

# Hybrid Passive Managed Service

## Cautious Strategy

September 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)	1.53%

\* Not including platform charges

#### Annualised volatility and OCF

Bordier Cautious	5.41%
Ongoing charges figures ('OCF')	0.45%

Annualised 3-year volatility data as at 30.09.20 - Source: FE Analytics

#### Investment update - September

Rising COVID-19 cases as well as questions over refreshed fiscal stimulus measures contributed to investor sentiment waning in September, as equity market returns around the world flattened in sterling terms. Indeed, the pace of economic recovery seems to be losing some momentum since the rebound in activity seen in the summer months. With winter around the corner, the outlook for markets continues to be cloaked in uncertainty and impacted by assumptions on the spread of COVID-19 and the potential for renewed lockdowns. There are some areas where greater longer-term opportunity seemingly exists, namely the US and Asian markets, as the benefits of geographic diversification come to the fore. With this in mind, our Investment Committee undertook a further redistribution of the strategy's equity exposure in September by reducing its allocation to the UK stockmarket and reinvesting the proceeds into the US. The newly added AXA Framlington Global Technology fund should take advantage of the recent sell-off in US 'big tech' to increase exposure to an area likely to remain in vogue as the world adjusts to the 'new normal'. The strategy retains a broadly neutral commitment to stockmarkets, which is in line with our longer-term strategic positioning. The asset allocation change means that circa 50% of clients' stockmarket exposure is allocated to the US and around 80% of equity investment is exposed to more vibrant economies and opportunities outside the UK.

#### 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

To assist investors looking to preserve their capital in real (inflation-adjusted) terms over the medium to longer term but who feel comfortable with some moderate fluctuation in values.

#### Risk profile

This strategy is managed with a maximum target of 40% equity market exposure and is categorised as a **Bordier Risk Profile 2**.



#### Discrete performance

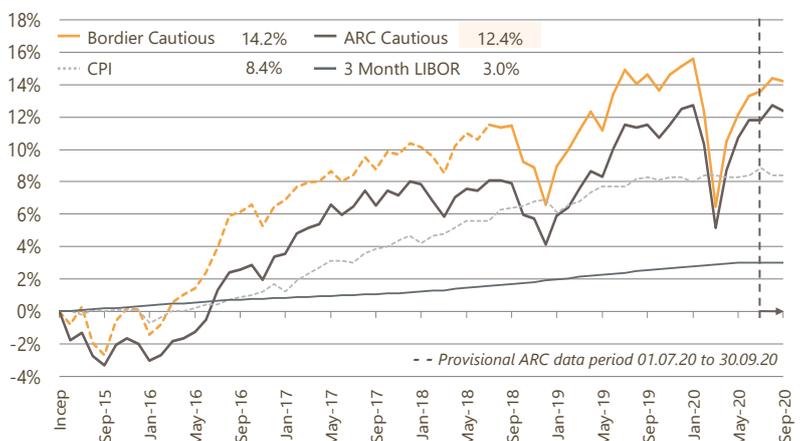
	YTD	2019	2018	2017	2016	2015*
Cautious	-0.8%	8.0%	-3.4%	3.7%	6.4%	0.1%
ARC Cautious PCI	-0.1%	8.1%	-3.6%	4.5%	5.5%	-2.0%
CPI	0.1%	1.3%	2.1%	2.9%	1.6%	0.1%
3 Month LIBOR	0.3%	0.8%	0.7%	0.4%	0.5%	0.3%

#### Cumulative performance

	1yr	3yr	5yr
Cautious	-0.3%	5.0%	17.4%

Source: FE Analytics as at 30.09.20. \*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 30.09.20. 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			
Equities			
Property			
Alternative investments			
Cash			

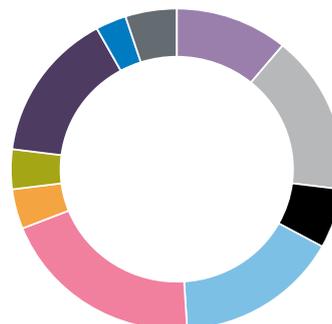
**Key**  
■ Current  
■ Previous\*  
**UW (-)** Underweight  
**N (=)** Neutral  
**OW (+)** Overweight

As at 30.09.20  
\*Positioning prior to last Investment Committee meeting

## Headline positioning

- Equity exposure remains around neutral, with approximately 80% of our stockmarket exposure 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	11
UK fixed interest	16
International fixed interest	6
Strategic bonds	16
Alternatives	20
UK equity income	4
UK equity growth	4
US equity	15
European equity	3
South East Asian equity	5

## Top 10 holdings

Holding	%	Holding	%
Cash (deposit)	11	Vanguard Global Short Term Bond Index	6
Janus Henderson UK Absolute Return	8	Vanguard UK Government Bond Index	6
Artemis US Absolute Return	7	BlackRock Absolute Return Bond	5
Janus Henderson Strategic Bond	6	BNY Mellon Global Dynamic Bond	5
LF Miton US Opportunities	6	Fidelity Strategic Bond	5

As at 30.09.20

**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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