

Hybrid Passive Managed Service

Balanced Strategy

December 2019

Key information

Strategy details

Start date	15 June 2015
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)	2.38%

* Not including platform charges

Benchmark

ARC Sterling Balanced Asset PCI

Annualised volatility and OCF

Bordier Balanced	5.00%
Ongoing charges figures ('OCF')	0.37%

Annualised 3-year volatility data as at 31/12/19 - Source: FE Analytics

Investment update - December

Markets in December continued to rally after the partial removal of two important issues; the UK's political uncertainty and Brexit (thanks to a convincing Conservative win), and the de-escalation of the US/China trade war. Although there are still many hurdles to overcome in the UK/EU negotiation process, a clearer path should allow a re-boot of business investment and spending, allowing disenchanted investors to return and potentially unlocking economic growth further down the line. Low inflation and the stable interest rate environment in general may also provide a more favourable backdrop for investment in risk assets. As such, our Investment Committee decided to shift away from our previous neutral stockmarket stance by adding 5% to UK equities, taking the Balanced strategy's headline equity target to 55%. The Montanaro UK Income fund has been added to the strategy to provide exposure to quality companies in the UK small and mid-cap sectors whilst also having an equity income focus, which should provide additional return support. To enable the purchase of the fund, there has been a reduction in cash levels and there remains the possibility of adding further exposure to equities in the new year if the improved backdrop remains. Although there may be low rates of economic growth forecast for 2020, which may in turn lead to lower nominal returns, we are happy to report strong returns for 2019 with the Balanced strategy returning 11.1%.

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

Hybrid Passive Managed Service

The service consists of five actively managed investment strategies, offering lower cost access to our discretionary fund management capabilities, through the combination of active and passive collective investments. The service provides a solution that, when cost considerations are paramount, does not compromise on quality. Investment strategies are monitored by our central Investment Committee to ensure consistency of performance from one portfolio to another. The service is available on the following platforms: Ascentric, Aviva, Fusion, Hubwise, Nucleus, Standard Life and Transact.

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 stockmarket behaviour and rewards, including quite sharp fluctuations in values, but also some protection in times of market weakness.

Risk score

Our strategies are constructed around five investment strategies, each with a differing commitment to equities via collective funds and other asset classes. The strategy is managed with a maximum target of 60% invested in equity markets at any given time and has been categorised as a Bordier UK risk profile 3.

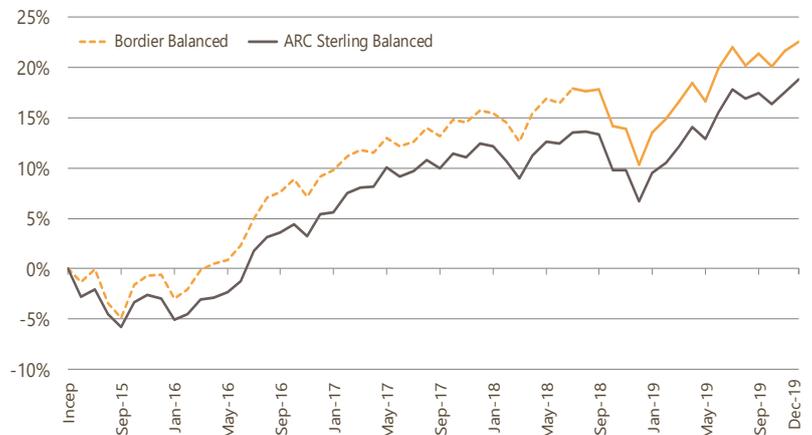


Model performance

	1mth	3mth	6mth	YTD	1yr	3yr	Start*
Balanced	0.8%	1.0%	2.3%	11.1%	11.1%	12.3%	22.6%
ARC Balanced	1.1%	1.2%	2.8%	11.3%	11.3%	12.7%	18.8%

Data as at 31/12/19 (*Inception from 15/06/15 to 31/12/19) - Figures net of 0.30% + VAT
 Source: FE Analytics

Inception performance



Source: FE Analytics (see risk warning overleaf).
 Performance from inception (15/06/15) to 01/08/18 is simulated past performance based on back-tested data.

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

For further information on this strategy or any of our other investment services please contact a member of our sales team:

t: 020 7667 6600
e: sales@bordieruk.com

Headline asset allocation

Summary of current Bordier UK Investment Committee positioning

	UW (-)	N (=)	OW (+)
Fixed interest			
Equities			
Property			
Alternative investments			
Cash			

Key

- Current
- Previous*
- UW (-) Underweight
- N (=) Neutral
- OW (+) Overweight

As at 31/12/19
*Positioning prior to last Investment Committee meeting

Model asset allocation



Sector	%
Cash	5
UK fixed interest	8
International fixed interest	5
Strategic bonds	14
Alternatives	13
UK equity income	12
UK equity growth	10
US equity	16
European equity	6
South East Asian equity	5
Japanese equity	6

Top 10 holdings

Holding	%	Holding	%
Janus Henderson UK Absolute Return	7	Cash (deposit)	5
Vanguard FTSE UK Equity Income Index	7	Janus Henderson Strategic Bond	5
Artemis US Absolute Return	6	Schroder Strategic Credit	5
HSBC American Index	6	Vanguard Global Short Term Bond Index	5
Vanguard US Equity Index	6	Vanguard UK Government Bond Index	5

As at 31/12/19

Discrete annual returns

	2015*	2016	2017	2018	2019
Balanced	-0.6%	9.8%	6.0%	-4.6%	11.1%
ARC Balanced	-3.0%	8.6%	6.7%	-5.1%	11.3%

Data to 31/12/19 (*2015 performance from 15/06/15) - 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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