

JAN 2025



Portfolio Brochure

The Passive MPS

The art of model portfolio investing.

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SCOTTISH WIDOWS

Capital at risk. For authorised financial advisers only.

The Passive MPS

Low-cost access to diversified, highly liquid, risk managed portfolios.

Concerned about the ability of active investors to continually beat the market? Our Passive Portfolio is the perfect solution; a multi-asset portfolio of index tracking funds aligned to our global asset allocation framework.

Why Choose our Passive Portfolio?



Low Fees

Only 0.05% p.a. annual management charge



Transparent & Simple

Aligns with our independent asset allocation framework



Whole of Market

Invests in top-quality index funds from reputable providers

What will we be Investing in?

- Your portfolio will comprise of tracker funds that physically replicate indices such as the S&P 500 and FTSE 100.
- The portfolio range invests in low-cost investment strategies.

6 Year Track Record

Featured Investment Houses

We invest in fund solutions from the very best investment houses in the world. Below are examples of fund houses that we invest alongside in the Binary Capital Passive Model Portfolio Service.



Our Risk Profiles

We offer model portfolios tailored to five distinct risk profiles ranging from Defensive to Adventurous. These profiles are determined by specific constraints on equity allocation (%) and targeted volatility, as measured by the 5-year standard deviation of returns.

Lower Risk Higher Risk

	Defensive	Cautious	Balanced	Growth	Adventurous
Equity Risk (%)	0 - 35%	25 - 55%	45 - 75%	65 - 95%	85%+
Typical Equity Allocation	20%	40%	60%	80%	90 - 100%
3-Year Volatility Target	1.0 - 6.0	3.0 - 8.0	5.0 - 11.0	7.0 - 13.0	11.0 - 16.0

Our Passive Portfolios

Our Passive Portfolios

Asset Classes

Large-cap equities, investment grade bonds, and cash.

Diversification

Global, focused on large/ mega-cap equities.

Providers

Fully whole-of-market, no ties to specific providers.

Indexation

Physical only.

Costs

UK's lowest-cost Passive MPS.

Typical Index Portfolios

Asset Classes

Broader range including alternatives

Diversification

May include high-yield debt and property.

Providers

Often limited to a single provider.

Indexation

Physical and Synthetic.

Costs


May include active fees for passive products.

About Passive Investment Management

Passive investing is an investment strategy that aims to replicate the performance of a market index. Examples of indexes include S&P 500 and the FTSE 100. Passive investing has grown in popularity over the past 30 years and is a very common product and investment strategy.

Passive investing allows investors to achieve very broad market exposure at very efficient costs.

Portfolio Fund Selection

	Product Provider	Passive Selected Funds List	Index Tracked
Corporate Bonds	BlackRock	iShares Corporate Bond Index (UK)	iBoxxSterlingNon-Gilt Index
	Vanguard	Vanguard U.S. Investment Grade Credit Index (Hedged)	Bloomberg Global Agg USD Credit Float Adj Bond Index
Short Dated Corporate Bonds	 LGIM	L&G Short Dated Sterling Corporate Bond Index	Markit iBoxx GBP Corp 1-5 TR
	Vanguard	Vanguard UK Short-Term Investment Grade Bond Index	Non-Government 1-5 Yr. 200MM Float Adjusted Bond Index
US Equities	 Fidelity	Fidelity Index US	S&P 500 Index
		Fidelity Index US (hedged)	S&P 500 Index (GBP Hedged)
EU Equities	Vanguard	Vanguard FTSE Developed Europe ex-UK Equity Index	FTSE Developed Europe ex-U.K Index
UK Equities	Vanguard	Vanguard FTSE 100 Index Unit Trust	FTSE 100 Index
Emerging Markets Equities	Vanguard	Vanguard Emerging Markets Stock Index	MSCI Emerging Marketings Index
Asian Ex. Japan Equities	BlackRock	iShares Pacific ex Japan Equity Index (UK)	FTSE World Asia Pacific ex Japan Index

Costs

Understanding Costs

• **Annual Management Charge (AMC)**

This is the charge taken by the investment manager.

• **Transactional Costs**

Transaction costs are the costs associated with buying and selling the securities within the fund.

• **Underlying OCF**

These are the charges associated with the management of the funds the portfolio invests in.

• **Total Costs**

This is the total of the Underlying Ongoing Charges Figure (OCF) the Annual Management Charge (AMC).

Lower Risk

Higher Risk

		Risk Profile	AMC	Underlying OCF	Transactional Costs	Incidental Costs	Total Costs
Capital Preservation	Defensive		0.05%	0.12%	0.01%	0.00%	0.18%
	Cautious		0.05%	0.11%	0.01%	0.00%	0.17%
Capital Growth	Balanced		0.05%	0.10%	0.01%	0.00%	0.17%
	Growth		0.05%	0.10%	0.02%	0.00%	0.17%
	Adventurous		0.05%	0.10%	0.02%	0.00%	0.17%

Contact Us

Discuss your investment needs with us.

If you are a financial advisor seeking to find out more about our services, please contact the team using any of the methods below or visit our website: binarycapital.co.uk



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