Model Portfolio Risk Level 7 October 2022

Information in this factsheet is at the last valuation point on 31st October 2022 (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**
Annual Management Charge (AMC)	**0.40% + VAT**
OCF	**0.80% (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

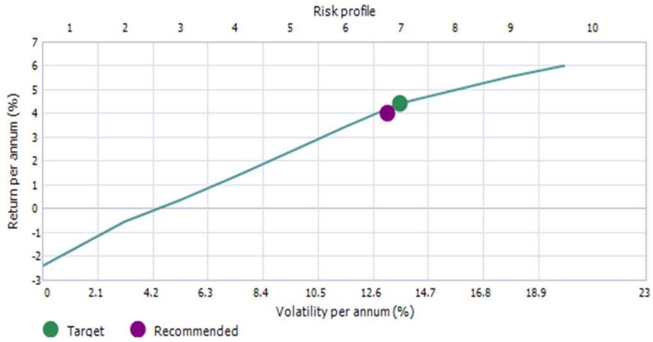
1	2	3	4	5	6	**7**	8	9	10

Lower risk → Higher risk

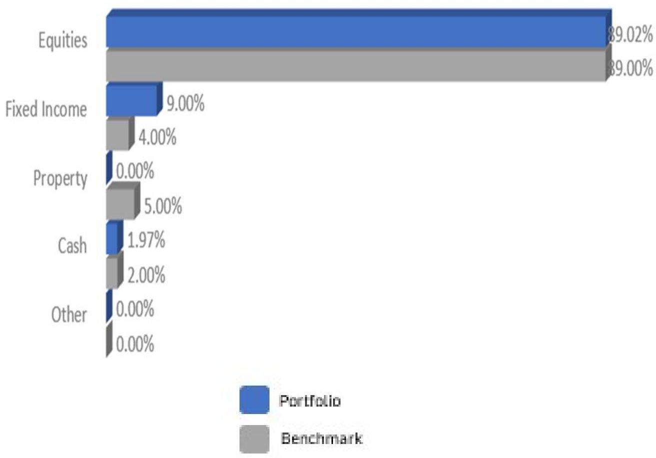
The indicator is based on historical data and may not be a reliable indication of the future risk profile. The lowest category does not mean 'risk free'

Facet Performance**

Efficient Frontier



Fund Breakdown by Asset Class



Top 5 Holdings

Holding	% of Portfolio
MI Chelverton UK Equity Growth	17%
Slater Recovery	17%
JPM US Select C Acc	9.5%
M&G North American Value	7.5%
BlackRock Emerging Markets	6.5%
	57.5%

Portfolio Manager's Comments

Stock markets regained some composure in the US, UK and Europe in October despite a mixed bag of economic data and rising interest rates. In the USA, the unemployment rate fell further to a record low of 3.5%, giving the Democrats a boost ahead of the mid-term elections next month. However, housing starts fell again as two three-quarter percent rises in interest rates took their toll on the whole housing sector. The stronger employment data gave the Federal Reserve the confidence it needed to raise interest rates to 3.25% in its fight against inflation which was 8.2% year-on-year in September. Back in the UK, the focus of investors was the turmoil in UK government bonds in the wake of the Chancellor of the Exchequer's Kwasi Kwarteng's mini-budget. The aggressive pro-growth, tax cutting agenda was met with a sell off in UK government bonds (Gilts) which threated to turn into a self-fulfilling price drop as institutions became forced sellers to cover margin calls. The Bank of England was forced to intervene and committed to a temporary fortnight-long program of buying long-dated Gilts. It was a confusing and embarrassing time for the new chancellor and his 5-week tenure in office ended on 14th October followed by the appointment of Jeremy Hunt who reversed much of the previous budget and an assurance of a less radical approach next month. Rishi Sunak took up the post of Prime Minister on 25th October and the combination Sunak and Hunt with new plans for the budget restored some confidence to both stock and bond markets and helped Sterling regain 3 cents against the US dollar to end the month at $1.14. Against the DXY basket of major currencies, the US dollar remained pretty much unchanged although still around 15% stronger year-to-date. US stocks enjoyed a strong month, rising around 8%, whilst UK stocks rose only 3%, held back, in part, to the renewed Sterling strength and the index being heavily weighted with exporters which tend to hold up well when Sterling weakens. The European Central Bank (ECB) followed the Federal Reserve with its own 0.75% hike in interest rates. However, this was in spite of economic data being significantly worse than in the USA. October eurozone PMI data flagged recession with both manufacturing and services both in retreat. Eurozone inflation was also worse, coming in at 10.7% year-on-year. Germany announced a huge fiscal package of support amounting to EUR 200 billion, much to the consternation of other EU members who had already announced a package of EUR 40 billion to help businesses and households facing significantly higher costs for energy this winter. Energy remains the primary threat to the economies of the UK and Europe although, as we saw in September, it doesn't take much of an increase in supply to see the price of a barrel of Brent oil fall to $82, down from $120 earlier this year.

No changes have been made to this portfolio in October, our increased holding in Index Linked Gilts have given us a slightly higher rate of growth compared if we had allocated the 5% property allocation to a property fund. We have continued to avoid property funds due to concerns of the liquidity in the property sector. Any position changes made in the portfolios should not be taken as a buy or sell signal of any assets.

Throughout October, markets have shown a small recovery. However, this is no guarantee of a full recovery in the market, and we are mindful of this fact going forward. The overall portfolio will continue to be monitored by the investment committee as an ongoing concern.

Portfolio Performance

	Facet Portfolio Risk 7	IA Mixed Investment 40-85% Shares	UK Consumer Price Index + 3%
1m	-1.00	0.53	N/A
3m	-6.95	-4.76	1.58
6m	-11.04	-6.73	4.46
1yr	-23.63	-10.51	11.98
3yr	9.08	6.28	24.60
5yr	14.07	12.86	37.39
10yr	70.14	74.43	71.09

Issued by FACET Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority. FRN: 131372.
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One month CPI not available

**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.