

Hybrid Passive Managed Service Defensive Strategy

February 2022

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) | 1.52% |

#Not including platform charges

Annualised volatility and OCF

| | |
|---------------------------------|-------|
| Bordier Defensive | 3.92% |
| Ongoing charges figures ('OCF') | 0.45% |

Annualised 3-year volatility data as at 28.02.22* - Source: FE Analytics
*VAT applied to AMC from inception (15.06.15) until 31.08.21

Investment update - February

February was another challenging month for markets. Investor concerns were initially centred on the continued increase in inflation and how this may pressure central banks to raise interest rates. Attention then turned to the escalation in the Ukraine/Russia conflict. The conflict itself, as well as the likely disruption to Russia's commodity exports, pushed the oil price above \$100 a barrel and gas prices up a further 15%. Growth stocks declined, with European equities falling most given the dependence on Russian oil and gas. Closer to home, the Bank of England raised interest rates by 25 basis points with rates expected to end the year above 1.5%. Given April's likely energy hikes, most assume inflation in the UK will rise further. While the uncertainty in terms of inflation and global growth might continue to impact the near-term pricing of risk assets, we believe this commodity-induced inflation spike could be relatively short-lived, as it has been in previous energy-linked conflicts. As such, there were no changes to the strategy during the month, which remains at the top of its allowable equity range. We continue to favour full exposure to equities as earnings announcements remain positive, valuations do not look overly demanding and investor appetite is likely to return. Elsewhere in the strategy our bond positioning remains defensive, with limited exposure to interest rate movements, whilst our alternatives funds are targeting uncorrelated returns through market neutral, relative value strategies.

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**.



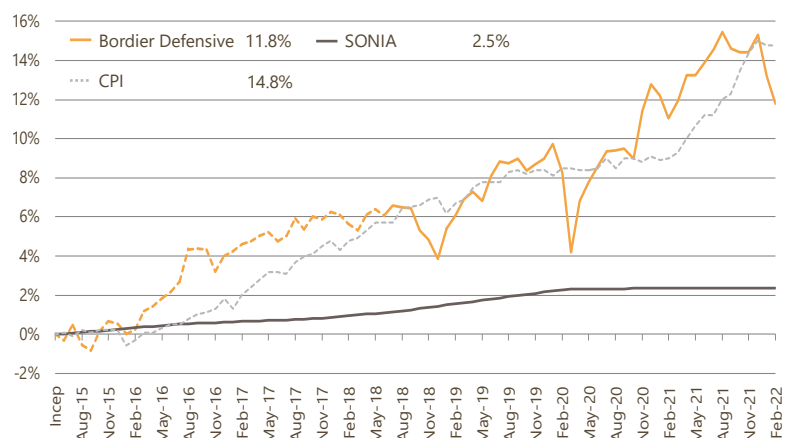
Discrete performance

| | YTD | 2021 | 2020 | 2019 | 2018* | 2017* |
|---------------------|-------|------|------|------|-------|-------|
| Defensive (20% eq.) | -3.1% | 2.2% | 3.5% | 4.9% | -2.3% | 2.2% |
| SONIA | 0.0% | 0.1% | 0.2% | 0.7% | 0.6% | 0.3% |
| CPI | -0.2% | 5.4% | 0.7% | 1.3% | 2.1% | 2.9% |

Cumulative performance

| | 1yr | 3yr | 5yr* |
|---------------------|------|------|------|
| Defensive (20% eq.) | 0.7% | 5.4% | 6.9% |

Inception performance



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

Source: FE Analytics as at 28.02.22.
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

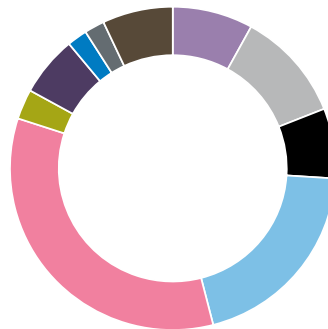
| | UW (-) | N (=) | OW (+) |
|-------------------------|---------|---------|-----------|
| Fixed interest | | Current | Previous* |
| Equities | | | Current |
| Property | Current | | |
| Alternative investments | | Current | Previous* |
| Cash | Current | | |

As at 28.02.22
*Positioning prior to last Investment Committee change (November 2021)

Headline positioning

- Equity exposure remains at the top end of the strategy's allowable equity range with a bias to the US and Asia-Pacific ex. Japan.
- Within our active equity exposure, we maintain a blend of both 'growth' and 'value' investment styles, with a preference towards flexible all-cap managers that can rotate into mid/small caps to help enhance longer term growth.
- In our lower risk strategies, we have reduced exposure to corporate bond funds in favour of flexible strategic bond funds, inflation-linked bond funds and 'market neutral' alternative investments, which continue to act as good portfolio stabilisers, diversifiers of risk and sources of return.
- Cash exposure remains low and there continues to be focus on high levels of liquidity in everything that we own.

Model asset allocation



| Sector | % |
|------------------------------|----|
| Cash | 8 |
| UK fixed interest | 11 |
| International fixed interest | 7 |
| Strategic bonds | 20 |
| Alternatives | 34 |
| UK equity growth | 3 |
| US equity | 6 |
| European equity | 2 |
| Asia-Pacific ex Japan equity | 2 |
| Thematic and global equity | 7 |

| Active/Passive split | % |
|----------------------|----|
| Active funds | 63 |
| Passive funds | 37 |

Top 10 holdings

| Holding | % | Holding | % |
|---------------------------------|---|--|---|
| Artemis Target Return Bond | 9 | TwentyFour Absolute Return Credit | 8 |
| BlackRock Absolute Return Bond | 9 | Vanguard Global Short-Term Bond Index | 7 |
| Cash (deposit) | 8 | Janus Henderson Strategic Bond | 7 |
| Fidelity Strategic Bond | 8 | Vanguard UK Short-Term Inv. Grade Bond | 6 |
| Janus Henderson Absolute Return | 8 | BNY Mellon Global Dynamic Bond | 5 |

As at 28.02.22

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. Please note that the calculated OCF from FE Analytics may vary from that stated by your chosen platform provider. Bordier & Cie (UK) PLC recommends that you seek the advice of your financial adviser.

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