

Hybrid Passive Managed Service

Defensive 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) | 1.78% |

* Not including platform charges

Benchmark

3 Month LIBOR

Annualised volatility and OCF

| | |
|---------------------------------|-------|
| Bordier Defensive | 1.94% |
| Ongoing charges figures ('OCF') | 0.46% |

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 Defensive strategy's headline equity target to 15%. 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 Defensive strategy returning 4.9%.

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 preserve capital in real (inflation-adjusted) terms over the medium to longer term. Investors should expect low levels of reward and a low correlation to stockmarket behaviour, including modest fluctuations in values.

Risk score

Our strategies are constructed around five investment strategies, each with a differing commitment to equities via collective funds and other asset classes. This strategy is managed with a maximum target of 20% invested in equity markets at any given time and has been categorised as a Bordier UK risk profile 1.

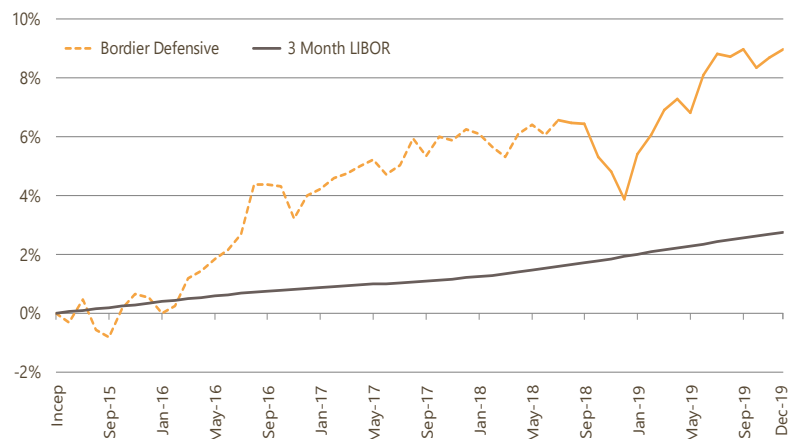


Model performance

| | 1mth | 3mth | 6mth | YTD | 1yr | 3yr | Start* |
|---------------|------|------|------|------|------|------|--------|
| Defensive | 0.3% | 0.0% | 0.8% | 4.9% | 4.9% | 4.8% | 9.0% |
| 3 Month LIBOR | 0.1% | 0.2% | 0.4% | 0.8% | 0.8% | 1.9% | 2.7% |

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

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.

Issued by Bordier & Cie (UK) PLC, 23 King Street, St James's, London SW1Y 6QY. Authorised and regulated by the Financial Conduct Authority. Incorporated in England No. 1583393, registered office as above.

Headline asset allocation

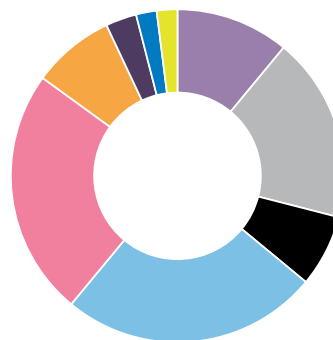
Summary of current Bordier UK Investment Committee positioning

| | 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 | 11 |
| UK fixed interest | 18 |
| International fixed interest | 7 |
| Strategic bonds | 25 |
| Alternatives | 24 |
| UK equity income | 8 |
| US equity | 3 |
| European equity | 2 |
| Japanese equity | 2 |

Top 10 holdings

| Holding | % | Holding | % |
|------------------------------------|----|----------------------------------------|---|
| Cash (deposit) | 11 | Janus Henderson Strategic Bond | 7 |
| Janus Henderson UK Absolute Return | 9 | Vanguard Global Short Term Bond Index | 7 |
| Artemis US Absolute Return | 8 | Vanguard UK Government Bond Index | 7 |
| Fidelity Strategic Bond | 8 | Vanguard UK Short Term Inv. Grade Bond | 6 |
| BlackRock Absolute Return Bond | 7 | BNY Mellon Global Dynamic Bond | 5 |

As at 31/12/19

Discrete annual returns

| | 2015* | 2016 | 2017 | 2018 | 2019 |
|---------------|-------|------|------|-------|------|
| Defensive | 0.5% | 3.5% | 2.2% | -2.3% | 4.9% |
| 3 Month LIBOR | 0.3% | 0.5% | 0.4% | 0.7% | 0.8% |

Data to 31/12/19 (*2015 performance from 15/06/15) - Figures net of 0.30% + VAT
Source: FE Analytics