

LF Havelock London Investment Funds

Value Assessment

December 2020

What is a Value Assessment?

An introduction from the Board

As the Board of Link Fund Solutions Limited (“LFSL”), we are committed to creating and maintaining investor value within the funds we operate. Value to us doesn’t just mean cost. Value is a combination of investment performance, product goals and design, transparency, charges, and quality of service.

In our capacity as the Authorised Corporate Director (“ACD”) we are responsible for the operation of the funds covered by this report. It is our role and responsibility as Board of the ACD to make sure our funds are operated in accordance with UK regulations and their stated investment objectives and policies.

This assessment of value report represents a snapshot of an ongoing process of oversight and monitoring of our funds throughout each year. We combine internal data with independent external inputs to review our funds’ value against the Financial Conduct Authority’s (“FCA”) Assessment Criteria (and others where applicable), which we have grouped under three categories of Quality, Performance and Costs. We aim to provide investors with transparency in our reports. We do this by summarising key elements of this data, where appropriate, and providing explanations of our ratings in the conclusion for each of the three categories, as well as an overall rating for each fund.

The Board has established a Value Assessment Committee, which currently includes three LFSL Board members, as well as senior management representing each relevant area of the business. The Committee meets monthly to review value assessment findings, to prepare final value assessment reports for sign off, and to ensure any appropriate further actions are defined and monitored to completion. In establishing the assessment framework and carrying out its ongoing duties, the Committee met more than 20 times throughout 2020.

The introductory pages to this report provide further details on our value assessment governance approach, how we have assessed value, and the format of the value assessment report itself. We hope that this report helps investors assess the value delivered by our funds clearly, simply, transparently and fairly.

The Board of Directors
Link Fund Solutions Limited

April 2021

Governance approach

Our Board

This Value Assessment Report has been approved by the LFSL Board of Directors. The Board is comprised of the Chair, who is one of three independent non-executive directors, and four executive directors.

Alistair Reid

Independent Non-Executive Director
Chair of LFSL Board

- 40+ years' industry experience
- Appointed to LFSL Board in February 2021*

Tony Stuart

Independent Non-Executive Director

- 40 years' industry experience
- Appointed to LFSL Board in November 2017

Elizabeth Tracey

Independent Non-Executive Director

- 37 years' industry experience
- Appointed to LFSL Board in February 2021*

Chris Addenbrooke

Chief Executive Officer

- 33 years' industry experience
- 13 years at Link Fund Solutions
- Appointed to LFSL Board in June 2007

Karl Midl

Managing Director

- 26 years' industry experience
- 25 years at Link Fund Solutions
- Appointed to LFSL Board in February 2002

Ben Hammond

Finance Director

- 21 years' industry experience
- 18 years at Link Fund Solutions
- Appointed to LFSL Board in October 2015

Nigel Boyling

Director

- 30+ years' industry experience
- 11 years at Link Fund Solutions
- Appointed to LFSL Board in February 2011

* Note: This report covers a period before Alistair and Elizabeth were appointed to the LFSL Board. Previously, Tony Stenning was the Chair and independent non-executive director from October 2019 to February 2021.

Governance of our assessment of value

To ensure our assessments are carried out in a consistent manner we have developed the following governance framework.

- **Value Assessment Committee** – made up of senior leaders from across the business and members of the Board of the ACD, including the Chair of the Board, who also acts as Chair of the Value Assessment Committee. The Committee is responsible for reviewing the assessment and any proposed actions, and raising matters to the Board for review and approval.
- **Value Assessment Working Group** – made up of subject matter experts from across our business who are responsible for analysing internal data and the data sourced from external providers that is used to develop our assessment for each fund.
- **Product Governance** – any actions identified during the assessment are actively tracked through our Product Governance framework.

Our assessment process

Our Assessment of Value, which uses independently sourced market data as well as our own, is based on the seven key assessment criteria outlined by the Financial Conduct Authority (“FCA”), grouped into three core categories: Quality, Performance and Cost.

Category	Quality	Performance	Cost
Assessment Criteria	<ul style="list-style-type: none"> • Quality of service 	<ul style="list-style-type: none"> • Investment Objective/ Investment Performance 	<ul style="list-style-type: none"> • Overall costs • Economies of scale • Comparable market rates • Comparable services • Classes of shares

Using these assessment criteria, we have sought to establish whether the funds in the report provide overall value to investors. In addition, we will also consider whether any other assessment criteria should be considered when undertaking the assessment.

In our assessment, we have considered events and, in particular, appropriate long-term performance prior to the assessment period. Where appropriate and relevant to our assessment we have also commented on events that have occurred since the end of the assessment period (i.e., after 31 December 2020), including performance. We have also stated where we may propose to take corrective action.

Quality

To assess Quality, we reviewed the operation and management of the funds against agreed service levels. The service provision includes a review of the following key elements:

- The timely and accurate calculation of the fund’s prices and income payments to investors
- Accessibility, accuracy and use of plain language in fund documentation and investor communications
- Timely and accurate production and distribution of investor statements
- Ensuring trading activities are within fund guidelines
- The level of, and timely response to, any complaints from investors.

Performance

To assess Performance, we reviewed the performance of the funds against their objectives and benchmarks over the stated recommended holding periods. Where appropriate we have commented on events that may have contributed to any short-term under or over performance during the relevant period.

Costs

To assess Costs, we reviewed the following areas over the assessment period:

- The Ongoing Charges Figure (“OCF”) of the fund, which includes charges for the following services:
 - Investment management
 - Depositary/custody
 - Fund administration
 - Audit and Legal
 - Our own service as ACD
- Economies of scale
- Market competitiveness
- Investor / share class suitability.

How we present our findings

Ratings

The results of our assessments are presented using a traffic light system. A traffic light rating is given to each fund that summarises our overall assessment and our findings for the three core categories of Quality, Performance and Cost.

Green – Offers good value

Amber – Has provided value in some but not all areas; additional monitoring and/or further action may be proposed

Red – Has not provided good value; appropriate further action should be detailed

In addition to the overall traffic light rating, we provide individual ratings and commentary on each of the three core categories of Quality, Performance and Cost for each of the funds included in this report.

Overview

Company	LF Havelock London Investment Funds (the “Company”)
Authorised Corporate Director (“ACD”)	Link Fund Solutions Limited (“LFSL”)
Investment Manager	Havelock London Limited
Fund	LF Havelock Global Select
Assessment Period	01 January 2020 – 31 December 2020

LF Havelock Global Select

Executive Summary

- LF Havelock Global Select (“the Fund”) launched in August 2018, and currently has 1 share class available for investment.
- The Fund is aimed at investors who are recommended to hold shares for a minimum period of 3 years.
- The Fund’s primary share class has returned 2.45% during the assessment period and 11.36% since launch.
- The Fund’s primary share class has underperformed its Comparator Benchmark over the assessment period by -4.56% and since launch by -1.90%.
- The Total Charges of the Fund’s only share class, “A” Accumulation, are within what we consider to be an acceptable range of the middle value (median) OCF of comparable share classes in the Sector.

We have assessed the Fund based on seven key assessment criteria and grouped these into three core categories: Quality, Performance and Cost. Using these assessment criteria, as detailed below, we (as ACD) have sought to establish whether the Fund provides overall value to investors.

Metric	Quality	Performance	Cost
Assessment Criteria	<ul style="list-style-type: none"> • Quality of service 	<ul style="list-style-type: none"> • Investment Objective / Investment Performance 	<ul style="list-style-type: none"> • Overall costs • Economies of scale • Comparable market rates • Comparable services • Classes of shares
LF Havelock Global Select			
Investment Objective	The Fund aims to achieve investment growth (net of fees) over 3-5 years.		
Comparator Benchmark	IA Flexible Investment Sector		
Assets Under Management (“AUM”)	£22.74 million (as at 31 December 2020)		
IA Sector	Flexible Investment (the “Sector”)		
<p>Previous Actions Carried Forward: No actions carried forward.</p> <p>Actions Proposed: No corrective action is required.</p>			

Conclusion



Based on our assessment, we have concluded that the Fund provides overall value to investors and we have therefore given the Fund a **Green** rating. We believe there is no further action required at this time. We will continue to monitor all aspects of the Fund with the aim of ensuring it continues to meet its objective and delivers overall value to investors.

Quality

In order to assess Quality, we reviewed the operation and management of the Fund against agreed service levels. The service provision includes a review of the following key elements:

- The timely and accurate calculation of the Fund's prices and income payments to investors
- Accessibility, accuracy and use of plain language in Fund documentation and investor communications
- Timely and accurate production and distribution of investor statements
- Ensuring trading activities are within Fund guidelines
- The level of, and timely response to, any complaints from investors

Following government advice to work from home during the unprecedented Covid-19 pandemic, there was an impact on some of our usual high quality standards. While we worked to minimise the impact to investors, this particularly affected the months of March and April 2020, where we experienced an increased volume of calls to our customer contact centre. As we and other service providers to the Fund, including the administrator and transfer agent, adapted to working from home, our service levels returned to normal levels.

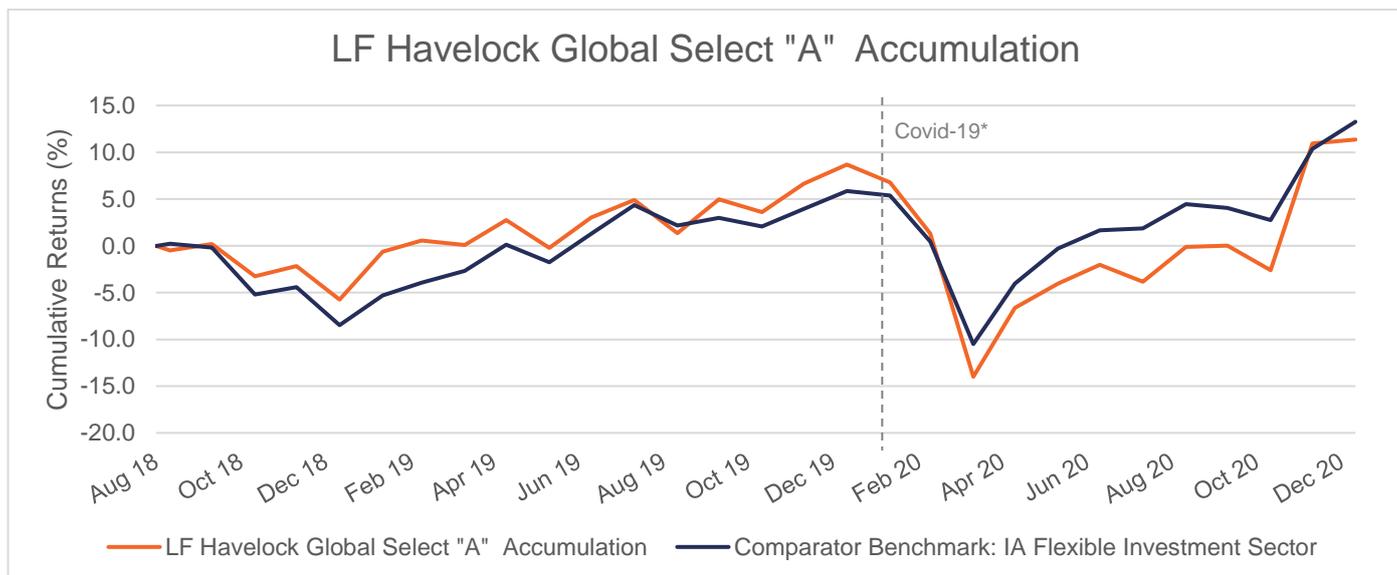
Quality Conclusion



Following our review of the criteria above, we have not identified any matters that ultimately affected the quality of service during the assessment period. We therefore conclude that the Fund offers overall value when assessing Quality and have given the Fund a **Green** rating. We continue to review our processes and keep investors updated with any changes to the Fund.

Performance

In order to assess Performance, we reviewed the Fund's performance against its objective and benchmark since launch in August 2018. The graph below shows the cumulative performance of the Fund's only share class, "A" Accumulation, and the cumulative performance of its Comparator Benchmark since launch.



*The first UK cases of Covid-19 were reported on 31 January 2020. In the months that followed markets experienced significant volatility amid fears of a global pandemic.

The table below shows the cumulative performance of the Fund's primary share class over 1 year and since launch, as well as its relative performance against the Comparator Benchmark. Relative performance is calculated as the Fund's cumulative return minus the Comparator Benchmark's cumulative return over the period.

Share Class	Time Period	Rating	Fund's Performance over the Time Period **	Fund's Relative Performance vs Comparator Benchmark **
"A" Accumulation	Since launch (August 2018)		11.36%	-1.90%
	1 year		2.45%	-4.56%

** Returns are cumulative and net of fees. Past performance is not a guide to future performance.

The Investment Manager has summarised the drivers of the Fund's performance since launch:

"The Fund predominantly invests in company shares (equities), but has consistently held a proportion of its assets in UK government fixed income securities and cash. The fixed income and cash holdings were reduced during 2020, as the fund manager believed the large price falls increased the opportunity to safely invest more capital in company shares. Within global stock markets, US technology companies saw some of the largest price gains during 2020, as demonstrated by the 43% gain in the NASDAQ stock index. The fund manager believes that the fund's performance relative to its sector during 2020 is, in a large measure, explained by it having had no investments in such companies. Relative to major global stock indices the fund was less concentrated in American companies as well as companies that need high future profit growth to justify their current stock prices – both areas that saw strong share price gains in the last year. The fund

manager employs a value-oriented approach and believes that the price gains of many popularly held “growth” companies in the last year significantly out-paced the increase in their underlying business profits. Hence, the fund’s performance relative to its sector in the last year does not cause the fund manager any concern. As a benchmark agnostic fund it should be expected that its performance in any 12 month period will deviate from both other funds in its sector and major global stock indices.”

Performance Conclusion



Following our review, we have concluded that the Fund has been managed in accordance with its investment objective and policy. The Fund was launched in August 2018 and has therefore not yet reached its minimum recommended holding period of 3 years that is aligned with its Investment Objective. The Fund has provided positive returns over the assessment period – the 12 months to 31 December 2020 – and since its launch, but the Fund has underperformed against its Comparator Benchmark over the same periods. While we will continue to monitor the Fund’s performance, we do not propose to take any action regarding the Fund’s performance at this time. Due to the Fund’s slight underperformance from its launch to 31 December 2020 we have given the Fund an **Amber** rating. We note that, since the end of the assessment period and prior to the publication of this report, the Fund’s performance has improved relative to its Comparator Benchmark and as at 31 March 2021 the Fund’s total return since launch is above the total return of the average of the IA Flexible Investment Sector.

Costs

In order to assess Costs, we reviewed the Ongoing Charges Figures (“OCFs”) of the Fund, market competitiveness and investor / share class suitability over the assessment period.

We actively monitor costs charged to the Fund against similar funds, including those operated by us, to ensure that it maintains competitive market rates.

The Total Charges of the Fund’s share class is capped at the level shown in the table below. Any cost in excess of the Total Charge Limit are borne by the Investment Manager, not investors. Should the costs be lower than the Total Charge Limit then investors in the Fund will only pay the lower amount.

We have reviewed the Fund’s Total Charges Figure against the middle value (median) OCF of comparable Clean (Direct) Share Classes of funds in the Fund’s IA Sector, the IA Flexible Investment Sector (the “Sector”).

We note that the OCFs of other funds in the Sector may not include certain costs that investors in other funds may bear, such as transaction costs, while the Fund’s Total Charges Figure does include these costs.

Our analysis identified that the Total Charges of the Fund’s only share class, “A” Accumulation, is within what we consider to be an acceptable range of the middle value (median) OCF of comparable share classes in the Sector, as shown in the table below.

Share Class	Total Charges Figure	Share Class Type	IA Flexible Investment Sector Median OCF	Conclusion
“A” Accumulation	0.99%	Clean (Direct)	0.90%	Within acceptable range

- For Economies of Scale:**

We assessed the costs charged to the Fund and have determined that the currently available benefits as a result of economies of scale have been passed on to investors. The Investment Manager has agreed, on a discretionary basis, to bear certain costs as part of the Total Charges Figure limit with a view to passing on to the Fund any economies of scale gained. The Total Charges of the Fund’s “A” Accumulation share class are capped at 0.99%. As part of our ongoing oversight of the Fund, we aim to ensure investors benefit from any future economies of scale.

- For Comparable Market Rates:**

We looked at the OCFs of the various share classes of the Fund and compared them against similar funds.

Share Classes	Minimum Initial Investment ¹	Annual Management Charge (“AMC”)	Total Charges Figure ²	Target Market
“A” Accumulation	£1,000	0.70%	0.99%	Retail Investors

1 We may waive the minimum initial investment levels at our sole discretion.

2 The Total Charges (which includes the ongoing charges) the Fund will pay is capped at 0.99%. This includes portfolio transaction costs. Further details are available in section 7 of the prospectus.

- For Classes of Shares:**

As the Fund only has one share class there are no concerns over the classes of shares offered to investors.

Costs Conclusion



Our assessment has shown that the Total Charges of the Fund's only share class, "A" Accumulation, are within what we consider to be an acceptable range of the middle value (median) OCF of comparable share classes in the Sector. We have concluded that the current benefits of economies of scale have been passed on to investors. Based on our review of Costs, we have given the Fund a **Green** rating.

Glossary

Annual Management Charge (“AMC”)	An ongoing fee paid to the management company for managing the Fund, usually charged as a percentage of the Fund’s value.
Assets Under Management (“AUM”)	Is the total market value of the investments of a Fund.
Authorised Corporate Director (“ACD”)	A corporate body and an authorised person given powers and duties under the Financial Conduct Authority regulations to operate an Open Ended Investment Company (“OEIC”).
Clean (Direct) Share Class	An unbundled – free of any rebates or intermediary commission – share class freely available for direct investment in the retail market.
Cost	<p>Cost is defined by reviewing overall costs, Economies of scale, Comparable market rates, Comparable services, and Classes of shares. The assessment looks at each of the five criteria individually to define value:</p> <ol style="list-style-type: none"> 1. Overall costs: the total ongoing charges of the Fund. 2. Economies of scale: assesses whether any area of savings and benefits from the increase in scale or size in assets under management have been passed onto the investor. 3. Comparable market rates: compares the price charged for investing in the Fund against similar funds. 4. Comparable services: assesses the fair treatment of investors in the Fund. This looks at the investment criteria at share class level within the Fund. 5. Classes of shares: assessing pricing of a share class against those of other share classes within the same Fund, and the points of differentiation of these share classes.
Comparator Benchmark	A benchmark is a standard against which the performance of the Fund can be measured.
Cumulative Return	Shows the aggregated return from an investment over a specific time period.
High Net Worth Individual	A person or family with liquid assets above a certain figure.
Institutional Investor	An Institutional Investor is a company or organisation that invests money in large quantities, typically on behalf of other people.

IA Sector	<p>As there are numerous funds in the market available from different ACDs, the Investment Association (“IA”) provides a list of sectors as a way of dividing these funds into broad groups. Investors can use sectors to compare similar funds’ performance and charges.</p> <p>Flexible Investment: The funds in this sector are expected to have a range of different investments. However, the fund manager has significant flexibility over what to invest in. There is no minimum or maximum requirement for investment in company shares (equities) and there is scope for funds to have a high proportion of shares. The manager is accorded a significant degree of discretion over asset allocation and is allowed to invest up to 100% in equities at their discretion: No minimum equity requirement; No minimum fixed income or cash requirement; No minimum currency requirement.</p>
Investment Manager	<p>The company or individual to whom the ACD delegates the responsibility for deciding how to invest the money in the Fund’s assets.</p>
Ongoing Charges Figure (“OCF”)	<p>A single percentage figure used to show the total annual operating costs taken from the assets of the relevant share class over the year, and based on the figures for the preceding year, including the annual management charge, registration fees, the Depositary’s periodic charge, custody fees, and the Auditor’s fees, but excluding any redemption charge, brokerage charges, taxes or other dealing costs incurred in respect of the Fund’s Scheme Property.</p>
Performance	<p>The profit or loss derived from an investment over a specified time period.</p>
Platform Investor	<p>An investor who utilises an online service that makes products available from more than one provider.</p>
Primary Share Class	<p>The highest charging unbundled – free of any rebates or intermediary commission – share class freely available through third-party distributors in the retail market.</p>
Quality	<p>Quality is defined by reviewing Quality of Service. Quality of Service is the range and quality of services provided to investors.</p>
Retail Investor	<p>Is an individual who purchases shares for their own personal account rather than for an organisation. They also typically trade in much smaller quantities.</p>
Share Class	<p>A fund can have several share classes which can have different characteristics and/or charging structures, reflecting the type of investor that would typically buy them.</p>
Sponsor	<p>The Sponsor appoints the ACD, by way of a sponsorship agreement, to act as the regulated operator of the Fund.</p>

Total Charges Figure

A single percentage figure used to show the total annual operating costs taken from the assets of the Fund. Including the Annual Management Charge, registration fees, the Depositary's periodic charge, custody fees and the Auditor's fees, and all fund expenses borne directly by the Fund, including any dealing costs (which includes any initial charge, redemption charge, brokerage charges, taxes or other incurred costs) in respect of the Fund's Scheme Property.

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