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Hybrid Passive Risk Targeted Managed Service

Hybrid Passive Risk Targeted 7 (HP RT7)

August 2021

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)	1.52%
Ongoing charges figure ('OCF')	0.37%

*No VAT will be applied to AMC from 01.09.21. #Not including platform fees.

Investment update - August

Global equities rose by 2.5% in August as markets continue to perform strongly, whilst volatility remained perhaps surprisingly low. Sentiment among equity investors was buoyed by US Federal Reserve Chair Jerome Powell's comments playing down the prospect of earlier than expected interest rate increases or an acceleration in the anticipated schedule of asset purchase tapering. Strong earnings announcements have driven US indices to new all-time highs, whilst those announced in Europe have also been encouraging. Investor interest in the UK market was centred on the smaller cap end of the market, where several M&A bids have been announced recently. Emerging market equities initially declined but ended the month in positive territory. Government bond yields rose globally as headline inflation rates increased, bringing the potential prospect of tighter monetary policy. However, central bank rhetoric continues to emphasise that inflation is expected to moderate into next year and that policy should remain supportive for risk assets. As such, no changes were made to the strategy during the month, with the strategy remaining at the upper end of the corresponding Dynamic Planner risk profile. This decision is proving beneficial as markets respond to positive economic and corporate data. Our fixed income exposure remains well diversified whilst our Investment Committee believe that our alternative investments that are deploying 'market neutral' strategies could provide a valuable tool against the possibility of some elevated market volatility.

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 Aegon, Ascentric, Aviva, James Hay, Old Mutual, Standard Life and Standard Life Elevate platforms.

Investment objective

To build capital in real (inflation-adjusted) terms over the medium to longer term. Investors should expect a high correlation to stock market behaviour and rewards, and be entirely comfortable with substantial volatility and very limited protection in times of market weakness.

Risk profile

The strategy is managed in accordance with **Dynamic Planner risk profile 7**, with the strategy's expected volatility targeted to stay within the assigned Dynamic Planner risk profile's boundaries.

DYNAMIC PLANNER® TARGETED 7

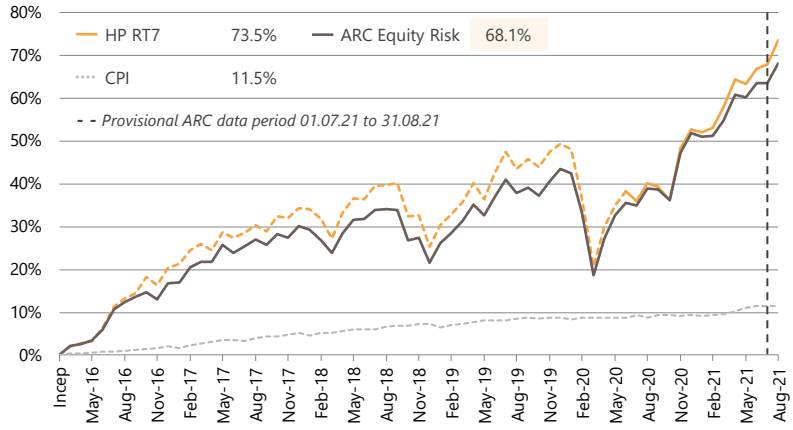
Discrete performance

	YTD	2020*	2019*	2018*	2017*	2016*
HP RT7	13.5%	2.3%	19.2%	-6.8%	11.6%	20.4%
ARC Equity Risk PCI	10.6%	5.8%	18.0%	-6.5%	11.4%	16.8%
CPI	1.9%	0.7%	1.3%	2.1%	2.9%	2.1%

Cumulative performance

	1yr	3yr*	5yr*
HP RT7	23.7%	24.1%	53.1%

Inception performance



*Performance from inception (01.03.16) to 30.06.20 is simulated past performance based on back-tested data.

Source: FE Analytics as at 31.08.21.
Bordier UK figures net of 0.30% AMC + VAT. Please note that no VAT will be applied to AMC from 01.09.21.
Highlighted ARC figure is provisional.
Past performance is not a guide to future results. See full risk warning 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 34.7%. Established in Geneva in 1844, the Bordier Group operates in six countries across three continents, managing assets of circa £11.8bn for approximately 4,200 families (Source: Bordier & Cie as at 31 December 2020).

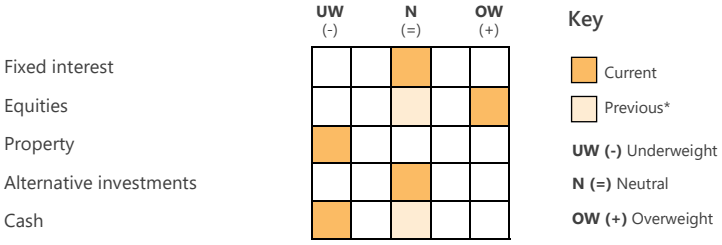
Contact us

For further information on this strategy or any of our other investment services please contact a member of our sales team:

t: +44 (0)20 7667 6600
e: sales@bordieruk.com

Headline asset allocation

Summary of current Bordier UK Investment Committee positioning



As at 31.08.21
*Positioning prior to last Investment Committee change (December 2020)

Headline positioning

- The strategy remains at the upper end of the corresponding Dynamic Planner risk profile with a bias in equity exposure to the US and Asia-Pacific ex. Japan.
- We maintain a diversified approach to our fixed income exposure, with increased allocations to corporate and inflation-linked bonds as well as to strategic bond managers.
- Cash levels remain reduced following our allocation to the thematic and global sector in December last year.
- There remains a focus on high levels of liquidity in everything we own.
- Market neutral alternative investments continue to act as stabilisers.

Model asset allocation

Sector	%
Cash	2
Strategic bonds	1
Alternatives	3
UK equity income	7
UK equity growth	7
US equity	43
European equity	11
Asia-Pacific ex Japan equity	14
Japanese equity	5
Thematic and global equity	7

Top 10 holdings

Holding	%	Holding	%
Artemis US Select	10	Fidelity Index US	7
Premier Miton US Opportunities	10	HSBC European Index	6
HSBC Pacific Index	9	Fidelity Index Japan	5
HSBC American Index	8	Ninety One Global Environment	5
Vanguard US Equity Index	8	Vanguard Pacific ex-Japan Index	5

As at 31.08.21

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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