

Hybrid Passive Managed Service

Balanced Strategy

January 2021

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)	1.76%

* Not including platform charges

Annualised volatility and OCF

Bordier Balanced	8.27%
Ongoing charges figures ('OCF')	0.48%

Annualised 3-year volatility data as at 31.01.21 - Source: FE Analytics

Investment update - January

January saw continued optimism for risk assets following the global roll-out of COVID-19 vaccinations coupled with the promise of further stimulus. This was despite near-term headwinds, such as renewed winter lockdowns and new variants of the disease, which were overlooked by investors. However, January's early market gains were lost towards the month end following a coordinated effort by a group of retail investors to increase the share price of heavily shorted stocks, typically held by hedge funds. This "short squeeze" caused a spike in volatility across a range of markets. Although we have exposure to long/short funds in our alternatives exposure, the effects of the short squeeze have been largely immaterial given that our fund managers tend to avoid controversial or crowded shorts and our funds are market-neutral in nature. These actions may have increased short-term volatility but economic recoveries in 2021 are still likely to be some of the largest on record and as such, no changes have been made to the strategy in January. The more resilient economies of Asia and the US look set to come through the crisis in better shape than the UK and continental Europe and as such we have maintained our overweight positioning to these regions. Recent allocations made to sustainable energy and infrastructure funds in the thematic/global sector last month have proved beneficial for performance and this sector should benefit from structural long-term growth and policy support from all key regions of the world.

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, Seven IM, Standard Life and Transact.

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 with a maximum target of 60% equity market exposure and is categorised as a **Bordier Risk Profile 3**.



Discrete performance

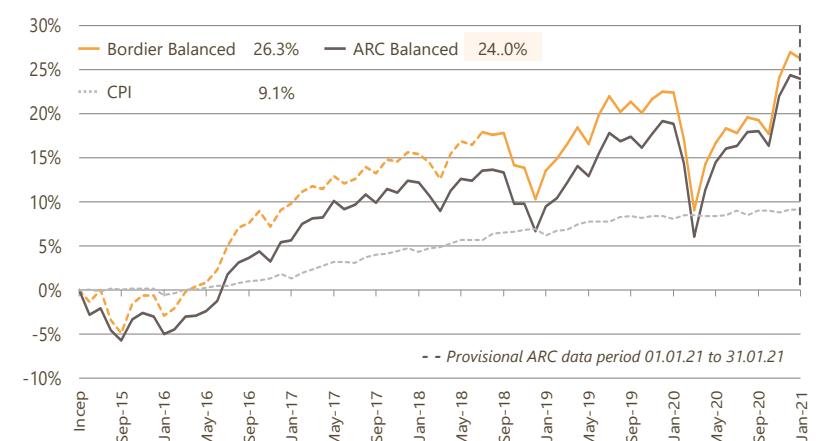
	YTD	2020	2019	2018*	2017*	2016*
Balanced	-0.6%	3.6%	11.1%	-4.6%	6.0%	9.8%
ARC Balanced Asset PCI	-0.3%	4.3%	11.7%	-5.1%	6.7%	8.6%
CPI	0.0%	0.7%	1.3%	2.1%	2.9%	1.6%

Cumulative performance

	1yr	3yr*	5yr*
Balanced	3.2%	9.4%	30.1%

Source: FE Analytics as at 31.01.21.
*Performance from inception (15.06.15) to 01.08.18 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 31.01.21.
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:

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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

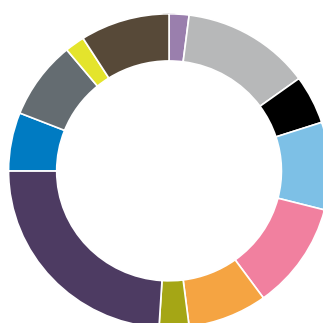
Current
Previous*
UW (-) Underweight
N (=) Neutral
OW (+) Overweight

As at 31.01.21
*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 in Autumn 2019.

Model asset allocation



Sector	%
Cash	2
UK fixed interest	13
International fixed interest	5
Strategic bonds	9
Alternatives	11
UK equity income	8
UK equity growth	3
US equity	24
European equity	6
Asia-Pacific ex Japan equity	8
Japanese equity	2
Thematic and global equity	9

Top 10 holdings

Holding	%	Holding	%
Janus Henderson UK Absolute Return	7	Montanaro UK Income	5
Premier Miton US Opportunities	7	Ninety One Global Environment	5
HSBC American Index	5	TwentyFour Corporate Bond	5
HSBC Pacific Index	5	Vanguard Global Short Term Bond Index	5
Janus Henderson Strategic Bond	5	Vanguard UK Government Bond Index	5

As at 31.01.21

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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