

Model Portfolio Risk Level 2

May 2021

Information in this factsheet is at the last valuation point on 1st June 2021 (except where indicated).

Portfolio Overview

Objective: To provide a long-term total return above that of the UK Consumer Price Index (CPI) +1%

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

Chris Fernyhough
John Mitchell
James Millsom

Entry Fees

None

Exit Charge

None

Fund Management Fee

0.40% + VAT

Performance Fee

None

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.

Risk Report

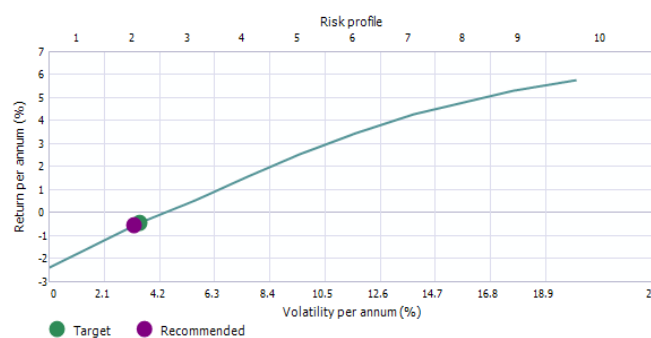


The indicator is based on historical TR data and may not be a reliable indication of the future risk profile. The lowest category does not mean 'risk free'

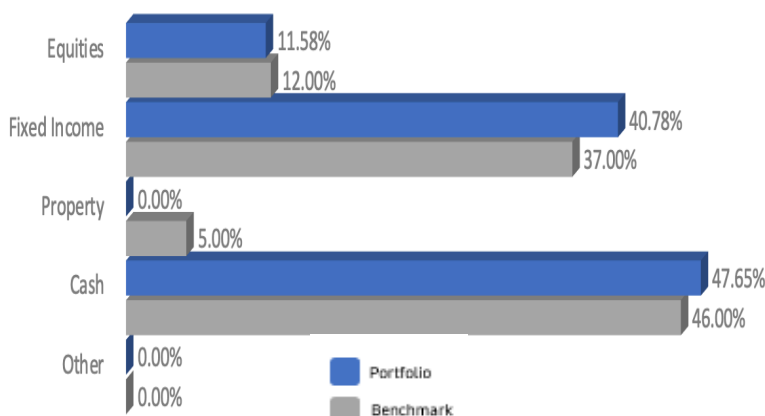
Facet Performance**



Efficient Frontier



Fund Breakdown by Asset Class



Top 5 Holdings

| Holding | % of Portfolio |
|--------------------------------------|----------------|
| ASI Sterling Money Market | 16% |
| BlackRock Cash | 15.5% |
| Royal London Short Term Money Market | 15.5% |
| iShares Gilts All Stocks Index | 11% |
| M&G Global Macro Bond | 7% |
| | 65% |

Portfolio Manager's Comments

The old anecdote of "Sell in May and go away" failed to materialise as developed stock markets enjoyed yet another positive month. The continued successful roll-out of vaccines in the US and UK added to the positive mood and European stocks made the most gains as their stalled vaccination programs started to catch up. The continued lifting of lockdown measures since the beginning of the year is now showing up in economic data and May was full of strong manufacturing data in the US, UK and Europe. The Purchasing Managers Index (PMI) was exceptionally strong in the USA in May, the highest on record, and was accompanied by a much stronger than expected pick-up in consumer demand. Indeed, such is the acceleration that many smaller companies are experiencing bottlenecks in production and rising costs. Many smaller companies reported difficulties in recruiting staff as the labour market tightened up. In the UK, similar problems were reported in the PMI survey for May with manufacturers citing production delays and delivery schedules are lagging behind a big pick-up in demand. This was evident from UK retail sales data for May showing a pickup of 9 percent in just one month. UK stocks continued to rise, up 1.1% for the month, bringing the total year-to-date gain to over 10%. The stronger than expected data came on top of rising inflation figures – something which has been bugging investors more than the Covid pandemic itself. In the US, headline inflation came in at 4.2% in April, much stronger than expected, stoking concerns that interest rates may have to rise to dampen it down. However, the Federal Reserve has been very careful in its communication to nervous markets and, despite some acknowledgement that the long running QE program will have to be wound down eventually, that time is not now. The minutes of the Fed's meeting showed no change in policy and stock and bond markets responded positively as a result. The outlook for the developed economies is looking very positive for the remainder of the summer as Covid restrictions are lifted further or abandoned altogether. However, the prospect of a further rise in inflation will probably remain the central concern for investors. Undoubtedly, there are some elements of the economic recovery which are temporary and will not be repeated next year. The extent to which central banks will look through inflation running well above their 2 percent targets will be carefully watched. We expect markets to react to official statements of intent rather than an actual rise in interest rates which, for now, would appear far too premature. The steady rise of stock markets this year has surprised many for its strength and duration but now rely heavily on central bank action (or rather a lack of it). Whilst FACET client portfolios recorded positive performances across the board, we maintain a cautious stance and will be watching markets very closely during what would normally be a quieter season for investors.

Portfolio Performance

| | Facet Portfolio Risk 2 | IA Mixed Investment 0-35% Shares | UK Consumer Price Index + 1% |
|------------------|------------------------|----------------------------------|------------------------------|
| 1m | -0.02 | 0.22 | |
| 3m | 1.16 | 2.25 | 1.09 |
| 6m | -0.53 | 2.20 | 1.52 |
| 1yr | 1.59 | 7.21 | 2.41 |
| 3yr | 5.26 | 10.48 | 7.13 |
| 5yr | 13.94 | 22.99 | 15.16 |
| 18th July 2011 * | 68.41 | 45.64 | 30.14 |

*Start date of portfolio

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Further information is available from:

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**Using Facet Aviva Risk 1 performance pre-1st March 2020, and Facet Model Portfolio Risk 2 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 2 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 2 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.