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# Model Portfolio

## Core Plus Range

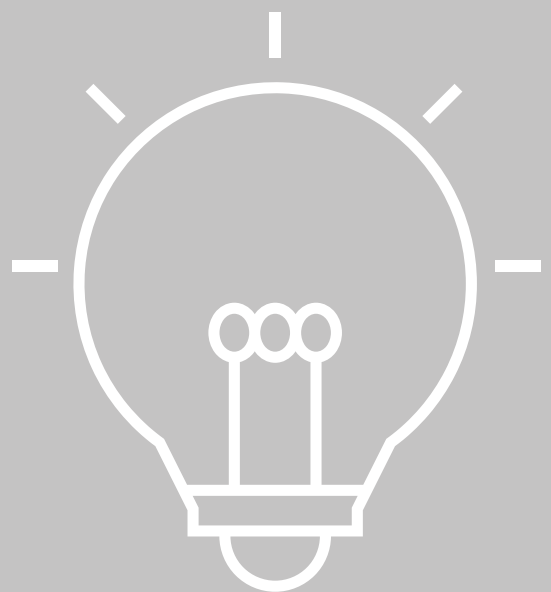
Core strategies designed to maximise the strengths of forward looking active 'Risk First' asset allocation deploying a blend of active and passive investments.

## 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 19 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 - with an independent endorsement from Defaqto.

### 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 Core Plus Range

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 forward view, rather than simply looking backwards to the past. 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 Core Plus Range portfolios. 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.

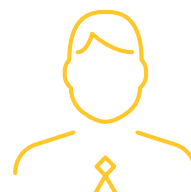
In addition, we work hard to identify high alpha active managers as satellite positions that can add further growth potential.

### **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 Core Plus Range

The Alpha Beta Partners Core Plus Range applies our investment experience through portfolios that make high-quality managed investments accessible to everyday investors. The Core Plus Range invests in a choice of 6 Risk Rated portfolios, of predominantly passive instruments but with a blend of active funds where appropriate that can add value.

## Target Market

The portfolios are 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 Core Plus portfolios are 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 portfolios 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 Core Plus portfolios 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. The 6 portfolios within the range afford the opportunity to match portfolio(s) with the client's risk attitude.

Negative Target Market - The Core Plus portfolios should not be offered to any clients who are not prepared to accept some degree of investment risk.

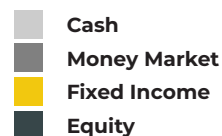
## Vulnerable Clients

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

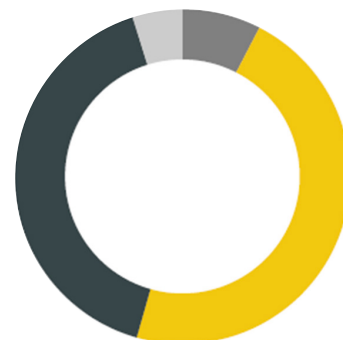
## Objective

## Indicative Asset Allocation



### CAUTIOUS

The portfolio aims to provide capital growth over the medium to long term, keeping within the prescribed volatility limits whilst investing in low cost ETFs or Index funds for the core and active funds for the satellite positions. The comparator for this portfolio is the IA Mixed Investment 0-35% Shares benchmark. To achieve the investment objective we deploy quantitative and qualitative techniques and extensive research that shape our macro economic and thematic views.



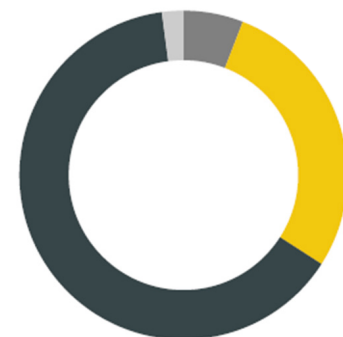
### CAUTIOUS BALANCED

The portfolio aims to provide capital growth over the medium to long term, keeping within the prescribed volatility limits whilst investing in low cost ETFs or Index funds for the core and active funds for the satellite positions. The comparator for this portfolio is the IA Mixed Investment 20-60% Shares benchmark. To achieve the investment objective we deploy quantitative and qualitative techniques and extensive research that shape our macro economic and thematic views.



### BALANCED

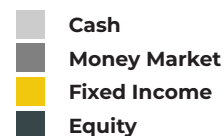
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## Portfolio

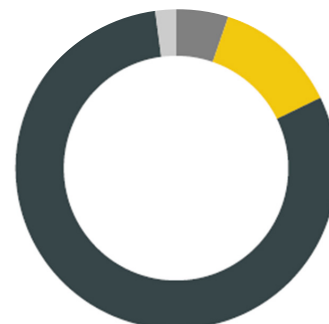
## Objective

## Indicative Asset Allocation



### BALANCED GROWTH

The portfolio aims to provide capital growth over the medium to long term, keeping within the prescribed volatility limits whilst investing in low cost ETFs or Index funds for the core and active funds for the satellite positions. The comparator for this portfolio is the IA Mixed Investment 40-85% Shares benchmark. To achieve the investment objective we deploy quantitative and qualitative techniques and extensive research that shape our macro economic and thematic views.



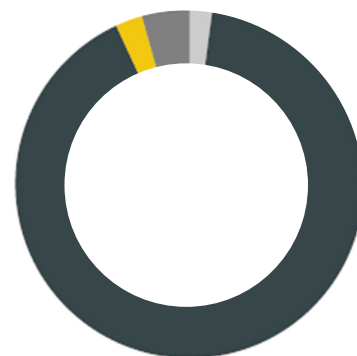
### GROWTH

The portfolio aims to provide capital growth over the medium to long term, keeping within the prescribed volatility limits whilst investing in low cost ETFs or Index funds for the core and active funds for the satellite positions. The comparator for this portfolio is the IA Mixed Investment 40-85% Shares benchmark. To achieve the investment objective we deploy quantitative and qualitative techniques and extensive research that shape our macro economic and thematic views.



### ADVENTUROUS

The portfolio aims to provide capital growth over the medium to long term, keeping within the prescribed volatility limits whilst investing in low cost ETFs or Index funds for the core and active funds for the satellite positions. The comparator for this portfolio is the IA Flexible Investment benchmark. To achieve the investment objective we deploy quantitative and qualitative techniques and extensive research that shape our macro economic and thematic views.





## Costs & Availability

The portfolio fees charged by Alpha Beta Partners comprise of a management fee of 0.25% per annum 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 at 31st August 2023.

| Portfolio Name    | Total Cost %* |
|-------------------|---------------|
| Cautious          | 0.59          |
| Cautious Balanced | 0.58          |
| Balanced          | 0.60          |
| Balanced Growth   | 0.60          |
| Growth            | 0.54          |
| Adventurous       | 0.53          |

\*Total cost includes the discretionary management fee & other charges.  
Data as at 31st August 2023.

## How can you access our model portfolios?

The Alpha Beta Partners Core Plus Range can be accessed through the following platform providers:

|               |                   |           |
|---------------|-------------------|-----------|
| Abrdn Wrap    | Advance by Embark | Aegon     |
| Aviva         | Embark            | Fundment  |
| Funds Network | M&G Wealth        | Novia     |
| Novia Global  | Nucleus           | Parmenion |
| Quilter       | Transact          |           |

Contact: **Andrew Thompson**  
T: 07968 934127  
E: at@alphabetapartners.co.uk

Contact: **Clive Redding**  
T: 07771 776696  
E: cr@alphabetapartners.co.uk

**Alpha Beta Partners Ltd.**  
**Northgate House, Upper Borough Walls, Bath BA1 1RG**  
T: 020 8152 5120  
E: info@alphabetapartners.co.uk

## 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)

29 September 2023