



L&G Model Portfolio Service (MPS) Value for Money Assessment - L&G ESG Model Portfolios

April 2025

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The MPS Value for Money Assessment

- The Price and Value outcome of the FCA's Consumer Duty aims to establish a consistent approach to price and value across financial services, and ensure products and services offer fair value to consumers.
- Firms are expected to test and monitor to determine if good consumer outcomes are being achieved via a **Value for Money (VfM)** assessment.
- L&G's regulated UK funds already meet this outcome through the annual production of the Assessment of Value report by Legal & General (Unit Trust Managers) Limited (UTM).
- This assessment is based on data for the year ending 31 December 2024.

Services in scope of the Value for Money assessment

This document outlines the results of our assessment of L&G's core range of ESG Model Portfolios which are available to advised retail clients.

L&G's MPS is a discretionary investment service featuring a selection of model portfolios, each of which invest in a number of underlying regulated funds, predominantly managed by L&G.

There are seven Model Portfolios within L&G's core ESG range, including:

ESG range	Defensive Cautious Cautious Balanced Balanced Balanced Growth Growth Adventurous
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L&G also offers Index Model Portfolios and Blended Model Portfolios as part of its core range, with their respective Value for Money assessments available separately on the website. Additionally, L&G offers bespoke portfolios for clients. We also conduct a Value for Money assessment on these portfolios, with the results available on request by clients and partners.

Value for Money assessment – approach

In assessing value, our role is to ensure that the approach and process undertaken is robust, in line with the expectations of the FCA's Consumer Duty rules, represents clients' best interests, and that the findings of the assessment are appropriate.

The annual assessment is undertaken by looking at four key criteria which are assessed on the basis of an agreed methodology and weightings which form the overall assessment:

Performance

Review of how each of L&G's core ESG Model Portfolios perform against their stated objectives, including any benchmarks or comparators. Our two-stage assessment will consider any mitigating factors in the portfolio's performance against its stated objectives, for example its absolute performance or performance against appropriate bespoke peer groups.

Financial analysis

Review of the services we provide, and the costs we incur for providing these services against the charges we levy on our clients. We review the resulting margin generated to determine whether we are providing financial value to our clients. The assessment does not perform an analysis on other elements of the value chain e.g. advice, but does consider the costs of the underlying funds.

Comparable Market Rates

Review of the Discretionary Management Fee, average OCF range and average total costs against our competitors using third-party data. This reviews competitors’ published rates and could vary due to commercial sensitivity around information e.g. where different rates have been negotiated against the headline fee.

Quality of Service

Review of the quality of key external services and internal processes and governance that could impact the quality of the service delivered to customers. In concluding this assessment we consider, among other factors, operational errors, and the governance and oversight of the selection and ongoing appropriateness of internal and third-party funds in the portfolios.

Results of our assessment

We are pleased to report that all of the ESG Model Portfolios within L&G’s core range are delivering value as of 31 December 2024 according to this assessment. Both Green and Amber outcomes denote value. One underlying Model Portfolio (“L&G ESG Defensive”) received an Amber performance rating compared to the broad IA Mixed Investment 0-35% sector. This Model Portfolio’s performance will continue to be monitored by L&G.

We believe that these positive results capture the various ways in which we strive to help clients achieve your financial goals and uphold the high standards they have come to expect from us.

	Performance	Financial Analysis	Comparable Market Rates	Quality of Service	Overall Outcome
Outcomes	Green	Green	Green	Green	Value
Summary and actions	<p>The of L&G’s core ESG Model Portfolios have performed in line with expectations.</p> <p>The portfolio’s performance will continue to be monitored by internal committees and the board.</p>	<p>Although L&G’s core ESG Model Portfolios remain competitively priced we continually review our price and service offering to ensure both deliver good customer outcomes.</p>		<p>Among our assessment, there were no operational errors and all governance and oversight was executed during the period.</p> <p>We review the services offered to FCA certified Independent Financial Advisers to ensure that we continue to meet their needs.</p>	<p>Our assessment concluded that L&G’s core ESG Model Portfolios continue to deliver fair value for customers in their target market.</p>

Contact us

For further information about L&G, please contact your usual Legal & General Asset Management representative.

Key Risks

The value of an investment and any income taken from it is not guaranteed and can go down as well as up, and the investor may get back less than the original amount invested. Assumptions, opinions, and estimates are provided for illustrative purposes only. There is no guarantee that any forecasts made will come to pass.

Important information

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This document does not explain all of the risks involved in investing. No decision to invest should be made without first reviewing the Target Market Assessment, which can be obtained from the Client Relationship Manager.

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