Model Portfolio Risk Level 3 June 2023

Information in this factsheet is at the last valuation point on 30th June 2023 (except where indicated).

Portfolio Overview

Objective: To provide a long-term total return above that of the UK Consumer Price Index (CPI) +1%

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)	**0.20% + VAT**
OCF	**0.13% (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.

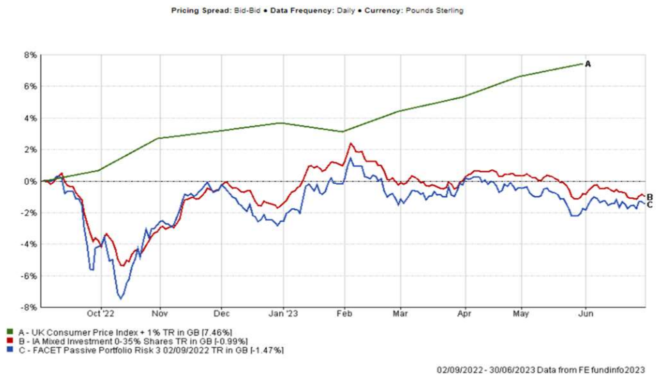
Risk Report

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

Lower risk → Higher risk

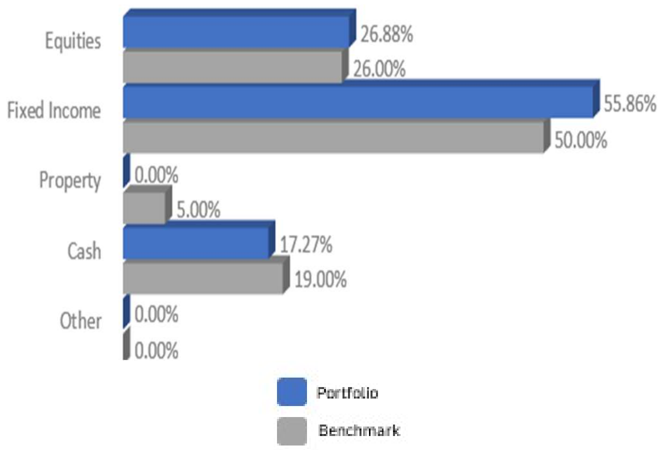
The indicator is based on historical data and may not be a reliable indication of the future risk profile. The lowest category does not mean 'risk free'

Facet Performance**



Efficient Frontier

Fund Breakdown by Asset Class



Top 5 Holdings

Holding	% of Portfolio
L&G All Stocks Indx Linked Gilt Indx C	13%
iShares Global Corporate Bond ETF	9%
Vanguard Global Bond Index Hedged	9%
L&G Sterling Corporate Bond Index C	7.5%
Fidelity Index UK P	6%
	44.5%

Portfolio Manager's Comments

The US stock market led global stocks with a gain of 6.5% for the month, driven by familiar large tech companies Apple (+10%), Nvidia (+12%), Netflix (11%) and Meta (+8.4%). Lacking the heavy weighting to tech stocks, the UK index still managed a modest gain of 1.1%. The leisure sector was a notable gainer given the rising cost of living. Shares in the cruise liner rose by 65% in June, boosted by record bookings across their global fleet, although some profit taking was evident. The outlook for leisure, hotels and hospitality have brightened significantly and not just in the UK. While London-based Harrods has upped its profit forecast for 2023, the French luxury group LVMH posted record profits last year and, like shares in Ferrari, have trebled since the end of the Covid pandemic. It is in stark contrast to the UK housing market facing far higher interest rates than was expected a year ago. The UK 2-year yield has risen from 4.3% to 5.25% in just one month, spurred on by a surprise Bank of England interest rate hike of 0.5% to 5% in late June. Members of the monetary policy committee voted 7-2 in favour of a half point rise. Bond markets were expecting just a quarter point. The move pushed the 2-year yield above than the 10-year yield, already the highest in the G7, indicating that markets believe the higher short rates will push the UK in to a recession. The root cause of the dilemma facing the Bank of England is stubbornly high inflation, which remained at an annualised 8.7% in May when it was expected to fall to 8.4%. It leaves the UK facing the unenviable position of having inflation double that of the USA where the Federal Reserve can now afford the luxury of halting their interest rate hiking cycle. The closing differential in interest rates is a contributing factor in driving strength in Sterling, up another 2.2% in June to $1.27. In itself, a stronger Sterling tends to put a dampener of the performance of the UK stock market due to the large component of global companies where around 75% of the index's profits are denominated in US dollars and Euros. At a time when investors are looking forward to the all-important third-quarter earnings season in the USA, the UK has become somewhat of an outlier in its battle with inflation and the effects it is having on its own unique mortgage market.

The performance improved in June and continues to outperform the relevant sectors over the longer-time period. The investment committee continue to monitor the portfolio, looking for possible improvements we can make to our respective portfolios. We believe the allocation for this portfolio is given the appropriate rate of risk/reward given the current global financial markets situation.

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 3	IA Mixed Investment 0-35% Shares	UK Consumer Price Index + 1%
1m	0.60	-0.39	N/A
3m	-1.30	-1.26	2.92
6m	1.14	0.26	3.65
1yr		-1.04	8.79
3yr		-3.29	24.46
5yr		1.48	30.33
10yr		23.17	47.43

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Further information is available from:
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Registered in England No 01931757
One month CPI not available

**Using Facet Aviva Risk 1 performance pre-1st March 2020, and Facet Model Portfolio Risk 3 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.

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.

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