Risk Targeted Decumulation Service
Risk Targeted Decumulation 6 (RTD 6)

January 2025

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.

3 DECUMULATION

DYNAMIC PLANNER® DECUMULATION **6**

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.

Investment update

Monetary and political events influenced markets during January as uncertainty over both inflation and the policy mix of Trump 2.0 were absorbed by investors. Inflation data pared back expectations for interest rate cuts from the US Federal Reserve over 2025 amidst stronger-than-expected employment numbers. Developments in Washington remain key – the extent of further cuts depend greatly on policy changes deployed by the new administration. President Trump declared sweeping tariffs on Canada and Mexico, as well as on China, prior to which the headlines had been dominated by DeepSeek's emergence as a lower cost, high-performance competitor to its Western counterparts. In the eurozone, lacklustre growth, softening labour markets and falling energy costs should combine to bring down inflation. A backdrop of generally resilient global economic growth, moderating global inflation and reductions in interest rates should continue to be supportive for a wide range of asset classes. As such, the strategy remains at the upper end of its Dynamic Planner risk profile. In January, we altered the underlying country exposure in the Asia-Pacific ex-Japan equity sector via the addition of the abrdn Asia Pacific ex-Japan Tracker fund, at the expense of the other tracker funds in the sector. We retain some exposure to low volatility absolute return funds, which continue to act as effective portfolio diversifiers and play a valuable role in portfolios during periods of market weakness.
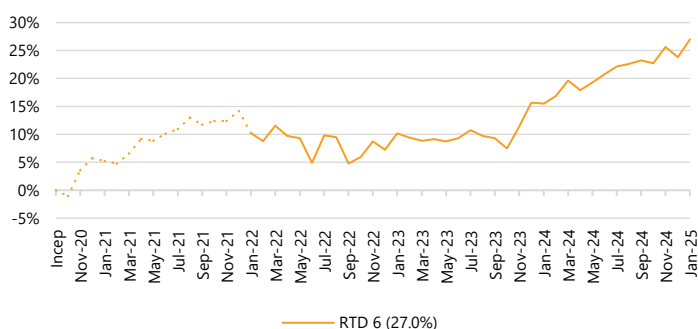
Why decumulation?

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.
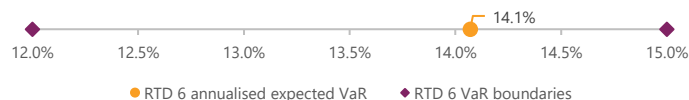
Performance

Inception performance

— RTD 6 (27.0%)

Cumulative performance

	1yr	3yr*	5yr*	10yr*
RTD 6	10.0%	15.2%	-	-

Discrete performance

	YTD	2024	2023	2022*	2021*	2020*
RTD 6	2.6%	7.1%	7.8%	-6.1%	8.0%	5.7%

Annualised performance

	1yr	3yr*	5yr*	10yr*
RTD 6	10.0%	4.8%	-	-

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.

14.1%

● RTD 6 annualised expected VaR   ◆ RTD 6 VaR boundaries

Annualised expected VaR (rounded to 1 d.p.) based on latest Dynamic Planner assumptions. Bordier UK asset allocation as at 31.01.25. 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 31.01.25.

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
Fixed interest	34
Alternatives	12
UK equity (income)	2
UK equity (growth)	7
US equity	19
European equity	4
Asia-Pacific ex Japan equity	9
Japanese equity	3
Thematic and global equity	6

Top 10 holdings

Fund	%
Schroder Strategic Credit	7
TwentyFour Corporate Bond	7
abrdn Asia Pacific ex-Japan Tracker	6
Vanguard UK Long Duration Gilt Index	6
HSBC American Index	5
Janus Henderson Strategic Bond	5
TM Tellworth UK Select	5
Cash (deposit)	4
Fidelity Index UK	4
HSBC European Index	4
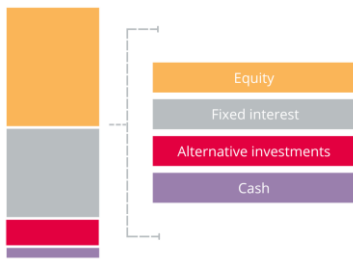
Active/Passive allocation breakdown

Underlying holdings	%
Active allocation	55
Passive allocation	45

Source: FE Analytics as at 31.01.25

Third-party platform availability

We work with the following platforms:

abrdn   AEGON   AVIVA   Fidelity INTERNATIONAL   FusionWealth   Hubwise YOUR PLATFORM SOLUTION   JAMES HAY PARTNERSHIP   M&G wealth

MORNINGSTAR Wealth Platform   nucleus   Quilter   SCOTTISH WIDOWS   7IM   transact take control   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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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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