

# Hybrid Passive Managed Service

## Defensive Strategy

April 2022

### Key information

#### Strategy details

Inception	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)	1.63%

#Not including platform charges

#### Annualised volatility and OCF

Bordier Defensive	3.99%
Ongoing charges figures ('OCF')	0.47%

Annualised 3-year volatility data as at 30.04.22\* - Source: FE Analytics  
\*VAT applied to AMC from inception (15.06.15) until 31.08.21

#### Investment update - April

April proved to be a difficult month for markets with both global equities and bonds falling 8% and 5% respectively. The continued conflict in Ukraine and the prospect of tightening monetary policy to combat rising inflation weighed heavily on sentiment. With inflation in the US rising to 8.5%, the rhetoric from US Federal Reserve members continues to turn towards further increases in interest rates. This resulted in both shorter- and longer-term bond yields sharply rising. Central banks are facing a difficult balancing act of tightening policy to curb inflationary pressures without causing too much impact on growth and consumption. Weakening economic growth data and rising inflation again impacted growth stocks. The economic backdrop is undoubtedly complicated at present and there is uncertainty across markets. However, we think it is right to maintain stockmarket positions at their current levels, with no changes made to the strategy during the month. The strategy's positioning, which remains at the upper end of its allowable equity range, provides the opportunity to generate returns that can combat rising inflation. Outside of stockmarkets, our strategic bond managers and positions in index-linked bonds are helping to offset the difficulties in conventional bond markets from rising inflation and interest rates, whilst market neutral 'alternative' investment funds are acting as good diversifiers of return during more challenging times for markets.

#### 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: Abrdn, Aviva, Embark, Fusion, Hubwise, M&G Wealth, Novia, Nucleus, Seven IM 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**.



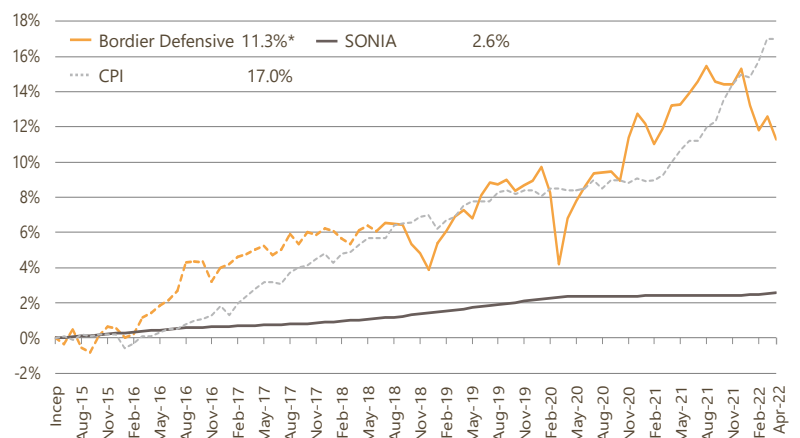
#### Discrete performance

	YTD	2021	2020	2019	2018*	2017*
Defensive (20% eq.)	-3.5%	2.2%	3.5%	4.9%	-2.3%	2.2%
SONIA	0.1%	0.1%	0.2%	0.7%	0.6%	0.3%
CPI	1.7%	5.4%	0.7%	1.3%	2.1%	2.9%

#### Cumulative performance

	1yr	3yr	5yr*
Defensive (20% eq.)	-1.7%	3.7%	6.0%

#### Inception performance



\*Performance from inception to 01.08.18 is simulated past performance based on back-tested data (represented by orange dashed line).

Source: FE Analytics as at 30.04.22.  
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 32.1%. Established in Geneva in 1844, the Bordier Group operates in six countries across three continents, managing assets of circa £13.3bn for approximately 4,200 families (Source: Bordier & Cie as at 31 December 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		

### Key

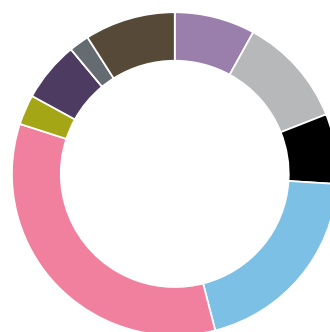
- Current
- Previous\*
- UW (-) Underweight
- N (=) Neutral
- OW (+) Overweight

As at 30.04.22  
 \*Positioning prior to last Investment Committee change (November 2021)

## Headline positioning

- The strategies remain at the upper end of their allowable equity range with good exposure to those parts of the world less likely to be exposed to the economic fall-out from war in Ukraine.
- We have reduced or removed entirely our exposure to Europe and increased our allocations to infrastructure, which not only boasts both defensive and inflation-protection characteristics, but also provides greater exposure to regions outside of Europe.
- In our lower risk strategies, we continue to favour inflation-linked bond funds, actively managed strategic 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
Asia-Pacific ex Japan equity	2
Thematic and global equity	9

Active/Passive split	%
Active funds	65
Passive funds	35

## Top 10 holdings

Holding	%	Holding	%
Artemis Target Return Bond	9	TwentyFour Absolute Return Credit	8
BlackRock Absolute Return Bond	9	Janus Henderson Strategic Bond	7
Cash (deposit)	8	Vanguard Global Short-Term Bond Index	7
Fidelity Strategic Bond	8	FTF ClearBridge Global Infrastructure Inc.	6
Janus Henderson Absolute Return	8	Vanguard UK Short-Term Inv. Grade Bond	6

As at 30.04.22

**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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