

Assessment of value

Summary of findings

Reporting period: 1 July 2025 – 30 June 2026

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This Assessment of Value report (AoV) is written on behalf of the Board of Lloyds Wealth Management (ACD) Limited.



Statement from Gemma Godfrey, Independent Chair of the ACD Board

I am pleased to present this year's Assessment of Value report, which sets out the ACD (Authorised Corporate Director) Board's conclusions that our investment funds continue to deliver fair value for investors.

This year we have taken the opportunity to simplify the report following the recent changes by the Financial Conduct Authority to introduce greater flexibility and less prescriptive external reporting requirements within the Assessment of Value framework. While these regulatory changes provide firms with more discretion in how value assessments are presented, our governance framework, oversight arrangements and approach to assessing value remain robust and unchanged. We continue to apply a comprehensive and evidence-based assessment across all relevant criteria, supported by strong challenge and independent oversight.

Following Lloyds Banking Group's acquisition of Schroders Personal Wealth (SPW) on 9th October 2025, SPW moved into full Lloyds Bank ownership and was subsequently rebranded as Lloyds Wealth on 5th May 2026.

In the 12 months to the end of June 2026, markets have been more unpredictable than usual. This is mainly because inflation has stayed high, there have been ongoing geopolitical tensions, and trade policies have been uncertain. Some investments performed better than others during 2025 and early 2026. In these conditions, we believe active fund management helps us manage investment risks and to make changes when markets move.

In 2024, we completed a major transition of our investment fund range. This included updating the mix of investments in the funds and simplifying the range to make it easier to understand. We continue to see the benefits of these changes and remain confident the funds are well placed to meet objectives over their planned investment time horizon.

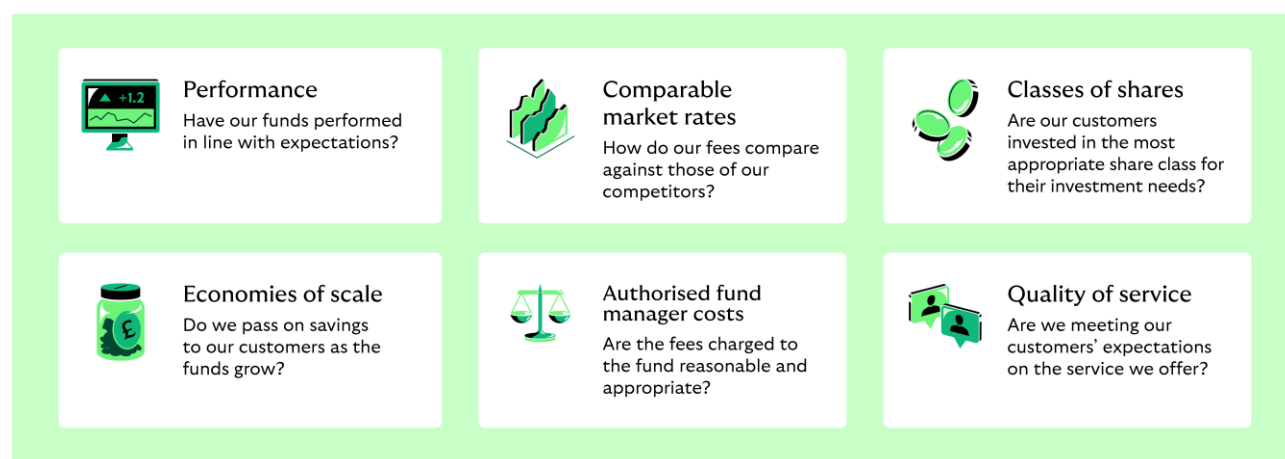
Since the last report, we have continued to make changes for the benefit of our investors. For example, we introduced a process that seeks to share economies of scale with investors (through a tiering of our charges) where these arise because of growth in fund sizes. We have also improved the service for investors of the Solution fund range with additional servicing needs when they contact us.

Thank you for your continued trust and investment. We are committed to helping our funds deliver strong value and positive outcomes for you over the long term.

What we have done

We reviewed the value our funds have provided to investors. We carried out this review in line with the Financial Conduct Authority's (FCA) rules in the Collective Investment Schemes Sourcebook (COLL). These rules require Authorised Fund Managers (AFMs) to complete an Assessment of Value (AoV) at least once a year and publish a summary of the conclusions.

In assessing value, the following six pillars were assessed:



The Comparable Services pillar that considers how the fees charged on a fund compare with those charged for similar funds offered to other investors is not relevant to the assessment as we do not have such funds.

The aim of the assessment

The Assessment of Value helps you understand whether your fund offers good value for money. It looks at what the fund has delivered and whether the fees you pay are fair for the service and outcomes provided. If we decide a fund is not offering good value, we will explain what we have already done, and what we plan to do next, to put this right.

Result of the assessment

In summary, the Assessment of Value has found that all funds offer value. The results for individual funds and any remedial actions are summarised on the next page. It should be noted that seven funds did not demonstrate value consistently in the Performance area. We have provided additional commentary on these Funds on page 5 onwards.

Fund	Delivered Value and Charges justified	Remedial action required
Managed funds		
Lloyds Wealth Global (ex UK) Equity	Yes	No action required
Lloyds Wealth UK Equity	Yes	Action has been taken
Lloyds Wealth Global Corporate Low Duration Bond	Yes	No action required
Lloyds Wealth Global Government Low Duration Bond	Yes	No action required
Lloyds Wealth Global High Yield Bond	Yes	No action required
Lloyds Wealth Global Investment Grade Bond	Yes	No action required
Lloyds Wealth Global Sovereign Bond	Yes	No action required
Lloyds Wealth Tactical Fund 1	Yes	No action required
Lloyds Wealth Tactical Fund 2	Yes	No action required
Lloyds Wealth IPS Growth	Yes	No action required
Lloyds Wealth IPS Income	Yes	No action required
Portfolio funds		
Lloyds Wealth Cautious Portfolio	Yes	Action has been taken
Lloyds Wealth Discovery Portfolio	Yes	Action has been taken
Lloyds Wealth Balanced Portfolio	Yes	No action required
Lloyds Wealth Progressive Portfolio	Yes	No action required
Lloyds Wealth Dynamic Portfolio	Yes	No action required
Lloyds Wealth Adventurous Portfolio	Yes	No action required

Fund	Delivered Value and Charges justified	Remedial action required
Solution funds		
Lloyds Wealth Cautious Solution	Yes	Action has been taken
Lloyds Wealth Discovery Solution	Yes	Action has been taken
Lloyds Wealth Balanced Solution	Yes	Action has been taken
Lloyds Wealth Progressive Solution	Yes	Action has been taken

Performance commentaries

We identified seven funds that did not consistently demonstrate value in the Performance area. We have provided more detail on these funds below. The funds have mainly underperformed because of the impact of higher interest rates on bond investments, challenging market conditions, particularly for UK assets and legacy exposure to underperforming alternative assets (for example Real Estate funds and Absolute Return strategies).

To improve performance, we have taken several actions both recently and as part of a significant programme of works undertaken in 2024, with the aim to improve outcomes for investors in our funds. We believe these actions have strengthened the funds and will help improve performance over the long-term.

Lloyds Wealth Cautious Portfolio Fund

The performance of the fund was adversely affected by rising interest rates during the earlier part of the performance period, which negatively impacted fixed income holdings. The Fund was also impacted by the underperformance of certain equity strategies. Action has been taken to change the strategic asset allocation and fund composition which we believe will benefit investors over the long-term. This included specific action to address the duration of the fund's fixed income exposure, reducing its sensitivity to interest rate movements, by allocating to two lower duration fixed income funds launched by the ACD in 2024. As a result of these changes, we are already seeing improvement in the performance of the fixed income allocation, and with further changes planned for the UK Equity fund, we are confident that the fund will deliver improved performance value to investors in the future.

Lloyds Wealth Discovery Portfolio Fund

The performance of the fund was adversely affected by rising interest rates during the earlier part of the performance period, which negatively impacted fixed income holdings. The Fund was also impacted by the underperformance of certain equity strategies. Action has been taken to change the strategic asset allocation and fund composition which we believe will benefit investors over the long-term. This included specific action to address the duration of the fund's fixed income exposure, reducing its sensitivity to interest rate movements, by allocating to two lower duration fixed income funds launched by the ACD in 2024. As a result of these changes, we are already seeing improvement in the performance of the fixed income allocation, and with further changes planned for the UK Equity fund, we are confident that the fund will deliver improved performance value to investors in the future.

Lloyds Wealth Cautious Solution Fund

The performance of the fund was adversely affected by rising interest rates during the earlier part of the performance period, which negatively impacted fixed income holdings. The Fund was also impacted by the underperformance of certain equity strategies. Action has been taken to change the strategic asset

allocation and fund composition which we believe will benefit investors over the long-term. This included specific action to address the duration of the fund's fixed income exposure, reducing its sensitivity to interest rate movements, by allocating to two lower duration fixed income funds launched by the ACD in 2024. As a result of these changes, we are already seeing improvement in the performance of the fixed income allocation, and with further changes planned for the UK Equity fund, we are confident that the fund will deliver improved performance value to investors in the future.

Lloyds Wealth Discovery Solution Fund

The performance of the fund was adversely affected by rising interest rates during the earlier part of the performance period, which negatively impacted fixed income holdings. The Fund was also impacted by the underperformance of certain equity strategies. Action has been taken to change the strategic asset allocation and fund composition which we believe will benefit investors over the long-term. This included specific action to address the duration of the fund's fixed income exposure, reducing its sensitivity to interest rate movements, by allocating to two lower duration fixed income funds launched by the ACD in 2024. As a result of these changes, we are already seeing improvement in the performance of the fixed income allocation, and with further changes planned for the UK Equity fund, we are confident that the fund will deliver improved performance value to investors in the future.

Lloyds Wealth Balanced Solution Fund

The performance of the Fund has been negatively impacted by a legacy allocation to alternatives and the underperformance of certain equity strategies. Action has been taken to change the strategic asset allocation and fund composition which we believe will be to the benefit of investors over the long-term. This included specific action to remove certain asset classes from the long-term allocations employed to focus on those that we believe offer the best balance of risk and reward. On the equity allocation, work is ongoing to ensure a more neutral style balance to reduce volatility, with a particular focus on the UK Equity Fund. As a result of these changes, we are confident that the fund will deliver improved performance value to investors in the future.

Lloyds Wealth Progressive Solution Fund

The performance of the Fund has been negatively impacted by a legacy allocation to alternatives and the underperformance of certain equity strategies. Recent action has been taken to change the strategic asset allocation and fund composition which we believe will be to the benefit of investors over the long-term. This included specific action to remove certain asset classes from the long-term allocations employed to focus on those that we believe offer the best balance of risk and reward. On the equity allocation, work is ongoing to ensure a more neutral style balance to reduce volatility. As a result of these changes, we are confident that the fund will deliver improved performance value to investors in the future.

Lloyds Wealth UK Equity Fund

While performance remains above the median peer group ranking, returns were held back by the fund's exposure to medium-sized UK companies and investment styles that went through periods of weak performance in a market dominated by a small number of stocks, making it difficult for active fund managers to outperform. To improve results, in Q3 2026 the fund has moved to a new investment approach that uses several complementary strategies. Additional changes are planned, including reducing some more focussed investment styles and introducing a new multi-factor strategy alongside improvements to portfolio construction and risk management. These changes should make the fund more diversified, reduce stylistic risk, and improve long term performance outcomes for investors.



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