

Hybrid Passive Managed Service Defensive Strategy

June 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) | 1.66% |

* Not including platform charges

Annualised volatility and OCF

| | |
|---------------------------------|-------|
| Bordier Defensive | 3.46% |
| Ongoing charges figures ('OCF') | 0.43% |

Annualised 3-year volatility data as at 30/06/20 - Source: FE Analytics

Investment update - June

Global markets continued their recovery in June, in some cases nearly retracing all their steps from the lows seen towards the end of March. This was largely on the back of the immediate and effective response from central banks and Governments who pumped huge amounts of liquidity into the financial system, helping to lower borrowing costs for businesses and restore investor confidence. Markets are likely to remain supported by this continued stimulus, as lower interest rates and low inflation have the propensity to drive up the present value of future profits. However, extensive lockdowns around the world have resulted in recessionary conditions almost everywhere, with world GDP likely to slump by at least 5% in 2020. The re-opening of economies is at a critical juncture, with the coronavirus and the risk of a second wave dictating the shape, pace and durability of the economic recovery. There are also other hurdles to overcome on the horizon, with the US election in November and the Brexit trade deal deadline approaching. With these hurdles in mind, our Investment Committee decided to remove the sterling-hedged funds from within our US exposure. Although the US is facing potential headwinds in the form of the election and the trade war with China, our Investment Committee believes that the outlook for the dollar is stronger than for sterling, with sterling likely to be hit to a greater extent from coronavirus and Brexit talks going forward.

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, Novia, 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 profile

This strategy is managed with a maximum target of 20% equity market exposure and is categorised as a **Bordier Risk Profile 1**.



Discrete performance

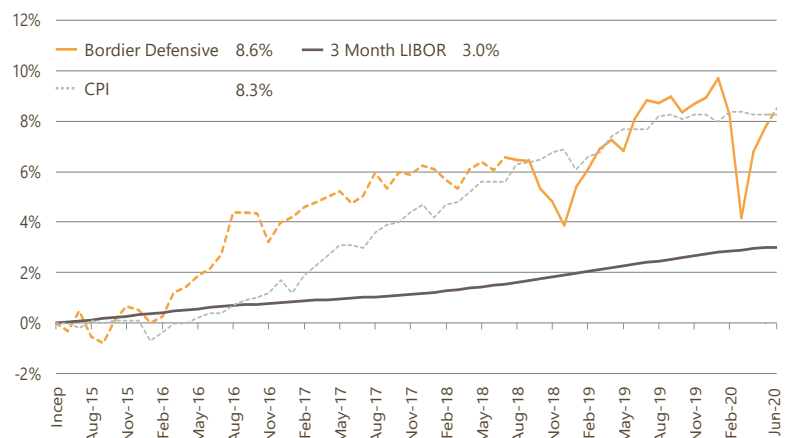
| | YTD | 2019 | 2018 | 2017 | 2016 | 2015* |
|---------------|-------|------|-------|------|------|-------|
| Defensive | -0.4% | 4.9% | -2.3% | 2.2% | 3.5% | 0.5% |
| 3 Month LIBOR | 0.3% | 0.8% | 0.7% | 0.4% | 0.5% | 0.3% |
| CPI | 0.0% | 1.3% | 2.1% | 2.9% | 1.6% | 0.1% |

Cumulative performance

| | 1yr | 3yr | 5yr |
|-----------|------|------|------|
| Defensive | 0.4% | 3.7% | 8.9% |

Source: FE Analytics as at 30/06/20. *Inception from 15/06/15. Bordier UK figures net of 0.30% + VAT.

Inception performance



Source: FE Analytics as at 30/06/20. Bordier UK figures net of 0.30% + VAT. 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

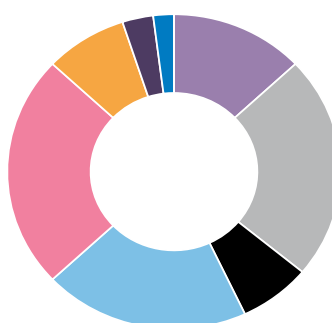
| | UW (-) | N (=) | OW (+) |
|-------------------------|---------|---------|-----------|
| Fixed interest | | Current | |
| Equities | | Current | |
| Property | Current | | |
| Alternative investments | | Current | |
| Cash | | Current | Previous* |

As at 30/06/20
*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 income exposure has increased, specifically targeting the higher quality investment grade space.
- ~ Cash levels have been reduced to neutral.
- ~ There remains a focus on high levels of liquidity in everything we own.
- ~ Market neutral alternative investments are continuing to act as stabilisers. We were right to sell our structured investment funds last Autumn.

Model asset allocation



| Sector | % |
|------------------------------|----|
| Cash | 13 |
| UK fixed interest | 23 |
| International fixed interest | 7 |
| Strategic bonds | 20 |
| Alternatives | 24 |
| UK equity income | 8 |
| US equity | 3 |
| European equity | 2 |

Top 10 holdings

| Holding | % | Holding | % |
|------------------------------------|----|--|---|
| Cash (deposit) | 13 | 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 30/06/20

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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