



# Magnus Financial Discretionary Management Limited

Managed Portfolio Solutions



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THIS CONTENT IS FOR CLIENTS  
OF WREN STERLING FINANCIAL  
PLANNING LIMITED ADVISERS ONLY



## Welcome

Welcome to Magnus. We're privileged to be able to offer you an investment solution that helps achieve your investment goals.

Whatever you're investing for, our investment portfolios are tailored to meet your risk appetite. We've constructed portfolios from across the market, which have been scrutinised meticulously and we've used our relationships to secure competitive prices for you.

Your financial adviser will select the most appropriate portfolio for your needs following an assessment of your goals and risk profile.



### Our relationship with Wren Sterling

Magnus is a separate company in the same group of companies as Wren Sterling, known as the Wren Sterling Group. This is to ensure that it is governed independently of the Wren Sterling financial advice business. We are able to access Wren Sterling's central resources and more importantly, its buying power and can look to secure the best charges with the fund providers that we use.

It's important to state that Wren Sterling's financial advice business is totally independent and financial advisers receive no inducements for using Magnus as an investment solution.



AWARDED BY  
**ARC**  
FOR COMMITMENT  
TO TRANSPARENCY  
2024



The ARC 3D Award indicates Magnus' engagement with ARC's Investment Manager Research Programme and fulfilment of the due diligence criteria. It is not a rating or endorsement of suitability for specific clients but a validation of our commitment to transparency.

# Why invest through Magnus?

## Your experience and value

01

**Value for Money**  
Our management fee – 0.20% (no VAT)  
Underlying OCF – 0.17%-0.50%

02

**First class customer service**  
We're in regular communication with your adviser through our updates programme

03

**Performance**  
We have strong investment returns over the four years since inception (Magnus traded as MFDM LLP until January 2024)

04

**Aligned**  
Designed to match Wren Sterling's target market and suitability process

## Expertise

05

**Smarter approach to equity diversification**  
Integrating both factor perspectives and sector perspectives

06

**£900m assets under management\***  
We have scale and we're building our assets all the time

07

**Governance**  
Liquidity management and monitoring of underlying investments using proprietary tools and techniques

08

**Third party expertise**  
We're working with investment management experts, Elston Consultancy, giving us access to the latest investment data

## Oversight

09

**Institutional framework around asset allocation and fund selection**  
Effective governance arrangements when it comes to investment decisions

10

**Investment Committee**  
Chaired by an independent expert with highly relevant industry experience, Clemmie Vaughan, ex CEO of Ruffer

11

**Transparent**  
Regular reporting and daily factsheets mean you and your adviser always have the latest information

12

**Part of the Wren Sterling Group of Companies**  
We can use the scale of the Wren Sterling Group to create fund cost value for you



\*Figures correct as of July 2024 based on total assets across our MPS and bespoke solutions.

# Magnus Managed Portfolio Services

When choosing an investment strategy with Magnus, it's important to understand the distinct features and benefits of our two key offerings: the **Magnus Flagship MPS** and **Magnus Core Plus**. The Flagship MPS is ideal for those who prioritize active management and are willing to invest in a higher-cost service for potential outperformance. In contrast, Magnus Core Plus provides a cost-efficient alternative that still offers the benefits of active management with a focus on value and long-term growth.

## Magnus Flagship MPS

The Flagship MPS consists of six managed portfolios designed to meet the needs of a wide range of clients, whatever their needs and risk appetite. The models are predominantly constructed using actively managed funds, though we will include passive funds where we think it will benefit the portfolios in the long run. The underlying funds are selected on a best-in-class basis and we are not tied to any one fund manager allowing us to choose from the whole of the market.

Actively Managed Funds are investment funds where portfolio managers actively make decisions about buying and selling securities to outperform a specific benchmark or achieve a particular investment goal. Unlike passive funds, which aim to mirror the performance of an index, actively managed funds strive to beat the market through strategic analysis, research, and market timing. The Magnus Flagship OCFs range from 0.39% to 0.5%.

## Magnus Core Plus

Like the Flagship MPS the models are carefully crafted by our inhouse team. They are tactically adjusted based on the views of our investment committee to ensure the most suitable mix of assets for the given investment objectives and key market developments.

The underlying funds are primarily a mixture of index funds and factor funds. Index funds aim to replicate the performance of a specific market index such as the FTSE 100 or the S&P 500. Whereas factor funds target specific factors or characteristics believed to drive higher returns, such as value, momentum, quality, and duration. The Magnus Core Plus OCFs range from 0.17% to 0.25%.

## Our Bespoke Portfolio Management Service

Magnus also runs a more expensive Bespoke Portfolio Management Service, which is suitable for some clients in unique circumstances. If your Financial Planner recommends the Bespoke service, they will issue you with a Bespoke brochure, which contains more details.



The value of investments and any income from them can fall and you may get back less than you invested.

## Value through competitive fund pricing

Through our commercial negotiations, using the scale of Wren Sterling, we have negotiated partner share class prices on some of the most common funds in our portfolios. These savings are based on the standard price offered by fund providers, and have been passed on directly to you:

(This list is not exhaustive and does not include all the funds in all the models. Correct at August 2024).

Funds	Cost savings
Fidelity Special Situations (included in all models)	0.41%
AXA US Short Duration High Yield (included in all models)	0.30%
Invesco Tactical Bond (included in all models)	0.25%
Threadneedle US Disciplined Core (included in 4 models)	0.15%
Royal London Global Equity Diversified (included in all models)	0.10%

## Governance

The Magnus Portfolios are highly governed using internal and external research and resource. Objectives and constraints are documented for each model and agreed at the Investment Committee, which is chaired by Clemmie Vaughan.

This is the forum where asset allocation and fund selection changes are debated and decided.

The team use a combination of quantitative and qualitative tools to input into this which cover performance analysis, risk analytics and factor and liquidity analysis (using proprietary tools from Elston research).

Further to this, there is a Risk & Compliance Committee (chaired by Magnus' Non-Executive Director, Ian Halley) which provides risk oversight and a Magnus Board (chaired by Ian Darby, Non-Executive Director of Magnus).



# Our people



## Rory McPherson

### Chief Investment Officer

Rory is our Chief Investment Officer and is responsible for the construction and implementation of our investment process and the management of the model portfolios. Rory has previously grown and run award-winning Multi Asset Funds (at Russell Investments) and more recently served as Head of Investment Strategy at Punter Southall Wealth.

**In addition to leading the centralised investment proposition, Rory is a leading spokesperson for Magnus.**

Rory is a CFA Charterholder, an IMC holder and holds the CISI Financial Planning and Advice Diploma as well as levels 1, 2 and 3 of the Financial Planning Certificate. Rory graduated from Bristol University in 2003 with a 1st class honours degree in Economics and Accounting.



## Paul Chafer

### Managing Director

Paul became Magnus' Managing Director in 2023 and he is also Chief Commercial Officer of Wren Sterling.

Paul has 35 years' experience in financial services and has held a number of senior positions within banks and building societies, including Commercial Director at the Stroud and Swindon Building Society.

Paul sits on Magnus' Investment Committee and Magnus' Risk & Compliance Committee, as well as Wren Sterling's Investment Committee.



## Clemmie Vaughan

### Chair of Magnus Investment Committee

Clemmie is a former asset management Group CEO. From 2017 to 2021 she led, grew, internationalised and digitised Ruffer, the pre-eminent investment management firm, to £25bn assets under management (60% institutional) and a team of 350. Together with her leadership experience, she has a long and established asset management track record of investing globally across equities, bonds, real estate, digital currencies, credit and gold. She continued to manage investments to 2021 whilst leading Ruffer, and had a 15-year career in asset management.

She is Chair-elect of CG Asset Management and was previously a Non-executive Director of Electric & General Investment Fund from 2012 to 2017. Clemmie is also the Chair of St Mary's Ascot school.

**Clemmie has significant institutional exposure and investor relations insight, together with experience of markets, workforce management, risk management, remuneration, client management, digitisation, data and diversity and inclusion.**

# Georgie Ogilvie-Jones

### Chief Investment Strategist

Georgie is a seasoned analyst and researcher with over 25 years' experience working for wealth management, investment banking and management consulting companies. She has worked within wealth management in an investment management capacity for 11 years with stints at SDB Strategic Planners, Torevell & Partners and Mutual Financial Management/Magnus. She has consistently focused on asset allocation, fund selection and portfolio monitoring. Georgie was instrumental in the launch of Magnus and heavily involved in the development of processes to run the service efficiently.

Georgie lived in New York between 2000 and 2009, working as an analyst in relation to healthcare sector mergers and acquisitions for UBS, Morgan Stanley and Bear Stearns. She began her career in London working in the Asset Management practice at leading management consultancy McKinsey.

Georgie graduated from Oxford University with a degree in Philosophy, Politics and Economics. She holds the CII Certificate in Discretionary Management.



# Thomas Hinds

### Investment Manager

Thomas joined Magnus in 2020 having previously worked in China as an equity analyst for several Chinese investment banks providing research analysis on the domestic market for major financial institutions. Thomas covered most market sectors but had a particular focus in the luxury retail sector.

In his current role at Magnus, Thomas works as part of the DFM team providing quantitative analysis in particular detailed portfolio analytics and insights to evaluate different strategies and allocations. Thomas holds a BSc in Economics from the University of Cardiff and the CII Certificate in Discretionary Management.



# Laura Harrison-Johnson

### Investment Operations Manager

Laura has over 17 years' experience working with both group and individual pensions and a range of investments and protection. Laura was heavily involved with the initial DFM launch in 2020 from the very first client communication. Laura has deep knowledge of the platforms used to run the DFM service and assists with operations, in particular rebalances.



# Our investment strategy

Over the next few pages are details of our investment philosophy, our rationale for selecting our investments and the processes we go through to compile the assets in our managed portfolios.



## Investment philosophy

Our experienced team seek to help investors achieve their goals by aiming to provide superior risk-adjusted returns. We do this through a combination of rigorous portfolio construction and fund selection techniques, as well as strong input and oversight from our market leading external expertise.

Our investment beliefs are broadly summarised as follows:

- Strategic Asset Allocation (“SAA”) is determined by different levels of risk appetite and this drives long-term returns
- Equities are one of the best ways for investors to capture and reflect economic growth and do the “heavy lifting” within Portfolios
- Diversification helps manage equity risk and to that end we aim to expose your portfolios to different types of fixed interest and other asset classes
- Tactical Asset Allocation (“TAA”) can boost returns at the margin
- Specialist managers’ outperform generalists: we believe we can add return through selecting superior managers and combining them together in a coherent portfolio

## Strategic Asset Allocation driven by Risk and Return

We seek to understand the expected level and variability (risk) of returns for a given time frame by asset class. After that, our challenge is to best combine those asset classes for an optimised portfolio.

## Tactical Asset Allocation

Tactical Asset Allocation is driven by our “Cycle, Valuation and Sentiment” (“CVS”) framework which uses a combination of quantitative and qualitative approaches to determine where best to make tactical asset allocation decisions.

### Cycle

What are earnings like?  
What is economic growth like?  
What is policy like?

### Valuation

How cheap is that asset relative to other assets?  
Relative to history?

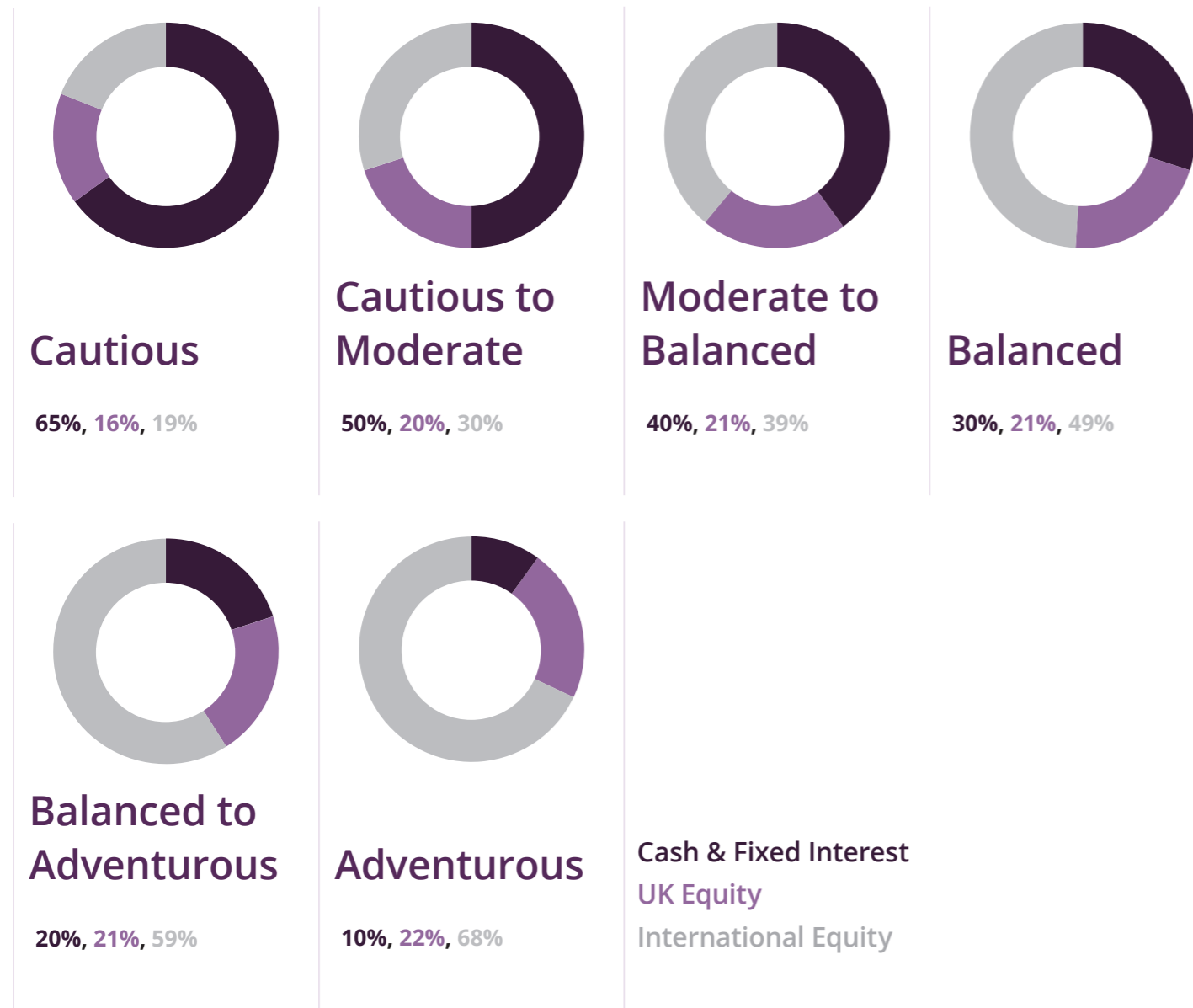
### Sentiment

How bullish or bearish are investors?  
What is price action like for this asset?

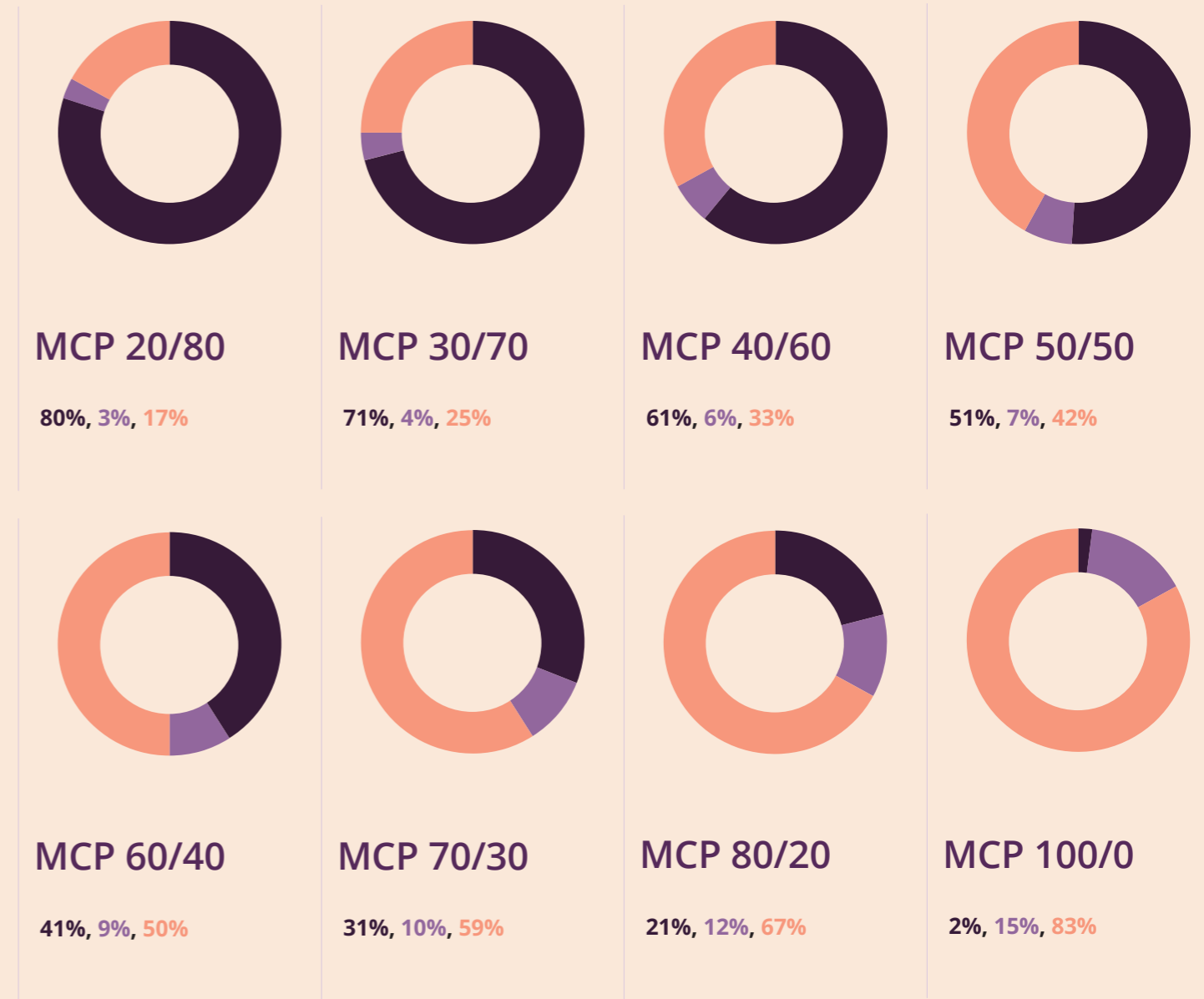


# Magnus Flagship Portfolios

Our portfolios are aligned to Wren Sterling's attitude to risk profiling and fall under these broad allocations:



# Magnus Core Plus (MCP) Portfolios



Cash & Fixed Interest  
 UK Equity  
 International Equity

# Once a broad asset allocation has been decided, the Magnus Investment Team uses their “5 Ps” to help decide how to populate investments within the model portfolios.

Process	Positioning	Performance	Price	People
How are investments in the fund selected? Is the process differentiated from competitors?	Which types of bond/ equity sectors/ geographies does the fund invest in? Does this align with our investment outlook?	We review absolute, relative and risk-adjusted returns and consistency over multiple time periods.	Is the fund good value in the context of its sector? Can we access the best value share classes?	Who manages the fund? What is their risk-adjusted track record, experience/ expertise?

Changes to portfolios are debated, reviewed and approved at the Magnus Investment Committee. This is chaired by Clemmie Vaughan who serves as a Non-Executive Director for Magnus. Clemmie was previously Group CEO of asset manager, Ruffer and enjoyed a fifteen-year career in the asset management business.

## Working with experts



Strategic Asset Allocations have been developed alongside Elston Consultancy which provides research, analytics and insights to assist our decision-making process, including daily factsheets.

Elston was founded in 2012 and supports wealth managers and financial advisers with asset allocation research, fund research and portfolio risk analytics.



# Updates and reporting

Keeping you informed is a central benefit of investing with Magnus. The team delivers weekly round ups on markets and portfolios, monthly video round-ups and quarterly market reviews delivered to your financial planner.

The more you understand the investment market, the more curious you might become. Although you are guided by your financial adviser, we are on hand to speak with your adviser in the room (or virtually) to give you more detail on your investments.

Our factsheets are updated daily by our partners Elston Consultancy, so you can always access the latest information via your financial planner.







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### **Important information**

All the solutions we offer involve some form of investment risk. The value of investments and any income from them can fall and investors may get back less than originally invested.

Past performance is not an indication of future performance.