

PRODUCTS

# Assessment of Value for Investment Funds

FUNDS  AXIS

Proprietary and Confidential





# Contents

04 FCA Assessment of Value Solution

05 What is Included

06 Cost Analysis

07 Documentation

07 Training

# FCA Assessment of Value Solution

Price competition and value for money are coming under increased scrutiny by EU and UK regulators.

The UK FCA requires Authorised Fund Managers (AFMs) to assess the value for money of each fund, take corrective action if it does not offer good value for money, and explain the assessment annually in a public report. In addition, the Senior Managers and Certification Regime requires a senior individual to take “reasonable steps” to ensure that the AFM carries out the assessment of value and acts in the best interests of investors.

**Funds-Axis' FCA Assessment of Value Solution**, powered by whole-of-market data from FE fundinfo, provides firms with a comprehensive and efficient toolkit for conducting the FCA Assessment of Value exercise in line with the FCA requirements in a cost-efficient and streamlined way.

Our browser-based FCA Assessment of Value Solution makes complex review and reporting quick and easy, with interactive and customisable dashboards, enabling you to access and share key data at the click of a button.

# What is Included

## Product Governance

- \ Define the target market
- \ Define the distribution strategy
- \ Monitor against actual distribution

## Performance

- \ Define appropriate performance criteria
- \ Monitor against set performance

## Risk

- \ Define appropriate risk measures
- \ Automate risk calculations

## Costs

- \ Monitor for availability of cheaper alternatives
- \ Benchmark against market costs and passive alternatives
- \ Trend analysis over time

## Closet Index Tracker Monitoring

- \ Active management analysis
- \ Monitoring composition and performance vs passive index trackers

## Service Quality

- \ Asset service quality

## SM&CR Reporting

- \ Clear dashboard reports and analysis
- \ Fund specific analysis
- \ Comparisons across share classes
- \ Comparisons across the market

## Annual Public Report

- \ Automated reporting to support the production of the annual statement

## Benchmarking

Flexibly analyse based on:

- \ Fund size
- \ Complexity
- \ Fund type
- \ Geography
- \ Asset class
- \ Minimum subscription sizes
- \ Active / Passive

## ALSO INCLUDES

- \ Benchmark data from over 2,000 investment funds
- \ Calculations for performance risk and active management

# Cost Analysis

## LEVEL 1 COST ANALYSIS

- \ AMC
- \ On-going Costs
- \ Entry
- \ Exit
- \ Performance Fees

The benchmarking of costs is supported by industry data on over 2,000 funds. One can flexibly analyse based on

- \ fund size
- \ complexity
- \ fund type
- \ geography
- \ performance fees
- \ asset class
- \ minimum subscription size
- \ active/passive etc.

## LEVEL 2 COST ANALYSIS

- \ Annual management charge
- \ Custody
- \ Depository
- \ Investment adviser
- \ Transfer agent
- \ Fund accounting
- \ Register
- \ Regulatory fees
- \ Legal
- \ Fee sharing
- \ Audit
- \ Distribution costs etc

# Documentation

It is important that you have in place documentation outlining the processes and procedures used when producing your assessment of value report. As part of the service Funds-Axis will provide comprehensive documentation which can be used both internally and externally including:

- \ Assessment of Value methodologies
- \ Creation of benchmarks
- \ Cost analysis
- \ Report templates
- \ Data quality procedures

# Training


Funds-Axis have developed Assessment of Value training which can be used by your iNEDS, Board and product and compliance teams. The training will help you to build your knowledge of the regulation enabling you to successfully complete your assessment of value reports.


It will cover the following areas:


- \ Regulatory background
- \ What is Value for Money
- \ Assessment of Value Process
- \ Data driven oversight
- \ Costs
- \ Performance
- \ Closet trackers
- \ Risk
- \ Service quality
- \ Developing an holistic approach to product management


# FUNDS AXIS

 +44 (0) 28 9032 9736

 [info@funds-axis.com](mailto:info@funds-axis.com)

 [funds-axis.com](https://funds-axis.com)

 [@Funds-AxisLimited](https://www.linkedin.com/company/funds-axis-limited)

 [@FundsAxis](https://twitter.com/FundsAxis)

©2021 Funds-Axis Limited. All Rights Reserved. Funds-Axis and HighWire are trademark of Funds-Axis Limited. The views contained in this material are those of Funds-Axis as of the date of this report and may change as subsequent conditions vary. Funds-Axis has no obligation to update this material or to notify you of changes. This material is for informational purposes only and reliance upon it is at the sole discretion of the reader. This material is not intended for distribution to third parties without the prior written permission of Funds-Axis. Funds-Axis may modify or discontinue any functionality or service component described herein at any time without prior advance notice to you.