Hybrid Passive Managed Service
Defensive

November 2024

bordier 1844

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)	3.57%
Annualised volatility	5.21%

Annualised 3-year volatility data as at 30.11.24

Charges

Annual management charge (direct)	0.75%
Annual management charge (platform)*	0.30%
Ongoing charges figure	0.42%

**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).

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RISK RATING 2 defaqto

About the Hybrid Passive Managed Service

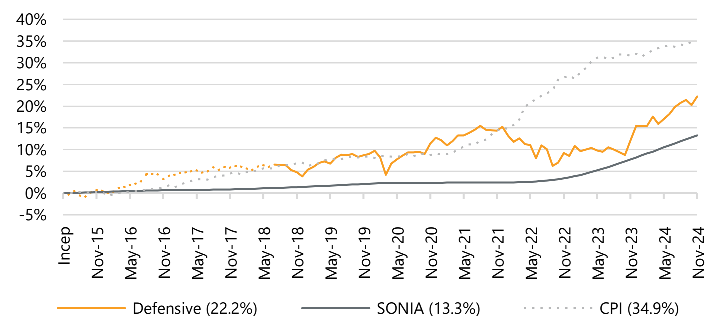
Our Hybrid Passive Managed Service consists of five actively managed investment strategies, ranging from Defensive to Adventurous, that provide lower cost access to our discretionary fund management capabilities through the combination of active and passive collective investments. Each strategy has a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

Political events took centre stage over November with the Republican victory in the US election having a significant impact on markets. The US equity market was buoyant with the S&P 500 Index up nearly 6% in US dollar terms, driven by the expectation of tax cuts, deregulation, increased government spending and protectionist policies. Smaller US companies, which are more exposed to the US domestic economy, performed even better. In contrast, markets connected to regions such as Asia and Latin America struggled due to concerns over Trump's proposed trade policy. The potential negative impact of a stronger US dollar also weighed heavily on these regions. Eurozone markets were broadly flat, held back by some trade concerns and some lacklustre earnings and economic announcements, while the UK market rose 2.5%, helped by its heavy weighting in the outperforming financials sector. The US Federal Reserve announced a further interest rate cut over the month, signalling greater confidence that inflationary pressures continue to recede. The Bank of England announced a similar cut, driven by the increased spending proposals announced in the budget. The expected path of interest rates across the globe continues to diverge. Weak economic data in the eurozone supports further significant policy loosening from the European Central Bank while rate cut expectations in the US continue to moderate as the economy recovers and inflation forecasts tick up. A backdrop of generally resilient global economic growth, moderating global inflation (including wage growth) and reductions in interest rates should continue to be supportive for a wide range of asset classes. As such, no changes were made over the month and the strategy remains at the top end of its allowable equity range. However, we are currently reviewing the likely headwinds and tailwinds of a second Trump presidency – US equities exposed to the domestic economy look set to be relative beneficiaries on the back of lower taxes, reshoring, deregulation and spending on critical infrastructure. In contrast, sectors such as renewable energy could face headwinds. Therefore, moves are afoot to further increase exposure to the US equity sector at the expense of the sustainable/ renewable energy and environmental exposure held within our thematic allocation.

Performance

Inception performance



Cumulative performance

	1yr	3yr	5yr	10yr*
Defensive (20% eq.)	9.1%	6.9%	12.5%	-
SONIA	5.1%	10.6%	11.0%	-
CPI	2.5%	17.9%	24.4%	-

Annualised performance

	1yr	3yr	5yr	10yr*
Defensive (20% eq.)	9.1%	2.2%	2.4%	-
SONIA	5.1%	3.4%	2.1%	-
CPI	2.5%	5.6%	4.5%	-

Discrete performance

	YTD	2023	2022	2021	2020	2019
Defensive (20% eq.)	5.9%	6.4%	-5.8%	2.2%	3.5%	4.9%
SONIA	4.7%	4.4%	1.1%	0.1%	0.2%	0.7%
CPI	2.1%	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 30.11.24.

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.

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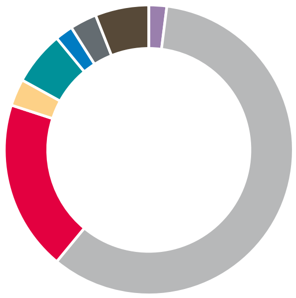
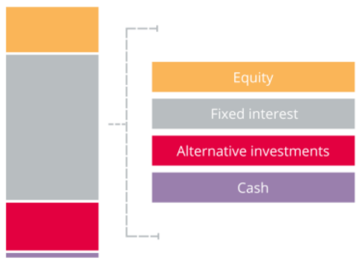
Asset allocation

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

Asset class breakdown



Note: For illustrative purposes only.

Top 10 holdings

Fund	%
Schroder Strategic Credit	10
Vanguard Global Bond Index	10
Vanguard UK Long Duration Gilt Index	9
Fidelity Strategic Bond	8
TwentyFour Corporate Bond	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

Active/Passive allocation breakdown

Underlying holdings	%
Active allocation	62
Passive allocation	38

Source: FE Analytics as at 30.11.24

Third-party platform availability

We work with the following platforms:

abrdn, AEGON, AVIVA, Fidelity International, FusionWealth, Hubwise, James Hay Partnership, M&G wealth, Morningstar Wealth Platform, nucleus, 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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defaqto ★★★★★ DFM MPS Direct 2024 EXPERT RATED

defaqto ★★★★★ DFM MPS on Platform 2024 EXPERT RATED

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Important information