

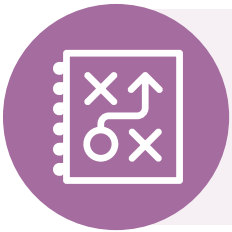
Where next for outsourcing investment management – Latest trends and developments

Chris Robinson, CFA - MPS Investment Director
Summer 2025

Learning objectives



Summarise the latest cost and performance data for outsourcing



Specify current developments to support adviser propositions from outsourced providers



Identify appropriate strategies to transition clients from outsourced accumulation to decumulation solutions

Reflects the changing industry

**PREMIER
M₁TON**



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ORIGINAL THINKING

American Express

Credit Card and
Service Provider

Duncan Lawrie

Private bank,
Wealth Manager, Safety
Deposit Boxes

Biggest MPS Provider

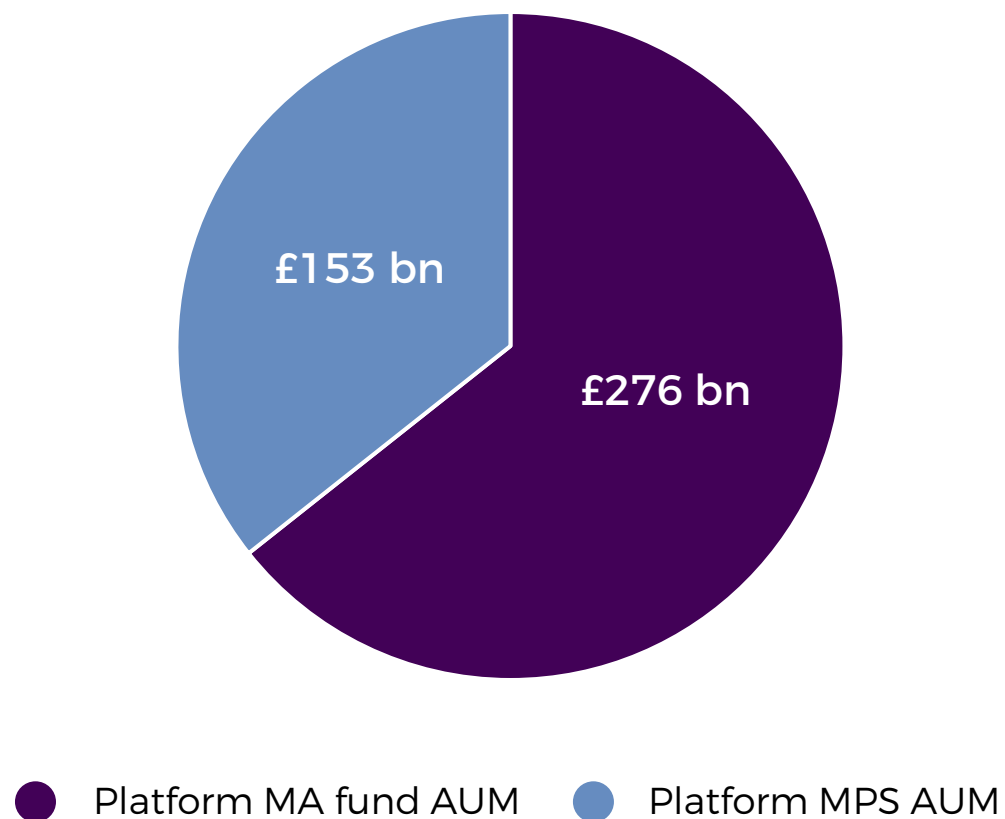
MPS & Multi-Asset

Asset Manager

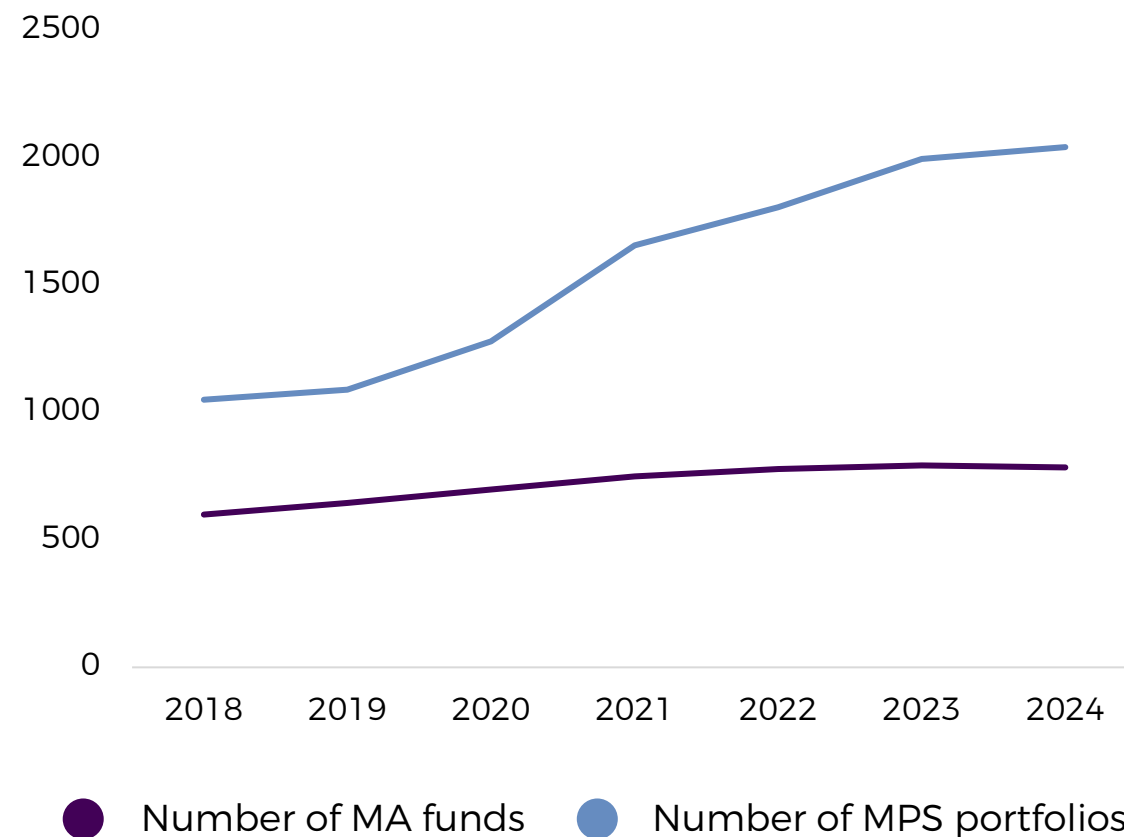
Single Strategy, MPS,
Multi-Asset

The outsourced market

Size of the UK platform multi-asset market



No. MPS portfolios and multi-asset funds



Where have MPS providers come from?

Firm type	Asset Manager	Adviser / Consolidator	Vertically Integrated	Wealth Manager / Private Bank
Providing or using	Multi-Asset and / or Single strategy funds	Advisory Solutions, Outsourced Multi-Asset Investments	Advisory, Multi-Asset, Single Strategy Research	Individual Stocks and bonds, Bespoke Client Mandates
Benefits	Transferable investment expertise	Consistent Oversight	Greater distribution and control	Transferable investment expertise
Risks	Just focus on Investment and lack support	Focused on the business and not external parties	Only benefit if using multiple tools within the vertical	Main focus is bespoke mandates

Due Diligence; what's often overlooked?

Leading MPS Portfolio Filters 12 Months to
30 Sep 24 (All Cases)

MPS Portfolio Filter Use – Filter Name Type

Total Costs*

3 Yr Quartile*

Stock Selection

5 Yr Quartile*

Availability (Platform vs DFM Nominee)

Quantitative is easy

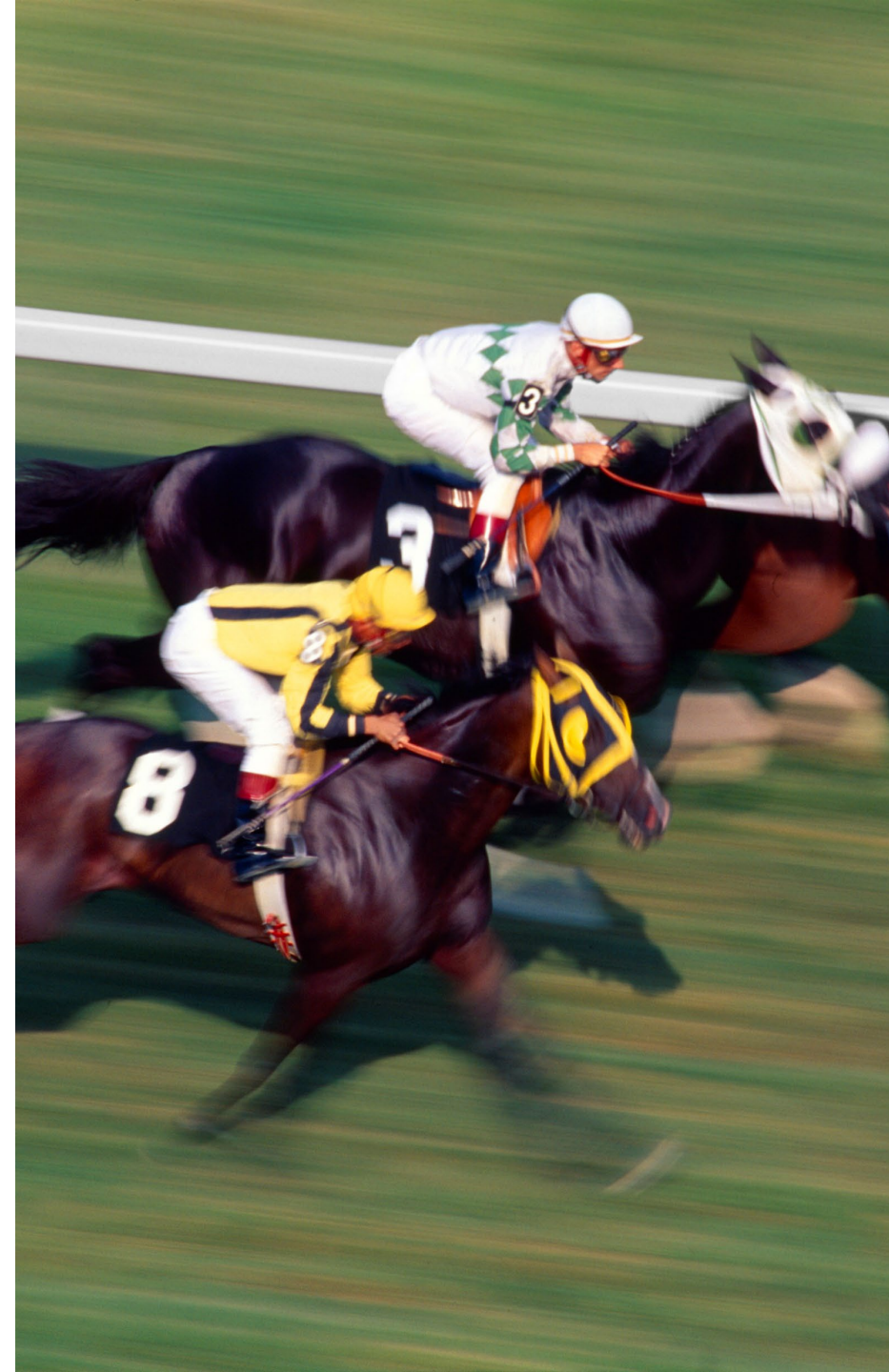
- Cost
- Performance

Qualitative is harder

- Asset Allocation
- Servicing

*Source Defaqto Engage Analytics

* Filter can also be used as a “sorting tool” &/or to select an MPS via DFM Proposition research on Defaqto Engage

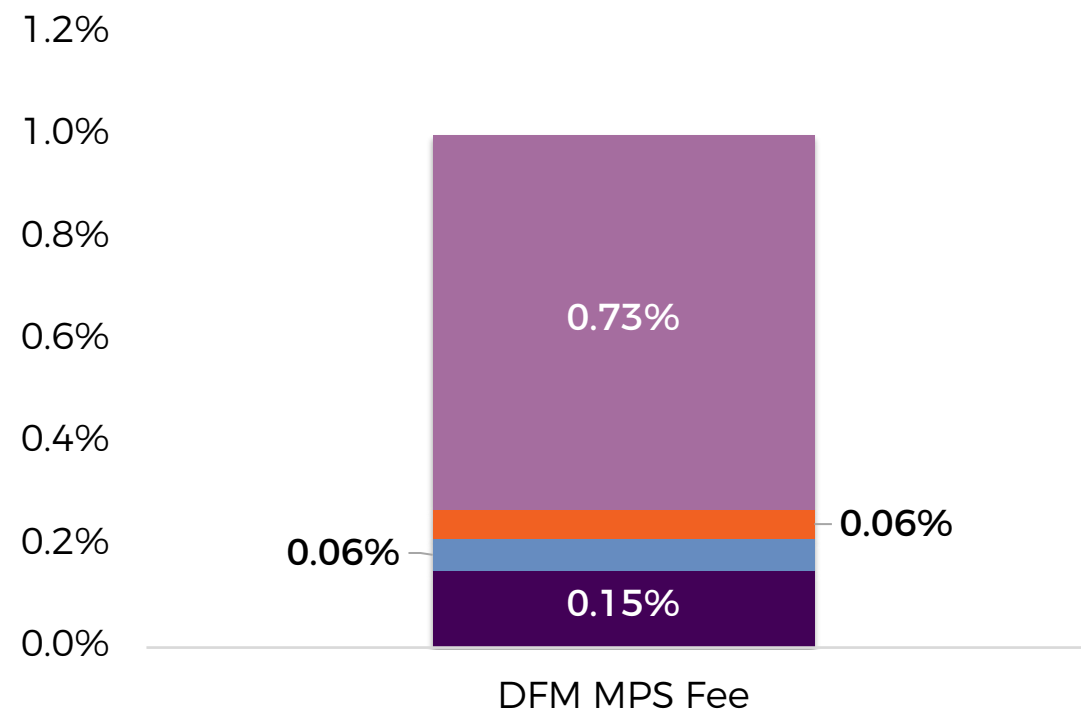


Cost is king:

DFM fee MPS peers in Defaqto matrix



MPS DFM fee - quartile bands



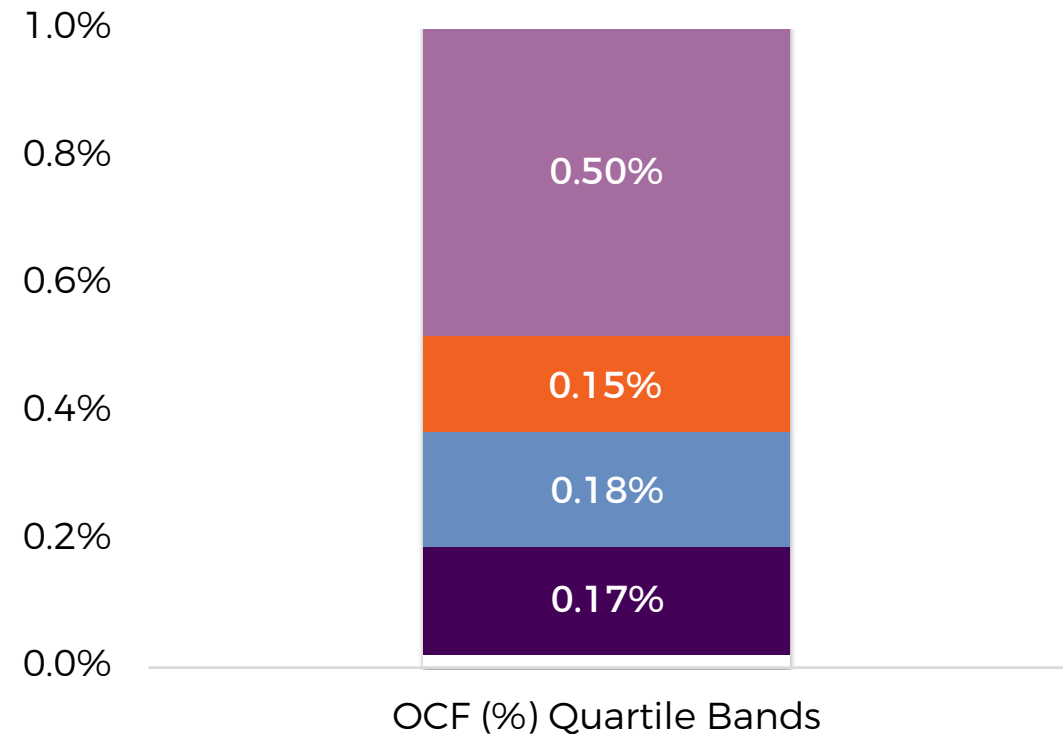
DFM MPS fee above 0.27% is 4th Quartile

Cost is king:

OCF fee MPS peers in Defaqto matrix



MPS OCF - quartile bands

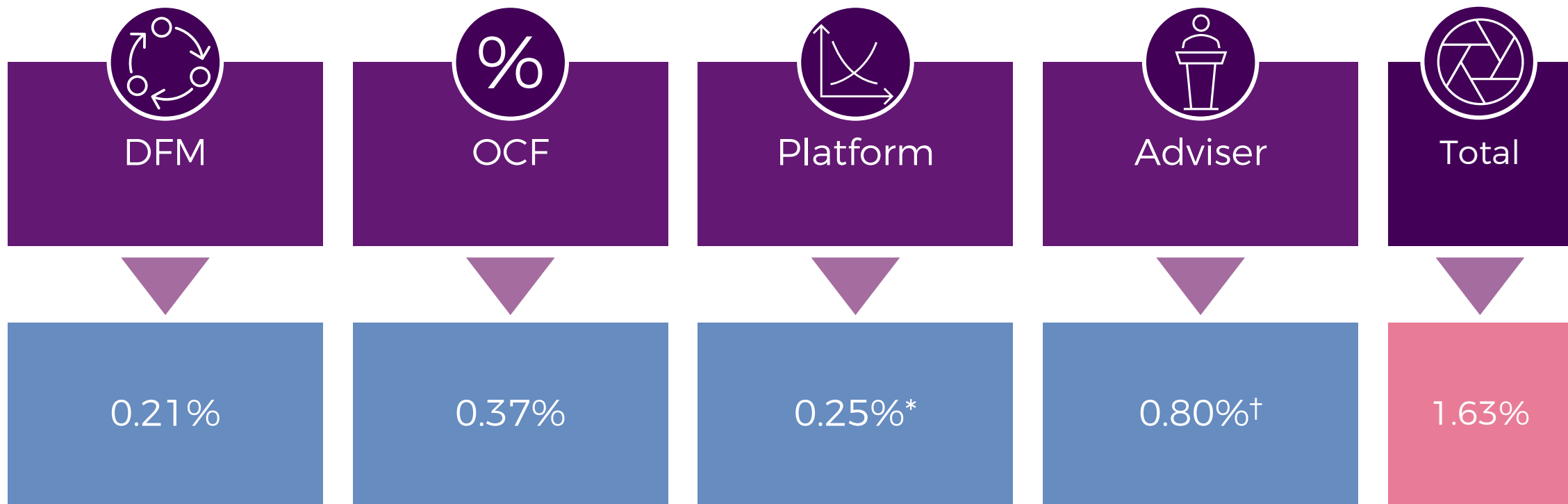


Only 15% of models in the MPS universe have no passive holdings*

Source: Defaqto Matrix Wealth, up to 25.03.2025. Data reflects the 1989 on platform DFM MPS models available to review using the Defaqto Matrix Wealth System.

*Analysis carried out by Morningstar, UK Managed Portfolio Landscape 2024.

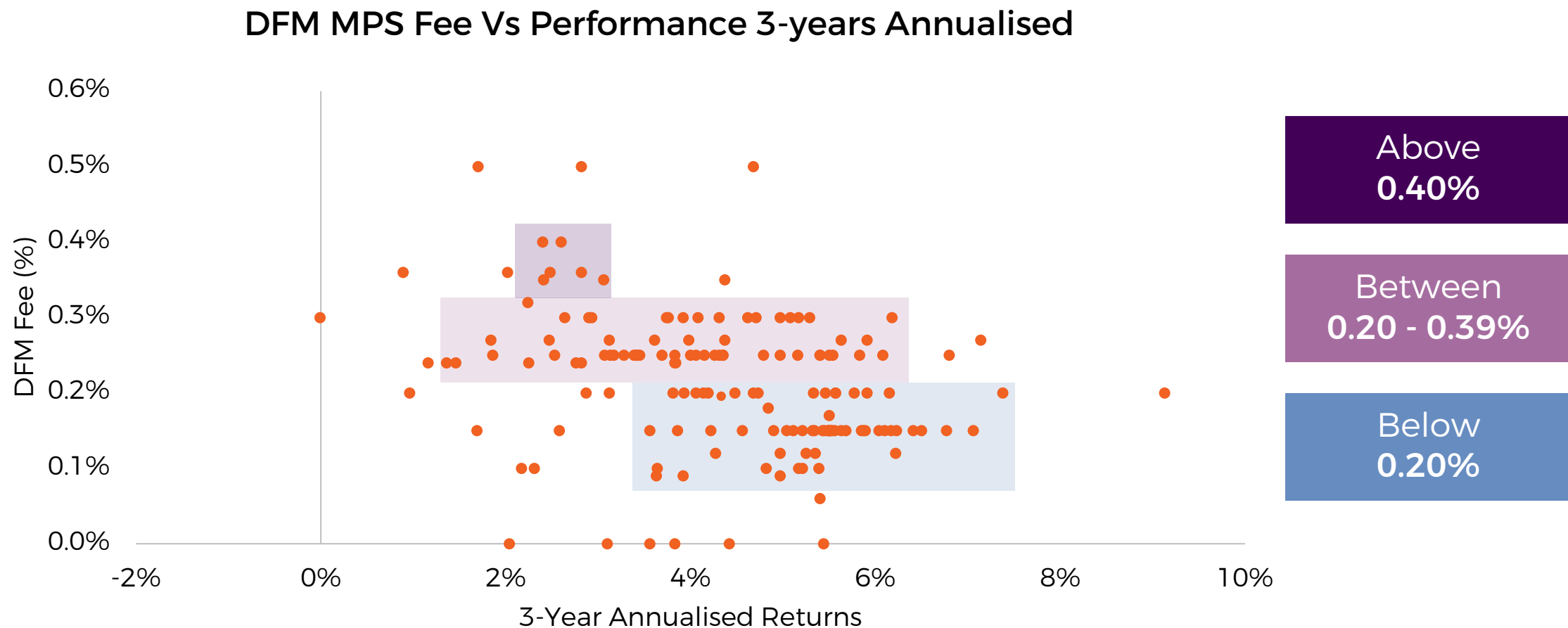
The magic 2% is now the magic 1.5%



Source: DFM and OCF taken from the 1989 risk rated on platform model portfolios through Defaqto Engage as at the end of Q4 2024. The platform charge is representative of discussions had with platforms in the MPS sphere that Premier Miton operate. *The figure is an assumed average of the market.

†Select wealth: <https://www.selectwealth.co.uk/news-and-info/cost-of-advice/>

Do DFM fees affect performance?



Source: Defaqto, as at 25.03.2025.

Past performance is not a reliable indicator of future returns.

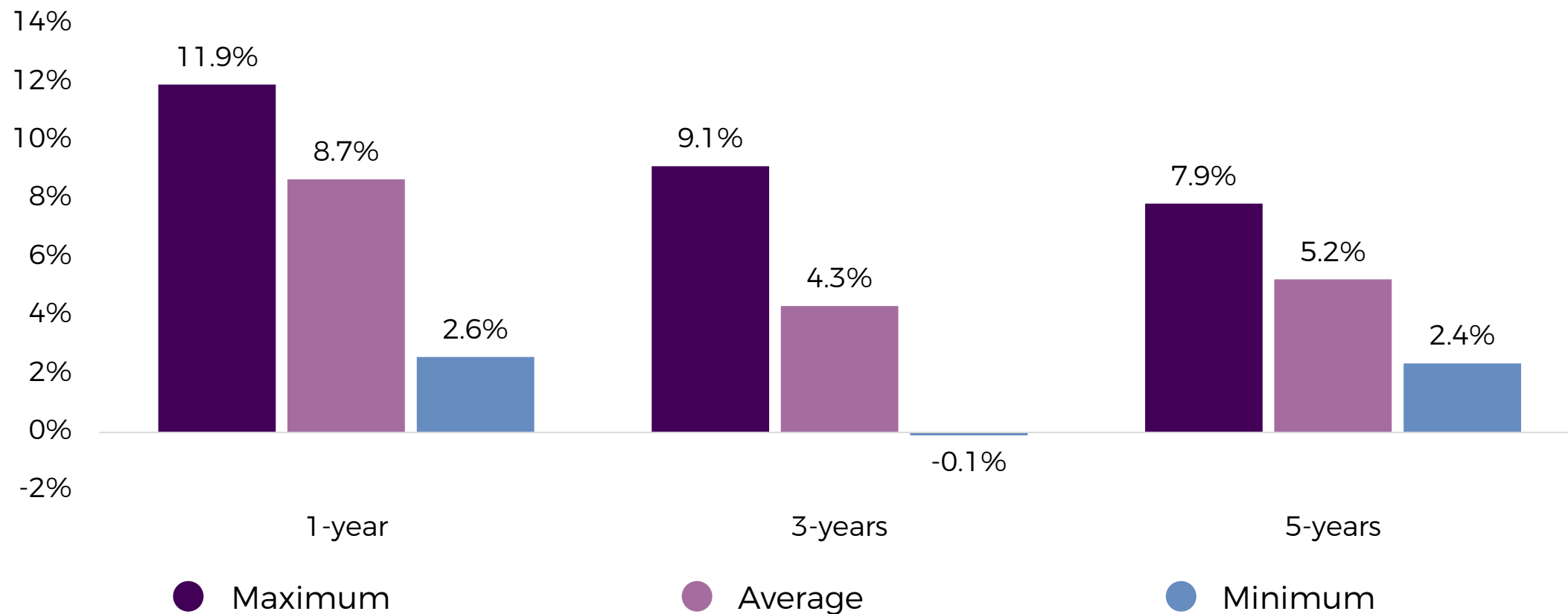
Calendar Year: MPS consistent high performers

	2021	2022	2023	2024
No. of Q1 models from prior year	36 models in Q1	13	16	22
No. of Q1 models since 2021 & after	Only 2 of 64 models across the four years (3.1%)			
Average Return	11.5%	-5.4%	10.3%	10.5%

Source: Morningstar MPS database and is net of DFM and underlying Fund fees. All Performance is for the Defaqto Risk Rated 5 Providers as at the latest rating, as at 25.03.2025. 142 models with data in RP 5 In 2021. **Past performance is not a reliable indicator of future returns.**

Average is a better judge of performance

MPS Defaqto RP 5 Performance (%) - Net of DFM Fee & OCF - February 2025



Source: Defaqto Matrix Wealth for risk agencies, up to 28.02.2025. The performance numbers were then aligned from Morningstar Direct MPS database.
Past performance is not a reliable indicator of future returns.

Challenges to MPS

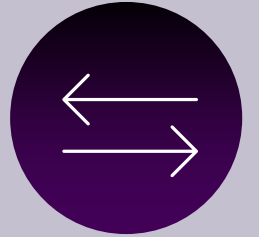


Tax management – CGT



Managing income for retirement clients

Platform rebalancing & trading cost inefficiencies

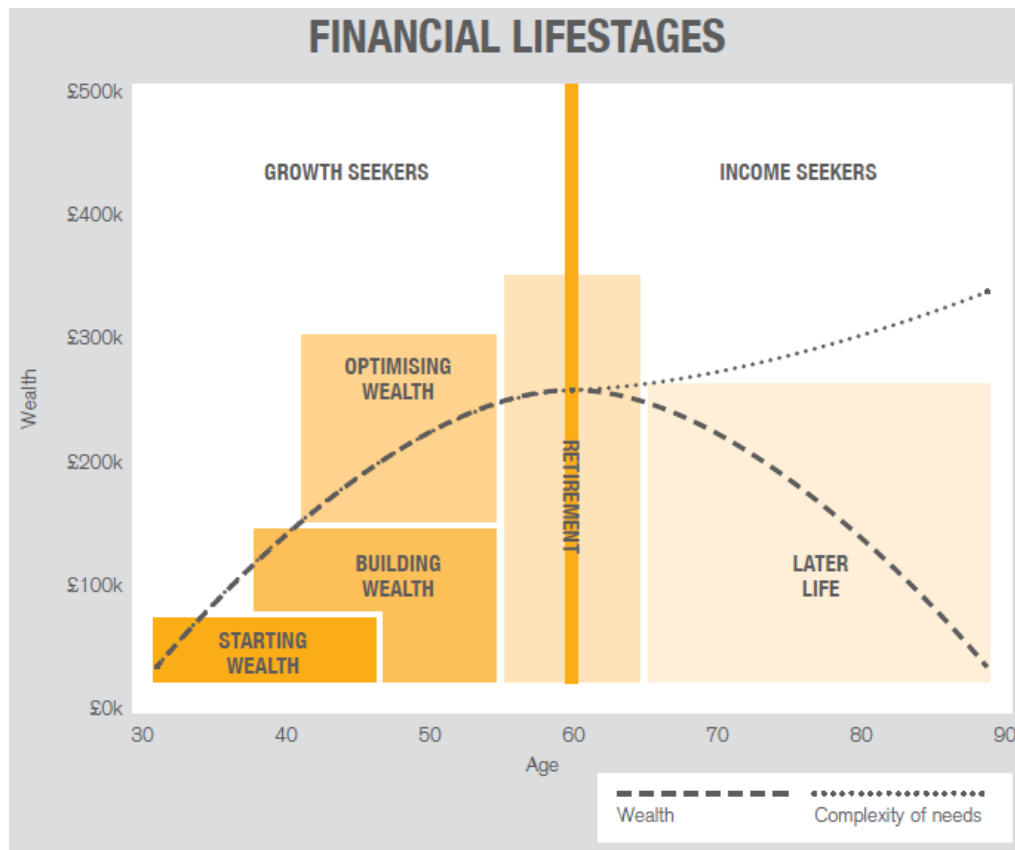


Achieving cost efficiencies on blended and active models



FCA – Retirement Income Review

Accumulation Vs Decumulation



The impact of a market drawdown on sustainability and longevity of income

Use of Technology: Inputs/Outputs

Using the Cash pot and aligning to an MPS

Natural Income & Managed Decumulation

FCA – MPS in focus is a good thing



Focus on consumer duty: Client outcomes

Evidencing on price and value

Greater focus on service

Educate clients on private assets

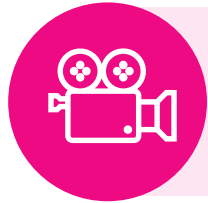
Servicing



Regular retail client facing communications



Investment team access – advisers & their clients



Videos / podcasts / media in collaboration with the advice firm



White label/co-branding



Summary



MPS growth set to continue



Consumer duty – increased focus by advisers on efficient client service



Due diligence - Cost, Asset Allocation, Servicing and then performance

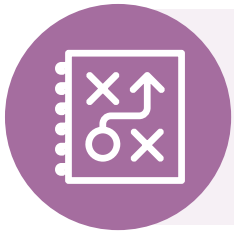


Retirement Income Planning starts now for MPS

Learning outcomes



Understood changes in price and performance, and why the average is a good guide



How regulatory landscape could change solutions and the market going forward



Identified how to transition a client between accumulation and decumulation

Appendix

Premier Miton Investors

Company overview

- An active manager
- A collaborative culture
- Strong UK heritage
- Responsible allocators of capital

Absolute return

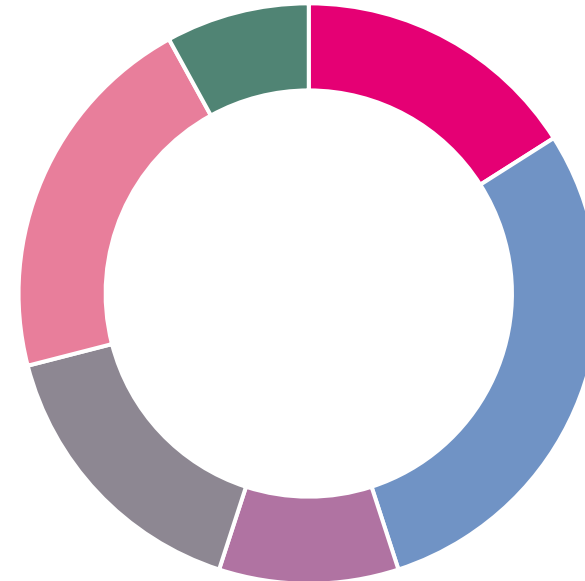
£0.9bn

Fixed income

£2.1bn

Multi-Asset Direct
& Diversified

£1.6bn



Equity UK

£1.7bn

Equity International

£2.9bn

Multi-Asset
Multi-Manager

£1.0bn



Why Premier Miton?

We are focused on investment management and good service

We are an established, regulated company with a strong heritage

We fully support independent financial advice



Why Premier Miton for MPS?

A history of managing model portfolios

Unfettered manager with whole of market access

Experienced multi-manager investment team

Managed Portfolio Service

Portfolio strategies



Premier Miton Index portfolios

Approach:	Index*
Number of portfolios:	4
Objectives:	Total return over long term
Risk profiles targeted:	Cautious, Balanced, Growth, Adventurous
Active allocation:	Yes
Anchor allocation to internal multi-manager fund:	No
Combined Portfolio Management Fee & target OCF:	0.25%



Premier Miton Blend portfolios

Approach:	Active and Index
Number of portfolios:	4
Objectives:	Total return over long term
Risk profiles targeted:	Cautious, Balanced, Growth, Adventurous
Active allocation:	Yes
Anchor allocation to internal multi-manager fund:	Yes, 40% target in relevant Premier Miton Liberation Funds
Combined Portfolio Management Fee & target OCF:	0.45%

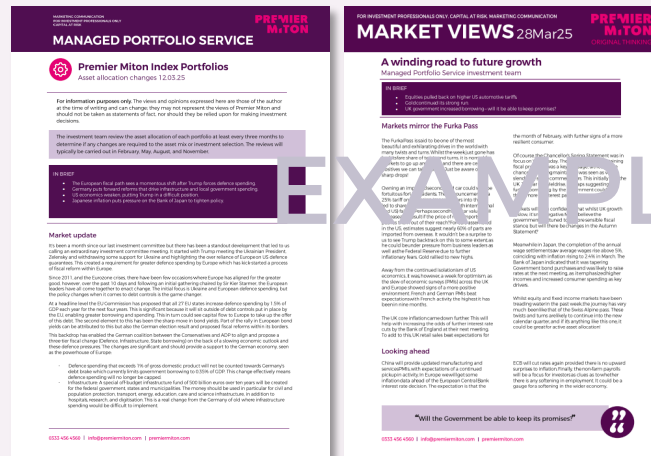
*Except for the purpose of cash management or short duration govt bond exposure. The strategy also has the ability to hold 'other active' positions, although it is anticipated this will not be employed.

Keeping you informed

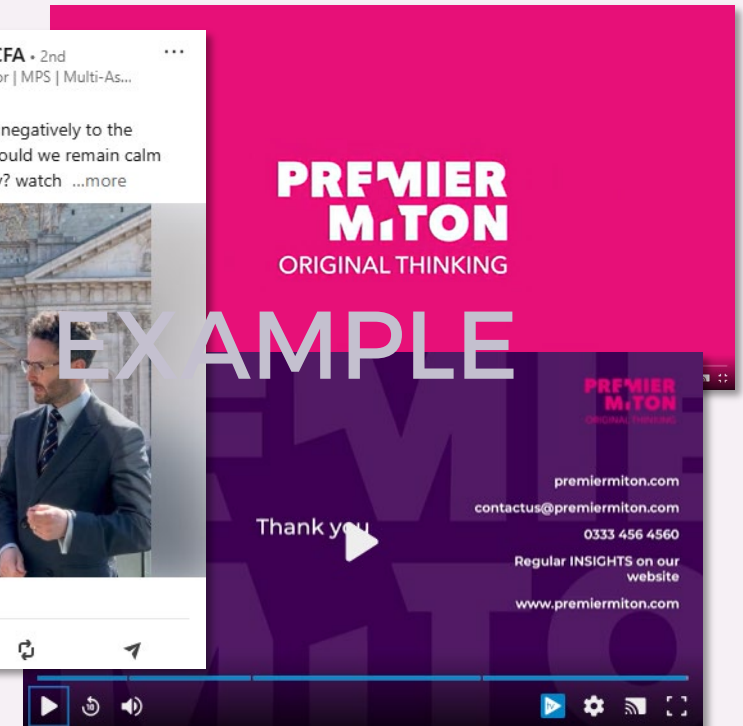


Updates

- Weekly advisory market updates
- Monthly investor commentary
- Quarterly reports
- Monthly factsheets



Videos





Pre-investment report tool



Available on the Premier Miton website:

www.premiermiton.com/investments/managed-portfolio-service/

Fund risks

THE PREMIER MITON LIBERATION VI FUND AND PREMIER MITON LIBERATION VII FUND MAY EXPERIENCE HIGH VOLATILITY DUE TO THE COMPOSITION OF THE PORTFOLIOS OR THE PORTFOLIO MANAGEMENT TECHNIQUES USED.

Some of the main specific risks that apply to the funds that these portfolios invest in are summarised here. If the funds that are held in the portfolios change, the types of investment risk that the portfolios are exposed to will also change.

Fixed income

Fixed income investments, such as bonds, can be higher risk or lower risk depending on the financial strength of the issuer of the bond, where the bond ranks in the issuer's structure or the length of time until the bond matures. It is possible that the income due or the repayment value will not be met. They can be particularly affected by changes in central bank interest rates and by inflation.

Equities

Equities (company shares) can experience high levels of price fluctuation. Smaller company shares can be riskier than the largest companies, companies in less developed countries (emerging markets) can be riskier than those in developed countries and funds focused on a particular country or region can be riskier than funds that are more geographically diverse. These risks can result in bigger movements in the value of the fund. Equities can be affected by changes in central bank interest rates and by inflation.

Derivatives

Derivatives may be used within funds for different reasons, usually to reduce risk, which can be called "hedging". This can limit gains in certain circumstances as well. Derivatives can also be used to generate income or to increase the risk being taken, which can have positive or negative outcomes. The derivatives used can be options or futures which are types of contracts that are dealt on an exchange or negotiated with a third party. More complex derivatives may also be used. Derivatives can also introduce leverage to a fund, which is similar to borrowing money to invest.

Other investment risks

Funds may have holdings in investments such as commodities (raw materials), infrastructure and property as well as other areas such as specialist lending and renewable energy. These investments will be indirect, which means accessing these assets by investing in companies, other funds or similar investment vehicles. These investments can also increase risk and experience sharp price movements. Funds focused on specific sectors or industries, such as property or infrastructure, may carry a higher level of risk and can experience bigger movements in value. Certain investments can be impacted by decisions made by third parties, such as governments or regulators.

Other risks

There are many other factors that can influence the value of a fund. These include currency movements, changes in the law, regulations or tax, operational systems or third-party failures, or financial market conditions that make it difficult to buy or sell investments for the fund.

Risk targeted or defined risk profile*

Funds that are managed to maintain a specific risk profile, or that invest in other funds that themselves are managed to maintain a specific risk profile, may have their potential growth or income constrained as a result.

Important Information

For Investment Professionals only. No other persons should rely on the information contained within. This is a marketing communication.

A free, English language copy of the full Prospectus, Key Investor Information Document and Supplementary Information Document for the Premier Miton Liberation Funds that are held in the Blend portfolios are available on our website, or copies can be requested by calling 0333 456 4560 or emailing contactus@premiermiton.com.

Whilst every effort has been made to ensure the accuracy of the information provided, we regret that we cannot accept responsibility for any omissions or errors.

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MITON**
ORIGINAL THINKING

 Premier Miton Investors

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