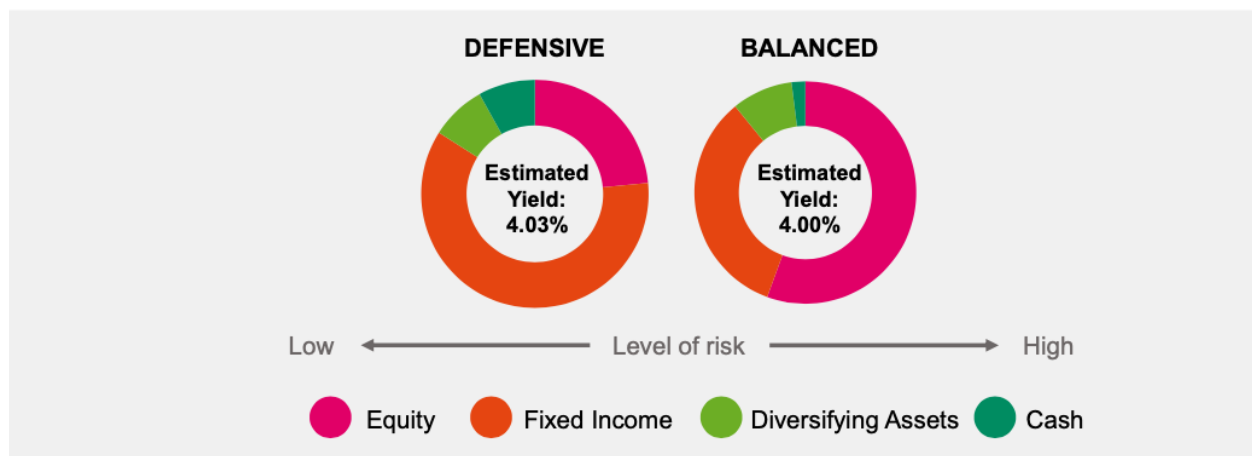




Pacific Asset Management Income MPS – Fund Research Summary

Strategy and Objective

The Pacific Income MPS range is designed to deliver a regular, sustainable income with some capital growth, using globally diversified, multi-asset portfolios aligned to adviser risk profiles and ARC peer indices.



- Defensive Income – aims to provide a regular income while preserving capital, with a strong bias to lower-risk assets and equity capped at 35%. Target investors are lower-risk clients able to accept some short-term capital loss over at least five years.

- Balanced Income – targets regular income plus capital growth, balancing capital preservation with higher equity exposure (up to 85%), suitable for medium-risk investors over 5+ years.

Both portfolios are benchmarked against ARC Cautious / ARC Balanced and seek to outperform these indices over the cycle, while generating an income yield around 4% p.a. (Defensive 3.93%, Balanced 3.92% at 31 Oct 2025).



**Focus on
natural
income**



**Actively
managed**



**Globally
diversified**



**Institutional
grade securities**



**Consistent
yield**



**Potential for
capital growth**

Team & Resources

The Income MPS is run by Will Bartleet (CIO) and Will Thompson (CSO), supported by Pacific's multi-asset investment team, who have long experience across multi-asset, equities, fixed income and alternatives.

Multi-Asset Portfolio Managers



Will Bartleet
CIO & PM

- Previously worked at HSBC for 17 years
- Ran \$5bn range of multi-asset funds
- Chairman of their Tactical Asset Allocation Committee
- Responsible for the positioning of HSBC's \$30bn wealth business



Will Thompson
CSO & PM

- Focuses on PAM's Sustainable Multi-Asset Portfolios and PAM's Responsible Investing Policy
- Previously Senior Portfolio Manager at HSBC AM
- Worked on multi-asset fund ranges totalling \$14 bn



Louis Cucciniello
Head of
Diversifying Assets

- Previously worked at Deutsche Bank as the Managing Director and Global Head of Multi-Asset Trading
- Louis created, traded and managed over \$5bn of risk premia strategies



Ross Wright
Head of Direct
Indexing
& Quantitative
Trading

- Ross is Head of Direct Indexing and Quantitative Investments and joined Pacific in June 2021
- Former Managing Director and Head of Trading at Deutsche Bank
- Pivotal in the expansion of the DB's award-winning Fund Derivatives business

Analytics and Research



Laura Robins
Senior Investment
Analyst

- Focuses analysis on fund selection, performance attribution and asset allocation



Lucian De Boynville
Portfolio Analyst

- Previously Research Manager at Valuation
- Responsible for portfolio construction, company valuations & portfolio analysis



Edvardas Moseika
Quantitative Analyst

- Responsible for automating data collection, developing stock selection systems and researching the investment universe in a broad sense.



Henry Littleworth
Quantitative Analyst

- Responsible for the monitoring and control of PAMs range of MPS portfolios across investment trading platforms

- The broader firm manages c.£13.5bn, split between “Modern Adviser Solutions” (multi-asset/MPS) and single-strategy funds. Around £100m sits in the Income strategies, providing a meaningful but not unwieldy asset base.

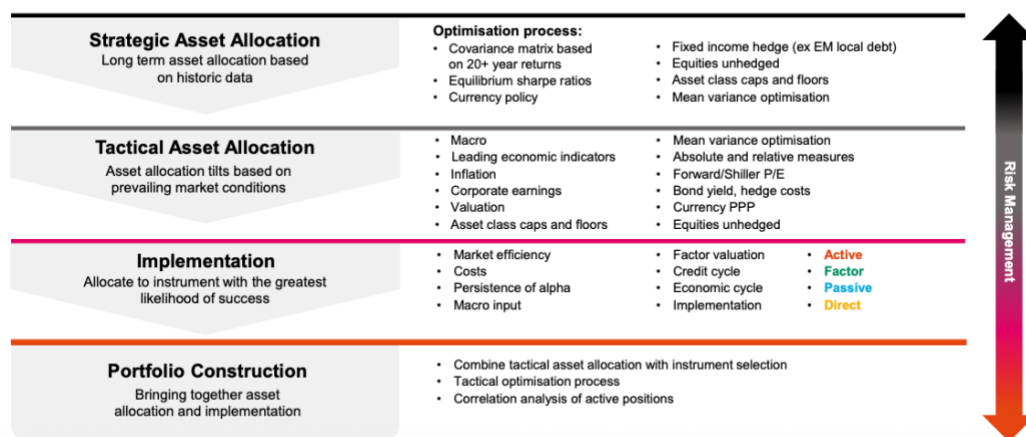
- The team leverages in-house specialists (equity, credit, diversifying assets, quant) and external research via MercerInsight to support fund selection and portfolio construction.

There have been no MPS team departures in the last three years, and there is formal risk/compliance committee oversight, which supports continuity and governance.

Investment Process

Pacific describe a disciplined, institutional-style multi-asset process with three key engines:

1. Strategic Asset Allocation (SAA)
 - Built using a mean-variance optimiser (Python-based) using 20+ years of data, covariance matrices, long-term Sharpe assumptions and asset-class caps/floors.
 - SAA is reviewed quarterly, not annually, so the mix can respond to valuation shifts (e.g. post-pandemic dislocations).
2. Tactical Asset Allocation (TAA)
 - Shorter-term tilts based on macro, valuation, factor and credit/earnings cycles.
 - Implemented mainly via liquid funds/ETFs and derivatives; used both for return opportunities and risk-mitigation (e.g. hedging and risk-reduction in stressed periods).
3. Implementation & Fund Selection
 - “Implementation-agnostic”: blends active, factor, passive and direct exposures, with no style bias over the long term.
 - Funds are selected using an internal quantitative and qualitative process, with a preference for liquidity, transparency and no hard-to-value esoteric assets.



Source: Pacific Asset Management 2024

Risk management is embedded via: daily risk monitoring, VaR/volatility bands, regular stress tests (including 2008-style, pandemic and rate-shock scenarios), and oversight by a Risk & Compliance Committee.

Portfolio Characteristics

Asset mix

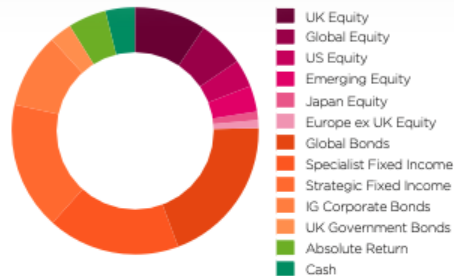
As at 31 October 2025:

- Defensive Income
 - Equity: 24.6%
 - Fixed Income: 66.5%
 - Diversifying Assets (absolute return): 5.0%
 - Cash: 3.9%

PORTFOLIO HOLDINGS OVERVIEW

Current Asset Allocation (%)

Equity	24.6%
Fixed Income	66.5%
Diversifying Assets	5.0%
Cash	3.9%
Total	100.0%



Fund Holdings in Detail (%)

Asset Class	Sub Class	%	Holding	%
Equity: 24.6%	UK Equity	9.4	Man GLG Income D Professional Inc	4.16
			Fidelity Enhanced Income W Inc	3.08
			Fidelity Index UK Fund	2.12
	Global Equity	6.1	Fidelity Global Enhanced Income W Inc	3.08
			Franklin Templeton Clearbridge Income Fund	3.04
	US Equity	3.6	FTF ClearBridge US Equity Income S Inc GBP	3.63
	Emerging Equity	3.4	JPM Emerging Markets Income C Inc	3.37
Fixed Income: 66.5%	Japan Equity	1.1	iShares Japan Equity Index Fund	1.12
	Europe ex UK Equity	1.0	BlackRock Continental European Income D Inc	1.04
	Global Bonds	19.7	Jupiter Global Macro Bond U1 Inc GBP	9.89
			Vanguard Global Bond Index Institutional Plus Hedged Inc GBP	9.80
			JPM Unconstrained Bond Fund	7.91
	Specialist Fixed Income	17.3	TwentyFour Monument Bond I Net Inc GBP	5.85
			M&G Emerging Markets Bond IH Inc GBP	3.55
	Strategic Fixed Income	16.8	Trinity Bridge Select Fixed Income Fund X Inc	8.86
			TwentyFour Dynamic Bond I Net Inc GBP	7.91
	IG Corporate Bonds	9.8	L&G Sterling Corporate Bond Index C Inc	4.91
Absolute Return: 5.0%	UK Government Bonds	2.9	Vanguard Global Short Term Corp Bond Index Instit Plus Hgd Acc	4.89
			L&G All Stocks Index Linked Gilt Index Trust C Inc	2.91
	Absolute Return	5.0	WS Ruffer Diversified Return I Inc	4.99
Cash: 3.9%	Cash	3.9	Cash	3.89

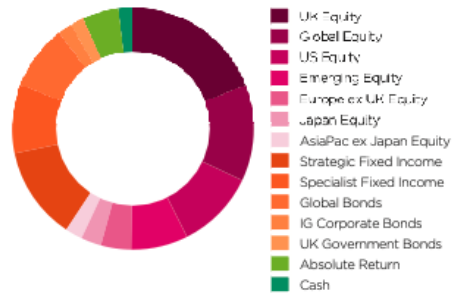
Source: Pacific Asset Management. Holdings and allocations are subject to change. Totals may not sum to 100% due to rounding.

- Balanced Income
 - Equity: 59.3%
 - Fixed Income: 34.0%
 - Diversifying Assets (absolute return): 4.8%
 - Cash: 1.9%

PORTFOLIO HOLDINGS OVERVIEW

Current Asset Allocation (%)

Equity	59.3%
Fixed Income	34.0%
Diversifying Assets	4.8%
Cash	1.9%
Total	100.0%



Fund Holdings in Detail (%)

Asset Class	Sub Class	%	Holding	%
Equity: 59.3%	UK Equity	19.2	Man GLG Income D Professional Inc	7.06
			Fidelity Enhanced Income W Inc	6.96
			Fidelity Index UK Fund	5.15
	Global Equity	12.8	Franklin Templeton Clearbridge Income Fund	6.88
			Fidelity Global Enhanced Income W Inc	5.97
	US Equity	10.6	Fidelity Index US P Inc	6.57
	Emerging Equity	7.6	FTF ClearBridge US Equity Income S Inc GBP	4.03
	Europe ex UK Equity	4.0	JPM Emerging Markets Income C Inc	7.63
Fixed Income: 34.0%	Japan Equity	2.7	BlackRock Continental European Income D Inc	4.03
	AsiaPac ex Japan Equity	2.3	iShares Japan Equity Index Fund	2.71
	Strategic Fixed Income	12.4	L&G Pacific Index Trust C Inc	2.30
			TwentyFour Dynamic Bond I Net Inc GBP	6.71
			Trinity Bridge Select Fixed Income Fund X Inc	5.73
	Specialist Fixed Income	9.2	TwentyFour Monument Bond I Net Inc GBP	4.73
			M&G Emerging Markets Bond IH Inc GBP	4.43
	Global Bonds	8.6	Jupiter Global Macro Bond UI Inc GBP	6.71
	IG Corporate Bonds	1.9	Vanguard Global Bond Index Institutional Plus Hedged Inc GBP	1.90
	UK Government Bonds	1.9	Vanguard Global Short Term Corp Bond Index Instit Plus Hqd Acc	1.90
Absolute Return: 4.8%	Absolute Return	4.8	L&G All Stocks Index Linked Gilt Index Trust C Inc	1.88
Cash: 1.9%	Cash	1.9	WS Ruffer Diversified Return I Inc	4.84
			Cash	1.89

Source: Pacific Asset Management. Holdings and allocations are subject to change. Totals may not sum to 100% due to rounding.

MOVE FORWARD

Strategy Sheet 11

Both portfolios are globally diversified, with meaningful allocations to UK, US, global and emerging market equity income funds, plus global, strategic and specialist fixed-income strategies (including EM debt and unconstrained/strategic bond funds).

Income profile & charges

- Trailing yields: c. 3.9–4.0% p.a.
- Total underlying cost (OCF + transaction costs) c. 0.97% (Defensive) and 1.08% (Balanced); there is no additional DFM fee on top.

Given the number of underlying holdings and active components, the all-in fee level is competitive versus many income-focused multi-asset peers.

Performance

Since launch (30 March 2012) to 31 October 2025, both models have outperformed their ARC peers on a net-of-fees basis:

- Defensive Income
 - Cumulative return: 66.3% vs ARC Cautious 51.4%.
 - Annualised return: 3.8% vs ARC 3.1%.
 - Annualised volatility: 4.2% vs 3.7%; Sharpe 0.6 vs 0.5.

PERFORMANCE AND RISK OVERVIEW

Pacific Defensive Income Portfolio GBP from 30 Mar 2012 to 31 Oct 2025

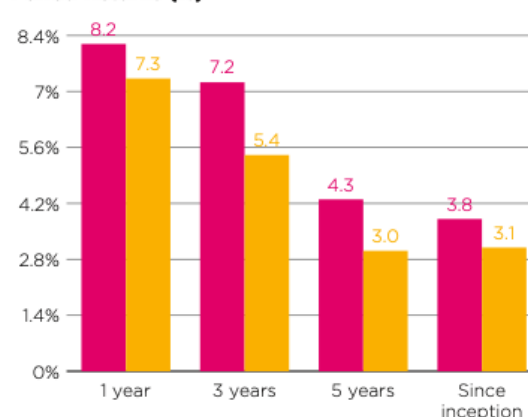
● Pacific Defensive Income Portfolio

● ARC Cautious

Cumulative Performance (%)



Period Returns (%)



Annual returns (%)

	2018	2019	2020	2021	2022	2023	2024	2025
Portfolio	-4.2%	10.7%	-0.6%	3.7%	-5.1%	5.8%	4.4%	7.9%
ARC	-3.6%	8.1%	4.2%	4.2%	-7.6%	3.7%	4.6%	6.5%

Performance and risk characteristics

	Annualised Compound Return (%)	Annualised Volatility (%)	Sharpe Ratio
Portfolio	3.8%	4.2%	0.6
ARC	3.1%	3.7%	0.5

Year-on-year performance (%)

	30 Oct 20 to 29 Oct 21	29 Oct 21 to 28 Oct 22	28 Oct 22 to 31 Oct 23	31 Oct 23 to 31 Oct 24	31 Oct 24 to 31 Oct 25
Portfolio	8.0%	-7.3%	3.3%	10.3%	8.2%
ARC	7.8%	-8.1%	1.0%	8.0%	7.3%

Important Information

Past performance is not necessarily a guide to future performance and is not guaranteed. Performance is shown net of ongoing fund charges, transaction costs and management costs where applicable. Performance may be subject to small discrepancies in data due to rounding, interest rate calculations, monthly vs daily pricing and approximate FX hedging. Holdings and allocations are subject to change. Totals may not sum to 100% due to rounding.

- Balanced Income
 - Cumulative return: 121.4% vs ARC Balanced 84.6%.
 - Annualised return: 6.0% vs ARC 4.6%.
 - Annualised volatility: 7.3% vs 6.0%; Sharpe 0.6 vs 0.5.

PERFORMANCE AND RISK OVERVIEW

Pacific Balanced Income Portfolio GBP from 30 Mar 2012 to 31 Oct 2025

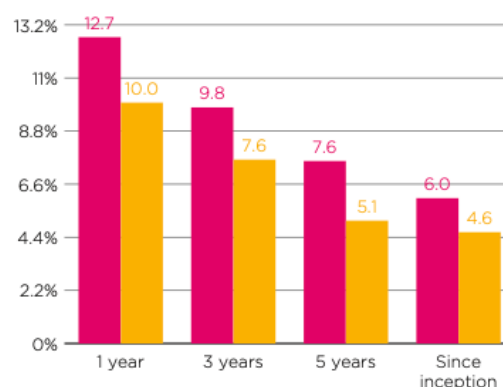
● Pacific Balanced Income Portfolio

● ARC Balanced

Cumulative Performance (%)



Period Returns (%)



Annual returns (%)

	2018	2019	2020	2021	2022	2023	2024	2025
Portfolio	-6.3%	14.4%	-0.7%	8.8%	-4.3%	6.1%	6.7%	11.9%
ARC	-5.1%	11.7%	4.3%	7.6%	-9.1%	5.8%	6.4%	8.9%

Performance and risk characteristics

	Annualised Compound Return (%)	Annualised Volatility (%)	Sharpe Ratio
Portfolio	6.0%	7.3%	0.6
ARC	4.6%	6.0%	0.5

Year-on-year performance (%)

	30 Oct 20 to 29 Oct 21	29 Oct 21 to 28 Oct 22	28 Oct 22 to 31 Oct 23	31 Oct 23 to 31 Oct 24	31 Oct 24 to 31 Oct 25
Portfolio	16.2%	-6.4%	3.6%	13.3%	12.7%
ARC	13.6%	-9.5%	1.0%	12.2%	10.0%

Important Information

Past performance is not necessarily a guide to future performance and is not guaranteed. Performance is shown net of ongoing fund charges, transaction costs and management costs where applicable. Performance may be subject to small discrepancies in data due to rounding, interest rate calculations, monthly vs daily pricing and approximate FX hedging. Holdings and allocations are subject to change. Totals may not sum to 100% due to rounding.

Year-on-year data shows the portfolios holding up relatively well in stress periods (e.g. 2022 drawdowns were milder than ARC), and capturing upside effectively in recovery phases (e.g. double-digit returns in 2021 and 2025 for Balanced Income).

Pacific's broader analysis across the MPS ranges suggests the Income portfolios have outperformed their ARC benchmarks in c. 75–87% of rolling 1–5-year periods, reinforcing a theme of consistent, risk-adjusted value-add.

Maximum historical drawdowns were -17.3% (Defensive) and -23.4% (Balanced) in March 2020, broadly consistent with their risk budgets and equity weights.

Strengths

- Clear income / risk differentiation – Two risk profiles (Defensive & Balanced) with transparent equity caps and volatility targets make mapping to client risk profiles straightforward.
- Institutional-grade process at MPS price point – Quarterly SAA, TAA, and sophisticated implementation (active, factor, passive, direct) are more typical of institutional mandates than retail MPS, but delivered here with total costs around 1% and no DFM overlay fee.
- Consistent outperformance vs ARC – Long-term, risk-adjusted alpha versus relevant ARC indices, including through multiple regimes (QE era, pandemic shock, rising-rate cycle).
- Strong governance & tech support – Clear product governance, stress-testing, risk committees and the AdviserLab platform (strategy sheets, commentaries, proposals, ESG/education materials) support advisers with Consumer Duty and ongoing suitability/communication.
- Focus on natural income – Security selection is geared towards sustainable yield and distribution growth, which aligns well with decumulation needs where clients prefer “natural” income over systematic capital withdrawals.

Risks & Considerations

- Market & credit risk – Despite diversification and lower equity caps, both models can suffer material drawdowns, particularly in environments where equities and bonds sell off together (e.g. 2022, 2020).
- Interest-rate sensitivity – Meaningful allocations to global and corporate bonds (plus EM debt in places) mean performance is sensitive to changes in yields and credit spreads.
- Complexity of underlying holdings – Use of unconstrained/strategic bond funds, absolute return and multi-strategy diversifiers may be harder for some end-clients to fully understand, so adviser explanation and documentation are important.
- Income vs total-return trade-off – The focus on income-producing assets may mean the portfolios lag more growth-oriented or accumulation-focused strategies during strong equity bull markets.
- ESG not the primary lens – While ESG is considered at the firm level, the Income MPS range is not branded as sustainable/impact, so it may not be suitable for clients with specific ethical or sustainability requirements.

Role in a Portfolio or Retirement Plan

The Pacific Income MPS is well-suited to:

- Retirement income portfolios where clients want regular, diversified natural income around 4% with explicit risk-banding (Defensive vs Balanced).
- Blended CRP/decumulation structures, for example:
 - Defensive Income for core “essential spending” buckets.
 - Balanced Income for “lifestyle/discretionary” buckets with higher growth need.
- Clients transitioning into retirement, where a move from accumulation models into income-focused MPS can support sequencing-risk mitigation while still participating in equity upside.

It can also sit alongside:

- Passive equity building blocks (e.g. low-cost global trackers) to create personalised blends of growth and income; or
- Specialist single-strategy funds (e.g. global equity income, infrastructure) where advisers want to add more targeted tilts on top of a diversified income core.

Points of Difference

Compared with many DFM income propositions, the Pacific Income MPS stands out for:

- No additional DFM fee – total cost is essentially the blended underlying OCF + transaction costs.
- Modern, tech-enabled infrastructure – AdviserLab, branded materials, and detailed holdings/attribution help advisers evidence ongoing value and Consumer Duty outcomes.
- Institutional multi-asset engine – SAA/TAA, optimiser-based construction, and access to off-platform institutional funds and factor exposures.
- Documented predictability of returns – Pacific highlight a strong record of being first/second quartile versus ARC on rolling periods, and only once fourth quartile over 27 rolling 12-month observations.

Summary and Money Wise UK View

In summary, the Pacific Asset Management Income MPS offers an institutional-quality, competitively-priced multi-asset income solution with a clear risk framework, consistent performance versus ARC, and strong adviser-facing support.

From a Money Wise UK perspective:

- It is a credible candidate for the “income engine” within a Centralised Retirement Proposition (CRP), particularly where firms want:
 - transparent ARC-linked risk alignment,
 - natural income targeting c.4%, and
 - a balance between active opportunity and cost control.
- The main watchpoints are education (helping clients understand the role of diversifiers and bonds), acknowledging that income focus can lag more aggressive growth portfolios in strong bull markets, and ensuring ESG-specific mandates use the Sustainable MPS range instead.

Overall, for firms comfortable with a multi-asset, income-led solution rather than pure equity income, Pacific’s Income MPS looks like a well-designed, fair-value option that can sit at the core of many retirement income strategies.

(As always, this is a research / due-diligence style review, not a personal recommendation to invest. Individual firms remain responsible for their own PROD, Consumer Duty and suitability assessments.)

Disclaimer

Past performance is not a reliable guide to future results. The value of investments can fall as well as rise, and investors may not get back the amount originally invested.

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Review Completed: December 2025