Model Portfolio Risk Level 7 — September 2021

Information in this factsheet is at the last valuation point on 30th September 2021 (except where indicated).

Portfolio Overview

Objective: To provide a long-term total return above that of the UK Consumer Price Index (CPI) +3%

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** **Alex Young**
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

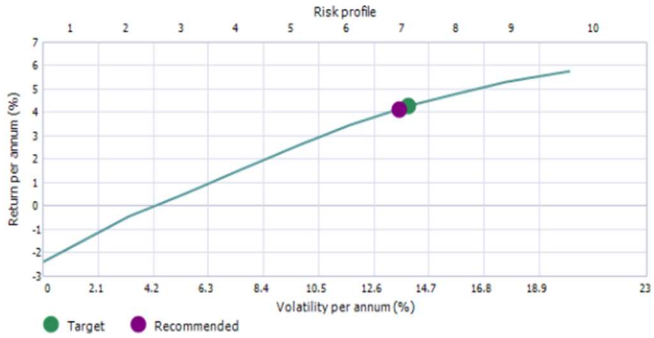
1	2	3	4	5	6	**7**	8	9	10

Lower risk → Higher risk

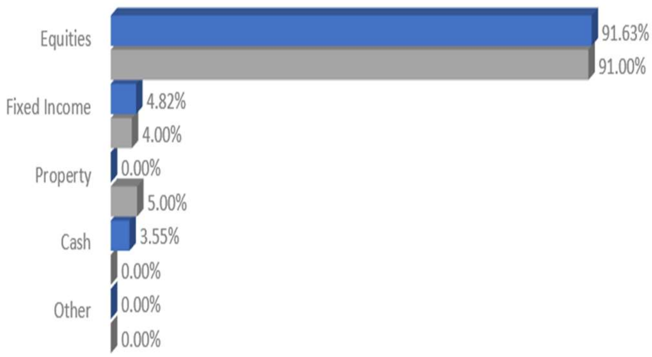
The indicator is based on historical data and may not be a reliable indication of the future risk profile. The lowest category does not mean 'risk free'

Facet Performance**

Efficient Frontier



Fund Breakdown by Asset Class



Top 5 Holdings

Holding	% of Portfolio
MI Chelverton UK Equity Growth	16.5%
CFP UK Buffettology General	16.5%
Fundsmith Equity	9.5%
Baillie Gifford American	9.5%
BlackRock Emerging Markets	7%
	59%

Portfolio Manager's Comments

The US stock market was down over 4.7% in September and, not surprisingly, as we saw over the summer months, other developed markets in the UK and Europe followed suit as the factors affecting investor confidence have been global in nature. Firstly, the prospect of rising inflation has been bugging stock and bond markets since the beginning of the year. The September headline inflation rate rose again to an annualised 4.3% - the highest in 30 years. This was broadly in line with market expectations but the big question remains as to whether the rise in inflation is transient, as the Federal Reserve appears to believe, or here to stay long enough to force a hike in interest rates. Right at the end of August, The Federal Reserve reiterated their intention to start reducing their quantitative easing in the fourth quarter, or possibly early 2022, and also indicated that rates could rise to 1.75% in 2024. The immediate reaction of stock and bond markets was quite muted but sentiment worsened throughout the month as both the stock and bond market voted with their feet. The 10-year Treasury yield, the main benchmark for future interest rate expectations, rose from 1.25% to 1.53% by month end – indicating that markets are concerned that inflation may be with us longer than the US central bank believes. Similar concerns were evident in the UK as the 10-year Gilt yield rose from 0.62% to 0.93%. Owing partly to the difference in the relative moves of both, the US dollar strengthened against Sterling by a few cents to end the month at $1.34. This had the commonly seen effect of supporting the UK stock market, where 60% of companies have US dollar earnings, and the monthly fall was limited to 0.89%; significantly outperforming US and European peers. However, other factors weighing on Sterling was the deteriorating view, in the eyes of foreign investors, on some of the supply chain problems, as well as political friction with the EU, which persist despite the UK Governments insistence that they are temporary and fixable. There is a growing expectation that the second quarter GDP print of +5.5% may prove to be a high-water mark for quarters three and four. In Europe, the German elections were an interesting distraction, marking as it did the end of Angela Merkel's 16 years as Chancellor. However, the result, planted firmly in the political centre, means that the appointment of a replacement could take some time, and markets quickly dismissed the result as having any major impact for the foreseeable future. Looking forward into October, all eyes will be focused on the US third quarter earnings season – by far the most important of the year - when investors will see how the world's leading economy has fared over the summer and what companies expect for the fourth quarter, Christmas and beyond.

No amendments were made to the portfolios. However, Bailie Gifford American, BlackRock Emerging Markets and Comgest Growth Japan remain on our Watchlist

Portfolio Performance

	Facet Portfolio Risk 7	IA Mixed Investment 40-85% Shares	UK Consumer Price Index + 3%
1m	-0.98	-1.65	0.98
3m	0.97	1.29	1.23
6m	8.99	6.17	4.31
1yr	21.39	16.21	5.57
3yr	49.04	21.20	14.65
5yr	58.91	39.43	28.23
10yr	140.15	116.29	59.20

Issued by FACET Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority. FRN: 131372.
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**Using Facet Aviva Risk 3 performance pre-1st March 2020, and Facet Model Portfolio Risk 7 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.