

MANAGED PORTFOLIO SERVICE

# Client guide



Multi-asset investing made easy

Only available through professional intermediaries.  
Ask your financial adviser for more information.

# Contents

Easy, transparent low-cost investing	3
What can I expect?	5
Who will manage my money?	6
How much does it cost?	7
What happens then?	8

# Easy, transparent low-cost investing

## It's all about choice

Choosing where to invest your hard-earned wealth is one of the most difficult decisions you have to make.

Whether you are making these decisions on your own or with the help of your financial adviser, the risk of losing money means the pressure is on, and the huge choice of investments out there only makes things harder.

With over 3,500 funds to choose from in the UK, even the professionals agree it is no easy task! So how do you go about navigating all these options without opening yourself up to an unacceptably high level of risk?

At AJ Bell we have designed a simple solution to help, leaving you free to invest in the life you want to live.

## Managed Portfolio Service



Offers a wide range of  
risk-targeted growth  
model portfolios



Offers a range of  
income-targeted income  
model portfolios



Available exclusively  
through your adviser



A focus on lowering  
costs wherever possible



Managed by an experienced  
investment team, with a  
long-term approach

# An efficient way to look after your finances

Our aim is to make investing easier and more accessible, while providing first-class service at a low cost. As part of this commitment, we have developed our Managed Portfolio Service (MPS), which is designed to help your adviser manage your financial affairs in the most time- and cost-efficient way possible. Here is how it works:

## **1** We create 'model portfolios'

AJ Bell Investments has created a range of 22 portfolios, made up of different types of asset (such as shares, bonds and property). Each portfolio uses a different blend of assets that match across to a different level of risk.

## **2** Your adviser chooses a portfolio

Your adviser will work with you to determine your future objectives, your attitude to risk and how you feel about the idea of suffering losses in return for potentially larger gains. They will then recommend the right portfolio for your objectives and attitude to risk.

## **3** The adviser invests your money

Your adviser accesses the MPS via your AJ Bell Investcentre account and uses the chosen portfolio to invest funds via your SIPP, ISA or General Investment Account.

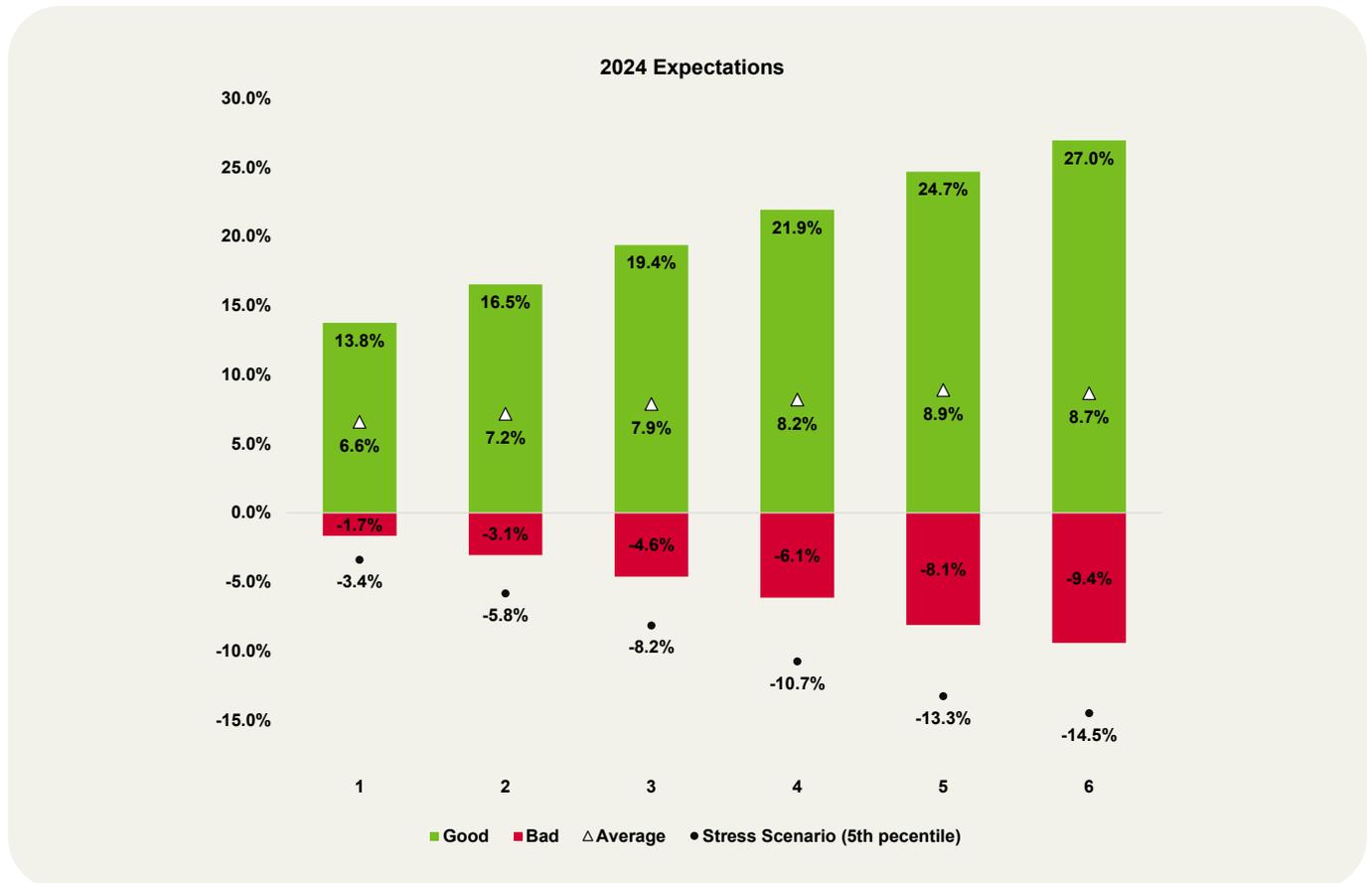
## **4** We look after the ongoing management of the portfolio

Our investment managers monitor your portfolio, and will make any changes necessary in order to keep it on track in terms of delivering the portfolio objective at the appropriate level of risk.

Since no one knows your needs and preferences better than your adviser, our managed portfolio service allows you to opt for a passive or active approach, as well as our 'pactive' offering that combines our expertise in each field to give you the best of both worlds.

# What can I expect?

It is important for you to understand how the level of risk taken with the MPS will translate into returns over time. We have put together the chart below to help you consider the range of outcomes that you could expect to see over time.



**i** The value of your investments is not guaranteed and can go down as well as up. It is important that you understand how the MPS could perform over time. We have used financial models to demonstrate the likely outcomes. As the output is based on statistical forecasts, the actual outcome and performance could be different from the scenarios above.

In a good year, you would see a return somewhere in the green bar range, at, or above, the white triangle. In a bad year, your losses would be somewhere in the red bar. Occasionally, markets may perform exceptionally well or exceptionally badly. In these years, statistically 20 in 100 years, the actual return may sit outside the range of expectations indicated by the green and red bars.

The longer you invest, the more predictable your returns become. That is because, over time, the good and the bad years tend to cancel each other out.

Using our back-testing data, over the last five years, had you invested in our MPS, you would have made the gains shown in the table below:

	MPS 1	MPS 2	MPS 3	MPS 4	MPS 5	MPS 6
<b>Good return</b>	13.8%	16.5%	19.4%	21.9%	24.7%	27.0%
<b>Expected return</b>	6.6%	7.2%	7.9%	8.2%	8.9%	8.7%
<b>Bad return</b>	-1.7%	-3.1%	-4.6%	-6.1%	-8.1%	-9.4%
<b>Expected volatility</b>	4.2% - 6.3%	6.3% - 8.4%	8.4% - 10.5%	10.5% - 12.6%	12.6% - 14.7%	14.7% - 16.8%

All returns are gross of underlying product ongoing charge figure (OCF), transaction and platform charges. The expected return and expected volatility are forward looking based upon a minimum five-year time-horizon.

*(1) Five-year back-tested performance is the annualised return based on current portfolio allocations as at 18 January 2024. Returns are simulated using fixed weights. Where the holding has not existed for five years a proxy security or index is used where appropriate prior to its launch.*

## Who will manage my money?

AJ Bell was established in 1995. We have grown to become one of the UK's largest investment platforms, with £76.2 billion of assets under administration and 484,000 customers. We succeed by providing award-winning investment products, backed up with a dedicated investment team, excellent service, and online functionality at a low cost. AJ Bell is a member of the London Stock Exchange.

AJ Bell Investments was launched in 2016. Our purpose is to design and manage a range of simple, transparent, low-cost investment solutions that deliver good customer outcomes.

With more than 100 years of combined experience in the industry, our highly respected Investments Team manages over £5 billion of clients' money. Drawing on their considerable experience and expertise, the team developed our managed portfolio service (MPS) to help your adviser manage your financial affairs in the most time- and cost-efficient way possible.

You can view our team [here](#).

## How much does it cost?

We firmly believe that high charges are one of the biggest threats to investment returns. Every pound in charges is a pound less in your savings, and that's why we work so hard to keep charges for our range of managed portfolios as low as possible.

Our MPS range carries an investment management charge of 0.15% p.a. This figure is lower than many of our competitors; we conduct regular competitor analysis to ensure we are competitive and offer good value to our customers.

We work with suppliers to ensure that the running costs of our portfolios are minimised, and we use our buying power to negotiate special rates with the managers of the underlying funds in our products whenever we can.

Your adviser will choose a portfolio that has been carefully constructed to match the level of risk you are comfortable with at a fraction of the cost of using a traditional discretionary investment manager. However, it is important to be aware that charges will apply in addition to the cost of the service. For example, there will be costs associated with the underlying holdings of the portfolio and the normal AJ Bell Investcentre product charges.

For more details of these, please ask your financial adviser, or refer to the portfolio factsheets and charges and rates document, available from [investcentre.co.uk](https://investcentre.co.uk).



# What happens then?

AJ Bell Investcentre is available only through your financial adviser, but we never forget whose money it is that we are managing. For this reason, we are committed to communicating with you in a transparent and timely way. We also make it easy for you to keep track of your investments at any time by simply logging into [investcentre.co.uk/client](https://investcentre.co.uk/client) or the AJ Bell Investcentre app.

AJ Bell Investcentre is available only through your financial adviser.

Further information about the MPS and the individual portfolios is available from <https://www.investcentre.co.uk/our-products>. This includes portfolio factsheets, which provide more information about the holdings within the portfolios, past performance figures, and the level of charges for the service and underlying investments. Please note that past performance is not indicative of possible future performance, and the value of your investments may go down as well as up.

The portfolio characteristics and risk levels stated are guidelines only. We don't offer advice. It is important that you understand the risks; if you are unsure, please speak to your financial adviser.

**i** | Please contact your adviser for more information or to ask questions about the AJ Bell Managed Portfolio Service.

**i** | This brochure provides general information about the Managed Portfolio Service. It should not be read or construed as investment advice. It is your adviser's responsibility to assess your circumstances and make a personal recommendation that is suitable for your needs.

AJ Bell Management Limited (company number 03948391), AJ Bell Securities Limited (company number 02723420) and AJ Bell Asset Management Limited (company number 09742568) are authorised and regulated by the Financial Conduct Authority. All companies are registered in England and Wales at 4 Exchange Quay, Salford Quays, Manchester M5 3EE. See website for full details.

AJB/MPS/CG/20240408