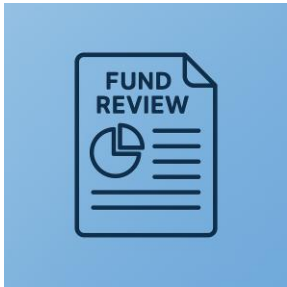




Growing together, with integrity and respect



# Fidelity Wealthbuilder Model Portfolio Service – MPS Review

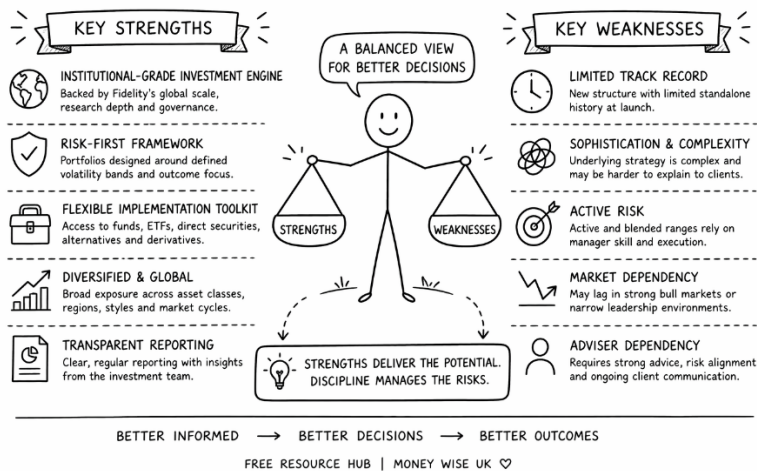
## Important Note

This review is based on information provided by Fidelity, including the completion of the Money Wise UK due diligence questionnaire, alongside supporting materials and documentation.

While care has been taken to present a balanced and fair view, this should be considered a starting point for further research rather than a definitive recommendation.

## Executive Summary

### KEY STRENGTHS vs KEY WEAKNESSES



Fidelity WealthBuilder MPS is not simply another model portfolio service.

It is an attempt to bring institutional multi-asset investing into the retail adviser space, combining:

- A risk-first framework
- A broad implementation toolkit
- A centralised, globally resourced investment engine

The key question is not:

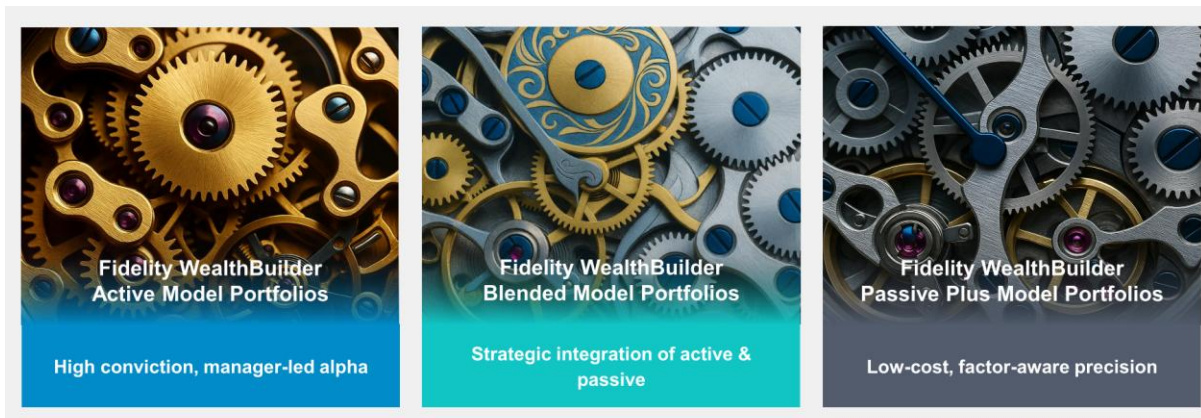
*“Will this outperform?”*




But:

*“Will this deliver consistent, risk-aligned outcomes for clients over time?”*

On that measure, it is a credible, well-constructed proposition, albeit one that requires strong adviser oversight and positioning.

## Proposition Design & Structure



	 <b>Passive Plus Range</b> Low-cost, factor-aware precision	 <b>Blended Range</b> Strategic integration of active & passive exposure	 <b>Active Range</b> High conviction, manager-led alpha
<b>Investor profile</b>	Cost efficiency and diversification	Prioritising balance and consistency	Seeking alpha and manager skill
<b>Flexibility</b>	Tactical discretion	Tactical discretion	Tactical discretion
<b>Estimated Total Cost</b>	15–25 bps	40–50 bps	60–70 bps
<b>DFM Fee</b>	10 bps	15 bps	15 bps
<b>Building Blocks</b>	2–3 Fidelity Managed Funds	3–4 Fidelity Managed Funds	6–8 Fidelity Managed Funds
<b>Direct Exposure</b>	Up to 7 Direct Funds	Up to 10 Direct Funds	Up to 5 Direct Funds
<b>Fidelity exposure</b>	20 to 55% (max 100%)	10 to 50% (max 60%)	20 to 30% (max 60%)
<b>Rebalancing</b>	Quarterly / ad-hoc if needed	Quarterly / ad-hoc if needed	Quarterly / ad-hoc if needed

A unified investment philosophy delivered across differentiated implementation pathways

Source: Fidelity International, 2026.

The WealthBuilder MPS is structured across three distinct ranges, each solving a slightly different client problem:

### Active Range

- High-conviction manager selection
- Designed to generate alpha through:
  - Asset allocation
  - Manager skill
- Higher cost, higher dependency on execution

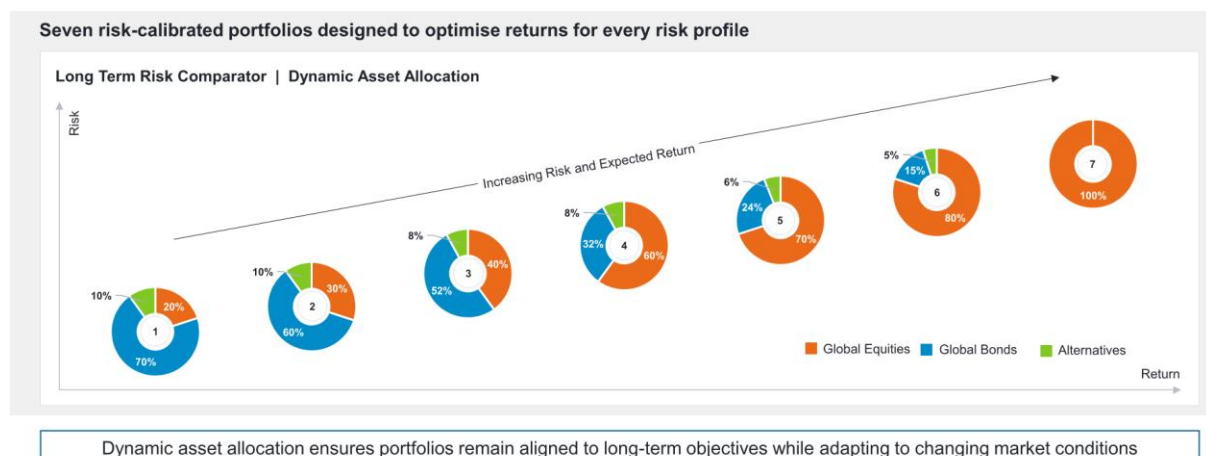
### Blended Range

- Hybrid approach (active + passive)
- Aims to:
  - Smooth outcomes
  - Balance cost vs return
- Likely the “default” solution for many advisers
- Active allocation is dynamic and deployed where most appropriate over time

### Passive Plus Range

- Passive core (80%)
- Factor tilts (20%)
- Designed for:
  - Cost-sensitive clients
  - Evidence-based investing frameworks

Each range includes 7 portfolios aligned to volatility bands, not arbitrary equity splits — which is an important distinction.



# Team & Governance

**Meet our team managing the portfolios**

**Chris Forgan | Lead Portfolio Manager**

- Over 24 years' investment experience
- Joined Fidelity in 2017 as a portfolio manager in the multi asset team
- Chris was previously a portfolio manager at Henderson Global Investors

**Caroline Shaw | Co-Portfolio Manager**

- Over 24 years' investment experience
- Joined Fidelity in 2021 as a portfolio manager in the multi asset team
- Previously Head of Fund and Asset Management at Courtiers Investment Services

**~470**  
Investment Professionals

**>30**  
Locations

**12**  
Investment Offices

**>360**  
Client Coverage Professionals

**>30**  
Languages

**~40**  
Client Jurisdictions

Source: FIL Limited assets and resources as of 31 December 2025 - data is unaudited.

The portfolios are managed by:

- Chris Forgan (Lead PM)
- Caroline Shaw (Co-PM)

Both have 20+ years' experience and sit within a broader multi-asset team of 49 professionals supported by 470 global investment specialists.

Key strengths:

- Team-based decision making (reduces key person risk)
- Strong global research infrastructure
- Institutional governance framework

From a due diligence perspective, this is a well-resourced, scalable investment engine.

# Investment Philosophy – What Are They Really Trying to Do?

Fidelity’s philosophy is best understood as:

*“Control risk, diversify intelligently, and allow returns to follow.”*

Key principles:

## 1. Outcome Over Benchmark

- No formal benchmark targeting
- IA sectors used only as reference points, not objectives

This is significant:

- Reduces benchmark hugging
- Aligns more closely with real client outcomes

## 2. Risk as the Anchor

Portfolios are constructed around:

- Defined volatility bands
- Continuous monitoring and rebalancing

This is more sophisticated than:

- “60/40”
- “Risk 5 = 60% equity”

Instead:

- Risk is measured and managed dynamically

### 3. True Multi-Asset Diversification

#### Fidelity's investment engines

Analyst research teams supporting a full open architecture approach

Core equities	Tactical equities	Fixed Income	Alternatives
<ul style="list-style-type: none"><li>▪ Diversified global exposure and style</li><li>▪ Global bottom-up research platform</li><li>▪ Efficient market access</li></ul>	<ul style="list-style-type: none"><li>▪ Region, sector and security specific insights</li><li>▪ Macro-aligned tilting</li><li>▪ Best ideas</li></ul>	<ul style="list-style-type: none"><li>▪ Broad coverage across rates, credit and currency</li><li>▪ Cycle-aware fixed income asset allocation</li><li>▪ Intra-asset class tilt</li></ul>	<ul style="list-style-type: none"><li>▪ Unconstrained toolkit: absolute return, commodities, macro trend following, structured credit</li><li>▪ Rigorous manager research looking for repeatable alpha engines and true diversifiers</li></ul>

162\* Research analysts

Team members with expertise in markets research and manager research across Fidelity's global and bottom-up research platform, providing insight into regions, sectors, industries and securities

Unlike many MPS providers, Fidelity is not constrained to:

- Long-only funds
- Platform fund lists

Instead, they can access:

- ETFs
- Direct securities
- Alternatives
- Derivatives

This allows:

- More precise positioning
- Better risk control
- Faster response to market conditions

# Investment Process – Where Value Is (or Isn't) Added

The process is structured across four layers:

## A. Strategic Asset Allocation (SAA)

- Long-term positioning
- Based on capital market assumptions

## B. Tactical Asset Allocation (TAA)

- Adjustments based on:
  - Valuation
  - Macro conditions
  - Market dynamics

## C. Manager & Instrument Selection

- Mix of:
  - Fidelity funds
  - External managers
  - Passive exposures

## D. Implementation Layer

This is the most interesting part:

- Managed fund structure allows:
  - Internal changes without CGT impact
  - More efficient trading
  - Reduced platform friction

This is a genuine structural advantage, not just marketing.

# Portfolio Construction – What’s Actually Under the Hood?

Portfolios are:

- Risk-weighted, not equally weighted
- Built using a top-down + bottom-up approach

Typical characteristics:

- Equities:
  - Global, diversified
  - Large-cap core with selective mid/small
- Fixed Income:
  - Typically GBP hedged (risk control)
- Alternatives:
  - Used selectively (post-2022 enhancements)
- Currency:
  - Equity = unhedged
  - Bonds = hedged

This reflects a deliberate risk framework, not incidental positioning.

## Performance & Behaviour Through Cycles

The most important insight here:

*This is not designed to win in every environment.*

### Evidence Base

- Legacy strategy shows:
  - Strong risk-adjusted returns over 5 years
- Weakness observed in 2022:
  - Simultaneous equity/bond sell-off
  - Breakdown of traditional diversification

### What Changed?

Fidelity responded by:

- Increasing use of:
  - Alternatives
  - Diversifiers
- Enhancing:

- Risk tools
- Portfolio flexibility

This is encouraging:

It shows a learning, adaptive process rather than rigid ideology.

## Performance Overview

The WealthBuilder MPS itself is relatively new (2026 launch), so:

- Limited standalone track record
- Relies on the Fidelity Discretionary MPS and Multi Asset Open range as proxies

### Fidelity Multi Asset Open range

12-month rolling returns, net of fees, GBP (%)

	31.12.2020 - 31.12.2021	31.12.2021 - 31.12.2022	31.12.2022 - 31.12.2023	31.12.2023 - 31.12.2024	31.12.2024 - 31.12.2025
FIF Multi Asset Open Defensive	3.3	-7.8	4.8	4.0	11.1
FIF Multi Asset Open Strategic	7.2	-6.1	5.2	5.9	12.4
FIF Multi Asset Open Growth	11.5	-4.5	6.4	8.3	14.2
FIF Multi Asset Open Adventurous	12.5	-4.1	6.6	9.0	14.6
FIF Open World	19.6	-4.3	9.0	12.1	12.2

### Important nuance:

This is not designed to “win the league tables”

It is designed to:

- Stay within risk
- Deliver smoother outcomes

## Costs & Value for Money

Range	Total Cost	Positioning
Passive Plus	0.15%–0.25%	Very competitive
Blended	0.40%–0.50%	Mid-market
Active	0.60%–0.70%	Premium

### Consumer Duty Lens (PRIN 2A.4)

To justify value, Fidelity must demonstrate:

- **Clear client outcomes** → Strong
- **Ongoing service & governance** → Strong
- **Cost vs benefit alignment** →
  - Passive Plus → Very strong
  - Blended → Reasonable
  - Active → Needs ongoing scrutiny

## Governance, Oversight & Risk Management

This is where Fidelity is particularly strong.

### Multi-Layer Risk Framework

- Daily monitoring:
  - Volatility
  - VaR
  - Liquidity
  - Concentration
- Independent oversight:
  - Investment Risk Team
  - Compliance
  - Risk Committees
- Stress testing:
  - GFC
  - COVID
  - Interest rate shocks
  - Currency shocks

### Key Insight

This is institutional governance applied to retail portfolios.  
That is not common across the MPS market.

## Adviser Use Case

The success of this MPS is not just about performance.

It is about how advisers use it.

Works Best When:

- Used as a core portfolio solution
- Integrated into:
  - Financial planning
  - Cashflow modelling
  - Risk profiling
- Supported by:
  - Clear client communication
  - Ongoing review process

## Risks in Practice

- Misalignment of:
  - Risk level vs client tolerance
- Over-reliance:
  - “Set and forget” mentality
- Poor explanation:
  - Clients don’t understand diversification lag

## Decumulation & CRP<sup>®</sup> Fit

The Fidelity MPS can work within a CRP, but it is not a CRP solution itself.

**Strengths for Decumulation:**

- Risk-controlled framework
- Diversification
- Institutional governance

**Limitations:**

- No inherent:
  - Income targeting
  - Withdrawal strategy
  - Cashflow integration

## Practical Use:

- Works as:
  - Growth engine within a CRP
- Needs overlay:
  - Cash buffers
  - Withdrawal policy
  - Income strategy

## Key Strengths

- Institutional-grade investment process
- Broad, flexible toolkit
- Strong governance and oversight
- Clear risk framework
- Multiple implementation pathways

## Key Weaknesses

- Limited standalone track record
- Complexity behind the scenes
- Active range dependent on execution
- Will underperform in certain environments
- Requires strong adviser integration

## How It Compares (Money Wise View)

Compared to peers:

- **Vanguard MPS** → cheaper, simpler, less flexible
- **Timeline / Dimensional** → more systematic, less discretionary
- **Typical DFM MPS** → often less flexible and more platform-constrained

Fidelity sits somewhere in the middle:

*“Institutional capability packaged into an adviser-friendly format.”*

## When This Works Well

- Volatile or uncertain markets
- Multi-asset diversification rewarded
- Advisers needing scalable investment solutions
- Clients valuing consistency over outperformance

## When It May Struggle

- Strong equity bull markets with narrow leadership
- Periods where passive dominates everything
- Highly style-driven environments

## Additional Data

Maximum Drawdown based on Discretionary MPS:

Fidelity MPS Portfolio as of 31 March 2026	Max drawdown (%)	Max drawdown date	Recovery period (months)
MPS 1	-12.9	31/10/2022	32
MPS 2	-13.8	31/10/2022	27
MPS 3	-13.3	30/09/2022	23
MPS 4	-12.4	30/09/2022	17
MPS 5	-11.4	30/09/2022	15
MPS 6	-9.9	30/09/2022	15
MPS 7	-9.8	30/04/2025	3

Source: Fidelity International, April 2026.

# Money Wise UK View

Fidelity WealthBuilder MPS is:

*A well-designed, institutionally backed multi-asset solution that prioritises risk management and consistency over short-term outperformance.*

It is not:

- A silver bullet
- A passive replacement
- A guaranteed outperformer

It is:

- A scalable, credible core solution
- Particularly strong for firms wanting to:
  - Reduce investment burden
  - Maintain governance standards
  - Deliver consistent client outcomes

The real value here is not the portfolios themselves.

It is the discipline behind them.

Used properly, this can:

- Reduce behavioural mistakes
- Improve consistency
- Support better long-term outcomes

Used poorly, it becomes:

- Just another MPS on a platform

## 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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This review has been prepared for informational purposes only, based on publicly available fund documentation, performance materials, and meetings with the fund manager. Money Wise UK has not received any fee for preparing this review.

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**Review Completed: April 2026**