

## IP Model Portfolios

Helping consumers to understand their investment.

The purpose of this document is to provide retail clients with an easy-to-understand, jargon and acronym free explanation of terms relating to their investment into the IP model portfolios.

The following information is set out in grid format for ease of reference and designed to assist those clients that may have some vulnerabilities with understanding complex terms.

Term	Explanation
Model (or managed) Portfolio Service (MPS)	A collection of assets managed by a fund manager (In Partnership) to provide a specific return and/or income in relation to risk
Risk Rated MPS	A MPS that is constructed with various assets that when combined provide an overall risk rating.
Discretionary Permission	This means that the Investment Manager can make investment decisions on your behalf.

Investment Management Agreement (IMA)	The IMA is a legally binding contract between the client and Investment Manager that sets out the provision of services delivered to the client, for a defined investment management fee and permits the Investment manager to make transactional decisions concerning the MPS assets without consent from the client.
Risk Profiler	A firm that evaluates the risk of a collection of assets (the IP MPS' use Synaptic).
Blended Investments	A collection of assets that comprise of active and passively managed funds.
Passive Investment Management	An investment strategy which aims to track an index or indices.
Active Investment Management	An investment strategy which aims to beat an index or indices by making buy, sell or hold decisions. This process is undertaken by a singular fund manager or team.
Investment Volatility	An investment term which describes periods of extreme price movements and valuations of an asset

Investment Assets	Equities (shares), Bonds, Cash and Cash equivalents, commodities, and property
Investment Correlation	A statistical calculation that measures the degree and relationship of price movements between two assets.
OCF	This stands for the 'ongoing charges figure' and is how much you will pay annually for holding the underlying portfolios assets.
Yield	This is the amount of dividends and interest that will be paid to you from owning the underlying assets
Investment platform	An online service that facilitate the purchase/sale of funds
Custodian	Typically, a bank that maintains the ownership of your assets on your behalf
Rebalancing	An exercise undertaken by the Investment Manager to realign the portfolio assets to the level it believes will deliver the MPS objectives.
ESG Investing	Environmental, Social & Governance is an area of investing that focuses in company assets that attempt to optimize the named factors.

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