

Hybrid Passive Managed Service Defensive 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) | 1.67% |

#Not including platform charges

Annualised volatility and OCF

| | |
|---------------------------------|-------|
| Bordier Defensive | 4.53% |
| Ongoing charges figures ('OCF') | 0.49% |

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, the allocation to Asia-Pacific ex Japan was increased during the month. We expect Asia to produce stronger levels of economic activity globally with China in particular expected to pursue more expansive monetary and economic policy. To accommodate this, the weighting to the FTF ClearBridge Global Infrastructure fund was reduced. However, we remain comfortable with the exposure to infrastructure, which continues to offer relatively stable returns and valuable inflation protection.

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 preserve capital in real (inflation-adjusted) terms over the medium to longer term. Investors should expect low levels of reward and a low correlation to stock market behaviour, including modest fluctuations in values.

Risk profile

This strategy is managed with a maximum target of 20% equity market exposure and is categorised as a **Bordier Risk Profile 1**.



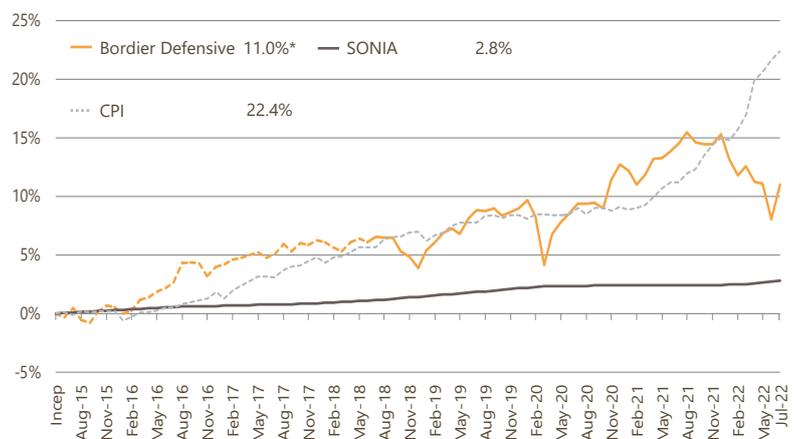
Discrete performance

| | YTD | 2021 | 2020 | 2019 | 2018* | 2017* |
|---------------------|-------|------|------|------|-------|-------|
| Defensive (20% eq.) | -3.7% | 2.2% | 3.5% | 4.9% | -2.3% | 2.2% |
| SONIA | 0.3% | 0.1% | 0.2% | 0.7% | 0.6% | 0.3% |
| CPI | 6.4% | 5.4% | 0.7% | 1.3% | 2.1% | 2.9% |

Cumulative performance

| | 1yr | 3yr | 5yr* |
|---------------------|-------|------|------|
| Defensive (20% eq.) | -3.1% | 2.0% | 5.7% |

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.
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:

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 | |
| Cash | Current | | |

Key

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

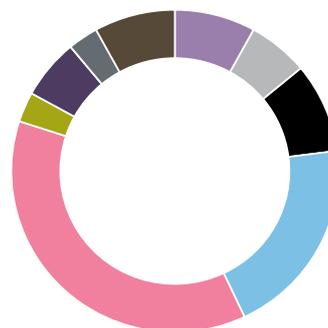
As at 31.07.22

*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 | 8 |
| UK fixed interest | 6 |
| International fixed interest | 9 |
| Strategic bonds | 20 |
| Alternatives | 37 |
| UK equity growth | 3 |
| US equity | 6 |
| Asia-Pacific ex Japan equity | 3 |
| Thematic and global equity | 8 |

| Active/Passive split | % |
|----------------------|----|
| Active funds | 70 |
| Passive funds | 30 |

Top 10 holdings

| Holding | % | Holding | % |
|--------------------------------|---|--|---|
| Artemis Target Return Bond | 9 | TM Tellworth UK Select | 7 |
| BlackRock Absolute Return Bond | 9 | HSBC American Index | 6 |
| Cash (deposit) | 8 | Janus Henderson Absolute Return | 6 |
| Fidelity Strategic Bond | 8 | TwentyFour Absolute Return Credit | 6 |
| Janus Henderson Strategic Bond | 7 | Vanguard UK Short-Term Inv. Grade Bond | 6 |

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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