

## Quilter Discretionary Services - OMW WealthSelect MPS

### Introduction

February 2024

The WealthSelect Managed Portfolio Service is provided by Quilter Investment Platform Limited and Quilter Life & Pensions Limited. They are both part of Quilter plc, a leading UK-focused wealth manager, providing advice-led investment solutions and investment platform services to over 500,000 customers (as at 30 September 2023).

Quilter Investment Platform Limited and Quilter Life & Pensions Limited has been awarded a financial strength rating of B+ (very strong) by AKG as at 22 December 2022.



### Range of Services

#### Managed Portfolio service

#### Summary

The WealthSelect Managed Portfolio Service provides a convenient and complete investment solution that enables advisers to outsource the asset allocation, manager selection and day-to-day running of their clients' portfolios all for a competitive cost.

There are 56 different portfolios within WealthSelect that enable advisers, within one investment solution, to select a portfolio which aligns with their clients' preferences today, while having the flexibility to adapt in the future.

**Investments** Equities, alternatives, cash, and fixed interest.

**Minimum Investment** There is no minimum investment amount for WealthSelect.

The portfolios aim to achieve long-term capital growth by investing in a diversified range of asset classes. The portfolios are matched to a risk profile which targets a specific range of volatility (see table below) and will invest typically in equities, alternatives, cash, and fixed interest. The portfolios are normally rebalanced quarterly, although the portfolio manager has full discretion to rebalance whenever deemed necessary.

| Risk Level             | 3     | 4     | 5      | 6      | 7      | 8      | 9      | 10     |
|------------------------|-------|-------|--------|--------|--------|--------|--------|--------|
| Lower Volatility Limit | 4.90% | 6.85% | 8.80%  | 10.80% | 12.75% | 14.70% | 16.70% | 18.65% |
| Upper Volatility Limit | 6.85% | 8.80% | 10.80% | 12.75% | 14.70% | 16.70% | 18.65% | 20.55% |

Correct as at 21 December 2023.

Factsheets and commentary are provided to the adviser on a regular basis, and investors and their adviser are provided with a full valuation, investment performance review, and transaction summary on a quarterly basis.

## Charges

### Weighted fund charge

|                                       | 3    | 4    | 5    | 6    | 7    | 8    | 9    | 10   |
|---------------------------------------|------|------|------|------|------|------|------|------|
| <b>Managed Active Portfolios</b>      | 0.45 | 0.49 | 0.54 | 0.58 | 0.62 | 0.64 | 0.65 | 0.63 |
| <b>Managed Blend Portfolios</b>       | 0.42 | 0.43 | 0.43 | 0.43 | 0.43 | 0.43 | 0.43 | 0.42 |
| <b>Managed Passive Portfolios</b>     | 0.07 | 0.07 | 0.07 | 0.07 | 0.07 | 0.07 | 0.07 | 0.07 |
| <b>Responsible Active Portfolios</b>  | 0.43 | 0.48 | 0.52 | 0.56 | 0.59 | 0.62 | 0.65 | 0.67 |
| <b>Responsible Blend Portfolios</b>   | 0.33 | 0.36 | 0.39 | 0.42 | 0.42 | 0.43 | 0.42 | 0.41 |
| <b>Responsible Passive Portfolios</b> | 0.09 | 0.09 | 0.09 | 0.09 | 0.09 | 0.09 | 0.09 | 0.09 |
| <b>Sustainable Active Portfolios</b>  | 0.38 | 0.42 | 0.46 | 0.51 | 0.57 | 0.62 | 0.67 | 0.71 |

### MPS charge

|                               |      |
|-------------------------------|------|
| <b>Managed Portfolios</b>     | 0.15 |
| <b>Responsible Portfolios</b> | 0.20 |
| <b>Sustainable Portfolios</b> | 0.20 |

Correct as at 29 November 2023

## Investment Process

The WealthSelect portfolios use a disciplined, long-term asset allocation approach designed to maximise the potential return for an expected level of risk. The portfolios offer diversification across global markets via managers with different styles and approaches.

The Active and Blend portfolios seek to meet their objectives through a combination of strategic asset allocation, tactical asset allocation and manager selection. The Passive portfolios seek to achieve their objective through strategic asset allocation with passive investment vehicle or instrument selection.

The portfolio managers combine inputs from industry-leading providers of asset allocation research with their own in-house research to build the optimal portfolios. The process is structured but also allows the portfolio managers discretion to manage the portfolios as they believe is appropriate to achieve the best outcome for the investors, in line with the objectives of the individual portfolios. The dedicated manager research team is responsible for identifying and researching the strategies used in the WealthSelect portfolios. When validating and assessing current managers and screening for new ones, the team of analysts focus on in-depth quantitative and qualitative research using a range of analytical applications, proprietary tools, and technical models.

The asset allocation for the Sustainable portfolios is meaningfully different to other WealthSelect approaches with a focus on sustainable outcomes /themes versus a focus on regional asset allocations.

The manager research team also conducts regular meetings with all of their existing managers to ensure the initial rationale for holding the investment still stands. After the manager research team have identified a potential strategy, a full research programme is undertaken including a demonstration of the asset manager's financial sustainability and operational strength alongside their investment expertise, resources, and relevant capabilities. This assessment is completed by the operational due diligence team to determine the suitability of the investment managers identified by the manager research team. The operational due diligence team aim to identify and mitigate operational risk before and after investment. This in-depth analysis is broken down into a number of component parts, including organisational structure, reputation, operations and technology, compliance and audit, human resources, and fund structure.

## Risk Management

The Quilter Investors Investment Risk team is an independent team, which is responsible, among other things, for establishing and maintaining systems and risk controls in relation to investment activities on behalf of investors. It reviews all the portfolios for adherence to risk limits on a daily basis and on a monthly basis for a fuller risk analysis. Any breaches are investigated, and where appropriate, will be communicated to the investment team and then escalated to the Quilter Investors Chief Risk Officer and Chief Investment Officer, if required.

The Head of Investment Risk reports to the Investment Oversight Committee on a quarterly basis confirming all investment risk limits have been monitored. Details of any breaches are supplied along with details of corrective action taken. The Head of Investment Risk is responsible for oversight of investment risk and the risk management policy.

## Opinion

Quilter plc is a well-established investment company with adequate capital to meet its regulatory obligations. The WealthSelect Managed Portfolio service is separate to the Quilter Cheviot DFM. The firm operates a wide range of multi-asset funds and managed portfolios. Around 75% of new monies are introduced via intermediaries, which should ensure that adequate resource is directed towards supporting the adviser community throughout the business. The investment proposition is based on delivering a range of risk managed portfolios with some flexibility to tailor allocations to current economic conditions. With a range of propositions all built around the one centralised selection process and range of Global Partners, advisers are able to provide a consistent investment proposition and outcome for clients with varying amounts to invest.



### Important Notice

This document is aimed at Investment Professionals only and should not be relied upon by Private Investors. Our comments and opinion are intended as general information only and do not constitute advice or recommendation. Information is sourced directly from fund managers and websites. Therefore, this information is as current as is available at the time of production.

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