

**BlackRock®**

# **The Rise of Model Portfolios: The Key Benefits for Financial Advisers and Planners**

# Speakers



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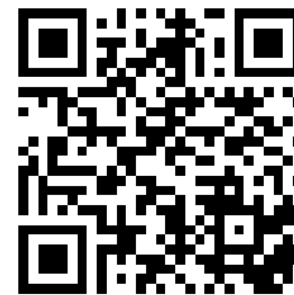


**Stratos Mavrogiannis**

Vice President, Client Enablement,  
Aladdin Wealth Technology, EMEA  
BlackRock

**Quick poll...**

**What's the primary challenge  
you face in managing your  
client's portfolios?**



Code: #368 6931

**Do you use model portfolios to  
build your client investment  
portfolios?**



Code: #368 6931

# Building a models-based practice

“The why” that’s driving the success of top producing financial professionals.

## The benefits of a models-based practice

### Scale and simplify your practice

Pursue more fee-based revenue and free up time

### Manage fees with low cost ETFs and funds

Help address the threat of new competitors charging 30bps<sup>†</sup>

### Implement a defined investment process

Heightened regulatory scrutiny impacting your practice

[blackrock.com/models](https://blackrock.com/models)

<sup>\*</sup>The BlackRock Model Portfolios are made available at no cost; however, expenses apply for the underlying funds within the BlackRock Model Portfolios.

<sup>†</sup>30 bps is the management fee for portfolio assets <\$5 million charged by the largest digital advisor based on AUM. Source: <https://investor.vanguard.com/advice/financial-advisor>

# Scale and simplify your practice

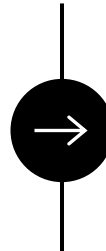
Spend more time with clients. Streamline your client reviews. Clean up your book.

## Models can help you transform your practice

Hypothetical example

### BEFORE models

- **100+** funds and individual securities
- Every client review is **unique**
- **Time constrained**



### AFTER models

- **3-6 portfolios** across risk profiles
- **Consistent**, efficient client reviews
- **More time** for planning, prospecting

#### Reduce

Investment management and administration from

**51 to 40%**  
of your time

#### Potential transfer of time

**200+ hours saved\***

#### Increase

Client-facing activities from

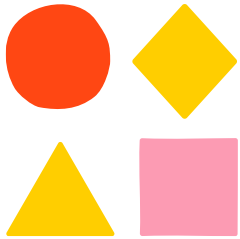
**44 to 53%**  
of your time

[blackrock.com/models](https://blackrock.com/models)

\*Cerulli Associates, "The Cerulli Report | U.S. Asset Allocation Model Portfolios 2022. Time savings estimation assumes 10% time savings x a 45hr work week x 50 weeks per year = 225hrs saved.

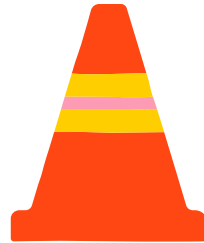
# BlackRock's Model Portfolio Solutions

BlackRock Model Portfolio Solutions sit at the heart of BlackRock's portfolio construction and asset allocation ecosystem; and brings together BlackRock's research, technology and investment expertise.



## DIVERSIFIED

We design globally diversified portfolios by harnessing the breadth, depth and flexibility of BlackRock's investment platform.



## RISK MANAGED

Our model portfolios are managed and rebalanced in a risk-controlled manner. Our risk experts daily monitor the portfolios to ensure that each is managed within its risk band.



## COST EFFECTIVE

To maximise cost efficiency, we largely use iShares ETFs, but can also use active mutual funds where appropriate

For illustrative purposes only. Subject to change.

# Your Model Portfolio Solutions team



**Lisa O'Connor, CFA**  
Managing Director  
Global Head of Investments



**Rafael Iborra**  
Managing Director  
EMEA Lead Portfolio Manager

## Global presence

in San Francisco, London and Hong Kong to capture local market insights.

**19** research and PM professionals, including  
**5** PhDs globally

Portfolio Management and Research



**Claire Gallagher**



**Andrea Stragiotti**



**Ivan Ivanov**

Investment Strategy



**Olivier Pauwels**



**Sharon Prakash**



**Valerio Angelucci**

**\$ 106B**  
in Model Portfolio AUM



**35 +**  
Countries with clients using  
BlackRock model portfolios

**100 +**  
Years of investment experience

Managing model portfolios since

**2011** in EMEA

Source: BlackRock, as of 30 June 2024. For illustrative purposes only.



# Strategic EUR Focus Model Portfolios

## Three risk profiles for different investor needs

	Conservative	Moderate	Aggressive
<b>Allocation</b>			
<ul style="list-style-type: none"> <li><span style="color: red;">■</span> Equities</li> <li><span style="color: yellow;">■</span> Fixed Income</li> </ul>			
<b>Target volatility range</b>	2%-6%	5%-10%	10%-15%
<b>Equity</b>	<b>14.10%</b>	<b>43.90%</b>	<b>84.00%</b>
Developed Markets	14.10%	38.90%	75.00%
Emerging Markets	-	5.00%	9.00%
<b>Fixed Income</b>	<b>85.90%</b>	<b>56.10%</b>	<b>16.00%</b>
Government Bonds	40.30%	27.40%	5.20%
Inflation Linked Government Bonds	-	-	-
Credit	39.80%	25.20%	9.10%
Emerging Market Bonds	5.80%	3.50%	1.70%
<b>Non-Traditional</b>	<b>-</b>	<b>-</b>	<b>-</b>
Weighted Average TER (%)	0.24	0.30	0.32

**Only for illustrative purposes. Portfolio allocations are subject to change and do not include any residual cash or currency forwards used to hedge currency risks. Capital at risk.**

Source: BlackRock, as of 30 June 2024. For illustrative purposes only.

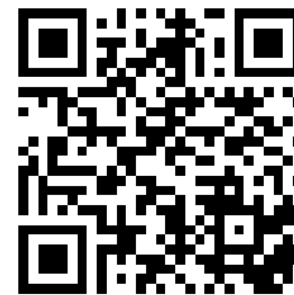
# Strategic EUR Focus Model Portfolios – allocation example

ASSET ALLOCATIONS: As of 20th June 2024		Conservative	Moderate	Aggressive
Weighted Average TER (%)		0.24	0.30	0.32
<b>Developed Market Bonds</b>		<b>80.1%</b>	<b>52.6%</b>	<b>14.3%</b>
IE00BKT6FT27	iShares Global Govt Bond UCITS ETF EUR Hedged (Dist)	40.3%	27.4%	5.2%
IE00BCRY6557	iShares € Ultrashort Bond UCITS ETF EUR (Dist)	19.0%	7.3%	2.0%
IE00BJSFQW37	iShares Global Corp Bond UCITS ETF EUR Hedged (Dist)	16.7%	10.8%	3.0%
IE00BJSFR200	iShares Global High Yield Corp Bond UCITS ETF EUR Hedged (Dist)	4.1%	7.1%	4.1%
<b>Emerging Market Debt</b>		<b>5.8%</b>	<b>3.5%</b>	<b>1.7%</b>
IE00BKP5L730	iShares J.P. Morgan ESG \$ EM Bond UCITS ETF EUR Hedged (Acc)	4.0%	3.5%	1.7%
IE00B5M4WH52	iShares J.P. Morgan EM Local Govt Bond UCITS ETF USD (Dist)	1.8%	-	-
<b>Developed Equity</b>		<b>14.1%</b>	<b>38.9%</b>	<b>75.0%</b>
IE00B441G979	iShares MSCI World EUR Hedged UCITS ETF (Acc)	-	15.6%	30.0%
IE00BG11HV38	iShares MSCI World ESG Enhanced UCITS ETF USD (Dist)	-	23.3%	45.0%
IE00B6R52259	iShares MSCI ACWI UCITS ETF USD (Acc)	14.1%	-	-
<b>Emerging Markets Equity</b>		<b>-</b>	<b>5.0%</b>	<b>9.0%</b>
IE00BHZPJ239	iShares MSCI EM ESG Enhanced UCITS ETF USD (Acc)	-	5.0%	9.0%

This information should not be relied upon as investment advice, research, or a recommendation by BlackRock regarding (i) the iShares Funds, (ii) the use or suitability of the model portfolios or (iii) any security in particular. Allocations are subject to change. Source: Blackrock of 30/06/2024. For illustrative purposes only. Subject to change.

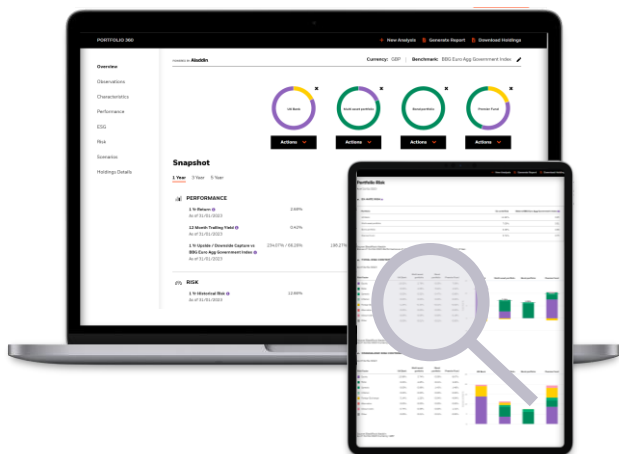
**Quick poll...**

**Do you currently use any portfolio analysis tool in your practice (such as Morningstar)?**



Code: #368 6931

# Technology to analyse portfolios and gain actionable insights



## What is Portfolio 360?

- Free of charge portfolio analysis tool
- Broad securities coverage (funds, ETFs, stocks, bonds, cash and indices)
- Web-based (no installation required)

## Why Portfolio 360?

- Build, analyse, compare and stress test portfolios
- Evaluate side-by-side your portfolios' risk, performance, ESG scores and characteristics
- See instant impacts to portfolios after edits

### Compare model and/or client portfolios

Equipped with deeper real-time insights about your clients' portfolios, you can offer faster, data-driven recommendations.

### Understand fund performance and test changes on portfolios

Simulate edits in the portfolio and instantly see the impact when picking different funds or other exposures.

### Mitigate your client's risk

Analyse the risk of the portfolios and stress test them to evaluate their resilience across different states of the economy

# How it works in practice?

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**Capital at risk.** The value of investments and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested.

Past performance is not a reliable indicator of current or future results and should not be the sole factor of consideration when selecting a product or strategy.

Changes in the rates of exchange between currencies may cause the value of investments to diminish or increase. Fluctuation may be particularly marked in the case of a higher volatility fund and the value of an investment may fall suddenly and substantially. Levels and basis of taxation may change from time to time.

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