

# Risk Targeted Decumulation Service

## Risk Targeted Decumulation 5 (RTD 5)

### Key information

#### Strategy details

Inception	1 October 2020
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%*
Ongoing charges figure ('OCF')	0.46%

\*Not including platform fees

#### Risk Targeted Decumulation Service

The service consists of three actively managed investment strategies that are designed for investors in drawdown. The service puts capital preservation first and seeks to minimise the risk of eroding capital in falling markets whilst a fixed regular income is being taken.

Each investment strategy has a different level of risk and expected return, with each targeted to a particular Dynamic Planner Risk Managed Decumulation ('RMD') risk profile (4-6). Each investment strategy is checked by Dynamic Planner on a monthly basis to ensure that it stays within the expected annual Value at Risk ('VaR') boundaries assigned to the corresponding Dynamic Planner risk profile.

The service is available directly through our Bordier UK platform and via third-party platforms.

#### Investment objective

To assist investors in drawdown, looking to preserve their capital in real (inflation-adjusted) terms over the medium to longer term but who feel comfortable with some moderate fluctuation in values.

#### Risk profile

The strategy is managed in accordance with Dynamic Planner risk profile 5 and is part of their RMD offering. The strategy's expected annual VaR is targeted to stay within the assigned Dynamic Planner risk profile's boundaries.

The strategy is categorised as a Bordier Decumulation Risk Profile 2.

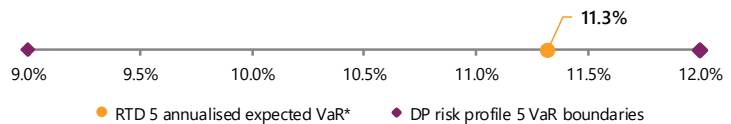


#### Investment update

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.

#### Annualised expected loss (Value at Risk)

Value at Risk ('VaR') measures the expected maximum loss of a strategy, given usual market conditions, over a specific time period and at a particular confidence level.



\*Annualised expected VaR (rounded to 1 d.p.) based on latest Dynamic Planner assumptions. Bordier UK asset allocation as at 31.12.23. Dynamic Planner calculates the strategy's VaR monthly using a 95% confidence level.

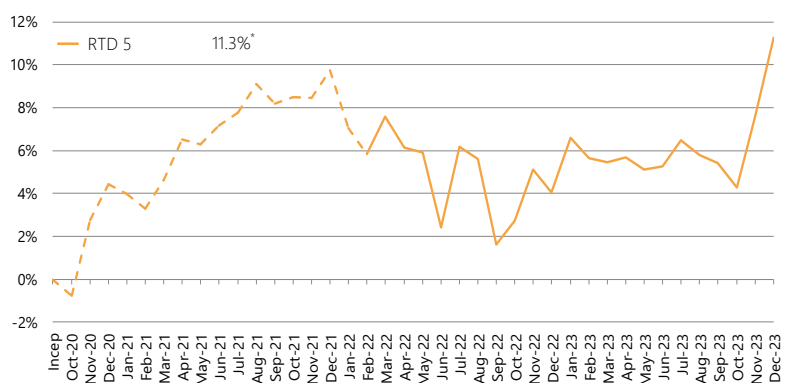
#### Discrete performance

	YTD	2023	2022*	2021*	2020*
RTD 5	7.0%	7.0%	-5.2%	5.1%	4.4%

#### Cumulative performance

	1yr	2yr*	3yr*	Inception*
RTD 5	7.0%	1.4%	6.6%	11.3%

#### Inception performance



\*Performance from inception (01.10.20) to 31.01.22 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. Past performance is not a guide to future results. See full risk warning overleaf.

## Why decumulation?

Investors drawing on their portfolio for a regular monthly income are in danger of negatively impacting the total return available to them based on the timing of their withdrawals. Known as sequencing risk, this can have a significant impact on an investor who depends on the income and is no longer contributing new capital that could offset losses.

Within a dedicated decumulation strategy, volatility is micro-managed to smooth out monthly performance and mitigate risk. By doing so, investors will experience less frequent volatility spikes, decreasing the speed at which the value of their portfolio shrinks.

## 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 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.

Corporate winner or shortlisted for over 130 prestigious industry awards over the last decade



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 and positioning

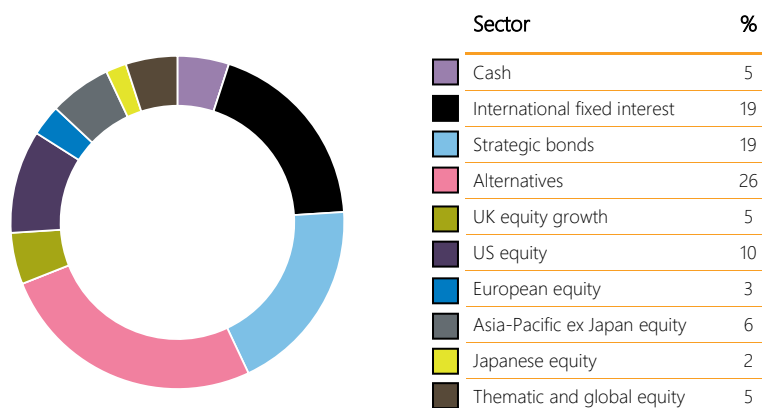
Summary of current Investment Committee positioning

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

- 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 RTD 4) 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.

As at 31.12.23

## Model asset allocation



Active/Passive split	%
Active funds	61
Passive funds	39

## Top 10 holdings

Holding	%	Holding	%
Janus Henderson Absolute Return	7	Janus Henderson Strategic Bond	6
Schroder Strategic Credit	7	TwentyFour Absolute Return Credit	6
TM Tellworth UK Select	7	TwentyFour Corporate Bond	6
Artemis Target Return Bond	6	Vanguard Global Bond Index	6
Fidelity Strategic Bond	6	Cash (deposit)	5

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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