

For immediate release

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BORDIER UK DECUMULATION SERVICE MAPPED BY DYNAMIC PLANNER

Specialist investment management firm Bordier UK is pleased to announce that its Risk Targeted Decumulation Service ('the Service') now forms part of Dynamic Planner's Risk Managed Decumulation ('RMD') service.

Designed exclusively for professional advisers with clients in drawdown, the Service shifts the focus from performance-driven accumulation to investment strategies that put capital preservation first and which seek to minimise the risk of eroding capital values in falling markets, whilst the client takes a fixed regular income.

Growing numbers drawing an income from their investment portfolio rather than buying an annuity

Following the introduction of the Pension Freedom Act 2015, growing numbers of investors are electing to draw an income from their investment portfolio as opposed to buying an annuity.

'Lower for longer' interest rates and subdued real yields have, however, created a challenging environment in which to produce investment income. This has meant that clients who have taken a regular monthly income, beyond the interest or dividends generated from their investment portfolio, have likely spent capital as a result. During times of heightened market volatility, when the value of a client's portfolio will likely fluctuate more, spending or selling fixed amounts each month creates additional risk as the number of units that need to be sold to meet the client's income requirements will vary depending on the value of the portfolio. When the portfolio value is lower, more units need to be sold to meet their fixed drawdown payment, and as a result the client's portfolio is at risk of depletion at a faster rate. The industry knows this as 'sequencing risk', and this is where the Service adds value for advisers with clients in drawdown.

Instead of risk averse clients being driven into higher risk investments, to generate a yield and to meet their income requirements, the Service makes greater use of lower risk asset classes including cash, and market neutral absolute return funds with a lower correlation to other asset classes, along with tighter internal controls, to mitigate risk and smooth out fluctuations in the portfolio's value.

A choice of three actively managed strategies

The suite of three actively managed investment strategies, the first expanded suite in Dynamic Planner's range of RMD services, have different levels of risk and expected return, each being targeted to a particular Dynamic Planner RMD risk profile (4-6). Dynamic Planner ensure that risk is being managed and mitigated appropriately and that each strategy is continually risk targeted via a detailed four-stage process.

This process involves the setting of a monthly VAR limit for each risk profile, the in-depth analysis of each investment strategies' objectives, tactical and strategic asset allocation parameters, along with monthly oversight of the underlying holdings.

Importantly, as part of Dynamic Planner's RMD service, the volatility of each strategy is targeted to stay within the monthly VAR boundaries assigned to specific Dynamic Planner RMD risk profiles. This provides peace of mind for advisers harbouring concerns over risk-profiled solutions – which can sometimes drift outside of their risk band, or are at risk of a change in rating – and clients worried about taking undue risk and seeking a smoother retirement journey.

Commenting on the Service, Mark Duggan, Director of Sales and Marketing at Bordier UK said: *"Over the past decade, stock markets have helped drive capital returns; however, with growth easing, returns moderating, and the cost of living spiralling, we could see investors living increasingly off their capital, and therefore, putting significant emphasis on the management of sequencing risk.*

"The inherent risks associated with a client drawing a fixed regular income have been masked for many years by the generous bull markets we have experienced. However, now is the time for clients and their advisers to renew their focus on the risks associated with drawdown, and we are very supportive of the messaging around Dynamic Planner's Risk Managed Decumulation service. There is tremendous synergy around the expected investment solutions, to help provide peace of mind and reassurance; it very much aligns with the way in which we are already running money at Bordier UK, so we saw this as a very natural fit. Many of our clients have made their money, appreciate the benefits of having some market exposure, but do not want to see their capital values decline and cannot afford to see the spending power of their pots fall significantly."

Chris Jones, Proposition Director at Dynamic Planner said: *"With so many more people needing to use their pensions and investments to meet their spending needs, it is essential that advisers are provided with solutions that meet the needs of that group of clients at every stage to ensure a good client outcome. We are therefore delighted that Bordier UK, with its long global history, has identified this target market, recognised the risks, and used its capabilities and experience to build new solutions that manage out those risks on behalf of advisers and their clients. In an uncertain and increasingly expensive world I hope these solutions bring some certainty and comfort to decumulating investors."*

Commenting on the Service, Christian Markwick, Head of Adviser Support at Apricity Compliance said: *"The benefits that pension freedoms brought to the adviser community have over time also presented significant challenges in how differently firms need to approach running money in decumulation to accumulation, and highlighted the need for a robust Central Retirement Proposition to be put in place. It's great to see new services such as the Risk Targeted Decumulation Service coming to market to support advisers and their clients with this ever more important part of financial planning. From conversations we have on a regular basis with firms, this area of research and due diligence is still very much a work in progress: solutions to problems like these, from Bordier UK, will no doubt be welcomed by many in the decumulation space."*

Professional advisers seeking further information on the Service, including third-party platform availability, should call 020 7667 6600 or email info@bordieruk.com.

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NOTES TO EDITORS

1. About Bordier UK

Bordier UK is the award-winning British arm of the Bordier Group. Based in St James's, at the heart of London's wealth management district, Bordier UK has a single focus, providing investment and wealth management services for UK and international clients – the clients of professional advisers, HNWIs, family offices, trustees, charities, and livery companies alike – with its range of services becoming ever broader over the years.

The firm has been recognised for the quality of its service, levels of client satisfaction, outstanding risk-adjusted investment performance over the longer term, and innovations on numerous occasions, having won or having been shortlisted for more than 90 prestigious industry awards since 2014.

Bordier UK has been successfully working with Dynamic Planner for eight years, its Risk Targeted Managed Service and Hybrid Passive Risk Targeted Managed Service forming part of Dynamic Planner's Risk Targeted Managed ('RTM') services.

www.bordieruk.com

2. About Bordier & Cie

The independent Bordier Group is built on solid foundations, with a strong Tier 1 capital ratio of 31.1%¹. Established in Geneva in 1844, and operating in six countries across three continents, the Bordier Group manages c.£12.4bn for more than 4,000 families¹.

Bordier & Cie is owned and managed by the descendants of the founding families – the Partners having unlimited personal liability for all transactions. The status of Partner is handed down from generation to generation to safeguard the permanence of the business. This distinctive aspect, together with its

financial solidity, enables the Bordier Group to focus clearly on its clients' long-term goals, rather than on the short-term targets of outside shareholders.

The Bordier Group:

- employs circa 270 staff globally, 35 of whom work within Bordier UK
- has offices in Bern, Brest, Geneva, London, Montevideo, Nyon, Paris, Rennes, Singapore, Turks & Caicos Islands and Zurich

www.bordier.com

¹ At 30.06.21

3. About Dynamic Planner

Dynamic Planner enables UK financial advice firms to match people with suitable portfolios through engaging financial plans. It is a risk-based financial planning system – combining intuitive financial planning technology with a trusted asset risk model. Founded in 2003, at the heart of Dynamic Planner is an independent asset risk model, with a 15-year track record of ensuring investment suitability, using more than 2,400 covariance correlations to assess the risk of tens of thousands of investments and client portfolios daily.

Dynamic Planner powers the MSCI - Dynamic Planner indices and is used by leading asset managers to risk profile or target more than £220bn of investments. Its cloud-based technology is mobile-friendly and secure, and integrated with leading industry CRMs and platforms and providers. It is an end-to-end and yet flexible system for all an advice firm's planning and suitability needs, using a single definition of risk throughout – from client risk profiling, portfolio review, cash flow planning and fund research – to ensure nothing is ever lost in translation in the planning and advice process.

This document is issued and approved by Bordier & Cie (UK) PLC (of 23 King Street, St James's, London SW1Y 6QY), which is authorised and regulated by the Financial Conduct Authority. Incorporated in England No. 1583393.