

# Hybrid Passive Managed Service

## Balanced Strategy

May 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)	1.59%

\*Not including platform charges

#### Annualised volatility and OCF

Bordier Balanced	8.33%
Ongoing charges figures ('OCF')	0.48%

Annualised 3-year volatility data as at 31.05.22\* - Source: FE Analytics  
\*VAT applied to AMC from inception (15.06.15) until 31.08.21

#### Investment update - May

Global equities were broadly flat in May although there was a divergence in fortunes across different market sectors. While value stocks rallied, growth stocks declined due to continued concerns over rising inflation, potentially more aggressive central bank monetary policy tightening and the impact of the Ukraine/Russia conflict. The Bank of England raised rates from 0.75% to 1% – bond returns had no set pattern as a fair degree of the developed markets' pro-interest rate hike rhetoric has seemingly been priced in. The conflict in Ukraine continues to create supply-side issues and uncertainties on some commodities, fuelling inflationary pressures. Increasingly tight labour markets are also beginning to drive wage growth and central banks now have an unenviable task to dampen inflation without stifling economic recovery. There were no changes to the strategy during the month as we believe that our approach of actively managing asset allocation and ensuring broad diversification means the strategy is well placed to navigate this period of uncertainty. Equities have historically provided effective protection against heightened inflation, and we think it is right to maintain stockmarket positions at their current levels, with the strategy remaining at the upper end of its allowable equity range. We are mindful of the potential risks to bond markets; however, we are also open to any opportunities that may arise. Our alternatives exposure is also proving valuable as a place where we can identify funds designed to produce returns, regardless of overall market direction.

#### 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 build capital in real (inflation-adjusted) terms over the medium to longer term. Investors should expect reasonable correlation to stock market behaviour and rewards, including quite sharp fluctuations in values, but also some protection in times of market weakness.

#### Risk profile

The strategy is managed with a maximum target of 60% equity market exposure and is categorised as a **Bordier Risk Profile 3**.



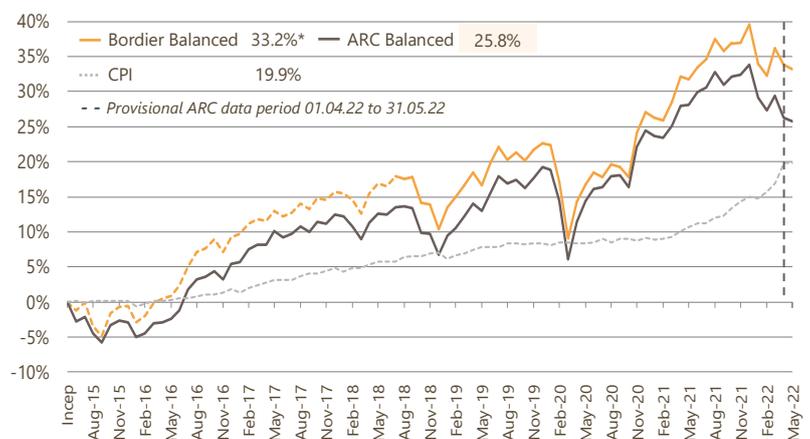
#### Discrete performance

	YTD	2021	2020	2019	2018*	2017*
Balanced (60% eq.)	-4.6%	9.8%	3.6%	11.1%	-4.6%	6.0%
ARC Balanced Asset PCI (30-70% eq.)	-6.1%	7.6%	4.3%	11.7%	-5.1%	6.7%
CPI	4.3%	5.4%	0.7%	1.3%	2.1%	2.9%

#### Cumulative performance

	1yr	3yr	5yr*
Balanced (60% eq.)	1.1%	14.2%	17.9%

#### 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 31.05.22.  
Bordier UK figures net of 0.30% AMC. VAT applied to AMC from inception until 31.08.21.  
Highlighted ARC figure is provisional.  
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

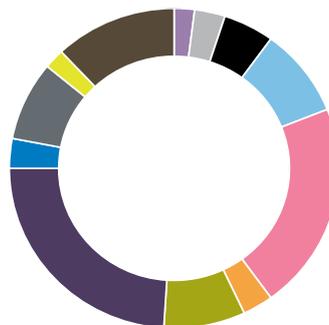
	UW (-)	N (=)	OW (+)
Fixed interest		Current	Previous*
Equities			Current
Property	Current		
Alternative investments		Current	
Cash	Current		

As at 31.05.22  
 \*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	2
UK fixed interest	3
International fixed interest	5
Strategic bonds	9
Alternatives	21
UK equity income	3
UK equity growth	8
US equity	24
European equity	3
Asia-Pacific ex Japan equity	8
Japanese equity	2
Thematic and global equity	12

Active/Passive split	%
Active funds	58
Passive funds	42

## Top 10 holdings

Holding	%	Holding	%
Premier Miton US Opportunities	8	Fidelity Index UK	5
FTF ClearBridge Global Infrastructure Inc.	7	HSBC American Index	5
Janus Henderson Absolute Return	6	HSBC Pacific Index	5
Artemis US Select	5	Janus Henderson Strategic Bond	5
BlackRock Absolute Return Bond	5	Ninety One Global Environment	5

As at 31.05.22

**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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