

# Hybrid Passive Risk Targeted Managed Service

## Hybrid Passive Risk Targeted 5 (HP RT5)

December 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)	2.45%
Ongoing charges figure ('OCF')	0.48%

\*Not including platform fees

#### Investment update - December

Markets ended the year in a very positive mood with both equities and bonds performing strongly in December, adding to the excellent returns seen in November. 2023 has ultimately proved to be positive for equity investors with strong returns from most regions. However, returns have been far from uniform with growth stocks, in particular the 'magnificent seven' stocks at the top of the US index, providing a disproportionate amount of global equity returns over the year. It is encouraging to see that market leadership has broadened more recently with strength across the board. This includes some of the 'value' sectors that have lagged significantly during 2023. The key driver for markets over the year has undoubtedly been the outlook for inflation, and interest rate policy and expectations have moved from 'higher for longer' to the more recent view that central banks will reverse rate policy more significantly and earlier than expected. The more dovish outlook drove another excellent month from bonds. Coming into 2023 there were significant recession concerns across developed regions, however economic growth expectations have improved and data continues to point to an unexpected level of economic resilience. Looking ahead over the next two to three years global growth forecasts are moderate but nevertheless positive. No changes were made over the month as the strategy remains at the upper end of its corresponding Dynamic Planner risk profile. We retain a positive view on equities moving into 2024 and our positioning has been rewarded in a very strong end to the year for markets.

#### 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 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.



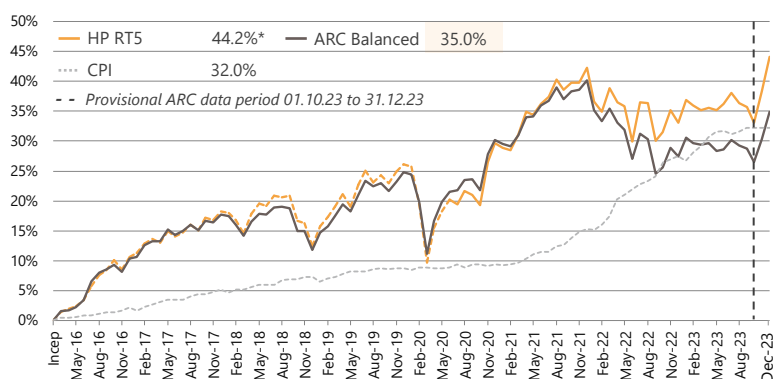
#### Discrete performance

	YTD	2022	2021	2020*	2019*	2018*
HP RT5	8.3%	-6.5%	9.8%	2.8%	12.2%	-4.9%
ARC Balanced Asset PCI	6.0%	-9.1%	7.6%	4.3%	11.7%	-5.1%
CPI	3.5%	10.5%	5.4%	0.7%	1.3%	2.1%

#### Cumulative performance

	1yr	3yr	5yr*
HP RT5	8.3%	11.2%	28.2%

#### 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 31.12.23.  
 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 35%. Established in Geneva in 1844, the Bordier Group operates in six countries across three continents, managing assets of circa £14.5bn for approximately 4,400 families (Source: Bordier & Cie as at 30 June 2023).



## 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

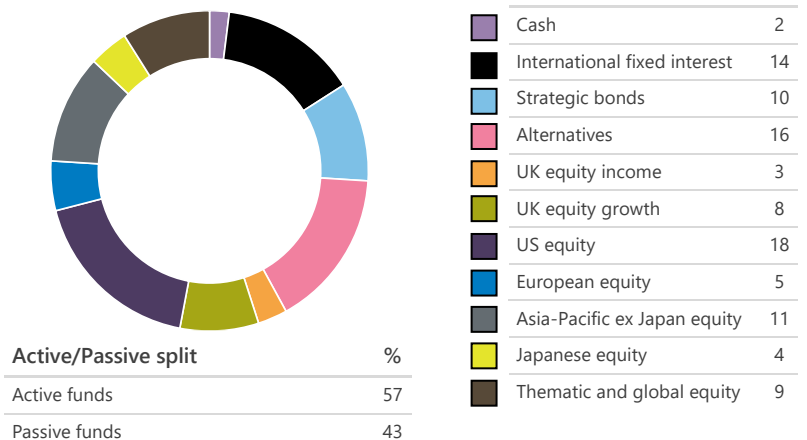
	UW (-)	N (=)	OW (+)	Key
Fixed interest			Current	
Equities			Current	
Property				
Alternative investments				
Cash				

As at 31.12.23

## Headline positioning

- The strategies remain at the upper end of their corresponding Dynamic Planner risk profiles 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 HP RT3) 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



Active/Passive split	%
Active funds	57
Passive funds	43

## Top 10 holdings

Holding	%	Holding	%
TwentyFour Corporate Bond	7	Janus Henderson Absolute Return	5
HSBC American Index	6	Janus Henderson Strategic Bond	5
TM Tellworth UK Select	6	Schroder Strategic Credit	5
Fidelity UK Index	5	TwentyFour Absolute Return Credit	5
HSBC Pacific Index	5	Vanguard US Equity Index	5

As at 31.12.23