



## UK Advisers Relying on Model Portfolios

More than three quarters of advisers in the UK use model portfolios according to new research which shines a light on the growing shift towards structured investment offerings.

A survey from intermediary database provider Equifax Touchstone found 76% of advisers use model portfolios, with 70% of that group using the standardised portfolios for more than half of all investment business.

It also found 82% of advisers have a centralised investment process, showing adoption of centralised and standardised investments is now common practice in the UK.

The findings varied by firm however, with small firms of fewer than five advisers far less likely to use model portfolios than large firms with 50 or more advisers.

### Industry shift

John Driscoll, director at Equifax Touchstone, said: “Centralised processes and the use of model portfolios ensure that a client’s attitude to risk is reflected and maintained on an ongoing basis, as these portfolios are managed according to strict risk criteria, and re-balanced regularly.

“We’re witnessing a shift to a more structured investment process, with centralised processes a key foundation for investment advice. This approach helps strike the right balance between risk and return, particularly important in a world of increased market volatility.”

### Active boost

While the growth of passive vehicles has gripped headlines, the survey of some 141 investment advisers found an ongoing preference for active investments.

Passive investing played a part in 82% of advisers’ investments, but only on a small scale with just 25% of advisers’ investment business in passive instruments.

Only 11% of advisers allocated more than 50% of their business to passive funds.

The above article was written and published online on 31 August 2017 by Louisa Hill, a Senior Reporter at [International Advisor](#).



### Disclaimer

The information contained in this communication from the sender is confidential. It is intended solely for use by the recipient and those parties authorized to receive it. If you are not the recipient, you are hereby notified that any disclosure, copying, distribution or taking action in relation to the contents of this information is strictly prohibited and may be unlawful. The information in this document does not constitute advice by 2IP as defined and contemplated by the FAIS Act, 37 of 2002. Whereas every effort has been made to ensure the accuracy of the data provided within this material, the Company does not warrant its accuracy, nor should investors rely on the accuracy of these figures as the basis for any decision. Illustrations, forecasts or hypothetical data are not guaranteed and are provided for illustrative purposes only. Investors should take cognisance of the fact that there are risks involved in buying or selling any financial product. This document does not constitute a solicitation, invitation or investment recommendation. Prior to selecting a financial product or fund it is recommended that investors seek specialised financial, legal and tax advice. \*Please note that the above performance figures are simulated prior to inception, based on the actual portfolio composition and historic returns of the underlying funds. The performance of each individual's portfolio may differ from this overall portfolio performance, depending on the inflows/outflows that each individual undertakes with his/her investment. Client specific returns should be obtained from the relevant administrator or LISP platform. Past performance or fund benchmark performance is not necessarily a guide to the future and investors may not get back the full amount invested. The price of shares/units and any income from them may rise or fall. Subscriptions involving foreign exchange transactions may be subject to the fluctuations of currency values. Exchange rates may also cause the value of underlying overseas investments to go up or down. No guarantees are provided in relation to portfolio investment performance. Our schedule of fees and charges is available on request.

Visit [www.2ip.co.za/disclaimer](http://www.2ip.co.za/disclaimer) to view the full disclaimer.