

# Hybrid Passive Risk Targeted Managed Service

## Hybrid Passive Risk Targeted 5 (HP RT5)

December 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)	2.08%
Ongoing charges figure ('OCF')	0.51%

\*Not including platform fees

#### Investment update - December

Equity markets retreated in December in relatively thin trading. Interest rates rose by a further 0.5% in the US and UK. Inflation is receding slightly in most key regions as energy prices fall and supply chains ease. Global manufacturing backlogs are falling quite rapidly and delivery times are improving. Indeed, in the US, the Richmond Manufacturing Index (a key measure of manufacturing activity) indicated the first expansion since April. This is encouraging, albeit not yet sufficient to change the tightening stance of key developed market central banks who may also be looking for evidence of weaker labour markets before changing policy. In the UK, reported pay increases in the private sector and the expanding list of public sector workers taking industrial action is adding to concerns that wage increases could extend the period of heightened inflation. The strategy remains at the upper end of its corresponding Dynamic Planner risk profile with equity market exposures being maintained – the risks of exiting and re-entering markets may be greater than riding out further adjustment in asset prices. We have started to increase risk in fixed interest markets, adding targeted exposure to higher quality corporate credit through the addition of the TwentyFour Corporate Bond fund as we believe that yields have become attractive while default risk remains low. Shorter-duration positioning has largely done its job and opportunities are appearing across the full spectrum of bond markets. Our allocation to highly liquid alternative investment funds, that exhibit low levels of volatility, continue to act as an effective risk management tool.

#### 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 Abridn, Aegon, Aviva, FundsNetwork, James Hay, M&G Wealth, Quilter and Transact platforms.

#### 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 in accordance with Dynamic Planner risk profile 5, with the strategy's expected volatility targeted to stay within the assigned Dynamic Planner risk profile's boundaries.



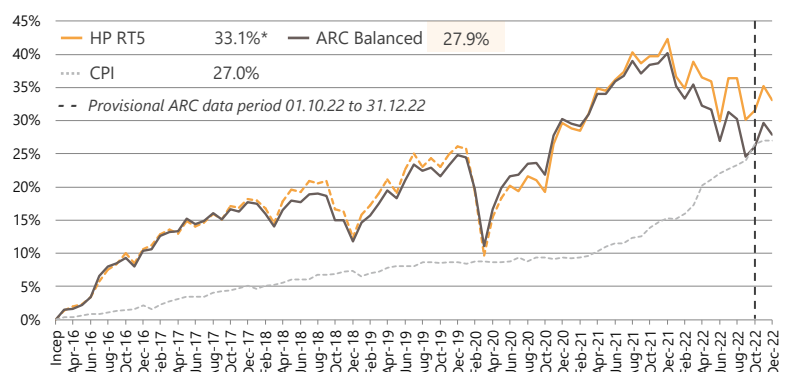
#### Discrete performance

	YTD	2021	2020*	2019*	2018*	2017*
HP RT5	-6.5%	9.8%	2.8%	12.2%	-4.9%	6.9%
ARC Balanced Asset PCI	-8.8%	7.6%	4.3%	11.7%	-5.1%	6.7%
CPI	10.1%	5.4%	0.7%	1.3%	2.1%	2.9%

#### Cumulative performance

	1yr	3yr*	5yr*
HP RT5	-6.5%	5.5%	12.6%

#### 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 31.12.22.  
 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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**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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## Headline asset allocation

Summary of current Bordier UK Investment Committee positioning

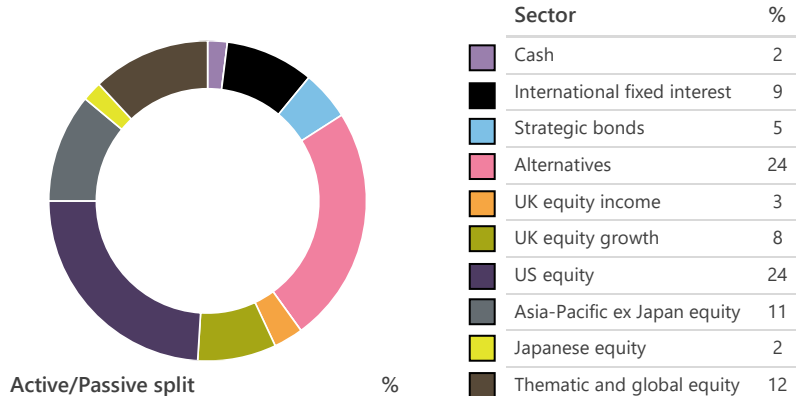
	UW (-)	N (=)	OW (+)	Key
Fixed interest				
Equities				
Property				
Alternative investments				
Cash				

As at 31.12.22

## 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 allocation to Asia-Pacific ex Japan, where fundamentals and valuations look fairly attractive, and policy is more supportive for risk assets.
- In our lower risk strategies, we continue to allocate to 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	61
Passive funds	39

## Top 10 holdings

Holding	%	Holding	%
FTF ClearBridge Global Infrastructure Inc.	7	Fidelity UK Index	5
HSBC American Index	7	HSBC Pacific Index	5
TM Tellworth UK Select	6	Janus Henderson Absolute Return	5
Vanguard US Equity Index	6	Janus Henderson Strategic Bond	5
Artemis Target Return Bond	5	Premier Miton US Opportunities	5

As at 31.12.22