

# Hybrid Passive Managed Service

## Balanced Strategy

January 2024

### 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)	2.67%

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

#### Annualised volatility and OCF

Bordier Balanced	7.88%
Ongoing charges figures ('OCF')	0.44%

Annualised 3-year volatility data as at 31.01.24\* - Source: FE Analytics

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

#### Investment update - January

After an excellent couple of months for markets to end 2023, returns were rather more mixed in January. Economic data in January was positive overall, particularly in the US where labour and GDP data again surprised on the upside. This positive economic news did, however, also trigger renewed uncertainty over the timing and extent of a potential reversal in interest rate policy. The dovish sentiment that prevailed at the end of last year was also dampened by some cautionary comments from the US Federal Reserve at their latest policy committee meeting. The more hawkish sentiment weighed on some areas of the equity markets, taking the edge off some of the recent strong rally. The strategy remains at the top end of its allowable equity range. Global stockmarket returns in 2023 were hugely distorted by the performance of a small handful of (principally US-listed 'mega cap') shares. However, a turn in the interest rate cycle may favour less-expensive, quality growth companies further down the market cap scale. Oscillating rhetoric on inflation and interest rates during 2023 has meant several false dawns for fixed interest investments however our phased re-introduction of risk within bond markets over the past 12 months was well rewarded at the end of last year. We have further increased our fixed interest duration through the addition of the Vanguard UK Long Duration Gilt Index fund where longer duration opportunities are more plentiful than credit markets at the expense of the residual defensive conventional and alternative fixed interest elements of the strategy.

#### 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)**.



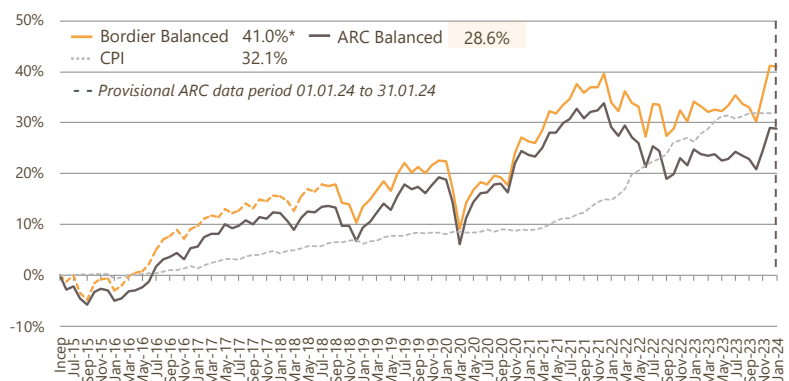
#### Discrete performance

	YTD	2023	2022	2021	2020	2019
Balanced (60% eq.)	-0.1%	8.4%	-6.6%	9.8%	3.6%	11.1%
ARC Balanced Asset PCI (30-70% eq.)	-0.1%	5.8%	-9.1%	7.6%	4.3%	11.7%
CPI	-	3.9%	10.5%	5.4%	0.7%	1.3%

#### Cumulative performance

	1yr	3yr	5yr
Balanced (60% eq.)	5.1%	11.6%	24.2%

#### 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 31.01.24.  
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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e: sales@bordieruk.com

## Headline asset allocation

Summary of current Bordier UK Investment Committee positioning

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

### Key

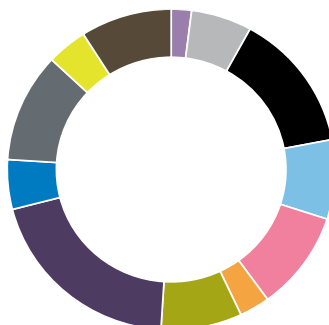
**Current**  
**UW (-)** Underweight  
**N (=)** Neutral  
**OW (+)** Overweight

As at 31.01.24

## 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
UK fixed interest	6
International fixed interest	14
Strategic bonds	8
Alternatives	10
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	50
Passive funds	50

## Top 10 holdings

Holding	%	Holding	%
TwentyFour Corporate Bond	7	HSBC Pacific Index	5
HSBC American Index	6	Janus Henderson Strategic Bond	5
Vanguard UK Long Duration Gilt Index	6	Fidelity Index US	4
Vanguard US Equity Index	6	Janus Henderson Absolute Return	4
Fidelity Index UK	5	Premier Miton US Opportunities	4

As at 31.01.24

**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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