

December 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)	2.16%
Ongoing charges figure ('OCF')	0.73%

\* Not including platform fees

### 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 slightly increase our risk position within the respective Dynamic Planner volatility boundaries by adding 5% to UK equities, taking the RT5 strategy's headline equity target to 63%. 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 RT5 strategy returning 11.9%.

### Discretionary manager

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### 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.

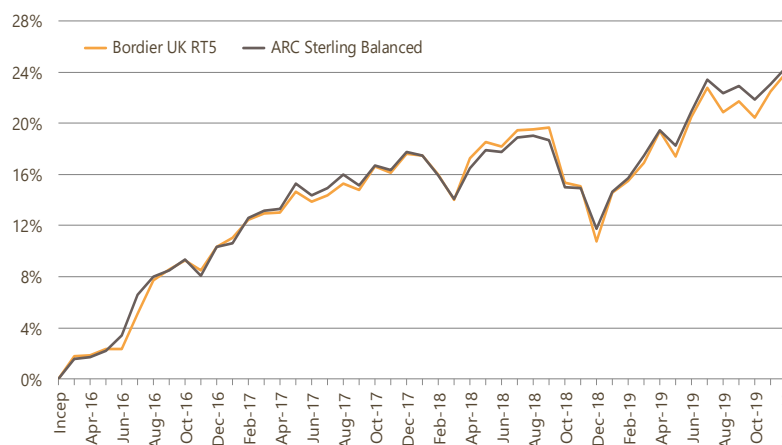
### Model performance



	1mth	3mth	6mth	YTD	1yr	3yr	Start*
Bordier UK RT5	1.2%	1.8%	2.9%	11.9%	11.9%	12.4%	24.0%
ARC Balanced Asset	1.1%	1.2%	2.8%	11.3%	11.3%	12.7%	24.4%

Data as at 31/12/19 (\*Inception from 01/03/16 to 31/12/19) - 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)

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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				<b>Key</b> Current Previous* <b>UW (-)</b> Underweight <b>N (=)</b> Neutral <b>OW (+)</b> Overweight
Equities				
Property				
Alternative investments				
Cash				

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

## Model asset allocation



Sector	%
Cash	5
UK fixed interest	6
International fixed interest	4
Strategic bonds	12
Alternatives	10
UK equity income	18
UK equity growth	8
US equity	19
European equity	7
South East Asian equity	5
Japanese equity	6

## Top 10 holdings

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

As at 31/12/19

## Discrete annual returns

	2016*	2017	2018	2019
Bordier UK RT5	10.3%	6.6%	-5.8%	11.9%
ARC Balanced Asset	10.4%	6.7%	-5.1%	11.3%

Data to 31/12/19 (\*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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