

AJ Bell Gilt MPS

Target market analysis

Objective

The AJ Bell Gilt MPS aims to provide investors with returns greater than cash through a portfolio invested in UK issued Gilt instruments. The service has been designed for investors to access the capital gains tax exemption of these instruments through a series of portfolios that contain gilt issues that have maturities of less than five years and that have low coupon (income) rates.

Target Market

UK retail advised digital investors who wish to access a portfolio of Gilt issues for the capital gains tax exemptions afforded by these instruments, especially where invested outside of a tax-efficient account such as an ISA or a SIPP.

Customers knowledge and experience

Designed for use by investors with at least a basic knowledge of investment which are to be managed in accordance with a specific investment objective and policy. This product is to be distributed through a financial adviser to assess the suitability of the product for an investor through knowledge of their requirements.

Customers' financial situation with a focus on ability to bear losses

Investors must be prepared to accept fluctuations in the value of capital including capital loss and accept the risks of investing in capital markets, including having the ability to bear 100% capital loss. As the product is invested within Gilt instruments that are issued by the UK Government, the prospect of total capital loss is very low.

Customers risk tolerance and compatibility of risk/reward profile of the product with the target market

As the portfolio will be exclusively invested within Gilts that have a maturity of less than five years, and cash, it is expected to have a low level of risk. However, investors may experience and accept the volatility of markets and specific risks of investing. Investors should have a risk tolerance that is commensurate with the risk target of the portfolio.

Risk

The service will predominately be invested in issues of Gilts, which are backed by the UK Government, and cash. Both are considered low risk.

Investors will be exposed to fluctuations in the price of a Gilt issue, it is therefore recommended that the investments in each issue are held until their maturity date.

Investors are also exposed to reinvestment risk within this portfolio where the gain offered by both capital and income is less than that received as a Gilt issue matures.

Customers' objectives and needs

Investors within the AJ Bell Gilt MPS service should aim to be invested within each issue until its maturity to maximise the chances of achieving returns greater than cash through tax-efficient gains offered by the portfolio. These returns will be dependent upon the specific tax profile of an individual, with additional tax rate payers benefitting most from the exemption of capital gains offered by the portfolio.

Customer who should not invest

Those who:

1. Have no risk tolerance
2. Need a guaranteed portfolio return.
3. Have low financial resilience.
4. Have low financial capability, except whether there is a financial adviser.

Distribution Channel

Investment advice, exclusive on AJ Bell Investcentre.