

# Hybrid Passive Managed Service

## Balanced Strategy

April 2020

### 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)	2.13%

\* Not including platform charges

#### Benchmarks

ARC Sterling Balanced Asset PCI and CPI

#### Annualised volatility and OCF

Bordier Balanced	7.50%
Ongoing charges figures ('OCF')	0.32%

Annualised 3-year volatility data as at 30/04/20 - Source: FE Analytics

#### Investment update - April

Investor optimism over the ability of world leaders to successfully navigate a path out of lockdown brought some relief to markets in April, rebounding from the lows seen in March. US stockmarkets rallied, with the S&P 500 Index rising nearly 13% in local terms; its strongest monthly return since 1987. Closer to home, European markets also rebounded, albeit not as strongly, with the FTSE 100 Index rising almost 4% in the month. Whilst positive news, the UK index is still down nearly 21% year to date and continues to lag other indices partly due to its exposure to oil and energy-related companies, which have been hardest hit. Although central bank and government policy responses have been supportive of an economic recovery, it is widely assumed that economic data will worsen before it improves, with experts having already slashed GDP forecasts for most developed nations. As such, our Investment Committee felt it was prudent to maintain our current positioning across the strategies, with equity exposure remaining around neutral given our recent decisions to raise more liquidity. Our Investment Committee continue to consider an increased commitment to Asia ex. Japan as well as reassessing our fixed interest exposure to see whether there is an opportunity to make our positions work harder for the strategies.

#### Discretionary manager

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#### 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, Embark, 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 profile

The strategy is managed with a maximum target of 60% equity market exposure and is categorised as a **Bordier Risk Profile 3**.



#### Discrete performance

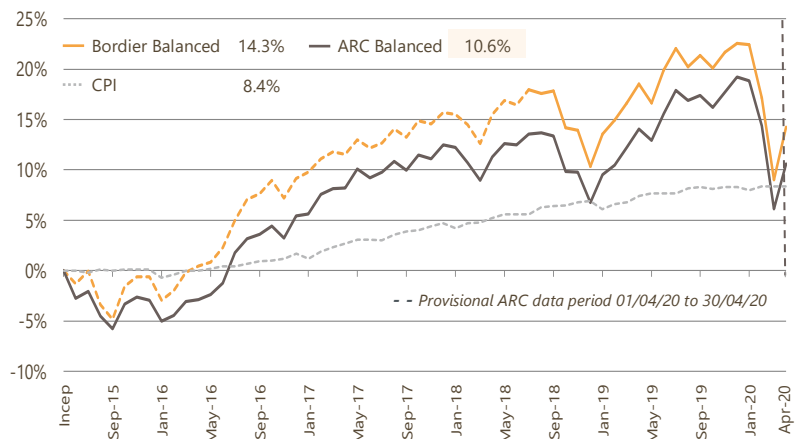
	YTD	2019	2018	2017	2016	2015*
Balanced	-6.8%	11.1%	-4.6%	6.0%	9.8%	-0.6%
ARC Balanced Asset	-7.3%	11.7%	-5.1%	6.7%	8.6%	-3.0%
CPI	0.1%	1.3%	2.1%	2.9%	1.6%	0.1%

#### Cumulative performance

	1yr	3yr	5yr
Balanced	-3.6%	2.5%	-

Source: FE Analytics as at 30/04/20. \*Inception from 15/06/15. Bordier UK figures net of 0.30% + VAT. Highlighted ARC figure is provisional.

#### Inception performance



Source: FE Analytics as at 30/04/20. Bordier UK figures net of 0.30% + VAT. Highlighted ARC figure is provisional. Performance from inception (15/06/15) to 01/08/18 is simulated past performance based on back-tested data. Past performance is not a guide to future results. See full risk warning overleaf.

## 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 29.5%. Established in Geneva in 1844, the Bordier Group operates in six countries across three continents, managing assets of circa £10.7bn for approximately 4,000 families (Source: Bordier & Cie as at 31 December 2019).



## Contact us

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

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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**

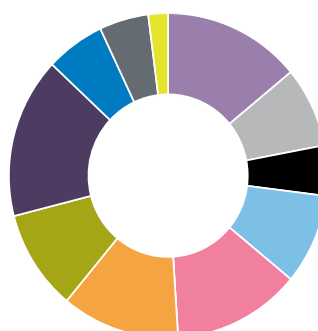
- Current
- Previous\*
- UW (-) Underweight
- N (=) Neutral
- OW (+) Overweight

As at 30/04/20  
\*Positioning prior to last Investment Committee meeting

## Headline positioning

- ~ Equity exposures are now around neutral again from a combination of market moves and our recent decisions to raise more liquidity.
- ~ Corporate fixed interest exposure has been reduced, as has the exposure to Japan.
- ~ There remains a focus on high levels of liquidity in everything we own.
- ~ Market neutral alternative investments are doing the job we have asked of them and acted as stabilisers. We were right to sell our structured investment funds last Autumn.

## Model asset allocation



Sector	%
Cash	14
UK fixed interest	8
International fixed interest	5
Strategic bonds	9
Alternatives	13
UK equity income	12
UK equity growth	10
US equity	16
European equity	6
South East Asian equity	5
Japanese equity	2

## Top 10 holdings

Holding	%	Holding	%
Cash (deposit)	14	Vanguard US Equity Index	6
Janus Henderson UK Absolute Return	7	Janus Henderson Strategic Bond	5
Vanguard FTSE UK Equity Income Index	7	Montanaro UK Income	5
Artemis US Absolute Return	6	Vanguard Global Short Term Bond Index	5
HSBC American Index	6	Vanguard UK Government Bond Index	5

As at 30/04/20

**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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