

ACTIVE MANAGED PORTFOLIO SERVICE

Active portfolio management, ensuring
diversification and risk management

FOR PROFESSIONAL ADVISERS AND THEIR CLIENTS

evelyn
PARTNERS

Our Active Managed Portfolio Service

The Active Managed Portfolio Service (MPS) range takes a particular interest in the use of investment companies. Our extensive experience using investment companies provides an additional tool not usually found in the majority of MPS services. Only highly experienced investors typically benefit in this way.

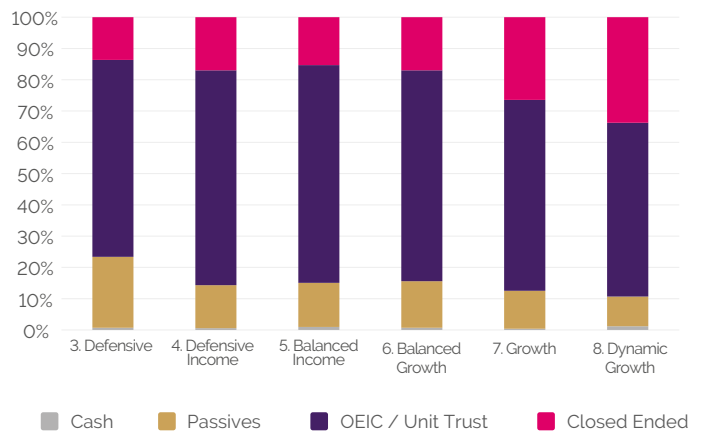
Managing an investment portfolio is a complex challenge, requiring continuous monitoring and research. Our Managed Portfolio Service (MPS) is designed to address these issues and to provide high-quality investment management for your clients' portfolios.

Investors are given a choice of six models, risk-rated by Dynamic Planner (DP), Synaptic and Defaqto.

The portfolios are actively managed and built using a range of investment tools including open-ended funds, investment companies and passives. This structure offers diversification by asset class and product type, giving our investment managers additional flexibility to respond to changing market conditions.

Our Active MPS is administered by external platform providers and structured to preserve the relationship between clients and adviser.

“The models are actively managed and built using a range of investment tools including open-ended funds, investment companies and passives.”



Source: Evelyn Partners Investment Management as at 31 December 2021

Important information

The value of investments can go down as well as up, and investors may not receive back the original amount invested. Past performance is not a guide to future performance.

Benefits of the service

- Active portfolio management, ensuring diversification and risk management
- A dedicated MPS investment team, supported by over 80 investment professionals, giving access to our broad intellectual capital
- Ongoing monitoring of our model portfolios by Dynamic Planner, Synaptic and Defaqto ensuring our models stay within the permitted risk parameters
- No set rebalancing dates, enabling our MPS managers to amend asset weightings as and when their views on markets and investment strategy change

Our Active MPS has been awarded a 5-star Defaqto rating in 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022.



Defaqto is an independent financial research and software company specialising in rating, comparing and analysing financial products and funds

RSMR is an independent financial services research company specialising in the analysis and rating of investment funds and services

What portfolios are available?

There are six core risk-rated strategies available, managed to align with portfolios 3-8 out of the 10 Dynamic Planner (DP) grades:

Defensive (DP3)

The portfolio objective is to preserve the value of capital in real terms (ie, so that it is not eroded by inflation). The portfolio invests mainly in funds providing exposure to defensive assets such as government bonds, corporate bonds and property, but with up to 35% invested in funds providing exposure to UK and international equities. The portfolio does not focus on income, which will vary. The portfolio is likely to be relevant for investors comfortable with variable levels of investment income to prioritise maintaining a lower degree of investment risk.

Defensive Income (DP4)

The portfolio objective has a focus on providing higher income, whilst preserving the value of capital in real terms. The portfolio is diversified across funds providing exposure to relatively defensive asset classes such as government bonds, corporate bonds and property, but with between 30% and 60% also invested in funds providing exposure to UK and international equities. The portfolio is likely to be relevant for investors looking to receive a higher proportion of their total return as investment income and willing to accept a lower degree of investment risk.

Balanced Income (DP5)

The portfolio objective has a focus on generating income, whilst also aiming to grow the capital value by more than inflation. The portfolio is diversified across major asset classes and may have between 55% and 70% invested in funds providing exposure to UK and international equities, subject to market conditions.

The portfolio is likely to be relevant for investors looking to receive a higher proportion of their total returns as investment income and willing to accept a medium degree of investment risk.

Balanced Growth (DP6)

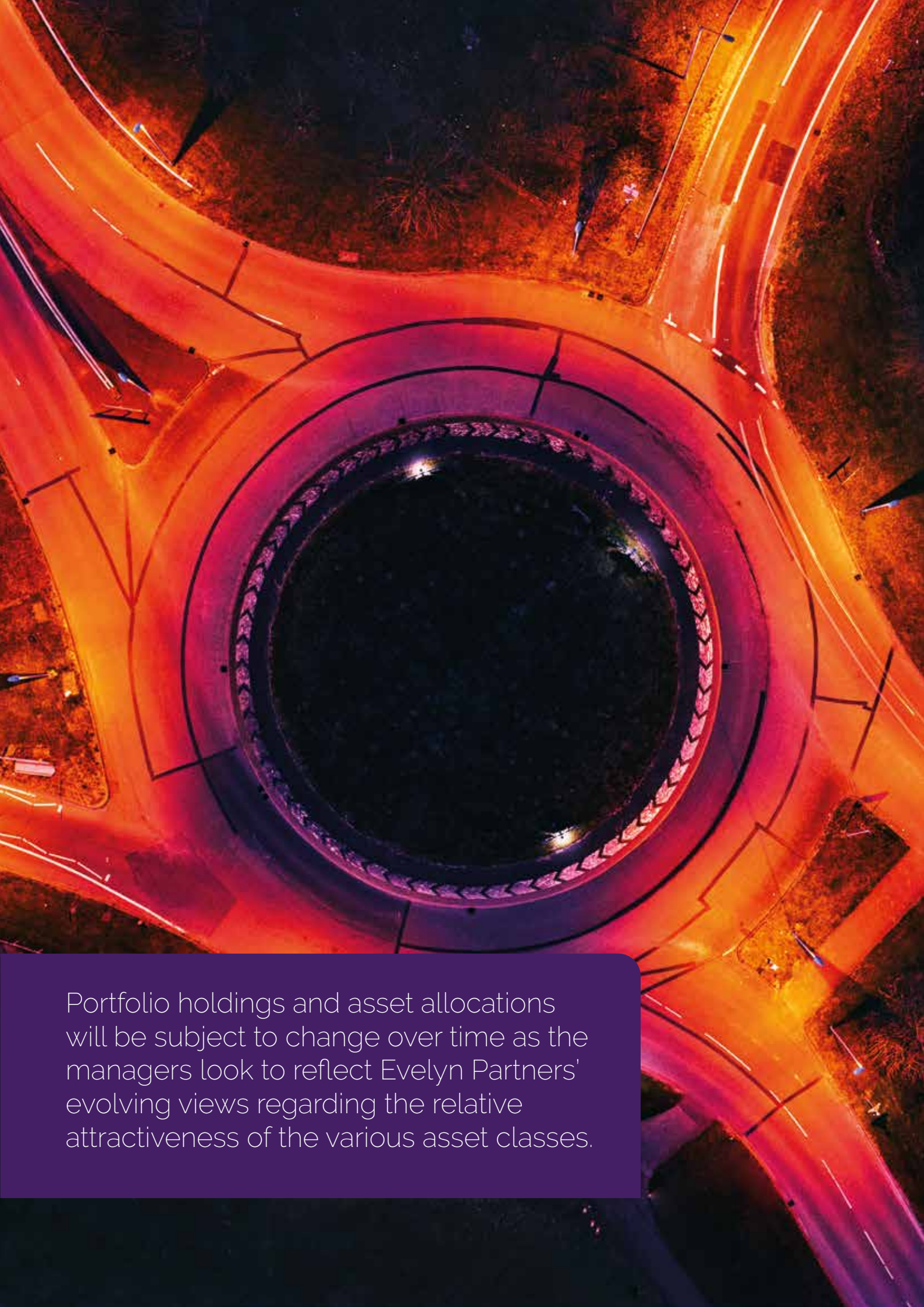
The portfolio objective has a focus on delivering capital growth in real terms, whilst still producing some income. The portfolio invests actively across all major asset classes and may have between 65% and 85% invested in funds providing exposure to UK and international equities, with the remainder diversified across defensive asset classes. The portfolio is likely to be relevant for investors for whom ongoing investment income is less important and who are willing to accept a medium degree of investment risk.

Growth (DP7)

The portfolio objective is to deliver long-term capital growth. The portfolio will normally invest more than 90% in funds providing exposure to UK and international equities across a wide range of geographical regions but may include up to 15% exposure to defensive asset classes. The portfolio is likely to be relevant for investors willing to accept a higher degree of investment risk.

Dynamic Growth (DP8)

The portfolio objective is to deliver long-term capital growth and will usually be fully invested in stock markets. The portfolio will usually retain a strong emphasis on developing markets with the flexibility to be as much as 50% invested in Asia and emerging markets. The portfolio is likely to be relevant for investors willing to accept a higher degree of investment risk.



Portfolio holdings and asset allocations will be subject to change over time as the managers look to reflect Evelyn Partners' evolving views regarding the relative attractiveness of the various asset classes.

How to access our Active MPS?

Clients can hold the Active MPS in a:

- General investment account
- Self-invested Personal Pension (SIPP)
- Small Self-Administered (pension) Scheme (SSAS)
- Individual Savings Account (ISA)
- Offshore bond

The service is available through external platform providers:

- 7IM
- abrdn (Wrap)
- Aviva
- M&G Wealth Platform
- Novia
- Quilter
- Transact



How much does the service cost?

The annual management charge for the Active MPS is 0.3%, no VAT.

Please note that, in addition, there will be underlying fund charges for each portfolio that will vary over time as the underlying holdings within the portfolio change. Please refer to our individual factsheets for details on the estimated underlying holding charges for each portfolio.

Who should consider this service?

Clients of advisers who are looking to make a recommended £20,000 or more investment into our Active MPS and those who are steadily accumulating wealth. There is no upper limit to how much can be invested in each portfolio.

Benefits:

- Platforms administer assets in a cost-efficient manner
- You can invest through a tax efficient wrapper like an ISA or SIPP
- Regular savings can be added at any time

Please note all logos belong to the relevant companies.

How are the model portfolios constructed?

The managers draw heavily upon Evelyn Partners' proprietary asset allocation framework and fund research processes. This involves more than 80 qualified investment personnel and strategists.

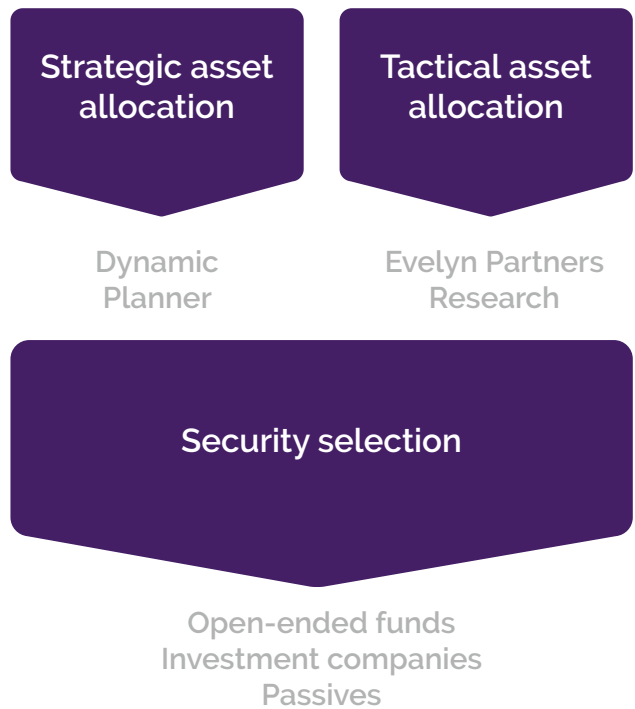
Rigorous asset allocation constraints are employed to ensure consistent levels of exposure to the underlying asset classes, but within this, the managers look to take an active approach.

The portfolios have no set rebalancing dates, instead they are amended when required, to reflect the team's views on market and investment opportunities.

The portfolios are continually monitored to ensure the levels of volatility remain consistent with each strategy's risk profile.

Active MPS investment process

The process



The result



Source: Evelyn Partners Investment Management as at 31 December 2021

Our Active MPS Managers



James Burns –
Partner

James is the lead manager of Evelyn Partners' Active and Core Managed Portfolio Services and its multi-manager team. He sits on the firm's Asset Allocation Policy Committee and co-ordinates the investment trust recommended list for our private client department. James joined the firm in September 1999 and began working on the investment trust desk in January 2001. He is a chartered member of the Chartered Institute of Securities & Investment and has a MA (Hons) from the University of St. Andrews.



David Amphlett-Lewis –
Partner

David co-manages the Evelyn Partners Active Managed Portfolio Service, is a partner of Evelyn Partners Investment Management LLP and a member of the firm's Managed Portfolio Service Investment Committee. He also manages bespoke portfolios for clients of independent financial advisers. David joined the firm in 2010 from Deutsche Bank, where he chaired Deutsche Private Wealth Management's Asset Allocation Review Committee. He is a member of the Chartered Institute of Securities & Investment and an economics graduate from the University of Birmingham.



Genevra Banzky von Ambroz –
Partner

Genevra is the lead manager of the Sustainable Cautious and Sustainable Adventurous Evelyn Active Portfolios and Evelyn Sustainable Managed Portfolio Service, and co-manager of Evelyn Active and Evelyn Core Managed Portfolio Services. She co-chairs the Collective Investments Group which oversees the research process relating to collectives (closed and open-ended funds) held by Evelyn Partners on behalf of its clients. Genevra holds a BA (Hons) degree in Politics from Durham University, is a CAIA Charterholder, has a CFA certificate in ESG investing and a Chartered Fellow of the CISI.

About Evelyn Partners

At Evelyn Partners our mission is 'to place the power of good advice into more hands'. We believe that more people and businesses should have access to good advice, regardless of their size or wealth and we are committed to raising the standards of good advice and to extending its reach.

As experts in wealth management since 1836, we look after our global clients from offices across the UK, Republic of Ireland and Channel Islands.

We're proud that many financial advisers choose us to manage their clients' wealth. That's because our advice is delivered by people who care, who go further to understand the adviser's needs and those of the client, ensuring that we provide investment solutions that are right for you.

That is the power of good advice.

Definitions

Passive funds

Passive funds are a way of buying a collection of investments offering diversified exposure to an asset class or region, without having to buy each security individually. Passive Funds track the performance of a collection of securities, or index, across a variety of areas including equities, bonds and commodities. Whether in the form of ETFs (Exchange Traded Funds) which are traded on recognised stock exchanges, or open-ended funds offering trading once a day, passives generally have lower costs than actively managed funds.

Open-ended investment companies and unit trusts (OEICs and UTs)

The most commonly used investments within the Evelyn Partners Active Managed Portfolio Service are open-ended investment companies (OEICs) and unit trusts (UTs). These, like ETFs, invest in a collection of securities, but they usually employ active management in an attempt to outperform their relevant indices.

Among other advantages, investors benefit from the potential for outperformance due to fund managers differentiating between underlying securities and sizing exposure according to their confidence in a security performing better than its peers. There is, however, the possibility that the fund managers choose securities which perform badly, in which case the fund will underperform the index. OEICs and UTs are defined as 'open-ended' vehicles as units or shares are created or cancelled in reaction to demand. The prices of these funds are based on the value of the underlying investments (the net asset value or NAV).

Closed-ended investment vehicle Investment Trusts (ITs)/ Investment Companies (ICs)

ICs also invest in a collection of securities and, on the whole, are actively managed. The key differentiator between ICs, OEICs and UTs, is that the structure is 'closed-ended', meaning that the number of shares in the company remains constant, irrespective of market demand, resulting in the capital being permanent in nature. Permanent capital allows fund managers to deliver their strategies without having to be concerned with managing the increase or decrease in capital available for investments associated with fund subscriptions and redemptions. ICs are listed on recognised stock exchanges, such as the London Stock Exchange. Given the closed-ended nature of these funds, they price differently to their open-ended counterparts. Companies produce regular NAVs which reflect the value of the underlying investments, but the market demand dictates the price paid, with popular shares trading at a premium to the NAV, and more unpopular shares trading at a discount.

For further information

To find out more about our Active Managed Portfolio Service, please contact your adviser.

Key Risks

- The value of investments can go down as well as up, and investors may not receive back the original amount invested
- Past performance is not a guide to future performance
- There can be no assurance that any portfolio will achieve its investment objective, the target return or any volatility target. Any target return or volatility target shown is neither guaranteed nor binding on the manager
- MPS profiles are tailored to the output of a Dynamic Planner risk profiling process which is complex and not for use without assistance from a financial adviser. Performance outcomes will depend on the rebalancing and timing of entry and exit to the strategy on the platform

For more information, please contact your adviser

Find us: www.evelyn.com



Important information

Evelyn Partners Investment Management is unable to assess or provide advice on the suitability of any profile for individual circumstances. No consideration has been given to the suitability of any investment profile for the particular needs of any recipient. Evelyn Partners Investment Management or its affiliates will not be responsible to any other person for providing the protections afforded to retail investors or for advising on any investment, as a result of using this information. Whilst considerable care has been taken to ensure the information contained within this document is accurate and up to date, no warranty is given as to the accuracy or completeness of any information and no liability is accepted for any errors or omissions in such information or any action taken on the basis of this information.



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