Dimensional MPS - Strategy Review – July 2026

Dimensional Managed Portfolio Service
Launch Review – July 2026

This document provides a review of the launch of the Dimensional Managed Portfolio Service based on the information supplied, including the Dimensional MPS Guide, the Target Market and Value Statement, the asset allocation comparison document and supporting MPS presentation material.

This is not a traditional performance review.

The Dimensional MPS launched in 2026, so there is no live MPS track record to assess. The review therefore focuses on the proposition, investment philosophy, portfolio construction, costs, governance, an adviser use case, risks, and areas for future monitoring.

Strategy Overview & Objective

The Dimensional Managed Portfolio Service is a discretionary model portfolio service available through the Transact platform.

Dimensional UK manages twelve discretionary model portfolios, targeting long-term capital growth while managing risk within predefined risk ranges. The portfolios invest across a range of Dimensional funds and are rebalanced by Dimensional on an ongoing basis.

The service offers:

- Core Wealth Models
- Core Plus Wealth Models
- Six equity / fixed income allocations in each range
- Allocations from 100% fixed income to 100% equity
- Quarterly rebalancing
- A 2% target cash allocation
- A Dimensional MPS fee of 0.06% per annum, excluding VAT

The important point is that this is not simply providing model weights.

It is a discretionary managed portfolio service.

Dimensional already had Guidance Wealth Models, where advisers were responsible for implementation and rebalancing. The MPS shifts more responsibility to Dimensional, including target-weight rebalancing and quarterly implementation.
In simple terms:

Dimensional has moved from guidance to implementation.

At a Glance

Area	Detail
Proposition	Dimensional Managed Portfolio Service
Launch	2026
Platform	Transact
Number of portfolios	12
Model ranges	Core and Core Plus
Equity / fixed income splits	0/100, 20/80, 40/60, 60/40, 80/20, 100/0
Rebalancing	Quarterly
Target cash	2%
DFM fee	0.06% per annum, excluding VAT
Underlying funds	Dimensional funds
Track record	No live MPS track record at launch
Primary audience	Financial advisers using Transact

The Core models have total costs ranging from 0.30% to 0.35%, including the 0.06% DFM fee. The Core Plus models have total costs ranging from 0.31% to 0.41%. These figures exclude adviser and platform charges.

Investment Philosophy & Edge

The investment philosophy is the key part of the Dimensional proposition.

Dimensional's MPS is built around a systematic, research-led approach rather than traditional active fund selection or manager rotation.

The MPS Guide describes the portfolios as being powered by financial science and focused on reliable drivers of higher expected returns across equity markets and fixed income markets.

The core equity drivers are:

- Size
- Value
- Profitability

The fixed income drivers are:

- Term
- Credit
- Currency, where applicable

This is not a tactical asset allocation proposition.

It is not trying to predict next quarter’s winners.

The philosophy is more patient:

Capture broad market returns, tilt towards areas with higher expected returns, manage costs, diversify widely and implement consistently.

In simple terms:

Dimensional is trying to sit between passive indexing and traditional active management.

It is not stock-picking in the conventional sense.

It is systematic active investing.

The Dimensional Brand

This is one of the launch's strengths.

Dimensional is a significant global investment manager with a long history in evidence-based investing. The MPS Guide states that Dimensional has been applying financial science since 1981, with $969bn in firmwide assets under management and more than 1,600 employees across 15 global offices, as at 31 March 2026.

That matters.

In a crowded MPS market, brand, process and adviser support are important.

Many MPS providers talk about process. Dimensional has a long-established philosophy, a recognisable identity and strong adviser education materials.

However, there is a distinction to make:

Dimensional has a long investment track record.

The Dimensional MPS does not.

That should be made clear in any due diligence work.

Proposition Context

Dimensional sets out four ways advisers can work with it for asset allocation:

- DIY
- Guidance Wealth Models
- Dimensional MPS
- World Allocation Funds

The comparison document explains that Guidance Wealth Models have been published quarterly since 2020, while the MPS launched in 2026 as an investment product. World Allocation Funds have been managed since 2011 and provide a one-fund solution.

This is helpful because the MPS does not appear to be a completely new investment philosophy.

It is a new wrapper and implementation route for an established Dimensional approach.

The difference is operational.

Guidance Wealth Models required advisers to build and rebalance their own portfolios.

The MPS enables Dimensional to manage and rebalance models.

This may appeal to firms that like Dimensional's philosophy but want less operational burden.

Investment Process

The process begins with global equity and fixed-income markets.

The MPS Guide says Dimensional starts with the market, then tilts towards securities with higher expected returns. Equity allocations focus on size, value and profitability, while fixed income allocations consider term, credit and currency where applicable. The process can be summarised as:

1. Start with the Market

The portfolios are built from global equity and fixed income markets.

The starting point is broad diversification.

2. Target Higher Expected Returns

The equity funds tilt towards areas Dimensional believes have higher expected returns:

- Smaller companies
- Lower relative price / value companies
- Higher profitability companies

The fixed income element is managed around:

- Maturity#
- Credit quality
- Currency exposure
- Risk control

3. Use Dimensional Funds

The MPS invests in Dimensional funds.

This creates consistency of philosophy and implementation, but it also creates a conflict to document, because Dimensional allocates only to asset classes where Dimensional funds are available. Dimensional also receives fees from the underlying funds used in the MPS.

4. Rebalance Quarterly

Dimensional is responsible for quarterly target weight rebalancing within the MPS.

5. Support Adviser Communication

Dimensional provides supporting documentation, characteristics reports, return reports and adviser resources.

In simple terms:

The proposition is systematic, rules-based in philosophy and centrally implemented.

Portfolio Overview

There are two main ranges:

Core

The Core models provide a moderate emphasis on higher expected returns.

They use:

- UK Core Equity Fund
- International Core Equity Fund
- Emerging Markets Core Equity Fund
- Global and sterling fixed income funds
- 2% cash

The Core total cost range is 0.30% to 0.35%, including the MPS fee.

Core Plus

The Core Plus models place greater emphasis on higher expected returns.

They include the same broad structure, but with additional exposure to:

- Global Targeted Value Fund
- Emerging Markets Targeted Value Fund

The Core Plus total cost range is 0.31% to 0.41%, including the MPS fee.

This distinction is important.

Core Plus is not simply “more equity”.

It is a stronger tilt toward the Dimensional expected-return factors.

In simple terms:

Core is the more moderate expression.

Core Plus is the stronger factor expression.

Performance Overview

This section needs care.

There is no live MPS track record at launch.

That is the most important point.

Dimensional provides long-term index allocation data and model-related analysis, but this should not be confused with the live MPS performance record.

The supporting presentation includes hypothetical and index-based data, with some cases going back to 1985 and 1994. For example, Dimensional shows long-term risk and return characteristics for Core Index Allocations from January 1985 to December 2025, and for a 100% equity index allocation from June 1994 to December 2025.

This can be useful for understanding the theory and the approach's long-term behaviour.

But it is not the same as live MPS performance.

The due diligence distinction is:

- Dimensional funds have live histories
- Dimensional Guidance Wealth Models have history from 2020
- Dimensional World Allocation Funds have been managed since 2011
- The Dimensional MPS launched in 2026
- The MPS itself has no meaningful live track record at launch

In simple terms:

The philosophy has a history.
The MPS wrapper does not.

Market Context

The UK MPS market is crowded.

There are already many providers offering:

- Passive MPS
- Active MPS
- Hybrid MPS
- Sustainable MPS
- Risk-rated MPS
- Platform-specific MPS
- DFM-led MPS
- Adviser-branded model portfolios

This means Dimensional is not launching into an empty space.

The proposition, therefore, needs to be clear.

The likely differentiators are:

- Brand strength
- Evidence-based investing
- Low MPS fee
- Consistent philosophy
- Adviser education
- Systematic implementation
- Strong underlying fund heritage
- Simple Core and Core Plus structure

The challenge is also clear:

Many advisers already have an MPS partner.

Dimensional will need to prove why this is not simply another model range in an already crowded marketplace.

Strengths

1. Strong Brand

Dimensional is a recognised global investment manager with a long history of evidence-based investing.

This gives the MPS instant credibility.

2. Clear Investment Philosophy

The proposition is easy to explain:

Markets work, diversification matters, costs matter and long-term expected returns can be improved by tilting towards reliable drivers of return.

3. Low MPS Fee

The 0.06% annual MPS fee is competitive.

This is particularly important in a market where Consumer Duty and value assessments are increasingly central.

4. Systematic and Transparent

The process is not dependent on short-term market calls or star managers.

This should make the proposition easier to document.

5. Adviser Support

Dimensional provides pre-built supporting documentation, characteristics reports and returns reports for the MPS.

6. Operational Efficiency

For advisers already using Dimensional Guidance Wealth Models, the MPS may reduce the burden of rebalancing and implementation.

7. Consistency

The portfolios use Dimensional funds, so there is consistency between philosophy, fund design and implementation.

Key Risks & Considerations

1. No MPS Track Record

This is the key issue.

The Dimensional MPS is new.

Dimensional has a long investment history, but the MPS itself does not yet have a live record.

This does not make it unsuitable.

But it means adviser firms need to document why they are comfortable adopting a new MPS.

2. Crowded Market

The MPS market is highly competitive.

Dimensional has brand strength, but firms need to ask whether this adds something different to their existing panel.

3. Underlying Fund Concentration

The MPS invests in Dimensional funds.

That gives consistency, but it also means there is no external fund selection.

The adviser must be comfortable with Dimensional as both an asset allocator and an underlying fund provider.

4. Potential Conflict of Interest

Dimensional acknowledges a potential conflict because it allocates only to asset classes where Dimensional funds are available and receives fees from the underlying funds.

This is not unusual in vertically integrated propositions, but it must be recorded.

5. Factor Risk

The portfolios tilt towards size, value and profitability.

There will be periods when these factors underperform.

Clients need to understand that underperformance relative to market-cap-weighted passive strategies can occur and persist.

6. Behavioural Risk

The approach requires patience.

It may be difficult for clients if fashionable growth stocks, concentrated US mega-cap exposure or AI-led markets dominate returns.

7. Platform Limitation

The MPS is available on Transact.

This may be a strength for firms using Transact, but a limitation for firms with clients across multiple platforms.

8. Adviser Responsibility

Dimensional is not responsible for determining suitability for the adviser's client. Financial advisers remain responsible for client suitability and ongoing advice.

9. No Capital Guarantees

The portfolios do not provide capital guarantees, and investors must be able to bear capital loss.

10. Client Communication

Dimensional's philosophy is robust, but not always simple for clients.

Advisers need to explain:

- Why the portfolio tilts away from the market
- Why performance may differ from peers
- Why patience matters
- Why factor exposure is not guaranteed to work every year

Consumer Duty and Value

Dimensional has prepared a Target Market and Value Statement for distributors.

The document confirms that Dimensional has undertaken a value assessment under the Consumer Duty and concluded that the service delivers good value in light of the benefits offered. It also confirms the MPS fee is 0.06% per annum, excluding VAT, and that the cost excludes Transact fees and underlying fund costs.

From an adviser's perspective, the value case is credible because:

- The MPS fee is low
- Underlying fund charges are competitive
- The proposition is clearly documented
- Adviser support is strong
- Rebalancing responsibility sits with Dimensional
- The investment philosophy is consistent

However, value should not be assessed solely on price.

The adviser should also consider:

- Platform costs
- Adviser charges
- Client outcomes
- Performance versus appropriate comparators
- Suitability for each client segment
- Whether the proposition is understood by clients

Role in a Portfolio

The Dimensional MPS could be used as:

Core Centralised Investment Proposition

For firms that believe in systematic, evidence-based investing and want a low-cost, centrally managed model range.

Replacement for DIY Dimensional Models

For firms already building Dimensional portfolios manually, the MPS may simplify rebalancing and reduce operational risk.

Alternative to Passive MPS

For firms that want a low-cost proposition but do not want pure market-cap passive exposure.

Long-Term Planning Portfolio

The MPS could fit well where the adviser's value is built around planning, behaviour, tax, retirement and client outcomes rather than short-term investment selection.

It is less suitable where:

- The firm wants tactical asset allocation
- The firm wants external fund manager blending
- The firm wants a long live MPS track record before adoption
- The firm does not use Transact
- The firm or clients are uncomfortable with factor-based investing

Peer / Portfolio Context

Within the wider MPS market:

Passive MPS

- Lower cost
- Market-cap exposure
- Easy to explain
- Limited active risk

Traditional Active MPS

- Fund manager selection
- Tactical asset allocation
- Potential for higher cost
- More moving parts

Hybrid MPS

- Blends active and passive
- Often used for cost control
- May lack a single clear philosophy

Dimensional MPS

- Systematic active
- Evidence-based
- Factor-aware
- Low MPS fee
- Dimensional-only funds
- No live MPS track record at launch

Overall positioning:

Dimension	Dimensional MPS Position
Investment style	Systematic active
Philosophy	Evidence-based / financial science
Fund selection	Dimensional-only
Tactical asset allocation	Limited
Cost	Competitive
Track record	No live MPS track record at launch
Platform	Transact
Best fit	Long-term adviser-led planning propositions

In simple terms:

This is not a "best ideas fund pickers" MPS.

It is a systematic Dimensional implementation service.

Key Monitoring Points

The MPS should be monitored against the following:

1. Live Performance

How do the models perform against suitable peer groups and comparators once live history develops?

2. Factor Behaviour

Are the size, value and profitability tilts behaving as expected over time?

3. Risk Alignment

Do the models remain aligned with adviser risk profiling and client outcomes?

4. Rebalancing

Is quarterly rebalancing implemented efficiently?

5. Costs

Do total costs remain competitive once MPS fee, fund costs, platform charges and adviser fees are included?

6. Platform Experience

Does the Transact implementation work smoothly in practice?

7. Adviser Support

Does Dimensional provide enough reporting and communication support?

8. Client Understanding

Can clients understand why they hold this proposition and why it may behave differently from passive or active peers?

9. Governance

Are conflicts, target market, value and suitability responsibilities clearly documented?

10. Market Position

Does the MPS gain scale and remain commercially viable in a crowded market?

Money Wise UK View

The launch of the Dimensional Managed Portfolio Service is interesting.

Dimensional is not an unknown entrant.

It has a strong brand, a clear investment philosophy, significant resources and a long history of evidence-based investing.

The proposition is also sensibly priced.

A 0.06% MPS fee is competitive, and the total model costs appear attractive when compared with many traditional active MPS propositions.

There is also a clear use case for advisers.

For firms already using Dimensional funds or Guidance Wealth Models, the MPS may reduce operational burden and provide a cleaner governance framework.

However, there are important points to record.

The MPS has no live track record at launch.

This is the central due diligence issue.

Dimensional can point to its long investment history, fund range, index allocation research and Guidance Wealth Models, but these are not the same as a live MPS track record.

The second point is that the market is crowded.

There are many MPS options available, and adviser firms need to be clear why Dimensional is being selected.

The answer cannot simply be:

Dimensional is a big brand.

The stronger answer would be:

Dimensional provides a low-cost, systematic, evidence-based MPS with a consistent philosophy, strong adviser support and a clear role within a planning-led advice proposition.

A balanced conclusion:

- Strong brand
- Clear philosophy
- Competitive cost
- Good adviser support
- Sensible operational development
- No live MPS track record
- Crowded market
- Needs careful client communication

In simple terms:

This is a credible launch, not a proven MPS.

The philosophy is proven enough to take seriously.

The MPS still needs time to prove itself.

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Review Completed: July 2026