

LF Personal Pension Trust

Value Assessment

December 2019

Value Assessment

What is a Value Assessment?

We are required by our regulator, the Financial Conduct Authority (“FCA”) in our capacity as Manager, to assess and report on the value of our funds to investors.

Our assessment of value, which also uses independently sourced market data, looks at a number of criteria relating to; investment performance, costs and quality of service and will determine whether our funds offer value to investors compared with the market or whether corrective action is required, or has been taken.

Our assessment of value covers the period from 1 January 2019 to 31 December 2019. In our assessment, we have considered events and, in particular, long term performance prior to this assessment period. However we cannot comment on events that have occurred since the end of the assessment period (i.e. after 31 December 2019) that may impact our assessment, other than detailing where we may propose to take corrective action.

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Funds		
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Manager	Link Fund Solutions Limited	
Assessment Period	01 January 2019 – 31 December 2019	

LF Cash Personal Pension Fund

Executive Summary

- The LF Personal Pension Trust (“the Trust”) is an authorised unit trust scheme. It is a non-UCITS retail scheme and a Registered Pension Scheme. It is closed to new investors.
- **LF Cash Personal Pension Trust** (“the Fund”) has a single share class available for investment.
- The Fund is only available to existing members of the Personal Pension Plan (the “Plan”). The AMC paid by members includes the costs of administering the Plan, which most funds in its Sector will not incur.
- The Fund is a feeder fund. It seeks to achieve its investment objective by investing solely in the shares of a single underlying fund, the LGIM Sterling Liquidity Plus Fund (the “underlying fund”).
- The Fund has underperformed its Comparator Benchmark over the assessment period by -0.21% and over the longer term (5 years) by -1.71%, respectively.
- The Ongoing Charges Figure (“OCF”) of the Fund is higher than the Sector’s middle value.

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 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 Cash Personal Pension Fund			
Underlying Fund Information	The LF Cash Personal Pension Fund is invested in the LGIM Sterling Liquidity Plus Fund, where investment management is provided by Legal & General Investment Management. The underlying fund aims to achieve a high level of return consistent with a high degree of capital security, investing principally in short-term deposits and other money market instruments.		
Investment Objective	To provide long term capital growth by investing in a single authorised collective investment scheme which invests predominately in Money Market Instruments with the aim of providing a high level of capital security.		
Comparator Benchmark	3 Month Sterling LIBOR		

Assets Under Management (“AUM”) £8.42 million (as at 31 December 2019)

IA Sector Standard Money Market (the “Sector”)

Further Action: We are reviewing the Fund, the underlying fund it invests in as well as its charging structure and the overall costs paid by investors, as part of a broader review of the Plan. Once complete, we will write to investors in the Fund with full details of any proposed changes to the Fund.

Conclusion



Based on our assessment, we have concluded that the Fund does not provide overall value and therefore has been given a **Red** rating. The key contributors to this rating are the Fund’s high costs and poor performance, as detailed in the Performance and Costs sections of this report. We note the underlying fund the Fund invests in was replaced in January 2019, after which relative performance has **started to** improve. As part of our ongoing oversight, we are currently undertaking a broader review of the Trust including reviewing the Fund, the underlying fund it invests in and the overall costs paid by investors. Once complete, we will write to investors in the Fund with full details of any proposed changes to the Fund.

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 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

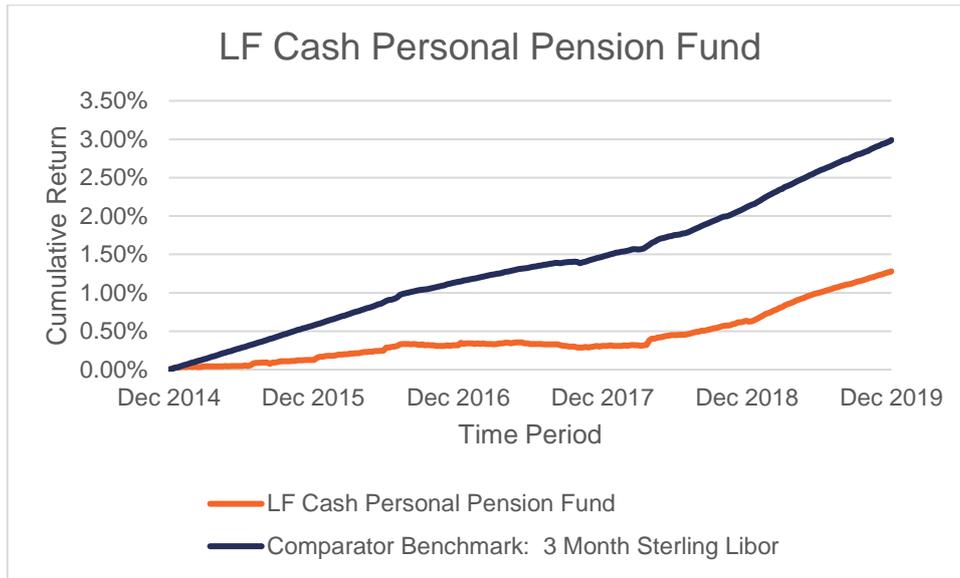
Conclusion



Following our review of the criteria above, we have not identified any issues that ultimately affect the Quality of Service and therefore, conclude that the Fund offers overall value when assessing Quality and therefore it has been given 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 investment objective over the longer term which for the purpose of this assessment is 5 years. The graph and table below show the performance of the Fund against its Comparator Benchmark.



Time period	Rating	Performance over the Time Period	Performance vs Comparator Benchmark
5 years		1.28%	-1.71%
3 years		0.96%	-0.86%
1 year		0.65%	-0.21%

* Past performance is not a guide to future performance

Conclusion

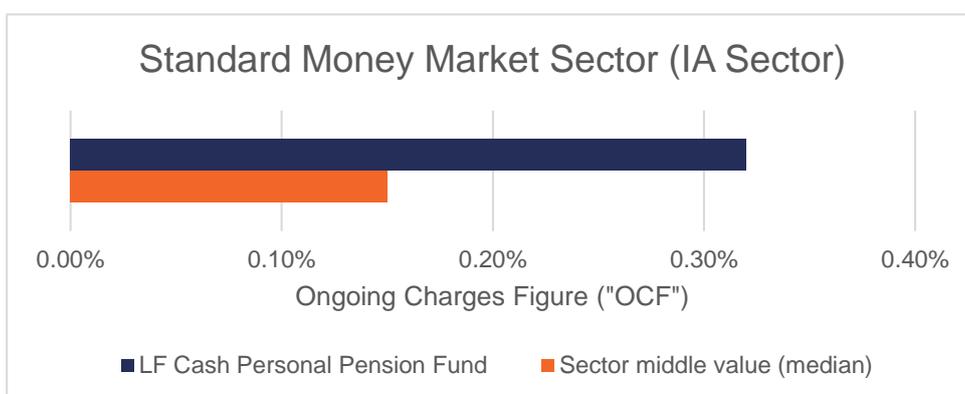
Following our review, we have concluded that the Fund has been managed in accordance with its investment objective and policy. The Fund has however consistently underperformed its comparator benchmark, owing primarily to the impact of fees charged to the Fund and historically low money market rates. This level of underperformance is outside the level of tolerance we would expect to see for the types of assets that the underlying fund invests in and for this reason, we have rated Performance as **Red**. We note the underlying fund the Fund invests in was replaced in January 2019, after which relative performance has improved.

Costs

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

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

We based our analysis on the Fund’s only share class, “X” Class. The OCF of this share class is 0.32%, which is higher than the middle value OCF of similar funds, 0.15%, as shown in the graph below. Please note, the Sector median cost is based on a very small sample of 4 other funds in the Standard Money Market Sector.



- For Economies of scale:**
 We have assessed the total costs charged to the Fund and have determined that any economies of scale will only be realised if the AUM of the Fund was to grow. The Fund has an OCF Cap facility in place, meaning that should the actual OCF be higher than 0.35%, the Manager will pay any costs over this figure.
- For Comparable Market Rates:**
 We looked at the Ongoing Charges Figure (“OCF”) of the Fund and compared them against similar funds.

Fund	Annual Management Charge (“AMC”)	Ongoing Charges Figure (“OCF”)	Target market
LF Cash Personal Pension Fund	0.10%	0.32%	Retail Investors

- For Classes of shares:**
 As the Fund only has one share class, meaning all investors pay the same costs, there are no concerns over the appropriateness of share classes offered to investors in the Fund.

Conclusion



The Fund's costs are significantly higher than the Sector's middle value of 0.15%. This is attributable to the Fund's relatively small size and charging structure. The Fund's Assets Under Management ("AUM") are lower than the average of the Sector, meaning it may not benefit from the economies of scale available to larger funds. The Fund is structured as a feeder fund, therefore the OCF includes the costs of the underlying fund. As a pension fund the Fund incurs additional costs related to the operation of a pension scheme that other funds in the Sector will not incur. To limit the impact of this on investors the Manager has capped the OCF of the Fund at 0.35%, with any costs in excess of this borne by the Manager. However due to the significant difference between the Fund's OCF and the Sector's, we have concluded that the Fund has not provided value in terms of Costs and rated it **Red**. As part of our ongoing oversight of costs, a review of the overall costs paid by investors is being carried out. Once complete, we will write to investors in the Fund with full details of any proposed changes to the Fund.

LF UK Gilt Personal Pension Fund

Executive Summary

- The LF Personal Pension Trust (“the Trust”) is an authorised unit trust scheme. It is a non-UCITS retail scheme and a Registered Pension Scheme. It is closed to new investors.
- **LF UK Gilt Personal Pension Fund** (“the Fund”) has a single share class available for investment.
- The Fund is only available to existing members of the LF Personal Pension Plan (the “Plan”). The AMC paid by members includes the costs of administering the Plan, which most funds in its Sector will not incur.
- The Fund is a feeder fund. It seeks to achieve its investment objective by investing solely in the shares of a single underlying fund, the Legal & General All Stocks Gilt Index Trust (the “underlying fund”).
- The Fund has underperformed its Comparator Benchmark over the assessment period by -1.58% and over the longer term (5 years) by -5.37%.
- The Ongoing Charges Figure (“OCF”) of the Fund is higher than the Sector’s middle value.

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 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 UK Gilt Personal Pension Fund			
Underlying Fund Information	The LF UK Gilt Personal Pension Fund is invested in the Legal & General All Stocks Gilt Index Trust, where investment management is provided by Legal & General Investment Management. The Fund seeks to track the total return of UK Government Securities as represented by the FTSE-Actuaries British Government All Stocks Index after adjustment for management charges and taxation, by investment in a representative sample of stocks.		
Investment Objective	To provide long term capital growth by investing in a single authorised collective investment scheme which invests predominately in UK gilts and debt instruments relating to the public finance sector in the UK.		
Comparator Benchmark	IA UK Gilts		

Assets Under Management (“AUM”) £13.78 million (as at 31 December 2019)

IA Sector UK Gilts (the “Sector”)

Further Action: We are reviewing the Fund, the underlying fund it invests in as well as its charging structure and the overall costs paid by investors, as part of a broader review of the Plan. Once complete, we will write to investors in the Fund with full details of any proposed changes to the Fund.

Conclusion



Based on our assessment, we have concluded that the Fund has not provided overall value and therefore it has been given a **Red** rating. The key contributors to this rating are the Fund’s high costs and their impact on performance, as detailed in the Performance and Cost sections of this report. As part of our ongoing oversight, we are currently undertaking a broader review of the Trust including reviewing the Fund, the underlying fund it invests in and the overall costs paid by investors. Once complete, we will write to investors with full details of any proposed changes to the Fund.

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 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

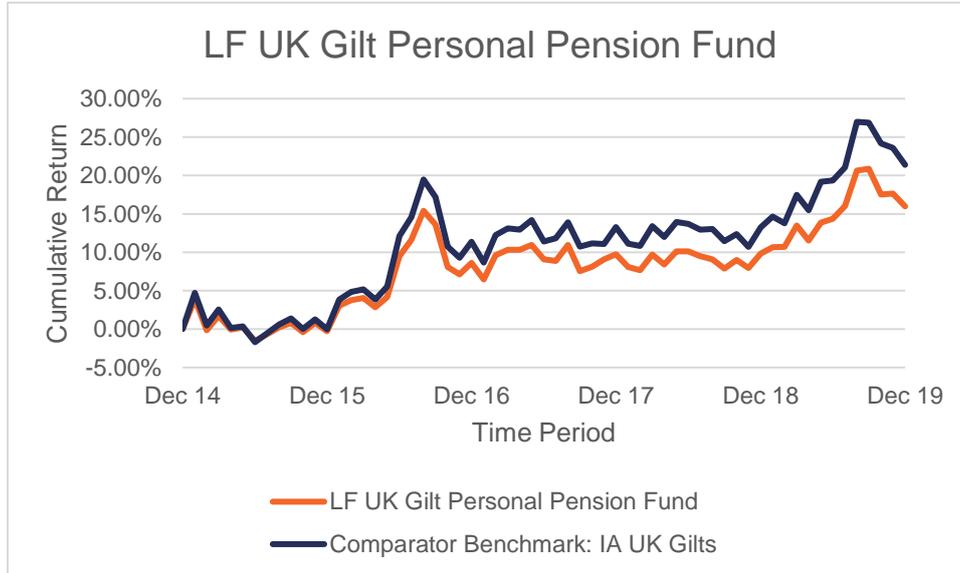
Conclusion



Following our review of the criteria above, we have not identified any issues that ultimately affect the Quality of Service, and therefore, conclude that the Fund offers overall value when assessing Quality and therefore it has been given 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 investment objective over the longer term, which for the purpose of this assessment is 5 years. The graph and table below show the performance of the Fund against its Comparator Benchmark.



Time period	Rating	Performance over the Time Period	Performance vs Comparator Benchmark
5 years		16.00%	-5.37%
3 years		6.81%	-2.84%
1 year		5.61%	-1.58%

* Past performance is not a guide to future performance

Conclusion

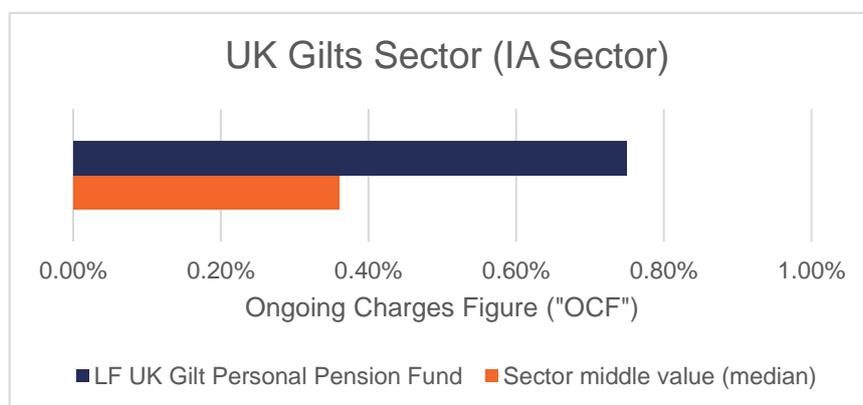
The Fund is wholly invested in an underlying fund aimed at tracking a market index. The underlying fund, in which the Fund is invested, has achieved its objective over the year and the longer term. Following our review, we have concluded that the Fund has been managed in accordance with its investment objective and policy. However, due primarily to the costs incurred by the Fund, its performance has not tracked the performance of the market index as we would expect. We have therefore concluded the Fund has not provided value in terms of performance and rated it as **Red**. As part of our ongoing oversight, we are currently reviewing the Fund and once completed, we will write to investors in the Fund with full details of any proposed changes to the Fund.

Costs

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

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

We based our analysis on the Fund’s only share class, “X” Class. The OCF of this share class is 0.75%, which is higher than the middle value OCF of similar funds in the sector, 0.36%, as shown in the graph below.



- For Economies of scale:**
 We have assessed the total costs charged to the Fund and have determined that any economies of scale will only be realised if the AUM of the Fund was to grow.
- For Comparable Market Rates:**
 We looked at the Ongoing Charges Figure (“OCF”) of the Fund and compared them against similar funds.

Fund	Annual Management Charge (“AMC”)	Ongoing Charges Figure (“OCF”)	Target market
LF UK Gilt Personal Pension Fund	0.40%	0.75%	Retail Investors

- For Classes of shares:**
 As the Fund only has one share class, meaning all investors pay the same costs, there are no concerns over the appropriateness of share classes offered to investors in the Fund.

Conclusion



The Fund's costs are significantly higher than the Sector's middle value of 0.36%. This is primarily attributable to the Fund's charging structure. As a pension fund the Fund incurs additional costs related to the operation of a pension scheme that other funds in the Sector will not incur. Additionally, the Fund is structured as a feeder fund, therefore the OCF includes the costs of the underlying fund in which it is invested. The Fund's Assets Under Management ("AUM") are lower than the average of the Sector, meaning it may not benefit from the economies of scale available to larger funds. However, the Fund is a passively managed Fund, in a sector where the funds are predominately actively managed, and therefore we would still expect the Fund's costs to be lower than the Sector's middle value. Based on our review of cost, we have rated the Fund **Red**. As part of our ongoing oversight of Costs, a review of the overall costs paid by investors is being carried out. Once complete, we will write to investors in the Fund with full details of any proposed changes to the Fund.

LF Cautious Managed Pension

Executive Summary

- The LF Personal Pension Trust is an authorised unit trust scheme. It is a non-UCITS retail scheme and a Registered Pension Scheme. It is closed to new investors.
- **LF Cautious Managed Personal Pension Fund** (“the Fund”) has a single share class available for investment.
- The Fund is only available to existing members of the LF Personal Pension Plan (the “Plan”). The AMC paid by members includes the costs of administering the Plan, which most funds in its Sector will not incur.
- The Fund is a feeder fund. It seeks to achieve its investment objective by investing solely in the shares of a single underlying fund, the Janus Henderson Cautious Managed Fund (the “underlying fund”).
- The Fund has outperformed the Comparator Benchmark by +1.10% over the assessment period. However, over the longer term (5 years), the Fund has underperformed its Comparator Benchmark by -7.80%.
- The Ongoing Charges Figure (“OCF”) of the Fund is lower than the Sector’s middle value.

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 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 Cautious Managed Pension			
Underlying Fund Information	The LF Cautious Managed Personal Pension Fund is invested in the Janus Henderson Cautious Managed Fund, where investment management is provided by Henderson Investment Funds Limited. The Fund aims to provide a combination of income and long term capital growth. Investment will be in a diversified portfolio of equities, bonds and other related instruments.		
Investment Objective	To provide long term capital growth by investing in a single authorised collective investment scheme which invests up to 60% in global equities, as well as in bonds and other transferable securities.		
Comparator Benchmark	IA Mixed Investment 20-60% Shares		

Assets Under Management (“AUM”) £32.84 million (as at 31 December 2019)

IA Sector Mixed Assets 20-60% Shares (the “Sector”)

Further Action: We are reviewing the Fund, the underlying fund it invests in as well as its charging structure and the overall costs paid by investors, as part of a broader review of the Plan. Once complete, we will write to investors in the Fund with full details of any proposed changes to the Fund.

Conclusion



Based on our assessment, we have concluded that the Fund provides overall value and therefore has been given a **Green** rating. As part of our ongoing oversight, we are currently undertaking a broader review of the Trust including reviewing the Fund, the underlying fund it invests in and the overall costs paid by investors. Once complete, we will write to investors in the Fund with full details of any proposed changes to the Fund.

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 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

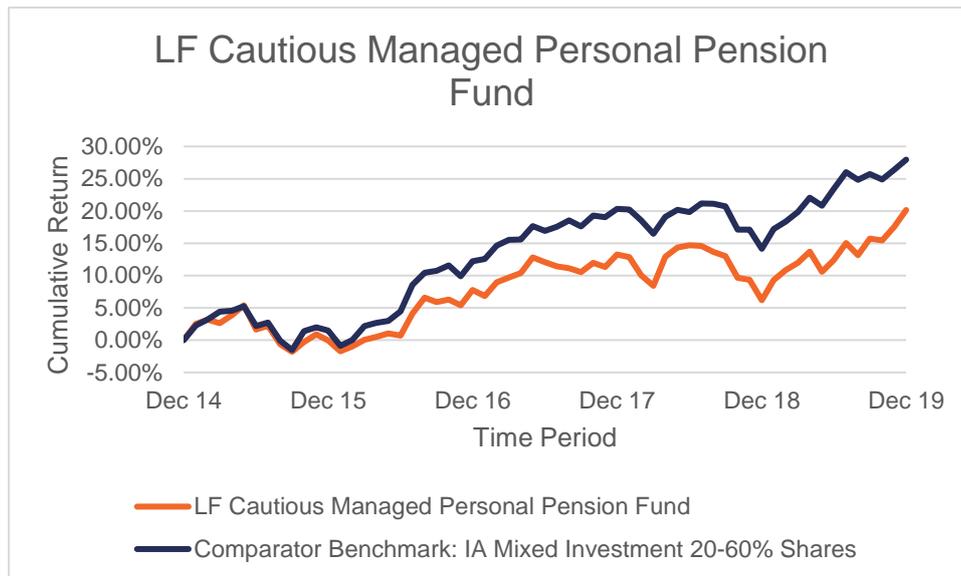
Conclusion



Following our review of the criteria above, we have not identified any issues that ultimately affect the Quality of Service, and therefore, conclude that the Fund offers overall value when assessing Quality and therefore it has been given 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 investment objective over the longer term, which for the purpose of this assessment is 5 years. The graph and table below show the performance of the Fund against its Comparator Benchmark.



Time period	Rating	Performance over the Time Period	Performance vs Comparator Benchmark
5 years		20.15%	-7.80%
3 years		11.50%	-2.50%
1 year		13.18%	+1.10%

* Past performance is not a guide to future performance

Conclusion

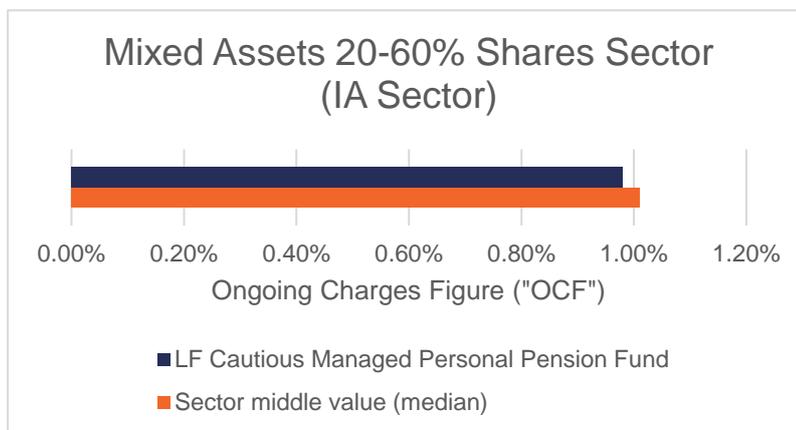
Following our review, we have concluded that the Fund has been managed in accordance with its investment objective and policy. The Fund has underperformed over the longer term, as a result of the underlying fund's regional bias to the UK and for stocks considered by the portfolio manager of the underlying fund to be undervalued, both of which underperformed the broad market over the longer term. However, the Fund's performance has improved over the assessment period with stock selection within the underlying fund's equity allocation a key contributor. With this noted we consider that based on the types of assets that the underlying fund invests in the level of underperformance is within an acceptable tolerance for an overall **Green** rating for Performance. However, as part of our ongoing oversight, we are currently reviewing the Fund, the underlying fund it invests in and the overall costs paid by investors. Once complete, we will write to investors in the Fund with full details of any proposed changes to the Fund.

Costs

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

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

We based our analysis on the Fund’s only share class, “X” class. The OCF of this share class is 0.98%, which is lower than the middle value of similar funds in the Sector, 1.01% as shown in the graph below.



- For Economies of scale:**
 We have assessed the total costs charged to the Fund and have determined that current available benefits, as a result of economies of scale, have been passed on to investors.
- For Comparable Market Rates:**
 We looked at the Ongoing Charges Figure (“OCF”) of the Fund and compared them against similar funds.

Funds	Annual Management Charge (“AMC”)	Ongoing Charges Figure (“OCF”)	Target market
LF Cautious Managed Personal Fund	0.70%	0.98%	Retail Investors

- For Classes of shares:**
 As the Fund only has one share class, meaning all investors pay the same costs, there are no concerns over the appropriateness of share classes offered to investors in the Fund.

Conclusion



As a pension fund the Fund incurs additional costs related to the operation of a pension scheme that other funds in the Sector will not incur. Additionally, the Fund is structured as a feeder fund, therefore the OCF includes the costs of the underlying fund in which it is invested. Even with these additional costs, the Fund’s Costs are lower than the Sector’s middle value of 1.01%. We therefore believe the Fund provides value to investors in relation to Costs and it has been given a **Green** rating.

LF Multi-Asset Personal Pension Fund

Executive Summary

- The LF Personal Pension Trust (“the Trust”) is an authorised unit trust scheme. It is a non-UCITS retail scheme and a Registered Pension Scheme. It is closed to new investors.
- **LF Multi-Asset Personal Pension Fund** (“the Fund”) has a single share class available for investment.
- The Fund is only available to existing members of the LF Personal Pension Plan (the “Plan”). The AMC paid by members includes the costs of administering the Plan, which most funds in its Sector will not incur.
- The Fund is a feeder fund. It seeks to achieve its investment objective by investing in the shares of a single underlying fund, the Aberdeen Diversified Core Growth Fund (the “underlying fund”).
- The Fund has outperformed its Comparator Benchmark over the assessment period by +2.21%. However, over the longer term (5 years), the Fund has underperformed its Comparator Benchmark by -5.09%.
- The Ongoing Charges Figure (“OCF”) of the Fund is higher than the Sector’s middle value.

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 have sought to establish whether the Fund provides overall value to investors.

Metric	Quality	Performance	Cost
Assessment Criteria	Quality of service	Investment Objective / Investment Performance	Overall costs Economies of scale Comparable market rates Comparable services Classes of shares
LF Multi-Asset Personal Pension Fund			
Underlying Fund Information	The LF Multi-Asset Personal Pension Fund is invested in the Aberdeen Diversified-Core Growth Fund, where the investment management is provided by Aberdeen Asset Managers Limited. The Fund aims to achieve a long term combination of capital growth and income, targeting a return of (1 Month Libor) + 4.5% per annum (before fees) over a rolling five year period.		
Investment Objective	The fund aims to provide long term capital growth by investing in a single authorised collective investment scheme which invests in a diverse portfolio, with up to 85% in global equities in all economic sectors.		
Comparator Benchmark	1 Month Sterling LIBOR + 4.5%		

Assets Under Management (“AUM”) £136.80 million (as at 31 December 2019)

IA Sector Mixed Assets 20-60% Shares (the “Sector”)

Further Action: We are reviewing the Fund, the underlying fund it invests in as well as its charging structure and the overall costs paid by investors, as part of a broader review of the Plan. Once complete, we will write to investors in the Fund with full details of any proposed changes Fund.

Conclusion



Based on our assessment, we have concluded that the Fund provides overall value and therefore has been given a **Green** rating. As part of our ongoing oversight, we are currently undertaking a broader review of the Trust including reviewing the Fund, the underlying fund it invests in and the overall costs paid by investors. Once complete, we will write to investors with details of any proposed changes.

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 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

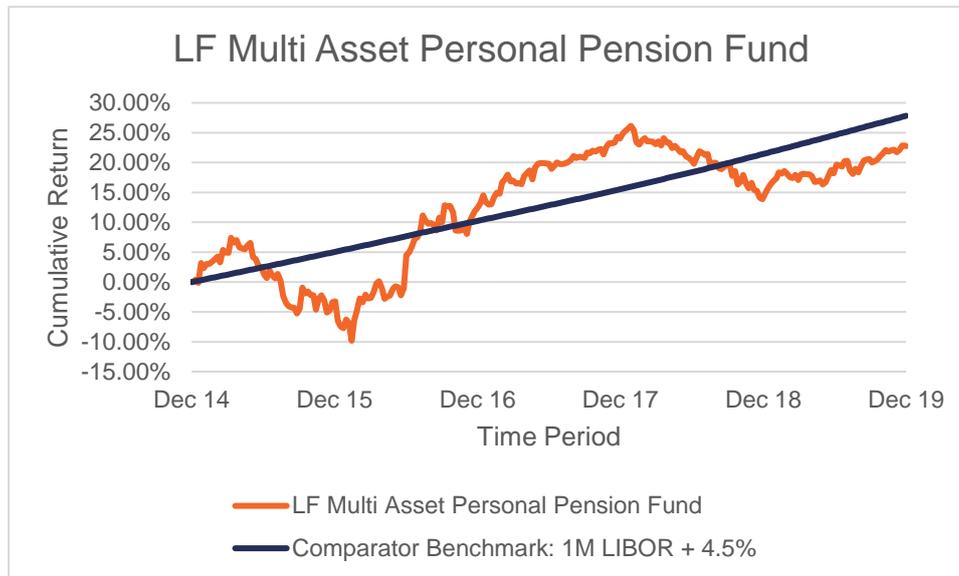
Conclusion



Following our review of the criteria above, we have not identified any issues that ultimately affect the Quality of Service, and therefore, conclude that the Fund offers overall value when assessing Quality and has therefore been given 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 over the longer term, which for the purpose of this assessment is 5 years. The graph and table below show the performance of the Fund against its Comparator Benchmark.



Time period	Rating	Performance over the Time Period	Performance vs Comparator Benchmark
5 years		22.75%	-5.09%
3 years		9.12%	-6.84%
1 year		7.48%	+2.21%

* Past performance is not a guide to future performance

Conclusion

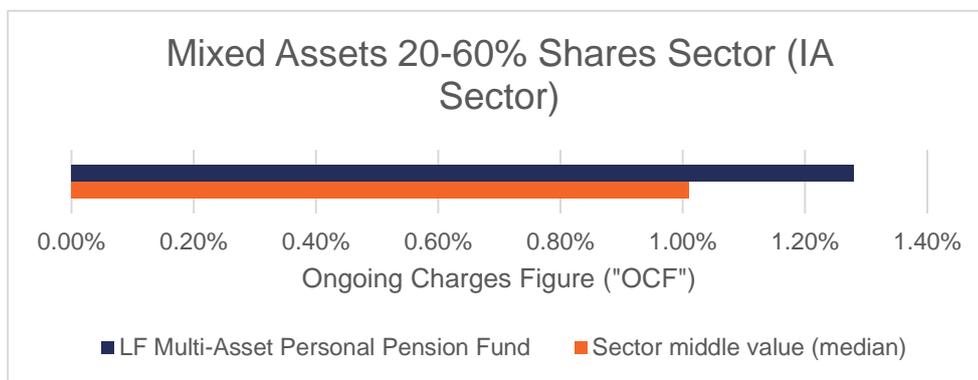
Following our review, we have concluded that the Fund has been managed in accordance with its investment objective and policy. The Fund has underperformed over the longer term, as a result of the underlying fund’s comparatively low allocation to equities, which have performed strongly over the period as well as allocations to alternatives which have acted as a drag on performance. It should be noted that the underlying fund in which the Fund is wholly invested was changed in 2017 following a review. Performance over the assessment period was positive as the underlying fund’s equity and emerging market debt allocations performed well. We consider that based on the types of assets that the fund invests in, the level of underperformance is within an acceptable tolerance and has therefore been given a **Green** rating. However, as part of our ongoing oversight, we are currently reviewing the Fund, the underlying fund it invests in and the overall costs paid by investors. Once complete, we will write to investors in the Fund with full details of any proposed changes to the Fund.

Costs

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

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

We based our analysis on the Fund’s only share class, “X” Class. The OCF of this share class is 1.28%, which is higher than the middle value OCF of similar funds in the Sector, 1.01%, as shown in the graph below.



- For Economies of scale:**
 We have assessed the total costs charged to the Fund and have determined that current available benefits, as a result of economies of scale, have been passed on to investors.
- For Comparable Market Rates:**
 We looked at the Ongoing Charges Figure (“OCF”) of the Fund and compared them against similar funds.

Fund	Annual Management Charge (“AMC”)	Ongoing Charges Figure (“OCF”)	Target market
LF Multi-Asset Personal Pension Fund	0.80%	1.28%	Retail Investors

- For Classes of shares:**
 As the Fund only has one share class, meaning all investors pay the same costs, there are no concerns over the appropriateness of share classes offered to investors in the Fund.

Conclusion



The Fund’s share class costs are higher than the Sector’s middle value of 1.01%. This is primarily attributable to the Fund’s charging structure. As a pension fund the Fund incurs additional costs related to the operation of a pension scheme that other funds in the Sector will not incur, and which are paid out of the AMC. Additionally, the Fund is structured as a feeder fund, therefore the OCF includes the costs of the underlying fund. Based on our review of Costs, we have rated the Fund **Amber**. As part of our ongoing oversight of costs, a review of the overall costs paid by investors is being carried out. Once complete, we will write to investors in the Fund with full details of any proposed changes to the Fund.

LF Global Equity Index Personal Pension

Executive Summary

- The LF Personal Pension Trust (“the Trust”) is an authorised unit trust scheme. It is a non-UCITS retail scheme and a Registered Pension Scheme. It is closed to new investors.
- **LF Global Equity Index Tracker Personal Pension Fund** (“the Fund”) has a single share class available for investment.
- The Fund is only available to existing members of the LF Personal Pension Plan (the “Plan”). The AMC paid by members includes the costs of administering the Plan, which most funds in its Sector will not incur.
- The Fund is a feeder fund. It seeks to achieve its investment objective by investing solely in the shares of a single underlying fund, the Legal & General Global Equity Index Fund (the “underlying fund”).
- The Fund has underperformed its Target Benchmark over the assessment period by -1.32% and over the longer term (5 years) by -4.19%. The performance of its underlying fund was in line with its objective of tracking its benchmark, the FTSE World Total Return.
- The Ongoing Charges Figure (“OCF”) of the Fund is reasonable, when compared to the Sector’s middle value.

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 have sought to establish whether the Fund provides overall value to investors.

Metric	Quality	Performance	Cost
Assessment Criteria	Quality of service	Investment Objective / Investment Performance	Overall costs Economies of scale Comparable market rates Comparable services Classes of shares
LF Global Equity Index Personal Pension			
Underlying Fund Information	The LF Global Equity Index Personal Pension Fund is invested in the Legal & General Global Equity Index Fund, where investment management is provided by Legal & General Investment Management. The Fund seeks to provide both an income and capital growth by aiming to track the performance of the global equity markets, as represented by the FTSE World Index.		
Investment Objective	To provide both an income and growth by investing in an underlying equity tracker fund which aims to track the performance of the FTSE World Index.		
Target Benchmark	FTSE World Total Return GBP Index		

Assets Under Management (“AUM”)	£24.04 million (as at 31 December 2019)
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IA Sector	Global (the “Sector”)
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Further Action: We are reviewing the Fund, the underlying fund it invests in as well as its charging structure and the overall costs paid by investors, as part of a broader review of the Plan. Once complete, we will write to investors in the Fund with full details of any proposed changes to the Fund.

Conclusion



Based on our assessment, we have concluded the Fund does not provide overall value and therefore has been given a **Red** rating. The Fund’s high costs are attributable to the charging structure, as detailed in the Costs section. As part of our ongoing oversight, we are currently undertaking a broader review of the Trust including reviewing the Fund, the underlying fund it invests in and the overall costs paid by investors. Once complete, we will write to investors in the Fund with full details of any proposed changes to the Fund.

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 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

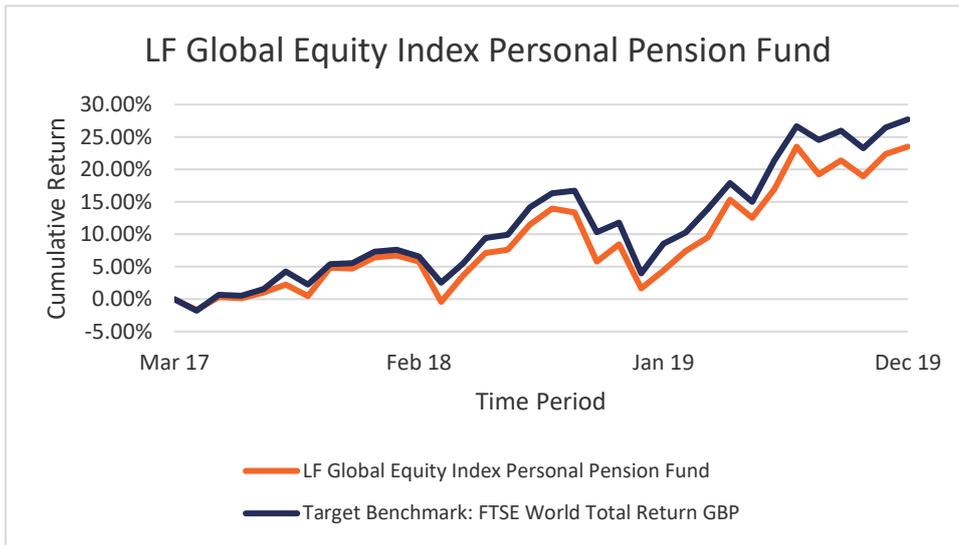
Conclusion



Following our review of the criteria above, we have not identified any issues that ultimately affect the quality of service, and therefore, conclude that the Fund offers overall value when assessing quality and therefore has been given 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 objective and performance since launch. The graph and table below show the performance of the Fund against its Target Benchmark.



Time period	Rating	Performance over the Time Period	Performance vs Target Benchmark
Since launch		23.51%	-4.19%
1 year		21.49%	-1.32%

* Past performance is not a guide to future performance

Conclusion

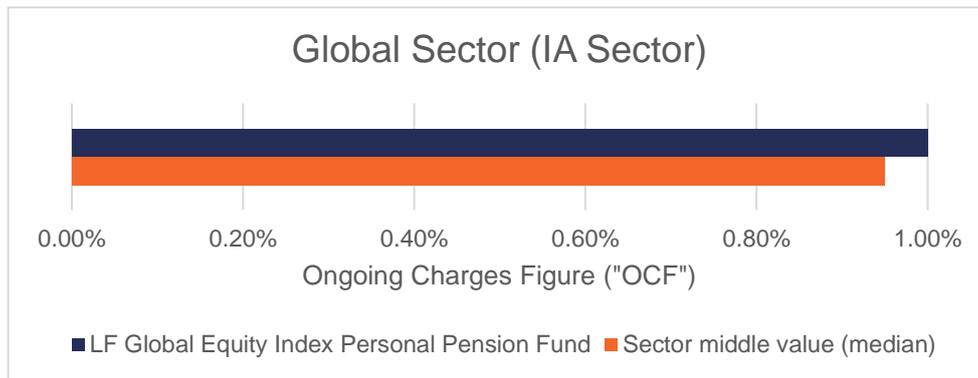
The Fund is wholly invested in an underlying fund aimed at tracking a market index. The underlying fund, in which the Fund is invested, has achieved its objective over the year and the longer term. Following our review, we have concluded that the Fund has been managed in accordance with its investment objective and policy. However due primarily to the costs incurred by the Fund as well as the difference in valuation points between the Fund and index, it has not tracked the performance of its Target Benchmark as we would expect. We have therefore concluded that the Fund has not provided value in terms of Performance and therefore has been given a **Red** rating. As part of our ongoing oversight, we are currently reviewing the Fund and once completed, we will write to investors in the Fund with full details of any proposed changes to the Fund.

Costs

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

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

We based our analysis on the Fund’s only share class, “X” class. The OCF of this share class is 1.00%, which is higher than the middle value OCF of similar funds in the Sector, 0.95%, as shown in the graph below.



- For Economies of scale:**
 We have assessed the total costs charged to the Fund and have determined that current available benefits, as a result of economies of scale have been passed on to investors.
- For Comparable Market Rates:**
 We looked at the Ongoing Charges Figure (“OCF”) of the Fund and compared them against similar funds.

Fund	Annual Management Charge (“AMC”)	Ongoing Charges Figure (“OCF”)	Target market
LF Global Equity Index Personal Pension Fund	0.60%	1.00%	Retail Investors

- For Classes of shares:**
 As the Fund only has one share class, meaning all investors pay the same costs, there are no concerns over the appropriateness of share classes offered to investors in the Fund. Conclusion



The Fund’s costs are reasonable when assessed against the Sector middle value of 0.95%. As a pension fund the Fund incurs additional costs related to the operation of a pension scheme that other funds in the Sector will not incur. In addition, the Fund is structured as a feeder fund, therefore the OCF includes the costs of the underlying fund. However, the Fund is a passively managed Fund, in a sector where the funds are predominantly actively managed, therefore we would still expect the Fund’s costs to be lower than the Sector’s middle value however when compared to the middle value OCF of the passively managed funds in the sector the Costs are significantly higher. As such, based on our review of cost we have concluded the Fund does not offer value, and we have therefore rated the Fund **Red**. We are currently undertaking a review of the overall costs paid by investors and once completed, we will write to investors with details of any proposed changes.

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.
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.

<p>IA Sector</p>	<p>As there are numerous funds in the market available from different Managers, 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>Global: Funds which invest at least 80% of their assets globally in equities. Funds must be diversified by geographic region.</p> <p>Mixed Assets 20-60% Shares: Funds in this sector are required to have a range of different investments. The fund must have between 20% and 60% invested in company shares (equities). At least 30% of the fund must be in fixed income investments (for example, corporate and government bonds) and/or “cash” investments.</p> <p>Standard Money Market: Funds which invest their assets in money market instruments and comply with the definition of a ‘Standard Money Market’ fund set out in the Money Market Fund Regulation - Regulation (EU) 2017/1131(MMFR).</p> <p>UK Gilts: Funds which invest at least 95% of their assets in Sterling denominated (or hedged back to Sterling) government backed securities, with a rating the same or higher than that of the UK, with at least 80% invested in UK government securities (Gilts).</p>
<p>Manager</p>	<p>A corporate body and an authorised person given powers and duties under the Financial Conduct Authority regulations to operate a fund, trust or investment company in accordance with regulations.</p>
<p>Ongoing Charge Figures (“OCF”)</p>	<p>A single percentage figure used to show the total annual operating costs taken from the assets of the relevant fund 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>
<p>Performance</p>	<p>The profit or loss derived from an investment.</p>
<p>Quality</p>	<p>Quality is defined by reviewing Quality of service. Quality of service refers to the range and quality of services provided to investors.</p>
<p>Retail Investor</p>	<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>
<p>Share Class</p>	<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>
<p>Target Benchmark</p>	<p>A target benchmark is where the fund aims to match or exceed an index or similar factor.</p>