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Keeping advisers at the heart of our decision-making

With a new range of model portfolios designed to provide a lower cost investment, it is advisers that are fuelling our thinking

I can clearly remember my first day at Cazenove Capital: walking into 12 Moorgate, London, on a beautiful July morning with all the nerves and anticipation that starting a new job brings. That same morning, Cazenove Capital had launched the Model Portfolio Service (MPS) and there was a tangible sense of excitement. Two years in the planning, designing and building, this range of model portfolios was set to change the way that advisers accessed our investment expertise, process and philosophy.

Two centuries of innovation

The fact that Cazenove Capital was launching a cost-effective range of risk-rated models was a key factor in my decision to join the firm. Of course, the 200-year history, the research and investment capability of both Cazenove Capital and the Schroders Group, and the experience and dedication of the people were important too. There is something about our culture that sets us apart from our peers. It is hard to define culture but the effects are clear to see; from one of the lowest staff turnovers in the industry, to the number of new clients that come



from referrals and the increasing number of adviser partners that now ask us to look after their own money and investments. The culture at Cazenove Capital is one of engagement and inclusion, of collaboration and working to deliver the right solution.

Reflecting the needs of our clients

When the team told me that they were launching the MPS, it was clear that they were not among the earliest entrants in this market and a cheap 'me too' range of models was not an option. They took their

time, stood back, learned lessons from early entrants and consulted and collaborated with advisers. This ability to stand back, reflect and anticipate what advisers and clients will need in the long term rather than the next few months is fuelled entirely by the unique nature of our business. Our structure as a FTSE 100 company, with 48% ownership by the Schrodgers family, provides governance and stability but also the freedom to make the right long-term decisions to support our advisers and partners.

New ideas, enduring philosophy

The model portfolios are run by the same managers within the same Discretionary Fund Management (DFM) Team that runs all of our Adviser discretionary assets. They are rebalanced actively, in line

of our thinking and build their needs and concerns into the decision-making process. It was one of our long-term partners that was the initial catalyst for the newest addition to our range of investment solutions – an Active/Passive model portfolio service offering.

A true multi-asset investor

Cazenove Capital's investment strength isn't simply the global breadth of our research and analysis but the way in which we approach portfolio construction. We are a truly multi-asset investor using key alternative assets to manage volatility and always seeking to protect the downside and provide strong long-term performance returns that match our clients' risk tolerance and investment expectations.

Our new addition to our MPS is an Active/Passive range of five models, risk rated by Distribution Technology from three to seven. This combination of Active and Passive allows those invested to benefit from a lower overall Total Expense Ratio (TER), while still maintaining the multi-asset ethos of our investment process.

Smart asset allocation

Asset allocation for all equities is passive and uses ultra-low-cost funds to manage and maintain our house view at a geographical and sector level. For fixed income we will use a combination of Active and Passive investments, including index-linked trackers and active funds to manage volatility and duration. For those more actively managed asset classes such as absolute return, property and hedge, we will continue to use



those manager mandates that we understand and that consistently deliver alpha for our clients.

Service and performance

Providing the right services to our advisers continues to be our simple aim. From traditional bespoke DFM, to our core MPS and the newly launched Active/Passive MPS, our ambition is to provide strong performance with robust risk management through a high level of diversification across asset classes.

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and in time with our discretionary house views. Platform constraints mean that there are, of course, some differences in fund selection, but they are still our best ideas.

We put our advisers at the heart