

October 2019

bordier | 1844

Risk Targeted Managed Service Bordier UK Risk Targeted 5 (RT5)

Key information

Benchmark

ARC Sterling Balanced Asset PCI

Strategy details

Launch date	1 March 2016
Minimum initial investment (direct)	£20,000
Minimum initial investment (platform)	£1,000
Rebalancing strategy (minimum)	Quarterly
Currency	£ GBP
Annual management charge (direct)	0.75% + VAT
Annual management charge (platform)	0.30% + VAT *
Annual yield (current)	1.95%
Ongoing charges figure ('OCF')	0.72%

* Not including platform fees

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 to the Dynamic Planner risk boundaries, the RT5 strategy saw the sale of the AHFM Defined Returns and Fortem Capital Progressive Growth funds – both 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

Bordier & Cie (UK) PLC
23 King Street
St James's
London
SW1Y 6QY
t: +44 (0)20 7667 6600
w: www.bordieruk.com

Risk Targeted Managed Service

Our Risk Targeted ('RT') Managed Service is available directly through our Bordier UK platform or via the Novia or Transact platforms. The offering provides access to our discretionary management service at a much lower entry level than would normally be available and offers cost-effective portfolio management. The portfolios:

- Offer five investment strategies with different levels of risk and expected return.
- Are rigorously mapped within a specific Dynamic Planner ('DP') risk profile tolerance.
- Can be held within general investment accounts, ISAs, SIPPs and other wrappers (platform dependent).

Investment objective

The objective is to build capital in real (inflation-adjusted) terms over the medium to longer term. Investors should expect reasonable correlation to stock market behaviour and rewards, including quite sharp fluctuations in values, but also some protection in times of market weakness.

Risk category

The strategy is managed in accordance with DP risk profiles and is part of their Risk Target Managed ('RTM') offering. The strategy's expected volatility is targeted to stay within the assigned DP risk profile's boundaries.

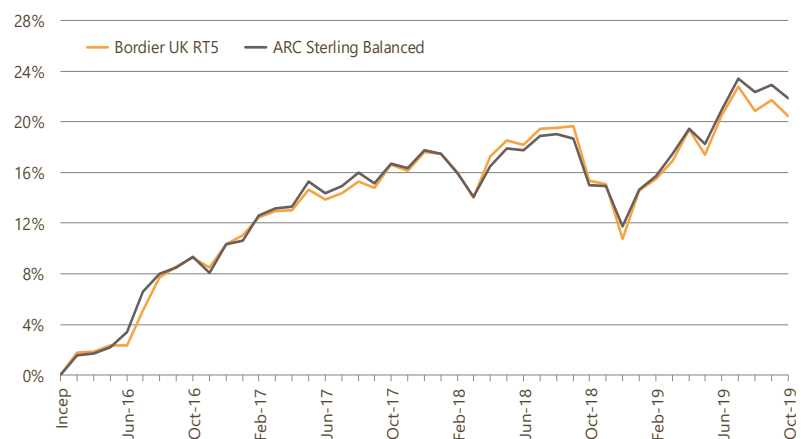
Model performance



	1mth	3mth	6mth	YTD	1yr	3yr	Start*
Bordier UK RT5	-1.1%	-1.9%	0.9%	8.7%	4.4%	10.2%	20.4%
ARC Balanced Asset	-0.9%	-1.3%	2.0%	9.0%	6.0%	11.4%	21.8%

Data as at 31/10/19 (*Inception from 01/03/16 to 31/10/19) - Figures net of 0.30% + VAT
Source: FE Analytics

Inception performance



Past performance is not a guide to future results. Inception date from 01/03/16.
Source: FE Analytics (See risk warning overleaf)

Bordier & Cie (UK) PLC | Specialist Investment Manager

23 King Street | St James's | London SW1Y 6QY | t +44 (0)20 7667 6600 | f +44 (0)20 7930 2911 | bordieruk.com
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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



David Muncaster

Director of Sales and Marketing
david.muncaster@bordieruk.com

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.

Bordier & Cie (UK) PLC |
Specialist Investment Manager |
23 King Street | St James's | London SW1Y 6QY |
t: +44 (0)20 7667 6600 |

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	7
UK fixed interest	7
International fixed interest	4
Strategic bonds	12
Alternatives	10
UK equity income	13
UK equity growth	9
US equity	20
European equity	7
South East Asian equity	5
Japanese equity	6

Top 10 holdings

Holding	%	Holding	%
Cash (deposit)	7	Franklin UK Equity Income	5
Janus Henderson UK Absolute Return	6	JPM US Equity Income (GBP Hedged)	5
LF Miton US Opportunities	6	Schroder Strategic Credit	5
Man GLG Japan CoreAlpha	6	Vanguard UK Government Bond Index	5
M&G North American Dividend	6	Artemis US Absolute Return	4

As at 31/10/19

Discrete annual returns

	2016*	2017	2018	Q1 2019	Q2 2019	Q3 2019
Bordier UK RT5	10.3%	6.6%	-5.8%	5.6%	3.1%	1.0%
ARC Balanced Asset	10.4%	6.7%	-5.1%	5.1%	3.0%	1.6%

Data to 30/09/19 (*2016 performance from 01/03/16) - Figures net of 0.30% + 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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