



# World Portfolios Suite

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Corporation



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facilitate financial  
advisers in delivering  
improved financial  
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# INTRODUCTION

## PORTFOLIO HIGHLIGHTS:

Globally diversified, market based portfolio with circa 28,000 holdings\*

Employs a five factor based approach

Access to restricted (lower cost) share classes

Passively managed low-cost portfolio

## INVESTMENT OBJECTIVE

The World Portfolios Suite is a low-cost, evidence-based investment solution that seeks to combine a globally diversified strategy with a factor-tilted approach. The portfolios aim for factor diversification through exposure to five key factors, which evidence suggests may deliver premiums in excess of the global market.

The portfolios are designed for investors seeking to adopt a low-cost, factor-tilted, and globally diversified investment solution.

## INVESTMENT STRATEGY

Our investment strategy combines more than six decades of market data, Nobel Prize-winning academic research and behavioural finance. The approach is quantitative and based on data, such as stock prices and financial information, rather than on opinion or speculation. The portfolios gain exposure to Momentum, Value, Size and Minimum Volatility directly, through specific underlying fund strategies.

Exposure to the Quality factor is gained through Quality overlays on the security selection by the fund managers.

The World Portfolios equity element contains both pure market-cap weighted index trackers and systematic rules-based factor funds. The strategy remains geographic and sector neutral, with only small deviations away from the global equity and fixed-income markets to remain highly diversified and reduce risk.

The portfolio employs a tolerance-driven rebalancing strategy.

## BENCHMARK INDEX

The World Portfolios are highly diversified, investing in both developed and emerging markets for both equities and fixed-income, across all sectors and industries.

The portfolios are made up of index-tracking funds and factor funds. The index tracker funds in the portfolio follow a mixture of FTSE and MSCI indices:

- FTSE Developed Ex-UK (Developed Equities, Large and Mid-Cap)
- MSCI World Small-Cap (Developed Small-Cap Equities)
- MSCI Emerging Markets (Emerging Markets Equities)
- MSCI World Minimum Volatility Index (Developed Market Equities with Lower Volatility)

The factor funds do not necessarily track an index, as they are systematic rules-based funds.

This means that a set of rules are applied through a data-driven approach to select securities and gain exposure to the relevant factor.

\* Across all equity and fixed income holdings. Correct as of 18/04/2023

# ASSET ALLOCATIONS

The World suite is available in a number of different risk profiles suitable for investors with varying levels of risk appetite. The strategy aims to balance both risk and reward by assigning each portfolio's asset classes according to the risk profile required. We include both equities and fixed-income as asset classes in our World portfolios.

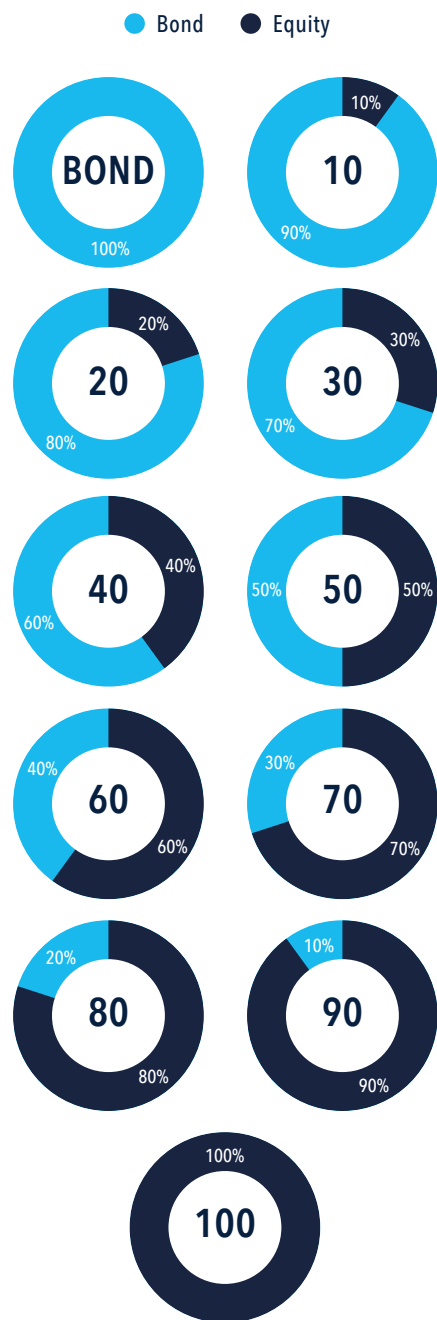
The World Bond portfolio includes two fixed-income funds which are weighted towards a shorter duration than the global market. This allows the fixed-income element of the portfolio to pose less overall risk than the market, providing investors with a suitable buffer against any potential equity downturns.

The World 100 portfolio which is a 100% equity portfolio includes equity funds that are aligned with sector and geographic allocations of the global equity market. The combination of these funds provides a broad diversification within a simple structure.

The portfolios between World Bond and World 100 provide varying levels of equity and fixed-income funds to suit different objectives and risk profiles. The number represents the target percentage of equities held within the portfolio.

*For an explanation of equities and bonds, please see Page 3 of the ebi Model Portfolio Service brochure.*

## WORLD PORTFOLIOS BOND/EQUITY ALLOCATIONS



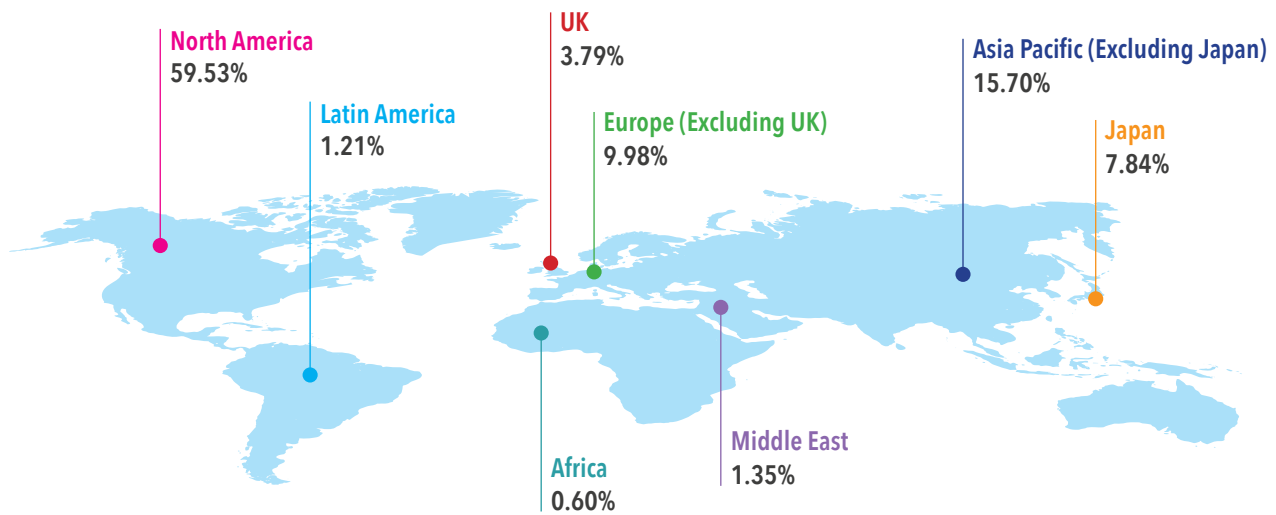
A diagram showing the target asset allocations of portfolios within the World suite.

# REGIONAL ALLOCATIONS

The World suite aims to replicate the geographical allocation of the global market index and provide maximum global diversification, mitigating country-specific risk and producing less volatile returns over the long-term.

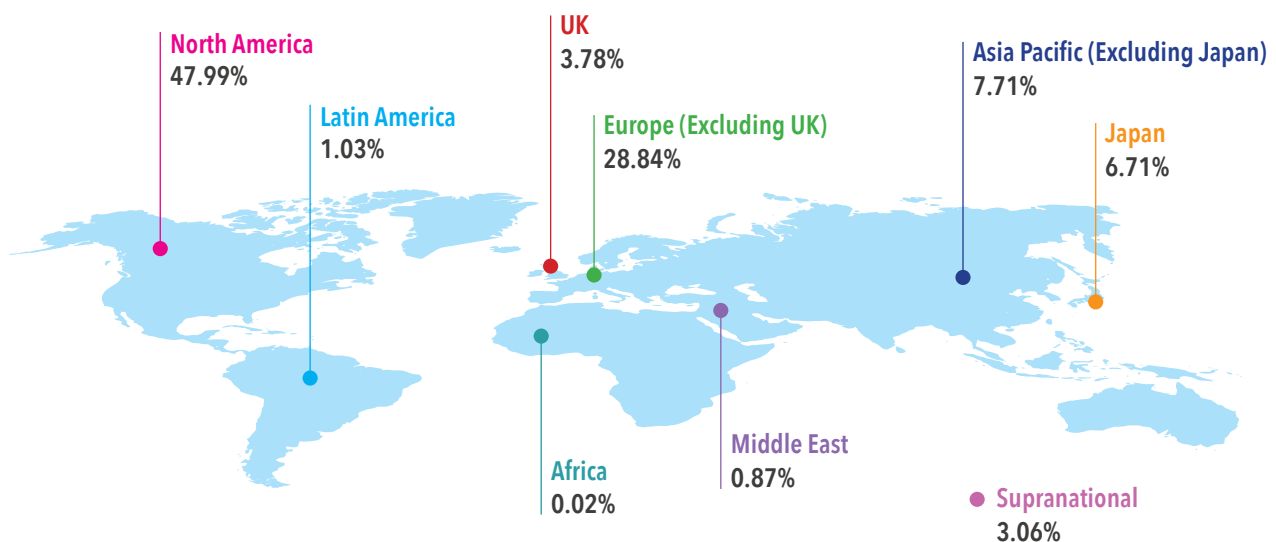
## EQUITY EXPOSURE

A map showing the regional allocation that forms the global equity market index. (Data as of 28/02/2023)



## FIXED-INCOME EXPOSURE

A map showing the regional allocation that forms the global fixed-income market index. (Data as of 28/02/2023)



# FACTOR BASED INVESTING

Factor based investing is an investment approach that involves targeting quantifiable characteristics, or 'factors', that can explain differences in stock returns. It involves tilting portfolios towards and away from specific factors to generate higher risk-adjusted returns, in excess of benchmarks or pure index/passive portfolios.

## THE 5 FACTORS IN EBI'S WORLD PORTFOLIOS SUITE

### MOMENTUM

The tendency of stocks that have performed well continuing to perform strongly into the future, at least for a short time.

### MINIMUM VOLATILITY

Stocks that exhibit lower volatility have returns above that which would be implied by the efficient market theory.

### QUALITY

Profitable firms generate higher returns than unprofitable firms, despite having significantly higher valuation ratios.

### SIZE

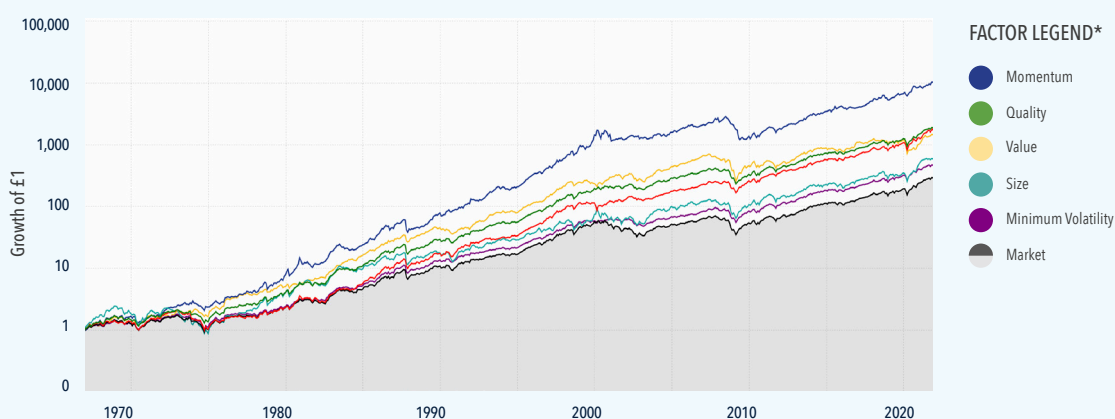
Companies with a lower market capitalisation exhibit a return premium over companies with a large market capitalisation.

### VALUE

Stocks priced closer to their book value have higher expected returns than stocks priced far above their book value.

## LONG-RUN FACTOR PREMIUMS<sup>1</sup>

A graph showing the regional allocation that forms the global fixed-income market index. (Data as of 31/12/2022)



Annualised Geometric Mean since inception | Showing Cumulative Log Returns.

Past performance is not necessarily a guide to future performance.

\*(Annualised Total Return)

An annualised return is the geometric average amount of money earned by an investment each year over a given time period expressed in a percentage. An investment that grew from £100 to £140 over 4 years would have earned 8.78% on average per year.

<sup>1</sup> Kenneth R French Data Library Tuck University, Hou, Kewei, Chen Xue, and Lu Zhang, Monthly Returns

# REBALANCING STRATEGY

## FUND ALLOCATIONS

The World suite uses strategic asset allocation to set target weightings for the funds used in each portfolio. The funds employed in the portfolio adhere to market geographic and sector allocations, and the aggregate exposure of the portfolio broadly mirrors that of the global market.

The factors adopted in the portfolio have periods of out-performance and underperformance, however, evidence shows that these factor tilts, in combination with a passively managed and strategically maintained portfolio, delivers on average, above-market returns in the long run<sup>1</sup>.

## TOLERANCE-BASED REBALANCING

Both the risk profile and diversification of the World portfolios are managed through a tolerance-based rebalancing process. The asset class composition is rebalanced if the pre-determined tolerance limit is breached.

The rebalance would bring the fund weightings back closer to the target weight of the portfolio.

Rebalancing is designed to control the risk characteristics of the portfolio. The composition of each portfolio is looked at daily through an in-house program and algorithm which makes this determination.

Tolerance-based rebalancing also reduces unnecessary trading costs and helps reduce time out of the market.



<sup>1</sup> [ebi's Investment Philosophy](#)

# RISK & REWARD PROFILE

Investors can choose a portfolio that is suitable for their risk appetite and required return. Risk and reward go hand in hand and the value of the investment may go down as well as up.

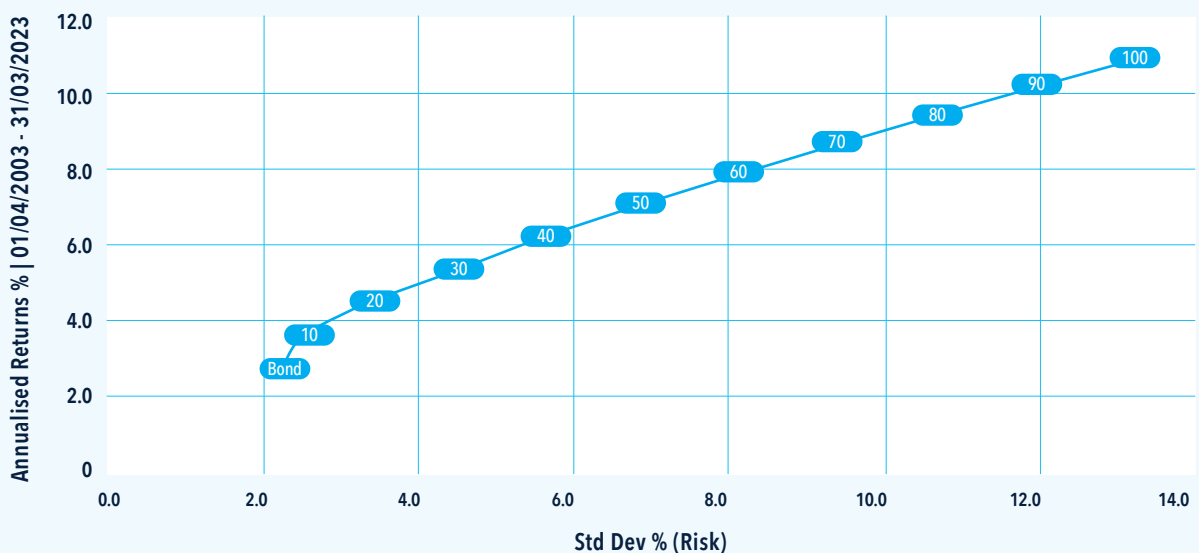
Standard deviation is the measure used to calculate the risk (volatility) of the portfolios and measures how dispersed the returns can be around the average return (simulated performance).

**Disclaimer: (Data as of 01/04/2003 - 31/03/2023) All calculations are based on simulated data created from commercial benchmark indices that the underlying funds replicate, net of their respective ongoing charges fee and ebi's management fee.**

## Simulated Risk & Reward

Portfolio	Annualised Returns % 01/04/2003 - 31/03/2023	Std Dev % (Risk)
Vantage World Bond	2.70	2.27
Vantage World 10	3.60	2.60
Vantage World 20	4.49	3.43
Vantage World 30	5.35	4.50
Vantage World 40	6.20	5.67
Vantage World 50	7.03	6.88
Vantage World 60	7.85	8.13
Vantage World 70	8.65	9.40
Vantage World 80	9.43	10.68
Vantage World 90	10.19	11.98
Vantage World 100	10.94	13.29

## Simulated Risk & Reward



*Hypothetical or simulated performance is not indicative of future results.  
Past performance is not necessarily a guide to future performance.*



# FEES & CHARGES

The World suite prides itself on being a cost-effective solution within a simple structure. The ongoing charges figure (OCF) are the costs that the investor pays for the management and running costs of the fund, these range from 0.10-0.26%<sup>1</sup>. The OCF is charged by the underlying fund managers.

The discretionary investment manager (DIM) fee remains the same for all portfolios and is charged to the investor by the DIM for the management and professional discretion of the investor's portfolio.

ebi has worked hard with all of its fund managers to gain access to restricted share classes, offering significant discounts typically not available for retail clients to purchase directly.

An overview of the costs can be found below.

Portfolio	ebi OCF <sup>1</sup>	Retail OCF	OCF Savings <sup>2</sup>	DIM Fee
Vantage World Bond	0.10%	0.15%	0.05%	0.12%
Vantage World 10	0.12%	0.17%	0.06%	0.12%
Vantage World 20	0.13%	0.20%	0.07%	0.12%
Vantage World 30	0.15%	0.22%	0.07%	0.12%
Vantage World 40	0.16%	0.25%	0.08%	0.12%
Vantage World 50	0.18%	0.27%	0.09%	0.12%
Vantage World 60	0.20%	0.29%	0.10%	0.12%
Vantage World 70	0.21%	0.32%	0.10%	0.12%
Vantage World 80	0.23%	0.34%	0.11%	0.12%
Vantage World 90	0.25%	0.36%	0.12%	0.12%
Vantage World 100	0.26%	0.39%	0.13%	0.12%

<sup>1</sup> OCF correct as of 11.01.2023

<sup>2</sup> Rounded to two decimal places.

# Key Statistics





**We are extremely proud to have won two industry awards for our Managed Portfolio Service.**

*We won **Best Overall MPS provider** and the **Best MPS Technology/Platform** at the IFA MPS Awards.*



**Best MPS Technology/Platform**  
**IFA** mps Awards Winner 2022



**Best Overall MPS provider**  
**IFA** mps Awards Winner 2022

*These awards demonstrate the dedication and commitment our team have in providing the **very best in service, technology and innovation** for our advisers and their clients.*



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**Past performance is not necessarily a guide to future performance.**

