

Hybrid Passive Managed Service

Balanced Strategy

June 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%# |
| Annual yield (current) | 2.42% |

#Not including platform charges

Annualised volatility and OCF

| | |
|---------------------------------|-------|
| Bordier Balanced | 7.78% |
| Ongoing charges figures ('OCF') | 0.51% |

Annualised 3-year volatility data as at 30.06.23* - Source: FE Analytics
*VAT applied to AMC from inception (15.06.15) until 31.08.21

Investment update - June

Equity markets performed strongly over June. The Japanese market continued to lead the way with sentiment buoyed by the improving economic backdrop. The US market also performed well and it is encouraging to see market leadership broaden away from 'big tech'. Corporate earnings growth is slowing across the developed world but not by as much as first feared. The relatively modest earnings downgrades and the degree of resilience the corporate sector is showing is incompatible with a 'normal' recessionary environment. US inflation has dropped to 4% and it is expected that the US Federal Reserve can now pause its tightening cycle. In contrast, above expectation inflation numbers in the UK led to the Bank of England raising interest rates to 5% with peak rate expectations up to 6%. Central banks will be closely observing economic indicators to assess the effect of higher rates and tighter lending conditions, which may add some uncertainty to the future direction of policy. No changes were made over the month – equity market exposures were maintained as the strategy remains at the top end of its allowable equity range. We are exploring a potential opportunity to reallocate some equity exposure towards continental Europe and Japan, whilst slightly reducing exposure to the US. We believe that valuations in both regions look attractive, whilst in Japan the long-term disinflationary cycle may be nearing an end.

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)**.



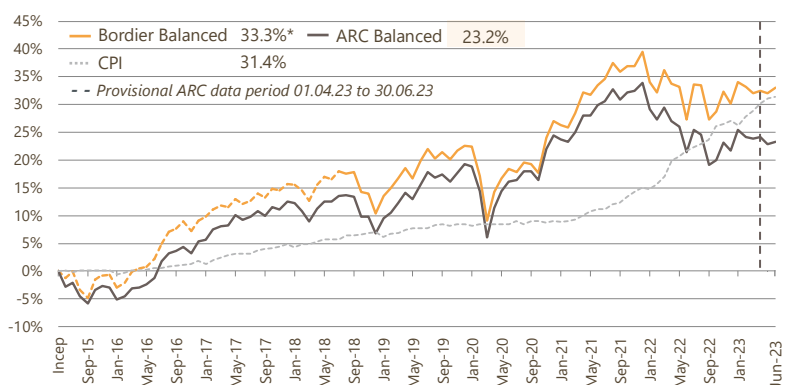
Discrete performance

| | YTD | 2022 | 2021 | 2020 | 2019 | 2018* |
|-------------------------------------|------|-------|------|------|-------|-------|
| Balanced (60% eq.) | 2.3% | -6.6% | 9.8% | 3.6% | 11.1% | -4.6% |
| ARC Balanced Asset PCI (30-70% eq.) | 1.2% | -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.) | 4.7% | 12.6% | 14.4% |

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 30.06.23.
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 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:

t: +44 (0)20 7667 6600
e: sales@bordieruk.com

Headline asset allocation

Summary of current Bordier UK Investment Committee positioning

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

Key

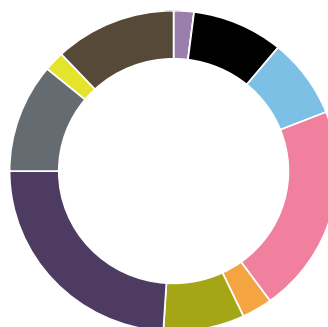
Current
UW (-) Underweight
N (=) Neutral
OW (+) Overweight

As at 30.06.23

Headline positioning

- The strategies remain at the upper end of their allowable equity range 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



| Sector | % |
|------------------------------|----|
| Cash | 2 |
| International fixed interest | 9 |
| Strategic bonds | 8 |
| Alternatives | 21 |
| UK equity income | 3 |
| UK equity growth | 8 |
| US equity | 24 |
| Asia-Pacific ex Japan equity | 11 |
| Japanese equity | 2 |
| Thematic and global equity | 12 |

| Active/Passive split | % |
|----------------------|----|
| Active funds | 61 |
| Passive funds | 39 |

Top 10 holdings

| Holding | % | Holding | % |
|--|---|---------------------------------|---|
| FTF ClearBridge Global Infrastructure Inc. | 7 | Fidelity Index UK | 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 30.06.23

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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