

# Hybrid Passive Managed Service

## Cautious Strategy

June 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)	1.78%

#Not including platform charges

#### Annualised volatility and OCF

Bordier Cautious	6.26%
Ongoing charges figures ('OCF')	0.53%

Annualised 3-year volatility data as at 30.06.22\* - Source: FE Analytics  
\*VAT applied to AMC from inception (15.06.15) until 31.08.21

#### 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, we are maintaining our commitment to equities, with the strategy remaining at the upper end of its allowable equity range. With attention potentially turning to protecting growth rather than curbing inflation, an opportunity has arisen to take a little more risk within bond markets. We have therefore reduced some of the more defensive biases to fixed interest positioning. Where appropriate, we have also added to alternative investments, by allocating to the TM Tellworth UK Select fund, at the expense of some fixed interest exposure. Genuinely alternative investments are likely to continue to act as strategy stabilisers and sources of good risk diversification and return if traditional assets continue to come under some pressure.

#### Discretionary manager

Bordier & Cie (UK) PLC  
23 King Street  
St James's  
London SW1Y 6QY  
t: +44 (0)20 7667 6600  
w: www.bordieruk.com

#### 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 assist investors 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

This strategy is managed with a maximum target of 40% equity market exposure and is categorised as a **Bordier Risk Profile 2**.



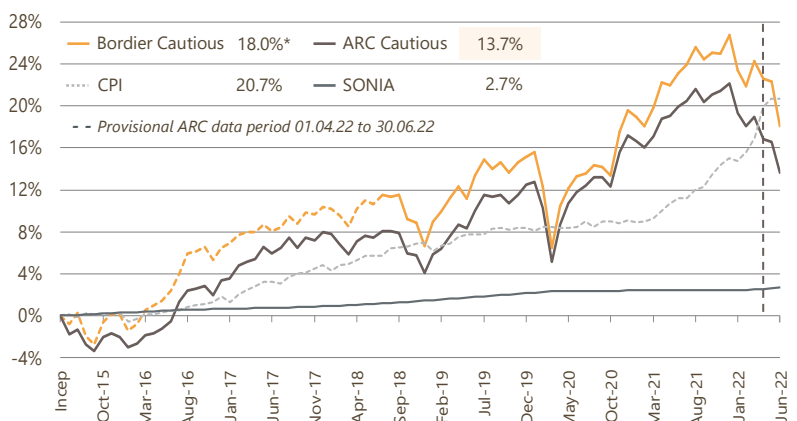
#### Discrete performance

	YTD	2021	2020	2019	2018*	2017*
Cautious (40% eq.)	-6.9%	6.0%	3.8%	8.0%	-3.4%	3.7%
ARC Cautious PCI (10-50% eq.)	-6.9%	4.2%	4.2%	8.1%	-3.6%	4.5%
CPI	5.0%	5.4%	0.7%	1.3%	2.1%	2.9%
SONIA	0.2%	0.1%	0.2%	0.7%	0.6%	0.3%

#### Cumulative performance

	1yr	3yr	5yr*
Cautious (40% eq.)	-4.2%	4.1%	9.3%

#### 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 30.06.22.  
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:

**t:** +44 (0)20 7667 6600  
**e:** sales@bordieruk.com

## 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

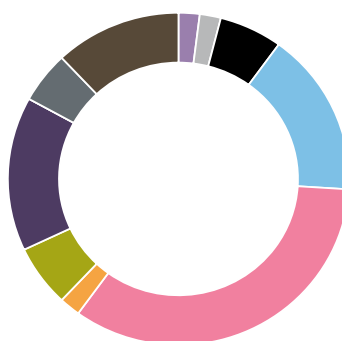
As at 30.06.22

\*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	2
International fixed interest	6
Strategic bonds	16
Alternatives	34
UK equity income	2
UK equity growth	6
US equity	15
Asia-Pacific ex Japan equity	5
Thematic and global equity	12

Active/Passive split	%
Active funds	71
Passive funds	29

## Top 10 holdings

Holding	%	Holding	%
Artemis Target Return Bond	8	Janus Henderson Strategic Bond	6
FTF ClearBridge Global Infrastructure Inc.	8	TwentyFour Absolute Return Credit	6
BlackRock Absolute Return Bond	7	BNY Mellon Global Dynamic Bond	5
TM Tellworth UK Select	7	Fidelity Strategic Bond	5
Janus Henderson Absolute Return	6	HSBC American 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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