

# Hybrid Passive Managed Service

## Balanced Strategy

July 2023

### 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% <sup>#</sup>
Annual yield (current)	2.43%

<sup>#</sup>Not including platform charges

#### Annualised volatility and OCF

Bordier Balanced	7.79%
Ongoing charges figures ('OCF')	0.49%

Annualised 3-year volatility data as at 31.07.23\* - Source: FE Analytics

\*VAT applied to AMC from inception (15.06.15) until 31.08.21

#### Investment update - July

Equity markets rose over July, driven in part by weaker-than-expected inflation data from the US. This led to hopes that interest rate policy could reverse before the end of the year and increased optimism of a 'soft landing' (i.e. the economy holding up while inflation steadily recedes). However, the monetary backdrop is somewhat complicated as spending moves towards services while goods prices fall. Central banks are unlikely to feel comfortable shifting policy until tight labour markets (and persistent wage growth) show signs of weakening. Markets are drawing encouragement from the most recent earnings updates, which continue to prove resilient and inconsistent with what we would expect to see ahead of a recessionary period. We remain broadly optimistic about the outlook for the second half of the year as investors increasingly start to look to a generally improving economic picture in 2024 – our commitment to equities is therefore maintained, with the strategy remaining at the top end of its allowable equity range. We have, however, trimmed our commitment to the US market and some thematic funds in favour of a small re-entry to Europe and an increase to Japan. European equity markets have shown more resilience than anticipated to tough economic conditions and a valuation gap relative to the US is increasingly hard to ignore. Japan is finally showing signs that it can escape from its deflationary malaise of the past few decades.

#### 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, FundsNetwork, Fusion, Hubwise, M&G Wealth, Novia, Nucleus, 7IM, Quilter and Transact.

#### 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 with a maximum target of 60% equity market exposure and is categorised as a **Bordier Risk Profile 3** and **Defaqto Risk Rating 5 (Balanced)**.



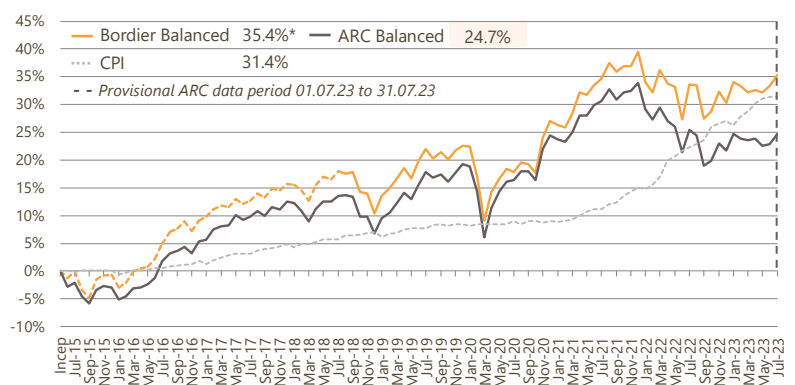
#### Discrete performance

	YTD	2022	2021	2020	2019	2018*
Balanced (60% eq.)	2.6%	-6.6%	9.8%	3.6%	11.1%	-4.6%
ARC Balanced Asset PCI (30-70% eq.)	2.5%	-9.1%	7.6%	4.3%	11.7%	-5.1%
CPI	3.4%	10.5%	5.4%	0.7%	1.3%	2.1%

#### Cumulative performance

	1yr	3yr	5yr*
Balanced (60% eq.)	0.1%	11.8%	13.7%

#### 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 31.07.23.  
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.

## Headline asset allocation

Summary of current Bordier UK Investment Committee positioning

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

### Key

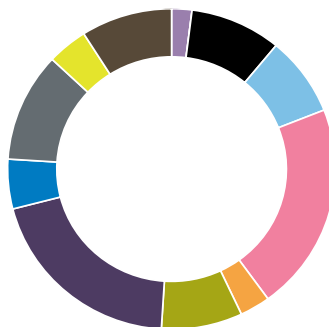
**Current**  
**UW (-)** Underweight  
**N (=)** Neutral  
**OW (+)** Overweight

As at 31.07.23

## Headline positioning

- The strategies remain at the upper end of their allowable equity range as we remain broadly optimistic about the economic outlook for the second half of 2024.
- We have trimmed our commitment to the US market and some thematic funds in favour of exposure to Europe and an increased allocation to Japan (excluding Defensive) where opportunities have arisen.
- 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



Sector	%
Cash	2
International fixed interest	9
Strategic bonds	8
Alternatives	21
UK equity income	3
UK equity growth	8
US equity	20
European equity	5
Asia-Pacific ex Japan equity	11
Japanese equity	4
Thematic and global equity	9

Active/Passive split	%
Active funds	55
Passive funds	45

## Top 10 holdings

Holding	%	Holding	%
HSBC American Index	6	FTF ClearBridge Global Infrastructure Inc.	5
TM Tellworth UK Select	6	HSBC Pacific Index	5
Vanguard US Equity Index	6	Janus Henderson Absolute Return	5
Artemis Target Return Bond	5	Janus Henderson Strategic Bond	5
Fidelity Index UK	5	TwentyFour Absolute Return Credit	4

As at 31.07.23