

Multi-asset funds: Choice, complexity and client outcomes

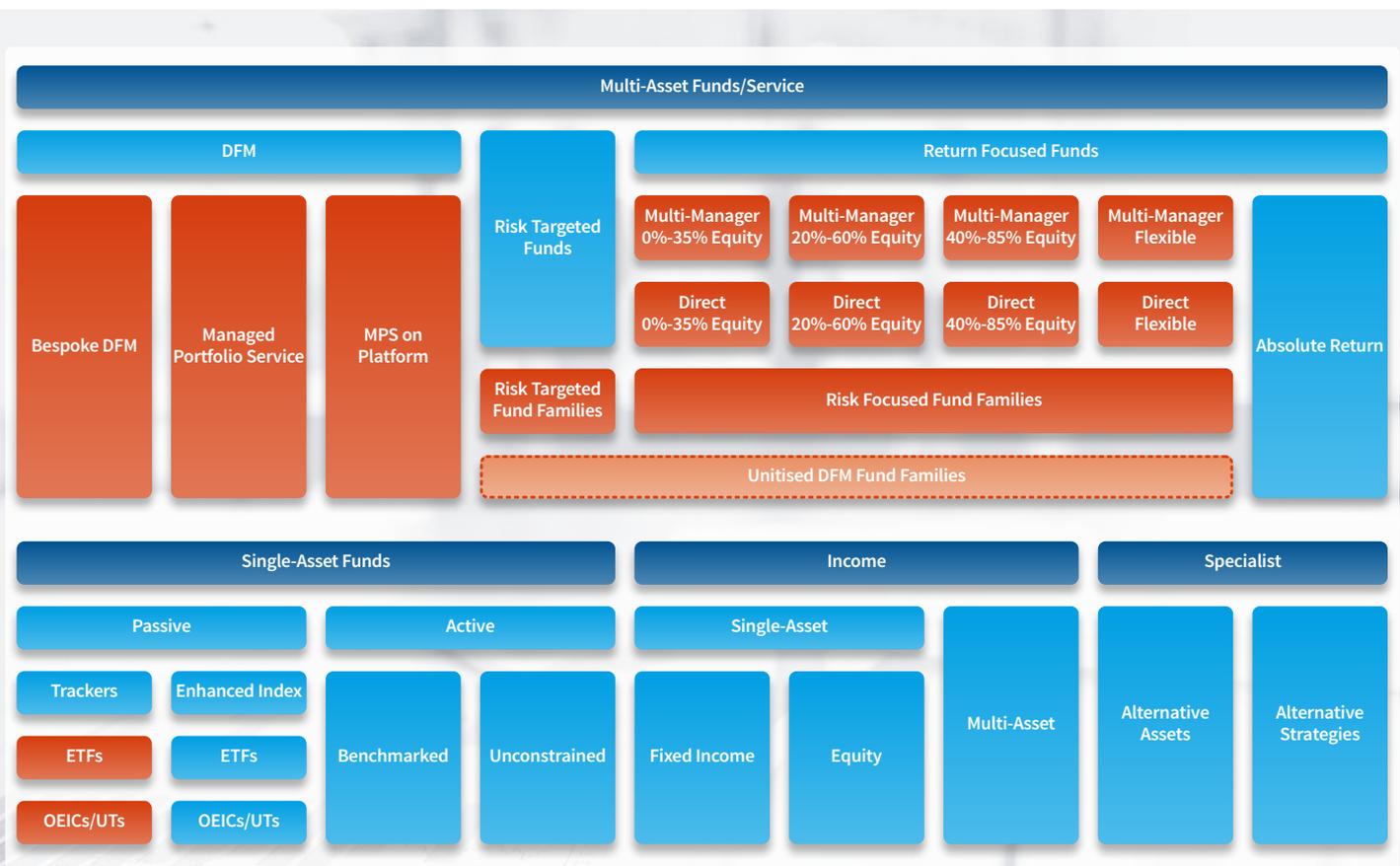
Multi-asset funds give investors access to a wide range of investment strategies, diversified across many different investment markets and offering most risk profiles suitable for the vast majority of clients.

They give advisers an efficient outsourcing package that can be deployed across different client segments, with multiple charging points, enabling ring-fencing of assets and providing access to a compensation scheme.

With some 500 UK authorised funds available, comprising nearly 2,000 share classes, the landscape offers plenty of choice but, as a result, it is a complex one.

So how do you then navigate through this complexity? What are the key questions that need to be considered to ensure that clients get the investment outcomes they need and want?

A good starting point is to define the landscape and then create a map from there to start finding your way to client solutions.



Defaqto independently rates the areas highlighted in red through its Diamond Ratings. The Ratings help advisers identify where funds and fund families sit in the market, based on risk-adjusted performance, plus shape of the

fund range where applicable, and a range of other key attributes – including cost, scale, adviser access and fund manager longevity.

Multi-asset funds: Choice, complexity and client outcomes

When looking to select multi-asset fund solutions there are a number of important questions that should be asked, and here we provide a flavour of some of the main areas for consideration:

Questions relating to your business and clients

1. Do multi-asset funds suit my advice process?
2. What types of multi-asset funds are available?
3. How are they sub-divided?
4. Can I maintain an up-to-date list of suitable funds?
5. Are they able to match my client segmentation?
6. Are they able to match my client's return expectation?
7. Are they able to match my client's risk profile?

Questions to ask the fund provider

1. How long have you been providing multi-asset solutions?
2. What resources do you have to provide multi-asset solutions?
3. What is your commitment to continued provision?
4. What are your key USPs?
5. How would you describe your multi-asset pedigree?
6. Which funds have consistently delivered their mandate?
7. Will you be providing new types of multi-asset funds for decumulating clients?

Find out more

Visit Defaqto's Multi-Asset Fund Zone for further information and resources (including Defaqto Diamond Ratings) to support your fund-related activity:

defaqto.com/advisers/zones/multi-asset-funds-zone

