

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)	3.17%
Annualised volatility	6.33%

Annualised 3-year volatility data as at 31.08.24

Charges

Annual management charge (direct)	0.75%
Annual management charge (platform)*	0.30%
Ongoing charges figure	0.43%

*Not including platform fees.

Investment objective

To assist investors 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

This strategy is managed with a maximum target of 40% equity market exposure and is categorised as a Bordier Risk Profile 2 and Defaqto Risk Rating 3 (Cautious).



About the Hybrid Passive Managed Service

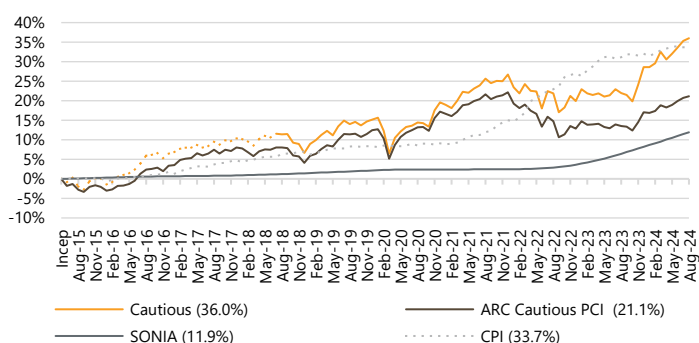
Our Hybrid Passive Managed Service consists of five actively managed investment strategies, ranging from Defensive to Adventurous, that provide lower cost access to our discretionary fund management capabilities through the combination of active and passive collective investments. Each strategy has a 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

August was a volatile month for markets. Equity markets initially sold off aggressively on the back of weak manufacturing and jobs data from the US, stoking fears of a looming recession. Sentiment then shifted and markets staged a strong recovery as the weaker economic data increased expectations of imminent rate cuts in the US. Most markets ended the month in positive territory. Interest rate sensitive sectors performed particularly well and it is encouraging to see some broadening in market leadership and strength in value sectors that have been somewhat recently overlooked. The more doveish backdrop provided a strong environment for fixed income markets and sent the Barclays Global Aggregate Index up over 2% in local currency terms as yields fell. Expectations are now for 25 basis point cuts at each of the US Federal Reserve's next three monthly meetings. Investment grade credit also performed well as positive news flow suggests that the corporate sector is in good health and balance sheets are relatively strong. After an extraordinary period of rate hikes, it is encouraging to see a more 'normal' market environment developing in which a period of weakness for equity markets saw a strong period from fixed income assets. We remain comfortable at the top end of the strategy's allowable equity range, as such no asset allocation changes were made over the month. Inflationary pressures have substantially subsided, which should support further easing in monetary policy across the developed world, with the now expected first rate cut in the US likely to be a key milestone. Expectations regarding the strength of the global economy have incrementally improved and growth of 3% per annum over the next three years is expected – an acceptable level that should be supportive for risk assets. Within fixed income, exposure remains to both longer-dated fixed income assets and to investment grade credit where yields still offer some relative value and default rates look set to stay low. Our core alternatives funds continue to perform very well and high stock dispersion provides a good environment for skilled stockpickers (especially long/short market neutral strategies). We have reduced our exposure more recently however as the opportunity set within conventional fixed income markets has improved.

Performance

Inception performance



Cumulative performance

	1yr	3yr	5yr	10yr*
Cautious (40% eq.)	11.5%	8.2%	19.3%	-
ARC Cautious PCI (10-50% eq.)	6.7%	-0.4%	8.8%	-
SONIA	5.2%	9.3%	9.8%	-
CPI	1.9%	19.4%	23.4%	-

Annualised performance

	1yr	3yr	5yr	10yr*
Cautious (40% eq.)	11.5%	2.7%	3.6%	-
ARC Cautious PCI (10-50% eq.)	6.7%	-0.1%	1.7%	-
SONIA	5.2%	3.0%	1.9%	-
CPI	1.9%	6.1%	4.3%	-

Discrete performance

	YTD	2023	2022	2021	2020	2019
Cautious (40% eq.)	5.7%	7.3%	-5.4%	6.0%	3.8%	8.0%
ARC Cautious PCI (10-50% eq.)	3.5%	3.7%	-7.6%	4.2%	4.2%	8.1%
SONIA	3.5%	4.4%	1.1%	0.1%	0.2%	0.7%
CPI	1.2%	3.9%	10.5%	5.4%	0.7%	1.3%

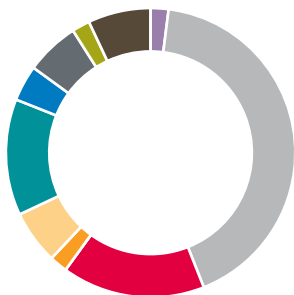
*Performance from inception (15.06.15) to 01.08.18 is simulated past performance based on back-tested data (represented by the orange dashed line).

Source: Bordier UK & FE Analytics as at 31.08.24.

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

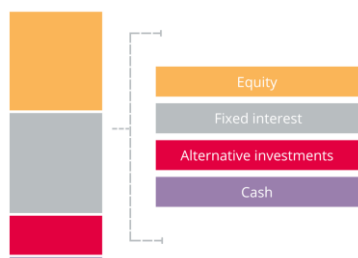


Sector	%
Cash	2
Fixed interest	42
Alternatives	16
UK equity (income)	2
UK equity (growth)	6
US equity	13
European equity	4
Asia-Pacific ex Japan equity	6
Japanese equity	2
Thematic and global equity	7

Top 10 holdings

Fund	%
Vanguard UK Long Duration Gilt Index	8
Fidelity Strategic Bond	6
Janus Henderson Absolute Return	6
Janus Henderson Strategic Bond	6
TwentyFour Corporate Bond	6
Artemis Short-Duration Strategic Bond	5
HSBC American Index	5
Schroder Strategic Credit	5
TM Tellworth UK Select	5
Vanguard Global Bond Index	5

Asset class breakdown



Active/Passive allocation breakdown

Underlying holdings	%
Active allocation	56
Passive allocation	44

Note: For illustrative purposes only.

Source: FE Analytics as at 31.08.24

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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 e: sales@bordieruk.com
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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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