



## Value Assessment – YOUR Platform

This report is the result of the annual value assessment that we have carried out for you.

YOU Asset Management is the Platform Operator of the YOUR Platform. Producing this report is an important way in which we help our clients to understand the value provided by the platform.

We carry out a value assessment at least yearly for each of our services and funds to ensure that we recognise and act upon any areas where improvements may be required. The value assessments are undertaken by our compliance department which ensures they are independent. The assessments are then presented to the internal Governance Committees to ensure that there is rigorous oversight and challenge.

The purpose of the value assessment is to consider whether the fees paid by our clients are justified in the context of the overall value delivered to investors. After each assessment, we publish this report to provide you with our conclusions and explanations about its key aspects.

When carrying out the value assessment, we have been guided by three key considerations. These are:

- The rules of our regulator, the Financial Conduct Authority (FCA).
- Making the report meaningful for investors.
- The importance of measuring value and not just cost.

Each is now explained in more detail.

### I. The rules of the FCA

The FCA requires all Fund Managers to consider certain minimum criteria when reviewing value. While these do not all apply to a platform service we have considered them and any equivalent measures in assessing the value provided by our platform service. The FCA sets the following areas for assessment:

FCA Value Assessment Criteria	Summary of FCA Value Assessment Criteria
Quality of Service	Does the range and quality of service offer value?
Comparable Services	Are funds priced reasonably compared to other products with similar investment strategies?
Costs	Are fees charged to investors reasonable and appropriate?
Comparable Market Rates	Are the funds priced similarly to competitors?
Performance	Are the funds performing against their investment objectives?
Economies of Scale	Are economies of scale generated and passed on to investors?
Classes of Units	Are investors in the cheapest available unit class based on their characteristics?

Each is considered under its own heading in the following pages. We are not limited to the seven that are prescribed but to date we have found they are sufficiently broad to allow us to carry out the value assessment. We keep this under review.

## II. Making the report meaningful for investors

We aim to provide an assessment that is meaningful for all investors. We recognise individuals will have their own reasons for holding the platforms and their own specific goals which are agreed with their financial adviser. We have been guided by the following considerations:

- The quality of service we offer clients in our terms and conditions.
- Relevant alternative options a client may have to using YOUR Platform.
- Our target market (the types of investors who could be expected to consider buying it).

We have considered these factors as at 30 April 2023.

## III. The difference between assessing value and simply measuring cost

We believe that the best value for investors does not necessarily mean simply the lowest costs.

As an example, small differences in cost between platforms can be quickly eroded by being unable to access competitively priced investment funds or in slow processes increasing time out of the market.

Nevertheless, we are clear that any value assessment includes an assessment of the controls over costs incurred to use the platform.

In closing, I remind you that the value of your portfolio can fall or rise and it can do so daily. The underlying investments are exposed to stock markets and market conditions can change rapidly resulting in volatile price movements and being affected unpredictably by diverse factors, including political and economic events. In addition, inflation will, over time, reduce the value of your investments in real terms. We carried out our assessment with performance figures as at 30 April 2023.

I hope in turn you find this report of value. We welcome any feedback on how to improve these reports for the future.

### The Characteristics of the Service

YOUR Platform is designed to offer the following features.

- Access to a range of tax wrappers to in turn invest in collective investment funds, specifically we offer the following investment account (wrapper) types:
  - General Investment Accounts
  - Individual Savings Accounts (ISAs), including the ability to flexibly remove and replace funds within the same tax year
  - Junior Individuals Savings Accounts (JISA)
  - Pensions
- Efficient means to invest in, and manage, a range of investment funds and model portfolios
- Efficient cash management to allow simple deposits and withdrawals into investment accounts
- A single portal, or documents, to view a portfolio across a range of investment accounts

The service is available only to clients via a Financial Adviser however we have provision to support clients who leave this arrangement.

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## Range and Quality of Services

### What have we considered?

In this section we have considered the first area of the value assessment. This covers the quality of service we provide and the quality of service provided by any person to which any aspect of the service has been delegated or who provides services to us.

The service has been operating for less than a year and with a limited launch at the time of this report so while best endeavours have been taken to provide an accurate assessment it should be noted this is based on only the experience to date.

### How have we made our assessment?

We have reviewed and given consideration to the services delivered and how they affect investors. We also give consideration to the quality of the service delivered by YOU and any other parties involved in the distribution chain.

We have considered, as we do for all value assessments, whether they have been managed within the agreed terms and if there have been any operational errors or complaints. There are no material issues which we consider affect our conclusions about quality of service in this assessment period.

We have reported under two subsections:

- In-House Functions - Our own provision of services
- SECCL – SECCL provide custody, dealing and settlement and tax wrappers for the service

### In-House Functions

This section refers to the functions and activities undertaken by YOU Asset Management through our internal team.

- **Governance and oversight** - We dedicate senior manager and board level resource to our governance structures, including committees covering Investment & Asset Allocation, Risk & Compliance, Finance, Operations and HR. Combined with our business model of running most services in-house, we believe that this level of governance helps us to safeguard the best interests of investors.
- **Administration** - We maintain our own systems which allow us to monitor client onboarding and transactions to fulfil our obligation to help prevent financial crime. We also maintain systems to allow integration of the platform with other technology within the group such as email notifications, back office systems and reporting tools. We do this so that we are able to retain specialist operational expertise and maintain transparency in our processes. This also means we invest in our people and our technology in a cost-effective manner which we feel brings benefits to investors as it will allow us to control and develop future efficiencies and new features.

## Range and Quality of Services (continued)

- **Investor communications and relations with investors** - We have a dedicated team who respond to investor and staff queries and produce our marketing materials as well as client and user guides. With the exception of some printing and website design, all communication with investors is conducted by in-house staff, who provide support and information to end investors and their financial advisers. Working alongside our Investment and Investment Administration team, these colleagues benefit from technical training and specialist knowledge which enables them to provide an efficient and responsive service for our investors.
- **Additional competencies** - In addition to our in-house expertise we maintain close relationships with recognised specialist law firms, accountants, trade bodies and training providers to maintain an up-to-date understanding of legal and regulatory expectations and best practice.

### SECCL

This section refers to the delegation of certain functions to, or the appointment of, SECCL. SECCL retain some of the regulatory responsibilities inherent in operating a platform, such as holding client money as well as dealing and settlement of trades.

We have a detailed agreement between YOU Asset Management and SECCL to confirm responsibilities and service levels.

We have developed and follow bespoke processes to monitor many aspects of this relationship and have a means to report on and escalate any delays or other concerns. Each quarter we have a governance meeting to ensure both parties are meeting expectations.

We are aware of no issues which negatively impact the value provided to clients as a result of this relationship and believe the arrangement works well to provide a quality service at a competitive overall cost to clients.

### Conclusion

Overall, we are satisfied with the quality of services provided to investors by SECCL.

## Comparable Services & Costs

We believe our service offers as strong functionality as peers. While different providers have some different focuses for advanced functionality, appearance or other aspects for the key features required (as per our description above) we are not aware of any shortcomings.

Costs of our service compared to a selection of peers is shown below.

Provider	£20,000	£50,000	£100,000	£200,000	£500,000	£1m	£2.5m
Abrdn Wrap	0.35%	0.35%	0.35%	0.35%	0.30%	0.25%	0.16%
Aegon (ARC)	0.60%	0.58%	0.54%	0.49%	0.24%	0.12%	0.05%
Parmenion	0.30%	0.30%	0.30%	0.30%	0.25%	0.20%	0.15%
Quilter	0.50%	0.40%	0.35%	0.33%	0.28%	0.24%	0.19%
YOUR	0.35%	0.25%	0.2%	0.18%	0.16%	0.13%	0.05%
Seven IM	0.30%	0.30%	0.30%	0.30%	0.25%	0.21%	0.19%
Transact	0.27%	0.27%	0.27%	0.27%	0.27%	0.23%	0.142%
<b>Industry Average*</b>	<b>0.45%</b>	<b>0.42%</b>	<b>0.35%</b>	<b>0.31%</b>	<b>0.28%</b>	<b>0.22%</b>	<b>0.16%</b>

Source: Due Diligence Solutions (2023)

We believe the comparison to other platforms is the most suitable comparison. However it is in theory possible to hold investments directly without use of a platform.

### Conclusion

We are satisfied that the costs of the platform, specifically for our target markets are reasonable and appropriate having regard to the factors above

## Economies of Scale

### What have we considered?

We have considered two different types of economies of scale relating to:

#### The size and scale of the platform

It is possible that certain costs are fixed and therefore reduce in percentage terms as the service grows, for example, if staff costs are constant but the size of the platform service grows, this will increase the profitability. We seek to ensure that each service offers value to investors, while remaining commercially viable, by taking in to account the impact of any fixed costs.

Other costs are proportional to, or may increase beyond, the growth of the service. For example, as our services grow, our insurance and regulatory fees increase proportionally. Other costs may increase beyond the scale of the growth of the platform assets as financial services businesses are required to comply with an increasingly broad rule book as they become more significant to the financial system.

## Economies of Scale (Continued)

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### **The size and scale of YOU Asset Management**

The second area of economies of scale is where we can negotiate terms for the different underlying funds or for the cost of custody and technology. We use our scale to negotiate fees wherever we are able as it is in the interests of all investors. We discuss with our suppliers the need to ensure that fees are fairly and transparently spread across all clients.

### **Conclusion**

We are satisfied that economies of scale are being passed onto investors in the Funds where these are being achieved.

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## Conclusion

We are satisfied that the charges taken for YOUR Platform are justified in the context of the overall value delivered to investors.

This information is for Professional use only and is not meant for re-distribution to investors. All information is based upon our understanding as of 30<sup>th</sup> April 2023.