



Model Portfolios

Risk Rated Range

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





Active Asset Allocation with active and passive implementation- 'Risk First' approach

The Alpha Beta model portfolios are designed to provide low cost 'Risk First' managed investments that take advantage of the cost and style benefits associated with passive instruments blended with active managed funds coupled with active asset allocation.

Active Asset Allocation

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 to most of our competition. We deploy sound judgment 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 expectations and that risks are understood and well managed.

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 active and passive 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. We align each portfolio's volatility within controlled parameters as determined by the financial adviser's client advice process.

Independent Research

All passive and active investments are not the same, so Alpha Beta undertakes extensive research to find best-fit investments for our Risk Rated Portfolios. We make sure that we replicate the relevant indices as closely as possible to minimise

tracking-error, cost and we 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 a passive investment's performance should not be eaten away by a high expense ratio.

We research the investment universe to find the most effective, lowest-cost options that fit each portfolio's needs suitably and responsibly, whilst offering a convenient way to give all types of investors exposure to specific market segments through a blend of active and passive strategies.

Key Facts



The Alpha Beta '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 investment team will rebalance portfolios to ensure the agreed portfolio risk framework is maintained for your clients.



We believe asset allocation is the principal driver of returns. Delivering this core aspect cost effectively and efficiently is crucial. Selecting high alpha fund managers to satellite positions can add further growth potential.



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 any time.



Attractive 'overall cost' relative to the market.

Risk Rated Portfolios

The Risk Rated Range invests in a choice of 6 portfolios, blending active and passive strategies. To enhance speed of dealing where appropriate and to ensure full access to the most appropriate investment vehicles we may allocate to our own funds from time-to-time.

The Risk Rated Range comprises of 6 Risk Rated portfolios:

● Equity ● Fixed Income ● Cash

Portfolio	Objective	Asset Allocation						
Defensive	Our objective is to outperform UK RPI +1% benchmark 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. To achieve the investment objective, we deploy quantitative techniques and extensive research that shape our macro-economic views and thematic views.	<table><tr><td>Equity</td><td>41.1%</td></tr><tr><td>Fixed Income</td><td>55.1%</td></tr><tr><td>Cash</td><td>3.8%</td></tr></table>	Equity	41.1%	Fixed Income	55.1%	Cash	3.8%
Equity	41.1%							
Fixed Income	55.1%							
Cash	3.8%							
Cautious	Our objective is to outperform UK RPI + 2% benchmark 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. To achieve the investment objective, we deploy quantitative techniques and extensive research that shape our macro-economic views and thematic views.	<table><tr><td>Equity</td><td>45.9%</td></tr><tr><td>Fixed Income</td><td>46.7%</td></tr><tr><td>Cash</td><td>3.4%</td></tr></table>	Equity	45.9%	Fixed Income	46.7%	Cash	3.4%
Equity	45.9%							
Fixed Income	46.7%							
Cash	3.4%							
Balanced	Our objective is to outperform UK RPI + 3% 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. To achieve the investment objective, we deploy quantitative techniques and extensive research that shape our macro-economic views and thematic views.	<table><tr><td>Equity</td><td>50.4%</td></tr><tr><td>Fixed Income</td><td>38.4%</td></tr><tr><td>Cash</td><td>3.8%</td></tr></table>	Equity	50.4%	Fixed Income	38.4%	Cash	3.8%
Equity	50.4%							
Fixed Income	38.4%							
Cash	3.8%							
Balanced Growth	Our objective is to outperform UK RPI + 4% 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. To achieve the investment objective, we deploy quantitative techniques and extensive research that shape our macro-economic views and thematic views.	<table><tr><td>Equity</td><td>54.9%</td></tr><tr><td>Fixed Income</td><td>35.4%</td></tr><tr><td>Cash</td><td>2.7%</td></tr></table>	Equity	54.9%	Fixed Income	35.4%	Cash	2.7%
Equity	54.9%							
Fixed Income	35.4%							
Cash	2.7%							
Growth	Our objective is to outperform UK RPI + 4.5% 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. To achieve the investment objective, we deploy quantitative techniques and extensive research that shape our macro-economic views and thematic views.	<table><tr><td>Equity</td><td>56.7%</td></tr><tr><td>Fixed Income</td><td>23.8%</td></tr><tr><td>Cash</td><td>2.5%</td></tr></table>	Equity	56.7%	Fixed Income	23.8%	Cash	2.5%
Equity	56.7%							
Fixed Income	23.8%							
Cash	2.5%							
Adventurous	Our objective is to outperform UK RPI + 5% 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. To achieve the investment objective, we deploy quantitative techniques and extensive research that shape our macro-economic views and thematic views.	<table><tr><td>Equity</td><td>59.2%</td></tr><tr><td>Fixed Income</td><td>3.5%</td></tr><tr><td>Cash</td><td>2.5%</td></tr></table>	Equity	59.2%	Fixed Income	3.5%	Cash	2.5%
Equity	59.2%							
Fixed Income	3.5%							
Cash	2.5%							

The asset allocations are based on latest dates and are subject to change. Asset Allocation of portfolios at the individual account level may also vary. Source: Morningstar Direct. Date as at 15 March 2022

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