

Hybrid Passive Risk Targeted Managed Service

Hybrid Passive Risk Targeted 3 (HP RT 3)

August 2024

Strategy details

Inception	1 March 2016
Min. initial investment (direct)	£20,000
Min. initial investment (platform)	£1,000
Rebalancing strategy (min.)	Quarterly
Currency	£ GBP
Annual yield (current)	3.58%

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

The strategy is managed in accordance with Dynamic Planner risk profile 3, with the strategy's expected volatility targeted to stay within the assigned Dynamic Planner risk profile's boundaries.



About the Hybrid Passive Risk Targeted Managed Service

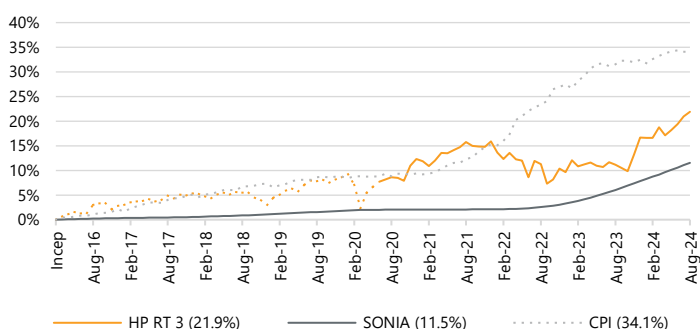
Our Hybrid Passive Risk Targeted ('RT') Managed Service consists of five actively managed investment strategies (Hybrid Passive RT 3-7) that provide lower cost access to our discretionary fund management capabilities through the combination of active and passive collective investments. Each strategy has a different level of risk and expected return, and are rigorously mapped within the volatility boundaries assigned to specific Dynamic Planner risk profiles (RTM 3-7). 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 dovish 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. No asset allocation changes were made over the month. We remain comfortable at the upper end of the strategy's Dynamic Planner risk profile and maintain our current exposure to equity markets. Inflationary pressures have 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*
HP RT 3	9.7%	5.3%	13.1%	-
SONIA	5.2%	9.3%	9.8%	-
CPI	1.9%	19.4%	23.4%	-

Annualised performance

	1yr	3yr	5yr*	10yr*
HP RT 3	9.7%	1.7%	2.5%	-
SONIA	5.2%	3.0%	1.9%	-
CPI	1.9%	6.1%	4.3%	-

Discrete performance

	YTD	2023	2022	2021	2020*	2019*
HP RT 3	4.5%	6.4%	-5.4%	3.2%	3.4%	5.5%
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%

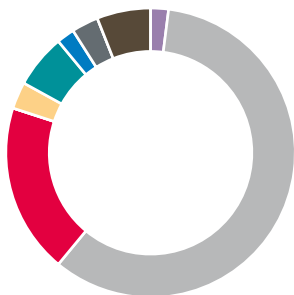
*Performance from inception (01.03.16) to 30.06.20 is simulated past performance based on back-tested data (represented by the orange dashed line).

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

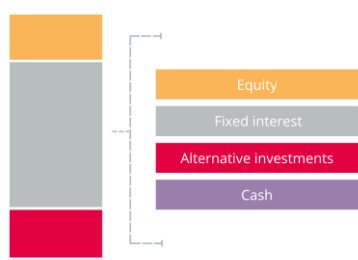


Sector	%
Cash	2
Fixed interest	59
Alternatives	19
UK equity (growth)	3
US equity	6
European equity	2
Asia-Pacific ex Japan equity	3
Thematic and global equity	6

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 Short-Duration Strategic Bond	6
Janus Henderson Absolute Return	6
abrdn Global Inflation Linked Bond	5

Asset class breakdown



Active/Passive allocation breakdown

Underlying holdings	%
Active allocation	62
Passive allocation	38

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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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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