

Hybrid Passive Managed Service Defensive Strategy

September 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% |
| Annual management charge (platform) | 0.30%# |
| Annual yield (current) | 1.56% |

*Not including platform charges

Annualised volatility and OCF

| | |
|---------------------------------|-------|
| Bordier Defensive | 3.85% |
| Ongoing charges figures ('OCF') | 0.50% |

Annualised 3-year volatility data as at 30.09.21* - Source: FE Analytics
*VAT applied to AMC from inception (15.06.15) until 31.08.21

Investment update - September

World equity markets declined around 4% in September although US dollar strength, and some weakness in sterling, did serve to alleviate some of these losses for sterling-based investors. The change in sentiment was driven primarily by lowering growth forecasts and concerns over the potential impact of supply disruptions and rising inflationary pressures. Comments from the world's major central banks were hawkish, with interest rate rises potentially occurring earlier than expected whilst accommodative policy stances remain likely to be withdrawn as planned in the future. The recent trends of weaker activity, combined with higher inflation (which is seemingly stickier than originally forecast), and still elevated unemployment levels, are further complicating the picture for central banks. Markets so far, however, continue to be reassured by their measured reactions and ability to perform a more complicated juggling act. Indeed, it seems likely that central banks' policies will, in the short term, remain accommodative. This backdrop should continue to be supportive for risk assets for the remainder of 2021 and into 2022. As such, no changes were made to the strategy during the month, with equity exposure maintained at the top end of the allowable equity range. Any setbacks are expected to be short-lived as investor cash continues to accumulate and needs a better home to combat the vagaries of inflation.

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, Seven IM, Standard Life and Transact.

Investment objective

To preserve capital in real (inflation-adjusted) terms over the medium to longer term. Investors should expect low levels of reward and a low correlation to stock market behaviour, including modest fluctuations in values.

Risk profile

This strategy is managed with a maximum target of 20% equity market exposure and is categorised as a **Bordier Risk Profile 1**.



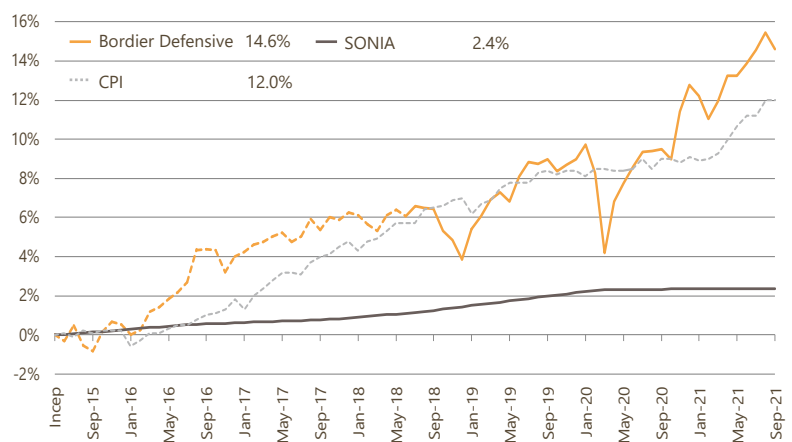
Discrete performance

| | YTD | 2020 | 2019 | 2018* | 2017* | 2016* |
|---------------------|------|------|------|-------|-------|-------|
| Defensive (20% eq.) | 1.6% | 3.5% | 4.9% | -2.3% | 2.2% | 3.5% |
| SONIA | 0.0% | 0.2% | 0.7% | 0.6% | 0.3% | 0.4% |
| CPI | 2.7% | 0.7% | 1.3% | 2.1% | 2.9% | 1.6% |

Cumulative performance

| | 1yr | 3yr | 5yr* |
|---------------------|------|------|------|
| Defensive (20% eq.) | 4.7% | 7.7% | 9.8% |

Inception performance



*Performance from inception to 01.08.18 is simulated past performance based on back-tested data.

Source: FE Analytics as at 30.09.21.
Bordier UK figures net of 0.30% AMC. VAT applied to AMC from inception until 31.08.21.
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 31.1%. Established in Geneva in 1844, the Bordier Group operates in six countries across three continents, managing assets of circa £12.4bn for approximately 4,200 families (Source: Bordier & Cie as at 30 June 2021).



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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Headline asset allocation

Summary of current Bordier UK Investment Committee positioning

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

Key

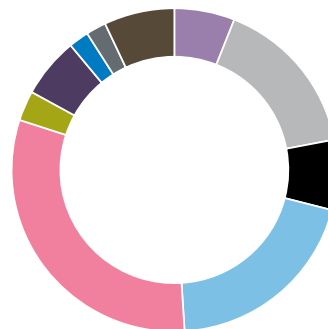
- Current
- Previous*
- UW (-) Underweight
- N (=) Neutral
- OW (+) Overweight

As at 30.09.21
*Positioning prior to last Investment Committee change (December 2020)

Headline positioning

- The strategy's equity positioning remains at the top end of the allowable equity range with a bias 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 | 6 |
| UK fixed interest | 16 |
| International fixed interest | 7 |
| Strategic bonds | 20 |
| Alternatives | 31 |
| UK equity growth | 3 |
| US equity | 6 |
| European equity | 2 |
| Asia-Pacific ex Japan equity | 2 |
| Thematic and global equity | 7 |

Top 10 holdings

| Holding | % | Holding | % |
|---------------------------------------|----|--|---|
| BlackRock Absolute Return Bond | 12 | TwentyFour Absolute Return Credit | 7 |
| Janus Henderson Absolute Return | 12 | Cash (deposit) | 6 |
| Fidelity Strategic Bond | 8 | Vanguard UK Short-Term Inv. Grade Bond | 6 |
| Janus Henderson Strategic Bond | 7 | BNY Mellon Global Dynamic Bond | 5 |
| Vanguard Global Short-Term Bond Index | 7 | TwentyFour Corporate Bond | 5 |

As at 30.09.21

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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