



# Managed Model Portfolios

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Verbatim Asset  
Management

For intermediary use only





Verbatim understands the ongoing challenges that you face throughout the advice process, and in the management of investment portfolios. As such, we have designed this brochure to tell you more about Verbatim and how its investment solutions will continue to meet your and your clients' needs and expectations.

As you will be more than aware, financial markets are dynamic, requiring advisers to make active and timely portfolio management decisions. Without a discretionary agreement in place, timely portfolio management can be hard to achieve and can result in less than favourable portfolio performance.

If that's not enough, the ever-evolving regulatory landscape also requires that advisers demonstrate ongoing advice suitability and portfolio risk alignment across all client portfolios. In addition, adviser managed portfolios require ongoing support and management to ensure that client suitability and risk alignment is maintained consistently.

All in all, these requirements can hinder the efficiency of your advice process as well as create additional administrative headaches for your business!

In order to overcome these challenges, Verbatim can help you with the three biggest issues in which advisers require support:

- Access to specialised investment expertise.
- The time spent managing active portfolio models.
- Administrative support to maintain risk aligned and suitable client portfolios.



## Specialists in multi-asset investment portfolios

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Verbatim Asset Management was launched ten years ago with one simple philosophy: to consistently meet your and your clients' expectations. A decade later, we can proudly state that we have not only met this objective but continue to exceed it. We are proud to celebrate a decade dedicated to perfecting the art of investing.

All of the Verbatim investment solutions follow a clear mandate to deliver strong performance against a proven asset allocation, based on a set risk profile. We appoint the industry's top managers to run our investment solutions to a strict mandate.

To ensure that our solutions continue to meet your and your clients' expectations we employ a team of leading industry experts to form part of our independent Investment Committee. All of our investment solutions are overseen by our independent Investment Committee, which brings a wealth of knowledge and expertise to the governance and oversight for all of our investment solutions.

The Verbatim Managed Model Portfolio service is designed to provide you with access to industry leading managed model portfolios that operate in conjunction with your advice process. Our model portfolios are designed to ensure that you retain control of your client relationship whilst we ensure that your client's portfolios remain suitably aligned with your investment advice.

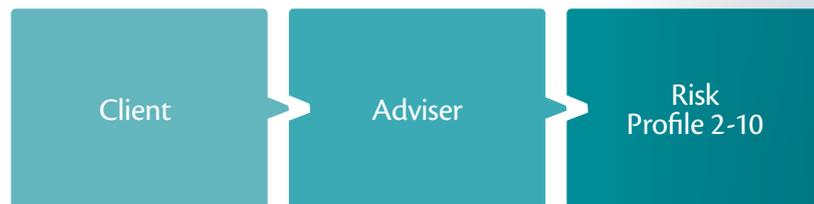
Our Managed Model Portfolios are designed to provide you and your client with:

- Access to specialist investment research and timely active management through our leading portfolio managers RSMR and Square Mile.
- Monthly portfolio rebalance that avoids portfolio drift and results in less administrative headaches, increased efficiencies for your business and reassurance that your client's portfolio will be kept in line with the mandated range of risk tolerance.
- Access to independent and in-depth performance reports that provide you with a transparent view of statistical analysis.
- Accessibility on a variety of leading retail platforms.

# The Process

The Verbatim Managed Model Portfolios are independently designed and expertly managed through two industry leading model managers: RSMR & Square Mile.

Both model managers operate within the Strategic Asset Allocation parameters as ratified by the Verbatim Investment Committee. They offer a range of investment styles and strategies to fit the most appropriate style to meet your client's needs and have been subjected to a thorough due diligence process. All portfolios are managed at the market leading rate of 0.25% + VAT. You can select the manager most suited to your client's requirements as you would if you were building your own.



# Our Managed Model Portfolios

## Growth Portfolios

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- Risk-managed, multi-asset model portfolios offered across risk profiles 2-10.
- Each portfolio has a clear volatility target and a strategic asset allocation, as defined by the Verbatim Investment Committee, suitable for the risk profile.
- A tactical asset allocation overlay is applied which is controlled to ensure consistency with the portfolio risk profile.

## Income Portfolio

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- Portfolio is run to an expected yield range between 3.5% and 4.5%.
- Investments are selected to provide sustainable and predictable income.
- Provide opportunity for capital growth within clear volatility boundaries.



## Meet the Managers

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RSMR is an independent company formed in 2004 delivering quality independent research and consulting services working with fund management groups, advisers and platform operators. The RSMR portfolios can be mapped to match existing risk profiling tools with choice and flexibility being key for the investor and adviser alike. Offering a blend of active and passive strategies, the portfolios are backed by RSMR's unrivalled experience and track record in supporting UK advisory firms.

**RSMR**

All of the RSMR managed portfolios are constructed using the same rigorous research process that supports their fund ratings. All of the funds in the model portfolios are selected from the RSMR rated fund list. The Verbatim independent Investment Committee ensures that each model portfolio is set out with a clear mandate to deliver against a proven asset allocation, based on a set risk profile.

## Investment Process

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1. **Strategic Asset Allocation (SAA):** The SAA, as provided by the Verbatim Investment Committee, is designed to provide a variety of portfolio options with clearly defined objectives, ensuring ongoing suitability in line with expectations of risk and performance.
2. **Tactical Asset Allocation:** RSMR implements a +/- 3% tactical overlay which allows the portfolio manager to take shorter term overweight or underweight positions. These tactical 'tilts' are based on a forward looking view and aim to either avoid assets where it is believed there could be unnecessary risk, or to increase exposure to assets that offer greater opportunity for growth.
3. **Fund Selection Process:** Each asset class is populated with funds that have achieved an RSMR rating, providing reassurance that all component parts of each strategy have been rigorously researched.
4. **Portfolio Construction:** RSMR then populates each portfolio with selected RSMR rated funds. Having a detailed understanding of each fund and its management team means that funds can be selected and blended to produce optimum diversification.
5. **Portfolio Management:** The portfolios are actively managed on an on-going basis which means the portfolio managers can react much faster to any issues that arise that might warrant a change of manager or adjustment to the tactical asset allocation.
6. **Reviews and Oversight:** RSMR reviews the portfolios on a quarterly basis, reporting to the Verbatim Investment Committee providing oversight ensuring they continue to not only adhere to their aims and objectives but also meet expectations of risk and performance.



**Ken Rayner**

Ken Rayner, in his role as Head of Investment Research at Rayner Spencer Mills Research, is the portfolio manager responsible for the Verbatim Managed Model Portfolios. After graduating from Leeds University with a Degree in Economics and Economic History, Ken joined Sun Life which provided an excellent grounding in the life, pension and investment industry. He joined Bradford & Bingley in 1990, where he held a number of product and marketing roles and latterly had responsibility for all financial services product development and pricing. In addition he was Investment Fund Manager for Bradford & Bingley's PEP and ISA Discretionary Management business where he controlled in excess of £700m of client funds. Ken sits on the Verbatim Investment Committee and numerous other Investment Committees for a number of key advisory clients helping them to deliver their investment strategies.



# Meet the Managers

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Square Mile is an independent investment research business focusing first and foremost on in-depth, qualitative fund research.



The Verbatim Square Mile Managed Model Portfolios are built with specific mandates and explicit risk budgets, as set and defined by the Verbatim Investment Committee, to help define and ensure suitability for the end client. The model portfolios are designed with the expert knowledge Square Mile obtains through its research of the fund universe and financial markets.

## Investment Process

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1. **Strategic Asset Allocation (SAA):** The SAA is provided by the Verbatim Investment Committee and is designed to offer a variety of portfolio options to meet the varied needs of your clients. The SAA is designed to meet the explicit risk budgets and expectations of risk and performance.
2. **Tactical Asset Allocation:** As mandated through the Verbatim Investment Committee, Square Mile is afforded a +/- 3% tactical asset allocation. The tactical asset allocation overlay is applied to ensure consistency within portfolio risk profiles and to aim to deliver on shorter-term risk/return opportunities.
3. **Fund Selection Process:** Square Mile analysts are charged with finding the best funds available to meet the mandate as set out by the Verbatim Investment Committee. Funds are assessed over appropriate time frames, which in many instances are likely to be lengthy. In-depth qualitative research is conducted to gain an understanding of what a fund is likely to achieve, how it is likely to behave and whether it meets the client's objectives.
4. **Portfolio Construction:** Square Mile has 16 highly qualified fund analysts that are one of the largest and most respected investment fund research teams in the UK. Conducting over 900 fund manager meetings a year, this all feeds into its fund selection and portfolio construction process. Of the circa 300 funds that Square Mile rates and can use in the Verbatim portfolios, over 70% have achieved or beaten their outcome objectives since achieving their ratings.\*
5. **Portfolio Management:** The portfolios are actively managed on an on-going basis to ensure that they continually meet their defined objectives. Square Mile intrinsically understands the asset allocation process and apply its knowledge to the Verbatim portfolio management process.
6. **Reviews and Oversight:** Square Mile reports on a quarterly basis via portfolio specific model factsheets and a quarterly market commentary. The Verbatim Investment Committee monitors the performance of the Square Mile portfolios to ensure it continues to adhere to its aims and objectives.

\*Source: Square Mile, as at 31st May 2018.



**Jason Broomer**

In his role as Head of Investment at Square Mile, Jason Broomer is responsible for the Verbatim Managed Model Portfolios. Jason commenced his financial services career in 1995 at Bentley Reid. He has extensive experience in fund research and running portfolios for private clients. Between 2008 and 2013 Jason worked at Butterfield Private Bank heading up the London based fund research team and he was a senior member of the Asset Allocation Committee. Jason holds the ASIP qualification and he is an Associate of the CFA.

# Verbatim offers a range of risk-managed multi-asset investment solutions

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 DMS Verbatim Portfolio Growth Funds

 DMS Verbatim Portfolio 5 Income Fund

 DMS Verbatim Multi-Index Funds

 Verbatim Discretionary Service

For more information visit:  
[www.verbatimassetmanagement.co.uk](http://www.verbatimassetmanagement.co.uk)  
or call: 0808 12 40 007

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**10**  
YEARS

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Good as  
our word