

# Hybrid Passive Managed Service

## Balanced Strategy

August 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)                | 1.89%         |

\* Not including platform charges

#### Annualised volatility and OCF

|                                 |       |
|---------------------------------|-------|
| Bordier Balanced                | 7.61% |
| Ongoing charges figures ('OCF') | 0.38% |

Annualised 3-year volatility data as at 31.08.20 - Source: FE Analytics

#### Investment update - August

Investor sentiment improved during August on the back of a better than expected second-quarter earnings season and with the hope of a Covid-19 vaccine around the corner. Markets continue to be buoyed by the unprecedented levels of stimulus from governments and central banks, which show no signs of abating. Meanwhile, interest rates seem set to remain lower for longer, providing markets with a supportive backdrop for the foreseeable future. The availability of cheap money has also resulted in the 'TINA' ('there is no alternative') effect, further increasing momentum in equity markets. However, there are potential headwinds in the shape of further virus outbreaks, trade concerns and the impending US election and Brexit transition deadline. There were no changes made to the strategy in August, with stockmarket exposure remaining around neutral, reflecting our Investment Committee's view that markets are finely balanced. We remain comfortable having circa three quarters of our equity exposure in overseas markets and believe that the regions we have recently redistributed equity risk to, the US and Asia, are more likely to offer superior economic growth prospects relative to the UK and also host a far wider range of market leading companies in key sectors such as technology and healthcare. Our Investment Committee continue to monitor events closely and are willing to adjust the strategy's positioning if an appropriate opportunity presents itself.

#### 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

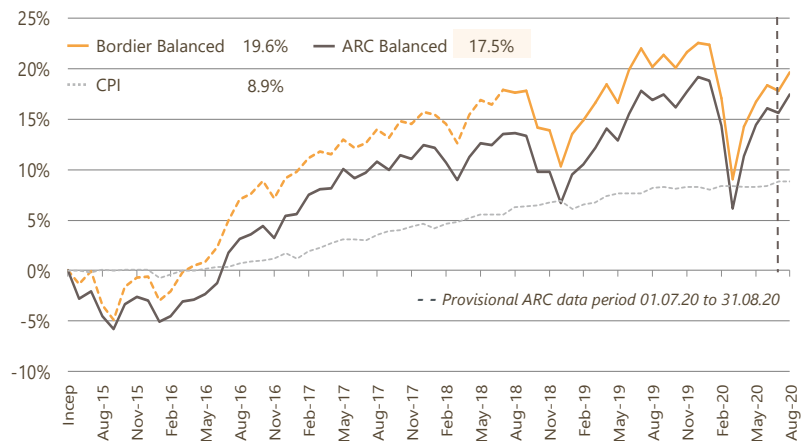
|                        | YTD   | 2019  | 2018  | 2017 | 2016 | 2015* |
|------------------------|-------|-------|-------|------|------|-------|
| Balanced               | -2.4% | 11.1% | -4.6% | 6.0% | 9.8% | -0.6% |
| ARC Balanced Asset PCI | -1.5% | 11.7% | -5.1% | 6.7% | 8.6% | -3.0% |
| CPI                    | 0.6%  | 1.3%  | 2.1%  | 2.9% | 1.6% | 0.1%  |

#### Cumulative performance

|          | 1yr   | 3yr  | 5yr   |
|----------|-------|------|-------|
| Balanced | -0.5% | 4.9% | 23.8% |

Source: FE Analytics as at 31.08.20. \*Inception from 15.06.15. Bordier UK figures net of 0.30% AMC + VAT. Highlighted ARC figure is provisional.

#### Inception performance



Source: FE Analytics as at 31.08.20. Bordier UK figures net of 0.30% AMC + 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 35.5%. Established in Geneva in 1844, the Bordier Group operates in six countries across three continents, managing assets of circa £11.7bn for approximately 4,000 families (Source: Bordier & Cie as at 30 June 2020).



## 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

## Headline asset allocation

Summary of current Bordier UK Investment Committee positioning

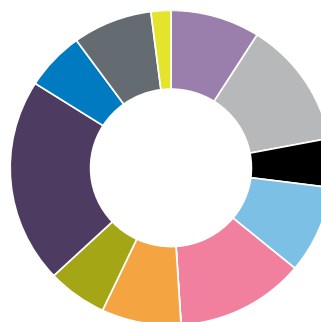
|                         | UW (-)  | N (=)   | OW (+)    |
|-------------------------|---------|---------|-----------|
| Fixed interest          |         | Current |           |
| Equities                |         | Current |           |
| Property                | Current |         |           |
|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

As at 31.08.20  
\*Positioning prior to last Investment Committee meeting

## Headline positioning

- ~ Equity exposure remains neutral, with around three quarters of our stockmarket exposure now outside of the UK.
- ~ We maintain our increased corporate fixed income exposure, specifically targeting the higher quality investment grade space.
- ~ Cash levels remain at neutral.
- ~ There remains a focus on high levels of liquidity in everything we own.
- ~ Market neutral alternative investments continue to act as stabilisers. We were right to sell our structured investment funds last Autumn.

## Model asset allocation



| Sector                       | %  |
|------------------------------|----|
| Cash                         | 9  |
| UK fixed interest            | 13 |
| International fixed interest | 5  |
| Strategic bonds              | 9  |
| Alternatives                 | 13 |
| UK equity income             | 8  |
| UK equity growth             | 6  |
| US equity                    | 21 |
| European equity              | 6  |
| South East Asian equity      | 8  |
| Japanese equity              | 2  |

## Top 10 holdings

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

As at 31.08.20

**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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