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See Important Information section.



# Model Portfolio

## Defensive Income

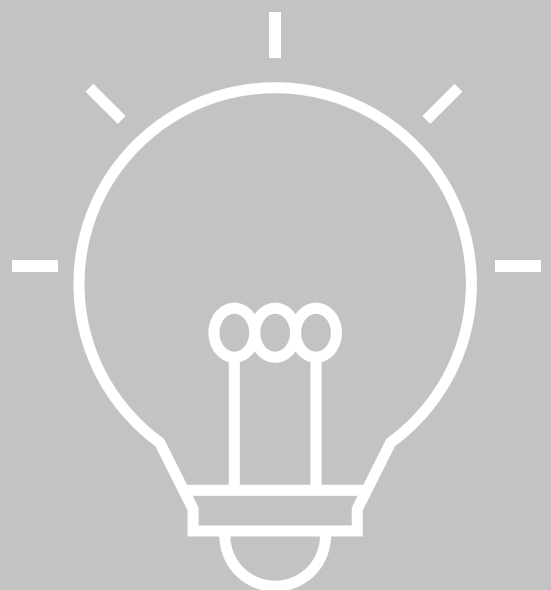
A modern diversified portfolio created to offer low risk and an attractive running yield designed to offer an alternative to platform cash accounts.

## Who are we and what do we do?

- Alpha Beta Partners Limited is a globally focused multi-asset manager and the parent company of AB Investments Solutions Limited.
- Alpha Beta Partners collaborates with adviser firms and platforms to provide institutional quality active portfolio management for the retail market.
- Alpha Beta Partners has a long track record in sustainable investments and research having been early adopters 20 years ago.
- Alpha Beta Partners uses a propriety investment process focusing on dynamic asset allocation and risk management which derives consistent returns within pre-agreed risk parameters - delivered at low cost.
- Alpha Beta Partners has a highly experienced and qualified team across multiple disciplines.
- Alpha Beta Partners strives to enhance customer outcome.
- Alpha Beta Partners has developed a strong track record of investment performance and risk management within a broad proposition.

### **At the core of our investment philosophy are these principles:**

- A diversified approach to asset allocation and a focus upon liquidity.
- Thorough research leading to the identification of investment strategies which, when blended, provide attractive returns designed to meet your clients' financial plan.
- Dynamic asset allocation and a truly global approach to investment.
- 'Risk First' approach to identify and help avoid the impact of market downturns and to consistently align with your clients' stated risk appetite.



## AB Defensive Income Portfolio

Alpha Beta Partners' model portfolios are designed to provide access to low-cost, 'Risk First' managed investments that take advantage of the cost and style benefits which are associated with passive investing, coupled with active asset allocation and selection of active managers, where appropriate. The Alpha Beta Partners 'Risk First' investment process provides ongoing monitoring and an assurance that the portfolio risk profile will not expand beyond stated tolerances.

According to the CFA Institute, 91.5% of a portfolio's return is delivered by asset allocation. At Alpha Beta Partners our asset allocation views are forward looking, thus differentiating us from our competition. We deploy sound judgement built up over many years of investment management experience and leverage the latest financial technology to assist our implementation techniques.

### Our Investment Philosophy

Our starting point is to understand the key drivers of economic growth around the world and to project a dynamic view, rather than simply looking retroactively. Our active investment approach encompasses rigorous asset allocation which will adapt to market conditions over time. Portfolios are monitored constantly to ensure their performance meets our stated investment objective and that risks are well managed.

### Independent Research

All passive and active investments are not the same therefore Alpha Beta Partners undertakes extensive research to find the best fit investments for the Defensive Income Portfolio. We make sure that we replicate the relevant indices as closely as possible to minimise tracking error & portfolio cost and ensure all investments are physically backed.

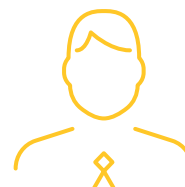
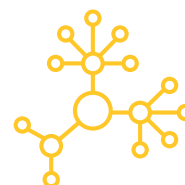
In addition, we work hard to identify high alpha active managers to satellite positions that can add further growth potential.

### Costs

Whilst performance for any investment is uncertain, costs are not. Low turnover and low overheads mean that both passive and active investment performance should not be eroded by high investment management costs.

## Key Facts

- **The Alpha Beta Partners 'Risk First' investment process will ensure clients and advisers are protected from undue market movements. Where market volatility breaches agreed risk bands, the Alpha Beta Partners investment team will rebalance portfolios to ensure the agreed portfolio risk framework is maintained for your clients.**
- **Investment expertise - offering competitive access to our experienced investment management across a broad range of strategies.**
- **Institutional quality investment processes rarely available to the retail client.**
- **Liquidity - the ability and flexibility to change/sell at anytime.**
- **Attractive 'overall cost' relative to the market.**



### The Defensive Income Portfolio

The portfolio is a modern diversified portfolio created to offer low risk and an attractive running yield designed to offer an alternative to platform cash accounts. It is diversified across a portfolio of larger and fully liquid underlying collective investment schemes. The Defensive Income portfolio can be considered cautious, targeting a return above deposit rates whilst aiming to preserve capital.



## Target Market

The portfolio is suitable for all retail investors via appropriate investment vehicles & wrappers.

Advisers are responsible for assessing the suitability of the portfolios for their clients given their capacity to bear losses; risk tolerance; and their investment objectives and needs.

Negative Target Market - The Defensive Income portfolio is not currently available to non-advised clients.

## Investor Profiles

When selecting a portfolio, it is important that the client's approach to investment is fully considered. We have included some example investor profiles for your consideration. These should be discussed, together with the appropriate portfolio(s) with your client, to match with their approach to investment prior to making any investment decision.

### Cautious Investor

- Worried about short term losses or due to their circumstances may not be able to invest over longer term time horizons.
- Willing to accept a lower return to help achieve their primary goal of keeping their investment safe.
- Willing to accept that to achieve a return higher than a very secure investment such as a bank account, their money will be invested in assets that can fall in value and so they could lose some of it.

### Moderately Cautious Investor

- Worried about short term losses or due to their circumstances may not be able to invest over longer term time horizons.
- Uncomfortable taking risks with their investment but is willing to do so to help achieve higher returns than could be achieved in more secure investments such as a bank or building society account.
- Can accept that their money will be invested in assets that can rise and fall in value and so their money is at risk and they could lose some of it.

### Moderate Investor

- Concerned by short term losses but understands that some risk is needed in order to have the opportunity to achieve better returns.
- Believes that the safety of their investment and achieving investment returns are similarly important.
- Able to leave their money invested despite a fall in the value of their investment in order to try to recover their losses.

### Moderately Adventurous Investor

- Main aim is to increase the value of their investment.
- Willing to accept the risk of losing their money in order to achieve this.
- Willing to leave their money invested despite a large fall in the value of their investment in order to recover their losses and to achieve their long term investment aims.

## **Adventurous Investor**

- Aims to achieve the highest possible returns over the long term.
- Not concerned about possible short-term losses.
- Most concerned with high returns and can accept both large and frequent losses to the value of their investment over time in exchange for the opportunity of a higher return over the long term. Generating income is not a concern.

## **Security of Capital**

The portfolio can be offered to clients who are able to accept a limited fall in capital depending on their attitude to risk and also to those that are able to lose unlimited capital.

Negative Target Market - The Defensive Income portfolio should not be offered to clients that do not have the capacity to accept losses both in the short and long-term or for those seeking natural income. The portfolios do not support any guarantees or preservation of capital.


## **Client's risk appetite**

The client must be happy, and prepared, to accept some degree of investment risk.

Negative Target Market - The Defensive Income portfolio should not be offered to any clients who are not prepared to accept some degree of investment risk.

## **Vulnerable Clients**

Advisers should consider within both their initial and ongoing suitability processes whether a customer displays characteristics of vulnerability (as defined by the FCA's 4 drivers of vulnerability) or their personal circumstances make them especially susceptible to harm, as this may impact the appropriateness of any chosen portfolio.

Portfolio	Objective	Indicative Asset Allocation
		<div> <div></div> <div>Cash</div> </div> <div> <div></div> <div>Money Market</div> </div> <div> <div></div> <div>Fixed Income</div> </div> <div> <div></div> <div>Equity</div> </div>
DEFENSIVE INCOME	Our objective is to offer a low-risk, liquid, and yield-driven solution by investing in sterling denominated money market and fixed income instruments.	

### Costs & Availability

The portfolio fees charged by Alpha Beta Partners comprise of a management fee of 0.15% pa and other fees which relate to additional costs of running the underlying funds. The chart below summarises the total charge inclusive of the Alpha Beta Partners management fee as Data as at 31 October 2024.

Portfolio Name	Defaqto Risk Rating	Total Cost %*
Defensive Income	2	0.36

\*Total cost includes the discretionary management fee & other charges.  
Data as at 31 October 2024.

### How can you access our model portfolios?

The Alpha Beta Partners Defensive Income portfolio can be accessed through the following platform providers:

Abrdn Wrap	Aegon	AJ Bell
Aviva	Fundment	Funds Network
M&G Wealth	Novia Global	Nucleus
Parmenion	Quilter	Scottish Widows
Transact	Wealthtime	

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## Important Information

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Further information and documentation is available on request, or on our website:

**[www.alphabetapartners.co.uk](http://www.alphabetapartners.co.uk)**

***31 October 2024***