

# Model Portfolio Risk Level 4

July 2020

Information in this factsheet is at the last valuation point in 31<sup>st</sup> July 2020 (except where indicated).

## Portfolio Overview

**Objective:** To provide a long-term total return above that of the UK Consumer Price Index (CPI) +2%

**Investments:** The portfolio will be actively managed and invest in multiple asset classes with a portfolio of collective investment schemes, commodity and property funds.

**Strategy:** The investment manager has the discretion to weight the portfolio towards any investment type, or geographical region, at any time provided it is compatible with the investment objective, risk parameters and policy of the portfolio as a whole.

## Key Facts

Investment Managers	<b>Chris Fernyhough</b> <b>John Mitchell</b> <b>Alex Young</b>
Entry Fees	<b>None</b>
Exit Charge	<b>None</b>
Fund Management Fee	<b>0.40% + VAT</b>
Performance Fee	<b>None</b>

## Portfolio Manager - Facet

Established in 1979, FACET Investment Management Limited is a provider of investment management services to both individuals and corporate clients. Our multi-asset class portfolios give exposure to a wide variety of opportunities and help to manage risk within portfolios. Historically Facet's model portfolios have consistently outperformed numerous established benchmarks and comparable indices.

## Key Investment Managers

**Chris Fernyhough** - Chris has over 15 years' experience managing multi-asset portfolios. Prior to becoming Managing Director of FACET, Chris worked at WH Ireland establishing their Bristol office. He also worked at Newland in the wealth management division. He holds a distinction in the PCIAM exam and is a Chartered Wealth Manager as well as holding Chartered FCSI status with the CISI

**John Richard Mitchell** - John has a career spanning over 40 years in both equities and bonds. He managed risk at Credit Suisse before moving to Royal London where he implemented risk for their first

geared fund. John was also involved in the founding of Newland Financial where he was the compliance director.

**Alex Young** - Alex has been in Financial Services with FACET for 20 years. He is a qualified IFA as well as holding IMC, a certificate in Discretionary Investment Management, a certificate in Securities Advice and Dealing and a diploma in Technical Analysis.

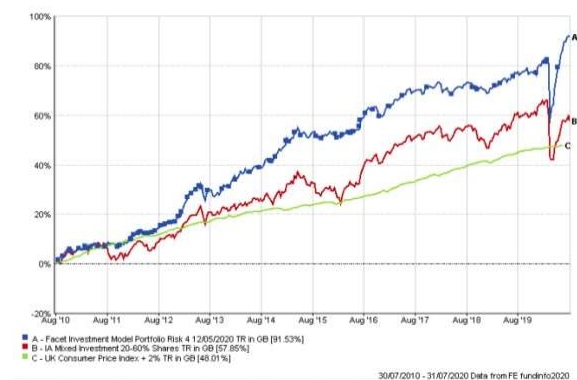
## Risk Report



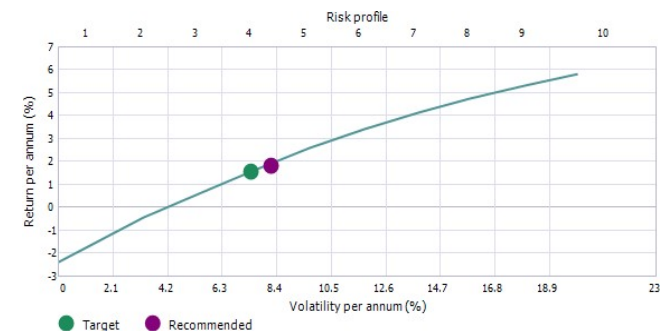
Lower risk 
→
 Higher risk

*The indicator is based on historical data and may not be a reliable indication of the future risk profile. The lowest category does not mean 'risk free'*

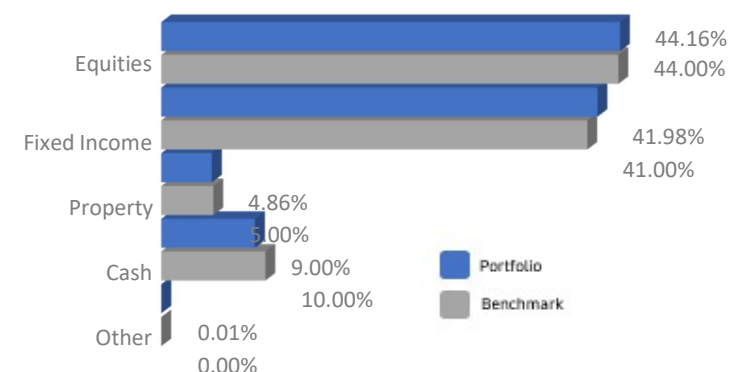
## Facet Performance\*\*



## Efficient Frontier



## Fund Breakdown by Asset Class



## Top 5 Holdings

Holding	% of Portfolio
AXA Sterling Corporate Bond	16%
LF Lindsell Train UK Equity	9%
Kames Investment Grade Bond B	8%
CFP UK Buffettology General	8%
Baillie Gifford American B	8%
	<b>49%</b>

## Portfolio Manager's Comments

The month hoped to be a significant month of recovery, however this failed to live up to expectations with markets remaining stagnant for the most part of the month and tailing off in the final week of July. With the UK stock market opening at 6169.70 on 1st July and closing on 31st July at 5897.80, the month saw a fall of -4.41%.

Numbers in COVID-19 daily new cases have started to creep up again and the 3-day moving average is actually the same as 23rd March (UK lockdown start date). This could be a good explanation as to why the markets have been largely still throughout the month. When the UK began the easing of restrictions, the Prime Minister, Boris Johnson, made it very clear that he would be prepared to reintroduce any restrictions necessary if it were needed whatsoever in order to defeat the spread of COVID-19. One of these methods was the introduction of local lockdowns to areas where the R number was worryingly high. These local lockdowns have now been implemented in Luton, Leicester, Greater Manchester, Lancashire and West Yorkshire.

All the Model Portfolios have provided positive returns which is impressive compared to the negative returns of the UK market and proves the benefits of true diversification. All portfolios except Risk 2 have outperformed their market comparisons over 1 and 3 months. Since inception of the portfolios (1st March 2020), all model portfolios have outperformed their market comparisons.

## Portfolio Performance

	Facet Portfolio Risk 4	IA Mixed Investment 20-60% Shares	UK Consumer Price Index + 2%
1m	1.47	0.43	
3m	8.09	4.65	0.42
6m	6.28	-3.64	1.20
1yr	7.57	-2.25	2.50
3yr	13.20	4.60	11.50
5yr	25.14	19.27	19.71
10yr	91.53	57.85	48.01

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Further information is available from:

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Registered in England No 01931757

\*\*Using Facet Aviva Risk 2 performance pre-1st March 2020, and Facet Model Portfolio Risk 4 post 1st March. This is due to Facet only running risk models 1-4 as opposed to the new 1-10 risk models available now.

**IMPORTANT INFORMATION** This document has been produced by FACET Investment Management Limited for information only and represents the views of the investment manager at the time of writing. It should not be construed as Investment Advice. No investment decisions should be made without first seeking advice. The Model Portfolio Risk Level 4 is managed by Facet Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority. Before making an investment, you should ensure that you have read and understood the relevant Key Investor Information documents, for all the underlining funds within the portfolio

Slight deviations in the underlying assets for this portfolio may be required subject to availability of investments on the investment platform you are with. Not all platforms have our preferred investment choices available. In this instance, appropriate substitutions will be made.

**WARNINGS** The Model Portfolio Risk Level 4 is subject to normal stock market fluctuations and other risks inherent in such investments. The value of your investment and the income derived from it can go down as well as up, and you may not get back all the money that you invested. Investments in overseas equities may be affected by changes in exchange rates, which could cause the value of your client's investment to increase or diminish. You should regard their investment as medium to long term. Past performance is not a guide to future performance. Every effort is taken to ensure the accuracy of this data, but no warranties are given. Some of the funds within the portfolio could in exceptional circumstances be subject to a temporary suspension.