



8AM Global MPS - Strategy Review – March 2026

This document provides a comprehensive review of the 8AM Global MPS Strategy based on the information supplied. This is not a recommendation of the product.

Overview

The 8AM AQ Managed Portfolio Service (MPS) is a data-driven, quantitatively constructed investment solution designed for UK financial advisers. The proposition focuses on delivering consistent, repeatable investment outcomes through a structured, rules-based process.

At its core, the service is built around three key principles:

- Consistency – a repeatable and measurable investment process
- Cost – low and transparent portfolio costs
- Clarity – data-driven rationale for all decisions

Alongside the core MPS, 8AM has introduced AQ Protected Portfolios, extending the proposition to include capital-protected structured solutions linked to the underlying MPS strategy.

Together, this creates a broader toolkit for advisers building Centralised Investment Propositions (CIP) and Centralised Retirement Propositions (CRP).

Investment Philosophy

The philosophy underpinning 8AM's approach is centred on removing behavioural bias from investment decision-making.

The key beliefs include:

- Human decision-making introduces systematic bias, particularly in fund selection
- A rules-based, quantitative approach can improve consistency
- Fund selection is a reliable source of repeatable outperformance
- Cost, liquidity, and diversification are fundamental to outcomes

This leads to a distinctive positioning:

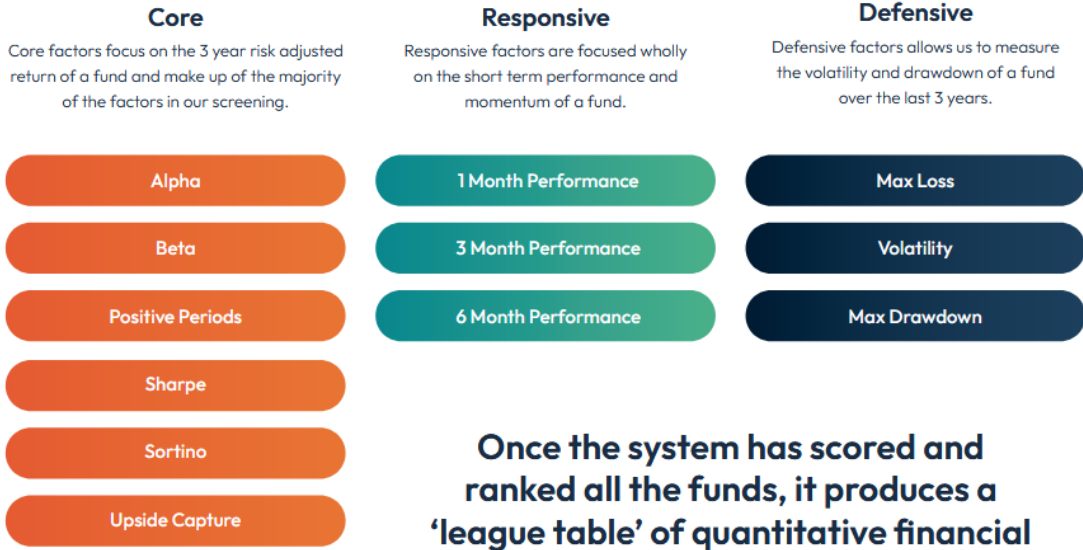
A data-driven, systematic MPS, sitting between traditional discretionary models and passive-only solutions.

Investment Process

1. AQ Fund Screening

The AQ (Adaptive Quant) system evaluates funds across IA sectors using 12 quantitative factors, grouped into:

- Core factors – long-term risk-adjusted returns
- Responsive factors – short-term momentum
- Defensive factors – volatility and drawdown



Funds are ranked within their sector, creating a league-table driven selection process.

◀ High **Fund Ratio Importance** Low ▶

IA Sector	C	C	C	R	R	R	C	C	C	D	D	D	Total	Rank
Fund 1	84.03	78.99	91.18	100	81.93	55.04	98.74	61.76	100	99.58	44.96	81.93	812.23	1
Fund 2	90.76	87.82	86.13	90.76	55.88	86.55	78.15	56.3	94.12	97.48	68.91	61.34	763.03	2
Fund 3	16.81	95.8	90.34	95.8	84.03	78.57	62.61	73.53	92.02	99.16	39.5	73.95	716.55	3
Fund 4	97.06	90.76	75.63	84.87	27.73	84.45	90.34	78.15	94.12	83.19	93.28	21.85	715.76	4
Fund 5	73.11	79.41	77.73	88.66	62.61	57.14	90.34	68.91	89.5	73.53	63.45	54.62	708.19	5
Fund 6	37.82	97.9	94.54	74.37	88.24	52.52	78.15	71.01	65.97	76.05	39.92	9.83	693.07	6
Fund 7	39.92	73.95	65.55	80.25	73.53	62.61	65.55	89.5	88.66	62.61	67.65	664.45	7	
Fund 8	15.13	71.85	89.08	86.55	81.93	49.58	78.15	46.64	75.21	84.87	30.25	84.45	654.92	8
Fund 9	77.31	63.45	78.15	95.38	21.85	39.5	62.61	26.89	81.51	97.9	9.24	97.06	654.54	9
Fund 10	81.93	81.51	59.66	65.97	73.53	80.25	62.61	69.33	75.21	81.09	68.07	48.32	654.54	10
Fund 11	83.19	94.12	87.39	44.96	98.74	48.74	78.15	51.26	52.52	46.22	55.04	62.61	652.9	11
Fund 12	18.07	98.32	96.64	96.64	48.74	39.92	37.82	44.12	81.51	97.48	12.18	95.38	651.13	12
Fund 13	57.14	71.01	75.63	66.39	80.25	65.13	78.15	57.98	70.59	71.85	61.76	65.55	648.49	13

▲ Fund ranking ▼

Core, **R**esponsive and **D**efensive factors, each scored from 1-100

Total score = addition of each ranked score, each with different weighting applied via Scenario Modifier (Defensive or Neutral)

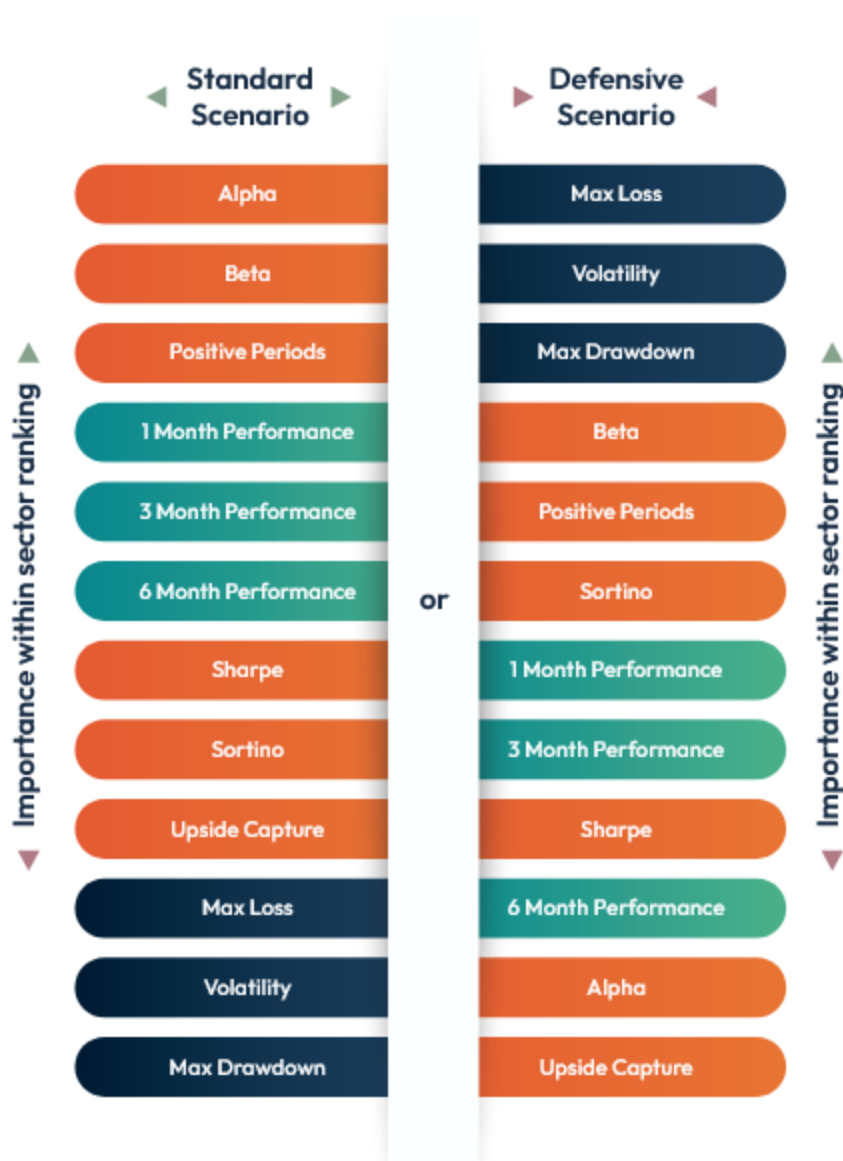
This structure:

- Removes emotional bias
- Enforces discipline in selling underperforming funds
- Ensures continuous re-evaluation of the investment universe

2. Adaptive “Scenario” Approach

The process can shift between:

- Standard mode – balanced factor weighting
- Defensive mode – increased focus on downside protection



This introduces a dynamic overlay, allowing the portfolios to adapt to changing market environments.

3. Asset Allocation Framework



Asset allocation is informed through:

- Analysis of 1,000+ peer portfolios and multi-asset strategies
- Creation of a crowd-sourced baseline allocation
- Tactical tilts relative to this positioning

This differs from traditional CIO-led approaches by anchoring decisions in observed market positioning, rather than purely forward-looking views.

4. Portfolio Construction

Portfolios combine:

- Passive funds (for cost efficiency and liquidity)
- Active funds (selected via AQ screening)

Key features:

- High diversification
- Emphasis on liquidity

- Regular optimisation (typically every two months)

Portfolio Ranges

The MPS is delivered across three core ranges:

1. AQ Classic

- Core multi-asset range (risk 3–8/10)
- Active + passive blend
- Broad suitability across accumulation and decumulation

2. AQ Sustainable

- ESG-screened version
- Uses Morningstar Sustainability Ratings (target 4/5+)
- Similar construction to Classic, with constrained universe

3. AQ Global

- Higher equity-focused portfolios (60%, 80%, 100%)
- Benchmark-aware (MSCI World aligned)
- Lower cost (OCF < 0.30%)

Performance Context

Using AQ Global 60 as an example:

- 5-year: 60.6% vs 21.1% benchmark
- 3-year: 50.8% vs 24.8%
- 1-year: 11.3% vs 10.2%

Observations:

- Strong relative performance vs peers
- Likely driven by:
 - disciplined fund rotation
 - responsiveness to momentum
 - cost control

However:

- Some results include simulated/back-tested elements, which should be considered carefully in due diligence.

Costs and Value

- MPS management fee: 0.15%
- Underlying OCF: typically 0.25%–0.30%

Positioning:

- Competitive vs traditional discretionary MPS
- Slight premium vs fully passive solutions
- Value driven by:
 - process consistency
 - governance transparency
 - potential outperformance

Reporting and Adviser Support

- Bi-monthly client reporting
- Adviser portal with:
 - factsheets
 - portfolio changes
 - supporting documentation

Strong alignment with:

- Consumer Duty – Consumer Understanding
- Ongoing service value demonstration

Where It Fits in a CIP

The 8AM AQ MPS could sit well:

Core MPS Solution

- Especially for firms wanting:
- - Evidence-based process
 - Strong governance narrative
 - Differentiation from generic DFMs

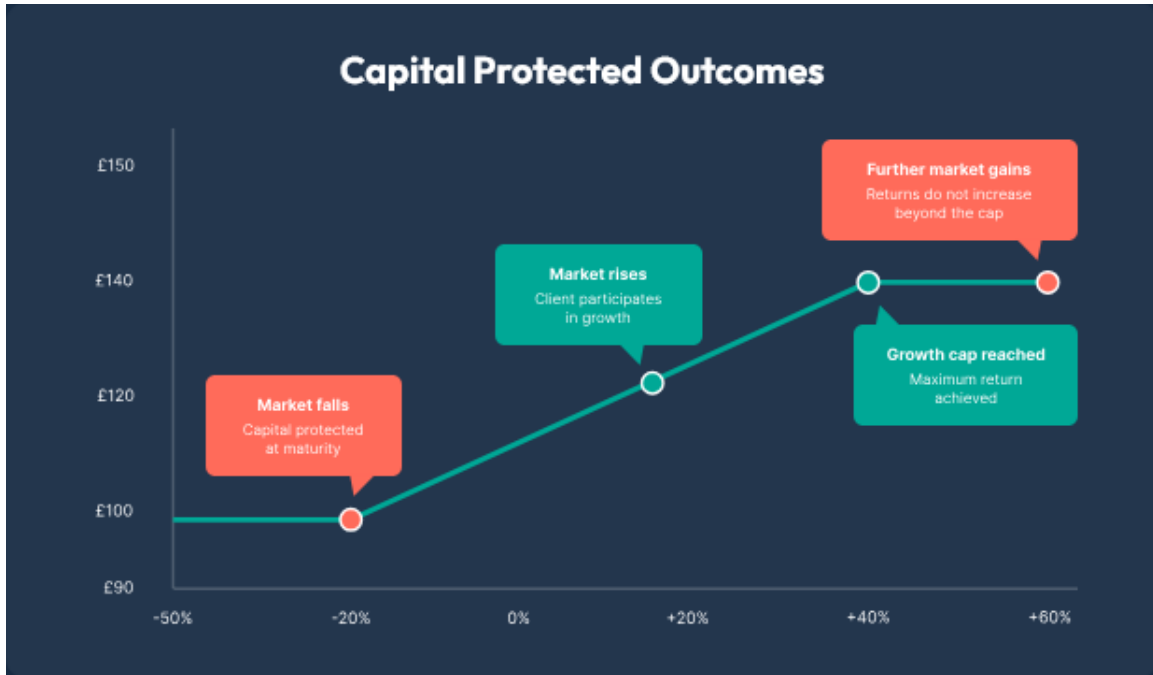
Blended Proposition

- Complement to:
 - Passive core portfolios
 - Specialist active satellites

AQ Protected Portfolios

Overview

AQ Protected Portfolios (AQP) extend the 8AM proposition by introducing a structured capital-protected investment linked to the AQ MPS.



The structure combines:

- 8AM AQ Global MPS (growth engine)
- Structured protection mechanism (via Goldman Sachs)

This allows:

- Participation in portfolio growth
- With 100% capital protection at maturity (typically 5 years)

How It Works

- Investment is made via a structured note issued by Goldman Sachs
- Performance linked to a volatility-controlled index based on AQ Global 60
- Key features:
 - Capital protection at maturity
 - Volatility target (10%)
 - Dynamic exposure (0%–150%)

- Return cap (e.g. 40% over 5 years)

Importantly:

The underlying MPS is not constrained by the protection mechanism, which is applied separately.

Investment Proposition

The objective is to deliver:

- Smoother returns
- Reduced downside risk
- Continued participation in equity-driven growth

Compared to traditional structured products:

- Growth and protection are decoupled
- Reduces the drag typically seen in protected funds

Costs

- Product OCF: 0% (costs embedded in structure)
- Underlying portfolio OCF: 0.26%
- AMC: 0.15%

Key point:

- Costs are implicit and must be assessed carefully under Consumer Duty fair value frameworks

Risks

- **Counterparty risk** (Goldman Sachs)
- **Liquidity risk** (early exit may lead to loss)
- **Return cap** limits upside
- **Tracking difference** vs underlying MPS
- **Structural complexity**

Suitability

Most suitable for:

- Pre-retirement or retirement clients
- Clients prioritising:
 - capital preservation
 - reduced volatility
 - predictable outcomes

Less suitable for:

- Growth-focused investors
- Clients requiring flexibility
- Those uncomfortable with structured solutions

Role Within a CIP / CRP

AQ Protected is best viewed as a complementary component, not a replacement for the MPS.

1. CIP Structure

- Core Growth → AQ MPS
- Defensive Growth → AQ Protected
- Defensive / Income → Fixed income / cash

2. CRP (Retirement) Use

- Helps manage sequencing risk
- Provides a stable growth component
- Supports income sustainability discussions

3. Behavioural Benefits

- Reduces panic in downturns
- Improves client confidence
- Supports adviser-client conversations

Strengths

- Clear differentiation via quant process
- Strong governance framework
- Competitive cost structure
- Behaviourally robust approach
- Innovative extension via AQ Protected

Considerations

- Reliance on quantitative signals
- Back-tested elements in performance
- Potential for “crowd-following” in allocation
- Structured product complexity
- Return constraints in protected solutions

Money Wise UK View

The 8AM AQ MPS represents a well-defined and differentiated approach to portfolio construction, combining:

- systematic fund selection
- adaptive allocation
- cost-efficient implementation

The addition of AQ Protected further enhances the proposition by providing:

- a risk-managed growth solution
- particularly relevant for retirement and decumulation planning

However, both elements require:

- strong governance
- clear communication
- appropriate client suitability assessment

Overall Positioning

- Category: Quantitative Multi-Asset MPS
- Style: Systematic / Data-Driven Active
- Extension: Structured protection overlay (AQ Protected)
- Best Use:
 - Core CIP solution
 - CRP frameworks
 - Behaviourally aware planning

Final Thoughts

8AM has developed a proposition that goes beyond a traditional MPS by integrating:

- evidence-based portfolio construction
- with innovative risk management tools

The real strength lies in how these components can be used together:

- MPS for growth and flexibility
- AQ Protected for stability and reassurance

For advisers, this creates a more complete toolkit, particularly in an environment where:

- volatility remains elevated
- client behaviour is a key risk
- and demonstrating value is increasingly important

Disclaimer

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Review Completed: March 2026