

Model Portfolio Risk Level 5

October 2021

Information in this factsheet is at the last valuation point on 31st October 2021 (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 | Chris Fernyhough John Mitchell Alex Young |
| Entry Fees | None |
| Exit Charge | None |
| Fund Management Fee | 0.40% + VAT |
| OCF | 0.72% |
| 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.

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'

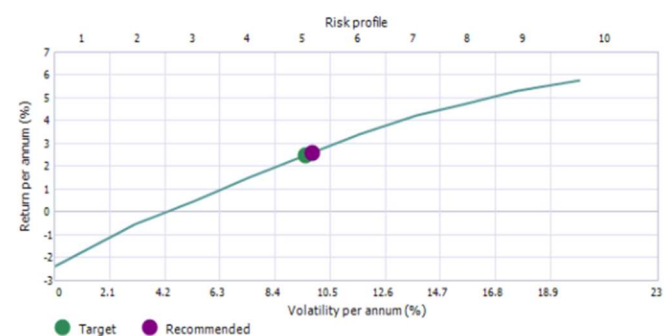
Facet Performance**

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling

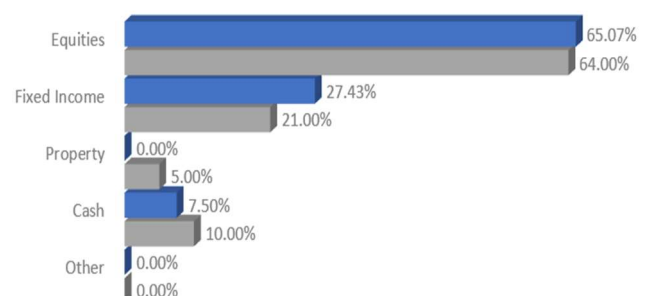


01/11/2011 - 29/10/2021 Data from FEfundinfo2021

Efficient Frontier



Fund Breakdown by Asset Class



Top 5 Holdings

| Holding | % of Portfolio |
|--------------------------------|----------------|
| MI Chelverton UK Equity Growth | 12% |
| CFP UK Buffettology General | 12% |
| Fundsmith Equity | 10.5% |
| Baillie Gifford American | 10.5% |
| AXA Sterling Corporate Bond | 8% |
| | 53% |

Portfolio Manager's Comments

It was another good month for global stock markets, particularly for the USA where the benchmark index rose 6.9% to a new all-time high. European stocks were not far behind, rising 4.1% but the UK returned just 1.8% due to a number of factors weighing on the minds of investors. Not least of these was the announcement by Andrew Bailey, Governor of the Bank of England, who gave that starkest warning yet that interest rates would have to rise much sooner than previously expected in order to combat rising inflation. This came as a surprise, and in total contrast to the view expressed by the US Federal Reserve, who told a gathering of central bankers that, in their opinion, inflationary pressures are temporary in nature. Furthermore, the Bank of England's announcement added to a sense of confusion because the conventional wisdom was always that the bank would wind down stimulus, or quantitative easing, before raising interest rates. The prospect of a rate rise, possibly as soon as 4th November, was an unpalatable one for the bond market, coming as it did so soon after the announcement of tax rises next year. Meanwhile, the European Central Bank, who share the Federal Reserve's more sanguine view of inflation, oversaw the payments of the Covid-19 recovery funds to Italy and Spain which helped to underpin European stocks. In Germany, Angela Merkel ended her 16-year reign as Chancellor as the election handed power to a coalition of centre-ground parties. This was an important election for the both the German and EU economies but will take some time to resolve. As a result, all eyes turned on the USA and the all-important third-quarter earnings season. A very strong bounce back in economic activity had been well-flagged by the data throughout the summer, but company revenues and profits were well ahead of even the most bullish of expectations. Average sales across the biggest US companies were up 15% compared to the average in any normal year of 3%. On the back of that, earnings rose nearly 65%. At the sector level there were winners and losers due to the uneven recovery and bottlenecks in the real economy and this showed up in employment data. While employment did fall to 4.5%, wages continued to rise at an annualised rate of 5.5% amid reports that companies in the leisure sector continue to be constrained by staff shortages. These constraints may mean that GDP growth will moderate from the 5.5% growth seen over the summer. As October drew a close, an increasing number of market strategists were drawing attention to the underperformance of the UK stock market citing low valuations compared to its international peers. The likelihood of the gap closing does exist but may well be dependent on the resolution of a number of political issues ranging from the budget to the Northern Ireland trade agreement.

No amendments were made to the portfolios. However, Bailie Gifford American, BlackRock Emerging Markets and Comgest Growth Japan remain on our Watchlist. The UK Buffettology fund is being closely monitored due to the recent poor performance over the last two months.

Portfolio Performance

| | Facet Portfolio Risk 5 | IA Mixed Investment 20-60% Shares | UK Consumer Price Index + 2% |
|------|------------------------|-----------------------------------|------------------------------|
| 1m | -0.14 | 0.50 | 0.43 |
| 3m | -0.09 | 0.77 | 1.49 |
| 6m | 4.00 | 2.65 | 3.77 |
| 1yr | 15.21 | 13.76 | 5.08 |
| 3yr | 36.55 | 20.03 | 11.91 |
| 5yr | 43.33 | 25.37 | 22.75 |
| 10yr | 117.01 | 71.16 | 45.14 |

Issued by FACET Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority. FRN: 131372.

Further information is available from:

FACET Investment Management Ltd 2 Charlwood Court County Oak Way Crawley RH11 7XA

Registered in England No 01931757

**Using Facet Aviva Risk 2 performance pre-1st March 2020, and Facet Model Portfolio Risk 5 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 5 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 underlying 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 5 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.

All performance figures are cumulative and do not include external or FACET charges

The models are available on a range of platforms and as such holdings, charges and performance may vary

The ongoing charges figure (OCF) shown is correct as at the date of this factsheet but will vary in future depending on the holdings within the Model Portfolio Expense - The portfolio expense is calculated using the weighted value of the Ongoing Costs Ex Ante of the portfolio constituents. Where the Ongoing Costs Ex Ante is not available the OCF is used, and where this is not available the TER is used