

# Hybrid Passive Risk Targeted Managed Service

## Hybrid Passive Risk Targeted 7 (HP RT7)

June 2022

### Key information

#### Strategy details

|                                       |              |
|---------------------------------------|--------------|
| Inception                             | 1 March 2016 |
| Minimum initial investment (platform) | £1,000       |
| Minimum initial investment (direct)   | £20,000      |
| Rebalancing strategy (minimum)        | Quarterly    |
| Currency                              | £ GBP        |
| Annual management charge (platform)   | 0.30%*       |
| Annual management charge (direct)     | 0.75%        |
| Annual yield (current)                | 1.69%        |
| Ongoing charges figure ('OCF')        | 0.39%        |

\*Not including platform fees

#### Investment update - June

Continued concerns over inflation and weakening growth led to a further equity market sell off in June. Global equities have now fallen over 18% in local currency terms this year representing the worst H1 period in over 50 years. Consumer confidence continues to fall in most regions and has hit record lows in the UK, which is facing one of the most acute squeezes in (negative) real wage growth. The Bank of England and the US Federal Reserve once again raised rates whilst the European Central Bank signalled that it would raise rates once it had ceased asset purchases. Equity valuations overall look undemanding and positive economic growth is still widely forecast over the next two or three years in most regions. Taking a medium-term view that the current downturn will be relatively short-lived, no changes have been made over the month as we maintain our commitment to equities. The strategy remains at the upper end of its corresponding Dynamic Planner risk profile. We have previously positioned equity exposure towards regions or sectors that we feel will be more resilient to issues connected with the Ukraine conflict. Additions to global infrastructure, to gain some inflation protection, and a reduction in European exposure have worked well so far. We remain comfortable with our commitments to the US dollar – it should remain supported by expected policy moves and we see the US economy performing better than the UK and eurozone. The dollar also has the capacity to act as a safe-haven currency should even trickier conditions materialise.

#### Discretionary manager

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#### Hybrid Passive Risk Targeted 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 Abrdn, Aegon, Aviva, James Hay, M&G Wealth and Old Mutual platforms.

#### Investment objective

To build capital in real (inflation-adjusted) terms over the medium to longer term. Investors should expect a high correlation to stock market behaviour and rewards, and be entirely comfortable with substantial volatility and very limited protection in times of market weakness.

#### Risk profile

The strategy is managed in accordance with **Dynamic Planner risk profile 7**, with the strategy's expected volatility targeted to stay within the assigned Dynamic Planner risk profile's boundaries.



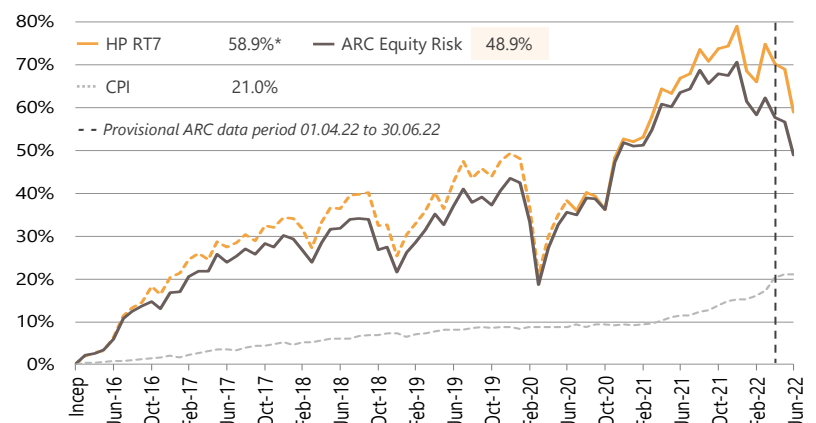
#### Discrete performance

|                     | YTD    | 2021  | 2020* | 2019* | 2018* | 2017* |
|---------------------|--------|-------|-------|-------|-------|-------|
| HP RT7              | -11.2% | 17.1% | 2.3%  | 19.2% | -6.8% | 11.6% |
| ARC Equity Risk PCI | -12.7% | 12.3% | 5.8%  | 18.0% | -6.5% | 11.4% |
| CPI                 | 5.0%   | 5.4%  | 0.7%  | 1.3%  | 2.1%  | 2.9%  |

#### Cumulative performance

|        | 1yr   | 3yr*  | 5yr*  |
|--------|-------|-------|-------|
| HP RT7 | -4.8% | 11.4% | 24.7% |

#### Inception performance



\*Performance from inception (01.03.16) to 30.06.20 is simulated past performance based on back-tested data (represented by orange dashed line).

Source: FE Analytics as at 30.06.22.  
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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e: sales@bordieruk.com

## Headline asset allocation

Summary of current Bordier UK Investment Committee positioning

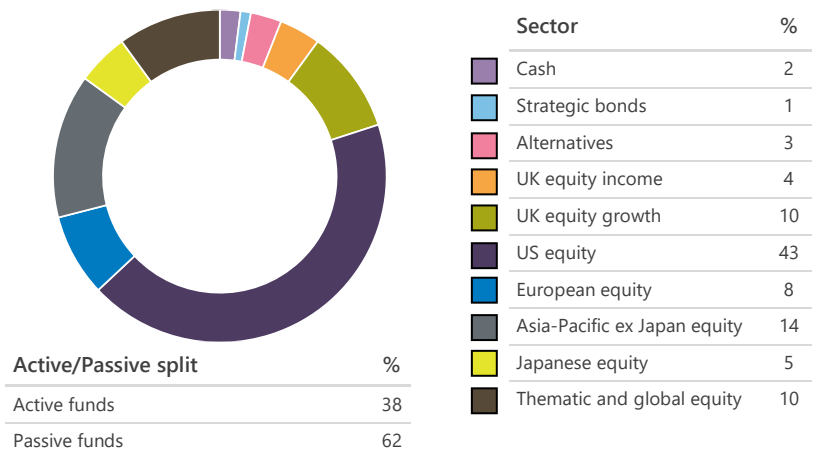
|                         | UW (-)  | N (=)   | OW (+)    | Key |
|-------------------------|---------|---------|-----------|-----|
| Fixed interest          |         | Current | Previous* |     |
| Equities                | Current |         |           |     |
| Property                |         |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

As at 30.06.22  
\*Positioning prior to last Investment Committee change (November 2021)

## Headline positioning

- 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.
- 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



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

## Top 10 holdings

| Holding                        | %  | Holding                                    | % |
|--------------------------------|----|--|---|
| Artemis US Select              | 10 | Fidelity Index US                          | 7 |
| Premier Miton US Opportunities | 10 | Fidelity Index Japan                       | 5 |
| HSBC Pacific Index             | 9  | FTF ClearBridge Global Infrastructure Inc. | 5 |
| HSBC American Index            | 8  | Ninety One Global Environment              | 5 |
| Vanguard US Equity Index       | 8  | Vanguard Pacific ex-Japan Index            | 5 |

As at 30.06.22

**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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