

Risk Targeted Decumulation Service

Risk Targeted Decumulation 5 (RTD 5)

Key information

Strategy details

Inception	1 October 2020
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%*
Ongoing charges figure ('OCF')	0.50%

*Not including platform fees

Risk Targeted Decumulation Service

The service consists of three actively managed investment strategies that are designed for investors in drawdown. The service puts capital preservation first and seeks to minimise the risk of eroding capital in falling markets whilst a fixed regular income is being taken.

Each investment strategy has a different level of risk and expected return, with each targeted to a particular Dynamic Planner Risk Managed Decumulation ('RMD') risk profile (4-6). Each investment strategy is checked by Dynamic Planner on a monthly basis to ensure that it stays within the expected annual Value at Risk ('VaR') boundaries assigned to the corresponding Dynamic Planner risk profile.

The service is available directly through our Bordier UK platform and via third-party platforms.

Investment objective

To assist investors in drawdown, 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

The strategy is managed in accordance with Dynamic Planner risk profile 5 and is part of their RMD offering. The strategy's expected annual VaR is targeted to stay within the assigned Dynamic Planner risk profile's boundaries.

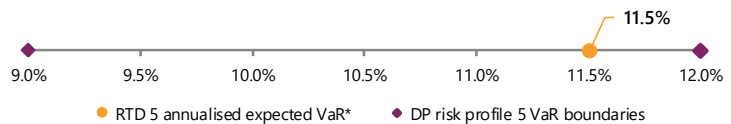


Investment update

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 Schroder Strategic Credit 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.

Annualised expected loss (Value at Risk)

Value at Risk ('VaR') measures the expected maximum loss of a strategy, given usual market conditions, over a specific time period and at a particular confidence level.



*Annualised expected VaR (rounded to 1 d.p.) based on latest Dynamic Planner assumptions. Bordier UK asset allocation as at 31.12.22. Dynamic Planner calculates the strategy's VaR monthly using a 95% confidence level.

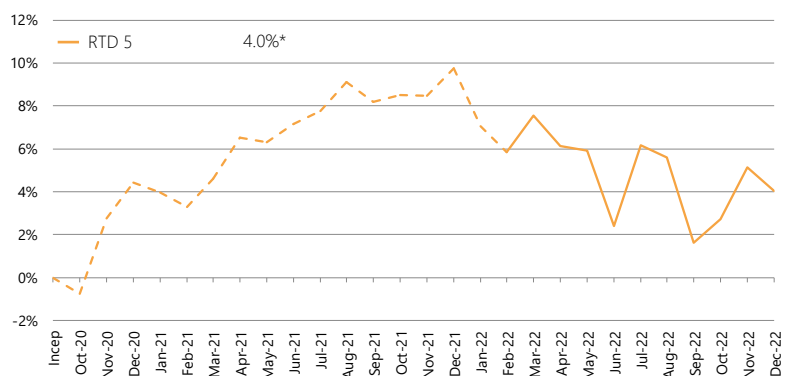
Discrete performance

	YTD*	2021*	2020*
RTD 5	-5.2%	5.1%	4.4%

Cumulative performance

	1yr*	2yr*	Inception*
RTD 5	-5.2%	-0.4%	4.0%

Inception performance



*Performance from inception (01.10.20) to 31.01.22 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. Past performance is not a guide to future results. See full risk warning overleaf.

Why decumulation?

Investors drawing on their portfolio for a regular monthly income are in danger of negatively impacting the total return available to them based on the timing of their withdrawals. Known as sequencing risk, this can have a significant impact on an investor who depends on the income and is no longer contributing new capital that could offset losses.

Within a dedicated decumulation strategy, volatility is micro-managed to smooth out monthly performance and mitigate risk. By doing so, investors will experience less frequent volatility spikes, decreasing the speed at which the value of their portfolio shrinks.

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 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.

Corporate winner or shortlisted for over 100 prestigious industry awards since 2014



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 and positioning

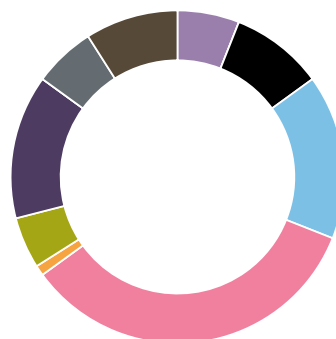
Summary of current Investment Committee positioning

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

- 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.
- 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.

As at 31.12.22

Model asset allocation



Active/Passive split	%
Active funds	64
Passive funds	36

Top 10 holdings

Holding	%	Holding	%
Artemis Target Return Bond	7	Cash (deposit)	6
Janus Henderson Absolute Return	7	HSBC American Index	6
TM Tellworth UK Select	7	Janus Henderson Strategic Bond	6
TwentyFour Absolute Return Credit	7	Vanguard Global Bond Index	6
BlackRock Absolute Return Bond	6	Vanguard US Equity Index	6

As at 31.12.22

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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