Model Portfolio Risk Level 7 January 2023

Information in this factsheet is at the last valuation point on 31st January 2023 (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	**0.78% (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.

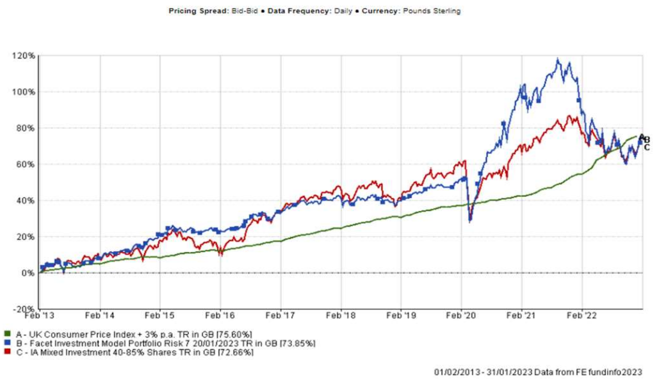
Risk Report

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

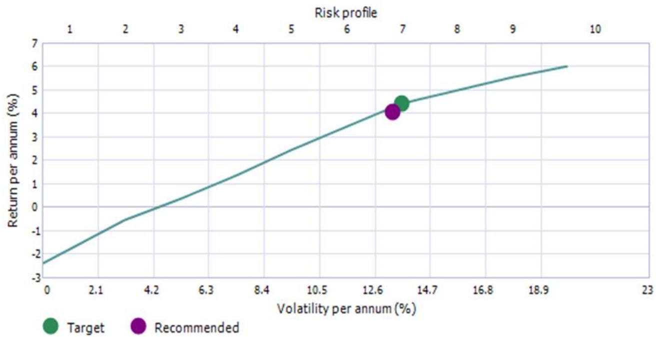
Lower risk → Higher risk

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'

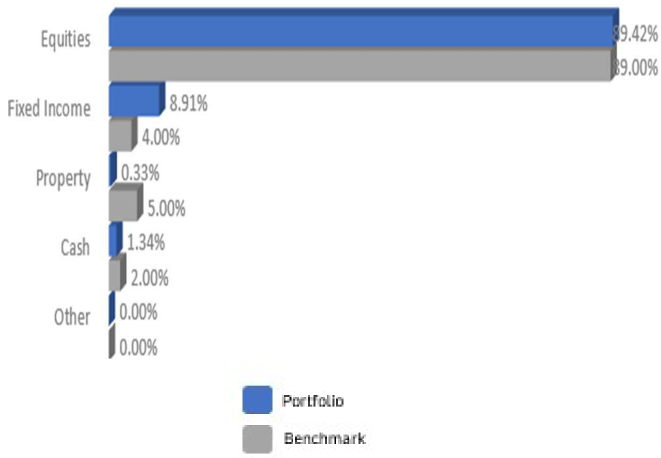
Facet Performance**



Efficient Frontier



Fund Breakdown by Asset Class



FACET

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 and bond markets enjoyed a good start to the year as the outlook for inflation continued to fall. December US headline inflation fell to 6.5% year-on-year, down from 7.1% in November. Average hourly earnings also fell to 4.6% year-on-year, further easing pressure on the Federal Reserve to hike rates aggressively in their fight against inflation. Expectations for a February hike fell from 0.5% to 0.25%. US stocks responded strongly, rising over 6%, more than recovering from the falls seen in December. Notable performers were some of the biggest fallers from last year. Shares in Amazon and Tesla rose 23% and 41% respectively. The UK stock market followed suit with banks and financial stocks among the best performers. Mining stocks and consumer staples, which held up well in December, gave up some of their gains but it didn't stop the main index rising over 4%. The US dollar continued to weaken against all the major currencies and Sterling gained a couple of percentage points to finish the month at £1.23 to the dollar. Oil and gas prices added to the anti-inflationary picture with the benchmark barrel of Brent crude oil lingering at $80 and below throughout January. Natural gas continued to fall sharply, by over a third in one month, as inventories in Europe and the USA rose to higher levels than expected; helped by what has mostly been a mild winter. Further economic data showed consumer confidence in the US and Europe holding up well and added to the positive sentiment. Forecasts for a sharp and deep recession clearly eased somewhat in January and investors will be keen to see whether this is reflected in the actions of the Federal Reserve in early February. While a 0.25% hike now looks more likely that a half-point, the scrutiny will be on the language used by Fed Chairman, Jerome Powell, in his accompanying statement for clues as to when the monetary tightening cycle will come to an end. If, as seems possible, economic data continues to hold up despite the highest interest rates seen for many years, then we can expect both stocks and bonds to extend their gains in February.

January has shown an improved performance compared to December and our portfolio has reflected this. We believe the high alpha stance of the investment committee has been reflected in the improved performance compared to the Sector Average. The investment committee continue to monitor the portfolio, looking for possible improvements we can make to our respective portfolios.

One change that has been made is the JPM Japan fund has been replaced by the M&G Japan fund due to the former not producing adequate returns whereas M&G has remained in the 1st quartile over all relevant time periods. The change of fund has also reduced the OCF by 0.01%, although in itself this is not a large impact on the fund, it does still impact the fund in a positive way. We continue 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.

Portfolio Performance

	Facet Portfolio Risk 7	IA Mixed Investment 40-85% Shares	UK Consumer Price Index + 3%
1m	4.30	3.41	N/A
3m	8.47	5.05	1.28
6m	0.93	0.31	5.14
1yr	-7.90	-3.15	13.73
3yr	15.83	8.99	28.13
5yr	23.12	18.50	40.88
10yr	73.02	72.62	75.60

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
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.