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Family Investments Global ICVC

Assessment of Value
For the year ended
30 April 2023

1. Introduction

This document sets out an assessment of the value provided to the investors in the Family Investments Global ICVC (the ICVC). The purpose of the assessment is to enable customers who are invested in the sub-funds of the ICVC to understand the range of services provided to them and to compare the value for money they receive from these sub-funds to the value provided by other similar funds.

This assessment has been produced by Family Investment Management Limited (FIML). FIML is the authorised corporate director (ACD) of the Family Investments Global ICVC 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 ICVC are managed by Family Equity Plan Limited (FEPL) which is 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 assessment has been reviewed and approved by the FIML Board.

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 think we can improve.

2. Family Investments Global ICVC Overview

The Family Investment Global ICVC is a non-UCITS umbrella scheme comprising of three separate sub-funds; the Family Balanced International Fund (FIBI), the OneFamily Global Equity Fund (OGEF) and the OneFamily Global Mixed Investment Fund (OGMI). All three sub-funds aim to achieve medium or long-term growth, but each has its own distinct investment objectives and is designed to meet the needs of different groups of customers. The investment objective of the three sub-funds are as follows:

FIBI aims to achieve growth over a 10-year period by investing in global shares, fixed interest securities (e.g. corporate and government bonds) and UK property. To achieve its objective FIBI invests in shares, fixed interest securities and property that make up the constituents of a variety of different global stock market indices. It will invest directly in global shares and indirectly in fixed interest securities and UK property through investment in collective investment schemes.

OGEF aims to provide growth over a 10-year period by investing in a portfolio of global shares selected from the MSCI World Index that supports a sustainable climate change strategy. The sustainable climate strategy aims to achieve climate improvements relative to the constituents of the MSCI World Index.

OGMI aims to provide growth over a 5-year period. To achieve its objective the policy of OGMI is to invest at least 65% in fixed interest index tracking collective investment schemes and up to 35% in OGEF.

Each sub-fund has multiple share classes which are used as investment vehicles for Individual Saving Accounts (ISAs), Junior Individual Saving Accounts (JISAs), Lifetime Individual Saving Accounts (LISAs) and direct customers. A significant portion of the sub-funds are also held by unit–linked life funds administered by the Society - namely the Family Global Fund, Family Sovereign Fund, Family Freeway Pension Managed Fund and the OneFamily International Primary Fund.

Table 1 - Investments allowed and Group cross holdings by share class

Sub-Fund Share Class	Available Investments	Internal Cross Holdings
FIBI Share Class A	JISA	OneFamily International Primary Fund
FIBI Share Class B	ISA and direct investment	n/a
FIBI Share Class C	ISA and direct investment	Family Global Fund
FIBI Share Class D	ISA	n/a
FIBI Share Class E	ISA and direct investment	n/a
FIBI Share Class F	n/a	Family Sovereign Fund Family Freeway Pension Managed Fund
OGEF Share Class C	n/a	Family Sovereign Fund OGMI
OGEF Share Class G	ISA and LISA	n/a
OGMI Share Class C	n/a	Family Sovereign Fund
OGMI Share Class G	ISA and LISA	n/a

For simplicity the share classes that are only used for internal cross holdings, FIBI share class F, OGEF share class C and OGMI share class C, are not included in the analysis in this document.

Each share class is subject to an annual management charge (AMC) which is taken from the sub-fund each day and based on the value of the share class the previous day. The charges vary depending on the sub-fund and share class as shown below. With the exception of FIBI Share Class A, OGEF G and OGMI G, each share class may also pay other costs which are considered in section 3.5.

Table 2 - AMC by share class

Sub-Fund Share Class	AMC (% of value of share class per year)
FIBI Share Class A	1.50%
FIBI Share Classes B & C	1.00%
FIBI Share Class D	0.95%
FIBI Share Class E	0.50%
OGEF Share Class G	1.10%
OGMI Share Class G	1.10%

Customers invested in the ICVC through an ISA, JISA or LISA wrapper become members of Family Assurance Friendly Society Limited. This brings certain member benefits, including attendance at the Society's Annual General Meeting, voting rights, £950 fee waiver for equity release through the OneFamily Advice service and the opportunity to apply for Young Person's Educational Grants. As a member of the mutual, it also provides them with an interest in the value of the mutual society in the event of a winding up of the Society.

3. 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 has been in respect of our aims. Where applicable we have added comments identifying possible areas for improvement.

3.1 Range and Quality of Services Provided
3.2 Performance
3.3 Cost of Providing the Service
3.4 Economies of Scale
3.5 Comparable Market Rates
3.6 Comparable Services
3.7 Share 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 sub-funds or directly to customers, any services relating to product wrappers that invest into the sub-funds, such as ISA, JISA and LISA accounts, 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

Customers invested in the sub-funds can comprise both direct shareholders and investors who hold their shares within an ISA, JISA or LISA product wrapper. We also have some internal holdings in the sub-funds that are held by other Group entities.

3.1.1 Range of Services

The services provided to customers include:

1. Investment management services

   Each sub-fund is provided with investment management services through the investment advisors to the ICVC, State Street Global Advisors (SSGA).

   FIBI aims to achieve long-term growth by replicating, before charges, the performance of a combination of different indices. SSGA do not adopt an active management strategy in respect of the sub-fund, which has the characteristics of a passively managed tracker, with the investments being re-balanced on a quarterly basis.

   OGEF's investment objective supports a sustainable climate change strategy by investing in a portfolio of equities selected from the MSCI World Index which meet sustainable climate objectives by exhibiting lower carbon emissions.

SSGA have set clear climate sustainability targets for the portfolio relative to the MSCI index and also screen out certain companies that do not meet other ethical criteria. SSGA use a proprietorial system called the R-Factor™ which they use to assess the firms in which they choose to invest to ensure the portfolio meets its objectives. We receive regular reports from SSGA on the investments and the effectiveness of the portfolio in achieving these climate-related objectives and are satisfied that SSGA provide effective investment management in supporting these objectives.

OGMI invests up to 35% of its value into OGEF, with the remainder invested into fixed interest index tracking collectives. OGMI therefore 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 sub-funds.

   These include services provided by external third-party suppliers such as those provided by the trustees, custodians and external auditors. It also relates to internally provided services such as the maintenance of the accounting records, valuation and pricing of the sub-funds and the production of their 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 and customer statements and the provision of services such as top-up payments and withdrawals. For the ISA, JISA and LISA customers the services also include management of the product wrapper through which they are invested in the ICVC and services such as management of the subscription limits and transfers to and from other providers where allowed. Most customers can communicate with us by post, online or by calling our UK-based call centre. Wherever possible we are fully committed to making enhancements to existing processes to assist vulnerable customers.

3.1.2 Quality of Services

The services we provide are subject to a range of controls and reviews to 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 take action 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 depositary.

2. Clear accountabilities

   The Senior Managers and Certification Regime helps to ensure that 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 to 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 are committed to providing customers with good response times from our UK based call centre when answering incoming 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, depositary 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 are currently embarking on a modernisation programme to upgrade our administration systems 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 sub-funds compared to their stated investment objectives and any benchmark against which their 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 sub-funds and their 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 objectives.

The outcome of our assessment

The performance of each of the sub-funds of the ICVC have been considered individually below. For each one we set out the investment objective and then review the performance of the sub-fund against its benchmark over various years, both before and after the AMC is taken from the sub-fund.

Family Balanced International Fund

The investment objective of FIBI is to achieve long-term growth over a 10-year period. It aims to achieve this by investing in shares, fixed interest securities and property that make up the constituents of a variety of global stock market indices.

FIBI's performance is shown below against a benchmark representing the combined performance of these global indices weighted according to the sub-fund's investment objective. For more information on the indices and their weighting please refer to the Family Investments Global ICVC prospectus. The table below shows performance both before and after the AMC has been deducted from each share class and the benchmark over one, three, five and 10-year periods ending 30 April 2023.

Table 3 - Average annual compound growth rate as at 30 April 2023

	1 Year	3 Years	5 Years	10 Years
FIBI Share Class A (after AMC)	(2.9%)	5.7%	1.6%	3.8%
FIBI Share Class B (after AMC)	(2.5%)	6.1%	2.0%	4.2%
FIBI Share Class C (after AMC)	(2.5%)	5.9%	1.5%	3.4%
FIBI Share Class D (after AMC)	(2.5%)	6.2%	2.0%	4.3%
FIBI Share Class E (after AMC)	(2.1%)	6.7%	2.5%	4.7%
FIBI (before AMC)	(1.5%)	7.2%	3.0%	5.3%
Composite Benchmark*	(0.0%)	7.6%	3.6%	5.7%

*Benchmark data sourced from Bloomberg

The objective states that the investment should be considered as being for a minimum 10 year-term investment. Over this period the performance of the sub-fund shows an average annual return of between 3.8% and 4.7% after the AMC is taken and 5.3% before the AMC. The benchmark has an annualised return of 5.7% over the same period indicating FIBI's performance before the AMC is deducted is broadly in line with the benchmark (which is not affected by any charges).

The Fund has provided capital growth over the long-term and its performance has followed the composite benchmark and consequently the underlying indices. The Fund has performed in line with its investment objective.

FIBI has a published risk indicator of 5 (on a scale where 1 is the lowest risk and 7 the highest risk). This reflects the sub-fund's overall volatility and the associated risk of losing money over any time-period.

Table 4 - Discrete annual growth rate, highest and lowest prices between 2018 and 2023

	30 April 18 to 30 April 19	30 April 19 to 30 April 20	30 April 20 to 30 April 21	30 April 21 to 30 April 22	30 April 22 to 30 April 23
FIBI A Annual Performance	1.8%	(8.7%)	20.8%	(0.2%)	(2.9%)
FIBI A Highest Buying Price (p)	435.2	464.9	480.7	506.2	474.5
FIBI A Lowest Selling Price (p)	388.3	336.2	381.8	458.1	411.3

The table above shows that the sub-fund can be prone to swings in investment performance over any 12-month period. This suggest that the risk indicator of 5 is appropriate and reflects the level of risk and potential for growth.

Overall, the Board considers that the performance of FIBI is satisfactory relative to its investment objective, benchmark and risk rating.

OneFamily Global Equity Fund

The investment objective of OGEF is to provide growth over a 10-year period by investing in a portfolio of global shares selected from the MSCI World Index that supports a sustainable climate change strategy.

No performance benchmark has been set for OGEF, but performance is expected to be generally in line with long term returns from the MSCI World Index as shown in the table below. OGEF was launched in January 2018, so data is not available for the 10-year period.

Table 5 - Average annual compound growth rate as at 30 April 2023

	1 Year	3 Years	5 Years	10 Years
OGEF Share Class G (after AMC)	1.1%	9.7%	4.0%	n/a
OGEF (before AMC)	2.2%	10.9%	5.2%	n/a
MSCI World Index*	3.1%	11.6%	5.3%	n/a

*MSCI World Index data sourced from State Street

While we cannot assess the Fund’s performance over the recommended 10-year period the table above shows that OGEF has provided capital growth and performed broadly in line with the benchmark over the one, three and five-year periods.

OGEF has a published risk indicator of 5 (on a scale where 1 is the lowest risk and 7 the highest risk). This reflects the Fund’s overall volatility and the associated risk of losing money over any time-period.

Table 6 - Discrete annual growth rate, highest and lowest prices between 2018 and 2023

	30 April 18 to 30 April 19	30 April 19 to 30 April 20	30 April 20 to 30 April 21	30 April 21 to 30 April 22	30 April 22 to 30 April 23
OGEF G Annual Performance	3.3%	(10.7%)	24.4%	5.2%	1.1%
OGEF G Highest Buying Price (p)	101.8	107.8	111.0	127.6	124.6
OGEF G Lowest Selling Price (p)	88.41	76.21	86.90	106.2	105.7

The table shows OGEF can be prone to swings in investment performance over any 12-month period suggesting that the risk indicator of 5 is appropriate and reflects the level of risk and potential growth.

In terms of OGEF's objective of supporting a sustainable climate strategy, as at the end of March 2023 the portfolio had achieved the following sustainable climate change objectives relative to the MSCI index as a whole.

Table 7 - OGEF climate change objectives and progress

Objective	Target	Outcome
Lowering carbon emissions by 60-80%	60%	61%
Reducing fossil fuel reserves by 90%	90%	90%
Reducing brown revenues by 90%	90%	90%
Increasing green revenues by 300%	300%	299%

As can be seen SSGA has therefore met or exceeded three of the four measures, with only the objective to increase green revenues scoring 1% lower than the target. However, between April 2022 and March 2023 it managed to increase green revenue relative to the Index on average by 304%.

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

OneFamily Global Mixed Investment Fund

The investment objective of OGMI is to provide growth over a five-year period. It aims to achieve this by investing in fixed interest index tracking collectives and up to 35% in the OneFamily Global Equity Fund.

No performance benchmark has been set but the performance of the Fund is expected to be generally in line with the proportions of the Fund held in the underlying investments. OGMI's performance is shown below against a benchmark representing the combined performance of these investments. For more information on the indices and their weighting please refer to the Family Investment Global ICVC prospectus. OGMI was launched in January 2018, so data is not available for the 10-year period.

Table 8 - Average annual compound growth rate as at 30 April 2023

	1 Year	3 Years	5 Years	10 Years
OGMI Share Class G (after AMC)	(3.5%)	0.3%	1.9%	n/a
OGMI (before AMC)	(2.5%)	1.5%	3.0%	n/a
Custom Global Mixed Investment Index*	(2.2%)	1.7%	3.2%	n/a

*Benchmark data sourced from State Street

The objective states that investment should be considered as being for a minimum 5 year-term investment. Over this period the performance of the sub-fund shows an average annual return of 1.9% after the AMC is taken and 3.0% before the AMC. The benchmark has an annualised return of 3.2% over the same period indicating OGMIs performance before the AMC is deducted is broadly in line with the benchmark (which is not affected by any charges).

The Fund has provided capital growth over the mid-term and has performed broadly in line with the benchmark over the one, three and five-year periods.

OGMI has a published risk indicator of 4 (on a scale where 1 is the lowest risk and 7 the highest risk). This reflects the Fund's overall volatility and the associated risk of losing money over any time-period.

Table 9 - Discrete annual growth rate, highest and lowest prices between 2018 and 2023

	30 April 18 to 30 April 19	30 April 19 to 30 April 20	30 April 20 to 30 April 21	30 April 21 to 30 April 22	30 April 22 to 30 April 23
OGMI G Annual Performance	5.6%	2.7%	9.7%	(4.5%)	(3.5%)
OGMI G Highest Buying Price (p)	104.2	112.7	117.9	123.7	113.3
OGMI G Lowest Selling Price (p)	96.68	97.48	106.1	112.7	100.3

The table shows OGMI can be prone to modest swings in investment performance over any 12-month period suggesting that the risk indicator of 4 is appropriate and reflects the level of risk and potential growth.

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

How can we improve?

We will continue to monitor the investment performance of the sub-funds and discuss their performance relative to their investment objectives. We will continue to apply pressure on the investment manager to ensure OGEF performs in line with expectations in terms of its sustainable climate strategy.

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 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 ICVC, whether they provide value and their impact on customers within the Fund.

Customers invested in the sub-funds are charged an Annual Management Charge (AMC) which is calculated daily and taken directly from each share class. Before 31 March 2023 FIBI share classes B, C, D and E also paid additional charges associated with the depositary, custody and transaction, FCA & audit fees. However, following last year's Assessment of Value these fees were removed and now every share class only pays the AMC, although as the sub-funds all hold collective investment schemes as well as equities, they may also be indirectly subject to the charges associated with those collectives.

We use a measurement called the Total Expense Ratio (TER) to indicate the overall effect of these charges on the share classes of each sub-fund. The TER is a measure of the total costs associated with managing the sub-funds, excluding any initial charge and transaction costs and is an internationally accepted standard for the comparison of costs for authorised funds.

The table below shows the AMC and TER for the share classes in each sub-fund in which customers can invest, along with the monthly impact of the TER on a typical account worth £1,000.

Table 10 Impact of charges per share class

	AMC	TER	Monthly impact of TER in an account worth £1,000
FIBI Share Class A	1.50%	1.52%	£1.27
FIBI Share Class B	1.00%	1.11%	£0.93
FIBI Share Class C	1.00%	1.12%	£0.93
FIBI Share Class D	0.95%	1.06%	£0.88
FIBI Share Class E	0.50%	0.61%	£0.51
OGEF Share Class G	1.10%	1.10%	£0.92
OGMI Share Class G	1.10%	1.10%	£0.92

Please note that ex-Gan PEP ISAs and historic Family ISAs invested in FIBI may have additional plan fees charged.

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 removing the additional fees paid by FIBI share classes B, C, D and E and using a single charge we believe the charging structure is clear and transparent for customers.

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. FIML will also continue to look for opportunities to improve the value for money received by customers by enhancing the quality and range of the services offered. We are in the process of reviewing the additional plan fees charged to ex-Gan PEP ISAs and historic Family ISAs.

3.4. Economies of Scale

What is being assessed?

This section considers whether the ICVC has generated any economies of scale and whether these have been passed back to customers of the sub-funds. 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 savings in the business to ensure its sustainability and to provide capital to develop new products and services.

The outcome of our assessment

While FIBI share class A has been increasing in size, the other share classes are getting smaller. Typically, as a fund gets bigger the costs associated with the fund will decrease proportionately as it becomes more efficient to operate, and the opposite is true where the fund is shrinking. However, in the case of FIBI its growth will have no impact on customers as these costs, except the AMC, are now paid by FIML. Customers will continue to only be charged the AMC regardless of the Fund's size and its impact on the Fund will not vary.

Similarly, OGEF and OGMI are both increasing in size. However, like FIBI they only pay the AMC and will not directly receive any benefits arising from economies of scale.

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 Fund and will exert downward pressure whenever we can. We will 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 funds 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

We compared the cost of investing in the ICVC outside of a product wrapper with a selection of similar funds and found the ICVC to be above average in respect of its AMC. However, it was difficult to identify what services were included within the charges of the comparable funds and whether they would be subject to additional charges such as platform fees, making a direct comparison difficult. It should be noted these accounts are expensive to administer and we no longer market the ICVC on this basis.

To compare the cost of investing within a product wrapper, all products administered by OneFamily are regularly compared to other 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 reviews concluded our ISA rates were comparable to other products whereas the JISA rates were less competitive compared to the market as a whole but comparable to similar mutual providers.

How can we improve?

Overall, we believe the sub-funds charges are within the range of AMCs charged by other comparable ISA providers. While the cost may be above average for customers who invest directly in the ICVC there is little scope for the AMC to be reduced considering the costs incurred in administering this particular investment type.

While we do not believe the level of JISA charge is excessive, we will review the AMC in 2023/24 in line with the efficiencies we are making to our operating platform. It should be noted JISA investors currently have the highest AMC of all investors in the ICVC.

Although we will continue to monitor similar funds it is not our intention to review the charges for customers other than those investing in a JISA wrapper. We will continue to look for opportunities to increase the value for money received by all customers by enhancing the quality and range of the services offered.

3.6 Comparable Services

What is being assessed?

This considers whether the ACD 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

As the AFM does not manage any funds with the same investment objectives as the sub-funds that make up the ICVC we do not believe we offer any directly comparable services. However, to help ensure no group of customers are being disadvantaged, we considered other funds managed by the AFM that allow investment within the same product wrappers, to ensure any difference in costs could be accounted for.

The cost of investing within a JISA wrapper is consistently 1.50% AMC across the Group, and ISA and LISA investments are charged between 0.95% and 1.10% AMC. While there is a slight variation in these charges any differences occur where the features of the underlying policies slightly differ.

While the costs of investing in the ICVC were largely consistent, some historic accounts were identified with lower charges due to the initial terms and conditions they agreed to before we rationalised our funds in 2009.

How can we improve?

We will remain alert to the different needs of the different customer groups invested in the Family Investments Global ICVC and will continue to provide appropriate services to each while keeping the charges consistent between different customer groups.

3.7 Classes of Shares

What is being assessed?

This section considers whether it is appropriate for one group of customers to hold a class of shares with higher charges than those applying to another class within the sub-funds 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 shares which have substantially similar rights.

The outcome of our assessment

We considered the cost of investing in each share class in terms of which products where available for investment, the rights those products infer upon the customer and the cost of administering the underlying policies.

While the AMC varies between the different share classes in the ICVC, the highest charge is only applied to the products that are more expensive to administer, namely the JISA, and the lower charges for products that are cheaper to administer. There is little difference between the charges for similar products in different share classes.

The only exception to this is FIBI share class E which is charged a significantly smaller AMC than the other share classes. As mentioned previously, this is due to the terms and conditions these accounts originally agreed to.

How can we improve?

We believe the cost of investing in the ICVC is consistent across each share class and any difference in AMC is justified by the level of service being provided to the underlying policies.

4. Summary and Conclusions

Since the last review we have:

- Monitored the investment performance of the sub-funds and discussed their performance relative to their benchmark with the investment managers.
- Monitored the quality of the services provided to ensure these meet the needs of our customers.
- Continued work on upgrading our administration systems to ensure we can continue to provide customers with high quality customer service.
- Removed the audit, custody & transaction, depositary and FCA fees from FIBI share classes B, C, D and E.

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

In particular, the Board considers that:

- The range and quality of services provided to customers in each sub-fund is good and appropriate to the needs of customers. A significant proportion of the value delivered to customers is in the form of the product-related services they receive rather than just the services delivered in respect of each sub-fund.
- The performance of each sub-funds is in line with their stated investment objective.
- The costs associated with the provision of these services to customers are reasonable, although additional plan fees for some ISAs should be reviewed.
- There are limited future opportunities for economies of scale as the customers are charged a fixed AMC
- Comparisons with other funds show our overall costs are generally in line with comparable alternative funds although the JISA AMC is under review
- The charges applied to direct investors are inconsistent within the ICVC and across the Group overall.

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

- Ongoing monitoring of the investment performance of each sub-funds with the investment manager.

- Ongoing monitoring of the quality of the services provided to ensure these meet the needs of our customers.
- Continuing investment on the modernisation of our administration platforms to maintain and enhance the level of service we can provide to our customers.
- Review of charges applied to investors in a JISA wrapper.
- Review of plan charges for ISA investments
- Review of charges applied to direct investors across the Group

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