Passive Model Portfolio Risk Level 7 September 2023

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

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)	**0.20% + 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.

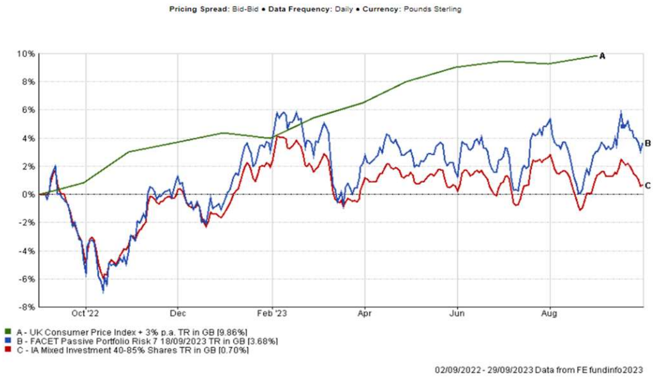
Risk Report

1	2	3	4	5	6	7	8	9	10

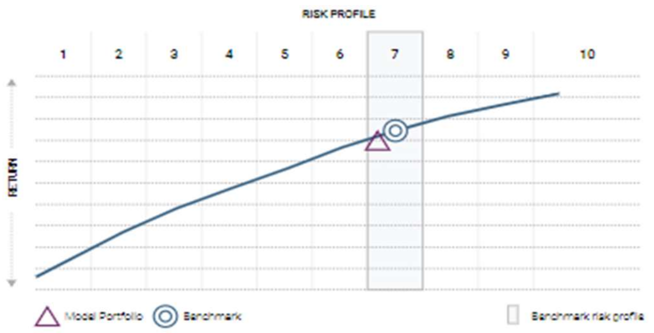
Lower risk → Higher risk

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'

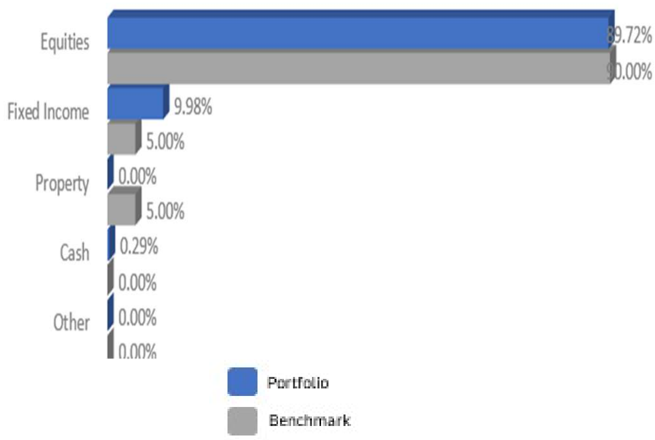
Facet Performance**



Efficient Frontier



Fund Breakdown by Asset Class



Top 5 Holdings

Holding	% of Portfolio
Fidelity Index UK P	17%
Vanguard FTSE UK All Share Index	17%
Fidelity Index US P	9.5%
HSBC American Index C	9.5%
Fidelity Index Japan P	8%
	61%

Portfolio Manager's Comments

The dawning reality that inflation is not dead gave investors every reason to take profits in September from both stocks and bonds and seek relative safety in the US dollar which strengthened 4% against Sterling to end the month at $1.22. Despite the US Federal Reserve keeping interest rates on hold at 5.5% at their September meeting, market commentators repeatedly used the phrase "higher for longer" to describe the new outlook for interest rates. The US 10-year yield rose nearly half a percentage point to 4.57% and the UK 10-year Gilt yield rose to 4.44%. Both moves negatively impacted their respective property markets, both commercial and residential. The rise in the price of oil exacerbated matters. Brent crude rose 7% to $92.20 per barrel, driving up inflationary pressures in the months ahead. The cuts in production announced by OPEC in June and July are expected to be in place until the end of 2024. To counter this, the US implemented a large drawdown on their Strategic Petroleum Reserve. Mid-September data showed inventories fell by 5.25 million barrels, double what market analysts had forecast. The draw reduced the reserve to less than half its total capacity and, with US refineries running at near-full capacity, the prospect of this being restored going into the winter months is unlikely. However, UK stock market index was a notable beneficiary of the rise in the price of oil owing to its heavy weighting in oil and gas companies. The index rose 2.27% in September which compared favourably with the US index which, as well as having very little weighting in oil and gas sectors, has nearly a third of its total value in 8 stocks which bore the brunt of the selling in risk assets and growth stocks in particular. Apple -9%, Amazon -8% and Nvidia -12% were notable fallers and were the main contributors to a fall in the US index of 4.9% in September. However, it should be remembered that western stock markets have been remarkably resilient for the best part of a year and some profit-taking was always possible in the face of a lowering of economic growth forecasts for 2023. Of greater concern is the bounce back in bond yields in the US, UK and Europe despite central bank holding interest rates. The acceleration in US 10-year bond yields from the end of summer, from 3.7% to 4.7% could be a serious headwind in the fourth quarter while markets reassess the outlook to year-end and beyond.

In September this portfolio outperformed its benchmark. We believe this was partly due to the committee amending the allocations to become more defensive. This has reinforced our belief we are in a good mix of funds that will produce a continued performance over the selected benchmark over the medium to longer term. We continue to monitor the portfolio, looking for possible improvements we can make to our respective portfolios.

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	0.90	-0.76	N/A
3m	1.17	-0.18	0.75
6m	2.54	-0.20	4.20
1yr	7.22	5.11	9.86
3yr		10.02	32.11
5yr		14.44	42.47
10yr		61.89	78.79

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.