Model Portfolio Risk Level 7 — February 2023

Information in this factsheet is at the last valuation point on 28th February 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.

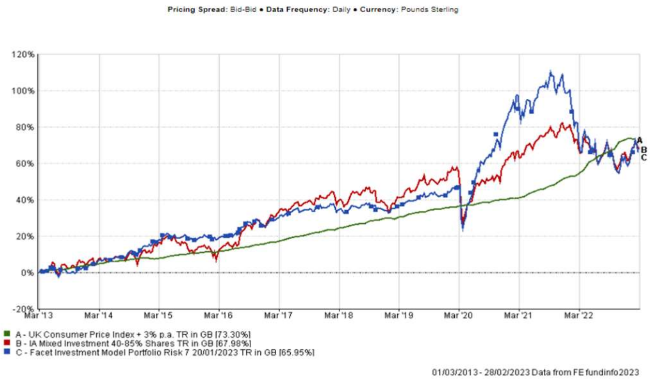
Risk Report

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

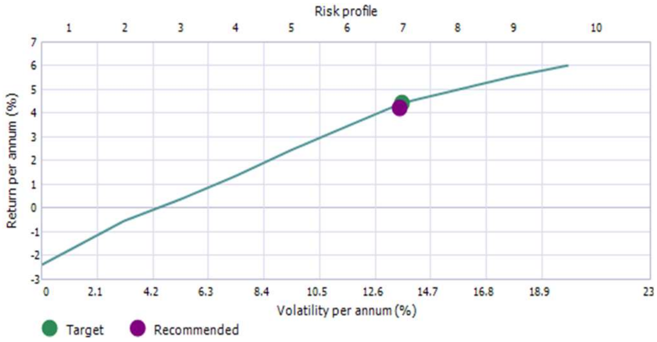
Lower risk → Higher risk

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'

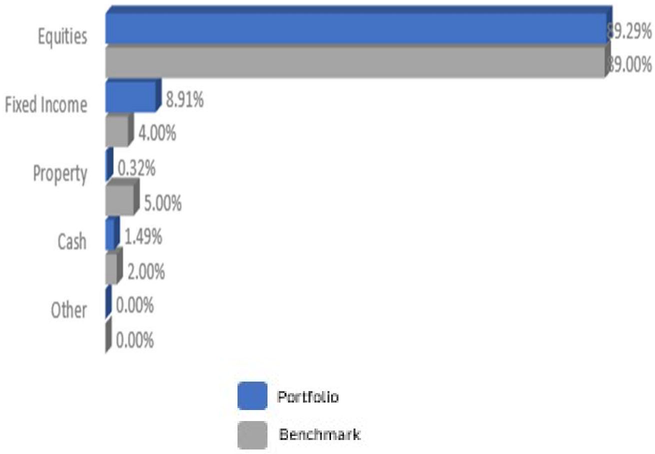
Facet Performance**



Efficient Frontier



Fund Breakdown by Asset Class



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

There was a sharp rise in US bond yields in February which undid the January falls and returned the benchmark 10-year yield to over 4%, a level not seen since November. The Federal Reserve did raise interest rates by 0.25% at the beginning of the month to 4.75% but this was very much in line with expectations and investors were more focussed on the statements from Fed Chairman Jerome Powell who maintained his hawkish warning that the battle against inflation is far from over. US January inflation came in at 6.4%. This was slightly higher than expected but still a far cry from the peak of 9.1% last June. Nevertheless, the shift in markets reflected a mood of caution having descended after the euphoria of January. The US stock market index fell 2.4% as the US dollar strengthened against other major currencies. The defensive qualities of the UK stock market were again evident posting a monthly rise of 1.5%. Shares in UK banks and energy stocks were notable risers. European stocks also held up well, up 1.3% in February. The huge shift into European assets in January continued into February, supported by relatively lower valuations compared to the US – although this has been true for some time. The messaging from both the Bank of England and the European Central Bank have been no less hawkish than the Federal Reserve. But both central banks are lagging in their rate rises and both are still battling much higher inflation rates of 10% and 10.1% respectively. The Bank of England raised rates by 0.5% to 4% early in the month. The reversal of the January market moves inevitably impacted emerging markets where the benchmark index fell 6.5%. Nevertheless, it is now evident that the re-opening of the Chinese economy from its Covid lockdown has gone far better than initially expected. The way in which stocks and bonds have tended to follow the various communications of central banks is indicative of a market that has become data dependent and more short-term in its strategic thinking. This is to be expected at a time when investors will not have much insight into corporate profits until the third-quarter earnings season in October, which is a long way off. Company CEOs are even more cautious than normal in their forward sales and profit guidance when there is still the geo-political uncertainty surrounding Ukraine and elsewhere. In addition, the jury is still out on the health and wealth of the consumer and household finances. Jobs and wage data in the US and UK are encouraging but how or when consumers will choose to spend their money when the cost of living has risen so much is hard to gauge. The markets may well be unusually data-dependent in the months ahead.

February undid January gains, and our portfolio has reflected this. We believe the high alpha stance of the investment committee has been reflected in the in our 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.

No portfolio changes have been made to this portfolio.

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	-2.02	-0.53	N/A
3m	2.88	2.00	0.91
6m	-1.83	-0.71	4.75
1yr	-5.22	-0.95	12.17
3yr	16.75	14.10	26.90
5yr	23.10	19.76	39.37
10yr	66.29	68.78	73.30

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.

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