

# Risk Targeted Decumulation Service

## Risk Targeted Decumulation 5 (RTD 5)

### Key information

#### Strategy details

|                                       |                |
|---------------------------------------|----------------|
| Inception                             | 1 October 2020 |
| 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%*         |
| Ongoing charges figure ('OCF')        | 0.47%          |

\*Not including platform fees

#### Risk Targeted Decumulation Service

The service consists of three actively managed investment strategies that are designed for investors in drawdown. The service puts capital preservation first and seeks to minimise the risk of eroding capital in falling markets whilst a fixed regular income is being taken.

Each investment strategy has a different level of risk and expected return, with each targeted to a particular Dynamic Planner Risk Managed Decumulation ('RMD') risk profile (4-6). Each investment strategy is checked by Dynamic Planner on a monthly basis to ensure that it stays within the expected annual Value at Risk ('VaR') boundaries assigned to the corresponding Dynamic Planner risk profile.

The service is available directly through our Bordier UK platform and via third-party platforms.

#### Investment objective

To assist investors in drawdown, looking to preserve their capital in real (inflation-adjusted) terms over the medium to longer term but who feel comfortable with some moderate fluctuation in values.

#### Risk profile

The strategy is managed in accordance with Dynamic Planner risk profile 5 and is part of their RMD offering. The strategy's expected annual VaR is targeted to stay within the assigned Dynamic Planner risk profile's boundaries.

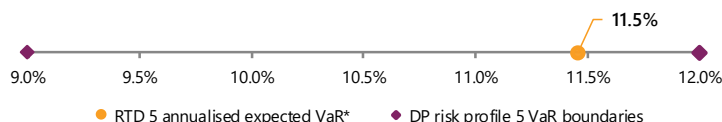


#### Investment update

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 corresponding Dynamic Planner risk profile, 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.

#### Annualised expected loss (Value at Risk)

Value at Risk ('VaR') measures the expected maximum loss of a strategy, given usual market conditions, over a specific time period and at a particular confidence level.



\*Annualised expected VaR (rounded to 1 d.p.) based on latest Dynamic Planner assumptions. Bordier UK asset allocation as at 30.04.22. Dynamic Planner calculates the strategy's VaR monthly using a 95% confidence level.

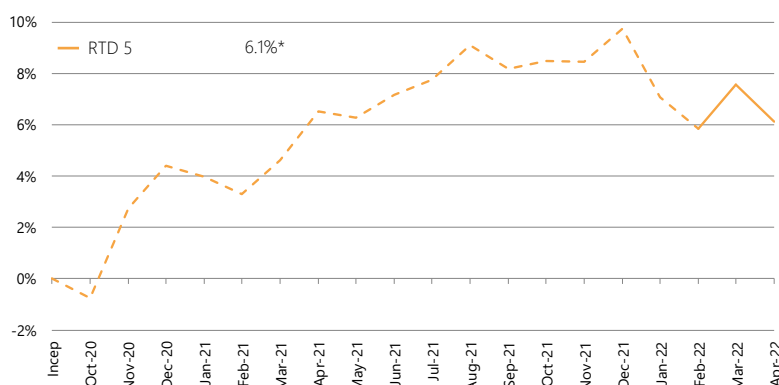
#### Discrete performance

|       | YTD*  | 2021* | 2020* |
|-------|-------|-------|-------|
| RTD 5 | -3.3% | 5.1%  | 4.4%  |

#### Cumulative performance

|       | 1yr*  | Inception* |
|-------|-------|------------|
| RTD 5 | -0.4% | 6.1%       |

#### Inception performance



\*Performance from inception (01.10.20) to 31.01.22 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.

## Why decumulation?

Investors drawing on their portfolio for a regular monthly income are in danger of negatively impacting the total return available to them based on the timing of their withdrawals. Known as sequencing risk, this can have a significant impact on an investor who depends on the income and is no longer contributing new capital that could offset losses.

Within a dedicated decumulation strategy, volatility is micro-managed to smooth out monthly performance and mitigate risk. By doing so, investors will experience less frequent volatility spikes, decreasing the speed at which the value of their portfolio shrinks.

## 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 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.

Corporate winner or shortlisted for over 100 prestigious industry awards since 2014



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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**Bordier & Cie (UK) PLC**  
**Specialist Investment Manager**

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## Headline asset allocation and positioning

Summary of current Investment Committee positioning

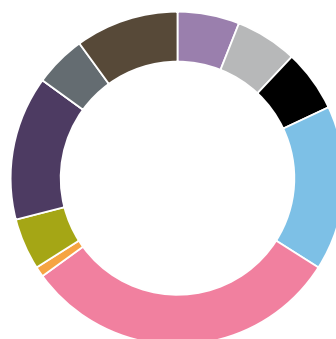
|                         | UW (-)  | N (=)     | OW (+)    | Key |
|-------------------------|---------|-----------|-----------|-----|
| Fixed interest          |         | Current   | Previous* |     |
| Equities                |         |           | Current   |     |
| Property                | Current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

UW (-) Underweight  
N (=) Neutral  
OW (+) Overweight

- The strategies remain at the upper end of their corresponding Dynamic Planner risk profiles 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.
- 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.

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

## Model asset allocation



| Active/Passive split | %  |
|----------------------|----|
| Active funds         | 62 |
| Passive funds        | 38 |

## Top 10 holdings

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

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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