

Model Portfolio Risk Level 5

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) +2%

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	0.11% (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

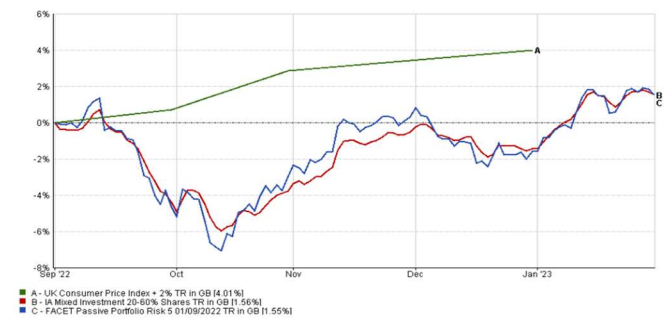


Lower risk
➔
 Higher risk

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'

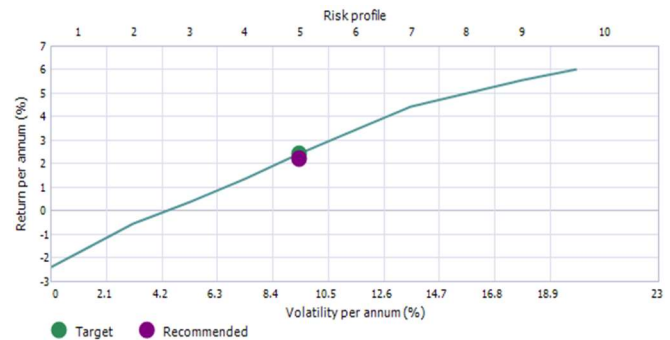
Facet Performance**

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling

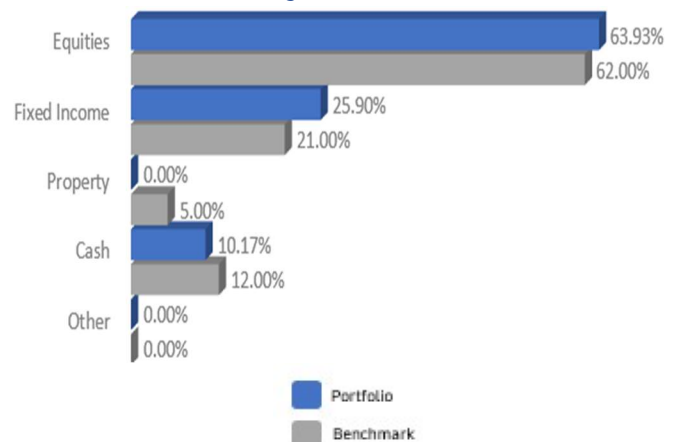


01/09/2022 - 31/01/2023 Data from FE fundinfo2023

Efficient Frontier



Fund Breakdown by Asset Class



Top 5 Holdings

Holding	% of Portfolio
Fidelity Index UK P	11.5%
Vanguard FTSE UK All Share Index	11.5%
Fidelity Index US P	11%
HSBC American Index C	11%
L&G All Stocks Index Linked Gilt Index Trust C	9%
	54%

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.

The performance of this new portfolio is in line with its benchmark and we believe the allocations are correct. The Investment committee continues to monitor the portfolio, looking for possible improvements we can make to our respective portfolios.

No changes have been made to this portfolio in January, we are of the opinion that many investments show significant outperformance in the years following poor returns and as such have positioned our portfolios to take advantage of any uplift, more data is required and will be monitoring closely. 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.

Portfolio Performance

	Facet Portfolio Risk 5	IA Mixed Investment 20-60% Shares	UK Consumer Price Index + 2%
1m	3.17	3.04	N/A
3m	4.68	5.05	1.12
6m		0.00	4.71
1yr		-4.21	12.72
3yr		3.53	24.54
5yr		10.22	34.29
10yr		45.71	59.41

Issued by FACET Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority. FRN: 131372.

Further information is available from:

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One month CPI not available

**Using Facet Aviva Risk 2 performance pre-1st March 2020, and Facet Model Portfolio Risk 5 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 5 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 5 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) shown 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