

# BALANCED PASSIVE PLUS PORTFOLIO



**Objective:** To grow capital in absolute and real (inflation adjusted) terms, from a balanced mix of equities and other assets, from a portfolio of mostly passive funds.

## Investor Profile

The Balanced Passive Plus Portfolio aims to cater for retail or professional investors, over the long-term, looking for:



### Cost effective portfolio

A low-cost portfolio, with a focus on passive funds.



### Inflation beating returns

Total returns keeping pace with/ahead of inflation.



### Volatility less than equity investing

Returns that are less volatile than investing solely in equities.



### Capital growth

A portfolio biased to growth assets, that are mostly equities.

## Key Information

Inception Date: **31st December 2021**

Base Currency: **GBP**

Minimum Investment: **Platform dependent**

Available Share Class: **Accumulation**

Historic Yield: **1.35%**

Accessibility: **GIA, ISA, PP, SIPP**

Number of Holdings: **18**

Growth Assets: **60% Range\***: 50% - 70%

\*Expected range. Actual allocation may be more or less than this.

## Portfolio Charges

Initial Charge: **0%**

Portfolio Management Fee: **0.20%**

Ongoing Cost of Funds (OCF): **0.14%**

**Total Portfolio Cost: 0.34%\***

\*A professional adviser's initial and ongoing charge may be applied, subject to agreement between client and adviser. Fund transaction costs will apply, and will likely average between 0.05%-0.15% across the portfolio, depending on funds held. Other charges may also apply. OCF figure will vary.

## Portfolio Risk

Potentially lower rewards Potentially higher rewards



Lower risk Higher risk

The portfolio is in this category due to historic risk and return characteristics demonstrated in the performance simulation, alongside the expected growth asset range between 50% - 70%. A risk indicator of "1" does not mean the investment is risk free.

## Market and Portfolio Update

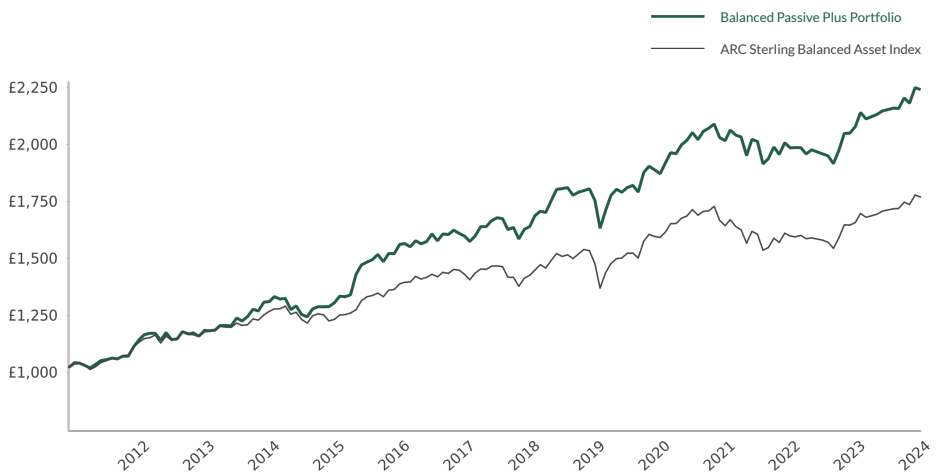
President Trump continues to redefine US relations with the world, putting pressure on Europe to increase defence spending and pressing forward with tariffs on key trading partners. However, stock market leadership so far this year has come from Europe and Asia and not the US, where the post-election 'Trump bump' has been fading. Inflation refuses to be cowed and hovering at 3% year-on-year is causing angst for central bankers who'd prefer to be cutting interest rates to support growth. The path to peace in Ukraine is not going to be a straight one, as Zelensky's public dressing down in the White House at the end of the month proves. Europe is feeling a little isolated, although it's been good news for the region's defence companies, whose share prices have reacted warmly on the need to rearm the bloc. Nevertheless, peace could be a boost to Europe's economy and stock markets, not least because it could lead to lower energy prices, which would be good news for all.

### Portfolio Positioning/Changes

The concentration risk in the US stock market continues to concern us, where the 10 largest stocks account for nearly 40% of the market. Furthermore, our research indicates that when markets have been as concentrated as this, equally weighted indices typically go on to deliver superior returns over the next five years. As such, we have introduced the L&G S&P 500 US Equal Weight Index Fund, where all constituents have the same allocation and the 10 largest stocks only account for 2.4% of the fund. This will sit alongside the global passive market cap based funds. These changes should improve diversification and be beneficial for long-term returns.

## Performance

Aspen (the investment manager) have been running portfolios since 31/12/2020. Live portfolio start dates differ across the Aspen range, so we have provided additional **simulated returns\***, where applicable, to help investors understand the risk and reward characteristics of the portfolio over a longer period of time. All returns are net of fees\*\*. **Past performance is not a guide to future returns.**



Cumulative Performance	1m	3m	6m	1y	3y	5y	YTD
Balanced Passive Plus Portfolio	-0.37%	1.69%	4.38%	10.12%	17.73%	37.31%	2.76%
ARC Sterling Balanced Asset Index	-0.50%	0.87%	3.06%	7.59%	9.57%	21.97%	1.89%

Performance is calculated through FE Analytics and provided for illustrative purposes only and should not be viewed as the performance of a specific client account.

\*Based on historical data for the portfolio strategic asset allocation (SAA). Not a guarantee of return. Future returns may be below or above those stated. Source: FE Analytics; Aspen. For further information on the SAA or performance, please contact Aspen.

\*\*Fees assumed to be 0.35% for simulated returns. For live data fees are net of underlying fund costs and Aspen management fee.

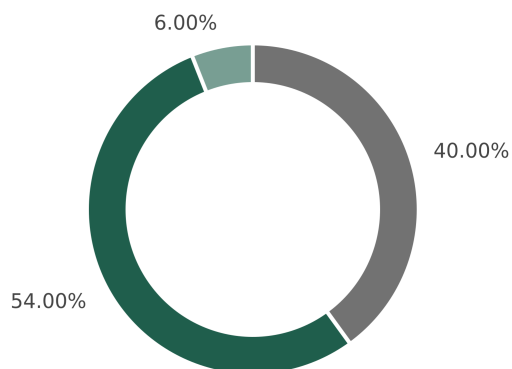
February 2025

All data as of 28 February 2025



## Asset Allocation

Indicative\* asset allocation, for the strategy:



### Defensive Assets

● **Fixed income**

Consists of a core component of sovereign and corporate bonds, complemented by tactical funds.

### Growth Assets

● **Equities**

Consist of a core component of domestic and overseas equities, complemented by tactical funds.

● **Real Assets**

Real Assets are those most sensitive to changes in inflation and include commodities, property and infrastructure.

## Fund Selection

Indicative\* fund selection, for the strategy:

Fund Name	Allocation / Change**
<b>Fixed Income</b>	
Cash	1.50%
Vanguard Global Short-Term Bond Index Fund	7.75%
Vanguard Global Bond Fund	7.75%
iShares UK Gilts All Stocks Index Fund	5.75%
Vanguard UK Short-Term Investment Grade Fund	5.75%
iShares Global Inflation Linked Bond Index Fund	4.75%
abrdn Short Dated Global Inflation-Linked Bond Tracker	4.75%
Royal London Short Dated Gilts Fund	2.00%
<b>Equities</b>	
HSBC World Index Fund	12.00% ↓
Vanguard FTSE All Share Fund	8.50%
Fidelity Emerging Markets Index Fund	8.00% ↑
Fidelity World Index Fund	6.50% ↓
HSBC European Index Fund	6.00% ↑
L&G S&P 500 US Equal Weight Index Fund	6.00% <span>New</span>
iShares Japan Equity Index Fund	4.00% ↑
UBS MSCI World Minimum Volatility Index Equity Fund	3.00%
<b>Real Assets</b>	
L&G Global Infrastructure Index Fund	4.00%
iShares Low Carbon Tilt Real Estate Index Fund	2.00%
<b>Total</b>	<b>100%</b>

\*Actual portfolio asset allocation and fund selection may vary.

\*\*Increase or decrease in fund during the month, as illustrated.

## Your Investment Professionals

### Financial Adviser

Your financial adviser is your main point of contact, guiding you in overall wealth planning.

**For more information, please contact your adviser.**

### Investment Manager

Professional relationship with your adviser, focused on managing your investments.

### Aspen Advisers

4 Albyn Place  
Edinburgh  
EH2 4NG

## Risk Warnings & Disclaimer

The value of investments and the income from them can go down as well as up and investors may not recover the amount of their original investment. The sterling value of overseas investments, and the income from them, will fluctuate as a result of currency movements. Past performance is not a guide to future performance. Investors should be aware of the additional risks associated with funds investing in certain areas of the market or assets, such as smaller companies or emerging markets. The tax treatment of investments depends on each investor's individual circumstances and is subject to changes in tax legislation.

Aspen, as the investment manager, is responsible for managing the portfolio on a discretionary basis in accordance with the stated investment objectives and risk profile for the portfolio. The professional adviser is responsible for advising their client as to the selection of a portfolio and for assessing the suitability of the chosen portfolio for their client on an ongoing basis.

The information in this document is believed to be correct but cannot be guaranteed. No representation or warranty (express or otherwise) is given as to the accuracy or completeness of the information contained in this publication. This document is for illustrative purposes only and does not constitute advice. It does not constitute an offer to sell or a solicitation of an offer to purchase any security or any other investment or product. Aspen will not accept any liability for the consequences of acting or not acting upon the information contained in this publication. Opinions expressed are solely the opinions of Aspen. All expressions of opinion are subject to change without notice. This document may not be reproduced or distributed in any format without the prior written consent of Aspen.

'Aspen' is a trading name of Aspen Advisers Limited, a company authorised and regulated by the FCA with FRN: 1007296, registered in England and Wales with company number 14115281.