

# Hybrid Passive Risk Targeted Managed Service

## Hybrid Passive Risk Targeted 5 (HP RT5)

January 2023

### 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)                | 2.32%        |
| Ongoing charges figure ('OCF')        | 0.51%        |

\*Not including platform fees

#### Investment update - January

2023 has begun brightly for investors with developed market equities rising nearly 5% in January. Market sentiment was buoyed by further evidence that inflation is falling in key regions and the consequent hope that central banks may soon be able to end their cycle of rate hikes. Indeed, inflation in the US fell in January, driven primarily by lower energy and food prices. In the eurozone inflation also receded, while economic data indicated that the region had narrowly avoided recession in Q4. The UK market also produced a strong return. CPI fell modestly although the expectation of the UK facing 'higher for longer' inflation than most of the developed world remains, as do recession fears. We have been well positioned to capture the strong returns from equity markets in January, although equity exposure was slightly reduced to ensure that the strategy remains towards the upper end of its corresponding Dynamic Planner risk profile. We have high conviction in terms of our equity positioning and are targeting areas of relative economic and corporate strength, which includes the US and Asian markets as well as sectors such as infrastructure and sustainable energy. We have also benefitted from the recovery in fixed income markets and this month took further advantage of attractive opportunities in the corporate bond space by increasing our allocation to the Schroder Strategic Credit fund. It is felt the opportunity for future returns is greater in the corporate bond market and to accommodate this change, our absolute return bond exposure within our alternatives allocation has been reduced.

#### 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 Abrdn, 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.



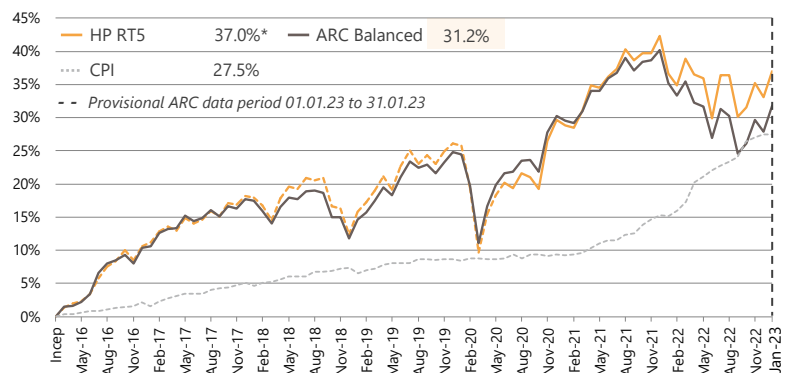
#### Discrete performance

|                        | YTD  | 2022  | 2021 | 2020* | 2019* | 2018* |
|------------------------|------|-------|------|-------|-------|-------|
| HP RT5                 | 2.9% | -6.5% | 9.8% | 2.8%  | 12.2% | -4.9% |
| ARC Balanced Asset PCI | 3.0% | -9.1% | 7.6% | 4.3%  | 11.7% | -5.1% |
| CPI                    | -    | 10.5% | 5.4% | 0.7%  | 1.3%  | 2.1%  |

#### Cumulative performance

|        | 1yr  | 3yr* | 5yr*  |
|--------|------|------|-------|
| HP RT5 | 0.2% | 8.9% | 16.1% |

#### 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 31.01.23.  
 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

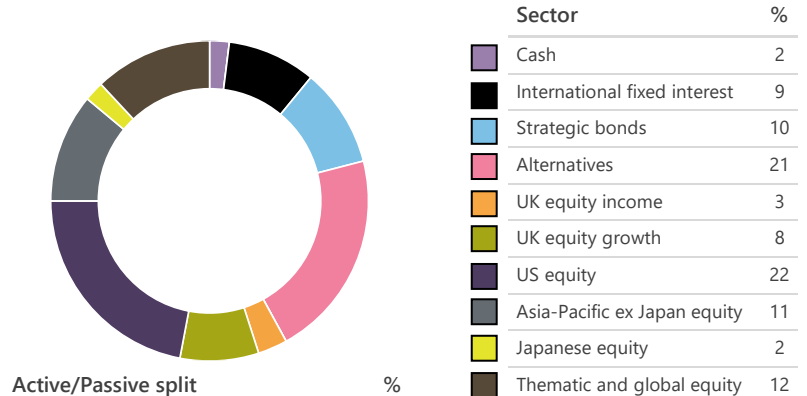
|                         | UW (-) | N (=) | OW (+) | Key |
|-------------------------|--------|-------|--------|-----|
| Fixed interest          |        |       |        |     |
| Equities                |        |       |        |     |
| Property                |        |       |        |     |
|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

As at 31.01.23

## 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 | Ninety One Global Environment   | 5 |

As at 31.01.23