

**MARKS AND SPENCER UNIT TRUST MANAGEMENT LIMITED**

# Value assessment for the M&S Unit Trust Funds

**For the period 1 January 2025 to 31 December 2025 – published 27 April 2026**

**M&S**  
SAVINGS AND  
INVESTMENTS

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# Introduction by the Chair of Marks & Spencer Unit Trust Management Limited



The Financial Conduct Authority (FCA) requires all **Authorised Fund Managers** to undertake an annual assessment of value.

This document summarises the assessment undertaken by us, Marks and Spencer Unit Trust Management Limited, as the **Authorised Fund Manager** (the “**Manager**”) of the four funds which we offer.

This assessment is focused on whether the payments made from within the funds for various charges and costs are justified in the context of the value delivered to investors in each fund.

The FCA set out a minimum of seven criteria to be considered as part of this assessment and we outline our approach against these criteria below.

This is the seventh year in which we have undertaken a value assessment of our funds and we have taken a number of actions since our last assessment to enhance value for investors. We summarise these actions below and include further detail in each fund’s section later in this document.



Fund name	Actions taken since previous value assessment
UK Selection Portfolio <b>(UKS Fund)</b>	A comprehensive review of the <b>UKS Fund</b> ’s investment approach was undertaken in 2024. The review concluded that performance has been strong since changes were introduced to the <b>UKS Fund</b> ’s investment approach in 2021. The review also made a positive assessment of the people and process employed to deliver the revised investment approach.
Worldwide Managed Fund <b>(WM Fund)</b>	The level of charges for the <b>WM Fund</b> was considered in 2025 as part of a wider review of the business. Following this, charges were maintained at their current level.
High Income Fund <b>(HI Fund)</b>	The <b>HI Fund</b> ’s investment approach was updated in September 2025 to provide greater flexibility. This flexibility allows the fund to invest in a broader range of investments, including types of bonds which may be used to improve diversification in volatile investment conditions.  The level of charges for the <b>Fund</b> was considered in 2025 as part of a wider review of the business. Following this, charges were maintained at their current level.

Fund name	Actions taken since previous value assessment
UK 100 Companies Fund ( <b>UK100 Fund</b> )	The level of charges for the <b>UK100 Fund</b> was considered in 2025 as part of a wider review of the business. Following this, charges were maintained at their current level.

Investors benefit from the **Manager's** use of professionals who negotiate competitive pricing from relevant service providers. We periodically review these arrangements to explore potential improvements to fees and some fee reductions were negotiated in 2025 for **safe custody** and **fund accounting** services.

Our independent investment adviser continues to support the **Board's** oversight activities of the **Investment Manager**, including how we actively monitor customer outcomes across all four funds.

We summarise the findings from our most recent value assessment, along with any actions being taken, in the table below. We provide further detail in each fund's section later in this document (including an explanation of the traffic light ratings):

Fund name	Rating	Summary of findings and any actions being taken
UK Selection Portfolio ( <b>UKS Fund</b> )		<p>The <b>UKS Fund</b> is delivering a good quality of service, charges are reasonably comparable with peers and no economies of scale have been identified.</p> <p>The <b>UKS Fund's</b> performance has been very strong over the past three and five years relative to peers, and the fund is slightly behind its benchmark (net of all fees and charges) over five years.</p> <p>Our overall assessment is that value is being delivered.</p>
Worldwide Managed Fund ( <b>WM Fund</b> )		<p>The <b>WM Fund</b> is delivering a good quality of service and no economies of scale have been identified.</p> <p>The <b>WM Fund</b> has outperformed against its performance comparator over three and five years (significantly so over five years).</p> <p>The <b>WM Fund's</b> charges are higher than the average and median of peers. These charges will be considered in 2026 as part of an ongoing review of the business.</p> <p>Our overall assessment is that value is being delivered.</p>

Fund name	Rating	Summary of findings and any actions being taken
<p>High Income Fund <b>(HI Fund)</b></p>	<p><b>G</b></p>	<p>The <b>HI Fund</b> is delivering a good quality of service and no economies of scale have been identified.</p> <p>The <b>HI Fund</b> has achieved its objective to deliver a high income and returns over the past year have been strong. The <b>HI Fund</b> has outperformed against its performance comparator over three years, but remains behind the performance comparator over five years.</p> <p>The <b>HI Fund</b>'s charges are higher than the average and median of peers and are periodically reviewed.</p> <p>Our overall assessment is that value is being delivered.</p>
<p>UK 100 Companies Fund <b>(UK100 Fund)</b></p>	<p><b>G</b></p>	<p>The <b>UK100 Fund</b> is delivering a good quality of service and no economies of scale have been identified.</p> <p>The <b>UK100 Fund</b>'s charges are higher than the average and median of peers and are periodically reviewed.</p> <p>Our overall assessment is that value is being delivered, including the <b>UK100 Fund</b> achieving its objective to track the FTSE 100 Index.</p>

The assessment has been undertaken by the **Manager** as part of our regulatory responsibilities and those of our **Board**. Our **Board** includes two independent non-executive directors, one of whom (the **Board** Chair) has overall responsibility for this assessment.

Our **Board** has been actively involved in the value assessment, including debating and agreeing the approach summarised below as well as dedicating significant time to scrutinising the findings and conclusions.

In particular, my fellow independent non-executive director, Simon Calver, and I have focused on what is important to investors, robustly challenging the **Investment Manager** and the executive team if we felt value was not being delivered.

Our **Board** sees this assessment as a continuation of a focus on value demonstrated through actions taken in recent years, including the most recent actions summarised above. We are also conscious of our responsibilities under the FCA's Consumer Duty requirements which came into force in July 2023, including the importance of strong oversight arrangements to ensure that we act to deliver good outcomes for retail customers.

This assessment takes into account the **Manager's** responsibilities both as a manufacturer and a distributor of the four funds. We hope that this document provides investors with a useful way to assess the value delivered by our funds.

Best wishes

**Jenny Goldie-Scot**




# Our approach to assessing value

The following table summarises the FCA’s prescribed criteria for consideration and the approach we have taken to assess each of these. We illustrate our approach by setting out some of the questions we asked ourselves as part of the assessment of each fund and then explain the traffic light ratings we use to summarise our findings.

Value assessment criteria	Questions we asked
<p><b>1. Quality of service:</b> the range and quality of services provided to investors</p>	<p>Are services provided by a strong and well governed organisation with highly experienced staff? Is service quality high and are customers satisfied? What features are available and how do investors benefit from them?</p>
<p><b>2. Performance:</b> the fund’s performance after deduction of all charges, considered over an appropriate timescale and having regard to the fund’s investment objectives, policy and strategy</p>	<p>How has the fund performed and what controls are in place to monitor performance? What action is taken to address periods of underperformance?</p>
<p><b>3. Authorised Fund Manager (AFM) costs:</b> for each charge, the cost of providing the service to which the charge relates</p>	<p>Are the charges paid by investors reasonable in light of the cost of providing the services they receive? Are costs robustly controlled?</p>
<p><b>4. Economies of scale:</b> considering whether the <b>AFM</b> is able to achieve savings and benefits from economies of scale, whether they have been achieved, and whether such savings have been or will be passed on to investors</p>	<p>Have economies of scale been identified and, if so, have they been passed on to investors?</p>
<p><b>5. Comparable market rates:</b> a comparison of the fund’s charges against the market rates of similar funds</p>	<p>How do the fund’s charges compare with similar funds on the market?</p>
<p><b>6. Comparable services:</b> considering the fund’s charges against those applied for comparable services provided to other clients of the <b>AFM</b> and those of its associates</p>	<p>What does the <b>Manager</b>, or its associates, charge for comparable funds or investment services to other customers?</p>

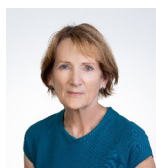
Value assessment criteria	Questions we asked
<b>7. Classes of Units:</b> considering if it is appropriate for investors to hold <b>Units</b> in classes subject to higher charges than those applying to other classes of the same fund with substantially similar rights	Are some investors in the fund invested in a more expensive share class than others?

We summarise our assessment of value of each of these criteria using the traffic light ratings defined in the table below. We also summarise our overall assessment of value for each fund using the same ratings. While we consider each of the criteria in reaching our overall conclusion for each fund, we pay particular attention to the performance criterion. We explain our ratings in each fund's section below.

Rating	Definition
	Our assessment found that good value is being delivered with no material issues
	Our assessment found that value being delivered in most areas with some areas for attention and actions identified or being taken and monitoring in place
	Our assessment found poor value being delivered with actions identified or being taken and very close monitoring in place

# Meet the board

## Independent directors



### **Jenny Goldie-Scot - Non-Executive Director and Chair**

Jenny is an independent non-executive director of Marks & Spencer Financial Services plc.

Jenny has spent the bulk of her career in investment banking operations and finance in senior leadership roles at Morgan Stanley, both in the UK and the US.

She has had a specific focus on system and process transformation and her last role was leading a large digital transformation for Google LLC in California.

Jenny also serves as an iNED on the HSBC UK Bank plc board and has previously served as Chairman of HSBC Trust Company (UK) Limited board and on the board of LCH Clearnet plc where she was chair of the Nomination Committee.



### **Simon Calver<sup>1</sup> - Non-Executive Director**

Simon is an independent non-executive director of Marks and Spencer Financial Services plc and is also chairman of Vinterior Group Limited. He is also a non-executive director and chairman of MicroLub Limited.

Throughout his career he has led innovation and disruption in major markets, such as the education sector with Riverdeep and entertainment sector as Chief Executive Officer of LoveFilm up to the sale to Amazon in 2011.

His former appointments include Chief Executive Officer of Mothercare plc and LoveFilm International, chairman of Moo Print Ltd, Chemist Direct Ltd, Gousto Ltd, Firefly Learning Ltd, UK Business Angels Association, a non-executive director of Datalex plc and Chairman of Fenwick 1882 Limited.

Simon also serves as an iNED on the HSBC UK Bank plc board.

## Executive directors



### **Colin O'Flaherty<sup>2</sup> - Chief Executive Director (CEO)**

Colin has been the CEO of M&S Bank since December 2024. He joined from Barclays where he was Managing Director, Head of SME and Marketing for Barclaycard Payments, sitting on the ExCos of both the Barclays Business Bank and Barclaycard Payments.

Before Barclays, he spent 17 years at American Express where he sat on the UK Executive Committee and was a member of various boards. He was also the chair of American Express Bank Russia.

Colin started his career as a consultant with McKinsey & Co., having graduated with a first class Economics degree from Trinity College Dublin.

<sup>1</sup> Please note that Simon Calver was appointed to the **Board** on 25 April 2024.

<sup>2</sup> Please note that Colin O'Flaherty was appointed to the **Board** on 3 December 2024.



### **Phillip (Phil) Scott - Executive Director**

Phil is the Chief Financial Officer of M&S Bank and an Executive Director of Marks & Spencer Financial Services plc **Board** and Marks and Spencer Unit Trust Management Limited.

He has over 20 years' experience and joined M&S Bank in 2003 as part of the Finance Treasury team. Phil was appointed Financial Controller in 2007 and in 2009 he was appointed to his current position of Chief Financial Officer.

Phil studied mathematics at the University of Liverpool, he is a chartered accountant and trained with PricewaterhouseCoopers prior to joining M&S Bank.

## Quality of service

Investors in each of the four M&S funds benefit from the same service offering. We undertook an assessment of the quality of service for each fund individually and summarise the common findings below. We note any specific findings to individual funds in each fund's section below.

The funds are managed by Marks and Spencer Unit Trust Management Limited, part of HSBC UK. Marks & Spencer and HSBC UK are two strong businesses and trusted brands.

The **Manager** has strong governance in place, including a **Board** which is focused on managing risks which may result in poor customer outcomes.

Key measures of customer outcomes all indicate a positive customer experience, including low levels of complaints, high levels of customer satisfaction, a dedicated telephone service and good quality assurance results.

The **Manager** has experienced staff managing and administering the funds, all with appropriate training, supervision and oversight. The **Investment Manager**, HSBC Global Asset Management (UK) Limited, has a broad and deep team of appropriate investment managers in place as well as relevant administration experts providing professional oversight.

Investors in the funds benefit from valuable features and services, including a high-quality telephone service. There is no additional charge for these services above each fund's **Annual Management Charge (AMC)**.

Investors benefit from engagement activity by the **Investment Manager**. This refers to how the **Investment Manager** not only selects investments, but also challenges companies on how they address environmental, social and governance (ESG) issues. Please see below for further information.

This includes exercising voting rights to influence strategy at the companies in which the **Fund** invests.

## Supporting environmental, social and governance best practices

The M&S funds do not have any specific environmental, social and governance (ESG) investing objectives, but do benefit from the **Investment Manager**'s consideration of ESG factors. The **Investment Manager** believes that ESG factors can impact the sustainability of companies' financial returns. They therefore integrate ESG into the investment selection process by considering these factors in conjunction with others that impact on investment returns.

The **Investment Manager** engages with **investee companies** and **other issuers** to understand them better and to encourage companies to be proactive and transparent in the management of ESG issues and other relevant factors.

The **Investment Manager** challenges companies and issuers on their delivery of corporate strategy, financial and non-financial performance and risk, allocation of capital and management of ESG issues (including climate change).

For more information, please see the Engagement Policy for the M&S funds available here: [bank.marksandspencer.com/pdf/EngagementPolicy.pdf](https://bank.marksandspencer.com/pdf/EngagementPolicy.pdf)

# The Marks and Spencer UK Selection Portfolio (“UKS Fund”)

Overall rating



	Rating	Comments
<b>Quality of service</b>		The <b>UKS Fund</b> benefits from strong governance, management by experienced staff and key measures of customer outcomes all indicating a positive customer experience. Investors benefit from valuable features and services, including engagement activities by the <b>Investment Manager</b> .
<b>Fund performance</b>		The <b>UKS Fund</b> has delivered very strong returns over 3 and 5 years compared with peers. Performance is slightly behind the <b>UKS Fund</b> 's benchmark over 3 and 5 years (net of fees and charges).
<b>Authorised Fund Manager costs</b>		We have assessed the <b>UKS Fund</b> 's charges and broadly conclude that these are reasonable and justified in the context of the cost of providing relevant services to investors. We keep charges and costs under regular review.
<b>Economies of scale</b>		The <b>UKS Fund</b> is relatively small and is contracting in size. No economies of scale have been identified
<b>Comparable market rates</b>		The <b>UKS Fund</b> 's charges are comparable with other similar funds.
<b>Comparable services</b>		The <b>Manager</b> does not provide any comparable services.
<b>Classes of Units</b>		The <b>UKS Fund</b> has a single class of <b>Units</b> , available either as an <b>Accumulation</b> or <b>Income Unit</b> , both having the same charges.

<b>Fund objective:</b>	<b>Assets under management:</b>
The <b>Fund</b> aims to provide capital <b>growth</b> and <b>income</b> in the <b>long term</b> , (which is five years or more)	£104m (as at 31 December 2025)

## Results of value assessment

### 1. Quality of service:

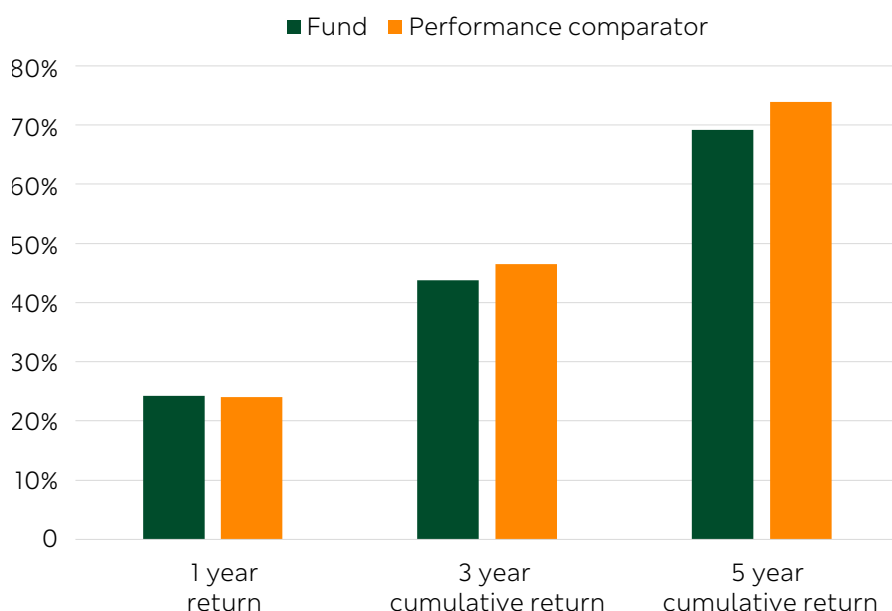
We find evidence of good quality of service for the **UKS Fund** (please see the general quality of service section above for more detail of our findings across all four M&S funds).

For the **UKS Fund** in particular, there is evidence of the strong governance working effectively. This includes a comprehensive review of the **UKS Fund's** investment approach, undertaken in 2024 by our independent investment adviser. The review concluded that performance has been strong since changes were introduced to the **UKS Fund's** investment approach in 2021. The review also made a positive assessment of the people and process employed to deliver the revised investment approach.

Ongoing oversight and robust challenge of the investment approach by the **Investment Manager** is also in effect, supported by our independent investment adviser.

### 2. Fund performance:

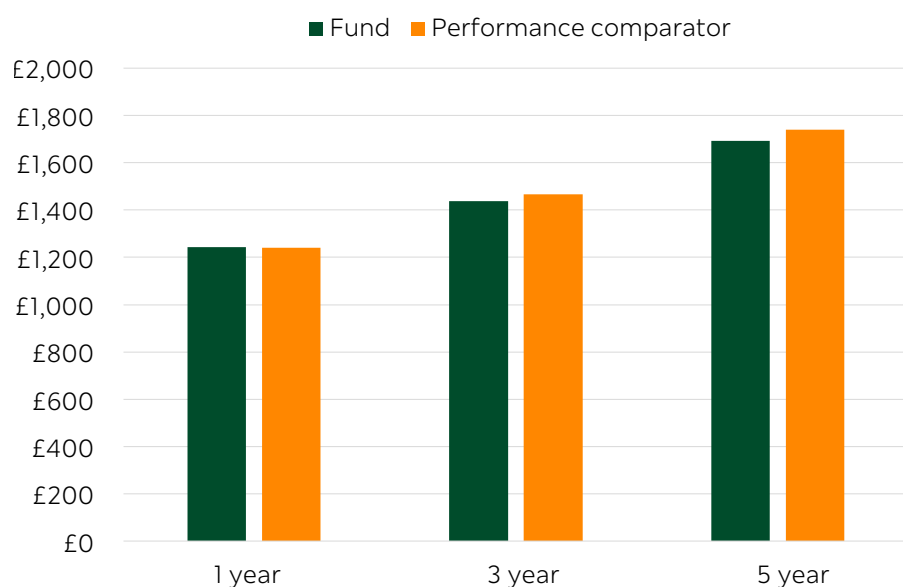
The **UKS Fund's** performance<sup>3</sup> to 31 December 2025 was:



	1 year return	3 year cumulative return	5 year cumulative return
<b>Fund</b>	24.2%	43.8%	69.2%
<b>Performance comparator</b>	24.0%	46.5%	73.9%

<sup>3</sup> This information relates to the past, and past performance is no guarantee of future performance. **UKS Fund** performance figures are shown on a net basis (after all charges have been deducted) and are based on the **Accumulation Unit** class. Source: Morningstar. The investment benchmark for the **Fund**, for comparison purposes only, is the FTSE All-Share Index (which does not include any charges).

An investment of £1,000 in the **UKS Fund** for each period below (ending 31 December 2025) would be worth:<sup>4</sup>



	1 year	3 year	5 year
<b>Fund</b>	£1,242	£1,438	£1,692
<b>Performance comparator</b>	£1,240	£1,465	£1,739

We focused our assessment on the **UKS Fund**'s medium-term five year performance, but also considered shorter-term three and one-year performance.

The **UKS Fund** has delivered strong returns over the past three and five years relative to its peers. The **UKS Fund**'s three and five year performance is slightly behind its benchmark performance comparator. It is important to note that the **UKS Fund**'s returns are net of fees and charges, but the performance comparator does not include any fees and charges.

We closely monitor performance and our **Board** has regular dialogue with the **Investment Manager** to monitor performance. The fund also continues to be closely monitored by our independent investment adviser.

Investors, and potential investors, should review the latest unit prices and most up-to-date performance information whenever considering investment decisions. The latest **Unit** prices are available on our website along with further **UKS Fund** information.

<sup>4</sup> These amounts assume an investment of £1,000 made 1, 3 and 5 years respectively prior to 31 December 2025. Please note that the **UKS Fund** amounts are net of all charges, while the performance comparator amounts do not allow for charges.

### 3. Authorised Fund Manager costs:

The **UKS Fund**'s total **Ongoing Charge** is 0.97% a year<sup>5</sup>, made up of the fund's **AMC** of 0.90% a year and fund expenses of 0.07% a year.

The **AMC** covers services such as investment management, fund administration and our management of the **UKS Fund** (including providing the services outlined above).

The fund expenses include **safe custody** of the **UKS Fund**'s investments, independent oversight, audit fees and regulatory fees.

We have assessed the **UKS Fund**'s charge, including considering how it relates to the actual costs incurred in providing the services being charged for. Our **Board** has broadly concluded that the charge is reasonable and justified in the context of the cost of providing relevant services to investors.

The **UKS Fund**'s **transaction costs** were 0.03%<sup>6</sup>. We consider the **UKS Fund**'s **transaction costs** to be reasonable for this type of fund.

### 4. Economies of scale:

The **UKS Fund** is relatively small and contracting in size. No economies of scale were identified.

Investors benefit from the **Manager**'s use of professionals who negotiate competitive pricing from relevant service providers. We periodically review these arrangements to explore potential improvements to fees and some fee reductions were negotiated in 2025 for **safe custody** and **fund accounting** services.

### 5. Comparable market rates:

The **UKS Fund**'s charges are in line with or below the average and median of other similar funds.<sup>7</sup>

### 6. Comparable services:

The **Manager** does not provide any comparable services.

### 7. Classes of Units:

The **UKS Fund** has a single class of **Units**, available either as an **Accumulation** or **Income Unit**, both having the same charges.

5 As at 17 February 2026, based on the **UKS Fund**'s Key Investor Information document published at that date.

6 Based on the latest audited report and accounts for the **UKS Fund** as at 30 November 2024

7 Based on fund charge data sourced from Morningstar

# The Marks and Spencer Worldwide Managed Fund (“**WM Fund**”)

Overall rating



	Rating	Comments
<b>Quality of service</b>		The <b>WM Fund</b> benefits from strong governance, management by experienced staff and key measures of customer outcomes all indicating a positive customer experience. Investors benefit from valuable features and services, including engagement activities by the <b>Investment Manager</b> .
<b>Fund performance</b>		The <b>WM Fund</b> has achieved its objective to achieve capital growth and income in the long term (five years or more). The <b>WM Fund</b> has delivered strong returns against its performance comparator over three and five years.
<b>Authorised Fund Manager costs</b>		We have assessed the <b>WM Fund</b> 's charges and broadly conclude that these are reasonable and justified in the context of the cost of providing relevant services to investors. We keep charges and costs under regular review.
<b>Economies of scale</b>		The <b>WM Fund</b> is contracting in size. No economies of scale have been identified.
<b>Comparable market rates</b>		The <b>WM Fund</b> 's charges are higher than the average and median of other similar funds. These charges will be considered in 2026 as part of an ongoing review of the business.
<b>Comparable services</b>		The <b>Manager</b> does not provide any comparable services.
<b>Classes of Units</b>		The <b>WM Fund</b> has a single class of <b>Units</b> , available either as an <b>Accumulation</b> or <b>Income Unit</b> , both having the same charges.

<b>Fund objective:</b>	<b>Assets under management:</b>
The <b>Fund</b> aims to provide capital <b>growth</b> and <b>income</b> in the <b>long term</b> (five years or more).	£327m (as at 31 December 2025)

## Results of value assessment

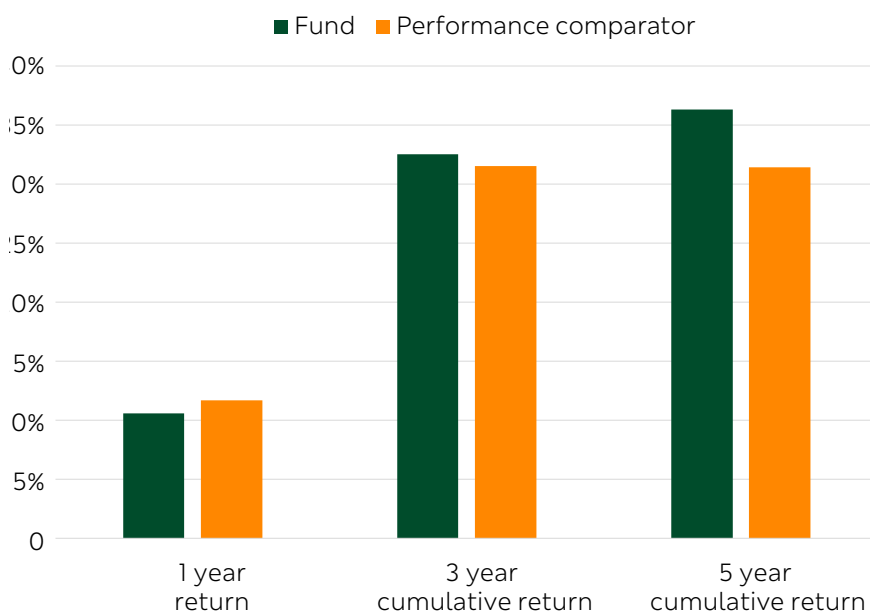
### 1. Quality of service:

We find evidence of good quality of service for the **WM Fund** (please see the general quality of service section above for more detail of our findings across all four M&S funds).

Ongoing oversight and robust challenge of the investment approach by the **Investment Manager** is also in effect, supported by our independent investment adviser.

### 2. Fund performance:

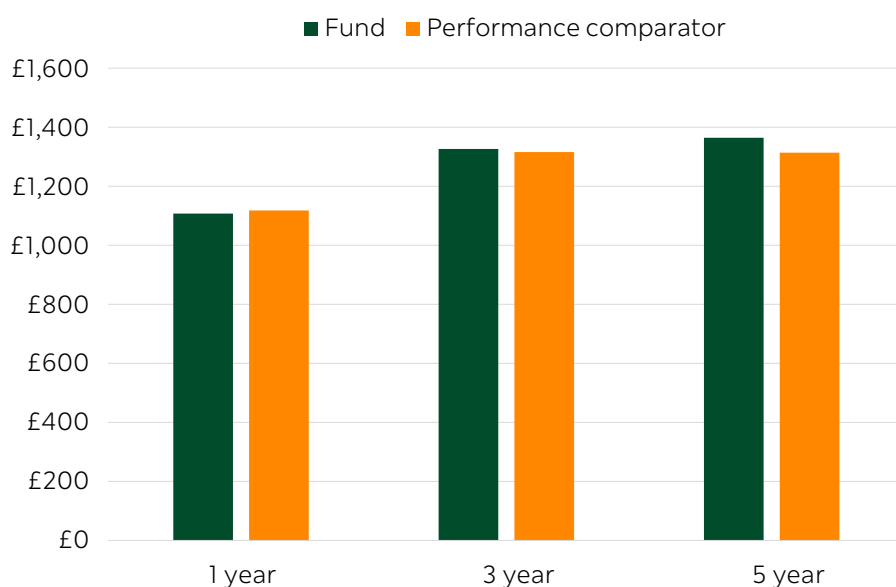
The **WM Fund**'s performance<sup>8</sup> to 31 December 2025 was:



	1 year return	3 year cumulative return	5 year cumulative return
<b>Fund</b>	10.6%	32.5%	36.3%
<b>Performance comparator</b>	11.7%	31.5%	31.4%

<sup>8</sup> This information relates to the past, and past performance is no guarantee of future performance. **WM Fund** performance figures are shown on a net basis (after all charges have been deducted) and are based on the **Accumulation Unit** class. Source: Morningstar.

An investment of £1,000 in the **WM Fund** for each period below (ending 31 December 2025) would be worth:<sup>9</sup>



	1 year	3 year	5 year
<b>Fund</b>	£1,106	£1,325	£1,363
<b>Performance comparator</b>	£1,117	£1,315	£1,314

We focused our assessment on the **WM Fund's** medium-term five-year performance, but also considered shorter-term three and one-year performance.

The **WM Fund** is not managed with reference to a benchmark. To enable investors to assess the performance of the **WM Fund**, it is compared against the performance of the Investment Association Mixed Investment 40%-85% Shares sector<sup>10</sup>.

The Investment Association Mixed Investment 40%-85% Shares sector has been selected to compare performance against because it consists of similar funds. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

The **WM Fund** has achieved its objective to achieve capital growth and income in the long term (five years or more).

The **WM Fund** delivered strong performance against its performance comparator over three and five years.

<sup>9</sup> These amounts assume an investment of £1,000 made 1, 3 and 5 years respectively prior to 31 December 2025. Please note that the **WM Fund** amounts are net of all charges and the performance comparator is the peer group which does also allow for charges.

<sup>10</sup> Please note that from 10 December 2025 forwards, the peer group used to compare performance of the **WM Fund** changed to the Morningstar Allocation 60% - 80% Equity category. This change was introduced to improve comparability between the **WM Fund** and its peer group. This value assessment focuses on the Investment Association peer group as this performance comparator was in effect for most of the year of 2025.

We closely monitor performance and the **Board** is in regular dialogue with the **Investment Manager** to understand the drivers of performance

The **Investment Manager** successfully implemented changes to the fund's investment strategy in the first quarter of 2024 to enhance the **WM Fund's** diversification. These changes allow the **WM Fund** to invest with more geographic diversification.

Investors, and potential investors, should review the latest **Unit** prices and most up-to-date performance information whenever considering investment decisions. The latest **Unit** prices are available on our website along with further **WM Fund** information.

### 3. Authorised Fund Manager costs:

The **WM Fund's** current total **Ongoing Charge** is 1.24%<sup>11</sup> per annum made up of the **WM Fund's** **AMC** of 1.08% per annum and fund expenses of 0.16% per annum.

The **AMC** covers services such as investment management, fund administration and our management of the **WM Fund** (including providing the services outlined above).

The fund expenses include **safe custody** of the **WM Fund's** investments, independent oversight, audit fees and regulatory fees.

We have assessed the **WM Fund's** charge, including considering how it relates to the actual costs incurred in providing the services being charged for. Our **Board** has broadly concluded that the charge is reasonable and justified in the context of the cost of providing relevant services to investors.

The **WM Fund's** **transaction costs** were 0.02%<sup>12</sup>. We consider the **WM Fund's** **transaction costs** to be reasonable for this type of fund.

### 4. Economies of scale:

The **WM Fund** is contracting in size. No economies of scale were identified.

Investors benefit from the **Manager's** use of professional fund administration experts who negotiate competitive pricing from relevant service providers. We periodically review these arrangements to explore potential improvements to fees and some fee reductions were negotiated in 2025 for **safe custody** and **fund accounting** services.

### 5. Comparable market rates:

The **WM Fund's** charges are higher than the average and median of other similar funds<sup>13</sup>. These charges will be considered in 2026 as part of an ongoing review of the business.

### 6. Comparable services:

The **Manager** does not provide any comparable services.

### 7. Classes of Units:

The **WM Fund** has a single class of **Units**, available either as an **Accumulation** or **Income Unit**, both having the same charges.

<sup>11</sup> As at 17 February 2026, based on the **WM Fund's** Key Investor Information Document published on this date

<sup>12</sup> Based on the latest audited report and accounts for the **WM Fund** as at 31 December 2024

<sup>13</sup> Based on fund charge data sourced from Morningstar

# The Marks and Spencer High Income Fund (“**HI Fund**”)

Overall rating



	Rating	Comments
<b>Quality of service</b>		The <b>HI Fund</b> benefits from strong governance, management by experienced staff and key measures of customer outcomes all indicating a positive customer experience. Investors benefit from valuable features and services, including engagement activities by the <b>Investment Manager</b> .
<b>Fund performance</b>		<p>The <b>HI Fund</b> has achieved its objective to deliver a high yield, measured against its performance comparator.</p> <p>The <b>HI Fund</b> has delivered strong returns over the past year. Medium to long term <b>total returns</b> have also improved and the <b>HI Fund</b> has outperformed its performance comparator over three years, but remains behind the performance comparator over five years.</p>
<b>Authorised Fund Manager costs</b>		We have assessed the <b>HI Fund</b> 's charges and broadly conclude that these are reasonable and justified in the context of the cost of providing relevant services to investors. We keep charges and costs under regular review.
<b>Economies of scale</b>		The <b>HI Fund</b> is contracting in size. No economies of scale have been identified.
<b>Comparable market rates</b>		The <b>HI Fund</b> 's charges are higher than the average and median of other similar funds and are periodically reviewed.
<b>Comparable services</b>		The <b>Manager</b> does not provide any comparable services.
<b>Classes of Units</b>		The <b>HI Fund</b> has a single class of <b>Units</b> , available either as an <b>Accumulation</b> or <b>Income Unit</b> , both having the same charges.

Fund objective:	Assets under management:
<p>The <b>HI Fund</b> aims to provide a high level of income, defined as equal to, or in excess of, the average yield of the funds in the <b>HI Fund</b>'s Investment Association sector, the Strategic Bond sector, over a three year period</p>	<p>£160m (as at 31 December 2025)</p>

## Results of value assessment

### 1. Quality of service:

We find evidence of good quality of service for the **HI Fund** (please see the general quality of service section above for more detail of our findings across all four M&S funds).

Ongoing oversight and robust challenge of the investment approach by the **Investment Manager** is also in effect, supported by our independent investment adviser.

### 2. Fund performance:

We assess the **HI Fund**'s performance both in terms of the level of income it has produced as well as considering the **total returns** received.

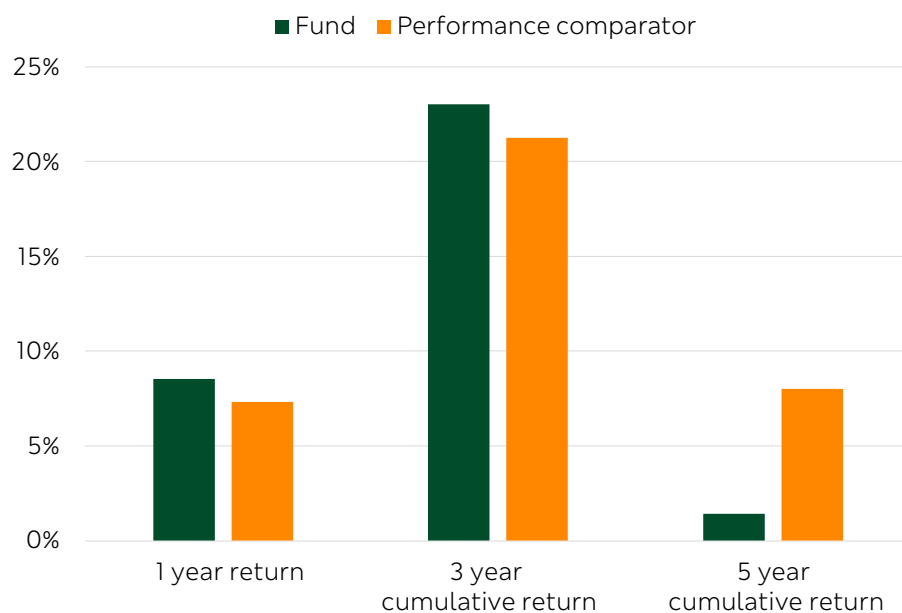
We measure the **HI Fund**'s income by its yield. We calculate yield by dividing the value of the income received from investments held by the **Fund** over a year by the value of the **HI Fund** at the end of the year.

The **HI Fund**'s average yield<sup>14</sup> over the three years to 31 December 2025 was 5.0%. This is higher than the 4.4% average yield over the same period of the funds in the Investment Association Strategic Bond sector.

The Investment Association Strategic Bond sector has been selected as a performance comparator because it consists of similar funds. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers) to help investors compare funds with broadly similar characteristics.

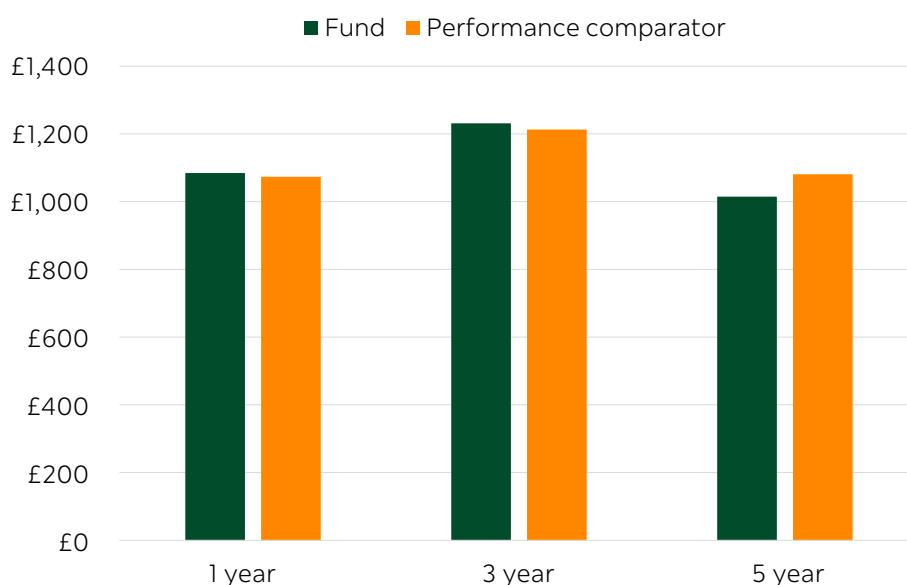
<sup>14</sup> This information relates to the past, and past performance is no guarantee of future performance. **HI Fund** performance figures are shown on a net basis (after all charges have been deducted). **Total return** figures are based on the **Accumulation Unit** class. Sector average yields have been adjusted to exclude funds with a 0% yield. Source: Morningstar.

The **HI Fund**'s performance<sup>15</sup> to 31 December 2025 was:



	1 year return	3 year cumulative return	5 year cumulative return
<b>Fund</b>	8.5%	23.0%	1.4%
<b>Performance comparator</b>	7.3%	21.2%	8.0%

An investment of £1,000 in the **HI Fund** for each period below (ending 31 December 2025) would be worth:<sup>16</sup>



<sup>15</sup> This information relates to the past, and past performance is no guarantee of future performance. **HI Fund** performance figures are shown on a net basis (after all charges have been deducted) and are based on the **Accumulation Unit** class.

<sup>16</sup> These amounts assume an investment of £1,000 made 1, 3 and 5 years respectively prior to 31 December 2025. Please note that the **HI Fund** amounts are net of all charges, while the performance comparator is the peer group which does also allow for charges.

	1 year	3 year	5 year
<b>Fund</b>	£1,085	£1,230	£1,014
<b>Performance comparator</b>	£1,073	£1,212	£1,080

We focused our assessment on the **HI Fund**'s medium-term five-year performance, but also considered shorter-term three and one-year performance.

The **HI Fund** has achieved its objective to deliver a high yield, measured against its performance comparator.

The **HI Fund** has delivered strong returns over the past year. Medium to long term **total returns** have also improved and the **HI Fund** has outperformed its performance comparator over three years but remains behind the performance comparator over five years.

Please note that while the Investment Association Strategic Bond sector has been selected as an income target and a measure for performance, the **HI Fund** does not have an objective to outperform the sector on a total return basis.

Changes to the **HI Fund**'s investment strategy were implemented in September 2025 to provide greater flexibility. This flexibility allows the **Investment Manager** to invest in a broader range of investments, including types of bonds which may be used to improve diversification in volatile investment conditions.

We closely monitor the **HI Fund**'s total return and we are in regular dialogue with the **Investment Manager**, to understand the drivers of performance.

Investors, and potential investors, should review the latest **Unit** prices and most up-to-date performance information whenever considering investment decisions. The latest **Unit** prices are available on our website along with further **HI Fund** information.

### 3. Authorised Fund Manager costs:

The **HI Fund**'s current total **Ongoing Charge** is 0.96%<sup>17</sup> a year, made up of the fund's **AMC** of 0.92% a year, and fund expenses of 0.04% a year.

The **AMC** covers services such as investment management, fund administration and our management of the **Fund** (including providing the services outlined above).

The fund expenses include **safe custody** of the **Fund**'s investments, independent oversight, audit fees and regulatory fees. The **Manager** pays the fund expenses for this **Fund** (i.e. these are not passed on to investors).

We have assessed the **HI Fund**'s charge, including considering how it relates to the actual costs incurred in providing the services being charged for. Our **Board** has broadly concluded that the charge is reasonable and justified in the context of the cost of providing relevant services to investors.

In particular, the **Manager** paying the fund expenses is a valuable feature of this **Fund**. There were no **transaction costs** for the **HI Fund**<sup>18</sup>. We consider the **HI Fund's transaction costs** to be reasonable for this type of fund.

#### **4. Economies of scale:**

The **HI Fund** is contracting in size. No economies of scale were identified.

Investors benefit from the Manager's use of professionals who negotiate competitive pricing from relevant service providers. We periodically review these arrangements to explore potential improvements to fees and some fee reductions were negotiated in 2025 for **safe custody** and **fund accounting** services.

#### **5. Comparable market rates:**

The **HI Fund's** charges are higher than the average and median of other similar funds<sup>19</sup> and are periodically reviewed.

#### **6. Comparable services:**

The **Manager** does not provide any comparable services.

#### **7. Classes of Units:**

The **HI Fund** has a single class of **Units**, available either as an **Accumulation** or **Income Unit**, both having the same charges.

<sup>18</sup> Based on the full annual report and accounts for the **HI Fund** for the year ended 31 January 2025

<sup>19</sup> Based on fund charge data sourced from Morningstar

# The Marks and Spencer UK 100 Companies Fund (“UK100 Fund”)

Overall rating



	Rating	Comments
<b>Quality of service</b>		The <b>UK100 Fund</b> benefits from strong governance, management by experienced staff and key measures of customer outcomes all indicating a positive customer experience. Investors benefit from valuable features and services, including engagement activities by the <b>Investment Manager</b> .
<b>Fund performance</b>		The <b>UK100 Fund</b> has achieved its objective to track the performance of the FTSE 100 Index.
<b>Authorised Fund Manager costs</b>		We have assessed the <b>UK100 Fund</b> 's charges and broadly conclude that these are reasonable and justified in the context of the cost of providing relevant services to investors. We keep charges and costs under regular review.
<b>Economies of scale</b>		The <b>UK100 Fund</b> is contracting in size. No economies of scale have been identified.
<b>Comparable market rates</b>		The <b>UK100 Fund</b> 's charges are higher than the average and median of other similar funds and are periodically reviewed.
<b>Comparable services</b>		The <b>Manager</b> does not provide any comparable services.
<b>Classes of Units</b>		The <b>UK100 Fund</b> has a single class of <b>Units</b> , available either as an <b>Accumulation</b> or <b>Income Unit</b> , both having the same charges.

<b>Fund objective:</b>	<b>Assets under management:</b>
The <b>UK100 Fund</b> aims to provide capital growth in the long term (five years or more) by tracking the performance of the FTSE 100 Index, its benchmark	£265m (as at 31 December 2025)

## Results of value assessment

### 1. Quality of service:

We find evidence of good quality of service for the **UK100 Fund** (please see the general quality of service section above for more detail of our findings across all four M&S funds).

Ongoing oversight and robust challenge of the investment approach by the **Investment Manager** is also in effect, supported by our independent investment adviser.

### 2. Fund performance:

We focused our assessment on the **UK100 Fund**'s medium-term five year performance, but also considered shorter-term three and one-year performance.

The performance below is presented based on comparing the returns from investing in the **UK100 Fund** against the performance of the benchmark, based on the daily prices of each of the **UK100 Fund** and the benchmark.

While it may appear that the **UK100 Fund** has not tracked the performance of the benchmark, this is explained by two key points:

- timing differences between when the price of the **UK100 Fund** is published vs. when the price of the benchmark is published, and
- the impact of charges.

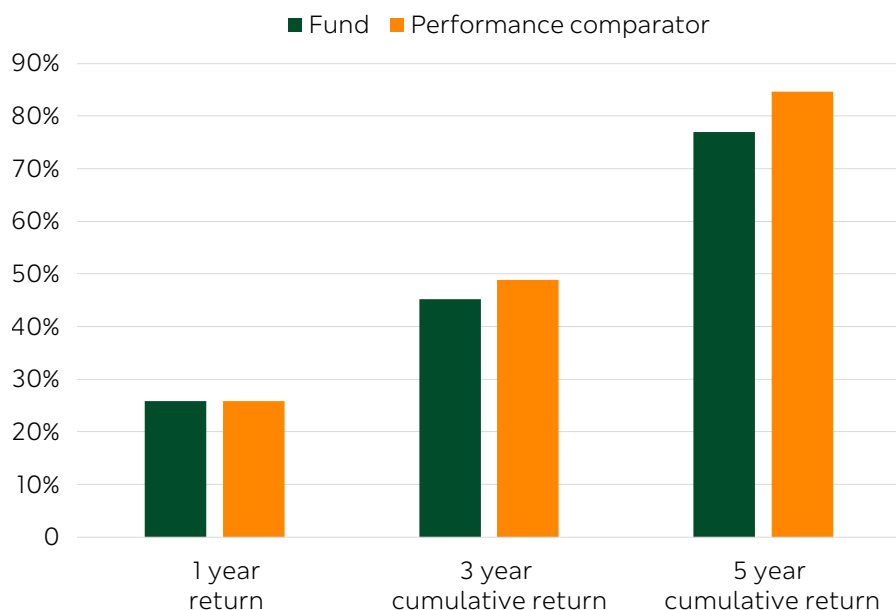
The **UK100 Fund** has a valuation point at 8am each day, whilst the benchmark uses prices at the end of the same day, around 5pm. This means that the published performance of the **UK100 Fund** will always lag a full day behind that of the published benchmark.

In practice, the **Investment Manager** manages the **UK100 Fund** to ensure it tracks the end of day price of the benchmark.

Our assessment has included extensive analysis of detailed performance information which confirms that the **UK100 Fund** does indeed track the performance of the benchmark closely, when it is measured using consistent prices at the end of each day.

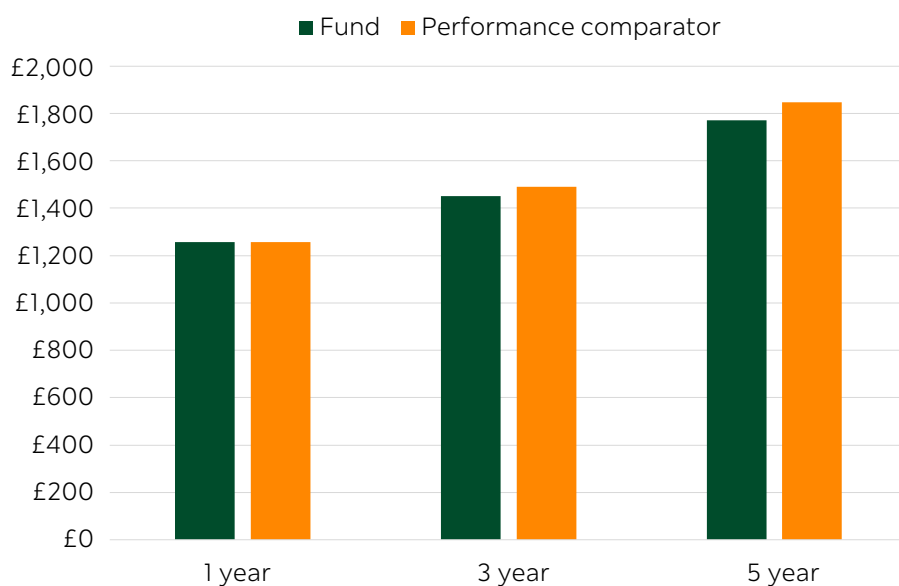
While the **UK100 Fund** does track the performance of the benchmark, it will always deliver performance below the FTSE 100 Index because there are charges involved in investing (as detailed below). The price of the **UK100 Fund** will always reflect these charges, while the benchmark value is a theoretical measure which does not allow for charges.

The **UK100 Fund**'s performance<sup>20</sup> to 31 December 2025 was:



	1 year return	3 year cumulative return	5 year cumulative return
<b>Fund</b>	25.8%	45.2%	77.0%
<b>Performance comparator</b>	25.8%	48.9%	84.7%

An investment of £1,000 in the **UK100 Fund** for each period below (ending 31 December 2025) would be worth<sup>21</sup>:



<sup>20</sup> This information relates to the past, and past performance is no guarantee of future performance. **UK100 Fund** performance figures are shown on a net basis (after all charges have been deducted) and are based on the **Accumulation Unit** class.

<sup>21</sup> These amounts assume an investment of £1,000 made 1, 3 and 5 years respectively prior to 31 December 2023. Please note that the **UK100 Fund** amounts are net of all charges, while the performance comparator amounts do not allow for charges.

	1 year	3 year	5 year
<b>Fund</b>	£1,258	£1,452	£1,770
<b>Benchmark</b>	£1,258	£1,489	£1,847

We have analysed the performance of the **UK100 Fund** and concluded that the deviation from the benchmark is explained by the timing differences and the impact of charges.

It is important to note that this deviation from the benchmark due to the impact of charges and timing is common to all index-tracking funds. The timing impact is more pronounced for the **UK100 Fund** due to its 8am valuation point. Other funds which also aim to track an index which closes at 5pm, but which themselves have a 12pm valuation point, will be affected by a lag of half a day.

Investors, and potential investors, should review the latest **Unit** prices and most up-to-date performance information whenever considering investment decisions. The latest **Unit** prices are available on our website along with further **UK100 Fund** information.

Please also note that while the **UK100 Fund's** objective is to track the performance of the FTSE 100 Index, the **Manager** has a banned weapons policy. This means that the **UK100 Fund** will not invest directly in securities of companies involved in controversial weapons. Please see the **UK100 Fund's** prospectus for further information. This could have an impact on the **UK100 Fund's** tracking of the FTSE 100 Index, but our assessment has not identified any concerns with how the **UK100 Fund** is tracking this benchmark.

### 3. Authorised Fund Manager costs:

The **UK100 Fund's** current total **Ongoing Charge** is 0.50%<sup>22</sup> a year, made up of the **fund's AMC** of 0.50%, and fund expenses of 0.00% a year.

The **AMC** covers services such as investment management, fund administration and our management of the **UK100 Fund** (including providing the services outlined above).

The fund expenses include **safe custody** of the **UK100 Fund's** investments, independent oversight, audit fees and regulatory fees. The **Manager** pays the fund expenses for this **UK100 Fund** (i.e. these are not passed on to investors).

We have assessed the **UK100 Fund's** charge, including considering how it relates to the actual costs incurred in providing the services being charged for. Our **Board** has broadly concluded that the charge is reasonable and justified in the context of the cost of providing relevant services to investors.

In particular, the **Manager** paying the fund expenses is a valuable feature of this fund. The **UK100 Fund's transaction costs** were 0.03%<sup>23</sup>. We consider the **UK100 Fund's transaction costs** to be reasonable for this type of fund.

<sup>22</sup> As at 17 February 2025, based on the **UK100 Fund's** Key Investor Information Document published on this date

<sup>23</sup> Based on the most recent full annual report and accounts for the **UK100 Fund** for the year ended 28 February 2024

#### **4. Economies of scale:**

The **UK100 Fund** is contracting in size. No economies of scale were identified.

Investors benefit from the **Manager's** use of professionals who negotiate competitive pricing from relevant service providers. We periodically review these arrangements to explore potential improvements to fees and some fee reductions were negotiated in 2025 for **safe custody** and **fund accounting** services.

#### **5. Comparable market rates:**

The **UK100 Fund's** charges are higher than the average and median of other similar funds<sup>24</sup> and are periodically reviewed.

#### **6. Comparable services:**

The **Manager** does not provide any comparable services.

#### **7. Classes of Units:**

The **UK100 Fund** has a single class of **Units**, available either as an **Accumulation** or **Income Unit**, both having the same charges.

# Definitions

**Accumulation Unit:** means a type of **Unit** where the income earned by the **Fund** is retained in the **Fund**.

**Annual Management Charge (AMC):** means the ongoing fee paid by an investor to the **Authorised Fund Manager** for managing the **Fund**, charged as a percentage of the value of the investor's holding in the **Fund**.

**Authorised Fund Manager (AFM):** means a firm authorised by the FCA to manage investment funds such as unit trusts.

**Board:** means the Board of Directors of Marks and Spencer Unit Trust Management Limited.

**Cumulative return:** means the money made or lost on an investment in the **Fund** assuming that it was held over a whole specified time period (e.g. three or five years), expressed as a percentage of the initial investment.

**Fund accounting:** means keeping the financial records of a fund and calculating its value, including recording its investments, income, expenses, and transactions.

**Fund:** refers generically to any one of the four funds available from the **Manager**.

**Growth:** means the increase in the value of investments.

**HI Fund:** means the Marks & Spencer High Income Fund.

**Income:** means money generated by a fund, such as interest from a bond or a dividend from a share, which can be paid out to its investors or retained in the fund and reinvested

**Income Unit:** means a type of **Unit** where the net income earned by the **Fund** is paid out to the investor (please note that 'net income' refers to the fact that the fund's **AMC** is deducted from the income of the **Fund**). Please note that the **HI Fund** pays income gross and the **AMC** is deducted from the capital of the **HI Fund** (see the Supplementary Information Document for further information on gross income and each fund's fees).

**Investee companies:** means companies in which a fund holds equity investments – i.e. a share in the company.

**Investment Manager:** means HSBC Global Asset Management (UK) Limited who have been appointed by the **Manager** to make investment decisions for the **Fund**.

**Long Term:** means more than five years.

**Manager:** means the **Authorised Fund Manager**, Marks and Spencer Unit Trust Management Limited, who has overall responsibility for managing the **Fund**.

**Ongoing Charge:** means a measure of what it costs to invest in a fund. It includes the fee paid to the **Authorised Fund Manager** (the **Annual Management Charge**) and other operating costs.

**Other issuers:** means fund investments which take the form of bonds issued by a company or country – i.e. a loan to that company or country.

**Safe custody:** means the safeguarding and administration of the assets in which the **Fund** invests.

**Total return:** means the return to an investor holding the **Fund** and reinvesting income received (i.e. the return from investing in the **Accumulation Unit**).

**Transaction costs:** means costs incurred by the **Fund** when buying and selling underlying investments. These costs include direct costs, such as commissions paid to brokers, fees and taxes; as well as indirect costs such as the 'dealing spread' representing the difference between the buying and selling prices of the **Fund**'s underlying investments.

**Trustee:** means the organisation responsible for safeguarding of the assets of the **Fund**, including overseeing the **Authorised Fund Manager**. See the **Fund**'s prospectus for further information.

**UKS Fund:** means The Marks and Spencer UK Selection Portfolio Fund.

**UK100 Fund:** means the Marks & Spencer UK 100 Companies Fund.

**Unit or Units:** means a **Unit** in the **Fund**. An equal portion representing part ownership of a unit trust fund.

**WM Fund:** means the Marks & Spencer Worldwide Managed Fund.