

Managed Portfolio Service Cautious Strategy October 2019

Key information

Benchmark

ARC Sterling Cautious PCI

Strategy details

Launch date	2 July 2012
Minimum initial investment	£20,000
Rebalancing strategy (minimum)	Quarterly
Currency	£ GBP
Annual management charge	0.75% + VAT
Annual yield (current)	1.53%

Annualised volatility and OCF

Bordier Cautious	3.43%
Ongoing charges figure ('OCF')	0.66%

Annualised 3-year volatility data as at 31/10/19 - Source: FE Analytics

Investment update - October

October saw world markets continue to gather momentum, seemingly borne out of relief rather than optimism. The ongoing US/China trade discussions continue to dominate global market direction, with President Trump's 'phase one' trade deal providing markets with a boost. Closer to home, the threat of a no-deal Brexit has seemingly abated but with an election around the corner, the question remains for how long. The diminished risk of a no-deal saw the pound strengthen over the month, adversely impacting the UK stockmarket where many companies report international earnings. With geopolitical tensions balanced precariously, October saw our Investment Committee undertake a risk reduction exercise to protect the hard-earned gains made this year. Whilst equity exposure remained neutral, the Cautious strategy saw the sale of the AHFM Defined Returns, Levendi Defined Return and Fortem Capital Progressive Growth funds – all structured investment funds sensitive to a sudden reappraisal of risk in equity markets. Furthermore, the Merian Global Equity Absolute Return fund was sold due to concerns over its performance and downside protection capabilities. The proceeds were invested into the Vanguard UK Government Bond Index fund and existing absolute return funds as well as held as additional cash, which in the short term we are happy to hold as we await a potential buying opportunity to exploit.

Discretionary manager

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Managed Portfolio Service

Our Managed Portfolio Service ('MPS') has been awarded the maximum Defaqto 5 stars as a solution for advisers to manage client assets directly with Bordier UK. The service invests actively in collective investment funds, which helps to ensure that investors benefit from a diversified spread of investments across a wide range of different asset classes, not just in the UK but in overseas markets as well.

There are five investment strategies for you to choose from. Each has its own risk profile and all of them are actively managed by us to ensure that we meet your investment goals. You can choose an income option in all our risk strategies, which means that you could benefit from regular income from your investments as well as potential long-term capital growth.

Investment objective

The objective is to assist investors looking to preserve their capital in real (inflation-adjusted) terms over the medium to longer term but who feel comfortable with some moderate fluctuation in values.

Risk category

The strategy is managed with a moderate attitude towards risk with a maximum target of 40% invested in global equity markets at any given time and has received a Defaqto Risk Rating 3 - Very Low Risk.

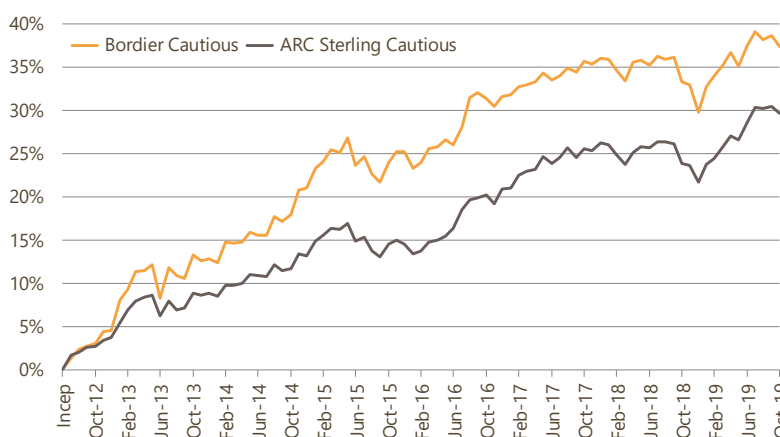


Model performance

	1mth	6mth	YTD	1yr	3yr	5yr	Start*
MPS Cautious	-0.9%	0.5%	5.8%	3.1%	4.6%	16.5%	37.4%
ARC Cautious	-0.6%	2.1%	6.5%	4.6%	7.8%	16.0%	29.7%

Data as at 31/10/19 (*Inception from 02/07/12 to 31/10/19) - Figures net of 0.75% + VAT
Source: FE Analytics

Inception performance



Past performance is not a guide to future results
Source: FE Analytics (See risk warning overleaf)

Bordier & Cie (UK) PLC | Specialist Investment Manager

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About Bordier UK

Bordier & Cie (UK) PLC ('Bordier UK') is a specialist investment manager that promotes a long-standing culture of consistency and excellence, whether in the performance of our portfolios, the service given by our staff or the quality of our reporting.

Bordier UK focuses on managing the wealth of individuals, families and trustees. We manage portfolios for pensions, trusts, charities, offshore bonds, livery companies, institutions and welfare committees, as well as investments from our own staff. Working alongside professional advisers and managing investment solutions on behalf of their clients is core to the Bordier UK business.

Bordier UK was previously known as Berry Asset Management, one of the country's most widely respected private portfolio management firms. The team that led Berry Asset Management continue to run the business to this day.

Bordier UK is part of the Bordier Group. The Bordier Group is built on solid foundations, with a strong Tier 1 capital ratio of 28%. Established in Geneva in 1844, the Bordier Group operates in six countries across three continents, managing assets of circa £10.6bn for approximately 4,000 families (Source: Bordier & Cie as at 30 June 2019).

Contact us



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For further information on this strategy or any of our other investment services please contact David Muncaster or a member of our sales team at sales@bordieruk.com.

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Headline asset allocation

Summary of current Bordier UK Investment Committee positioning

	UW (-)	N (=)	OW (+)	
Fixed interest				Key Current Previous* UW (-) Underweight N (=) Neutral OW (+) Overweight
Equities				
Property				
Alternative investments				
Cash				

As at 31/10/19
 *Positioning prior to last Investment Committee meeting

Model asset allocation



Sector	%
Cash	12
UK fixed interest	11
International fixed interest	6
Strategic bonds	21
Alternatives	20
UK equity income	4
UK equity growth	5
US equity	12
European equity	3
South East Asian equity	2
Japanese equity	4

Top 10 holdings

Holding	%	Holding	%
Cash (deposit)	12	BNY Mellon Global Dynamic Bond	5
Man GLG Alpha Select Alternative	7	Fidelity Strategic Bond	5
Janus Henderson Strategic Bond	6	Schroder Strategic Credit	5
Janus Henderson UK Absolute Return	6	Artemis US Absolute Return	4
Vanguard UK Government Bond Index	6	Man GLG Japan CoreAlpha	4

As at 31/10/19

Discrete annual returns

	2012*	2013	2014	2015	2016	2017	2018
MPS Cautious	4.5%	8.0%	7.2%	3.6%	5.1%	1.6%	-4.6%
ARC Cautious	3.7%	5.0%	4.0%	1.3%	5.5%	4.5%	-3.6%

Data to 31/12/18 (*2012 performance from 02/07/12) - Figures net of 0.75% + VAT
 Source: FE Analytics

Risk warning: The value of an investment and any income from it may fall as well as rise, may be affected by exchange rate fluctuations and you may not get back the amount you originally invested. The information in this factsheet does not constitute an offer of, or an invitation to buy or sell any security. Levels and bases of tax can change. The securities detailed in this factsheet may not be suitable for all investors. The model portfolio is applied to client accounts by the platform provider but it may take some time for the client accounts to mirror the model. Bordier & Cie (UK) PLC recommends that you seek the advice of your financial adviser.

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