

# Hybrid Passive Managed Service Adventurous Strategy

July 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)	1.90%

#Not including platform charges.

### Annualised volatility and OCF

Bordier Adventurous	14.27%
Ongoing charges figures ('OCF')	0.40%

Annualised 3-year volatility data as at 31.07.22\* - Source: FE Analytics  
\*VAT applied to AMC from inception (15.06.15) until 31.08.21

### Investment update - July

Weaker economic data raised expectations of a softening, and potential reversal, in interest rate policy in the US, perhaps as early as next year, driving equity markets sharply higher over the month. The growth and technology-heavy US market was the key beneficiary while emerging markets lagged, pulled down by US dollar strength and weak returns from China. The eurozone continues to face the most acute energy supply risk stemming from the conflict in Ukraine and, notably, the euro dipped below parity against the dollar during July as recession fears heightened. In the UK, the resignation of Boris Johnson has to date caused little discernible effect on markets. The European Central Bank announced its first rate increase (50bps) in 11 years ending the negative rate environment seen since 2014. The US Federal Reserve also announced a further 75bps rise in rates as expected. The strategy remains at the top end of its allowable equity range, as we prefer to remain invested and follow longer-term themes during times of market volatility that may create opportunities. Indeed, exposure to European equities has been further reduced and proceeds redistributed in favour of an increased allocation to Asia-Pacific ex Japan. The eurozone economy still looks vulnerable to continued energy supply disruption and tighter borrowing conditions. In contrast, we expect Asia to produce stronger levels of economic activity globally with China in particular expected to pursue more expansive monetary and economic policy.

### 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 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 with a maximum target of 100% equity market exposure and is categorised as a **Bordier Risk Profile 5**.



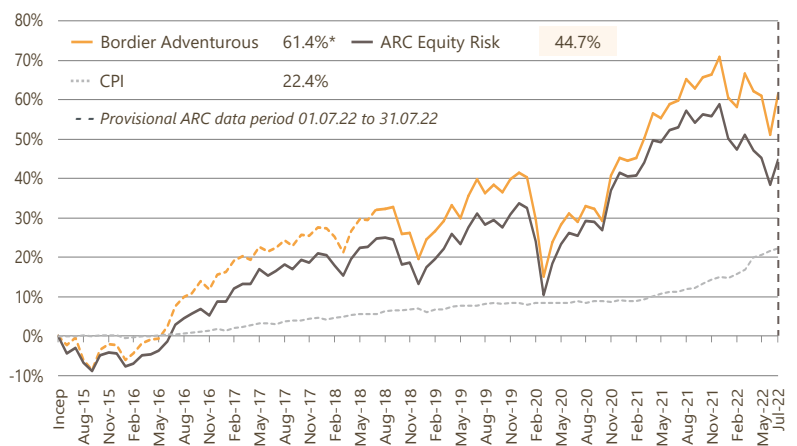
### Discrete performance

	YTD	2021	2020	2019	2018*	2017*
Adventurous (98% eq.)	-5.6%	17.7%	2.5%	18.4%	-6.2%	10.3%
ARC Equity Risk PCI (70-110% eq.)	-8.9%	12.3%	5.8%	18.0%	-6.5%	11.4%
CPI	6.4%	5.4%	0.7%	1.3%	2.1%	2.9%

### Cumulative performance

	1yr	3yr	5yr*
Adventurous (98% eq.)	0.9%	15.4%	31.8%

### 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 31.07.22.  
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 £13.4bn for approximately 4,200 families (Source: Bordier & Cie as at 30 June 2022).



## 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			
Equities			
Property			
Alternative investments			
Cash			

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

As at 31.07.22  
 \*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 equity income	5
UK equity growth	11
US equity	44
European equity	5
Asia-Pacific ex Japan equity	18
Japanese equity	5
Thematic and global equity	10

Active/Passive split	%
Active funds	39
Passive funds	61

## Top 10 holdings

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

As at 31.07.22

**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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