Risk Targeted Decumulation Service

Risk Targeted Decumulation 6 (RTD 6)

May 2024

bordier 1844

Strategy details

Inception	1 October 2020
Min. initial investment (direct)	£20,000
Min. initial investment (platform)	£1,000
Rebalancing strategy (min.)	Quarterly
Currency	£ GBP

Charges

Annual management charge (direct)	0.75%
Annual management charge (platform)*	0.30%
Ongoing charges figure	0.40%

**Not including platform fees.*

Investment objective

To assist investors in drawdown, looking to build capital in real (inflation-adjusted) terms over the medium to longer term. Investors should expect reasonable correlation to stockmarket behaviour and rewards, including moderate to 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 6 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 3.

About the RTD 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.

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.

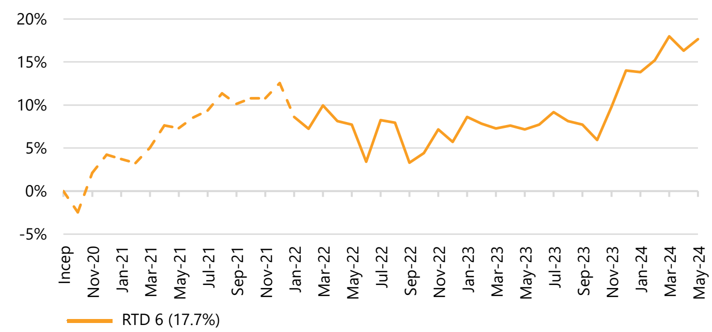
Within a dedicated decumulation strategy, volatility is micro-managed to smooth out monthly performance and mitigate risk. By doing so, investors will experience less frequent volatility spikes, decreasing the speed at which the value of their portfolio shrinks.

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. European markets also performed well and the European Central Bank continues to signal a potential interest 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. UK inflation fell and is expected to fall further still in the short term. We continue to see tailwinds, which should be supportive for financial markets in the coming months. No changes were made over the month as the strategy remains at the upper end of its corresponding Dynamic Planner risk profile. We expect further reductions in inflation towards central bank targets and a consequent easing of financial conditions as tight monetary policy is unwound. 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. 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*
RTD 6	9.8%	9.6%	-	-

Discrete performance

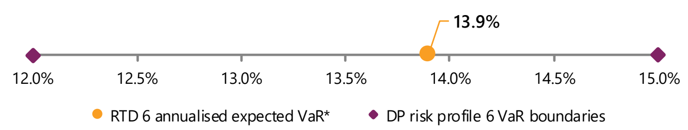
	YTD	2023	2022*	2021*	2020*	2019*
RTD 6	3.2%	7.8%	-6.1%	8.0%	5.7%	-

Annualised performance

	1yr	3yr*	5yr*	10yr*
RTD 6	9.8%	3.1%	-	-

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 31.05.24. Dynamic Planner calculates the strategy's VaR monthly using a 95% confidence level.

**Performance from inception (01.10.20) to 31.01.22 is simulated past performance based on back-tested data (represented by the orange dashed line).*

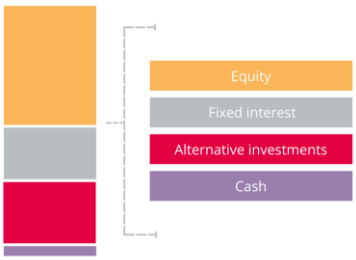
Source: Bordier UK & FE Analytics as at 31.05.24.

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

Asset allocation

Sector breakdown

Asset class breakdown



Note: For illustrative purposes only.

Sector	%
Cash	4
UK fixed interest	7
International fixed interest	17
Strategic bonds	13
Alternatives	11
UK equity (income)	2
UK equity (growth)	7
US equity	15
European equity	4
Asia-Pacific ex Japan equity	9
Japanese equity	3
Thematic and global equity	8

Top 10 holdings

Fund	%
TwentyFour Corporate Bond	7
Vanguard UK Long Duration Gilt Index	7
HSBC American Index	6
Janus Henderson Strategic Bond	5
Schroder Strategic Credit	5
TM Tellworth UK Select	5
Vanguard Global Bond Index	5
Fidelity Index UK	4
HSBC European Index	4
HSBC Pacific Index	4

Active/Passive allocation breakdown

Underlying holdings	%
Active allocation	49
Passive allocation	51

Source: FE Analytics as at 31.05.24

Third-party platform availability

We work with the following platforms:

abrdn, AEGON, AVIVA, Fidelity International, FusionWealth, Hubwise, James Hay Partnership, M&G wealth, nucleus, præmium, Quilter, Scottish Widows, 7IM, transact, wealthtime

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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e: sales@bordieruk.com
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Important information