

Strategy details

Inception	15 June 2015
Min. initial investment (direct)	£20,000
Min. initial investment (platform)	£1,000
Rebalancing strategy (min.)	Quarterly
Currency	£ GBP
Annual yield (current)	3.48%
Annualised volatility	5.06%

Annualised 3-year volatility data as at 31.05.24

Charges

Annual management charge (direct)	0.75%
Annual management charge (platform)*	0.30%
Ongoing charges figure	0.45%

*Not including platform fees.

Investment objective

To preserve capital in real (inflation-adjusted) terms over the medium to longer term. Investors should expect low levels of reward and a low correlation to stockmarket behaviour, including modest fluctuations in values.

Risk profile

This strategy is managed with a maximum target of 20% equity market exposure and is categorised as a Bordier Risk Profile 1 and Defaqto Risk Rating 2 (Very Cautious).



About the Hybrid Passive Managed Service

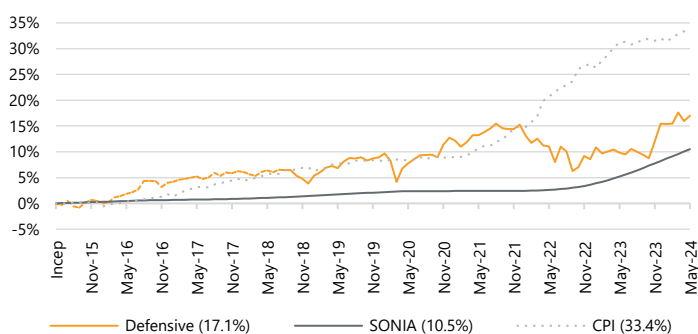
Our Hybrid Passive Managed Service consists of five actively managed investment strategies, ranging from Defensive to Adventurous, that provide lower cost access to our discretionary fund management capabilities through the combination of active and passive collective investments. Each strategy has a different level of risk and potential return, with risk categorised by equity market exposure that increases in increments of 20% for each strategy. The service provides a solution that, when cost considerations are paramount, does not compromise on quality.

Investment update

Asset returns were strong over May with both developed market equities and global bonds rising. After a weak April, the US equity market rebounded strongly as rate expectations fell. Uncertainty over the interest rate outlook continues to bring some volatility however market momentum remains positive on the back of a strong corporate earnings season and improving economic data. On the inflation front, data stemming from the US in May was mixed. While the potential timing of interest rate cuts has been pushed forward, some loosening of policy in the US is still expected this year. European markets also performed well in May, as positive GDP growth was confirmed for Q1 and corporate earnings announcements surprised on the upside. Despite a recent modest tick up in inflation the European Central Bank continues to signal a potential rate cut in June. The UK market rose 2.5%, lagging the US and eurozone largely due to its 'value' bias and high exposure to energy stocks, which were impacted by a falling oil price. UK inflation fell to 2.3% and is expected to fall further still in the short term. Asian markets also rose overall but lagged their developed peers. We continue to see tailwinds which should be supportive for financial markets in the coming months, as such no changes were made over the month as the strategy remains at the top end of its allowable equity range. We expect further reductions in inflation towards central bank targets and a consequent easing of financial conditions as tight monetary policy is unwound. Evidence suggests that economic growth is recovering globally and this should be accompanied by growth in corporate earnings and improved profit margins. We are having to tolerate unusually high levels of volatility in sovereign bond markets but expect our exposure to be rewarded over the course of the next 12 months given our views on inflation and central bank policy. The yields available in investment grade credit remain compelling in our view and spreads are proving resilient. Our core alternatives funds continue to perform well, providing clear diversification benefits in times of market weakness.

Performance

Inception performance



Cumulative performance

	1yr	3yr	5yr	10yr*
Defensive (20% eq.)	6.6%	3.4%	9.6%	-
SONIA	5.0%	7.9%	8.6%	-
CPI	1.7%	20.5%	23.7%	-

Annualised performance

	1yr	3yr	5yr	10yr*
Defensive (20% eq.)	6.6%	1.1%	1.8%	-
SONIA	5.0%	2.6%	1.7%	-
CPI	1.7%	6.4%	4.3%	-

Discrete performance

	YTD	2023	2022	2021	2020	2019
Defensive (20% eq.)	1.4%	6.4%	-5.8%	2.2%	3.5%	4.9%
SONIA	2.2%	4.4%	1.1%	0.1%	0.2%	0.7%
CPI	1.0%	3.9%	10.5%	5.4%	0.7%	1.3%

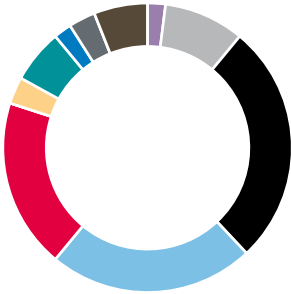
*Performance from inception (15.06.15) to 01.08.18 is simulated past performance based on back-tested data (represented by the orange dashed line).

Source: Bordier UK & FE Analytics as at 31.05.24.

Bordier UK returns net of 0.30% AMC. VAT applied to AMC from inception until 31.08.21. Latest ARC PCI data is provisional. Past performance is not a guide to future results. See full risk warning overleaf.

Asset allocation

Sector breakdown

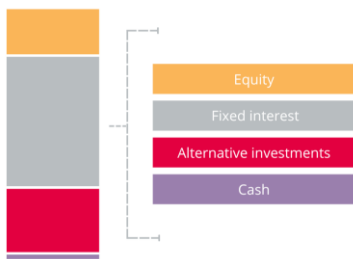


Sector	%
Cash	2
UK fixed interest	9
International fixed interest	27
Strategic bonds	23
Alternatives	19
UK equity (growth)	3
US equity	6
European equity	2
Asia-Pacific ex Japan equity	3
Thematic and global equity	6

Top 10 holdings

Fund	%
Vanguard Global Bond Index	10
Vanguard UK Long Duration Gilt Index	9
Fidelity Strategic Bond	8
Schroder Strategic Credit	8
Janus Henderson Strategic Bond	7
TM Tellworth UK Select	7
Vanguard UK Inv. Grade Bond Index	7
Artemis Target Return Bond	6
HSBC American Index	6
Janus Henderson Absolute Return	6

Asset class breakdown



Active/Passive allocation breakdown

Underlying holdings	%
Active allocation	58
Passive allocation	42

Note: For illustrative purposes only.

Source: FE Analytics as at 31.05.24

Third-party platform availability

We work with the following platforms:



Please enquire about the service for your chosen platform.

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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Corporate winner or shortlisted for over 100 prestigious industry awards since 2014

Important information

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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