

Hybrid Passive Managed Service Balanced Strategy

December 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)	2.36%

#Not including platform charges

Annualised volatility and OCF

Bordier Balanced	7.90%
Ongoing charges figures ('OCF')	0.48%

Annualised 3-year volatility data as at 31.12.23* - Source: FE Analytics
*VAT applied to AMC from inception (15.06.15) until 31.08.21

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 top end of its allowable equity range. 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 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, Fidelity, Fusion, Hubwise, M&G Wealth, Nucleus, Scottish Widows, 7IM, Quilter, Transact and Wealthtime.

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)**.



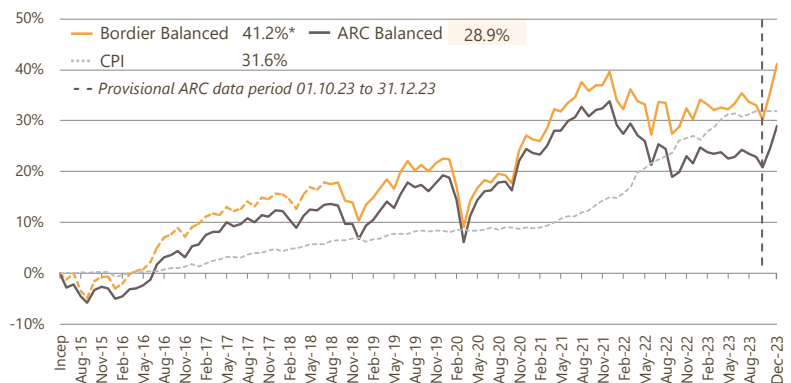
Discrete performance

	YTD	2022	2021	2020	2019	2018*
Balanced (60% eq.)	8.4%	-6.6%	9.8%	3.6%	11.1%	-4.6%
ARC Balanced Asset PCI (30-70% eq.)	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
Balanced (60% eq.)	8.4%	11.1%	27.9%

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 31.12.23.
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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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

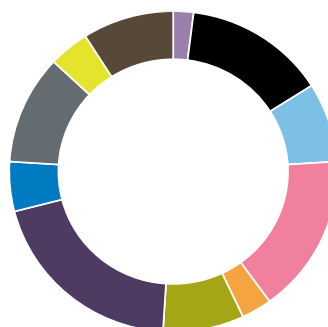
Current
UW (-) Underweight
N (=) Neutral
OW (+) Overweight

As at 31.12.23

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	14
Strategic bonds	8
Alternatives	16
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	56
Passive funds	44

Top 10 holdings

Holding	% Holding	%	
TwentyFour Corporate Bond	7	HSBC Pacific Index	5
HSBC American Index	6	Janus Henderson Absolute Return	5
TM Tellworth UK Select	6	Janus Henderson Strategic Bond	5
Vanguard US Equity Index	6	TwentyFour Absolute Return Credit	5
Fidelity Index UK	5	Fidelity Index US	4

As at 31.12.23

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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