Model Portfolio Risk Level 9 January 2022

Information in this factsheet is at the last valuation point on 31st January 2022 (except where indicated).

Portfolio Overview

Objective: To provide a long-term total return above that of the UK Consumer Price Index (CPI) +4%

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**
Annual Management Fee (AMC)	**0.40% + VAT**
OCF	**0.87% (in addition to AMC)**
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

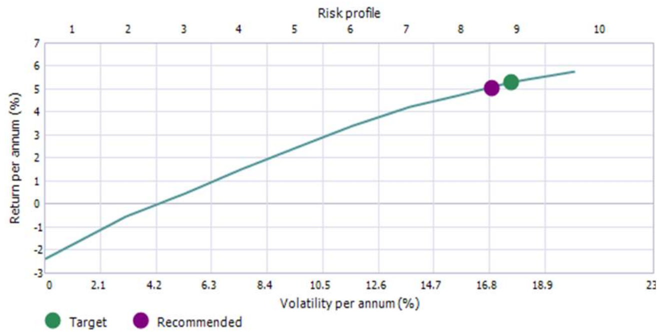
1	2	3	4	5	6	7	8	9	10

Lower risk → Higher risk

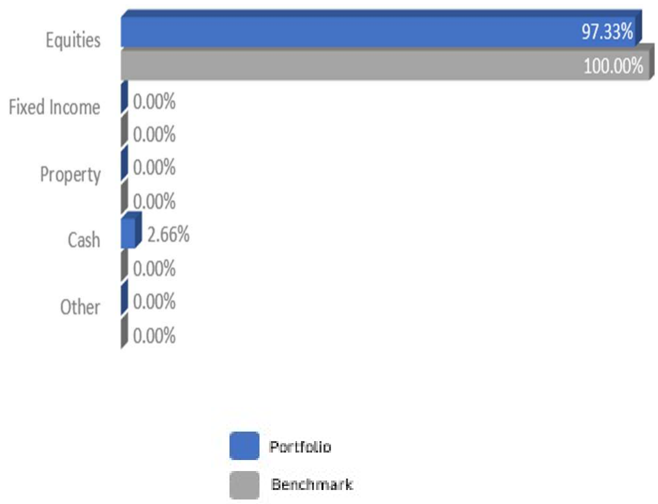
The indicator is based on historical data and may not be a reliable indication of the future risk profile. The lowest category does not mean 'risk free'

Facet Performance**

Efficient Frontier



Fund Breakdown by Asset Class



Top 5 Holdings

Holding	% of Portfolio
BlackRock Emerging Markets	21%
UBS Global Emerging Markets Equity	21%
Baillie Gifford Pacific	12.5%
Fidelity Asia Pacific Opportunities	12.5%
Slater Recovery	5.5%
	72.5%

Portfolio Manager's Comments

After an initially good start to the new year, stocks in the USA, UK and Europe hit trouble due to a raft of concerns over inflation, Ukraine and the prospect of monetary tightening and rising interest rates. As if sensing the point of maximum pain for the US Federal Reserve ahead of their January policy meeting, US stocks sold off around 10% mid-month. With the exception of the infamous "Volker moment" in the late 1970s, out of the last 50 occasions when the Federal Reserve has raised rates, it has done so only once when their stock market was down 10% or more from the peak. Despite US annual inflation hitting 7% in December, the Fed ultimately held off on raising rates, quite possibly due to a big drop in services side of the PMI indicators which nearly fell into negative territory as the omicron variant dampened economic activity. However, the headline economic indicators for US unemployment and wages remain very strong and Fed Chairman, Jerome Powell, cited the strength of the economic bounce back as being a factor to consider at the next meeting in March. Meanwhile in the UK, the bond market reacted by selling off on the back of the strong December inflation rate of 5.4%. The Bank of England has been in much more hawkish mood since November and, despite just the one small 0.15% hike last month, the UK Gilt market is pricing for five more raises throughout 2022. That this should be happening in January, just as the cost-of-living increases are starting to hit households, presented investors with additional cause for concern and there were calls for a scrapping of the planned 1.5% raise in national insurance contributions. Despite these concerns, the UK stock market held up better than its global peers, losing just 0.3% in a volatile month, owing to the high proportion of index stocks engaged in energy and mining. In addition, the proportionately large financial sector is a natural beneficiary of a rising interest rate environment. Given the global nature of price driven inflation, the EU experienced similar headline inflation and pressure on the central bank to raise rates. However, the European Central Bank has long been the most cautious of the major central banks and signalled to markets that interest rates are unlikely to rise in 2022. EU stocks performed a little better than in the US, dropping 4.5%. Whilst the US Federal Reserve will not meet again now until March, February is likely to be a month where investors will be placing central bank action under far more scrutiny than we are used during the market recovery from the Covid pandemic.

Bailie Gifford American has been reduced and replaced with either BNY Mellon US Equity Income fund or M&G North American Value Sterling fund, depending on the platform. This is due to changes in sector allocation preferences and the decision to reduce technology stock exposure. UK Buffetology fund has been sold and replaced with Slater Recovery fund, Comgest Growth Japan has also been sold and replaced with Fidelity Japan fund. BlackRock Emerging Markets fund remains on our Watchlist

Portfolio Performance

	Facet Portfolio Risk 9	IA Global	UK Consumer Price Index + 4%
1m	-6.57	-7.35	0.00
3m	-8.01	-6.10	2.01
6m	-6.36	-1.72	5.14
1yr	-4.55	8.73	9.48
3yr	33.52	45.34	21.39
5yr	42.27	63.60	37.64
10yr	115.29	184.22	79.50

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**Using Facet Aviva Risk 4 performance pre-1st March 2020, and Facet Model Portfolio Risk 9 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 9 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 9 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) show 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