Model Portfolio Risk Level 3

February 2022

Information in this factsheet is at the last valuation point on 28th February 2022 (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** **Alex Young**
Entry Fees	**None**
Exit Charge	**None**
Annual Management Fee (AMC)	**0.40% + VAT**
OCF	**0.50% (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.

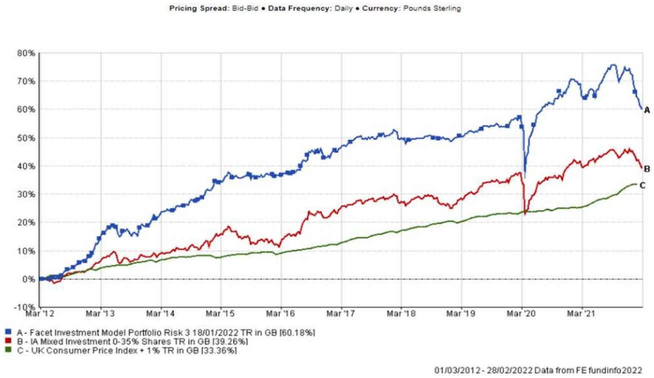
Risk Report

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

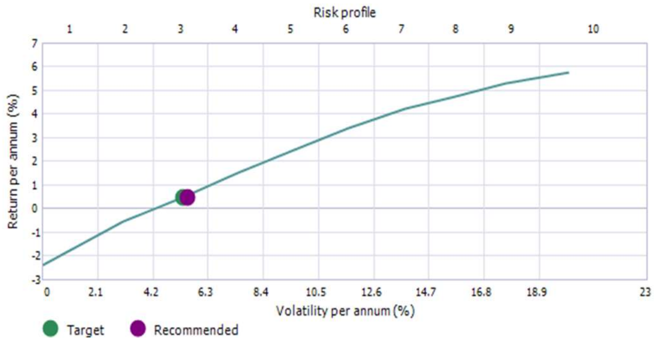
Lower risk → Higher risk

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'

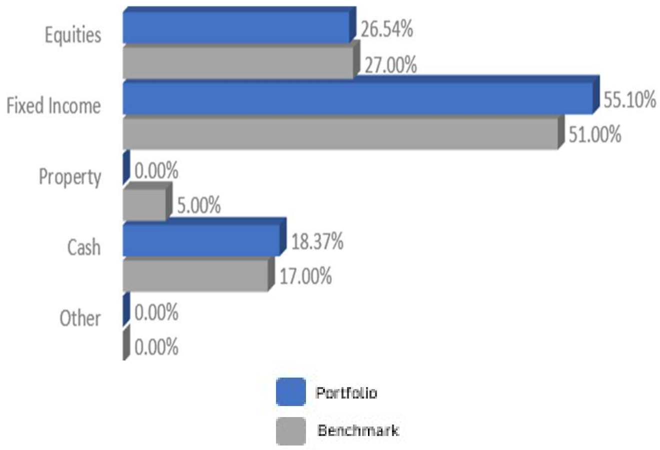
Facet Performance**



Efficient Frontier



Fund Breakdown by Asset Class



Top 5 Holdings

Holding	% of Portfolio
iShares UK Gilts All Stocks Index	10%
M&G Global Macro Bond	9.5%
Baillie Gifford Inv Grade Long Bond	9.5%
JH Fixed Interest Monthly Income	8%
AXA Sterling Corporate Bond	8%
	45%

Portfolio Manager's Comments

As if to demonstrate that markets can only think about one thing at a time, a month that started with investors obsessing over the threat of higher interest rates, very quickly turned to worry over the consequences of Russia's invasion of Ukraine. Paradoxically, some early commentors suggested that the obviously bad news could, in fact, be good news for markets because the invasion would shelve any plans the US Federal Reserve, Bank of England or European Central Bank would have for raising rates to fight inflation which was already causing concern in December. By the time the major central banks meet in March, and failing a peaceful resolution, the additional factors to be considered will be the falls in stocks and the lowering of interest rate forecasts implied by bond markets. Furthermore, the ensuing flight to safety unsurprisingly saw the US dollar strengthen against all major currencies and the benchmark US dollar index rose 5% and close to a 2-year high – last seen when Covid 19 emerged. As if rising inflation, 7.5% in the USA and 5.5% in the UK, wasn't bad enough, the price of Brent Crude oil raced up to $100 per barrel with no sign of stopping by month end. Other commodities followed. Metals like nickel and copper rose sharply and soft commodities like wheat and corn were up 20% or more. All these moves threaten to stoke inflation further as costs of production and transportation are quickly passed onto the consumer. The main headlines, however, were dominated by the price of natural gas. While the UK only imports 3% of its natural gas from Russia, the import figure for the EU is nearer 40%. As Germany mulled the halting of the Nord Stream 2 pipeline, and other countries pushed for a full boycott of Russian gas, the price of natural gas rose 3-fold from $40 to $120. These combined price rises were good for the UK stock market given its relatively high weighting towards energy and mining. By comparison with the other major markets of USA (down 3%) and Europe (down 4.3%), the fall in the headline UK stock market of only 0.5% was good by any measure. Long before the invasion of Ukraine, the Bank of England raised interest rates by 0.25% to 0.5%. Whilst the rise in food and energy prices will undoubtedly push UK inflation data higher, it is hard to imagine the Bank doing anything but watching and waiting to see how events unfold in March and beyond. Mindful of the rise in the cost of living being compounded by planned tax hikes, they will not want to make a bad situation worse.

No changes have been made to the portfolio, special care is being taken to monitor any funds that have either Russian investments or are invested in companies that have strong Russian ties. There are no Emerging Market Funds in this portfolio it so has no direct exposure, there may be companies within the holdings that do business in Russia but this will be very limited.

Portfolio Performance

	Facet Portfolio Risk 3	IA Mixed Investment 0-35% Shares	UK Consumer Price Index + 1%
1m	-1.94	-1.43	N/A
3m	-7.82	-3.89	1.40
6m	-8.43	-4.39	3.76
1yr	-2.37	0.00	6.29
3yr	6.73	8.88	10.76
5yr	9.25	11.07	18.19
10yr	59.92	39.31	34.17

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Further information is available from:
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Registered in England No 01931757
One month CPI not available

**Using Facet Aviva Risk 1 performance pre-1st March 2020, and Facet Model Portfolio Risk 3 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.

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