

Fair Value Assessment Summary

Model Portfolio Service (MPS)

October 2025

Contents

Fair Value Assessment Summary: Model Portfolio Service (MPS)	3
Executive Summary	3
Fair Value Assessment	4
The Purpose of the Timeline MPS	4
Key objectives for the MPS include	4
Investment strategy	5
Value Summary	5
Market and Portfolio Commentary	7
Risk Targeting and Profiling.....	12
Conclusion.....	13

Fair Value Assessment Summary: Model Portfolio Service (MPS)

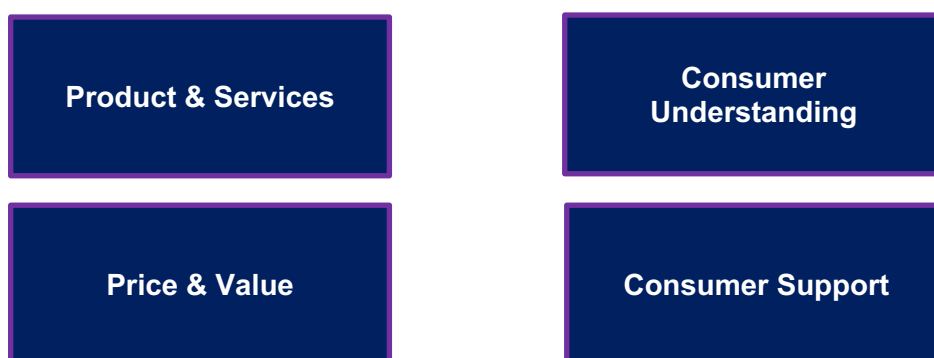
The Fair Value Assessment is based on the latest data sets up to August 2025.

A full and detailed analysis can be provided on request. This request must be from a financial adviser.

The Fair Value Assessment has been undertaken for the Managed Portfolio Service (MPS) for Timeline.

The Fair Value Assessment is guided by FCA Consumer Duty rules and guidance, following the publication issued in FG22/5, as well as Timeline's own interpretation, to add as much colour as possible.

In order to ensure that Timeline MPS delivers value to investors under the FCA's Consumer Duty, Timeline considers all elements of the MPS design, operation and ongoing management to act and deliver good outcomes for investors, focused on the Consumer Principle, but also the four outcomes.



Executive Summary

In light of recent team changes over Q2–Q3 2025, Timeline's MPS Fair Value Assessment (FVA) has been subject to a comprehensive review. The Investment Team has made the decision to enhance the scope and granularity of the FVA to provide a fuller picture of the MPS product suite. This includes expanded analysis on absolute fee drag, underlying fund liquidity, marketing activities, and quality of service.

Delivering this enhanced assessment has involved broader engagement from subject matter experts across the business, ensuring the FVA reflects a holistic view of product value. Timeline recognises that assessing fair value is an ongoing and evolving responsibility, rather than a one-off exercise. As such, the firm is undertaking a full review of the existing FVA framework and implementing a series of internal actions to continue improving the robustness and relevance of the report.

Timeline has produced a comprehensive Board-level FVA, which will be made available to advisers on request. Additionally, a new and concise summary document has been prepared for publication on the Timeline website and for distribution to advisers (this document). This summary is designed to support advisers' understanding of the MPS Fair Value and to aid their conversations with end retail clients, reinforcing Timeline's commitment to delivering good client outcomes and embedding Consumer Duty into the firm's culture. While recent team transitions, including departures and new joiners, have introduced some

operational volatility, Timeline remains confident in the enhancements made and the continued evolution of its Fair Value Assessment process. These enhancements and review changes will apply to the Consumer Duty Board Report, as Timeline continues to embed Consumer Duty into its company culture, not exclusively in product value.

Fair Value Assessment

The value assessment uses the following pillars to assess value:

Pillar	Summary
Costs & Charges	The fees and charges clients pay for the benefits and services they receive
Performance & Benchmark Alignment	How each MPS portfolio has performed against its objectives & targets
Quality of Service	The quality of general service provided by the MPS provider to the client
Fund Liquidity & Ownership at Risk	Whether clients can achieve redemptions in a reasonable time-frame
Economies of Scale	Any cost savings that can be passed on to the end investors
Target Market Alignment	The MPS's Target Market is clearly defined and understood by the client.

The Purpose of the Timeline MPS

The Timeline (non-complex) model portfolio service (MPS) is aimed at the retail investor market, to provide an easy-to-understand, low-cost and accessible investment solution that suits the needs of individuals with limited investment knowledge, experience or time and/or inclination to manage their own portfolios.

Key objectives for the MPS include

- 1. Simplicity:** Portfolios are designed to be straightforward, using familiar assets like non-complex retail funds. Each of the models have clear risk profiles.
- 2. Accessibility:** Retail investors can enter the MPS without needing high capital (min investment £25,000) or deep financial knowledge.
- 3. Cost-efficiency:** By using model portfolios, clients can streamline management and reduce fees compared to bespoke advice or discretionary services. Timeline charges 9bps for the management of the portfolios, and the funds used in the portfolios themselves are all passive, meaning no active management fees are included in the fee structure. The weighted OCFs of the portfolio (based on total equity exposure) are between:
 - 13bps and 23bps - Classic
 - 14bps and 28bps - ESG Classic
 - 8bps across the range - Tracker
 - 11bps and 12bps - ESG Tracker

4. **Compliance-friendly:** As the Timeline MPS is Non-complex, the service is easier to assess for suitability and easier to manage, helping keep manufacturing costs lower.
5. **Diversification and Risk Management:** Even though the portfolios are non-complex, they offer diversified exposure to help manage risk across asset classes.

Investment strategy

The MPS follows a fully passive approach with no tactical asset allocation or discretionary adjustments based on market conditions, economic forecasts, or short-term views.

Specifically:

- There is no short-term tactical overweighting or underweighting of equity sectors, regions, or factors relative to global market capitalisation.
- Allocations are not modified in response to market volatility or economic events but rather on long-term risk and return characteristics.
- The MPS does not shift into cash or defensive sectors based on perceived market risks.

Portfolios are allowed to drift in line with market movements and are rebalanced only when necessary to maintain alignment with the long-term strategic allocation. There is no attempt to time markets or capture short-term inefficiencies.

Value Summary

Pillar	Value
Costs & Charges	● ● ●
Performance & Benchmark Alignment	● ● ●
Quality of Service	● ●
Fund Liquidity & Ownership at Risk	● ● ●
Economies of Scale	● ● ●
Target Market Alignment	● ● ●

Key:

Good Value ● ● ●	To Review ● ●	Poor Value ●
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1) Costs & Charges

Fee Structure	Portfolio Type / Cost	Basis Point Charge (shown as %)
Advice & Administration	Platform Charges	0.27%
	Adviser Charges	0.77%
	Initial Advice Fee	1.25%
	Transaction Costs Underlying Funds	0.08%
Management Fee	DFM Fee	0.09%
	Fund Manager Fee (Weighted)	0.09%
Total	Total Client Fee - Initial year	2.55%
	Total Client Fee - Ongoing	1.30%

The table shows the breakdown of the Total Client Fee expected within a model portfolio service. The table shows the average cost of Platform Charges, Adviser Charges and Initial Advice fee, based on an independent NextWealth Report from June 2025 – MPS Proposition Comparison Report Asset Update, shown as Admin costs. The transaction costs are included on top of this fee. The Management Fee consists of the fees taken by Timeline to run the MPS and the underlying manager fees.

In the blue highlight, we can see the Discretionary Management Fee, which is the cost of running the MPS, alongside another 9bps for the Fund Manager Fee (the fee that the underlying fund managers are paid). This fee can range from 9bps to 28bps, depending on the specific Timeline MPS range and risk profile.

When taken against a group of 458 broad peers in Morningstar, Timeline ranks in the top quartile of DFM fees and comfortably within the top decile, making it one of the cheapest and most competitive in the market.

2) Performance & Benchmark Alignment

Timeline's MPS Investment Objective is to deliver returns in excess of RPI +/-X% over a period of 5 years or longer, by investing in a mix of equities and bonds globally.

Timeline's Investment Strategy is centred around a diversified portfolio, making it less susceptible to country-specific risk and more likely to capture returns across different markets. Furthermore, by keeping costs low and adopting a patient, disciplined and evidence-based approach, Timeline aims to avoid behavioural mistakes that often damage returns.

Timeline has also incorporated Morningstar Indices as comparator benchmarks within its App, for Advisers to show multiple comparator metrics, to keep in line with industry practice.

Our portfolios are designed to provide growth over the long term, and the minimum recommended holding period is 5 years.

Timeline uses the RPI as a benchmark for the model portfolios because it represents a measure of inflation, and inflation is the key long-term risk that investors face that can erode

the real value of their investments.

The RPI is a true benchmark for performance because it focuses on real returns. Clients invest to grow their purchasing power over time, and simply achieving positive nominal returns would not be sufficient if inflation outpaced the returns, leading to a loss in real terms.

Inflation benchmarking aligns the investment objective closely with client-centric goals. *This document is to be used in discussions with end retail clients, by advisers, in tandem with Timeline tools and metrics already at their disposal.*

The tables below do not show performance data, but rather portfolio real returns vs inflation, since RPI is not an investment benchmark but an inflation measure. This is not an indication of relative investment performance.

The table shows each risk tolerance portfolio for the four product suites against RPI (Inflation) across 5 years (net of OCF only). It shows 5-year cumulative performance up to 08/10/2025.

Risk Tolerance	Tracker (%)	Tracker ESG (%)	Classic (%)	Classic ESG (%)	RPI (%)	RPI Benchmark
0	-7.08%	-3.90%	-2.43%	-3.18%	32.16%	RPI - 1%
10	2.91%	-3.90%	4.27%	2.51%	35.30%	RPI - 0.5%
20	8.48%	9.66%	10.95%	8.55%	38.51%	RPI
30	17.74%	16.71%	17.84%	13.91%	41.80%	RPI + 0.5%
40	25.70%	23.96%	25.08%	20.57%	45.17%	RPI + 1%
50	34.47%	31.73%	32.49%	26.70%	48.61%	RPI + 1.5%
60	42.25%	39.62%	39.99%	33.08%	53.03%	RPI + 2%
70	51.73%	47.59%	47.43%	39.37%	56.66%	RPI + 2.5%
80	64.26%	56.56%	54.79%	46.80%	60.37%	RPI + 3%
90	73.17%	65.07%	63.11%	53.56%	64.17%	RPI + 3.5%
100	80.56%	74.09%	71.25%	60.58%	68.05%	RPI + 4%
0% Cash						

Biannually, Timeline's Investment Committee has a focus on an Adviser-led discussion, to challenge and question Timeline's MPS performance, so Timeline can explain clearly their investment strategy and the market conditions dictating performance in the MPS.

Market and Portfolio Commentary

MPS Tracker

- The equity portion of the Tracker range aims to capture the returns of the global equity market at a competitive price point. Timeline Tracker Portfolios with higher exposure to global equities performed well over the 5 years, in line with wider global market trends.
- The lower-risk portfolios, which have higher exposure to fixed income, struggled due to rising interest rates negatively impacting bond prices in the high inflation period following the COVID-19 pandemic.
- The well-diversified market cap-weighted equity indexing in the higher risk portfolios performed well; however, inflation did impact fixed income returns in the range.
- Performance was dominated by equity beta over the 5-year time horizon: higher-risk / higher equity exposure Tracker portfolios (60-100) captured the rebound in global equities and outpaced inflation.
- Lower-risk allocations (0-30) hold larger bond exposures and have faced a period of high interest rates over the period 2021-2023. This impacted bond prices and

increased yields, leading to negative bond returns across the period, producing weak or negative bond returns in real terms.

- Currency movements across the 5-year time frame have both helped and hindered portfolio returns. As currency movements tend to be short-term fluctuations over the investment period, this has led to overall minimal impacts on returns

MPS ESG Tracker

- The energy sector has had a volatile period over the last five years, and with enhanced ESG credentials and therefore lower exposure to energy stocks, this has impacted the returns of the portfolios.
- The performance pattern across the risk levels was similar to that of Tracker, but sector tilts due to the application of the ESG overlay impacted overall returns, resulting in approximately 1–2 ppts lower at each risk level compared to Tracker.
- The drag stemmed mainly from sector underweights: energy, mining and traditional materials - all strong performers during the inflation spike.
- By 2024-25, partial recovery in growth stocks narrowed the gap, but the cumulative shortfall remained visible in the table.

MPS Classic

- The classic range is a factor-based return portfolio range, overweighting to value, small-cap and emerging market risk premiums.
- Performance has been strong in comparison to peers; however, when equity markets recovered post-COVID, the Classic portfolios lagged behind their Tracker counterparts. This is attributable to the overweighting of the portfolio to risk factors. The immediate rebound in this period was driven by the mega-cap growth stocks to which the portfolio deliberately underweights.
- Showed smoother outcomes at defensive risk levels: Classic 0–30 outperformed Tracker equivalents by several percentage points, mainly due to the underlying investment strategy and the shorter maturity and duration of the fixed income portion during that period.
- At higher risk levels (80–100), returns lagged the pure Tracker because equity exposure was more weighted towards value, small-cap and emerging market stocks. These sectors have performed well but lagged their broad market counterparts for various phases over the period.

MPS ESG Classic

- At the lower risk levels, performance was close to the non-ESG version, but at the higher-risk levels, the ESG exclusions (mainly energy) meant these portfolios failed to capture some of the drivers of return in the broader markets.
- Mirrored Classic behaviour in defensive ranges but underperformed progressively as equity weight increased in line with its non-ESG counterpart.
- The cumulative gap at 100% equity (~10 ppts) reflects the same ESG sector exclusions seen in the Tracker range, plus a slight cost drag from the underlying fund management, with increased oversight & transaction costs associated with this strategy.
- Despite this, downside control remained similar, indicating the main difference was opportunity loss rather than higher volatility.

From 2020 to 2025, performance across Timeline's MPS strategies was shaped by strong equity market returns, inflation shocks, rate volatility and sector dispersion.

- **Trackers** rewarded equity risk, but in line with wider markets, fixed income struggled in the high-interest-rate environment.
- **ESG versions** trailed slightly due to missing energy-led rallies.
- **Classic portfolios** benefited from shorter maturities and duration in the fixed income portion compared to the Tracker range. However, risk factors in the portfolio led to a lag in performance in the equity portion.

In real (RPI-adjusted) terms, only portfolios above roughly 40–50 % equity maintained positive purchasing-power growth over the period. This is a reflection of how the inflation cycle defines investment outcomes in the fixed income markets, which is also reflected in the portfolios.

Looking to the future, Timeline believes that the portfolios and underlying holdings are in a strong position as inflationary pressures decline from their highs in 2022 / 2023.

Wider market trends suggest that interest rates may continue to decline in line with inflationary pressures easing into 2026. This could help the market environment for bond prices, helping the lower equity versions of the portfolios. However, in the UK, the bond markets may continue to show volatility, with the Labour Government's impending budget, although the current press suggests that the budget is aiming to keep markets calm.

On the equity portion of the portfolios, the global markets have continued to provide strong diversification and risk-adjusted returns. Emerging markets have recently rebounded, helping aid general global market returns. However, geopolitical risk and international policy (particularly in the US) are considerations for the year ahead. It is likely that these two factors will play a key theme in equity markets and could cause potential volatility.

The Tracker portfolios are designed to benefit from the key market themes and return drivers in the market. We believe this approach is well equipped to benefit from positive market movements, whilst providing defensive properties from the fixed income portions of the portfolios. The laddered approach to both duration and maturity helps provide a diversified approach, which may help to protect investors across a range of bear market conditions.

On the Classic portfolios again, the basis of the globally diversified market position is designed to capture the positive returns equities may achieve in the future. Value, small-cap and emerging markets, evidence-based risk factors, are in a positive position leading into 2026. The fixed income in the Classic range again provides additional diversification to the lower equity ranges.

Timeline's investment philosophy removes the potential for emotional investing and does not look to add active strategies and 'outguess' the market, and so over the longer term, we believe we are positioned well across all markets and maintain that a diversified portfolio can optimise returns.

3) Quality of Service

Timeline recognises that quality of service is a key driver of fair value and customer outcomes. The firm has established procedures and technology in place to manage client interactions, including a live chat function, with an SLA of 24 hours, as well as Telephone queries from advisers. Timeline also provides extensive tools for advisers to facilitate and improve financial planning, including risk profiling, arrangement of LOAs, retirement modelling and carrying out fact finds.

We are aware that good service must continually evolve. As such, we are undertaking a review and gap analysis of our existing processes to identify opportunities for improvement and greater efficiency. This includes reviewing and updating our complaint and query procedures for our MPS products. Timeline are analysing the Live Chat and Hubspot (queries hub) response times and thematic queries. Furthermore, the central telephone number is not on the website currently, so Timeline are already aware of improvements that can be made, to ensure that customers receive a good quality of service. Furthermore, Timeline is continuing to improve its quality of service with the recent hire of a new Chief Risk & Compliance Officer, to uphold and maintain high standards in adhering to regulations.

By embedding those enhancements, we aim to reinforce resilience, deliver consistent client outcomes and ensure our service standards remain aligned to the Consumer Duty requirement of delivering good outcomes for all customers. Timeline will look to further review their processes and procedures for Quality of Service so that meaningful actions can be implemented where necessary, in accordance with the Consumer Duty outcomes.

Clear, simple, and jargon-free communication is a key obligation under the Consumer Understanding outcome of the Duty, and whilst Timeline does not have direct access to data in relation to the end UK Retail customer, the marketing communications will be created in the full knowledge that they may be seen by the end retail investor, directly through Timeline's client - the IFA. Prior to publication, marketing communications are reviewed by competent individuals in accordance with our marketing-compliance process to ensure the information is fair, clear and not misleading (in accordance with PRIN 7). The marketing documents fully align with any legal documentation pertaining to the fund/product. Consumer Duty sets a clear expectation that every customer must be identified and supported at every stage, ensuring consistently fair treatment and good outcomes across financial services. As such, firms must be vigilant in their consideration of vulnerable customers (ensuring fair value and avoiding foreseeable harm). Proactive monitoring and assessment are required to identify and mitigate any barriers or negative outcomes affecting those with characteristics of vulnerability.

Key Actions Timeline have taken to ensure this:

Plain Language in Documentation:

Clear language is used in:

- Client-facing disclosure documentation
- Factsheets
- Marketing materials

Within documentation terms are explained clearly - concepts like:

- Risk warnings
- Charges and performance expectations

Accessibility Formats are considered, and Timeline ensures materials are available in alternative formats where requested (e.g., large print, screen reader-friendly PDFs). Timeline applies readability and accessibility checks to all documents and web content on a pre-publication and ongoing basis. Furthermore, Marketing regularly reviews and updates their marketing policy as well as their separate and detailed Vulnerable Clients policy. In addition, with third parties such as *Readable* in place, Marketing is doing their utmost to deliver content and documentation that is appropriate for the end client.

Support Channels are in place with Platforms who may be contacted directly by retail clients, we seek to ensure that they

- Provide accessible contact methods (phone, email, live chat).
- Training of customer service to deal with diverse needs and vulnerable customers.

Timeline has a robust Vulnerable Customers policy, which sets out in detail the provisions made for Vulnerable customers, in accordance with Consumer Duty. This policy is available on request.

4) Liquidity & Ownership at Risk

Timeline also undertakes regular Liquidity Stress Testing of the underlying holdings, to measure how long it could take to sell holdings across the MPS products and liquidate clients' holdings into cash. Timeline look at Liquidity through an 'Ownership at Risk' within 31 days. 'Ownership at Risk' in this scenario, effectively can be thought of as the liquidity risk of owning a percentage stake in the underlying fund. Given the requirement of retail portfolios to use highly liquid instruments, the ongoing monitoring of Ownership at Risk is key to avoiding foreseeable harm to clients. Within a DFM model, the underlying funds tend to be daily-dealing UCITS or ETFs and the liquidity depends entirely on the underlying assets. Timeline takes 31 days as a reasonable timeframe for the client, adviser and platform requests to feed through.

All Model Portfolios have less than 1% of assets remaining after 31 days; therefore, Timeline considers the level of liquidity risk to be satisfactory.

5) Economies of Scale

As Timeline's Assets Under Management continue to grow, the fixed costs of running the service are spread across a larger base, so it's possible for a per-client cost to fall. Larger MPS ranges can access cheaper fund share classes, and already we have agreements in place with the underlying fund managers to ensure cheaper share classes are made available. Furthermore, it's possible to implement tiered fee structures so that as AUM grows, costs can decrease. Timeline will continue to review its fee structures with underlying managers and platforms to ensure clients benefit from growing AUM. **No Issues.**

6) Target Market

Intended target market

The Timeline model portfolio service is only available to Retail and Professional investors (as defined by the FCA) via financial advisers on UK retail platforms. Our discretionary portfolio management services can only be recommended via professional financial advisers on FCA-regulated UK retail platforms. Our services are not intended to be sold on an Execution Only or another non-advised basis. Our services are available to all levels of investor knowledge and experience (low, medium and high) and are designed for investors seeking a range of financial objectives, including capital growth, income provision or a combination of both, they provide options for investors with ethical, sustainable and governance preferences. Our portfolios may be suitable for customers accumulating/consolidating assets, those planning for retirement or those in retirement taking retirement benefits. The recommended minimum investment amount is £25,000. Investors in our model portfolio service must be able to sustain capital loss - this service offers no capital guarantees and is designed for investors with a time horizon of at least five years. The Timeline MPS is designed for a broad market and not to meet any inherent characteristics of vulnerability. Financial Advisers should consider individual customer needs in this regard.

Negative Target Market

We would not expect our portfolios to be recommended to the following categories of clients:

- Clients requiring full capital protection.
- Clients seeking full, on-demand, repayments of amounts invested (settlement periods for liquidation are minimum T+2).
- Clients who have no tolerance for any loss.
- Clients seeking a single fund solution, where they have an ethical preference.
- Clients who are unwilling to use a UK Retail Investment Platform that can facilitate Timeline's pooled fund ownership.
- Clients who are unwilling or unable to invest capital for a period of at least 5 years.
- Clients who are not willing to delegate investment decisions or clients who wish to make their own decisions to trade.
- Clients with specific investment preferences or restrictions.
- Persons to whom Timeline cannot provide services due to the jurisdiction of their residency or domicile.
- Those who have investable assets under £25,000 (unless there is family linkages or a clear trajectory to seeking to invest more than £25,000).

Risk Targeting and Profiling

Timeline has partnerships with major providers of risk profiling tools. Customers can, therefore, gain access to solutions chosen by advisers which align with their needs and their risk and return profiles.

Risk Profiling Tool	Timeline Tracker	Timeline Tracker ESG	Timeline Classic	Timeline Classic ESG
Dynamic Planner	✓		✓	
Defaqto	✓		✓	✓
FinaMetrica	✓	✓	✓	✓
Oxford Risk	✓	✓	✓	✓

Timeline distributes all 4 of its MPS ranges via Platforms, including Quilter, Transact, Aviva, Fidelity, Benchmark, Fundment and many others.

Conclusion

This document provides a summary of the fair value assessment that Timeline produces internally for the full MPS Product suite. Following our in-depth analysis, we believe, firmly, that we have considered relevant factors and available information relating to the portfolios' value and, as a result of our analysis, consider that our four model portfolio suites provide value to the end investors. Furthermore, we recognise that a focus on good client outcomes is an evolving and cultural paradigm shift and as such we understand that we need to continue to develop the analysis of our processes, procedures and fair value methodologies, in order to ensure we continue to provide fair value for clients but also go above and beyond the expected.

For further information or a more detailed breakdown of anything in this report, please contact your financial adviser.



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