

IP Model Portfolios

Target Market and Value Assessment Statement

IP Model Portfolios are a range of risk rated, discretionary managed model portfolios comprising of a collection of funds selected from the In Partnership approved fund list and blended to give advised clients a good and cost-effective consumer outcome. The funds included in the model portfolios are independently assessed quarterly and deemed as providing fair value for consumers.

The following information shows the target market and associated characteristics for which the IP Model Portfolios have been designed.

Target Market	Category
Client Type	Advised Retail Client
Client Knowledge	The portfolios are suitable for consumers with low/medium investment knowledge.
Ability to bear loss	The portfolios are suitable for retail clients that are able to afford minor losses over the long term.
Risk Tolerance	The portfolios are suitable for consumers with the following risk tolerances: <ul style="list-style-type: none"> Moderately Cautious

	<ul style="list-style-type: none"> • Balanced • Moderately Adventurous • Adventurous
Client objectives and needs	<p>The objective of the Accumulation and Passive models is to provide capital growth and that of the Income model is to provide income. The recommended holding period for all portfolios in the range is a minimum of 10 years.</p>
Negative Target Market	<p>The model portfolios are not suitable for the following consumers:</p> <ul style="list-style-type: none"> • unadvised • those that do not want a discretionary managed service • those with a short-term investment horizon.
Vulnerable Clients	<p>The portfolios are suitable for vulnerable consumers unless they have a short-term investment horizon.</p>
Distribution Strategy	<p>The portfolios are solely marketed to, and distributed by, regulated advisers of In Partnership networks.</p>
Distribution Arrangements	<p>The portfolios are distributed on selected platforms. When recommending the IP model portfolios, the platform costs are significantly lower than the standard platform costs.</p>

	<p>In addition, the portfolios have been access to some funds with restricted share classes by various fund managers used in the portfolio construction and the costs of these are significantly lower than those normally available to retail consumers. This enables the OCF of the portfolios to be lower than peers.</p>
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We have assessed the IP model portfolios for value based on the following criteria and confirm that they are of fair value to consumers that are within the target market of the products.

Area assessed.	Reason
<p>Cost of the discretionary managed model portfolio service fee</p>	<p>In comparison to peers, the discretionary management fee of 20bps is below the UK peer cost average.</p>
<p>Cost of funds used in the portfolio construction.</p>	<p>In comparison to peers, the total OCF's are between 14 and 16bps for the passive portfolios, 49bps and 60bps for the accumulation portfolios and 60bps and 65bps for the income portfolios. These costs are all below the UK peer cost average.</p>
<p>Distribution arrangement</p>	<p>The portfolios are managed on selected platforms and when recommending the IP model portfolios, the platform charges are reduced to below the UK peer cost average for platforms.</p>

<p>Quality Assessment</p>	<p>The portfolios are constructed using only funds from the In Partnership approved fund list. Funds selected for inclusion in the portfolios are assessed quarterly by an independent firm of investment specialists in conjunction with the network Investment Committee who review performance, cost, liquidity, volatility and investment methodology versus peers. This ensures that the consumers are investing in the most suitable funds.</p>
<p>Non-financial benefits to consumers</p>	<p>The portfolios are monitored regularly by an experienced team of investment professionals and reviewed quarterly by the In Partnership Investment Committee. This structure mitigates the risk of poor consumer outcomes.</p>