Model Portfolio Risk Level 8 — April 2022

Information in this factsheet is at the last valuation point on 30th April 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 Charge (AMC)	**0.40% + VAT**
OCF	**0.85% (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.

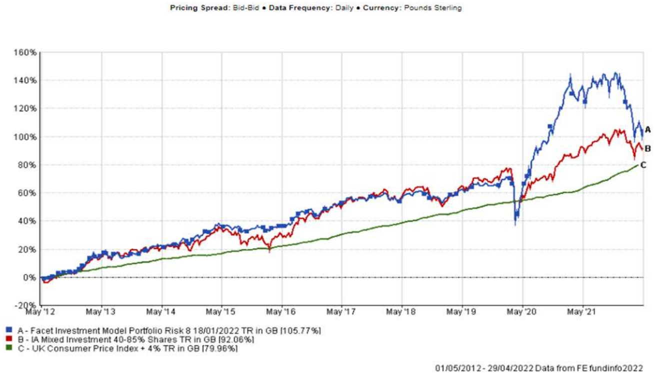
Risk Report

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

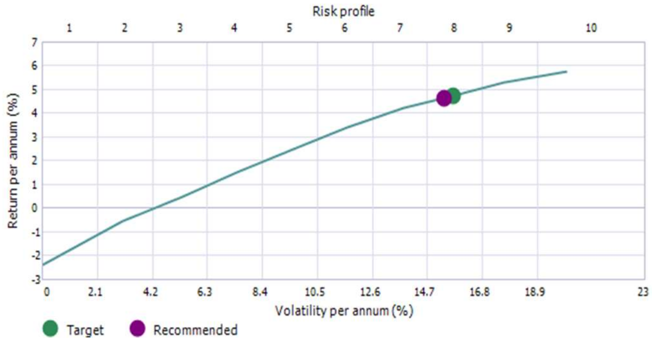
Lower risk → Higher risk

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'

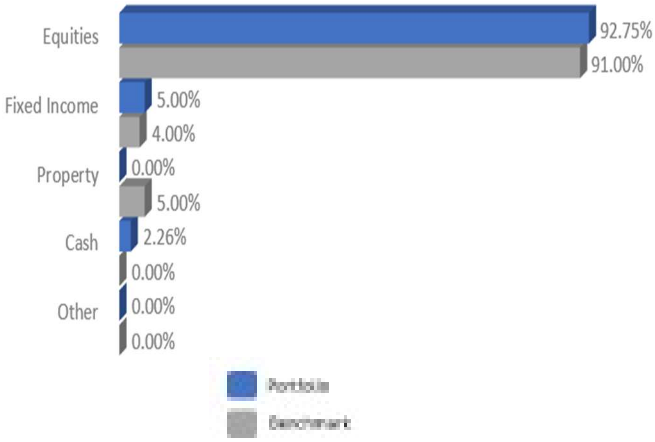
Facet Performance**



Efficient Frontier



Fund Breakdown by Asset Class



Top 5 Holdings

Holding	% of Portfolio
BlackRock Emerging Markets	13.5%
UBS Global Emerging Markets Equity	13.5%
Baillie Gifford Pacific	12.5%
Fidelity Asia Pacific Opportunities	12.5%
Slater Recovery	9%
	61%

Portfolio Manager's Comments

Whilst headline news was understandably focused on the ongoing conflict in Ukraine, market attention was watching the actions of the main central banks just as closely. This was reflected in the USA where the bond market priced in a base rate rise to over 2.8% before the end of the year, around 1% higher than was forecast just a month ago. This was perhaps an understandable reaction given the hawkish messages being given out by the Chairman of the Federal Reserve, Jerome Powell, who is under pressure to control inflation which hit an annualised rate of 8.5% in March – the highest since 1981. But the move was interesting for another reason. It inverted the US yield curve, a chart of where the bond market believes interest rates will be next month, next year and out to 25 years and beyond. The inversion meant that, even before interest hikes are implemented by the Fed, the bond market already expects their action to damage the economy, leading to an inevitable need to lower them again in the future. In short, an indicator of a looming recession. This was not lost on the Bank of England Governor, Andrew Bailey, who said "We are walking a very tight line between tackling inflation and the output effects of the real income shock, and the risk that could create a recession". His words reflect a growing sense of unease that the UK is heading for an uncomfortable period of stagflation – a combination of falling economic growth but rising prices. The rise in US interest rate expectations also had a dramatic effect on the US dollar, which strengthened against all major currencies. Against Sterling, it gained over 5% in March. The Japanese Yen fell 7.2% against the US dollar to Y130 – a level not seen for over 20 years. This was generally quite supportive of the Japanese stock market which fell 2.4% vs a fall in the US market of 8.8%. The same was true of Sterling weakness against the US dollar and the relatively high export-ratio of the constituent UK companies helped to lift the index to a 0.3% gain for the month. The next Bank of England meeting is scheduled for 5th May. UK inflation hit 7% in March and has now been above the Bank's 2% target for over a year. The temptation to raise interest rates to 1% a raise of 0.25%, may be overwhelming. If the Monetary Policy Committee does vote for such a rise, it will do so knowing that it may make a technical recession inevitable.

No changes have been made to the portfolio this month Special care is being taken to monitor any funds that have either Russian investments or are invested in companies that have strong Russian ties. BlackRock Emerging Markets fund previously held 8.17% in Russian equities, as at 31st March 2022, this has reduced to a minimal amount and is expected to reduce further. Also being monitored is UBS Global Emerging Markets which held 12.62% in Russian Equities, this also has been reduced to a minimal amount. The amount for both funds has not been declared so it is not possible to state how much of this portfolio constitutes Russian Equities. There have been some short term drops in performances in some funds, this is expected to only be short term

Portfolio Performance

	Facet Portfolio Risk 8	IA Mixed Investment 40-85% Shares	UK Consumer Price Index + 4%
1m	-2.26	-1.85	N/A
3m	-7.34	-2.40	2.56
6m	-14.76	-4.71	4.79
1yr	-12.06	-0.09	10.26
3yr	26.70	16.90	22.02
5yr	34.38	26.89	38.04
10yr	105.06	91.76	79.96

Issued by FACET Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority. FRN: 131372.
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Registered in England No 01931757
One month CPI not available

**Using Facet Aviva Risk 4 performance pre-1st March 2020, and Facet Model Portfolio Risk 8 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.