

Managed Portfolio Services



This is a summary only. If you have any questions or would like advice on your personal situation, please contact us.

One type of investment we recommend is via a Managed Portfolio Service ('MPS'), such as those provided by Brooks Macdonald or LGT Vestra. Below we summarise what this is:

Overview

A Managed Portfolio Service is a simplified version of the bespoke investment portfolios offered by Discretionary Fund Managers.

Discretionary Fund Managers or stockbrokers will choose and manage investments on your behalf, buying and selling shares and investment funds, relevant to your agreed strategy, at their discretion, hence the name. They create a bespoke portfolio that is personal to you and will have a direct relationship and meet regularly with you. Typically, the bespoke service will be charged at 1.00% or more per annum.

It became apparent that their skill of choosing funds and the ability to make changes at their discretion was very valuable. However, for many individuals there is not a need for a personal relationship and purchase of direct shares. The same, simplified discretionary service with a portfolio of funds, relevant for all clients at the same risk level, is therefore attractive and can be achieved at a much lower cost, typically 0.25% per annum.

Hence, they developed the Managed Portfolio Service using their core investment management skills to manage funds.

Although there is an additional charge for investing in this type of service, the overall cost of doing so is less than a full discretionary service, as they do not provide a direct relationship with you. This also means that the underlying assets are not structured to meet a specific mandate agreed between them, but a range of portfolios is instead offered, with the aim of meeting a particular level of risk and this will be managed, to ensure it remains within a specific risk parameter. The level of risk taken by the portfolio and the performance of the underlying assets are monitored on a daily basis.

The advantage of investing in this manner is that the fund managers make the investment decisions for the underlying holdings, giving confidence that someone with the necessary skills and experience, along with the resources needed, is analysing markets and making investment decisions.

There are approximately 150 to choose from and hence part of our job is to research, assess and monitor the MPS managers we recommend. Hence our monthly monitoring of the funds, performance and changes made and then more formally at our quarterly Investment Steering Committee meetings, to make sure they are still appropriate.



Important information

This document is for information only and is based on our understanding of current legislation, which may change in the future. It does not constitute individual financial planning advice. The value of investments can fall as well as rise and is not guaranteed.

If you have any questions or would like advice on your personal situation, please contact us on 01225 613444 or email info@baileycfp.co.uk.

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