



# Invesco Model Portfolio Service

## Giving you choice and control

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# The Invesco Model Portfolio Service

Life as an adviser today is a series of ongoing challenges. Keeping up with the regulatory landscape and ensuring you are making the right decisions, whatever stage of the advice process your clients are at, is time consuming.



Get back more time to focus on the things that matter most by unlocking the global expertise of the Invesco Investment Solutions team with our advisory Model Portfolio Service (MPS). We've made outsourcing effortless and cost-effective, whilst keeping you in full control of your clients' portfolios.

## Effortless outsourcing

Access everything you need to get started and ongoing materials to support your long-term needs. From downloadable model data to regular investment commentary and performance reporting.

## Cost effective

We've done away with MPS charges for our advisory models, so your clients only pay the OCFs of the underlying funds, the relevant platform charge and your advice fee.

Instead your firm pays a maximum flat fee of £70 + VAT per month for access to the models for all your firm's advisers and clients.

## Investment control

Unlike discretionary solutions, our advisory MPS allows you to retain full control over your clients' portfolios: you can choose how and when they rebalance. This gives you more flexibility when it comes to managing any capital gains tax liabilities for your clients.

## Model range

You can outsource portfolio management safe in the knowledge that your clients can benefit not only from our deep investment skills, but from access to extensive market insight and commentary. Our diversified range of multi-manager models are managed to pre-defined risk targets, enabling you to easily match them to your clients.



## Why choose our advisory MPS?



### Delivered by investment experts

Our advisory MPS benefits from the proven expertise in research, strategic asset allocation and portfolio construction of the Invesco Investment Solutions team. So you can be safe in the knowledge that the portfolios you recommend are being kept in balance by our constant attention.



### Built using world-class asset managers

Whether your clients are looking for income or growth, our actively-managed range of multi-manager models enables you to deliver a variety of investment approaches for a wide range of clients.



### Risk profiling

Each model is managed around pre-defined risk targets and rated by major risk profiling agencies,<sup>1</sup> meaning you can be confident that your recommendations are aligned to your clients' risk profiles.



### Time saving

The fund research and asset allocation of the models is managed by the experts at Invesco, giving you more time to spend on supporting your clients' needs, building your relationships and developing your business.



### Ease of use

A low maintenance, seamless solution across the investment advice process, supported by regular reporting, commentary and insight - all available for you to simply share with your clients.

<sup>1</sup> Our models are rated by EV, Defaqto, Synaptic and Finemetica: details can be found at [invesco.co.uk/mps](https://www.invesco.co.uk/mps)

# Investment options

We know that your clients will have a variety of investment goals, so our advisory MPS offers a range of options.

Whether your clients are looking for income or growth, our multi-manager models are actively managed and risk targeted.

Each range contains a blend of equities, bonds, alternatives and cash to offer up to eight models, so you can simply, easily and accurately match the risk profile of your clients.

The models are available on Fidelity, 7iM, Aviva, Standard Life, Transact and Novia, and are rated by EV, Defaqto, Synaptic and Finemetrica.

**“We have a clear understanding of what our clients want from an outcome perspective. We have expectations with respect to risk and return for our asset classes. We build what we believe to be the appropriate asset class mix to deliver that outcome to our investors.”**

**Duy Nguyen**

Chief Investment Officer, Invesco Investment Solutions

## Investment process

Disciplined, repeatable and scalable

### 01 Comprehensive research

The Invesco Investment Solutions team leverages a comprehensive research platform, combining both quantitative and qualitative inputs. This first step in the process seeks to derive performance expectations for the asset classes being considered for investment.

### 02 Asset allocation

The team then identifies what they believe to be the most appropriate allocation across the asset classes to meet the return and risk objectives of the models.



### 03 **Manager and fund selection**

The team selects the underlying funds to represent the broad asset classes, taking into account performance, diversification and liquidity requirements (see Selecting the funds).

### 04 **Portfolio construction**

The team uses systematic model optimisation to ensure that the combination of underlying funds in a single model maximises the benefits of diversification while seeking to meet the model objectives. The team seeks to diversify risk across asset classes, investment managers and investment disciplines.

The manager selection process includes both Invesco and non-Invesco managers. All managers, whether internal or external, are evaluated and selected through the same rigorous process.

### 05 **Risk and performance monitoring**

Managing risk is an integral part of our investment culture - our goal is for portfolios to perform as expected and for you and your clients to feel confident in their investment. The models are reviewed regularly to identify possible divergence with regard to:

- Performance
- Risk
- Liquidity/capacity
- Asset class and factor exposure

Each model's allocations to underlying funds are reviewed and updated on an annual basis to keep them at their target weightings.

### **Selecting the funds**

The manager and fund selection process consists of three distinct steps, with the emphasis on meeting model objectives, diversification and minimising risk, while generating appropriate long-term risk-adjusted returns.

- 01 Define investment universe - the team begins by evaluating managers (both Invesco and non-Invesco), establishing an investment universe tailored to the desired portfolio outcome.
  - Equities
  - Fixed Income
  - Alternatives
  - Cash
- 02 The second step involves utilising in-depth analysis to filter the universe established in step one. Invesco has partnered with Morningstar to use their fund screening tool, Morningstar Direct, to screen for assets under management, track record and manager tenure. The Invesco Investment Solutions team then maps potential strategies from the filtered universe to asset allocations derived from the team's capital market assumptions (CMAs), which include forecasts for return, risk, yield and correlation within and between asset classes and across different time horizons.
- 03 The final step in the process is for the team to select what they believe are the best managers using a 'fit-for-purpose' approach. This focuses on each manager's role in the broader context of a model's investment objective. Emphasis is given to diversification and risk mitigation, and iterative refinement enables the team to recommend a model that represents the optimum blend of risk and return for the stated objective.

# The Invesco advantage

## True diversity of thought

At Invesco we are focused solely on investment management and believe that the best investment insights come from specialised investment teams with distinct investment perspectives.

Across our 13 investment centres, our experts take different approaches to investing across major equity, fixed income and alternative asset classes, meaning that in relation to proprietary funds, the Invesco Investment Solutions team have access to a truly diversified source of potential returns.

## Investment expertise

The models are created and managed by the Invesco Investment Solutions team, draw on the breadth of expertise across Invesco and on the wider investment universe in their search for the best funds for their multi-manager models.

This client-centric group of investment professionals have extensive experience of working across investment teams globally to develop their models. The team currently manages over 250 portfolios with approximately US\$41 billion in assets under management that include active, passive and hybrid models. Chief Investment Officer, Duy Nguyen, and Head of Research, Jacob Borbridge, are supported by a team of over 70 experienced professionals, which contributes resources and insight to the development of model portfolios.



**Invesco**

**US\$1349bn**

Assets under management

**700+**

Fund managers and asset class specialists

**13**

Centres of investment excellence

**25**

Offices in 25 countries worldwide

**Invesco Investment Solutions**

**70+**

Strategists and portfolio managers

**100+**

PhDs, Masters, degrees and designations

**10+**

Global locations

**15+**

Years average experience for senior team members



# Accessing our service

There are two options when it comes to accessing our advisory MPS: directly with Invesco through Basecamp or through intelliflo office.

Whichever you choose, you'll find everything you need to get started and support your long-term needs.

## Invesco Basecamp

Access the service using our new WebApp: Basecamp. It's been designed by advisers to make outsourcing easy and support your experience on your preferred platform.

## Cost

You pay £70 per month (plus VAT) for access to the models for all your firm's advisers and clients. Remember, there is no MPS charge, so your clients only pay the OCFs of the underlying funds, the relevant platform charge and your advice fee.

## How to start

Visit [invesco.co.uk/mps](https://invesco.co.uk/mps) to set up your free account and get started.

## How it works

- 01 Sign up**  
Create a free account in less than 60 seconds
- 02 Explore the service**  
Choose your preferred platform, risk profiling agency and investment objective to identify the models that your clients need
- 03 Support**  
Receive personalised documents to support your due diligence process, including fund suitability notes and example performance reports
- 04 Unlock access**  
Get access to the service through a low-cost monthly subscription
- 05 Model data**  
Download model data and get set up on your preferred platform
- 06 Rebalancing**  
Choose when you rebalance client portfolios at an individual client level or on a bulk basis
- 07 Model updates**  
Receive details when we update the models, along with the rationale and full digital changelog
- 08 Ongoing commentary**  
Access quarterly performance reports and monthly market commentary to share with your clients



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## intelliflo office

Integrate portfolio management into the intelliflo back-office system.

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## Cost

You pay £1 per client per month (plus VAT) for access to the models via intelliflo, capped at £70 per month. Remember, there is no MPS charge, so your clients only pay the OCFs of the underlying funds, the relevant platform charge and your advice fee.

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## How to start

Install the Invesco app from the intelliflo office app store and download our Getting Started guide, available from [invesco.co.uk/mps](https://invesco.co.uk/mps)

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## How it works

### 01 Setup

Install the Invesco app in intelliflo office, select your models and your tolerance to drift

### 02 Assign models

Recommend the relevant model for your client

### 03 Execute on platform

Set up the model on your preferred platform and align your client's portfolio

### 04 Rebalancing

Seek client authority to rebalance on a bulk basis when their portfolio drifts from the model

### 05 Execute on platform

Complete the instruction using the rebalance export

### 06 Model updates

Receive details when we update the models, along with the rationale and full digital change log

### 07 Ongoing commentary

Access quarterly performance reports and monthly market commentary to share with your clients

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## Platforms

Our advisory MPS is available on a number of key investment platforms: Aviva, Fidelity, 7iM, Novia, Transact and Standard Life.

If you use Transact, it's even easier to manage your clients' portfolios. After unlocking access to Basecamp or installing the Invesco app via intelliflo office, email us to request access to our models, which are ready and waiting to go in the Transact Online system.

Once you're set up, you'll be able to:

- View the models on Transact Online
- Use them to produce personalised illustrations
- Link them to your clients' wrappers
- 'Rebalance' existing client holdings in line with our latest models
- Seek client authorisation to rebalance on a bulk basis and benefit from straight-through processing

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**Contact details**

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[www.invesco.co.uk/mps](http://www.invesco.co.uk/mps)

Telephone calls may be recorded.

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**Investment risks**

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The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

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**Important information**

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All information as at 31 December 2020 unless otherwise specified.

Where individuals or the business have expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals and are subject to change without notice.

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EMEA2901/64634-V8/PDF/090421