

# Fair Value Assessment disclosure for Symphony (Model Portfolio Service)



offered by Absolute Return Investment Advisers (ARIA) Limited

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## Introduction

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FCA Reference Number 527557

Trading Names – ARIA Private Clients, ARIA Investment Platform, ARIA IP, ARIA Capital Management, and ARIA.

## Overview of the MPS service

- The Financial Conduct Authority (FCA) requires all UK investment managers to conduct a fair value assessment of their products and services as part of Consumer Duty. This covers a variety of areas from benefits and limitations to costs and potential harm. At ARIA, we pride ourselves on being transparent with our customers and have presented a summary for ARIA Symphony Model Portfolio Service (MPS).

Category	Symphony II	Symphony III	Symphony IV	Symphony V	Symphony VI	Symphony VII
Nature of the product and its benefits	Good Value	Good Value	Good Value	Good Value	Good Value	Good Value
Limitations in the product and services	Good Value	Good Value	Good Value	Good Value	Good Value	Good Value
Mitigating foreseeable harm and potential customer vulnerability	Good Value	Good Value	Good Value	Good Value	Good Value	Good Value
Overall Value	Good Value	Good Value	Good Value	Good Value	Good Value	Good Value

### The assessment has been carried out against 4 factors using a traffic light system of “Good Value”, “Room for Improvement” and “Poor Value”.

- The assessment was completed by James Hindmarch (Senior Private Client Investment Manager), ARIA Directors and Investment Committee. We review the assessment annually and will make more frequent updates if there are material changes to outcomes – April 2023.
- We believe Symphony MPS offers fair value to customers, and we continue to look for areas to improve. We are confident that Symphony MPS is well-positioned to continue providing good outcomes and fair value for its customers in the future.
- Symphony was launched in 2019 and has been successfully offered since.
- MPS is offered at 30 Basis Points (bps) Annual Management Charge (AMC). Underlying fund On Going Charge Figure (OCF) is around 55bps or lower.
- Portfolios are rated primarily via Dynamic Planner, portfolios offered from risk rating 2 to 7.
- The portfolios only use Undertakings for Collective Investment in Transferable Securities (UCITS) funds. Equity and Bond strategies only, no alternatives.
- Offered on an agent as client and reliance on others basis, depending on the relationship. The portfolios are always on an advised basis.
- All strategies are risk-based and have the objective of capital growth.
- The MPS strategies are set at portfolio level and do not permit any form of bespoke management inside the strategy.
- Symphony MPS is available in a range of tax-efficient wrappers, including Individual Savings Accounts (ISAs), offshore bonds, and Self-Invested Personal Pensions (SIPPs) or in a General Investment Account (GIA).

## May be suitable for :

**Investors who are looking for risk managed portfolios available to suit a wide range of objectives.**

Investors looking for cost effective and diversified portfolio construction, with a focus on the most liquid asset classes and funds

**Investors looking for access to third party, institutional quality management.**

Investors with a longer term investment horizon

## May NOT be suitable for :

**Customers who cannot tolerate short and long term loss of capital in order to invest**

The MPS has no investor input or control over the underlying assets within the portfolio – this will be managed on a collective, not an individual basis

**This MPS is not suitable for clients seeking a pure passive investment management style.**

Clients with a short term investment horizon

## Target market assessment

Symphony is designed with retail clients in mind, however professional clients could also benefit from the MPS strategy approach. Please see Symphony target market document for further details.

## Approach to the value assessment

- Factors included to assess value were performance of strategy how each MPS portfolio has performed against its objectives, total expected cost the fees and charges clients pay for the benefits and services they receive, service provided the quality and range of service provided, comparable services the service compared to similar solutions from other firms.
- Cost analysis: review of current market place AMC and OCF.
- Funds are selected based on investment management process fund selection criteria. There is no process of assessing value assessments of underlying funds as it does not factor into the Investment Management process.
- Feedback and complaints would be assessed during the Investment Committee. There have not been any complaints about Symphony in the past 12 months.
- The assessment was completed by James Hindmarch (Senior Private Client Investment Manager), ARIA Directors and Investment Committee. We review the assessment annually and will make more frequent updates if there are material changes to outcomes.

## Summary findings

Having completed a review of all the factors above, we assert that the Symphony MPS service provides good value to clients and advisers.

The Symphony MPS service provides advisers and clients with access to risk graded portfolios that tightly adhere to their mandates, ensuring that the investment solution selected by the adviser remains suitable for the client's objectives and needs. Performance has been at or above the peer group average since inception. Symphony III has been the only offering that has underperformed the peer group average as a result of the weakness in bonds due to a tightening of interest rates. As the service is offered primarily on an Agent as Client basis, provision of factsheets and adherence to mandate is the primary factors for quality of service and both areas are met promptly and accurately.

According to market surveys, The UK MPS market average for AMC is between 0.2% and 0.4%. While there are some offerings that are provided at a lower rate, these are bundled and only available if other services are used, such as custody. We feel that being in the middle of this range provides good value to clients and advisers given the benefits of a strong investment solution with good relative performance. Advisers also gain access to the investment manager when required.

There have been no changes to the service as a result of the fair value assessment. We have already identified and begun review and adjustments to the Symphony III portfolio.