

# Hybrid Passive Risk Targeted Managed Service

## Hybrid Passive Risk Targeted 3 (HP RT3)

March 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)                | 2.64%        |
| Ongoing charges figure ('OCF')        | 0.53%        |

\*Not including platform fees

#### Investment update - March

March proved ultimately to be a positive month for equities as global economic data generally continues to surprise on the upside. The month did not pass without incident however as the collapse of Silicon Valley Bank in the US and the subsequent, largely unrelated, failure of Credit Suisse stoked fears of a financial crisis. However, a recovery ensued following reassurances from central banks about the financial sector's health and a general belief that the banking sector is well capitalised post the reforms after the 2008 financial crisis. One likely consequence of the pressures within the financial sector is a further tightening in bank lending standards. This might provide a further brake to growth and inflation, potentially reducing the need for further rate rises. This, added to the already increasingly dovish stance of central banks led to a fall in bond yields (and rise in bond values). While sentiment became more dovish over the month, key central banks did go ahead with further rate rises, citing areas of stubborn core inflation and tight labour markets driving wage pressures within the services sector. No changes were made over the month as the strategy remains aligned to its corresponding Dynamic Planner risk profile. We are encouraged by the improving economic backdrop and the positive outlook for corporate earnings as equity exposures are maintained, whilst we remain happy with the underlying make-up of the rest of the strategy.

#### 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, Fidelity, James Hay, M&G Wealth, Quilter and Transact platforms.

#### 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

The strategy is managed in accordance with **Dynamic Planner risk profile 3**, with the strategy's expected volatility targeted to stay within the assigned Dynamic Planner risk profile's boundaries.



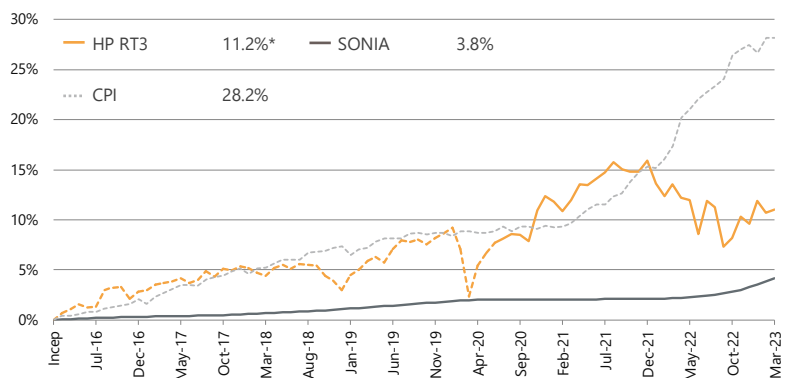
#### Discrete performance

|        | YTD  | 2022  | 2021 | 2020* | 2019* | 2018* |
|--------|------|-------|------|-------|-------|-------|
| HP RT3 | 1.4% | -5.4% | 3.2% | 3.4%  | 5.5%  | -2.2% |
| SONIA  | 0.5% | 1.1%  | 0.1% | 0.2%  | 0.7%  | 0.6%  |
| CPI    | 0.6% | 10.5% | 5.4% | 0.7%  | 1.3%  | 2.1%  |

#### Cumulative performance

|        | 1yr   | 3yr* | 5yr* |
|--------|-------|------|------|
| HP RT3 | -2.0% | 8.7% | 6.6% |

#### 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 31.03.23.  
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 33.7%. Established in Geneva in 1844, the Bordier Group operates in six countries across three continents, managing assets of circa £14.4bn for approximately 4,200 families (Source: Bordier & Cie as at 31 December 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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e: sales@bordieruk.com

**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

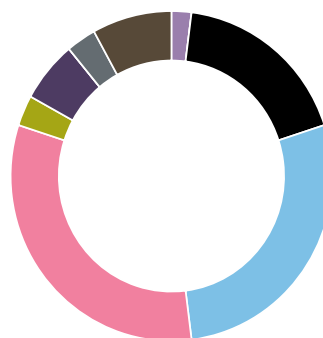
|                         | UW (-)  | N (=)   | OW (+)  | Key |
|-------------------------|---------|---------|---------|-----|
| Fixed interest          |         | Current |         |     |
| Equities                |         |         | Current |     |
| Property                | Current |       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

As at 31.03.23

## 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         | 76 |
| Passive funds        | 24 |

## Top 10 holdings

| Holding                        | %  | Holding                           | % |
|--------------------------------|----|-----------------------------------|---|
| Vanguard Global Bond Index     | 10 | BlackRock Absolute Return Bond    | 6 |
| Artemis Target Return Bond     | 9  | HSBC American Index               | 6 |
| Fidelity Strategic Bond        | 8  | Janus Henderson Absolute Return   | 6 |
| Schroder Strategic Bond        | 8  | TwentyFour Absolute Return Credit | 6 |
| Janus Henderson Strategic Bond | 7  | BNY Mellon Global Dynamic Bond    | 5 |

As at 31.03.23