• **Q: I haven’t heard of IPS Capital (IPS), who are you?**
  IPS Capital is a boutique multi-asset investment manager aiming to provide consistent returns within a robust risk-controlled framework. As an independent partnership, we provide discretionary asset management services to UK and International private clients, trusts and pension schemes. Advisers choose us because they want their Clients’ capital managed by an active, client-orientated firm with solid foundations and history.

• **Q: What do you think are the advantages of having a multi-asset approach to investing?**
  IPS follows an active, multi-asset approach to investing and believes that over the long-term, this provides better capital protection and risk-adjusted returns over the more traditional mix of long-term only equities and bonds. We believe that genuine diversification is the best way to limit portfolio losses and so a multi-asset portfolio provides an effective solution.

• **Q: What do you think makes IPS different in terms of asset allocation?**
  Our investment philosophy is guided by three principles:
  1. Asset allocation is at the core of the investment process
  2. Buy and hold may not be the optimum strategy for a client
  3. It is important that our portfolios match a clients’ needs and expectations

  We follow an active investment approach and tactically allocate across a range of assets, using our in-house risk management systems and controls to ensure that portfolios remain within their specified parameters. Our asset allocation process covers twelve asset classes. These are categorised into four key investment styles; growth, absolute return, income and protection. We use extensive market research from both our in-house team and some of the world’s leading economic consultancies to generate investment ideas which are then debated by our Investment Committee.

  *One of our key differentiators is that because we are not aligned to a benchmark, we are able to move completely out of an asset class when we believe it to be appropriate to do so and then look for an alternative asset class(s) that we believe offers an opportunity at the right price.*

• **Q: Can you give me an example of your asset class diversification?**
  We tactically allocate across a range of assets and classify these assets into twelve opportunity sets. From these opportunity sets we then identify those that we feel will add value over the medium to long term. The use of absolute return funds allows us to utilise funds that vary their exposure to credit or equity markets, providing better risk adjusted returns in more volatile asset classes. The return profile allows your clients to have smoothed returns, especially in cautious and balanced mandates.

• **Q: Due to the size of IPS, is your research capability limited?**
  Certainly not. We utilise the best possible information and technology by partnering with some of the world’s most highly regarded economic and fund research firms. This allows us to fully assess the strength of investment opportunities to grow and protect capital, even when the markets take fright.
For fund research, IPS has partnered with Mercer Consulting to help broaden its access to fund opportunities, particularly in the more complex alternative and absolute return sectors. Mercer helps IPS focus on the areas that add most value to clients while still having a broad market reach.

For investment research, IPS uses BCA and Ned Davis to help evaluate the relative attractiveness of global investment opportunities. Deep understanding of the fundamental and technical aspects of each investment opportunity means that IPS is less likely to be distracted by short term headlines and more able to focus on the longer term risks and opportunities for client portfolios.

- **Q: You say that Risk Management is at the heart of what you do, can you elaborate a bit more on your proprietary system and what the benefit is to me and my clients?**
  
  Risk management is at the heart of our investment process and so protecting the downside is key. To do this we use comprehensive risk analysis and management via the IPS Analysis, Risk and Trading (ART) system. When seeking a proprietary risk management tool we were unable to find a system that provided a sufficiently comprehensive solution to fulfil our requirements. So we created our own.

  IPS ART was designed and built and now provides what we believe to be an industry-leading, institutional level, risk management system. IPS ART is the backbone of our business. It works alongside our Investment Committee to continually track and monitor portfolios and perform stress tests. It is constantly being developed to provide additional functionality for both us and clients and is able to deal with sensitive tax arrangements, currency risk and also advanced investment risk. As a result, the system is unique and we feel this gives us a distinct advantage over other managers.

  *This gives Financial Advisers reassurance that all portfolios are constantly reviewed, monitored and rebalanced, ensuring alignment with their clients ATR.*

- **Q: How do you build portfolios to meet our client’s expectations?**

  IPS Capital has three main objectives:
  
  - to limit risk, not return
  - to provide the best possible level of service
  - to deliver consistent returns by investing in a broad range of asset classes

  Your client’s upper and lower risk limits determine the types of assets that will be selected for the portfolio. The assets are extensively researched and monitored and a comprehensive due diligence process carried out.

  We believe that avoiding significant losses during market downturns is key to growing wealth over the long-term and so portfolio risk should be stress tested and continually monitored. Our risk-managed investment strategies are designed to produce a consistent level of return for the agreed level of risk.

  *This allows us to manage risk budgets, by both asset class and fund manager, to create a fluid and transparent portfolio construction process for your clients.*