

# Hybrid Passive Risk Targeted Managed Service

## Hybrid Passive Risk Targeted 5 (HP RT5)

July 2020

### Key information

#### Strategy details

Launch date	1 March 2016
Minimum initial investment (platform)	£1,000
Minimum initial investment (direct)	£20,000
Rebalancing strategy (minimum)	Quarterly
Currency	£ GBP
Annual management charge (platform)	0.30% + VAT*
Annual management charge (direct)	0.75% + VAT
Annual yield (current)	2.01%
Ongoing charges figure ('OCF')	0.35%

\* Not including platform fees

#### Investment update - July

Ongoing coronavirus fears led to volatility returning to global markets in July. Indeed, increased infection rates and fears around a second wave of Covid-19 knocked investor confidence, especially in Europe and the UK where markets fell. Although cases in the US continued to rise throughout July, so did markets, largely off the back of technology stocks and some stronger than predicted earnings releases. Asia continued to show further signs of recovery, supported by US dollar weakness, with Chinese manufacturing PMI data returning to pre-Covid-19 levels. Our Investment Committee continue to meet frequently, and it was agreed that although our commitment to stockmarkets would remain broadly neutral, a redistribution of equity risk would be undertaken. Therefore, the decision was made to increase exposure to areas more likely to lead the world forward as we emerge from the pandemic, such as Asia (ex-Japan) and the US, and away from regions that face longer-term headwinds, namely the UK. Outside of world equity markets, our Investment Committee remain comfortable with our fixed income positioning with an emphasis on quality, investment grade corporate bonds, which offer prospects for attractive income and capital growth. Our alternative assets should continue to provide diversification benefits and protection should we see a short-term correction in share prices.

#### Discretionary manager

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#### Hybrid Passive Risk Targeted 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 Aviva and Standard Life platforms.

#### Investment objective

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 in accordance with **Dynamic Planner risk profile 5**, with the strategy's expected volatility targeted to stay within the assigned Dynamic Planner risk profile's boundaries.



#### Discrete performance

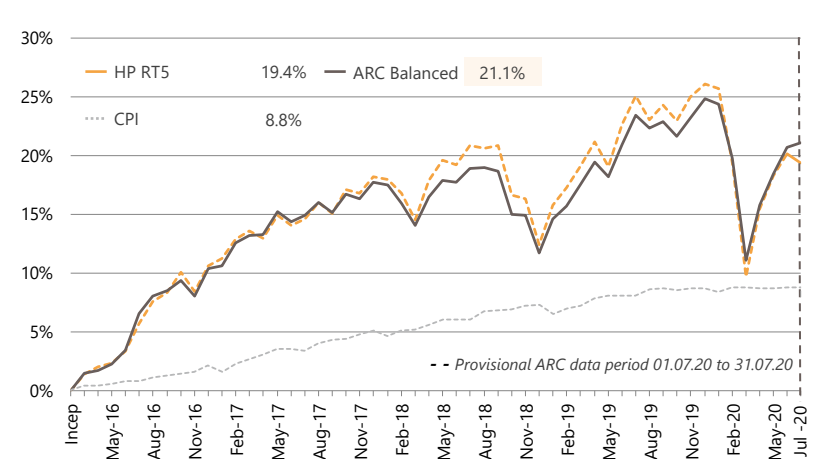
	YTD*	2019*	2018*	2017*	2016*
HP RT5	-5.4%	12.2%	-4.9%	6.9%	10.6%
ARC Balanced Asset PCI	-3.0%	11.7%	-5.1%	6.7%	10.4%
CPI	0.1%	1.3%	2.1%	2.9%	2.1%

#### Cumulative performance

	1yr*	3yr*	5yr*
HP RT5	-4.6%	4.1%	-

Source: FE Analytics as at 31.07.20.  
\*Performance from inception (01.03.16) to 30.06.20 is simulated past performance based on back-tested data. Bordier UK figures net of 0.30% AMC + VAT. Highlighted ARC figure is provisional.

#### Inception performance



Source: FE Analytics as at 31.07.20.  
Bordier UK figures net of 0.30% AMC + VAT. Highlighted ARC figure is provisional.  
Performance from inception (01.03.16) to 30.06.20 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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## Headline asset allocation

Summary of current Bordier UK Investment Committee positioning

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

Current  
 Previous\*

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

As at 31.07.20  
\*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	9
UK fixed interest	11
International fixed interest	4
Strategic bonds	7
Alternatives	10
UK equity income	8
UK equity growth	8
US equity	25
European equity	7
South East Asian equity	9
Japanese equity	2

## Top 10 holdings

Holding	%	Holding	%
Cash (deposit)	9	Fidelity UK Index	5
LF Miton US Opportunities	8	HSBC European Index	5
HSBC American Index	7	HSBC Pacific Index	5
Janus Henderson UK Absolute Return	6	Montanaro UK Income	5
Vanguard US Equity Index	6	TwentyFour Corporate Bond	5

As at 31.07.20

**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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