

Fair Value Assessment (FVA) – Summary

July 2025
Version: 3.0

The Financial Conduct Authority (FCA) requires all UK asset managers to conduct a fair value assessment of their products and services as part of Consumer Duty. This covers a variety of areas from benefits and limitations to cost and potential harm. At AJ Bell, we pride ourselves on being transparent with our customers and so we are pleased to present a summary of the assessment for the AJ Bell Passive MPS.

The assessment has been carried out against four factors, using a ‘traffic light’ system where green indicates fair value, amber indicates room for improvement, and red indicates poor value. The overall results of the assessment are below:

Category	Passive MPS 1	Passive MPS 2	Passive MPS 3	Passive MPS 4	Passive MPS 5	Passive MPS 6	Passive Income MPS 1	Passive Income MPS 2
Nature of the product and its benefits	●	●	●	●	●	●	●	●
Limitations in the product and services	●	●	●	●	●	●	●	●
Total cost of ownership	●	●	●	●	●	●	●	●
Mitigating foreseeable harm and potential customer vulnerability	●	●	●	●	●	●	●	●
Overall value	●	●	●	●	●	●	●	●

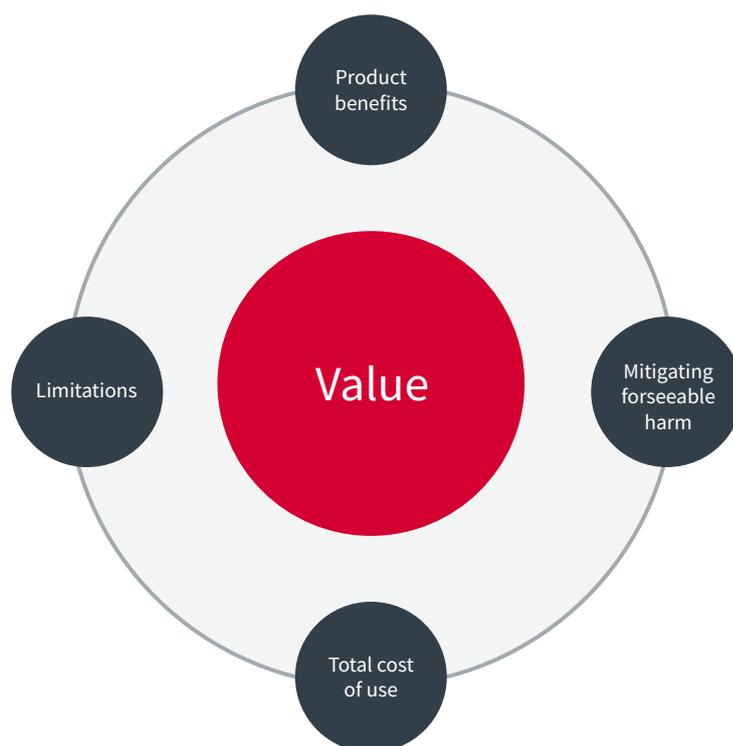
Key ● Fair value ● Room for improvement ● Poor value

Overall, we believe the Passive MPS range delivers fair value to customers across all four factors.

Factors used to assess value and pricing

Based on the Final Guidance issued by the FCA (FG22/5) as well as our own consideration, the following factors have been used to assess the value provided by the Passive MPS range:

- the nature of the service, expected benefits to customers and their quality;
- any limitations of the service and its features;
- the expected total annual cost, including non-financial cost, paid by customers over the life of the relationship between the customer and the firm;
- costs incurred in the manufacturing process and whether any material changes to the service have impacted the price;
- foreseeable harm and mitigating actions / controls in place; and
- any elements of vulnerability that may affect customers' ability to understand or achieve value from the product.



Assessment of value

Below is a high level, non-exhaustive summary of the features and benefits provided by our Passive MPS range, upon which value has been assessed:

- outcome-orientated, multi-asset portfolios delivered in accordance with agreed objectives of the defined target market;
- six growth portfolios which are risk target managed and two income portfolios which are risk profiled by third-party providers;
- growth portfolios with passive implementation that aim to deliver positive risk-adjusted returns over five+ years to advised customers;
- Passive Income MPS 1 aims to preserve capital whilst delivering a sustainable level of income over five+ years to advised customers;
- Passive Income MPS 2 aims to deliver capital growth whilst delivering a sustainable level of income over five+ years to advised customers;
- passive income portfolios aim to deliver income of 3-5% on average over a trailing three-year basis*;
- a competitively priced Annual Management Charge (AMC);
- no exit fees, notice periods, or written cancellations, enabling customers to divest without barriers to exit;
- available to be purchased across six well-respected platforms; and
- suite of literature produced including factsheets, quarterly reports, and articles, along with FAQs, and guides which are only distributed via the AJBIC website.

*Five years is the recommended holding period, but we expect the income derived to lie between 3-5% on average over a three-year period.

The benefits outlined above have been designed to provide simple, transparent, low-cost investment solutions that deliver good customer outcomes, and are appropriate and proportionate to the needs, characteristics, and objectives of the target market.

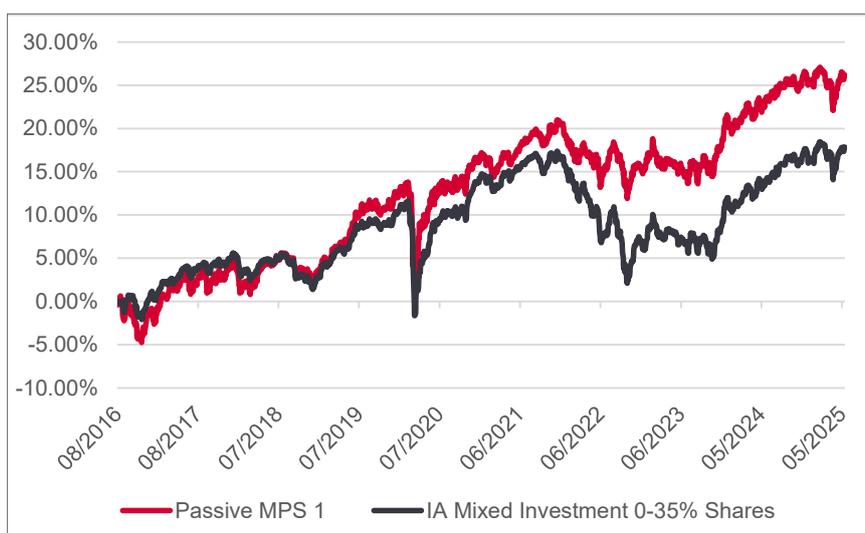
Financial performance

As a provider of a passive MPS range, we aim to deliver:

- a positive return to customers over a period of at least five years, consistent with the levels of risk appetite expressed within each growth portfolio; and
- a sustainable level of income whilst preserving capital for customers over a period of at least five years, consistent with the levels of risk appetite expressed within each income portfolio.

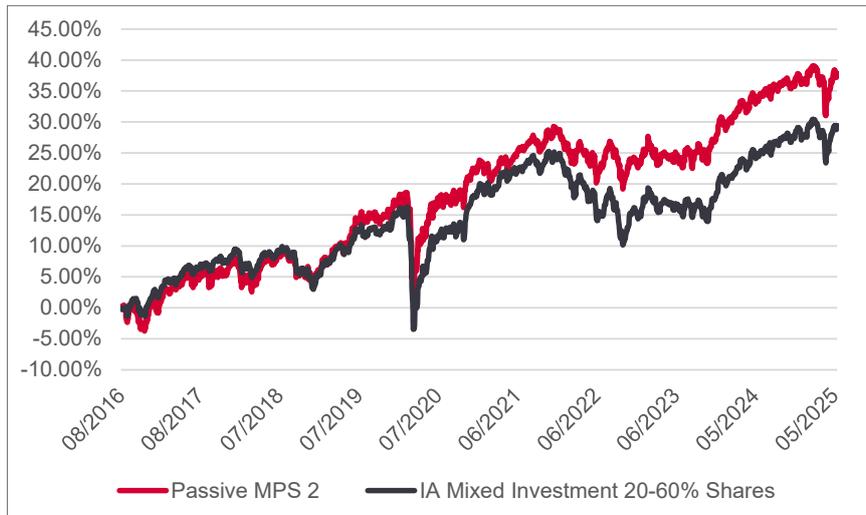
This return objective is achieved by the creation of multi-asset portfolios, spreading our investments across different asset classes, regions, and sectors. As the portfolios are multi-asset in nature, there is no single financial instrument or index that represents a fair benchmark. It is AJ Bell Asset Management's policy that IA sectors will be used to objectively assess performance in instances where we believe doing so will be a beneficial factor to aid an investor's assessment, and this is not considered to be the case for the income portfolios. The income portfolios within the Passive MPS range have an asset allocation which is dependent on achieving a target level of income and consequently, there are no meaningful comparators for us to use as an objective assessment of performance. However, to give context of the peer group for the growth portfolios within the range, we have used the IA Sectors as a comparator. The IA Sectors provide the median performance of funds with similar characteristics (return and / or risk objectives) to the growth portfolios in the Passive MPS range. The following charts and tables show the cumulative, non-annualised total return (%) of the portfolios and their respective IA Sector comparators where relevant:

Passive MPS 1



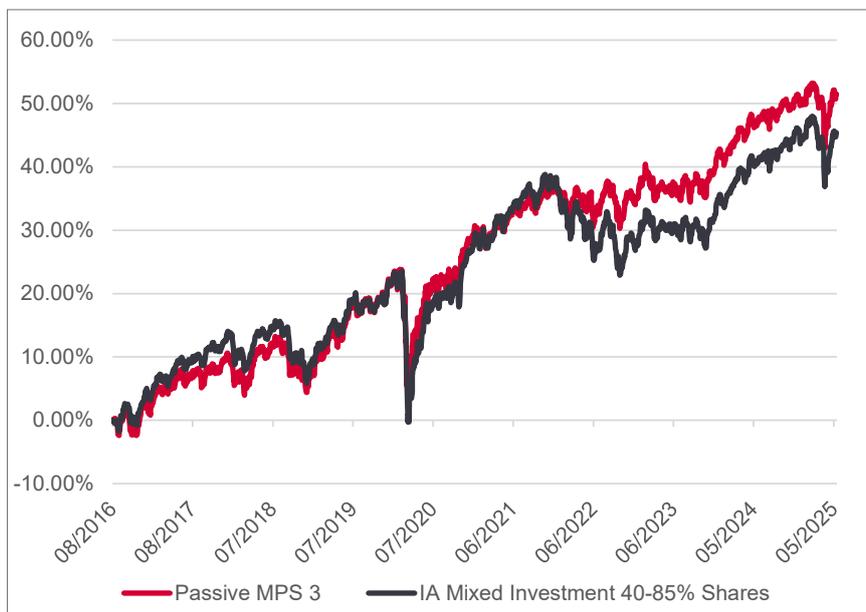
Cumulative (%)	1 year	3 years	5 years
Passive MPS 1	3.90	9.55	15.01
IA Mixed Investment 0-35% Shares	4.92	6.93	10.15
IA Sector Quartile	3rd	1st	1st

Passive MPS 2



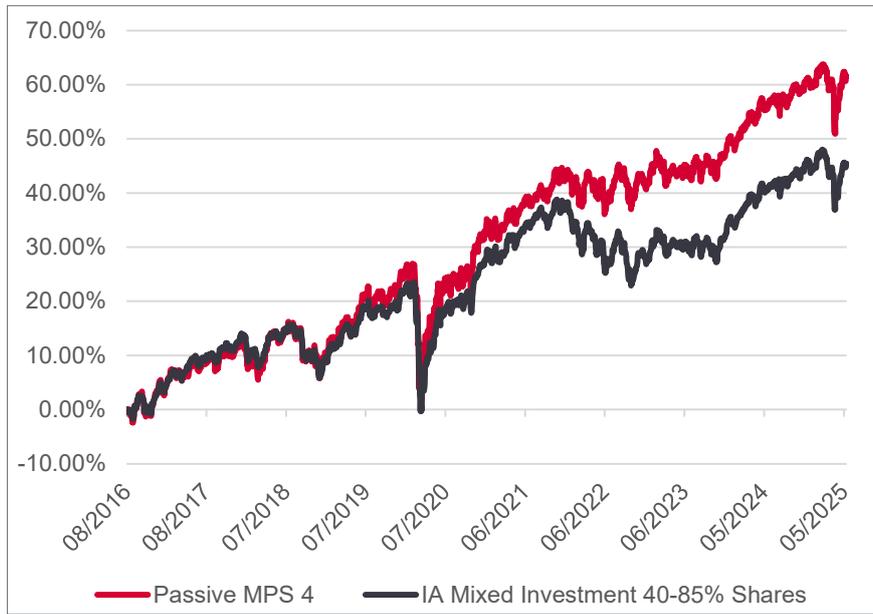
Cumulative (%)	1 year return (%)	3-year return (%)	5-year return (%)
Passive MPS 2	4.48	13.32	24.68
IA Mixed Investment 20-60% Shares	5.27	10.67	21.53
IA Sector Quartile	3rd	1st	2nd

Passive MPS 3



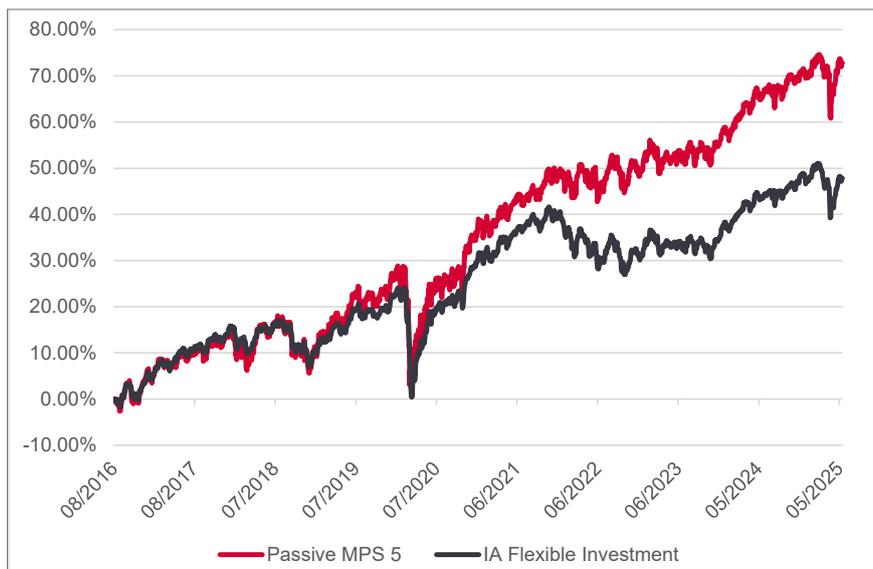
Cumulative (%)	1 year	3 years	5 years
Passive MPS 3	4.88	16.05	36.89
IA Mixed Investment 40-85% Shares	5.20	14.47	32.77
IA Sector Quartile	3rd	2nd	2nd

Passive MPS 4



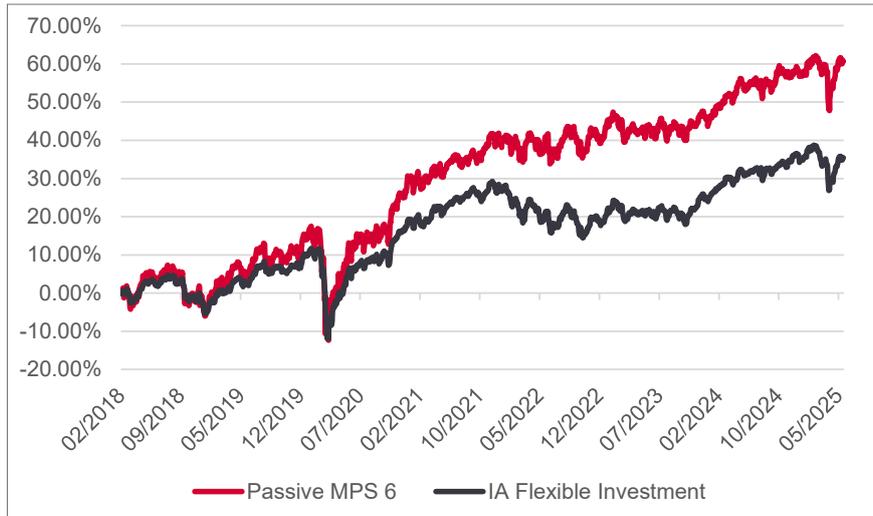
Cumulative (%)	1 year	3 years	5 years
Passive MPS 4	5.91	19.77	48.47
IA Mixed Investment 40-85% Shares	5.20	14.47	32.77
IA Sector Quartile	2nd	1st	1st

Passive MPS 5



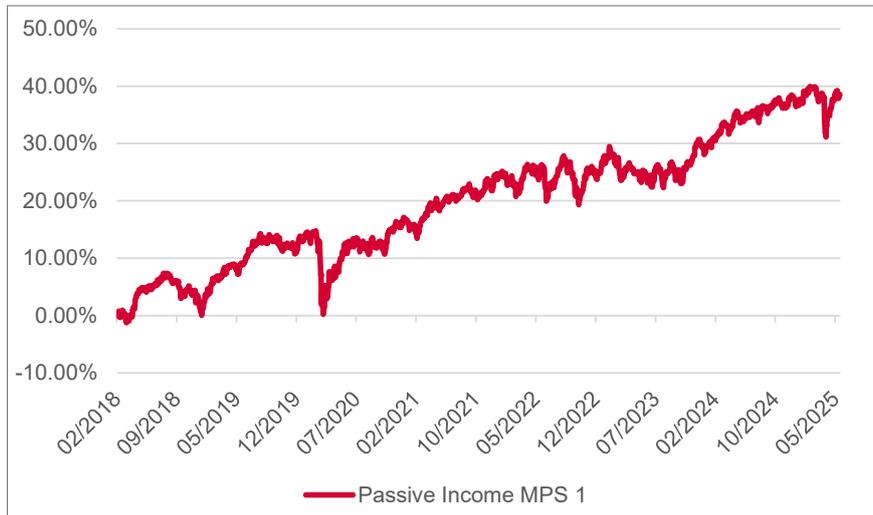
Cumulative (%)	1 year	3 years	5 years
Passive MPS 5	7.45	23.92	63.23
IA Flexible Investment	4.49	14.47	35.34
IA Sector Quartile	1st	1st	1st

Passive MPS 6



Cumulative (%)	1 year	3 years	5 years
Passive MPS 6	7.00	19.57	63.69
IA Flexible Investment	4.59	14.47	35.34
IA Sector Quartile	1st	1st	1st

Passive Income MPS 1



Cumulative (%)	1 year	3 years	5 years
Passive Income MPS 1	4.44	12.47	30.25

Passive Income MPS 2



Cumulative (%)	1 year	3 years	5 years
Passive Income MPS 2	6.93	18.98	50.88

The income portfolios aim to deliver an income of between 3-5%, calculated on the value of the portfolio and measured over a trailing three-year basis. The average yield over this period is 3.73% for Passive Income 1 and 3.57% for Passive Income 2. Historical yield values are summarised in the table below. Throughout the period, both income portfolios have operated within the bounds contained within the Investment Policy Statement, thereby demonstrating that the portfolios have performed as expected.

Passive Income MPS range yields

Trailing 12-month period	Passive Income 1 yield (%)	Passive Income 2 yield (%)
May 2023	3.73	4.01
May 2024	3.86	3.60
May 2025	3.60	3.10
Average	3.73	3.57

Throughout the period, all portfolios have operated within the bounds contained within the Investment Policy Statement, thereby demonstrating that the portfolios have performed in line with their objectives.

Literature and support

AJ Bell Asset Management is committed to delivering simple, transparent, jargon-free literature at all points of the investment lifecycle. We believe customers should always know where, why, and how their money is invested. The literature produced for the Passive MPS range includes monthly factsheets, quarterly reports, and articles. We also provide guides and FAQs that are only distributed via the AJBIC website. We also publish portfolio changes alongside rationale behind the changes. The provision of this literature is designed to enhance customer understanding, either directly through client guides or via support for their adviser.

Total cost of ownership

Overall cost of ownership consists of three component parts:

	Passive MPS 1	Passive MPS 2	Passive MPS 3	Passive MPS 4	Passive MPS 5	Passive MPS 6	Passive Income MPS 1	Passive Income MPS 2
AMC	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Synthetic OCF	0.10%	0.10%	0.11%	0.10%	0.10%	0.10%	0.18%	0.24%
Transaction costs	0.04%	0.05%	0.04%	0.04%	0.04%	0.04%	0.09%	0.18%
Total cost	0.29%	0.30%	0.30%	0.29%	0.29%	0.29%	0.32%	0.57%

AJ Bell Asset Management does not engage in discriminatory pricing and all Passive MPS customers pay the same charges. However, for reference purposes, the average Annual Management Charge (AMC) for UK model portfolios and average synthetic OCF¹ for Passive portfolios are 0.13% and 0.15%² respectively. Based upon this assessment we can conclude that the Passive portfolios remain competitively priced against the wider market.

We aim to be one of the lowest cost providers in the asset management industry as we see costs as a barrier to investors, providing value and delivering good customer outcomes. We consistently monitor the marketplace, actively seeking opportunities to reduce costs such as negotiating access to cheaper institutional share classes, reducing the underlying OCF and passing on savings to customers.

Mitigating foreseeable harm

The target market for the Passive MPS range is defined as “UK retail advised digital investors”.

Further detail on our target market and vulnerable customer policies can be found on the AJ Bell Consumer Duty Hub³.

Conclusion

This document provides a summary of the fair value assessment for the AJ Bell Passive MPS range. In carrying out the fair value assessment of our Passive MPS range, we are satisfied that we have considered all relevant factors and available information relating to the portfolio values and the impact this has on customers.

We monitor all products on an ongoing basis to ensure they are delivering fair value, and we always look for opportunities to improve. We are confident that the AJ Bell Passive MPS range is well-positioned to continue providing good outcomes and fair value for its customers going forward and have therefore rated the portfolios ‘green’ across all four categories.

¹ Aggregate ongoing charge of underlying investments used within a portfolio.

² Source: Morningstar

³ <https://www.investcentre.co.uk/support/consumer-duty>