

FOCUSING ON

# Blended MPS



Charles Stanley Blended Portfolios are built on a powerful insight, offering clients outstanding investment expertise through a versatile range of competitively priced model portfolios. We do this by concentrating on the single investment factor that matters most: asset allocation.

# Investment principles



A diversified portfolio is vital in spreading investment risk. We build portfolios with a broad spread of assets, which we expect to generate positive, inflation-adjusted returns over the long term.



We are focused on helping you achieve your financial objectives. We look objectively at your needs, ambitions and attitude to risk and apply a long-term view.



We recognise that risk is more than a measure of volatility. Managing risk is about gauging the likelihood and extent of permanent loss of capital.



Understanding and managing the volatility of portfolios underpins our approach to risk management. We aim to meet investment objectives with an appropriate level of risk.



Common, identifiable factors drive market returns and market prices often deviate significantly from intrinsic value of assets in the short term.



Preserving capital is just as important as capital gains. Underlying all investment strategies is the aim to preserve the long term purchasing power of clients.

# Performance targets

Portfolio	Dynamic Planner Risk Profile	Performance Target	DFM Charge (Inc VAT)
Blended 1*	3	Inflation	0.30%
Blended 2	4	Inflation +1%	0.30%
Blended 3	5	Inflation +2%	0.30%
Blended 4	6	Inflation +3%	0.30%
Blended 5	7	Inflation +4%	0.30%

Each portfolio has been individually risk-assessed by Distribution Technology, ranging from 3 (low risk) to 7 (higher risk). Inflation means the Consumer Price Index. Actual performance and annual volatility may differ.

\*Blended 1 is managed but not currently available on platform.

# Why choose Charles Stanley

Our investment team's proprietary approach aims to give your clients the advantages of having a professionally managed portfolio, tailored to their risk profile, at a competitive cost. We keep portfolio costs low while offering the best of both active and passive implementation.



The portfolios suit clients with large or small sums to invest who like the idea of a diversified portfolio with agnostic implementation.

Clients will have the benefit of a truly global perspective and access to a diverse range of asset classes, resulting in a fully diversified portfolio targeting the best risk adjusted returns. In addition, you can be confident that your client's investment is being continually monitored by our dedicated portfolio managers. Rather than simply following a fixed rebalancing process, they are ready to act quickly in response to evolving market conditions, ensuring that the required objective and risk profile is constantly adhered to. Now more than ever, we believe that investors need to benefit from this kind of dynamic, hands-on management. They will however only make changes to the portfolios when they believe it will add value, since transaction costs eat into long term returns.

Charles Stanley Blended Portfolios can be tax-efficient too, when held in an ISA, pension or other tax wrappers and structures. All our portfolios are offered through financial advisers, and are available on leading wrap platforms. Depending on the platform and service level chosen, your clients can check their individual portfolio holdings with secure online access.



## OVERVIEW – 7 KEY POINTS

- ▶ Offers the advantages of a professionally managed portfolio
- ▶ Combines high quality active management with low-cost passive funds
- ▶ Global, multi-asset, high diversification approach
- ▶ Regular monitoring - ready to respond quickly to changing market conditions
- ▶ Competitive all in fees and access to institutional share-classes
- ▶ Easy online access for advisers and client via wrap platforms
- ▶ Available for ISA and pension investors

# Blended Portfolios?

You can be confident that your client's investment is being continually monitored by our dedicated portfolio managers.

## A focus on total return for your clients

Our primary investment objective with these portfolios is to offer prospects of real growth. Each portfolio in Charles Stanley's Blended range targets a specific total return. The target for each portfolio is calculated using the UK Consumer Price Index plus an appropriate percentage of additional gain, depending on the level of risk. This is in order to aim to grow the real wealth of clients.

Taking more risk, such as by investing totally in equities, generally increases the potential return of a portfolio over the long term. However, it also increases the volatility (the amount by which its value varies day-to-day) and the possibility of losing money. On the other hand, a low risk portfolio will be less volatile but will normally provide lower returns over time.

## Choosing the portfolio to suit your client

We pride ourselves on treating all of our clients as individuals. That said, we have noticed the similarity between many of our investors especially in terms of their investment objectives, and their attitude to risk and reward. To help you meet the widest possible range of client needs, we offer five risk-profiled model portfolios in our Blended Portfolio range.

## Leveraging our research expertise

We have a comprehensive research coverage in house at Charles Stanley, looking at everything from direct equities through to active and passive funds. This product takes the output of all of that research and implements it within one solution.

## Our investment approach. Top-down, dynamic, flexible

1

### Global and comprehensive investment universe

Our Blended portfolios can access most types of asset classes from around the world. These include equities, bonds, property and alternatives – as well as cash. We will use both open and closed ended funds where appropriate.

2

### Strategic and tactical

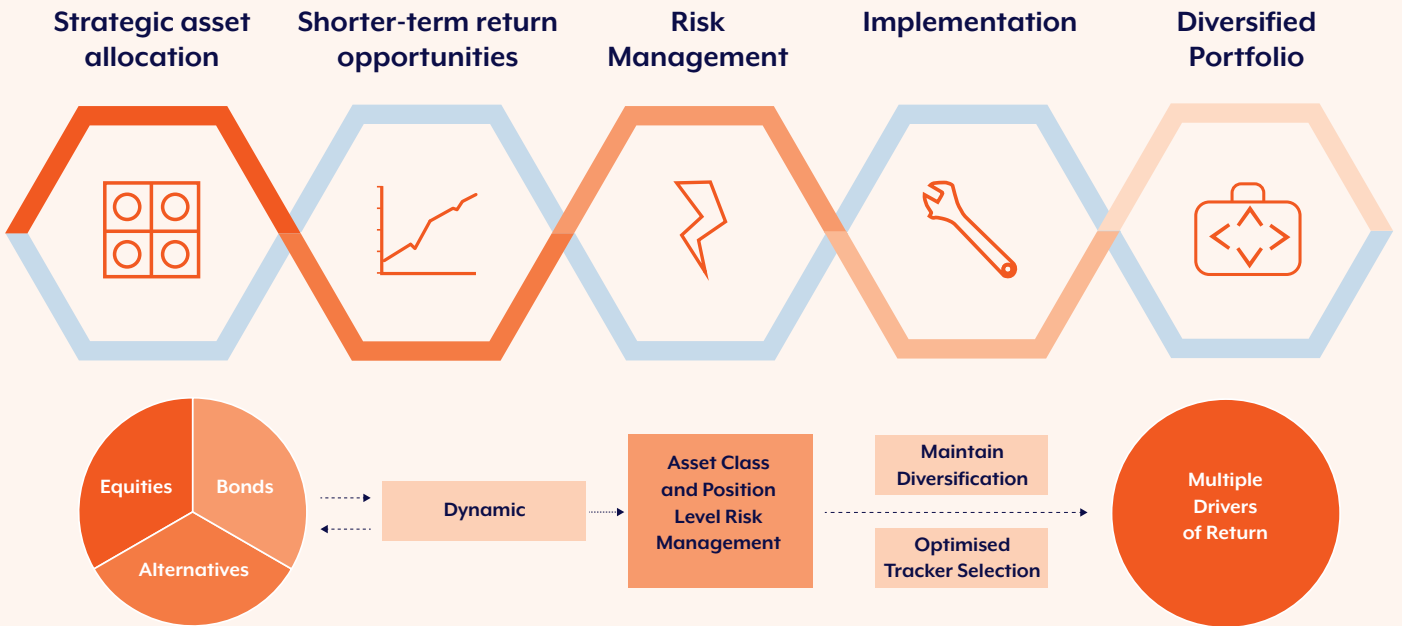
We have a combined investment approach. First, we use a strategic framework that draws on the output of Charles Stanley's Investment Strategy Committee. We then overlay this with dynamic decisions, driven by the ongoing oversight of our portfolio management team.

3

### Long and short-term perspectives

We distinguish between long and short-term decisions. Our long-term decisions are more fundamental in nature, while we also make shorter-term decisions to react to specific market events: benefiting from opportunities or taking action to try to avoid problems.

# Central investment process



We use a Strategic Asset Allocation model as a starting point. This allows us to combine our own views on long term asset returns with those implied by the market.

We maintain the flexibility to adjust Asset Allocation views within defined risk parameters. This generates opportunities across all asset classes.

We use risk modelling systems to estimate our overall level of risk and contribution by asset class or strategy. We use scenario analysis to estimate our return profile under different economic scenarios. We use these estimates to confirm these returns are consistent with our performance objectives.

Strategy is implemented through passive and active funds as well as directly in individual Equities and Fixed Income Securities.

This results in a low cost multi asset solution with high diversification.

4

## Optimising asset allocation

We design the asset allocation of each portfolio with great care. We use our proprietary process to achieve a mix of asset classes considered likely to give the best returns, while remaining within the defined risk parameters.

5

## Capital preservation

We recognise that risk is more than a measure of volatility. Managing risk is about gauging the likelihood and extent of permanent loss of capital. Preserving capital is just as important as capital gains.

6

## Regular review

We review each portfolio's asset allocation regularly to ensure an optimal mix of underlying asset exposures. This can also be varied at any time should market conditions change suddenly.

## Contact us

For more information about Charles Stanley services for professional advisers, please contact our Intermediaries Sales team.

 020 3411 9384

 [ist@charles-stanley.co.uk](mailto:ist@charles-stanley.co.uk)

 [www.charles-stanley.co.uk/blended-managed-portfolios](http://www.charles-stanley.co.uk/blended-managed-portfolios)

### Available on a panel of leading platforms

To provide responsive access to client accounts and to keep operating costs low, we make our Blended Portfolios available on a range of wrap platforms. If you would like more information about using these platforms, please contact us.

- Standard Life
- Aviva
- Transact
- AJ Bell

The value of investments can fall as well as rise. Investors may get back less than invested.

Charles Stanley is a trading name of Charles Stanley & Co. Limited, which is authorised and regulated by the Financial Conduct Authority. A member of the London Stock Exchange and a wholly owned subsidiary of Charles Stanley Group PLC. Registered in England number 1903304. Registered office: 55 Bishopsgate, London EC2N 3AS.