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Managed Portfolio Service

Cautious Strategy

December 2020

Key information

Strategy details

Launch date	2 July 2012
Minimum initial investment	£20,000
Rebalancing strategy (minimum)	Quarterly
Currency	£ GBP
Annual management charge	0.75% + VAT
Annual yield (current)	1.37%

Annualised volatility and OCF

Bordier Cautious	5.87%
Ongoing charges figure ('OCF')	0.71%

Annualised 3-year volatility data as at 31.12.20 - Source: FE Analytics

Investment update - December

Equity markets continued to rally in December and finished 2020 strongly, with news surrounding the arrival and potential roll-out of COVID-19 vaccines continuing to boost investor sentiment. Boris Johnson also delivered the long-promised gift of a Brexit deal with the European Union. However, near-term headwinds still exist, with renewed winter lockdowns, country-specific spikes in virus cases, new variants of the disease and the logistics of a vaccine roll-out acting as restraining influences on markets and investor sentiment. Although consumer confidence and business investment may take time to fully return, the direction of travel is slightly more positive. An improved cycle of corporate earnings growth can be expected in 2021 with continued accommodative policy measures and extensive support schemes from central banks and government. As such, this improving economic outlook led our Investment Committee to increase our stockmarket exposure to the upper end of the strategy's equity range in December. An allocation, funded from cash, was made to a thematic and global sector through the addition of the Ninety One Global Environment and Legg Mason Global Infrastructure funds. Our Investment Committee feel this sector is best placed to capitalise from the recent global policy shifts in Europe (European Green Deal), China (carbon neutral by 2060) and the US (Biden's presidential election victory - renewables and infrastructure).

Discretionary manager

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Managed Portfolio Service

Our Managed Portfolio Service ('MPS') has been awarded the maximum Defaqto 5 stars as a solution for advisers to manage client assets directly with Bordier UK. There are five actively managed investment strategies to choose from, each with its own risk profile and the ability to select an income option to benefit from regular income from the strategy as well as potential long-term capital growth.

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

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

Discrete performance

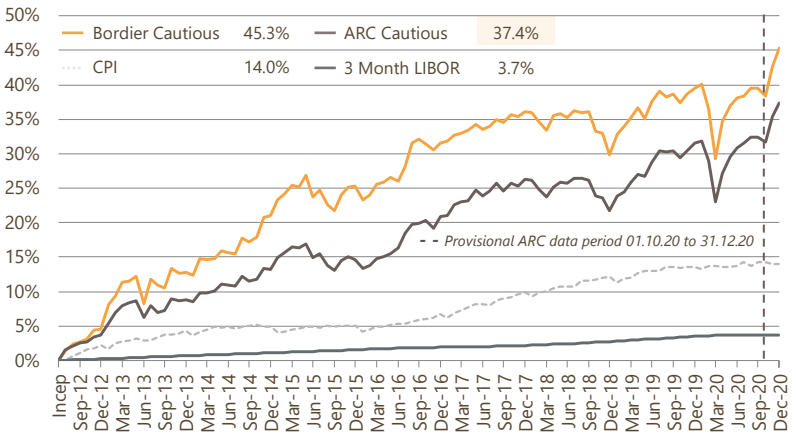
	YTD	2019	2018	2017	2016	2015
MPS Cautious	4.2%	7.5%	-4.6%	3.4%	5.1%	3.5%
ARC Cautious PCI	4.4%	8.1%	-3.6%	4.5%	5.5%	1.3%
CPI	0.4%	1.3%	2.1%	2.9%	1.6%	0.2%
SONIA	0.2%	0.7%	0.6%	0.3%	0.4%	0.5%

Cumulative performance

	1yr	3yr	5yr
MPS Cautious	4.2%	6.8%	16.0%

Source: FE Analytics as at 31.12.20.
Bordier UK figures net of 0.75% AMC + VAT. Highlighted ARC figure is provisional.

Inception performance



Source: FE Analytics as at 31.12.20.
Inception from 02.07.12. Bordier UK figures net of 0.75% AMC + VAT. Highlighted ARC figure is provisional.
Past performance is not a guide to future results. See full risk warnings overleaf.

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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

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For further information on this strategy or any of our other investment services please contact David Muncaster or a member of our sales team at sales@bordieruk.com.

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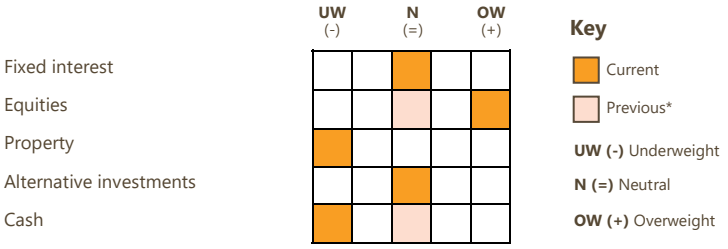
Headline asset allocation

Summary of current Bordier UK Investment Committee positioning

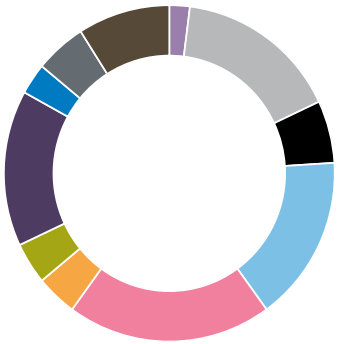


As at 31.12.20
*Positioning prior to last Investment Committee meeting

Headline positioning

- We have increased our stockmarket exposure to the upper end of our strategic equity ranges.
- We maintain our increased corporate fixed income exposure, specifically targeting the higher quality investment grade space.
- Cash levels have been reduced to fund a new allocation to the thematic and global sector.
- 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	2
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
Thematic and global	9

Top 10 holdings

Holding	%	Holding	%
Man GLG Alpha Select Alternative	7	Fidelity Strategic Bond	5
Janus Henderson Strategic Bond	6	Legg Mason IF Clearbridge Global Infra. Inc	5
Janus Henderson UK Absolute Return	6	TwentyFour Corporate Bond	5
Vanguard UK Government Bond Index	6	Artemis US Absolute Return	4
BNY Mellon Global Dynamic Bond	5	Montanaro UK Income	4

As at 31.12.20

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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