



OneFamily Stockmarket 100 Trust  
Assessment of Value  
For the year ended  
15 April 2024



## 1. Introduction

This document sets out an assessment of the value provided to the investors in the OneFamily Stockmarket 100 Trust (the Trust). The purpose of the assessment is to enable customers who are invested in the Trust to understand the range of services provided to them and to compare the value for money they receive from this Trust to the value provided by similar funds.

This assessment has been produced by Family Investment Management Limited (FIML). FIML is the authorised fund manager (AFM) of the Trust and is a wholly owned subsidiary of Family Assurance Friendly Society Limited (the Society), which is a mutual friendly society. The products invested in the Trust are managed by Engage Mutual Funds Limited (EMFL) which is also a wholly owned subsidiary of the Society. OneFamily is a trading name of the Society and its subsidiaries (also referred to as the Group).

The Board of Directors of FIML are responsible under the Financial Conduct Authority's regulations to review and consider the outcome of the assessment and to ensure that it is communicated in a clear and fair way to customers.

The regulations under which this assessment of value is produced requires us to assess seven different elements which are detailed in Section 3. For each one we have set out what is being assessed, what we aim to deliver, the outcome of our assessment and how we can improve.

## 2. OneFamily Stockmarket 100 Trust Overview

The OneFamily Stockmarket 100 Trust is a passively managed, single priced UCITS fund that aims to achieve medium-term growth over a five-year period by directly investing in a wide range of shares that closely match the performance of the FTSE 100 Total Return Index.

The Trust has two unit classes - Institutional and Retail units. Institutional units are used as an investment vehicle for stakeholder Child Trust Fund accounts (CTFs) and make up almost 90% of the value of the Trust. The Retail class of units are held by financial institutions on behalf of customers who invest in the Trust through fund platforms. However, a significant portion of the Retail units are held by OneFamily through internal group cross holdings. This document has been produced for OneFamily's customers and will focus on the Institutional units although both unit types were considered under the full assessment.

The table below shows the investment types that held Institutional units in the Trust as at 15 April 2024.

Investment type	Units held	Unit value
Stakeholder Child Trust Fund	147,444,640	£204,161,616

The Trust is priced daily and subject to an Annual Management Charge (AMC) of 1.50% or 0.35% of its total value per annum - relating to the Institutional and Retail share classes respectively - which is taken from the Trust each day and based on its prior day value.

Customers invested in the Trust become members of Family Assurance Friendly Society Limited, which is a mutual friendly society. This brings certain member benefits, including attendance at the Society's AGM, voting rights and the opportunity to apply for young person's educational grants (for the member themselves or on behalf of another person). As a member of the mutual, it also provides them with an interest in the event of the winding up of the Society. Those invested via a

CTF wrapper can also access savings and offers on shopping cinema, travel and much more through the OneFamily member benefits programme.

## **Assessment of Value**

The Assessment of Value has been broken down into the following categories. Each section explains what is being assessed, what we aim to achieve within the confines of that category and what the outcomes of our assessment have been in respect of our aims. Where applicable we have added comments identifying possible areas for improvement.

- 2.1 Range and Quality of Services Provided
- 2.2 Performance
- 2.3 Cost of Providing the Service
- 2.4 Economies of Scale
- 2.5 Comparable Market Rates
- 2.6 Comparable Services
- 2.7 Unit Classes

## 3.1 Range and Quality of Services Provided

### What is being assessed?

This section considers the range of services provided to customers and whether they are sufficient and appropriate to meet their needs. These include services provided in respect of the Trust or provided directly to customers, or any services relating to the CTF wrappers that invest in the Trust and the overall customer experience provided by OneFamily. We also considered the quality of the services provided and whether they meet our benchmark standards.

### What we aim to deliver

We aim to ensure that the range and quality of the services provided is appropriate to meet our customers' needs.

### The outcome of our assessment

#### Range of Services

The services provided to customers include:

1. Investment management services

The Trust aims to achieve capital growth by investing in shares that make up the FTSE 100 Total Return Index. The investment manager, State Street Global Advisors (SSGA), does not adopt an active management strategy in respect of the Trust, which has the characteristics of a passively managed tracker, with the investments being re-balanced on a quarterly basis.

In their role as investment manager, SSGA have a clearly defined stewardship programme. Stewardship relates to the responsible oversight of investments in order to create long term value. This is achieved by driving positive changes in environmental, social and governance matters through proxy voting, engagement and thought leadership.

2. Services relating to the management and operation of the Trust.

These include services provided by external third-party suppliers such as those provided by the trustees, custodians and auditors. It also relates to internally provided services such as the maintenance of the accounting records, valuation and pricing of the Trust and the production of its Report and Accounts.

3. Services provided directly to customers.

These services include the provision of fund literature such as the prospectus and fund factsheets. They also include provision of product literature such as the Terms and Conditions, customer statements and the provision of account services such as top-up payments through the required channels for Stakeholder CTFs and other CTF specific services such as management of the subscription limits, transfers to and from other providers and the maintenance of our Online Account Management system. Significant resource has recently gone into developing a full range of CTF maturity options for customers reaching the end of their initial term. Customers can communicate with us by post, online by using our secure messaging service or by calling our UK-based call centre.

Colleagues are trained to identify and support customer vulnerability. Every day we make adjustments to our processes and service to support vulnerable customers managing their accounts. Common examples of this include:

- Adjusting telephone processes to assist customers who may have difficulty hearing
- Allowing Third Party help when authorised by the account holder
- Communications issued in braille/audio

## **Quality of Services**

The services we provide are subject to a range of controls and reviews to help ensure that the quality of the services provided to customers is of a satisfactory standard. These include:

### **1. Governance framework**

Use of a robust governance framework that encourages appropriate challenge and review of the services. This includes the use of different executive and board committees to review performance and the conduct of the business to help ensure that the services provided are of good quality, and to act if they do not meet the expected standards. This is underpinned by a system of policies, procedures and controls.

The governance framework also includes provision for independent reviews of business activities by the compliance and internal audit functions as well as scrutiny by external auditors and trustees.

### **2. Clear accountabilities**

The Senior Managers and Certification Regime helps ensure it is clear who holds what responsibilities and accountabilities and that the individuals are fit and proper to hold these roles. This is supported by a training and competency regime that helps ensure that individuals receive the appropriate training for their roles and maintain their training through continuing professional development.

### **3. Use of specific metrics and reviews to assess our performance**

We maintain a clear customer focus by monitoring, measuring and reviewing key performance metrics. These include customer satisfaction scores, customer complaint volumes and response time, breach data and information in respect of service levels such as call response times, complaint handling or processing of gone away customers. We work hard to meet industry-standard service levels for transfers and aim to maintain high standards for answering customer telephone calls. Wherever possible, this information is benchmarked against external data, although where this isn't available it is measured against long-standing internal performance benchmarks.

We periodically review services provided by third parties such as the investment manager, auditors, trustees and custodians. We undertake product reviews on a cyclical basis to help ensure our products remain fit for purpose and meet the needs of our customers.

Overall, the Board believes that the range and quality of services provided to customers is appropriate. There were no findings identified through the review that significantly impacted the overall quality of the service provided during this period.

## How can we improve?

While we believe the overall range and quality of our services to be good, we are continually looking at ways to improve and offer our customers a better experience. We have recently undertaken a modernisation programme to upgrade our administration systems for CTF policyholders which should improve the level of service and functionality that we can provide to customers in the future.

## 3.2 Performance

### What is being assessed?

This considers the performance of the Trust compared to its stated investment objectives and any benchmark against which its performance can be measured. Investors in a passive fund, which aims to track an index, will usually expect to perform closely to that index before any fees are deducted. Consideration is also given to the volatility of the Trust and its stated risk profile.

### What we aim to deliver

We aim to provide customers with performance that is in line with their expectations as set out in the investment objective.

### The outcome of our assessment

The investment objective of OneFamily Stockmarket 100 Trust is to achieve capital growth over a minimum five-year period. It aims to do this by directly investing in UK equities that closely match the performance of the FTSE 100 Total Return Index.

The table below shows the average annual performance of the Trust - both before and after the AMC is taken - and the performance of the FTSE 100 Total Return Index, over the last one, three, five and ten-years. The Trust's performance is based on rounded, closing prices at 15 April each year.

**Table 1 Average annual growth rate as at 15 April 2024**

	1 Year	3 Year	5 Year	10 Year
OneFamily Stockmarket 100 Trust IA Units (after AMC)	3.7%	6.6%	3.3%**	4.2%**
OneFamily Stockmarket 100 Trust IA Units (before AMC)	5.2%	8.2%	4.9%**	5.8%**
FTSE 100 Total Return Index*	5.3%	8.6%	5.2%***	5.9%***

\*Benchmark data sourced from State Street Global Advisors

\*\* Based on historic 10am published prices

\*\*\* Data sourced from Bloomberg

The Trust's prospectus states that the investment should be considered as being for a minimum five year-term investment. Over this period the performance of the Trust shows an average annual return of 3.3% after the AMC has been taken and 4.9% before. The benchmark has an annualised return of 5.2% over the same period indicating the Trust's performance before the AMC is deducted is broadly in line with the benchmark (which is not affected by any charges).

Differences in performance (positive or negative) can occur due to differences in security weightings between the Trust and the benchmark, and where cash drag occurs, this is when a portfolio has cash and cash equivalents that are not exposed to the equity market by way of either physical stocks or derivatives.

The Trust has provided capital growth over the mid-term and its performance has closely followed the benchmark. The Trust has performed in line with its investment objective.

The Trust has a published risk indicator of 6 (on a scale where 1 is the lowest risk and 7 the highest risk). This reflects the Trust's overall volatility and the associated risk of losing money over any time period.

**Table 2 Discrete annual growth rate, highest and lowest prices between 2019 and 2024**

	15 Apr 19 to 15 Apr 20	15 Apr 20 to 15 Apr 21	15 Apr 21 to 15 Apr 22	15 Apr 22 to 15 Apr 23	15 Apr 23 to 15 Apr 24
Annual Performance Institutional units (after AMC)	(21.8%)	28.3%	12.5%	6.8%	3.7%
Highest Buying Price Institutional units (p)	122.50	114.20	127.20	135.00	139.60
Lowest Selling Price Institutional units (p)	80.36	90.27	112.30	115.70	1124.30

The table above shows that the Trust can be prone to significant swings in investment performance over any 12-month period. This suggest that the risk indicator of 6 is appropriate and reflects the level of risk and potential for growth.

Overall, the Board considers that the performance of the Trust is satisfactory relative to the Trust's investment objective, benchmark and risk rating.

### How can we improve?

We will continue to monitor the investment performance of the Trust and will compare the performance of the Trust relative to its benchmark. We will engage with the investment managers in the event that the performance moves out of line with its benchmark.

## 3.3 Costs of Providing the Services

### What is being assessed?

This section considers the costs that are incurred by customers compared to the actual costs FIML and the wider Group incurs in providing the services.

### What we aim to deliver

We aim to provide services at a level of costs that provides customers with fair value for money while ensuring the sustainability of the business. The costs should be transparent and clearly communicated to our customers.

### The outcome of our assessment

The Board considered the costs associated with investing in the Trust, whether they provide value and their impact on customers within the Trust.

As a vehicle for stakeholder CTFs the Annual Management Charge of 1.50% is the only cost incurred by customers investing in the Trust. This charge covers all the services provided to the customer identified in Section 3.1. This means for a typical CTF account worth £2,000 we would take charges that average £2.50 per month to manage the account.

The Board reviewed the underlying costs of the services being provided, both in terms of the external charges and internal costs and are satisfied that they are set at a reasonable and fair level. By using a single charge, with no additional hidden costs, we believe the charging structure is clear and transparent for customers. Significantly the size of the charge is also in accordance with the Government's requirements for stakeholder CTF accounts.

### How can we improve?

While we consider the current charge to be appropriate, we will continue to monitor the level of AMC via our ongoing review process.

## 3.4 Economies of Scale

### What is being assessed?

This section considers whether the Trust has generated any economies of scale and whether these have been passed back to customers. Economies of scale may arise when the growth of a fund results in the operational costs incurred in running the fund forming a smaller proportion of its total value.

### What we aim to deliver

We aim to maintain a downward pressure on costs and to provide the benefits of any savings to customers by investing them in the business to help ensure its sustainability and to provide capital to develop new products and services.

### The outcome of our assessment

The Trust is decreasing in size in recent years, from approximately 259m units in issue in 2019 to 147m units as at 15 April 2024. As the CTF scheme was closed for new applications in 2011 we expect the Trust will continue to decrease in size as more policies reach maturity.

Typically, as a trust gets smaller the costs associated with the trust will increase proportionately as it becomes less efficient to operate. While this is likely true for the OneFamily Stockmarket 100 Trust it will have no impact on customers as all these costs except the AMC are paid by FIML. Customers will continue to only be charged the 1.50% AMC regardless of the Trust's size.

Furthermore, OneFamily is committed to maintaining its high level of service noted in section 3.1 of this assessment and will not indirectly pass any increased costs to customers through reduced levels of servicing or fund administration.

### How can we improve?

While the Board has concluded that there are limited opportunities for future economies of scale, we will continue to focus on costs related to the Trust and will exert downward pressure whenever we can. As noted above, economies of scale have no impact on the costs incurred by customers invested in the Trust who will continue to see a charge of 1.50% per year.

We will also continue to seek opportunities to introduce the benefits of increased economies of scale by identifying and reviewing the possibility of any future rationalisation of funds.



## 3.5 Comparable Market Rates

### What is being assessed?

This section considers whether customers receive fair value for money when compared to the costs they might incur if they invested in comparable Trusts in the marketplace.

### What we aim to deliver

We aim to ensure that our customers incur costs that are transparent and easily understood and that represent fair value for money based on the quality of the service that we provide.

### The outcome of our assessment

All products administered by OneFamily are regularly compared to similar products available in the marketplace. These reviews consider the costs charged by OneFamily compared to our competitors as well as an overview of the charging structures and fund choices available.

The latest review concluded the 1.50% AMC was broadly consistent with the AMC charged by other comparable CTF providers such as other mutual societies but noted some providers had begun offering lower charges.

### How can we improve?

Overall, we believe the Trust's charges are comparable to other market rates for CTF providers but will continue to monitor similar funds, but it is not our intention to adjust the charges this year.

## 3.6 Comparable Services

### What is being assessed?

This considers whether the AFM provides comparable services to other customers at a different price and in particular whether institutional investors receive similar services at comparatively lower prices.

### What we aim to deliver

We aim to ensure that we treat different classes of customers fairly such that one set of customers does not pay more for the same services as another set of customers.

### The outcome of our assessment

We do not manage any funds with the same investment objective as the OneFamily Stockmarket 100 trust and therefore do not believe we offer any directly comparable services. However, we do manage other funds that allow investment through a Child Trust Fund wrapper and therefore have reviewed the fees charged to these customers to ensure no group were being disadvantaged.

Both the Family Charities Ethical Trust and the Family Investment Child Trust Fund allow investments through a CTF wrapper and they both share the same 1.50% AMC as the OneFamily Stockmarket 100 Trust. The Family Balanced International Fund allows investment through a Junior ISA wrapper - which is a comparable product to the CTF - and also has a 1.50% AMC.

Therefore, we believe the costs of investing in the Trust is consistent with the cost of investing in other funds administered by OneFamily that allow investment through a Child Trust Fund or Junior ISA wrapper.

#### **How can we improve?**

We will continue to monitor other funds we manage to ensure any discrepancies between funds that share characteristics with the Trust can be fully justified.

### **3.7 Classes of Units**

#### **What is being assessed?**

This section considers whether it is appropriate for one group of customers to hold a class of units with higher charges than those applying to another class within the Trust with similar rights.

#### **What we aim to deliver**

We aim to ensure that customers do not suffer higher charges on their investments simply by being in a different class of unit which have substantially similar rights.

#### **The outcome of our assessment**

As mentioned in the overview of the Trust in Section 2 the OneFamily Stockmarket 100 Trust has two unit classes, Institutional and Retail units.

The Institutional units are used exclusively for CTF account holders and have an AMC of 1.50% per year. The Retail class of units is only available to customers via fund platforms and has a lower 0.35% AMC. However, the service OneFamily provides to support the Retail units is significantly reduced compared to the Institutional units, as the responsibility falls on the fund platforms themselves, and this is reflected in the lower AMC which is paid by the platform.

We believe that the differential in AMC is justified by the different levels of service provided to the customers in the two classes of units.

#### **How can we improve?**

We have no plans to open new classes of units.

### 3. Summary and Conclusions

Since the last review we have:

- Monitored the investment performance of the Trust and discussed its performance relative to its benchmark with the investment managers.
- Monitored the quality of the services provided to help ensure these meet the needs of our customers.
- Completed work on upgrading our administration systems to help ensure we can continue to provide customers with high quality customer service.

The Board of FIML considers that the assessment of value demonstrates that, overall, we are delivering fair value for the customers invested in the Trust.

In particular, the Board considers that:

- The range and quality of services provided to customers in the OneFamily Stockmarket 100 Trust are good and are appropriate to the needs of customers. A significant proportion of the value delivered to customers is in the form of the CTF related services they receive rather than just the services delivered in respect of the Trust.
- The performance of the Trust is in line with its stated benchmark.
- The costs associated with the provision of these services to customers are reasonable.
- There are limited future opportunities for economies of scale as the Trust is contracting and customers are charged a fixed AMC.
- Comparisons with other similar trusts show our overall costs are reasonable when assessed against comparable funds offering investments through a CTF wrapper.
- There are no other comparable services or alternative unit classes that require consideration although all CTF policies administered by OneFamily share the same 1.50% AMC.

Key areas that we will focus on as a result of undertaking this review include:

- Ongoing monitoring of the investment performance of the Trust with the investment manager.
- Ongoing monitoring of the quality of the services provided to help ensure these meet the needs of our customers.
- Following the modernisation of our administration platforms we will continue to enhance the level of service we can provide to our customers.
- Continuing to monitor other funds we manage to ensure any discrepancies between funds that share characteristics with the Trust can be fully justified.

We will report on our progress against these in our next annual assessment of value.