

The background of the cover is a scenic photograph of a person sitting on a wooden pier extending into a calm lake. The person is wearing a bright yellow jacket and a dark hat, seen from behind. The lake reflects the surrounding mountains and sky. The mountains are covered in dense forests with some snow patches on the peaks. The sky is blue with scattered white clouds. On the left side of the image, there are white geometric lines forming a large, stylized letter 'E' shape.

ANNUAL ASSESSMENT OF VALUE

YEAR ENDING 31 MAY 2023



INTRODUCTION FROM INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHAIR

Over the 12 months period from May 2022 to May 2023, against the backdrop of pronounced market volatility and uncertainty, people have naturally worried about the value of their investments. With inflation far above targets in many developed economies, investors have struggled to gauge how far central banks would have to raise interest rates to contain this, and whether policymakers could do so without tipping their respective economies into recession. While short-term economic and geo-political changes can be unsettling, it is important not to panic, and be confident in a longer-term investment approach.

This 2023 Assessment of Value will bring you on a journey, in an easy-to-understand report that assesses the value of the Embark Horizon Multi-Asset Funds.

Why is the Assessment of Value so important?

The Assessment of Value was introduced in September 2019 as part of the Financial Conduct Authority's (FCA) measures aimed at improving outcomes for investors. The FCA requires Authorised Fund Managers (AFMs) to report on fund governance with the intention of strengthening the duty of care of AFMs in acting in the best interest of customers.

This Assessment of Value Report provides an evaluation of each of the Embark Horizon Multi-Asset Sub-Funds of the Embark Investments Funds ICVC (the "Funds") and considers the value that they offer to customers. The assessments are conducted annually, and the reports are available in the document library on the **Embark Investments Website**.

The FCA has asked us to look at seven specific areas when assessing the value we deliver to our investors:



Who is Embark Investments?

Embark Investments is the trading name of Embark Investments Limited, which is the Authorised Corporate Director (the "ACD") of the Funds. Embark Investments is a wholly owned subsidiary of the Embark Group and is authorised and regulated by the FCA. The company's purpose is to deliver customised investment solutions for use by financial intermediaries and their customers.

The ACD designs the objectives and guidelines against which the Funds are managed. It also monitors and governs the Fund range's outsourced Strategic Asset Allocation (SAA) and Tactical Asset Allocation (TAA), together with the Investment Management activities, to ensure that the Funds are managed in accordance with their investment strategy and their limits, as defined in the Prospectus.

Through this active approach to asset allocation, the aim is to deliver the right balance between risk and reward for a customer's individual risk appetite, whilst also adapting portfolio composition in response to changing market conditions. The ACD is responsible for considering how the Funds should evolve over time, adapting them for long-term investment industry trends and changes.

This strong and independent governance structure is a key feature of the proposition. It provides investors with the comfort of knowing that the Funds are being managed appropriately and reside within the relevant risk and volatility profiles.

In January 2022, Embark Group became part of Lloyds Banking Group, a leading UK-based financial services group, providing a wide range of banking and financial services.

INTRODUCTION FROM INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHAIR

How does the investment process work?

EValue Limited (“EV”), a financial solutions company with over 20 years of experience in risk profiling and forward-looking global asset allocation research, is responsible for the SAA component of the investment process and the risk profiles. The Funds are aligned with the EV five-point risk scale, ranging from the lowest customer risk appetite of 1 to the highest of 5.

To make it easier for investor comparisons, and for a stronger risk profiling footprint, Embark Investments

also works with other popular risk-mapping providers such that each Fund in the range is assessed against multiple independent risk ratings. These currently include Distribution Technology, FinaMetrica, Defaqto, and Synaptic.

Columbia Threadneedle Investments (the “Investment Manager”) is a leading global asset management group that provides a broad range of actively managed investment strategies and solutions. It is responsible for the TAA component of the investment process.

Even though the Funds are distinct in their risk profiles

and asset allocations, they have a consistent, unique, and robust three-layer investment process:

The outsourced activities are monitored on a continuous basis. This oversight work is undertaken by the Embark Investments Management Team, the ACD Committee and the Embark Investments Limited Board (the “Board”).

The Board believes that the Funds continue to provide value to customers. The Funds are supported by a well-established, tightly governed investment process and a strong focus upon appropriate levels of risk.



INTRODUCTION FROM INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHAIR CONTINUED

What is the concept of value?

The concept of value may mean different things to different investors. For some, it is a straightforward question of the investment outcome in relation to the costs; for others, they see value in terms of a fund manager's investment philosophy, management of risk or approach to responsible investing.

However value is considered, the Board hopes this report is clear, fair, and comprehensive. The Funds benefit from robust management and oversight and risk-controlled outcomes and we believe they continue to provide value to investors.

Maintaining and enhancing service

Embark Investments has also been pro-active in maintaining relationships with our service suppliers (including the Custodian, Transfer Agent, Investment Manager, and asset allocation provider) to assure ourselves of the quality and continuity of their services to Embark Investments.

Embark Investments engages continuously with the group client services and distribution functions, helping to improve the skills and knowledge of the front-line staff who support customers enquiring about their investments. This work has helped to improve the standard of service provided to customers.

The Board is confident of the due care, professionalism, adaptability, and customer focus that all members of the Embark Investments team display.

The FCA's Consumer Duty Rules

Consumer Duty is the biggest overhaul of financial regulation since the FCA's Retail Distribution Review of the UK Wealth and Investment Management industry in 2013 and the arrowhead of a culture shift towards outcomes-focused, proactive regulation where unwanted behaviours can be spotted and dealt with as they happen. The main principle of the regulation is to set higher expectations for the standard of care that firms across the financial services industry give to customers in retail financial markets.

Embark Investments and Embark Group, while aligning with Lloyds Banking Group, have worked with internal and external counsel to review all customer information so they are compliant with the FCA's new Consumer Duty principle that requires firms to act to deliver good outcomes for retail clients in accordance with the four Consumer Duty outcomes of: Products & Services; Price & Value; Consumer Understanding; and Consumer Support. More information about Consumer Duty can be found on the Embark Group Website.

After the review, the Board is pleased to say that Embark Investments' marketing, regulatory and investment content documents are fit for purpose and appropriate for the retail client audience.

Responsible Investing and ESG

ESG investing (Environmental, Social and Governance) is a key consideration for Embark Investments.

Columbia Threadneedle Investments was a founding signatory of the United Nations Principles for Responsible Investment ("UNPRI") in 2006 and is a signatory to the UK Stewardship Code 2010. In March 2021, Embark Investments signed up to the UNPRI and, in doing so, committed to maintaining and building on our existing approach to ESG.

Embark Investments has chosen an Investment Manager with an 'integrated' ESG approach. This means that ESG is part of the investment process, with companies and issuers assessed against multiple ESG factors with a view to understanding impacts, risks, and opportunities, rather than just having pure exclusions.

INTRODUCTION FROM INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHAIR CONTINUED

Results of the Board's Analysis

	Quality of Service	Performance	Authorised Fund Manager Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units or Shares	Overall Value Statement
Embark Horizon Multi-Asset I	●	●	●	●	●	●	●	●
Embark Horizon Multi-Asset II	●	●	●	●	●	●	●	●
Embark Horizon Multi-Asset III	●	●	●	●	●	●	●	●
Embark Horizon Multi-Asset IV	●	●	●	●	●	●	●	●
Embark Horizon Multi-Asset V	●	●	●	●	●	●	●	●

● Provides value ● Provides value but merits some action or further monitoring ● Does not provide value ● Not applicable

Final Thoughts

Over the Assessment of Value twelve-month reporting period, fixed income assets have been under pressure because of elevated levels of inflation in the economy and multiple interest rate rises. Indeed, government bond markets recorded double-digit declines and demonstrated unusually high levels of volatility. This backdrop had a particularly negative impact upon the lower risk Funds in the range, which have a larger allocation to bonds. This allocation effect is a key area of focus for the ACD and its Board, involving regular asset allocation discussions with both EV and Columbia Threadneedle Investments.

As part of the overall assessment, the Board found that the Funds have performed well over the longer term through periods of market stress and change. Outcomes have been in line with expectations and within prescribed risk tolerances. The Board also believes that the ongoing charges applied to the Funds are appropriate, based on pro-active SAA and TAA, the use of actively managed funds and thorough risk oversight and governance. The fee structures are reviewed regularly.

Embark Investments' customers can also be reassured that the ACD and the Board continue to monitor the risk and return outcomes of the Funds closely, as well as consider ways in which the investment process can be improved for better results.

For your convenience, the table below has a quick summary of the twelve months reporting period outcomes based on seven Assessment of Value pillars. More detailed information, analysis and conclusions follow in the report.

My thanks go to those in the Embark Investments team who have gathered and analysed substantial amounts of data to support the value assessment conclusions. Their customer focus and dedication during a protracted period of market volatility, geo-political issues and change is greatly appreciated.

I hope you find this report both informative and useful.

Jacqueline Lowe
 Non-Executive Director and
 Chair of Embark Investments Limited



Providing a good quality of service for advisers and investors alike is of great importance to Embark Investments. To highlight some key areas in this report, we have concentrated on governance of the investment process, the commercial experience, Consumer Duty, ESG, climate change, and active asset allocation.

Governance of the Investment Process

Embark Investments has the responsibility of oversight and governance of the Funds, and continuously monitors all outsourced activities of the risk profiler, investment manager, and depositary and transfer agent, to ensure all internal policies and procedures are adhered to. To do this, Embark Investments has an experienced financial services and investment team which covers product governance, operations, data oversight, compliance, distribution, and marketing, to help create a high quality adviser and customer experience.

Commercial Experience

The Board, supported by the Embark Investments team, continues to monitor the ACD function and oversees customer communications and reporting, which includes the digital footprint at the **Embark Investments website**. Our website includes a diverse suite of marketing, financial market updates, internal and external market insights, regulatory documents, and commercial reports to help advisers along their journey.

In 2023, Embark Investments also created a thought leadership microsite on Behavioural Investing with videos and content. We feel that, by better understanding the practical applications of Behavioural Investing, advisers can help investors make more informed choices, avoid common behavioural pitfalls, and match them to suitable investments based on their risk profile and their current financial situation. This site can be located via this link, **Behavioural Investing microsite**.

Consumer Duty

Embark Investments and Embark Group, while aligning with Lloyds Banking Group, have worked closely with internal and external counsel to review all customer information, and ensure they are in line with the four Consumer Duty outcomes as of the end of April 2023.

After the review, the Board is pleased to say that Embark Investments' marketing, regulatory and investment documents are fit for purpose and appropriate for the retail audience.

ESG & Climate Change

Both the ACD and the Investment Manager, Columbia Threadneedle Investments, are signatories of the United Nations Principles for Responsible Investment (UNPRI). Columbia Threadneedle Investments was in fact a founding signatory of the UNPRI in 2006 and is a signatory to the UK Stewardship Code 2010.

The six principles of the UNPRI match the framework that Embark Investments employs to oversee the Funds, helping us to embrace the international standard. The ACD monitors the Funds through a number of ESG related indicators on a monthly basis and proactively engages with the Investment Manager regularly.

As the Investment Manager has an integrated approach to ESG by being an influencer, rather than excluder and looking to change corporate behaviour through active analysis and engagement, we feel the Funds have a good sustainability footprint. Our mission, as the ACD,

is to ensure the Funds offer a user-friendly investment package for financial advisers, which fulfils the responsible investment aspirations of investors in a way that does not curtail their financial goals but enhances them. Our Funds should therefore evolve with the times, adapting to investment and market trends.

On 17th December 2021, the FCA published final rules on climate-related disclosures for asset managers, with Policy Statement PS21/24. The new disclosure obligations will be based on the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD).

The first phase of disclosures applies to the largest asset management firms with over £50bn in assets under management (AUM), and the second phase brings firms with more than £5bn AUM into scope, with disclosure reporting required by June 2024. As the value of relevant customer assets for which the Embark Group is responsible (through Embark Investments) is currently significantly below these thresholds, the firm is not explicitly impacted. However, in order to both demonstrate adherence to the spirit of the regulations and provide some consistency, we intend to develop reporting capabilities in line with larger asset management firms and to report on this initiative on a voluntary basis in the future.

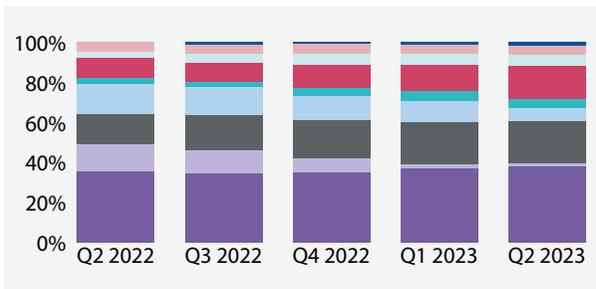


The Embark Horizon Multi-Asset Funds are managed according to a carefully considered asset allocation strategy, using long-term expected volatility and performance of global assets.

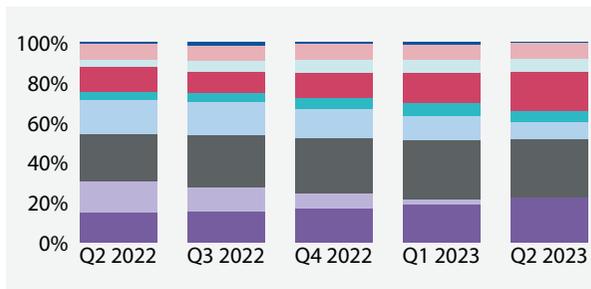
Active Asset Allocation

The Funds are rebalanced quarterly. The graphs below show how each has evolved during the reporting period from Q2 2022 to Q2 2023. We believe this clearly illustrates the active nature of the asset allocation approach

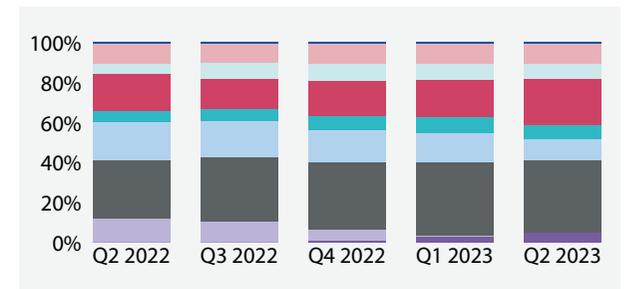
Horizon Fund I



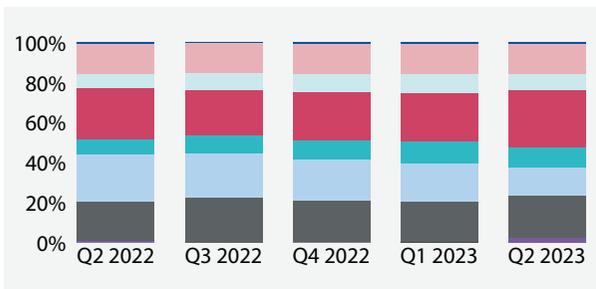
Horizon Fund II



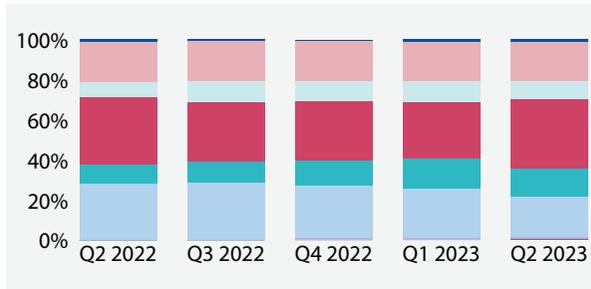
Horizon Fund III



Horizon Fund IV



Horizon Fund V



- Cash & Money Markets
- Emerging Markets Equities
- Japan Equities
- North America Equities
- Europe ex-UK Equities
- UK Equities
- UK & European Corporate Bonds
- Global Ex-UK Government Bonds
- UK Government Bonds



The Board regularly monitors the performance and overall quality of service of the appointed external service providers.

EValue Limited (EV)

EV is a financial solutions company with expertise in risk profiling and forward-looking global asset allocation research and is the risk profile provider for the Funds. They provide the ACD and the Investment Manager with strategic asset allocations for the five Funds, consistent with the related investor profiles as set out in the Prospectus. EV takes a long-term perspective and uses stochastic modelling techniques to create an expected optimal return based on the individual risk profiles of the Funds.

EV also provides the ACD and the Investment Manager with a software tool which is used to forecast the risk levels of the Funds. This allows for regular checks to ensure the Funds stay within their expected risk and volatility profiles. The Board is satisfied that EV has provided allocations during the reporting period to permit the Funds to follow the expected risk and volatility profiles.

Columbia Threadneedle Investments

The Board and the ACD considered the Investment Manager's process, experience, and delivery in providing investment management services for the Funds. As a key part of the ACD function, we regularly review the governance and oversight of these activities, including monitoring of performance and asset allocations. All reviews make sure the Funds are managed in line with investment mandate restrictions, compliance policies and procedures, ensuring the Funds remain within their prescribed risk and volatility profiles. The ACD and the Board recognise that the twelve-month period to the

end of May 2023 has been a challenging one for financial markets, and the ACD and the Board continues to monitor the Investment Manager and its performance closely.

Northern Trust (Depositary, Custodian, Fund Accountant and Transfer Agent)

The Board considered the entire range of services that are provided to the Funds and the delivery of key services against the agreed performance indicators and metrics, noting the format and frequency of committees and review meetings between Northern Trust and the Operational, Compliance and Legal teams within Embark Investments. It is satisfied with the services from Northern Trust.

Funds-Axis (Mandate Compliance and Regulatory Reporting)

The Board acknowledges the supply of regulatory and mandate compliance services which ensure the Funds are maintained within the investment objectives and policy as described to investors in the Prospectus of Embark Investment Funds ICVC. Provision of daily checks and regulatory updates are important drivers in ensuring the Funds satisfy the expectations set out in the Key Investor Information Document (KIID).

UK Platform Providers (Distribution)

The Funds are currently distributed to advised customers through the Embark Group Advance Platform, the Scottish Widows Platform, and other key industry third-

party platforms, providing a broad choice of distribution channels. Embark Investments has legal agreements with each platform provider, and these, in turn, have terms of business in place with financial advisers using their platforms. Direct investments are normally not accepted. When the Funds were added to new external platform providers, Embark Investments, as an ACD, met its regulatory requirements in relation to its obligation as a manufacturer of authorised UK retail funds, by ensuring the Funds are designed appropriately and distributed to the correct target market.

Conclusion

Over the Assessment of Value twelve-month reporting period, the Board, through regular monitoring of activities, believes that the ACD continues to maintain a strong and secure control environment to support the adviser and customer experience. The Board is very satisfied that the available information and shareholder reports are of good quality, timely, and accurate, through each reporting cycle.

Overall, the Board is confident that the services provided by the ACD, the internal commercial services, internal compliance, and the third-party service providers, continue to deliver value across all five Funds.

This year, Quality of Service has been given a **GREEN** Rating.



HORIZON MULTI-ASSET HORIZON FUND I

Cautious Risk Profile

The cautious risk-profiled Fund aims to grow an investment over the medium to long term, 5 or more years, and to stay within its designated risk profile, but does not aim to match or exceed the performance of any index. Therefore, the medium to long term should be the key basis of assessing the net of fees performance of the Fund. The ACD recommends a minimum investment holding period of 5 years.

Aligned to risk profile 1 on the EV five-point scale for long-term risk profiling and strategic asset allocation, the lowest in the range, the Fund aims to deliver income and growth through assets that demonstrate moderate price fluctuations, and with greater emphasis placed on exposure to fixed income securities, and lower relative emphasis placed on exposure to equities.

The 12 months to the end of May 2023 was a volatile period for financial markets. With inflation far above target in many developed economies, investors struggled to gauge how far central banks would have to raise interest rates to contain it, and whether policymakers could do so without tipping their respective economies into recession. Most fixed income markets experienced elevated volatility and lost value, while global equity markets mostly finished higher, albeit after an unsteady journey.

As the Fund had allocations of over 60% to UK government bonds, global ex-UK government bonds and UK and European corporate bonds, the last 12 months registered a negative net of fees performance of -8.05%. Whilst one-year performance is the subject of this annual assessment, the Board and the ACD have a stronger focus on the medium to long-term risk and return outcome in assessing the value delivered by the Fund, as indicated by its investment objective.

Over the past year to May 2023, the ACD has continued to monitor and have regular discussions with both EV and Columbia Threadneedle Investments about current and future allocations in the light of this challenging period for both return and risk.

As part of the assessment, the Board and the ACD are encouraged that, even amongst the market pressures and volatility, the Fund remained within its designated risk and volatility profile and continues to provide value over the medium to long term. We will continue to monitor performance closely.

This year, the Fund has been given an **AMBER** Performance Rating.



Medium & Long-Term Cumulative Performance	Since Inception	5 Year
Embarc Horizon Multi-Asset Fund I (Z acc)	+30.94%	-2.05%

Source: FE fundinfo, net of fees, in GBP, as at 31 May 2023. Past performance is not a reliable indicator of future results and the value of investments (and any income from them) can go down, so an investor may get back less than the amount invested. No guarantee is given for the performance of the Fund. Embarc Horizon Multi-Asset Fund I was launched on 27/03/2015 (as "Zurich Horizon Multi-Asset Fund I"). Performance, since inception, before then is based on the Threadneedle Multi-Asset Zurich Fund I, and attributable to Columbia Threadneedle Investments. Since Inception: 12/12/2013. Investors may wish to consider the performance of the fund by looking at the performance of the Investment Association (IA) Mixed Investment 20-60% Shares Sector.



HORIZON MULTI-ASSET HORIZON FUND II

Moderately Cautious Risk Profile

The moderately cautious risk-profiled Fund aims to grow an investment over the medium to long term, 5 or more years, and to stay within its designated risk profile, but does not aim to match or exceed the performance of any index. Therefore, the medium to long term should be the key basis of assessing the net of fees performance of the Fund. The ACD recommends a minimum investment holding period of 5 years.

Aligned to risk profile 2 on the EV five-point scale for long-term risk profiling and strategic asset allocation, the Fund aims to deliver income and growth through assets that demonstrate moderate price fluctuations, and with greater emphasis placed on exposure to fixed income securities, and lower relative emphasis placed on exposure to equities.

The 12 months to the end of May 2023 was a volatile period for financial markets. With inflation far above target in many developed economies, investors struggled to gauge how far central banks would have to raise interest rates to contain it, and whether policymakers could do so without tipping their respective economies into recession. Most fixed income markets experienced elevated volatility and lost value, while global equity markets mostly finished higher, albeit after an unsteady journey.

As the Fund had allocations of over 50% to UK government bonds, global ex-UK government bonds, and UK and European corporate bonds, the last 12 months registered a negative net of fees performance of -5.17%. Whilst one-year performance is the subject of this annual assessment, the Board and the ACD have a stronger focus on the medium to long-term risk and return outcome in assessing the value delivered by the Fund, as indicated by its investment objective.

Over the past year to May 2023, the ACD has continued to monitor and have regular discussions with both EV and Columbia Threadneedle Investments about current and future allocations in the light of this challenging period for both return and risk.

As part of the assessment, the Board and the ACD are encouraged that, even amongst the market pressures and volatility, the Fund remained within its designated risk and volatility profile and continues to provide value over the medium to long term. We will continue to monitor performance closely.

This year, the Fund has been given an **AMBER** Performance Rating.



Medium & Long-Term Cumulative Performance	Since Inception	5 Year
Embark Horizon Multi-Asset Fund II (Z acc)	+48.33%	+4.33%

Source: FE fundinfo, net of fees, in GBP, as at 31 May 2023. Past performance is not a reliable indicator of future results and the value of investments (and any income from them) can go down, so an investor may get back less than the amount invested. No guarantee is given for the performance of the Fund. Embark Horizon Multi-Asset Fund II was launched on 27/03/2015 (as "Zurich Horizon Multi-Asset Fund II"). Performance, since inception, before then is based on the Threadneedle Multi-Asset Zurich Fund II, and attributable to Columbia Threadneedle Investments. Since Inception: 12/12/2013. Investors may wish to consider the performance of the fund by looking at the performance of the Investment Association (IA) Mixed Investment 20-60% Shares Sector.



HORIZON MULTI-ASSET HORIZON FUND III

Balanced Risk Profile

The balanced risk-profiled Fund aims to grow an investment over the medium to long term, 5 or more years, and to stay within its designated risk profile, but does not aim to match or exceed the performance of any index. Therefore, the medium to long term should be the key basis of assessing the net of fees performance of the Fund. The ACD recommends a minimum investment holding period of 5 years.

Aligned to risk profile 3 on the EV five-point scale for long-term risk profiling and strategic asset allocation, the Fund aims to deliver income and growth through assets that may demonstrate moderate to large price fluctuations, with a greater emphasis placed on equities, including emerging market equities, and lower emphasis placed on exposure to fixed income securities.

The 12 months to the end of May 2023 was a volatile period for financial markets. With inflation far above target in many developed economies, investors struggled to gauge how far central banks would have to raise interest rates to contain it, and whether policymakers could do so without tipping their respective economies into recession. Most fixed income markets experienced elevated volatility and lost value, while global equity markets mostly finished higher, albeit after an unsteady journey.

As the Fund had allocations of over 40% to fixed income, with the majority in UK and European corporate bonds, the last 12 months registered a negative net of fees performance of -2.18%. When compared to Funds I and II, the higher allocations to European, Japanese, and North American equities mitigated the negative impact of the fixed income component. Whilst one-year performance is the subject of this annual assessment, the Board and the ACD have a stronger focus on the medium to long-term risk and return outcome in assessing the value delivered by the Fund, as indicated by its investment objective.

Over the past year to May 2023, the ACD has continued to monitor and have regular discussions with both EV and Columbia Threadneedle Investments about current and future allocations in the light of this challenging period for both return and risk.

As part of the assessment, the Board and the ACD are encouraged that, even amongst the market pressures and volatility, the Fund remained within its designated risk and volatility profile and continues to provide value over the medium to long term. We will continue to monitor performance closely.

This year, the Fund has been given a **GREEN** Performance Rating.



Medium & Long-Term Cumulative Performance	Since Inception	5 Year
Embarc Horizon Multi-Asset Fund III (Z acc)	+67.97%	+11.89%

Source: FE fundinfo, net of fees, in GBP, as at 31 May 2023. Past performance is not a reliable indicator of future results and the value of investments (and any income from them) can go down, so an investor may get back less than the amount invested. No guarantee is given for the performance of the Fund. Embarc Horizon Multi-Asset Fund III was launched on 27/03/2015 (as "Zurich Horizon Multi-Asset Fund III"). Performance, since inception, before then is based on the Threadneedle Multi-Asset Zurich Fund III, and attributable to Columbia Threadneedle Investments. Since Inception: 12/12/2013. Investors may wish to consider the performance of the fund by looking at the performance of the Investment Association (IA) Mixed Investment 40-85% Shares Sector.



HORIZON MULTI-ASSET HORIZON FUND IV

Moderately Adventurous Risk Profile

The moderately adventurous risk-profiled Fund aims to grow an investment over the medium to long term, 5 or more years, and to stay within its designated risk profile, but does not aim to match or exceed the performance of any index. Therefore, the medium to long term should be the key basis of assessing the net of fees performance of the Fund. The ACD recommends a minimum investment holding period of 5 years.

Aligned to risk profile 4 on the EV five-point scale for long-term risk profiling and strategic asset allocation, the Fund aims to deliver income and growth through assets that may demonstrate moderate to large price fluctuations, with greater emphasis placed on equities, including emerging market equities, and potentially some exposure to fixed income securities.

The 12 months to the end of May 2023 was a volatile period for financial markets. With inflation far above target in many developed economies, investors struggled to gauge how far central banks would have to raise interest rates to contain it, and whether policymakers could do so without tipping their respective economies into recession. Most fixed income markets experienced elevated volatility and lost value, while global equity markets mostly finished higher, albeit after an unsteady journey.

When compared to Funds I, II and III, with the higher allocations to a range of diverse global equities, the Fund mitigated some of the negative impact of the fixed income allocation. However the Fund's allocations of UK and European corporate bonds (around 20%), did have an impact on performance, and over the last 12 months the Fund registered a net of fees performance of -0.74%. Whilst one-year performance is the subject of this annual assessment, the Board and the ACD have a stronger focus on the medium to long-term risk and return outcome in assessing the value delivered by the Fund, as indicated by its investment objective.

Over the past year to May 2023, the ACD has continued to monitor and have regular discussions with both EV and Columbia Threadneedle Investments about current and future allocations in the light of this challenging period for both return and risk.

As part of the assessment, the Board and the ACD are encouraging that, even amongst the market pressures and volatility, the Fund remained within its designated risk and volatility profile and continues to provide value over the medium to long term.

This year, the Fund has been given a **GREEN** Performance Rating.



Medium & Long-Term Cumulative Performance	Since Inception	5 Year
Embark Horizon Multi-Asset Fund II (Z acc)	+86.83%	+16.51%

Source: FE fundinfo, net of fees, in GBP, as at 31 May 2023. Past performance is not a reliable indicator of future results and the value of investments (and any income from them) can go down, so an investor may get back less than the amount invested. No guarantee is given for the performance of the Fund. Embark Horizon Multi-Asset Fund IV was launched on 27/03/2015 (as "Zurich Horizon Multi-Asset Fund IV"). Performance, since inception, before then is based on the Threadneedle Multi-Asset Zurich Fund IV, and attributable to Columbia Threadneedle Investments. Since Inception: 12/12/2013. Investors may wish to consider the performance of the fund by looking at the performance of the Investment Association (IA) Mixed Investment 40-85% Shares Sector.



HORIZON MULTI-ASSET HORIZON FUND V

Adventurous Risk Profile

The adventurous risk-profiled Fund aims to grow an investment over the medium to long term, 5 or more years, and to stay within its designated risk profile, but does not aim to match or exceed the performance of any index. Therefore, the medium to long term should be the key basis of assessing the net of fees performance of the Fund. The ACD recommends a minimum investment holding period of 5 years.

Aligned to risk profile 5 on the EV five-point scale for long-term risk profiling and strategic asset allocation, the highest in the range, the Fund aims to deliver income and growth through assets that may demonstrate large price fluctuations, with the greatest emphasis placed on equities, including emerging market equities.

The 12 months to the end of May 2023 was a volatile period for financial markets. With inflation far above target in many developed economies, investors struggled to gauge how far central banks would have to raise interest rates to contain it, and whether policymakers could do so without tipping their respective economies into recession. Most fixed income markets experienced elevated volatility and lost value, while global equity markets mostly finished higher, albeit after an unsteady journey.

With minimal exposure to fixed income (under 2% on average) the Fund achieved a positive net of fees performance of +1.19% over the period. Whilst one-year performance is the subject of this annual assessment, the Board and the ACD have a stronger focus on the medium to long-term risk and return outcome in assessing the value delivered by the Fund, as indicated by its investment objective.

Over the past year, the ACD has continued to monitor and have regular discussions with both EV and Columbia Threadneedle Investments about current and future allocations in the light of this challenging period for both return and risk.

As part of the assessment, the Board and the ACD are encouraging that, even amongst the market pressures and volatility, the Fund remained within its designated risk and volatility profile and continues to provide value over the medium to long term.

This year, the Fund has been given a **GREEN** Performance Rating.



Medium & Long-Term Cumulative Performance	Since Inception	5 Year
Embark Horizon Multi-Asset Fund III (Z acc)	+67.97%	+11.89%

Source: FE fundinfo, net of fees, in GBP, as at 31 May 2023. Past performance is not a reliable indicator of future results and the value of investments (and any income from them) can go down, so an investor may get back less than the amount invested. No guarantee is given for the performance of the Fund. Embark Horizon Multi-Asset Fund V was launched on 27/03/2015 (as "Zurich Horizon Multi-Asset Fund V"). Performance, since inception, before then is based on the Threadneedle Multi-Asset Zurich Fund V, and attributable to Columbia Threadneedle Investments. Since Inception: 12/12/2013. Investors may wish to consider the performance of the fund by looking at the performance of the Investment Association ('IA') IA Flexible Investment Sector.



AUTHORISED FUND MANAGER COSTS

The Board is required to consider the cost of providing the service to which the charge relates, and when money is paid directly to associates or external parties. This section assesses the charging structure of the Funds.

All Funds are subject to an Annual Management Charge (“AMC”) which is paid to the ACD. The AMC covers all services organised by the ACD for the Funds. The AMC includes, but is not limited to, Investment Manager, Custody, and other third-party administrator fees.

In addition, the Board also reviewed the OCF (“Ongoing Charges Figure”), which is the aggregate of the above AMC and any other ongoing costs and charges incurred by each Fund in the underlying investments, being Columbia Threadneedle Investments funds. The table below shows that OCFs for all Funds have been maintained, demonstrating a concerted effort within the underlying Columbia Threadneedle Investments funds to manage charges, which has a clear benefit to the Funds and customers.

This year, Authorised Fund Manager Costs has been given a **GREEN** Rating.

	AMC 31 May 2023	OCF 31 May 2023	AMC 31 May 2022	OCF 31 May 2022
Embark Horizon Multi-Asset I Z Class	0.75%	0.81%	0.75%	0.81%
Embark Horizon Multi-Asset I I Class	0.65%	0.71%	0.65%	0.71%
Embark Horizon Multi-Asset II Z Class	0.75%	0.81%	0.75%	0.81%
Embark Horizon Multi-Asset II I Class	0.65%	0.71%	0.65%	0.71%
Embark Horizon Multi-Asset III Z Class	0.75%	0.81%	0.75%	0.81%
Embark Horizon Multi-Asset III I Class	0.65%	0.71%	0.65%	0.71%
Embark Horizon Multi-Asset IV Z Class	0.75%	0.81%	0.75%	0.81%
Embark Horizon Multi-Asset IV I Class	0.65%	0.71%	0.65%	0.71%
Embark Horizon Multi-Asset V Z Class	0.75%	0.81%	0.75%	0.81%
Embark Horizon Multi-Asset V I Class	0.65%	0.71%	0.65%	0.71%

Source: FE fundinfo, as at 31 May 2023.



ECONOMIES OF SCALE

ECONOMIES OF SCALE

The Board regularly monitors Funds can generate economies of scale as they grow in value which can help reduce costs borne by investors; in this section of the report, the Board provides a view on whether any of the Funds have achieved economies of scale.

As part of the overall Assessment of Value process, the Board regularly reviews the profitability of the Funds by considering the fee structure, overall size of each fund, the ACD and Investment Manager charges and any other expenses paid by the Funds.

Analysis over the 12 months to the end of May 2023, shows that all five Funds are currently of insufficient size to generate economies of scale after operational costs and the costs of managing the Funds are taken into consideration.

The Board will continue to monitor the Funds on an ongoing basis, and determine whether efficiencies can be achieved and shared in the future, as we seek to ensure, where relevant, that investors benefit from improvements we make across our business.

This year, Economies of Scale has been given a **GREEN** Rating.



COMPARABLE MARKET RATES

We have compared the Ongoing Charges Figure (OCF) of the Funds to other funds in the UK retail market, and how the OCFs of the Funds have evolved during the reporting period.

All five Funds have an OCF of 0.81% for the Z share class and 0.71% for the I share class. We believe these charges are in keeping with other funds in the UK retail market and reflective of the active management approach taken.

The comparison below shows that the overall value of the Z share classes (both accumulation and income) are marginally higher than the value of the average fund in the IA Volatility Managed sector. This reflects the cost for the Funds being actively managed, whereas the sector also includes passively managed funds.

The OCFs in the table include the costs directly charged to the Funds (AMC), as well as the OCF of the underlying Columbia Threadneedle Investments funds.

If any rebates were to be received from the Columbia Threadneedle Investments funds, they would be credited to the Funds and not to the ACD.

The AMC includes the services of the risk profile provider (EV), the Depository, Administrator and Transfer Agent (Northern Trust) and the Investment Manager (Columbia Threadneedle Investments).

The Board considers that the AMC of the five Funds offers value to investors, as demonstrated by performance relative to comparable funds, peer group values, and the active management of all five Funds and the two share classes (Z and I).

This year, Comparable Market Rates has been given a **GREEN** Rating.

Fund Class & Sector	OCF
Embark Horizon Multi-Asset I Z Class	0.81%
Embark Horizon Multi-Asset I I Class	0.71%
IA Volatility Managed Average	0.76%
Embark Horizon Multi-Asset II Z Class	0.81%
Embark Horizon Multi-Asset II I Class	0.71%
IA Volatility Managed Average	0.76%
Embark Horizon Multi-Asset III Z Class	0.81%
Embark Horizon Multi-Asset III I Class	0.71%
IA Volatility Managed Average	0.76%
Embark Horizon Multi-Asset IV Z Class	0.81%
Embark Horizon Multi-Asset IV I Class	0.71%
IA Volatility Managed Average	0.76%
Embark Horizon Multi-Asset V Z Class	0.81%
Embark Horizon Multi-Asset V I Class	0.71%
IA Volatility Managed Average	0.76%

Source: FE fundinfo, as at 31 May 2023.

Note: Access to the I Share Class is restricted to intermediaries (investing on behalf of underlying investors) that have entered into arrangements for this Share Class with the ACD and which the ACD expects to invest, including investments made by any other members of the intermediary's group, at least £10,000,000 into the Fund. Any such concession must be duly considered and approved by the ACD, prior to investing in the I Share Class.



COMPARABLE SERVICES

COMPARABLE SERVICES

The five Horizon Multi-Asset Funds are currently Embark Investments' only current offering.

Embark Investments likes to keep things straightforward and prefers to evolve the approach of the Funds to ensure they remain relevant for clients' needs.

Neither the ACD, nor any other division of the Lloyds Banking Group, offers similar actively managed risk-profiled funds that reside in the IA Volatility Managed Sector.

Therefore the assessment of comparable services is non-applicable.



CLASSES OF UNITS OR SHARES

We have assessed the current share class structure and their appropriateness for the holders.

Three share classes were offered in the Funds at the end of the assessment period: Z accumulation, Z income and I accumulation.

The pricing of each Share Class is considered to provide value based on the different Share Class eligibility criteria and target investors for each Share Class. All investors are invested in the appropriate share class for which they are eligible, as at the date of this report.

The AMC for the Z accumulation and Z income shares is 0.75%. The AMC for the I accumulation shares is 0.65%.

The accumulation shares accrue all dividends and interest after tax, whereas the income shares pay out a bi-annual distribution to investors. As an alternative to using the income class, investors may seek advice from their financial adviser on the use of drawdown options offered by their investment platform.

The ACD regularly reviews the appropriateness of the I share class eligibility and takes action as required.

Investment Minima:	Class Z	Class I*
Lump Sum:	£500	£10,000,000
The ACD may waive the investment minima at its discretion.		

* Access to the I Share Class is restricted to intermediaries (investing on behalf of underlying investors) that have entered into arrangements for this Share Class with the ACD and which the ACD expects to invest, including investments made by any other members of the intermediary's group, at least £10,000,000 into the Fund. Any such concession must be duly considered and approved by the ACD, prior to investing in the I Share Class.

This year, Classes of Units or Shares has been given a **GREEN** Rating.

EMBARK INVESTMENTS LIMITED BOARD & TENURE DATES



Jaqueline Lowe – Non-Executive Director and Chair

(Chair role from 1 February 2023 – iNed from 09 December 2019)

Jacqueline has over 30 years of experience in the investment management industry. She was an award-winning Fund Manager and managed the development of Standard Life Investment's leading Mutual Fund Business. She is Chairman of T. Bailey Asset Management and holds several non-executive roles with prestigious financial services companies. She is a board member of the Rathbones Unit Trust Management, First Sentier Investors UK, Embark Group, and Beatson Cancer Charity.



Craig Wood – Executive Director

(From 27 April 2023)

Craig was Chief Financial Officer & Executive Director at ATS since May 2017. He also spent 14 years in RBS and moved through a variety of senior roles within RBS' Wealth Management (Coutts & Co), Retail and Corporate Banking Divisions, focussing on business performance management, project and change management, restructuring and corporate finance activities.



Mark Skinner – Non-Executive Director

(From 1 February 2023)

Mark has over 25 years of experience as a sales and marketing professional with a strong background in the distribution of investment products and services to the UK intermediary market. He has previously held executive positions with New Star Asset Management, Barings, Norwich Union and Save & Prosper. Mark also holds several non-Executive and advisory roles across several industry sectors in the UK.



Gill Hutchison – Research Director

(From 22 May 2020)

Gill began her career in the financial sector in 1992 and worked at Credit Suisse Private Banking, where she managed portfolios for discretionary clients. Later, she took on a fund research and consulting role at OBSR, serving a wide range of clients from insurance companies to IFA networks. In 2014, she co-launched The Adviser Centre, for which she remains the Research Director. As part of Embark and Scottish Widows, she is also responsible for investment oversight and governance services provided to other parts of the organisation.



Barry MacLennan – Chief Executive Officer

(From 28 July 2022)

Barry has over 20 years of experience within the investment management industry, with a strong profile in the development, delivery, marketing, management, and servicing of client-centric investment solutions, focusing on asset gathering and retention. Barry's previous roles include Head of EMEA for Martin Currie and Head of Wholesale Investment Specialists at Standard Life. Prior to joining Embark, Barry was also a Lecturer of Financial Services at Edinburgh Napier University.



Fraser Blain – Chief Commercial Officer

(From 1 May 2020 to 1 May 2023)

Fraser Blain is an Investment Director at Embark Investments Ltd. Fraser has over 35 years of experience in the distribution and marketing of wholesale investment products across UK and Continental European retail markets. Previous roles include National Investment Development Director at Zurich Insurance Group, and Head of UK Wholesale Distribution at Allianz Global Investors UK and board member at Embark Investments Ltd. Fraser has resigned from the board with an effective date of 27 July 2023.



Scott Guild – Chief Financial Officer

(From 31 January 2022 to 25 January 2023)

Scott has over 25 years of experience in financial services and is the Finance Director for Insurance and Wealth Pensions Investments, Stockbroking, and Wealth business at Lloyds Banking Group. He is a qualified accountant and has held several senior leadership roles across a range of disciplines including Audit, Finance, Strategy, Change Management, and Propositions. Scott has resigned from the board with an effective date of 25 January 2023.



Monika Machon – Non-Executive Chair

(From 9 December 2019 to 31 January 2023)

Monika stepped down as Embark Investments Chair on 31 January 2023 after the serving the Board for 4 years. She is currently a Board member of GAM Holding AG. Monika has over 30 years previous financial markets experience, most recently in the roles of Treasurer and Global Head of Asset Management at AIG.



If you require further information on any of the Embark Horizon Multi-Asset Funds, the Key Investor Information Document (KIID) and the Prospectus are both available on the website www.embarkinvestments.co.uk. The Authorised Corporate Director of the Embark Investment Funds ICVC (in this document "Horizon") is Embark Investments Limited (in this document "Embark Investments"), authorised and regulated by the Financial Conduct Authority. Registered in England and Wales under registered number 3383730. Registered Office: 100 Cannon Street, London, EC4N 6EU.

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