief Investment Officer said in last year's report, all our underlying investment managers have signed up to the United Nations Principles of Responsible Investment, and this year we show the Morningstar Sustainability rating for each of our funds.

Navigating the investment challenges we face today and seeking to provide consistent and competitive returns is a primary objective for HLFM and for the funds we manage, and your Board are watching this closely.

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 (HLFM), to carry out an annual assessment of the overall value 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 an executive 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 2022 report we have a 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.

Quality of service
Performance
Authorised Fund Manager (AFM) costs
Comparable Market rates
Comparable Services
Economies of scale
Classes of Units
£
OVERALL VALUE

SUMMARY OF FINDINGS

THE OUTCOME OF OUR REVIEW	QUALITY OF SERVICE	PERFORMANCE	COST OF THE FUNDS	COMPARABLE MARKET RATES	COMPARABLE SERVICES	ECONOMY OF SCALE	CLASSES OF UNITS	2022 OVERALL
HL Multi-Manager Asia & Emerging Markets	✓	i	✓	✓	✓	✓	✓	✓
HL Multi-Manager Balanced Managed Trust	✓	i	✓	i	✓	✓	✓	i
HL Multi-Manager Equity & Bond Trust	✓	i	✓	✓	✓	✓	✓	✓
HL Multi-Manager European	✓	✓	✓	✓	✓	✓	✓	✓
HL Multi-Manager High Income	✓	✗	✓	✓	✓	✓	✓	i
HL Multi-Manager Income & Growth Trust	✓	✗	✓	✓	✓	✓	✓	i
HL Multi-Manager Special Situations Trust	✓	i	✓	✓	✓	✓	✓	✓
HL Multi-Manager Strategic Assets	✓	✗	✓	✓	✓	✓	✓	i
HL Multi-Manager Strategic Bond Trust	✓	i	✓	✓	✓	✓	✓	✓
HL Multi-Manager UK Growth	✓	✗	✓	✓	✓	✓	✓	i
HL Select UK Growth Shares	✓	✓	✓	✓	✓	✓	✓	✓
HL Select UK Income Shares	✓	✓	✓	✓	✓	✓	✓	✓
HL Select Growth Shares	✓	✓	✓	✓	✓	✓	✓	✓
HL Growth Fund	✓	N/A	✓	✓	✓	✓	✓	✓

- Represents value – We have concluded that value is delivered to our clients under this pillar or overall.
- Represents value but requires continued focus – We have concluded that whilst the fund broadly provides value, some areas require additional focus to deliver value under this pillar, or overall.
- Does not represent value – We have concluded that action must be taken to deliver value under this pillar, or overall.

*The HL Multi-Manager Income & Growth Trust name changed to the HL UK Income Fund on 14 November 2022

EXECUTIVE SUMMARY

Quality of Service – The range and quality of services provided to unitholders and shareholders of our funds.

From the seen services, such as communication, to the unseen, such as back office operations, we believe that we continue to deliver a good service level to our investors.

Continued monitoring of our outsouced functions show the high level of adeherence to service level agreements delivered by Northern Trust, and other service providers. Our client feedback also plays a key role in our service delivery.

The HL Platform continues to be the primary source of access for clients to our funds, and the business continues to improve its offering, delivering improved outcomes for our fund investors.

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

Performance – The performance of the funds, after costs, considered over an appropriate time period, taking into consideration their objectives, policy and strategy.

We are disappointed to report that we have assessed that four funds are failing to deliver value for their investors under the performance pillar. A further five funds are considered to be delivering some value, but require additional focus. The Select range of funds continue to perform well in the assessment.

We have concluded, based on the analysis of performance, that not all funds are delivering value to investors.

Authorised Fund Manager (AFM) costs – Each charge the fund is paying for, and, for each of these, the cost of providing the service or the amount paid to an associate or an external party.

With a full year of the reduction in charges for holdings in fixed interest securities now being seen, nine of the ten Multi-Manager funds saw a reduction in their ongoing charges figure (OCF) over the year. The HL Select & HL Growth funds saw their OCF's unchanged.

We have concluded, based on the analysis AFM costs, that they are of a level to be delivering value to investors.

Comparable Market Rates – In relation to each fund and service, the market rate for any comparable service provided.

We are satisfied that the range of funds offered is priced in line with comparable offerings.

One fund, HL Multi-Manager Balanced Managed Fund was identified as being charged at a rate higher than market competitors and savings have been identified which we believe will bring it in line with its peers over the next review period.

We have concluded based on the analysis of comparable market rates that, and with the exception of the HL Multi-Manager Balanced Managed Fund, the funds are delivering value under this assessment.

Comparable Services – An internal comparison looking at how each charge compares with charges of another service offered by HLFM with a similar size, objective, or policy.

HLFM does not offer similar funds to other groups of clients, retail or institutional.

We have concluded, based on analysis of our comparable services, that all funds offer value under this pillar.

Economies of Scale – Whether, for each fund, we have been able to achieve economies of scale that enable us to deliver savings for our fund unitholders and fund shareholders.

We have continued to pass on economies of scale within our multi-Manager range to investors. As outlined in our previous Assessment of Value, we now have put in place a tiered charging structure that reduces the AMC as the size of each fund increases.

The scale of the assets under management within HLFM is allowing greater use of segregated mandates within the Multi-Manager range. This means that rather than investing in the underlying fund managers' own funds we have employed these managers to manage a proportion of the assets directly within our fund providing access to institutional and overseas managers. Where identical access is available to retail investors in the underlying funds, the mandate costs are either in line or, in many cases lower. These lower costs are passed onto investors through lower OCF's.

The HL Select funds & HL Growth Fund were launched with a charge that assumed they had already achieved scale.

We have concluded, based on the analysis of our economies of scale, that value is being delivered to investors.

Classes of Units – Whether it is appropriate for unitholders / shareholders to be subject to higher unit classes than those available in other classes of the same funds. Whilst some of the funds have secondary or additional unit classes, there is no difference in charge, performance between classes.

We have concluded, based on our analysis of unit classes, that all funds offer value to investors..

CHIEF INVESTMENT OFFICER REPORT

LEE GARDHOUSE
Chief Investment Officer

As Chief Investment Officer, I lead the teams responsible for the investment management of the funds included in this report. Hargreaves Lansdown is in business to empower people to save and invest with confidence. Our range of funds are managed to deliver income, growth or a combination of income and growth over the medium to long term.

I commented last year on the challenge for markets being a shift toward a more inflationary environment. For multiple reasons inflation has shifted higher and proven more difficult for central banks to bring down than initially predicted. This has had a negative impact on both equity and fixed interest markets.

Over the 12 months to 30th September 2022 the FTSE All Share fell by a relatively – modest -4.00%. Overseas, the US market (S&P 500) saw a -15.47% fall, but dollar strength/ sterling weakness meant the US was the best performing major market in sterling terms, delivering a positive 2.1% return for UK investors. Other overseas markets, including emerging markets, performed less well but it was in the fixed interest markets where we saw the most dramatic market falls. UK government bonds, represented by the FTSE Actuaries UK conventional Gilts all stocks Index, fell by -23.29%.

HL SELECT
In our HL Select fund range, we take a long-term view, focusing on companies which we believe are both financially strong and able to deliver exceptional products and services. We hold a focussed number of stocks so that each one can make a real difference to returns. Because of the focused nature of the funds, we share information with clients on every significant holding, explaining why we have invested and providing regular updates on what's happening in the portfolios. We are very clear that the investment style of these funds is growth-orientated. We realise that this style will have times when it is out of favour and will underperform as it has been in the last 12 months, but we aim to continue to deliver long term outperformance of our benchmark and peers over a market cycle.

Within the Select team, James Jamieson joined us to manage the Select UK Growth and Select UK income funds joined by Matthew Gregg who has moved across to take up an equity analyst position. This team has now grown to three fund managers, three research analysts, along with a junior research analyst and an execution specialist, all of whom bring a broad range of experience.

HL MULTI-MANAGER
We do not believe that any one fund management group has a monopoly on talent across markets and asset types. Therefore, the HL Multi-Manager range seeks to build diversified portfolios by accessing best-of-breed fund managers, with proven expertise in their area of specialisation, from across the globe.

Markets are cyclical in nature and investment styles come in and out of favour. Given our belief that no one style of investing is better than others (e.g., value versus growth) we feel a diversified approach is preferable. Each of the HL Multi-Manager funds we manage offers clients access to a range of underlying managers and investment styles.

This year we have again invested in the team, adding an additional fund manager and two analysts. We also launched the HL Growth Fund. The management of the fund is a collaboration between HL and Legal & General whose range of index tracking funds are used to build the long-term growth-oriented portfolio. This was HL's first fund launch with an investment policy stating a specific target with regards to the proportion of the fund invested in funds which have environment, social and/or governance (ESG) objectives.

Since the fund's financial year end, we have also launched the HL US Fund. This was our first Multi-Manager fund launch where we have exclusively used segregated mandates. Having the scale to set up these segregated mandates gives us greater control, allows us to access a broader range of global fund manager talent and helps bring down the cost of investing.

Our aim over the next two years is to maximise the use of segregated mandates for all Multi-Manager clients. To this end, clients holding our HL UK Income Fund have recently seen us convert this fund to exclusively using segregated accounts and have benefitted from a reduction in our annual management fee.

We will convert further funds in this way, including our funds that invest into specific regions, and those that are focused on individual asset classes. This will allow us to use these funds within our mixed asset funds, so that all our clients are able to benefit.

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.

We are launching new and converting existing single strategy Multi-Manager funds, to fully benefit from the use of segregated mandates. We have already converted the previously named HL Multi-Manager Income & Growth to a fully segregated account approach (now HL UK Income) and launched the HL US Fund.

We are also launching a new range of active and passive risk targeted funds to meet the growth and income requirements of our clients. These portfolios will offer a mix of asset classes designed to maximise the return for your chosen level of risk.

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

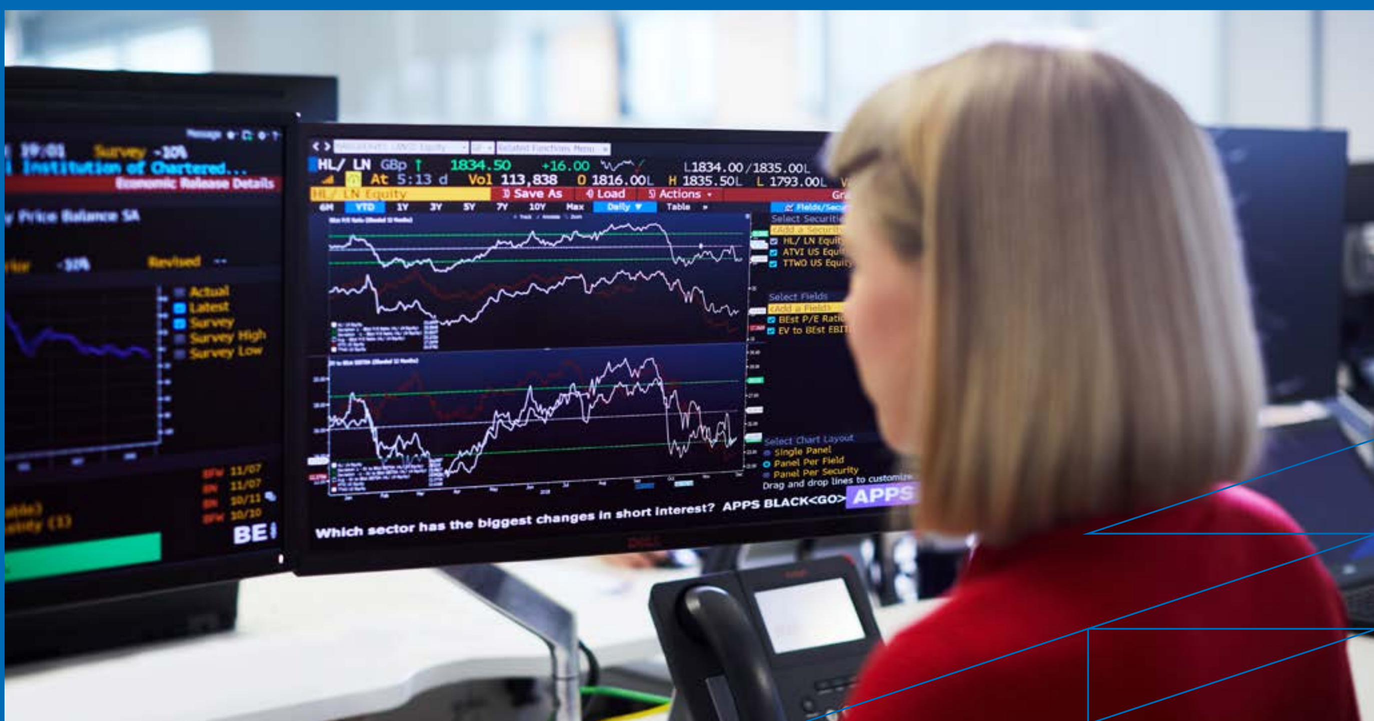
Through the introduction of new systems and processes, we have developed the back-office capacity to manage a larger number of funds and the capability to oversee the increased number of segregated accounts.

We 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 have upgraded their investment processes. We have introduced a new strategic asset allocation process to improve the long-term consistency of our performance and introduced a tactical asset allocation to take advantage of shorter-term opportunities. We have also added greater rigour to our portfolio construction and manager selection processes.

We believe the actions taken will improve performance.

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

20 YEARS



ESG INTEGRATION IN FOCUS
Our vision for ESG is to inspire confidence for a sustainable, resilient, and successful financial future.

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.

We've been integrating ESG factors into our investment processes for several years now. However, ESG best practice is continually evolving, and we've developed our approach too.

For the first time, in this 2022 Assessment of Value, whilst not formally scoring ESG factors for the report, we have added an independent score alongside each of the funds in our range to help investors evaluate their portfolios on environmental, social and governance factors.

The Morningstar Sustainability Rating is designed to support investors in evaluating the relative environmental, social, and governance risks within portfolios. Ratings are determined using bottom-up assessments of the underlying holdings within a portfolio.

These assessments are underpinned by Morningstar Sustainalytics' methodologies for assessing corporate and sovereign ESG risk. Morningstar Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies.

The calculation of the Morningstar Sustainability Rating involves several steps to accurately represent the relative risk within each portfolio; resulting in a rating of 1 to 5 "globes" for each eligible portfolio.

Going forward, we will look at a continuous process of improvement to deliver this type of information to fund investors.

Here's a closer look at the key things we're doing to invest your money responsibly across our **HL Multi-Manager** and **HL Select** range of funds.

EXCLUSIONS
Exclusionary screening (otherwise known as negative screening) means avoiding companies or countries on the basis of traditional moral values, standards, or norms.

Where possible HL prefer to engage rather than exclude. Simply excluding companies from the investment universe will prevent HL from helping them become more sustainably run enterprises. It also often results in a transfer of ownership to private markets where they won't be held to account.

However, some businesses engage in practises that damage society or the environment to the point where they constitute an unacceptably high risk to investors.

These companies typically pose greater investment risks as they could be hit with large fines, increased costs, or reputational damage. Some might even be left with 'stranded assets' – those which become devalued, or uneconomical to use, because of regulatory change or changes in demand.

Across the **HL Select funds** and the segregated mandates held within the **HL Multi-Manager funds** (where we directly control the assets) we currently impose either limits of a firm's generated revenue above which we will not invest / appoint a manager, or total exclusions on the following:

- Thermal coal power generation and extraction – (Cannot generate 20% or more of their revenues)
- Oil sands extraction – (Cannot generate 20% or more of their revenues)
- Controversial weapons – Total exclusion
- United Nations Global Compact (UNGC) violators (The HL Select fund managers and appointed managers of segregated mandates won't invest in persistent violators of the UNGC (prp) principles. A persistent violation occurs if a company is in breach of at least one of the UNGC principles for a continuous period of three years.)

FUND GROUP EXPECTATIONS
We've recently strengthened our expectations of the fund groups we invest with. Alongside committing to the Principles for Responsible Investment (a commitment to integrate ESG, and to develop your approach over time), we expect all fund groups across HL investment solutions to pledge to net zero, covering at least scope 1, emissions from sources that an organisation owns or controls directly – for example from burning fuel in a fleet of vehicles (if they're not electrically-powered), and scope 2 emissions (emissions that a company causes indirectly when the energy it purchases and uses is produced. For example, for an electric vehicle fleet, the emissions from the generation of the electricity they're powered by), by 2050 or earlier. They should also be working towards creating a robust transition plan to support this pledge. Those that haven't set a decarbonisation target will face divestment after a two-year engagement period if they don't comply.

We're pleased to say that a significant proportion of the fund groups we invest with have set satisfactory net zero targets. We're engaging with the remaining groups to encourage them to set targets and are pleased with progress so far. For those managers that have yet to commit, we will continue to engage, however, removing support from such managers is a sanction that we may impose.

STEWARDSHIP
Stewardship involves the active oversight of investments and can include a range of activities, including due diligence research, engagement, and voting. Effective stewardship can contribute towards sustainable, long-term value creation for investors.

A key way we exercise stewardship is through ESG risk monitoring. We obtain insights which allow more informed engagement, investment, and divestment decisions on behalf of clients. We do this through due-diligence questionnaires, regular fund manager and company meetings, and ongoing quantitative and investment risk monitoring.

HL has recently bolstered its in-house ESG Analysis team. The team contributes to ESG risk monitoring and oversees our analysis processes.

ENGAGEMENT

We engage with the companies we invest in, and the fund groups we invest with, in order to influence policies, and behaviours, to the benefit of long-term investors.
Our engagement process is structured in a way that enables us, firstly, to understand the issues that our investors care about, and then drive positive outcomes in these areas.
Defining specific engagement objectives, we share these with investees and managers, ensuring we subsequently track progress against the objectives.
Through constant monitoring, and working closely with fund managers, we can identify where companies are failing to respond positively to our engagement and, should we feel that escalation is failing to result in meaningful change, we have the ultimate sanction of disinvestment to consider.

VOTING

Participating in proxy votes, casting votes as a representative of others, is an important way for active investors to use their bargaining power to push for positive change and influence corporate behaviour on a range of issues.

We always vote at the meetings of the companies held in our HL Select funds, unless we're in the process of selling the company's shares. We take advice on voting from Institutional Shareholder Services (ISS), who have a long track record of monitoring and advising on corporate governance best practice.

QUALITY OF SERVICE

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

HOW WE ASSESSED
Whilst the quality of service pillar of the assessment is one that could be considered most subjective, albeit supported by a number of recorded metrics, we believe that it is a fundamental pillar of concluding the outcome of the overall assessment for the funds.

Outside of the more obvious aspects of our service, 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.

Our review of the quality of services delivered takes into consideration both the aspects that our clients see, as well as those that they don't.

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.

Whilst, in 2022, we did not carry out a client survey specifically on the quality of service delivered by HLFM to investors in our funds, we do have access to the extensive client advocacy and feedback that HL carries out on its wider proposition. This feedback continues to prove the value clients place on the quality and levels of communication and information regarding the HLFM funds that they are able to access via the platform.

PRODUCT RANGE, FEATURES AND ACCESSIBILITY
We offer two different fund ranges within HLFM, giving investors the choice of Multi-Manager, or funds of equities. All our funds are available within a range of account types through the Hargreaves Lansdown investment platform, enabling clients to invest in a tax-efficient manner. Additionally, under the Mult-Manager banner, we launched the HL Growth Fund, designed for workplace defined contribution pension schemes.

The HL Multi-Manager fund range provides access to a diverse range of investment styles and fund managers. There are options across the risk spectrum, asset classes and geographies, with unique combinations of market exposure. We also offer options for differing objectives – income, growth, or a combination of the two.

The range also enables clients' access to investments otherwise unavailable to retail clients. Each of the funds deliver an institutional level of fund selection, access, and pricing.

Meanwhile, our HL Select range offers concentrated exposure to exceptional shares with long term potential, alongside high levels of transparency and insight.

Hargreaves Lansdown has a very clear purpose – To empower people to save and invest with confidence.

In recognising that some HL clients may be looking to take the earliest steps in their investing journey, early stage accumulation, with relatively small amounts to invest, we make our complete fund range available to invest into for with a minimum lump sum requirements 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 the six 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. This level of insight and transparency provided via updates and fund blogs is highly valued by clients.

Any investor in the HL Multi-Manager or HL Select funds also have access to the HL Helpdesk. This highly valued service provides clients 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 LEVELS
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.

Whilst our own funds are just a subset of funds available through HL, our ability to access our investors' views, from the largest UK fund platform gives us unparalleled, and unfiltered, access from which to take learnings. In the period under review, from the 1.7 million clients on the HL Platform, we were able to identify 29 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. $12.8trn 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 all client orders were processed accurately in timely manner, client queries were all responded to within the timeline expected of them and client unit holding registration was completed correctly. Valuations were accurate without exception with no cash or stock reconciliation breaks outside of acceptable levels, together with the annual and semi-annual report and accounts being completed and delivered to investors within the deadlines as set by the regulatory authorities.

WHAT WE CONCLUDED
We have concluded, based on the analysis of the quality of services delivered through the HL Multi-Manager & Select range, that we are providing value to investors.

WHAT WILL BE DOING TO IMPROVE OUR QUALITY OF SERVICE?
Looking forward, plans are well underway to bring new risk rated solutions to market for investors, as well as making improvements to our existing range of funds, all of which are subject to receiving the required regulatory approval.

New launches will all 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
We assessed the performance of the funds against the objectives, policy & 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*. The benchmarks are the appropriate Investment Association sector, which provides the average return of a group of funds offered by our competitors who manage investments with similar constraints
- We then measured how each fund had performed over rolling periods of 5 years, against the stated comparator benchmark. 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 income and/or capital growth over its most recent recommended minimum holding period.
- Finally, we analysed the relative 12-month performance of the funds from 1st October 2021, 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 Assessment of Value.

The use of both a qualitative and quantative 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, or perhaps changes to the way in which the funds were being managed in order to deliver their objectives.

Even where it is not a specified objective, we have also shown each fund's capital growth against cash to demonstrate the benefits of investing over holding money in a bank account over the medium to long term.

HOW DID WE COMPARE?
After what has been an extremely challenging year for investment markets, with global inflation rising at record levels and the terrible war in Ukraine continuing, it was undoubtedly going to present a difficult challenge for all fund managers, however, it is still disappointing to have to report in this year's assessment that some of our funds have failed to deliver on their objectives over the most recent recommended holding period.

When assessing discrete returns, eight of the twelve funds in our range that were launched more than five years ago have delivered positive capital growth over the last five years. Four of our funds have not. Those that have not are HL Multi-Manager Equity & Bond, HL Multi-Manager Income & Growth, HL Multi-Manager Strategic Bond and HL Multi-Manager UK Growth funds.

The remaining two funds have a shorter track record than the recommended holding period of five years, which means there has not yet been adequate time to assess whether the underlying strategies have delivered on their objective, however, where a three year track record exists, this fund had performed better than the benchmark comparator over the same time period.

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

For the 2022 review, we observed that over the longer term the product range has performed well against peers, but in some cases has underperformed over shorter periods, however, to ensure that any changes made are on track to deliver the improved performance we seek, we have applied additional insight on the effectiveness of the changes made into this year's assessment.

Looking at the long term performance of the funds, eight funds of thirteen have generated, on average, better or in-line performance compared to their Investment Association sector peers on a rolling basis, however, only four funds outperformed in the most recent five year discrete basis at the end of September

* For the fund with a track record of under five years (HL Select Global Growth) we assessed both discrete and rolling performance over three years to September 2022.
For HL Growth Fund, launched in December of 2021, we have not included a performance assessment in this report.

2022. 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.

Previous reports highlighted the impact of the holding in the LF Equity Income Fund, (formerly Woodford Equity Income Fund). Whilst this performance drag will continue to affect the discrete performance figures, the exposures we now have are at an extremely low level, which will result in them having a negligible impact on future returns.

The largest exposure to LF Equity Income Fund in the six Multi-Manager funds that hold it, HL UK Income Fund, was less than 0.3% as at 14th December 2022. The remaining five funds all have an exposure that is less than 0.15% at that date.
As mentioned, the HL Select range, despite facing strong economic headwinds in 2022, all continue to deliver good outcomes for clients versus their stated benchmarks both in discrete and rolling assessment. Over the most discrete period, the HL Select UK Shares delivered an outstanding 16.13% more than its IA (Investment Association) comparator.

HL Multi-Manager European continued to deliver results above that of its comparator benchmark, meaning that, over 5 year rolling periods since launch, it has outperformed the benchmark in 32 out of 32 periods.

In last year's report, we identified the HLMM Asia & Emerging Markets Fund as requiring immediate improvement to its performance, giving it a red performance rating. We are pleased to see that the improvements made by the fund management team are having an impact, with the fund outperforming its comparator over the last twelve months.

After both quantitative and qualitative analysis, which considered discrete and rolling performance, for absolute capital growth, income production where applicable, and performance relative to the relevant IA comparator benchmarks, we have concluded that four funds of the thirteen measured are delivering absolute value in the performance pillar. An additional five funds are delivering in accordance with the objectives set out in their prospectus and KIIDs and are delivering some value, however we are looking to the managers to improve, or further improve, the performance. HL Growth was launched in December 2021 and as a result has not been included in the performance measurement assessment.

WHAT WE CONCLUDED
We have concluded, based on the analysis of performance, that four funds are not delivering value to investors and require improvements to be made. These funds are HL Multi-Manager High Income, HL Multi-Manager Income and Growth (now HL UK Income), HL Multi-Manager UK Growth and Multi-Manager Strategic Assets. Further details of each fund's performance, and of our plans to deliver improved value, can be found later in this report.

WHAT 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. However, as we the Board considers the most recent five-year performance as a key measurable in our quantitative analysis, and having lost some strong performance figures from 2016, it will continue to take time for those improvements to be reflected in our overall performance assessment score.

As highlighted elsewhere in the report, we have added additional investment resource, all of whom we feel will add extra value. This has grown the team, with direct responsibility for fund management, from five managers to seven, with an additional manager appointed to the HL Growth Fund. These additional hires have allowed the CIO (Chief Investment Officer) to make changes within fund manager responsibilities, increasing the focus on each fund.

We have started the roll out of our new strategic asset allocation process, with significant work being undertaken to identify the recommended strategic positions in the multi-asset funds, and we continue to enhance our asset allocation methodology, both from a personnel and systems perspective, which we believe will enable greater flexibility and the capability to deliver better client outcomes.

We have continued the role out of additional technology to aid the teams with their monitoring, risk management and modelling capabilities.

With the previously announced large scale fund developments that we are planning to deliver over the next two years and with the improvements already made, and those we are committed to implementing, benefitting the entire product range, the Board is confident of its aims, and committed to delivering, substantial improvements in assessments going forward.

AFM – COST OF THE FUNDS

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

HOW WE ASSESSED
For the HL Multi-Manager range, we considered all costs that make up the Ongoing Charges Figure (OCF). This charge varies and includes the Annual Management Charge (AMC) to Hargreaves Lansdown Fund Managers (HLFM), the expense on underlying investments (e.g. third-party funds within HLFM Multi-Managers) and the other expenses incurred by the fund. An OCF does not include performance fees, but no HLFM fund applies this charge.

For our HL Select funds, the OCF is fixed at 0.6% and includes the AMC to Hargreaves Lansdown and the other expenses incurred by the fund.

COSTS INCLUDED IN THE ONGOING CHARGES FIGURE

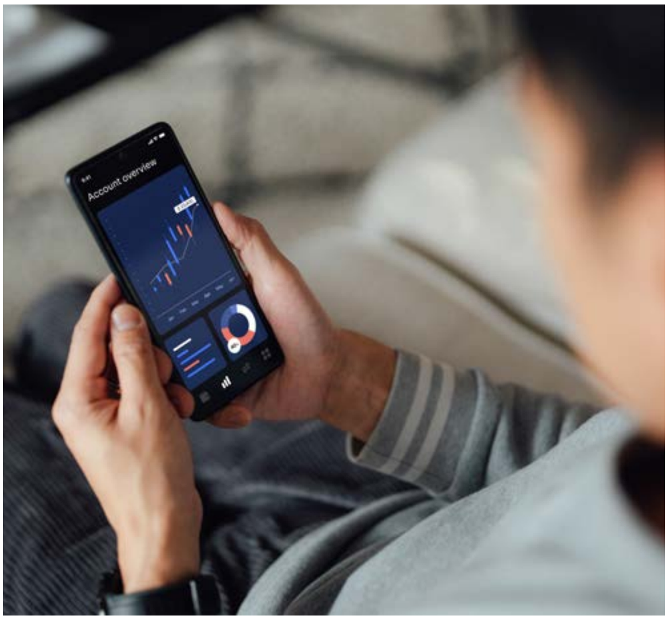
Annual Management Charge (AMC)
The AMC is the charge applied by Hargreaves Lansdown for managing the fund and includes the costs of the back-office function, marketing, and distributing the fund, as well as other services and activities described in the 'Quality of Service' section.

The AMC does not include any cost for services received from the HL, or third party, platform, or from your professional advisers.

Expense of underlying investments – HL Multi-Manager funds
The expenses of underlying investments include the OCF of underlying funds and the costs of the segregated mandates used within the HL Multi-Manager funds. We regularly review these charges and negotiate with the managers of the underlying funds and mandates used within the HL Multi-Manager range.

As our funds have increased in size, we have been able to significantly increase the number of segregated mandates used within our funds, which has reduced the costs. In every case, we have received either the same or lower charge for the mandate than the equivalent retail fund.

Seven of the HL Multi-Manager funds now operate at least one segregated mandate. The Income & Growth Trust (now HL UK Income) holds the entirety of its portfolio within mandates, with the exception of small legacy holding Increasing the use of mandates will allow us to continue delivering improvements to our funds' cost while retaining investment quality. These savings are passed onto clients in the form of a lower OCF.



Other expenses
The other expenses incurred by the HL Multi-Manager funds are charged separately to the expenses on underlying funds and the 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

Fund	Total OCF (2021 figure) %	Basis point change over one year	Basis point change over five years	Charge (£) p/a on £1,000 investment
HL Multi-Manager Asia & Emerging Markets	1.46 (1.53)	-0.07	-0.18	£14.60
HL Multi-Manager Balanced Managed	1.29 (1.34)	-0.05	-0.17	£12.90
HL Multi-Manager Equity & Bond	1.26 (1.32)	-0.06	-0.12	£12.60
HL Multi-Manager European	1.31 (1.29)	0.02	-0.17	£13.10
HL Multi-Manager High Income	1.20 (1.24)	-0.04	-0.09	£12.00
HL Multi-Manager Income & Growth	1.20 (1.24)	-0.04	-0.09	£12.00
HL Multi-Manager Special Situations	1.37 (1.39)	-0.02	-0.13	£13.70
HL Multi-Manager Strategic Assets	1.29 (1.36)	-0.07	-0.17	£12.90
HL Multi-Manager Strategic Bond	1.05 (1.15)	-0.1	-0.21	£10.50
HL Multi-Manager UK Growth	1.30 (1.32)	-0.02	-0.09	£13.00
HL Select UK Growth	0.60 (0.60)	0	N/A	£6.00
HL Select UK Income	0.60 (0.60)	0	N/A	£6.00
HL Select Global Growth	0.60 (0.60)	0	N/A	£6.00
HL Growth	0.10 (N/A)	N/A	N/A	£1.00

Source: Northern Trust and HL, correct as at 30/09/2022

WHAT WE CONCLUDED

We have concluded, based on the analysis of AFM costs, that they are of a level to be delivering value to investors across the HL Multi-Manager & Select range of funds.

Through the analysis carried out on comparable market rates, in section 4, 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.

Whilst, in 2022, we have made no material expense reductions, we will continue to look for opportunities to reduce our 'other expenses'. Any savings that we achieve will be passed back to clients via a reduction in the funds' OCF.

The concentrated equity funds in the HL Select range, and our recently launched HL Growth Fund, designed for workplace defined contribution pension schemes, are extremely competitive, with a fixed OCF of 0.60% and 0.10% respectively.

Full details of the comparison against the individual fund peer groups can be found within the report of each fund.

WHAT CAN WE DO BETTER?

In our 2021 Assessment of Value, we confirmed the introduction of fee reductions for those funds which hold all, or some, assets in fixed interest securities. For our 2022 report, we are able to report that these reductions have now been applied and, as a result, the benefit of the fee reductions in those funds have been passed on to fund investors.

Funds that invest exclusively in equities have remained at 0.75% AMC, while those with 100% fixed interest exposure now have an AMC of 0.60%. The charges for mixed-asset funds are calculated according to the underlying exposure to fixed interest holdings. Five funds have seen the full impact of the benefit from this change: HL Multi-Manager Balanced Managed, Equity & Bond, High Income, Strategic Assets, and Strategic Bond.

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 negotiating with underlying fund managers.

COMPARABLE MARKET RATES

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

HOW WE ASSESSED
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. 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).

For the 2022 report, using data provided by Lipper IM and an external data provider, we have created, two sets of peer groups for the funds:

For the Multi-Manager range, in a change to last year's assessment, we have compared the funds against all of the actively managed primary funds for sale in the UK, within the IA sector (or a blend of IA sector in the case of the Asia & Emerging Markets Fund) in which they sit. By choosing all actively managed funds, rather than simply those which employ a multi-manager process, as we did in our previous reports, we have increased the median number of funds against which each was compared.

For the HL Select range and HL Growth Fund, we compared both active and passive funds, however we removed the typically higher charging, Multi-Manager funds when comparing their charges. For these funds, the median comparison number of funds against which each was compared was 144.

In order to provide further transparency, we disclose the median cost 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, and with the exception of the HL Multi-Manager Balanced Managed Fund, the funds are delivering value under this assessment.

We found that thirteen of our fourteen funds were cheaper or in line with their constructed peer group median. In particular, the OCF for the HL Select funds was between 47% and 59% lower than their constructed peer group median.

We identified one fund, the HL Multi-Manager Balanced Managed Fund, as having an OCF that was higher than the constructed peer group median and was rated amber. The portfolio managers have highlighted recent and ongoing changes to the underlying holdings within this fund which they believe will bring the fund OCF in line with the peers over the next reporting period.

The 'Results per fund' section of this report details the fees analysis for each fund.

WHAT CAN WE 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.

COMPARABLE SERVICES

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

HOW WE ASSESSED
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 newly launched 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 CAN WE 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 HL makes as the funds grow?

HOW WE ASSESSED IT

Expense of underlying fund charges
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

We use a Business Development team to lower the cost of investing for our investors. Scale is an important determinant of their success. They use our scale to ensure the charges of the underlying third-party funds, as well as the managers we appoint to run our segregated mandates that we appoint, 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 value is being delivered to investors.

Our assessment found that we achieve strong economies of scale and, in the year under review, we saw reductions in OCF for nine of our ten Multi-Manager funds.

Our relationships have been leveraged to reduce the charge on underlying funds, implement segregated mandates and to 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 and have not yet achieved further economies of scale, but will be monitored to identify any savings than can be made.

We have a tiered charging structure that reduces Hargreaves Lansdown'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% for each £1 billion in assets up to a maximum fall in AMC of 20% on assets over £4 billion in any one fund.

Example – Equity Multi-Manager Funds

Assets	Fee on each tier – AMC 0.75%
Up to £1 billion	0.75%
£1 billion to £2 billion	0.70%
£2 billion to £3 billion	0.65%
£3 billion to £4 billion	0.60%

The three largest HL Multi-Manager funds have all benefitted from these changes: Balanced Managed, Income & Growth and Special Situations.

The HL Select funds were priced for scale at their launch. As the funds continue to grow, we will consider how best we can pass on any further realised benefits to investors.

What can we 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.

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.

WHAT CAN WE 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

HL MULTI-MANAGER ASIA & EMERGING MARKETS

OVERALL RATING

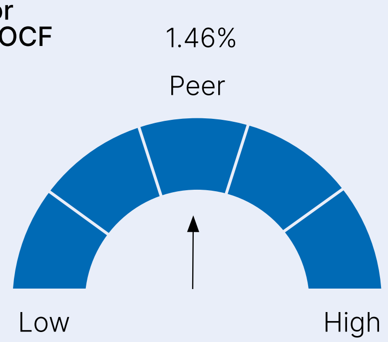
Represents overall value to its investors

ASSESSMENT CRITERIA

- Quality of Service
- Performance
- Cost of the Funds
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

COMPARABLE FEES

OCF	IA Sector median OCF
1.46%	1.48%



We have concluded that, based on the areas assessed, the HL Multi-Manager Asia & Emerging Markets Fund is delivering overall value to its investors.

Quality of service

Investors in this fund 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.

The fund has a very low minimum lump-sum investment requirement, which means clients can access this highly diversified portfolio of investments from as little as £100, or £25 per month.

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 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

Although we recognise that the longer-term relative performance numbers remain challenging, we are pleased to see that the shorter-term relative performance numbers have begun to improve. Over a 1-year period to the end of September 2022, the fund returned -10.5% vs -12.0 % for the comparator IA sector average. We believe that this improvement in relative performance is due to the changes we have made in the fund over the past two years. As noted in last year's Assessment of Value, we expected that the changes we were making would result in an improvement in investor outcomes and we are happy to see that this is beginning to happen.

Building on last year's manager changes, in 2022 we further concentrated the number of managers we are using within the fund, removing four managers and adding one. As noted in last year Assessment of Value, we continue to focus on Asian Emerging Market managers where our conviction levels are

	5 Year ending Sept 22 %	5 Year ending Sept 22 £	5 Year Rolling average since launch £	5 Year Rolling average since launch £
Asia & Emerging Markets A Acc	11.44	£1,114	41.44	£1,414
50% IA Asia Pacific (Excluding Japan) & 50% IA Global Emerging Markets	17.17	£1,172	59.18	£1,592
Bank of England Base Rate	2.52	£1,025	2.2	£1,022

higher. This means, as of 30 September 2022, we had nine managers within HL Multi-Manager Asia & Emerging Markets, down from twelve 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 with the objective of creating a more core proposition that should be able to outperform across different market conditions. For example, the introduction of Federated Hermes Asia Ex- Japan, a contrarian value manager, into the fund in March 2022 helped moderate our anti-value bias, as well as two of our manager sales were small cap managers and therefore helped reduce our bias to small cap equity. We expect this moderation of style and capitalisation biases to continue. This activity builds on the fund changes from last year when FSSA All China was added to reduce our significant underweight to China equity.

Whilst we feel that some value is being delivered, the fund requires continued focus to ensure the changes made continue to deliver the improvements we have seen during 2022. The upgrades to the investment processes, outlined in the Chief Investment Officers report, are expected to enhance future performance.

AFM costs

The cost of this fund is 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.

We believe the costs of the fund are appropriate and feel that value is being delivered for its investors.

Economies of scale

The fund has achieved economies of scale in several areas. For example, we have negotiated with underlying fund managers and introduced additional segregated mandates to reduce the underlying fund charges. These benefits have been passed back to investors in the form of a reduction in the OCF. We have also seen a reduction in the other charges incurred by the fund. This has led to an OCF reduction over the last twelve months of seven basis points and a reduction of eighteen basis points over the past five years to 1.46%.

The fund has not yet reached the threshold of assets under management required to deliver the additional benefit of a reduction in the annual management charge announced in last year's Assessment of Value report.

We believe that economies of scale are being maximised for this fund and that it is delivering value for its investors.

Comparable market rates

This funds charges are in line with funds within the comparator IA sector average (50% IA Global Emerging Markets / 50% Asia Pacific excl. Japan).

We believe that the fund is priced competitively.

Comparable services

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

Classes of units

This fund is only available in identically charged unit classes.

Morningstar Sustainability Rating

Distribution	Score	Descriptive rank	Rating Icon
Highest 10%	5	High	
Next 22.5%	**4**	**Above Average**	
Next 35%	3	Average	
Next 22.5%	2	Below Average	
Lowest 10%	1	Low	

PERFORMANCE TABLE

	30/09/2017 30/09/2018	30/09/2018 30/09/2019	30/09/2019 30/09/2020	30/09/2020 30/09/2021	30/09/2021 30/09/2022
HL Multi-Manager Asia & Emerging Markets	-1.2%	7.9%	0.8%	15.8%	-10.5%
IA Asia Pacific (Excluding Japan)	4.0%	6.1%	7.6%	15.2%	-9.7%
IA Global Emerging Markets	-0.8%	7.3%	2.1%	18.8%	-14.2%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2022, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2017 to 30/09/2018. NAV from 30/09/2018.

Rolling 5 years figures illustrate the average return a client would have made if they had invested at any point in time since the fund's launch and held the investment for five years (which is the minimum recommended holding period)..

HL MULTI-MANAGER BALANCED MANAGED

OVERALL RATING

Represents value but requires continued focus

ASSESSMENT CRITERIA

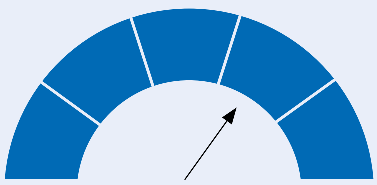
- Quality of Service
- Performance
- Cost of the Funds
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

COMPARABLE FEES

OCF	IA Sector median OCF
1.29%	1.13%

1.29%

Peer



We have concluded that, based on the areas assessed, the HL Multi-Manager Balanced Managed Trust is broadly delivering value to its investors, however, it recognises that additional focus is required to deliver overall value.

Quality of service

We concluded that we offer clients a good quality of service. Investors in this fund 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.

The fund has a very low minimum lump-sum investment requirement, which means clients can access this highly diversified portfolio of investments from as little as £100, or £25 per month.

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.

We believe that the quality of services received by investors in this fund is delivering value.

Performance

Over the period under review markets have been quite challenging for both equities and fixed income as Central banks globally have been raising rates to fight inflation, which has increased the risk of recession.

In this environment, the fund was down by 11.3% driven by the selloff across the various equities and bond markets. This compares to -10.2% for the IA Mixed Investment 40-85% Shares peer group average.

The main negative contributor to performance has been the style bias within equities and more specifically the overweight to Small and Mid-caps and to managers with growth style. The selection within fixed income contributed positively with most of the absolute return funds protecting well on the downside.

The fund has an allocation to small and mid-cap stocks predominantly within the UK. This market segment was particularly hit by the selloff as the pound depreciated

	5 Year ending Sept 22 %	5 Year ending Sept 22 £	5 Year Rolling average since launch £	5 Year Rolling average since launch £
Balanced Managed Trust Acc	5.73	£ 1,057	37.01	£ 1,370
IA Mixed Investment 40-85% Shares	14.76	£ 1,148	34.82	£ 1,348
Bank of England Base Rate	2.52	£ 1,025	0.63	£ 1,006

significantly over the period, making input cost higher, and recession risk as the UK has one of the highest inflation in the developed world prompting the BoE to increase rates aggressively.

Small and mid-cap companies tend to be more domestically oriented so a drop in the pound has a smaller impact on exports compared to large companies. In addition, growth oriented managers suffered from a reversal in market style from growth to value. Recession risk and higher interest rates are usually headwinds for this style.

On the positive side, the main contributors to performance have been the total return funds like Pyrford Global Total Return Fund (-0.4% over the period), Trojan (-1.04%) and fixed income funds like M&G Global Macro Bond (-2.85%).

In addition, the underweight to US equities contributed positively, although that has been moderated by the dollar strength and the fact that we are also underweight that currency.

Over the course of the year, we have made several changes to the portfolio, and we expect this trend to continue over the next year.

We continued our journey to reducing the small cap bias within the portfolio by exiting a few funds exposed to this style: In June 2022 we reduced our positions in Marlborough UK smaller companies, Barings European and Artemis US smaller companies and increased our allocation to large cap funds like Artemis income and Jupiter UK equity income.

We expect this moderation of the style bias to continue.

We are reassessing our underweight to the US market as we are engaging with skilled managers who will help us extract value from this market and moderate our negative position.

We feel that some value is being delivered, but that the funds performance require continued focus to ensure changes made deliver value for all investors. The upgrades to the investment processes, outlined in the Chief Investment Officers report are expected to enhance future performance.

AFM costs

The cost of this fund is 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.

We believe the costs of the fund are appropriate and feel that value is being delivered for its investors.

Economies of scale

The fund has achieved economies of scale in several areas. For example, we have negotiated with underlying fund managers and introduced additional segregated mandates to reduce the underlying fund charges. These benefits have been passed back to investors in the form of a reduction in the OCF. We have also seen a reduction in the other charges incurred by the fund. This has led to an OCF reduction of five basis points over the last twelve months and a total of seventeen basis points over the past five years to 1.29%.

Clients have continued to benefit from a reduction in the fund's AMC following the introduction of the tiered charging structure announced in last year's Assessment of Value report, as the fund assets under management exceed £1 billion. Full details of this tiered charging structure are covered in the 'Economies of scale' section of this paper.

We believe that economies of scale are being maximised for this fund and that it is delivering value for its investors.

Comparable market rates

The fund's OCF was found to be marginally higher than its peers over the period under review.

Through increased use of segregated mandates and the roll out of the new HL building block funds, we are confident that savings will be delivered in the OCF over the next review period which will result in the fund being priced in line with its peer group.

Comparable services

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

Classes of units

This fund is only available in identically charged unit classes.

Morningstar Sustainability Rating

Distribution	Score	Descriptive rank	Rating Icon
Highest 10%	5	High	
Next 22.5%	4	Above Average	
Next 35%	**3**	**Average**	
Next 22.5%	2	Below Average	
Lowest 10%	1	Low	

PERFORMANCE TABLE

	30/09/2017	30/09/2018	30/09/2019	30/09/2020	30/09/2021
	30/09/2018	30/09/2019	30/09/2020	30/09/2021	30/09/2022
HL Multi-Manager Balanced Managed Trust	4.90%	-0.30%	-4.00%	18.90%	-11.30%
IA Mixed Investment 40-85% Shares	5.30%	4.10%	-0.40%	17.10%	-10.20%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2022, Total Return Net Distribution Re-invested, Bid to Bid from 31/09/2017 to 31/09/2018. Bid to NAV from 31/09/2018 to 31/03/2019. NAV from 31/03/2019

Rolling 5 years figures illustrate the average return a client would have made if they had invested at any point in time since the fund's launch and held the investment for five years (which is the minimum recommended holding period).

HL MULTI-MANAGER EQUITY & BOND

OVERALL RATING

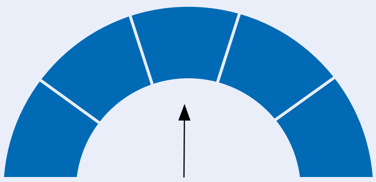
Represents overall value to its investors

ASSESSMENT CRITERIA

- Quality of Service
- Performance
- Cost of the Funds
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

COMPARABLE FEES

OCF	IA Sector median OCF
1.26%	1.22%



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

Quality of service
Investors in this fund 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.

The fund has a very low minimum lump-sum investment requirement, which means clients can access this highly diversified portfolio of investments from as little as £100, or £25 per month.

This fund has the valuable feature of aiming to deliver a smoothed monthly income for its investors.

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.

We believe that the quality of services received by investors in this fund is delivering value.

Performance
Over the period under review markets have been quite challenging for both equities and fixed income as Central banks globally have been raising rates to fight inflation, which has increased the risk of recession.

In this environment, the fund was down by – 8.3% driven by the selloff across the various equities and bond markets. This compares to -11.0% for the IA Mixed Investment 20-60% Shares peer group average.

The main positive contributor to performance has been the selection within fixed income with most of the absolute return funds protecting well on the downside. In addition, within equities, the fund has a bias towards value and income stocks. This style was in favour this year which also contributed to the outperformance.

	5 Year ending Sept 22 %	5 Year ending Sept 22 £	5 Year Rolling average since launch £	5 Year Rolling average since launch £
Equity & Bond Trust Acc	-1.67	£983	30.64	£1,306
IA Mixed Investment 20-60% Shares	5.83	£1,058	26.16	£1,262
Bank of England Base Rate	2.52	£1,025	0.54	£1,005

Within the total return funds, Artemis Strategic Assets Fund (+0.7%) and Pyrford Global Total Return Fund (-0.4% over the period) were particularly good. Within equities, Jupiter Asia Income Fund (+6.3%) and Man GLG Japan CoreAlpha Fund (+0.6%) contributed the most to performance.

Regional allocation was mixed with the underweight to US equities contributing positively, although that has been moderated by the dollar strength and the fact that we are also underweight that currency.

We are reassessing our underweight to the US market as we are engaging with skilled managers who will help us extract value from this market and moderate our negative position.

We feel that the performance of the fund is delivering some value to its investors. Focus has been and will continue to be applied on the fund to ensure the changes made to the fund continues to deliver the improvements we have seen during 2021 and 2022. The upgrades to the investment processes, outlined in the Chief Investment Officers report, are expected to enhance future performance.

AFM costs
The cost of this fund is 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. Additionally, as the fund holds an element of fixed interest securities, clients will see the full impact of the reduction in AMC we announced in last year's Assessment of Value. Any reduction in these charges have been passed back to investors via a reduction of the OCF.

We believe the costs of the fund are appropriate and feel that value is being delivered for its investors.

Economies of scale
The fund has achieved economies of scale in several areas. For example, we have negotiated with underlying fund managers and introduced additional segregated mandates to reduce the underlying fund charges. These benefits have been passed back to investors in the form of a reduction in the OCF. This has led to an OCF reduction of six basis points over the last twelve months and a total of twelve basis points over the past five years to 1.26%.

The fund has not yet reached the threshold of assets under management required to deliver the additional benefit of a reduction in the annual management charge announced in last year's Assessment of Value report.

We believe that economies of scale are being maximised for this fund and that it is delivering value for its investors.

Comparable market rates
The fund's OCF was found to be in line with its peers.

The directors of the Board are happy that the fund is priced competitively

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

Classes of units
This fund is only available in identically charged unit classes.

Morningstar Sustainability Rating

Distribution	Score	Descriptive rank	Rating Icon
Highest 10%	5	High	
Next 22.5%	**4**	**Above Average**	
Next 35%	3	Average	
Next 22.5%	2	Below Average	
Lowest 10%	1	Low	

PERFORMANCE TABLE

	30/09/2017	30/09/2018	30/09/2019	30/09/2020	30/09/2021
	30/09/2018	30/09/2019	30/09/2020	30/09/2021	30/09/2022
HL Multi-Manager Equity & Bond Trust	1.3%	-1.5%	-7.9%	16.6%	-8.3%
IA Mixed Investment 20-60% Shares	2.7%	4.1%	-1.5%	12.8%	-11.0%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2022, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2017 to 30/09/2018. NAV from 30/09/2018.

Rolling 5 years figures illustrate the average return a client would have made if they had invested at any point in time since the fund's launch and held the investment for five years (which is the minimum recommended holding period).

HL MULTI-MANAGER EUROPEAN

OVERALL RATING

Represents overall value to its investors

ASSESSMENT CRITERIA

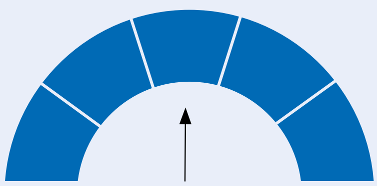
- Quality of Service
- Performance
- Cost of the Funds
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

COMPARABLE FEES

OCF	IA Sector median OCF
1.31%	1.33%

1.31%

Peer



We have concluded that, based on the areas assessed, the HL Multi-Manager European Fund is delivering overall value to its investors.

Quality of service
Investors in this fund 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.

The fund has a very low minimum lump-sum investment requirement, which means clients can access this highly diversified portfolio of investments from as little as £100, or £25 per month. Meanwhile, our robust governance procedures create a safe and challenged investment environment, to give investors' confidence that their money is well looked after.

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.

We believe that the quality of services received by investors in this fund is delivering value.

Performance
The fund has continued to outperform its comparator benchmark over both discrete and rolling five year periods. The 12 months since the last Assessment of Value has been a difficult one for European equities in general.

Three months into the period, at the end of 2021, markets were still in positive territory, but the pain has come in 2022 with multiple factors impacting markets. These include conflict in Ukraine, high levels of inflation and central banks raising interest rates to cool economies and bring inflation back in check. This translates into a difficult period for the fund which finished behind the IA Europe excluding UK sector return.

Exposure towards smaller and medium-sized companies was a detractor to performance as was our skew away from 'value' managers in Europe which, given the environment outlined,

	5 Year ending Sept 22 %	5 Year ending Sept 22 £	5 Year Rolling average since launch £	5 Year Rolling average since launch £
European A Acc	14.12	1,141	56.02	1,560
IA Europe (Excluding UK)	9.83	1,098	46.06	1,461
Bank of England Base Rate	2.52	1,025	1.00	1,010

prospered relatively better than 'growth' managers to which we have more exposure.

During the last year we've taken action to bring additional balance to the fund. We introduced a new 'core' holding that blends companies from across the value / growth spectrum. We added to another more core holding and reduced exposure to managers biased towards smaller and medium-sized businesses. We reduced exposure to more growth-focused managers. We have also been actively seeking managers who pursue value-focused approaches, with a view to adding further diversification to the fund. We have met several potential candidates and will look to conclude this exercise in the near term.

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

AFM costs
The cost of this fund is 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.

We believe the costs of the fund are appropriate and feel that value is being delivered for its investors.

Economies of scale
The fund has achieved economies of scale in several areas. For example, we have negotiated with underlying fund managers and introduced a segregated mandate to reduce the underlying fund charges. This benefit has been passed back to investors in the form of a reduction in the OCF.

The period under review did see a marginal increase in the ongoing charges figure (OCF) of two basis points over the year, this was due to increased costs of the funds held in the portfolio, however, we have still delivered a total reduction of seventeen basis points over the past five years to 1.31%.

The fund has not yet reached the threshold of assets under management required to deliver the additional benefit of a reduction in the annual management charge announced in last year's Assessment of Value report.

We believe that economies of scale are being maximised for this fund and that it is delivering value for its investors.

Comparable market rates
The fund's OCF was found to be in line with its peers.

We believe the fund is priced competitively.

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

Classes of units
This fund is only available in identically charged unit classes.

Morningstar Sustainability Rating

Distribution	Score	Descriptive rank	Rating Icon
Highest 10%	5	High	
Next 22.5%	4	Above Average	
Next 35%	**3**	**Average**	
Next 22.5%	2	Below Average	
Lowest 10%	1	Low	

PERFORMANCE TABLE

	30/09/2017 30/09/2018	30/09/2018 30/09/2019	30/09/2019 30/09/2020	30/09/2020 30/09/2021	30/09/2021 30/09/2022
HL Multi-Manager European	6.4%	2.5%	7.7%	21.6%	-20.1%
IA Europe (Excluding UK)	1.8%	2.0%	3.5%	22.4%	-16.5%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2022, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2017 to 30/09/2018. NAV from 30/09/2018

Rolling 5 years figures illustrate the average return a client would have made if they had invested at any point in time since the fund's launch and held the investment for five years (which is the minimum recommended holding period).

HL MULTI-MANAGER HIGH INCOME

OVERALL RATING

Represents value but requires continued focus

ASSESSMENT CRITERIA

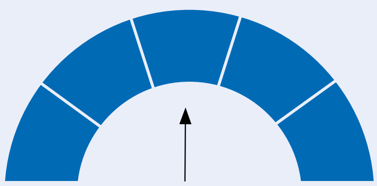
- Quality of Service
- Performance
- Cost of the Funds
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

COMPARABLE FEES

OCF	IA Sector median OCF
1.20%	1.25%

1.20%

Peer



We have concluded that, based on the areas assessed, the HL Multi-Manager High Income Fund is broadly delivering value to its investors, however, it recognises that additional focus is required to deliver overall value.

Quality of service
Investors in this fund 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.

The fund has a very low minimum lump-sum investment requirement, which means clients can access this highly diversified portfolio of investments from as little as £100, or £25 per month.

This fund has the valuable feature of aiming to deliver a smoothed monthly income for its investors.

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.

We believe that the quality of services received by investors in this fund is delivering value.

Performance
The fund aims to deliver a high and sustainable yield from a portfolio of equity and fixed income assets for investors that wish to receive an immediate income stream.

As noted in last year's Assessment of Value, the Covid-19 pandemic and global economic shutdown hit the fund and its income hard. Unfortunately, the fund's distribution per share to end of September fell from 4.64p (in 2019) to 4.09p (in 2020) to 3.87p (in 2021). We are pleased, therefore, to have grown the distribution over the past 12 months with a pay-out of 4.13p in the year to end of September 2022.

Furthermore, recognising the drawback of running significant country, style, or capitalisation biases, we made several changes to create a more core equity proposition and improve investor

	5 Year ending Sept 22 %	5 Year ending Sept 22 £	5 Year Rolling average since launch £	5 Year Rolling average since launch £
High Income A Acc	1.28	1,013	19.06	1,191
IA Flexible Investment	18.15	1,182	38.37	1,384
Bank of England Base Rate	2.52	1,025	2.09	1,021

outcomes. We significantly reduced our allocation to UK equity, adding both Trojan Global Income and JPM US Equity Income. We also reduced exposure to small cap UK equity, replacing it with Artemis Income. 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 increased interest rate duration exposure to take advantage of higher interest rates. This should also help improve the fund's distributions.

Finally, as noted in last year's Assessment of Value, the asset allocation of the IA Flexible peer group, the fund's current comparator, tends to be more equity focused than HL Multi-Manager High Income Fund. To better reflect our equity allocation, the fund's comparator will change to the IA Mixed Investment 20-60% Shares peer group.

Whilst the fund has delivered an attractive level of income, the performance of the fund has not been delivering value to its investors on a total return basis. As a result, we will be closely monitoring the fund going forward to ensure that improvements to the fund are effective. The upgrades to the investment processes, outlined in the Chief Investment Officers report, are expected to enhance future performance.

AFM costs
The cost of this fund is 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.

We believe the costs of the fund are appropriate and feel that value is being delivered for its investors.

Economies of scale
The fund has achieved economies of scale in several areas. It has two substantial segregated mandates, reducing the underlying fund charges. This benefit has been passed back to investors in the form of a reduction in the OCF. We have also seen a reduction in the other charges incurred by the fund. This has led to an OCF reduction of six basis points over the last twelve months and a total of eleven basis points over the past five years to 1.18%.

The fund has not yet reached the threshold of assets under management required to deliver the additional benefit of a reduction in the annual management charge announced in last year's Assessment of Value report.

We believe that economies of scale are being maximised for this fund and that it is delivering value for its investors.

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.

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

Classes of units
This fund is only available in identically charged unit classes.

Morningstar Sustainability Rating

Distribution	Score	Descriptive rank	Rating Icon
Highest 10%	5	High	
Next 22.5%	**4**	**Above Average**	
Next 35%	3	Average	
Next 22.5%	2	Below Average	
Lowest 10%	1	Low	

PERFORMANCE TABLE

	30/09/2017	30/09/2018	30/09/2019	30/09/2020	30/09/2021
	30/09/2018	30/09/2019	30/09/2020	30/09/2021	30/09/2022
HL Multi-Manager High Income	3.0%	0.7%	-8.8%	20.8%	-11.3%
IA Flexible Investment	6.0%	2.8%	0.6%	19.8%	-10.0%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2022, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2017 to 30/09/2018. NAV from 30/09/2018.

Rolling 5 years figures illustrate the average return a client would have made if they had invested at any point in time since the fund's launch and held the investment for five years (which is the minimum recommended holding period).

HL MULTI-MANAGER INCOME & GROWTH (NOW HL UK INCOME)

OVERALL RATING

Represents value but requires continued focus

ASSESSMENT CRITERIA

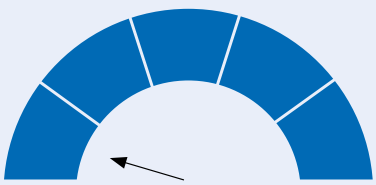
- Quality of Service
- Performance
- Cost of the Funds
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

COMPARABLE FEES

OCF	IA Sector median OCF
1.20%	1.50%

1.20%

Peer



We have concluded that, based on the areas assessed, the HL Multi-Manager Income & Growth Trust* is broadly delivering value to its investors, however, it recognises that additional focus is required to deliver greater value.

Quality of service
Investors in this fund 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.

The fund has a very low minimum lump-sum investment requirement, which means clients can access this highly diversified portfolio of investments from as little as £100, or £25 per month.

This fund has the valuable feature of aiming to deliver a smoothed monthly income for its investors.

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.

We believe that the quality of services received by investors in this fund is delivering value.

Performance
The fund style, with a focus on higher yielding companies within the UK market has been a headwind to performance over the last five years.

The last twelve months has been a challenging period as the ongoing conflict in Ukraine and global inflation concerns have seen equity markets deliver negative returns, losing ground relative to money invested in cash.

As described in the previous report, many UK companies have returned to paying dividends, allowing the fund to pay out an income distribution that was 14.5% higher than that paid during financial year 2020-2021.

	5 Year ending Sept 22 %	5 Year ending Sept 22 £	5 Year Rolling average since launch £	5 Year Rolling average since launch £
Income & Growth Trust A Acc	-5.85	942	41.09	1,411
IA UK Equity Income	3.38	1,034	36.65	1,366
Bank of England Base Rate	2.52	1,025	0.75	1,008

Following the period end, the fund has seen significant changes to its management approach with a change to both its objective and benchmark. The fund completed its transition to fully utilise segregated mandates throughout the period. Further portfolio changes are anticipated during 2022/2023 to moderate the fund style exposure relative to its new benchmark which should allow performance to be less sensitive to market rotations.

We remain focused on delivering performance in line with the fund new objective and are optimistic about the fund prospects.

We recognise that whilst the fund has delivered attractive returns in the past and continues to deliver an attractive level of income, the performance of the fund over the most recent 5 year period has not delivered value to its investors. As a result, it will continue to closely monitor the fund going forward to ensure that improvements and changes mentioned above are effective in delivering value for investors. The upgrades to the investment processes, outlined in the Chief Investment Officers report, are expected to enhance future performance.

AFM costs
The cost of this fund is 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.

We believe the costs of the fund are appropriate and feel that value is being delivered for its investors.

Economies of scale
The fund has, with the exception of a small legacy holding, now moved to holding exclusively segregated mandates. This move has either had no change to the costs of the fund or decreased it.

This benefit has been passed back to investors in the form of a reduction in the OCF of 2 basis points over the last twelve months and a total of eleven basis points over the past five years to 1.20%.

Clients also benefited from a reduction in the fund's AMC following the introduction of the tiered charging structure as the fund assets under management now exceed £1 billion.

We believe that economies of scale are being maximised for this fund and that it is delivering value for its investors.

Comparable market rates
The fund's OCF was found to lower than the median of its peers.

We believe that the fund is priced competitively.

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

Classes of units
This fund is only available in identically charged unit classes.

Morningstar Sustainability Rating

Distribution	Score	Descriptive rank	Rating Icon
Highest 10%	5	High	
Next 22.5%	**4**	**Above Average**	
Next 35%	3	Average	
Next 22.5%	2	Below Average	
Lowest 10%	1	Low	

PERFORMANCE TABLE

	30/09/2017	30/09/2018	30/09/2019	30/09/2020	30/09/2021
	30/09/2018	30/09/2019	30/09/2020	30/09/2021	30/09/2022
HL Multi-Manager Income & Growth Trust	4.6%	-5.4%	-18.9%	30.4%	-10.1%
IA UK Equity Income	3.5%	-0.4%	-17.3%	32.7%	-8.7%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2022, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2017 to 30/09/2018. NAV from 30/09/2018.

Rolling 5 years figures illustrate the average return a client would have made if they had invested at any point in time since the fund's launch and held the investment for five years (which is the minimum recommended holding period).

HL MULTI-MANAGER SPECIAL SITUATIONS

OVERALL RATING

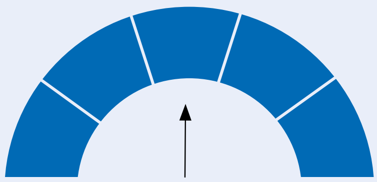
Represents overall value to its investors

ASSESSMENT CRITERIA

- Quality of Service
- Performance
- Cost of the Funds
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

COMPARABLE FEES

OCF	IA Sector median OCF
1.37%	1.30%



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

Quality of service

Investors in this fund 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.

The fund has a very low minimum lump-sum investment requirement, which means clients can access this highly diversified portfolio of investments from as little as £100, or £25 per month.

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.

We believe that the quality of services received by investors in this fund is delivering value.

Performance

Over the last fiscal year (1st Oct 21 – 30th Sep 22) markets have been quite challenging for equities as Central banks globally have been raising rates to fight inflation, which has increased the risk of recession.

In this environment, the fund was down by -12.9% driven mainly by the selloff across the various markets. This compares to -8.10% for the IA peer group average.

The main negative contributor to performance has been the style bias within the fund and more specifically the overweight to Small and Mid-caps and to managers with growth style.

The fund has an allocation to small and mid-cap stocks predominantly within the UK.

This market segment was particularly hit by the selloff as the pound depreciated significantly over the period, making input cost higher, and recession risk as the UK has one of the highest

	5 Year ending Sept 22 %	5 Year ending Sept 22 £	5 Year Rolling average since launch £	5 Year Rolling average since launch £
Special Situations Trust Acc	15.13	1,151	53.02	1,530
IA Global	43.46	1,435	50.85	1,508
Bank of England Base Rate	2.52	1,025	0.60	1,006

inflation in the developed world prompting the BoE to increase rates aggressively.

Small and mid-cap companies tend to be more domestically oriented so a drop in the pound has a smaller impact on exports compared to large companies. In addition, growth oriented managers suffered from a reversal in market style from growth to value. Recession risk and higher interest rates are usually headwinds for this style.

On the positive side, the main contributors to performance have been through manager selection, as our list of managers performed well against their own stylised benchmarks, and through the regional allocation. The underweight to US equities contributed positively, although that has been moderated by the dollar strength and the fact that we are also underweight that currency.

Over the course of the year, we have made several changes to the portfolio, and we expect this trend to continue over the next year.

We continued our journey to reducing the small cap bias within the portfolio by exiting a few funds exposed to this style: In April 2022 we sold ASI EM and Asian Small Cap Fund. In June 2022 we exited the Jupiter UK Small and Mid-Cap Equity mandate.

In addition, we have reduced the growth bias and added value focused managers. In April 2022, we initiated a position in Federated Hermes Asia ex Japan Fund. This fund manager has a successful track record in capturing value stocks in Asia ex Japan.

In June 2022, we also initiated a position in the Trojan Global Income Fund. This manager has a more balanced allocation and compensates the growth bias we have with the other global manager.

We feel that the performance of the fund is delivering some value however, we will continue to look for additional focus so as to improve the fund's performance in the future for the benefit of all its investors. The upgrades to the investment processes, outlined in the Chief Investment Officers report, are expected to enhance future performance.

AFM costs
The cost of this fund is 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.

We believe the costs of the fund are appropriate and feel that value is being delivered for its investors.

Economies of scale
The fund has achieved economies of scale in several areas. For example, the introduction of new segregated mandates has reduced the underlying fund charges. This benefit has been passed back to investors in the form of a reduction in the OCF. We have also seen a reduction in the other charges incurred by the fund. This has led to an OCF reduction of two basis points over the last twelve months and a total of thirteen basis points over the past five years to 1.37%.

Clients have benefited from a reduction in the fund's AMC following the introduction of the tiered charging structure announced in last year's Assessment of Value report, as the fund assets under management now exceed £2 billion. Full details of this tiered charging structure are covered in the 'Economies of scale' section of this paper

We believe that economies of scale are being maximised for this fund and that it is delivering value for its investors.

Comparable market rates
The fund's OCF was found to be priced maginally above that that of its IA median peer group.

We believe that the fund is priced competitively.

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

Classes of units
This fund is only available in identically charged unit classes.

Morningstar Sustainability Rating

Distribution	Score	Descriptive rank	Rating Icon
Highest 10%	5	High	
Next 22.5%	4	Above Average	
Next 35%	**3**	**Average**	
Next 22.5%	2	Below Average	
Lowest 10%	1	Low	

PERFORMANCE TABLE

	30/09/2017	30/09/2018	30/09/2019	30/09/2020	30/09/2021
	30/09/2018	30/09/2019	30/09/2020	30/09/2021	30/09/2022
HL Multi-Manager Special Situations Trust	8.3%	-0.6%	-1.2%	24.3%	-12.9%
IA Global	11.8%	5.9%	7.4%	23.9%	-8.9%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2022, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2017 to 30/09/2018. NAV from 30/09/2018.

Rolling 5 years figures illustrate the average return a client would have made if they had invested at any point in time since the fund's launch and held the investment for five years (which is the minimum recommended holding period).

HL MULTI-MANAGER STRATEGIC ASSETS

OVERALL RATING

Represents value but requires continued focus

ASSESSMENT CRITERIA

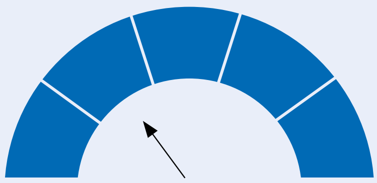
- Quality of Service
- Performance
- Cost of the Funds
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

COMPARABLE FEES

OCF	IA Sector median OCF
1.29%	1.48%

1.36%

Peer



We concluded that, based on the areas assessed, the HL Multi-Manager Strategic Assets Fund broadly provides value, however some areas need additional focus to improve the delivery of overall value.

Quality of service
Investors in this fund 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.

The fund has a very low minimum lump-sum investment requirement, which means clients can access this highly diversified portfolio of investments from as little as £100, or £25 per month.

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.

We believe that the quality of services received by investors in this fund is delivering value.

Performance
Over the last fiscal year (from 1st October 2021 to 30th September 2022) markets have been quite challenging for equities as central banks globally have raised rates to fight inflation, which has increased the risk of recession.

Over the 12 months to 30th September 2022, the fund has notably outperformed the IA sector in which it sits. However, it delivered a loss in absolute return terms and again has delivered returns for the five-year period below those of the IA sector.

Over the last twelve months of the review the fund's limited exposure to equities means it suffered smaller stock market losses than other funds within the IA Flexible Investment peer group. Equally, our fixed income holdings were relatively defensive and helped the fund avoid the worst of bond market falls.

Finally, exposure to 'total return' funds, designed to capture some of the stock market's upside but not suffer the full effects

	5 Year ending Sept 22 %	5 Year ending Sept 22 £	5 Year Rolling average since launch £	5 Year Rolling average since launch £
Strategic Assets A Acc	3.88	1,039	11.02	1,110
IA Flexible Investment	18.15	1,182	39.77	1,398
Bank of England Base Rate	2.52	1,025	0.00	1,000

of falling markets, broadly held up very well. Indeed, the Artemis Strategic Assets Fund managed to post a gain for the period against the backdrop of both falling equity prices and falling bond prices.

This fund's strategy is to capture some of the market upside, but with a focus on protecting from significant drawdowns, which does make the fund very different to the comparator IA Flexible Investment peer group and these differences are magnified when markets are moving strongly upwards. As with our High Income Fund, this fund is positioned in the IA Flexible sector in order to maximize flexibility, but it does not target the peer group asset allocation, which tends to be more focused towards equity.

During the period we added a second experienced fund manager to work alongside the existing lead manager.

We feel that the performance of the fund is not delivering value. Focus has been, and will continue to be, applied on the fund to implement actions in order to improve this assessment. The upgrades to the investment processes, outlined in the Chief Investment Officers report, are expected to enhance future performance.

AFM costs
The cost of this fund is 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.

We believe the costs of the fund are appropriate and feel that value is being delivered for its investors.

Economies of scale
Whilst the fund holds none of its assets in segregated mandates, we have seen an OCF reduction of 7 basis points over the last twelve months, and a total of seventeen basis points over the past five years to 1.29%.

The fund has not yet reached the threshold of assets under management required to deliver the additional benefit of a reduction in the annual management charge announced in last year's Assessment of Value report.

We believe that economies of scale are being maximised for this fund and that it is delivering value for its investors.

Comparable market rates
The fund's OCF was found to be priced in line with that of its peers.

We believe that the fund is priced competitively.

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

Classes of units
This fund is only available in identically charged unit classes.

Morningstar Sustainability Rating

Distribution	Score	Descriptive rank	Rating Icon
Highest 10%	5	High	
Next 22.5%	**4**	**Above Average**	
Next 35%	3	Average	
Next 22.5%	2	Below Average	
Lowest 10%	1	Low	

PERFORMANCE TABLE

	30/09/2017	30/09/2018	30/09/2019	30/09/2020	30/09/2021
	30/09/2018	**30/09/2019**	**30/09/2020**	**30/09/2021**	**30/09/2022**
HL Multi-Manager Strategic Assets	1.9%	-0.8%	-1.3%	9.2%	-4.7%
IA Flexible Investment	6.0%	2.8%	0.6%	19.8%	-10.0%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2022, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2017 to 30/09/2018. NAV from 30/09/2018.

Rolling 5 years figures illustrate the average return a client would have made if they had invested at any point in time since the fund's launch and held the investment for five years (which is the minimum recommended holding period).

HL MULTI-MANAGER STRATEGIC BOND

OVERALL RATING

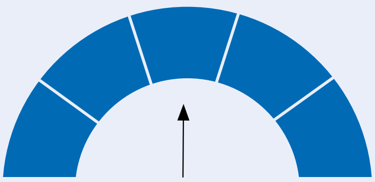
Represents overall value to its investors

ASSESSMENT CRITERIA

- Quality of Service
- Performance
- Cost of the Funds
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

COMPARABLE FEES

OCF	IA Sector median OCF
1.05%	1.02%



We concluded that, based on the areas assessed, the HL Multi-Manager Strategic Bond Trust provides value to its investors

Quality of service
Investors in this fund 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.

The fund has a very low minimum lump-sum investment requirement, which means clients can access this highly diversified portfolio of investments from as little as £100, or £25 per month.

This fund has the valuable feature of aiming to deliver a smoothed monthly income for its investors.

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.

We believe that the quality of services received by investors in this fund is delivering value.

Performance
To fight inflation central banks across the world have increased interest rates. This, and the anticipation of more to come, sparked significant falls across bond markets this year. Gains made over the previous few years have been wiped out and over the five years to the end of September 2022 the fund fell in value. Performance was behind the IA peer group average and the fund ended the period in the second quartile.

In recent years we've managed the fund relatively conservatively, seeking to deliver an attractive return without excessive risk. While interest rates and bond yields were at rock bottom, we didn't think the rewards on offer were attractive enough to compensate for the risk of lending to companies and governments. We took a relatively defensive stance, especially in terms of interest rate risk, and compared with mainstream government and corporate bond indices. We favoured strategic bond funds, run by managers who have the

	5 Year ending Sept 22 %	5 Year ending Sept 22 £	5 Year Rolling average since launch £	5 Year Rolling average since launch £
Strategic Bond Trust A Acc	-4.53	955	23.85	1,239
IA £ Strategic Bond	-2.08	979	24.41	1,244
Bank of England Base Rate	2.52	1,025	0.26	1,003

flexibility to provide some shelter in tougher times, as well as growth over the longer term. This meant our performance was delivered with less risk (volatility) than the peer group, but the fund's overall performance lagged when bond markets were performing strongly.

2022 has been different. Even though falling bond prices are disconcerting for investors, the flipside is higher yields. During the summer the yields available on sterling investment-grade (high quality) corporate bonds reached levels not seen since the financial crisis of 2008. We took the opportunity to reduce some of our more defensive bond funds, that held up well as markets sold off, and increase investments in our favoured investment-grade bond funds. Rarely is it possible to time such moves perfectly, and things can always get worse before they get better, but on a long-term view we thought yields had reached attractive levels.

To continue to deliver the fund's objectives and to improve long-term performance, we continue to seek high-calibre bond fund managers, including those running global funds and with a broad opportunity set. These efforts might well result in more changes to the portfolio over the next year.

We feel that the performance of the fund is delivering some value, however, we are looking for continued focus to improve the fund's performance.

The upgrades to the investment processes, outlined in the Chief Investment Officers report, are expected to enhance future performance.

AFM costs

The cost of this fund is 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.

The fund invests predominantly in fixed interest securities, meaning it benefits from the full reduction of the AMC announced in the 2020 Assessment of Value.

We believe the costs of the fund are appropriate and feel that value is being delivered for its investors.

Economies of scale

The fund has achieved economies of scale in several areas. Whilst still only holding one segregated mandate, we have seen an OCF reduction of ten basis points over the last twelve months and a total of twenty-one basis points over the past five years to 1.05%.

We believe that economies of scale are being maximised for this fund and that it is delivering value for its investors.

Comparable market rates

With the full impact of the reduction in AMC from 0.75% to 0.6% being realised during the past twelve months, we are pleased to see the rating of the fund improve,

We believe that the fund is priced competitively.

Comparable services

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

Classes of units

This fund is only available in identically charged unit classes.

Morningstar Sustainability Rating

Distribution	Score	Descriptive rank	Rating Icon
Highest 10%	5	High	
Next 22.5%	4	Above Average	
Next 35%	3	Average	
Next 22.5%	**2**	**Below Average**	
Lowest 10%	1	Low	

PERFORMANCE TABLE

	30/09/2017	30/09/2018	30/09/2019	30/09/2020	30/09/2021
	30/09/2018	30/09/2019	30/09/2020	30/09/2021	30/09/2022
HL Multi-Manager Strategic Bond Trust	0.1%	5.9%	3.6%	3.6%	-16.1%
IA £ Strategic Bond	0.0%	6.8%	3.2%	4.8%	-15.6%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2022, Total Return, Bid to Bid from 30/09/2017 to 30/09/2018. NAV from 30/09/2018. Distribution Re-invested

Rolling 5 years figures illustrate the average return a client would have made if they had invested at any point in time since the fund's launch and held the investment for five years (which is the minimum recommended holding period

HL MULTI-MANAGER UK GROWTH

OVERALL RATING

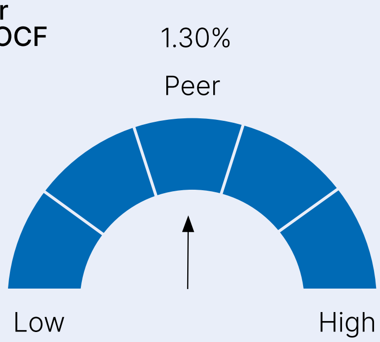
Represents value but requires continued focus

ASSESSMENT CRITERIA

- Quality of Service
- Performance
- Cost of the Funds
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

COMPARABLE FEES

OCF	IA Sector median OCF
1.30%	1.26%



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

Quality of service
Investors in this fund 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.

The fund has a very low minimum lump-sum investment requirement, which means clients can access this highly diversified portfolio of investments from as little as £100, or £25 per month.

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.

We believe that the quality of services received by investors in this fund is delivering value.

Performance
The performance of the fund has been challenging over both discrete and rolling five-year periods and returns remain behind cash.

Our approach is to structure the fund with higher allocations to those managers we believe have the greatest performance potential, this often means investing with managers who have significant flexibility to structure their portfolio to exploit the greatest area of market inefficiency.

This has tended to bias the fund towards smaller companies which have suffered significant volatility particularly in the last twelve months as investors have preferred the relative safety of larger companies given the economic backdrop (such as the conflict in Ukraine and global inflation concerns where the perception is that larger companies may offer greater resilience).

	5 Year ending Sept 22 %	5 Year ending Sept 22 £	5 Year Rolling average since launch £	5 Year Rolling average since launch £
UK Growth A Acc	-5.35	946	19.61	1,196
IA UK All Companies	2.69	1,027	24.75	1,247
Bank of England Base Rate	2.52	1,025	0.09	1,001

The fund has made two changes to underlying managers during the last twelve months as we sought to add more balance and make it less sensitive to style rotations. We sold investments with Marlborough and Jupiter, both of which invested heavily within small and medium-sized companies. The proceeds were invested with those managers who have a higher allocation to the largest companies in the UK index. We continue to strive to deliver better outcomes for the fund's investors.

We feel that the performance of the Fund is not providing value. 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, outlined in the Chief Investment Officers report, are expected to enhance future performance.

AFM costs
The cost of this fund is 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 the AMC.

We believe the costs of the fund are appropriate and feel that value is being delivered for its investors.

Economies of scale
The fund has achieved economies of scale in several areas. An additional segregated mandate has been added to the fund during the year, and almost 50% of the funds' assets are now held in this way. We have seen an OCF reduction of two basis points over the last twelve months and a total of nine basis points over the past five years to 1.30%.

The fund has not yet reached the threshold of assets under management required to deliver the additional benefit of a reduction in the annual management charge under the tiering structure introduced.

We believe that economies of scale are being maximised for this fund and that it is delivering value for its investors.

Comparable market rates
The fund's OCF was found to be in line with its peers.

We believe the fund is priced competitively

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

Classes of units
This fund is only available in identically charged unit classes.

Morningstar Sustainability Rating

Distribution	Score	Descriptive rank	Rating Icon
Highest 10%	5	High	
Next 22.5%	**4**	**Above Average**	
Next 35%	3	Average	
Next 22.5%	2	Below Average	
Lowest 10%	1	Low	

PERFORMANCE TABLE

	30/09/2017	30/09/2018	30/09/2019	30/09/2020	30/09/2021
	30/09/2018	30/09/2019	30/09/2020	30/09/2021	30/09/2022
HL Multi-Manager UK Growth	5.1%	-3.6%	-12.9%	29.8%	-17.4%
IA UK All Companies	5.6%	0.1%	-13.1%	32.5%	-15.6%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2022, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2017 to 30/09/2018. NAV from 30/09/2018.

Rolling 5 years figures illustrate the average return a client would have made if they had invested at any point in time since the fund's launch and held the investment for five years (which is the minimum recommended holding period).

HL SELECT UK GROWTH SHARES

OVERALL RATING

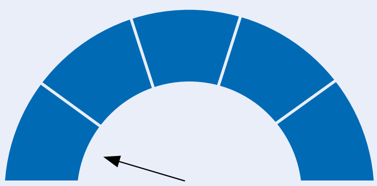
Represents overall value to its investors

ASSESSMENT CRITERIA

- Quality of Service
- Performance
- Cost of the Funds
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

COMPARABLE FEES

OCF	IA Sector median OCF
0.60%	1.05%



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

Quality of service
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. Showing what a fund manager does and how they assess stocks and markets helps to build investor confidence in financial markets. This level of insight and transparency, provided via updates and fund blogs, is highly valued by clients.

The fund has a very low minimum lump-sum investment requirement, which means clients can access this concentrated portfolio of investments from as little as £100, or £25 per month. Meanwhile, our robust governance procedures create a safe and challenged investment environment, to give investors' confidence that their money is well looked after.

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.

We believe that the quality of services received by investors in this fund is delivering value.

Performance
The fund has delivered a return of 22.26% over the last five years, placing it in the top decile of funds in the UK All Companies sector.

Our investment style remains unchanged. We seek companies that exhibit the virtuous circle of excellent products and services that deliver pricing power, substantial free cash flows that deliver a robust financial profile which in turn allows self-financed investment into further growth.

During the last year we have recruited a new, experienced manager, James Jamieson CFA, to take the lead on our two UK-focused Select funds, following Charlie Huggins' departure to start a new venture external to HL. We have also added

	5 Year ending Sept 22 %	5 Year ending Sept 22 £	5 Year Rolling average since launch £	5 Year Rolling average since launch £
UK Growth Shares A Acc	22.26	1,223	35.25	1,353
IA UK All Companies	2.69	1,027	19.13	1,191
Bank of England Base Rate	2.52	1,025	1.00	1,010

Matt Gregg CFA, as a UK analyst to support both James and Steve Clayton.

Our positioning is currently relatively defensive. We have significant exposures to consumer goods producers including Unilever and Haleon, Diageo and BAT. We remain overweight to technology but less so than previously, reflecting the takeover of Ideagen, which at the time was the largest single holding in the portfolio.

Our focus on the sustainability of cash flows remains undiminished and we believe this should help the portfolio navigate the current challenging economic environment.

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

AFM costs
The 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.

We believe the costs of the fund are appropriate and feel that value is being delivered for its investors.

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.

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.

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

Classes of units
This fund is only available in identically charged unit classes.

Morningstar Sustainability Rating

Distribution	Score	Descriptive rank	Rating Icon
Highest 10%	**5**	**High**	
Next 22.5%	4	Above Average	
Next 35%	3	Average	
Next 22.5%	2	Below Average	
Lowest 10%	1	Low	

PERFORMANCE TABLE

	30/09/2017	30/09/2018	30/09/2019	30/09/2020	30/09/2021
	30/09/2018	30/09/2019	30/09/2020	30/09/2021	30/09/2022
HL Select UK Growth Shares	13.02%	3.82%	-0.66%	20.11%	-12.67%
FTSE All-Share	5.87%	2.68%	-16.59%	27.89%	-4.00%
IA UK All Companies	5.63%	0.08%	-13.13%	32.50%	-15.62%

Past performance is not a guide to future returns.

Source: Internal, Lipper for Investment Management Lipper for Investment Management to 30/09/2022, Total Return Net Distribution Re-invested, Bid to Bid.

Rolling 5 years figures illustrate the average return a client would have made if they had invested at any point in time since the fund's launch and held the investment for five years (which is the minimum recommended holding period).

HL SELECT UK INCOME SHARES

OVERALL RATING

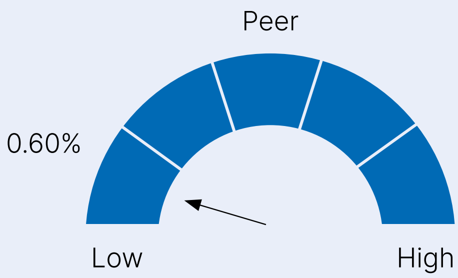
Represents overall value to its investors

ASSESSMENT CRITERIA

- Quality of Service
- Performance
- Cost of the Funds
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

COMPARABLE FEES

OCF	IA Sector median OCF	IA Sector median OCF
0.60%	0.88%	0.88%



We concluded that, based on the areas assessed, HL Select UK Income Shares Is delivering overall value to its investors.

Quality of service
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. Showing what a fund manager does and how they assess stocks and markets helps to build investor confidence in financial markets. This level of insight and transparency, provided via updates and fund blogs, is highly valued by clients.

The fund has a very low minimum lump-sum investment requirement, which means clients can access this concentrated portfolio of investments from as little as £100, or £25 per month.

This fund has the valuable feature of aiming to deliver a smoothed monthly income for its investors.

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.

We believe that the quality of services received by investors in this fund is delivering value.

Performance
The fund has delivered a return of 8.87% over the last five years, positioning it in the top fifth of UK Equity Income funds over this period. The fund has paid dividends every month since its launch in 2017 and this policy is unchanged. As the pandemic clearly demonstrated, dividends are variable and not guaranteed. We believe though that our stance of focusing on investment quality allowed the fund's dividend income to hold up better than the sectors.

During the last year we have recruited a new, experienced manager, James Jamieson CFA, to take the lead on our two UK-focused Select funds, following Charlie Huggins' departure to start a new venture external to HL. We have also added Matt Gregg CFA, as a UK analyst to support both James and Steve Clayton.

	5 Year ending Sept 22 %	5 Year ending Sept 22 £	5 Year Rolling average since launch £	5 Year Rolling average since launch £
HL Select UK Income A Acc	8.87	1,089	14.88	1,149
IA UK Equity Income NR	3.38	1,034	14.08	1,141
Bank of England Base Rate	2.52	1,025	0.57	1,006

Our investment style remains long term and focused upon identifying quality companies capable of paying an attractive dividend stream. We have adopted a more cautious stance given the economic uncertainties and regard the portfolio as possessing a significant defensive tilt currently.

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

AFM costs
The 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.

We believe the costs of the fund are appropriate and feel that value is being delivered for its investors.

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.

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.

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

Classes of units
This fund is only available in identically charged unit classes.

Morningstar Sustainability Rating

Distribution	Score	Descriptive rank	Rating Icon
Highest 10%	5	High	
Next 22.5%	**4**	**Above Average**	
Next 35%	3	Average	
Next 22.5%	2	Below Average	
Lowest 10%	1	Low	

PERFORMANCE TABLE

	30/09/2017 30/09/2018	30/09/2018 30/09/2019	30/09/2019 30/09/2020	30/09/2020 30/09/2021	30/09/2021 30/09/2022
HL Select UK Income Shares	2.21%	4.06%	-11.39%	26.33%	-8.56%
FTSE All-Share	5.87%	2.68%	-16.59%	27.89%	-4.00%
IA UK Equity Income	3.54%	-0.37%	-17.28%	32.72%	-8.75%

Past performance is not a guide to future returns.

Source: Internal, Lipper for Investment Management 30/09/2022, Total Return Net Distribution Re-invested, Bid to Bid.

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

Rolling 5 years figures illustrate the average return a client would have made if they had invested at any point in time since the fund's launch and held the investment for five years (which is the minimum recommended holding period).

HL SELECT GLOBAL GROWTH SHARES

OVERALL RATING

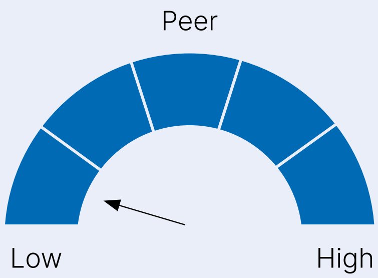
Represents overall value to its investors

ASSESSMENT CRITERIA

- Quality of Service
- Performance
- Cost of the Funds
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

COMPARABLE FEES

OCF	IA Sector median OCF
0.60%	1.14%



We concluded that, based on the areas assessed, HL Select Global Growth Shares Is delivering overall value to its investors.

Quality of service
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. Showing what a fund manager does and how they assess stocks and markets helps to build investor confidence in financial markets. This level of insight and transparency, provided via updates and fund blogs, is highly valued by clients.

The fund has a very low minimum lump-sum investment requirement, which means clients can access this concentrated portfolio of investments from as little as £100, or £25 per month.

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.

We believe that the quality of services received by investors in this fund is delivering value.

Performance
The fund has delivered a return of 32.06% since its launch in May 2019. This places the fund within the top 30% of funds in the Global sector over that period.

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 have a substantial exposure to the USA, the world's largest, and in our opinion, most dynamic major economy. This has been a contributor to the fund's growth, not least due to the strength of the US dollar in recent years. Equally, we have limited direct exposure to China, where we see an increasingly autocratic leadership hampering the nation's ability to capitalise on its undoubted economic potential.

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

	5 Year ending Sept 22 %	5 Year ending Sept 22 £	5 Year Rolling average since launch £	5 Year Rolling average since launch £
HL Select Global Growth A ACC	25.41	1,254	29.48	1,295
IA Global	21.19	1,212	25.93	1,259
Bank of England Base Rate	1.27	1,013	1.00	1,010

AFM costs

The 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.

We believe the costs of the fund are appropriate and feel that value is being delivered for its investors.

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.

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.

Comparable services

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

Classes of units

This fund is only available in identically charged unit classes.

Morningstar Sustainability Rating

Distribution	Score	Descriptive rank	Rating Icon
Highest 10%	5	High	
Next 22.5%	**4**	**Above Average**	
Next 35%	3	Average	
Next 22.5%	2	Below Average	
Lowest 10%	1	Low	

PERFORMANCE TABLE

	30/09/2017 30/09/2018	30/09/2018 30/09/2019	30/09/2019 30/09/2020	30/09/2020 30/09/2021	30/09/2021 30/09/2022
HL Select Global Growth Shares	N/A*	N/A*	21.63%	24.02%	-16.86%
FTSE World TR Index	14.16%	7.93%	5.24%	24.00%	-3.01%
IA Global Companies	11.80%	5.88%	7.38%	23.85%	-8.87%

Past performance is not a guide to future returns.

Source: Bloomberg, Lipper for Investment Management to 30/09/2022, Total Return Net Distribution Re-invested, Bid to Bid.

The fund was launched on 3 May 2019. *Full year past performance data is unavailable

Rolling 3 years figures illustrate the average return a client would have made if they had invested at any point in time since the fund's launch and held the investment for five years (which is the minimum recommended holding period).

HL GROWTH FUND

OVERALL RATING

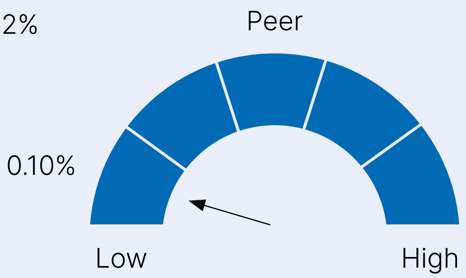
Represents overall value to its investors

ASSESSMENT CRITERIA

- Quality of Service
- N/A Performance
- Cost of the Funds
- Economies of Scale
- Comparable Market Rates
- Comparable Services
- Classes of Units

COMPARABLE FEES

OCF	IA Sector median OCF
0.10%	1.12%



Morningstar Sustainability Rating

Distribution	Score	Descriptive rank	Rating Icon
Highest 10%	5	High	
Next 22.5%	**4**	**Above Average**	
Next 35%	3	Average	
Next 22.5%	2	Below Average	
Lowest 10%	1	Low	

This fund was launched on 15 December 2021 and has yet to complete a full year of fund history.

To date, we believe that, based on the areas assessed, HL Growth Fund Is delivering overall value to its investors.

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
Since launching on 15th December 2021, the fund has delivered in line with expectations., however, no performance assessment has been included within this report due to the funds short performance history.

AFM costs
The ongoing charges 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 for its investors.

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.

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.

As the fund does not have a full year of performance to report, no performance data is available.

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 Assessment of Value 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.

AMY STIRLING
Chief Financial Officer

Amy has significant financial and strategic leadership experience in client facing businesses across the telecommunications and financial services sectors. She has considerable transformation and M&A experience at both executive and non-executive level and is a qualified chartered accountant. Amy was previously Chief Financial Officer of the Virgin Group and other previous appointments include non-executive director and chair of Audit Committee at Pets at Home Group plc, Chief Financial Officer of The Princes Trust, and Chief Financial Officer at TalkTalk Telecom Group Plc.

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.

LEE GARDHOUSE
Chief Executive Officer

Lee holds a BA (Hons) degree in Economics from Liverpool John Moores University and has passed the Associate of the Society of Investment Professionals exam. Lee joined Hargreaves Lansdown's investment department in 1995 and became Investment Director in 2006. Lee previously set up and managed a number of the HL Multi-Manager funds but now has overall responsibility for the Multi-Manager and Select fund ranges and Portfolio Management Service performance.

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.

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.

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.

MARK HASTINGS
Head of Finance

Mark has over 25 years financial services experience. A chartered accountant, he has focused on financial management and control across a wide range of sectors including investment banking, insurance, fund management and, prior to joining HL, was Finance & Risk Director of Ascentric, an intermediated IFA platform.

HL

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