

Model Portfolio Risk Level 3

July 2021

Information in this factsheet is at the last valuation point on 31st July 2021 (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 James Millsom
Entry Fees	None
Exit Charge	None
Fund Management Fee	0.40% + VAT
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.

Risk Report



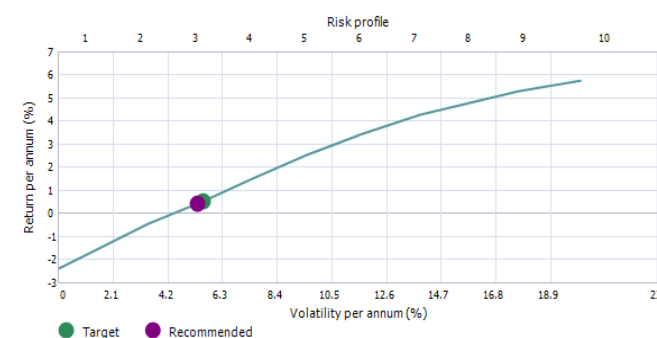
Lower risk
➔
 Higher risk

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'

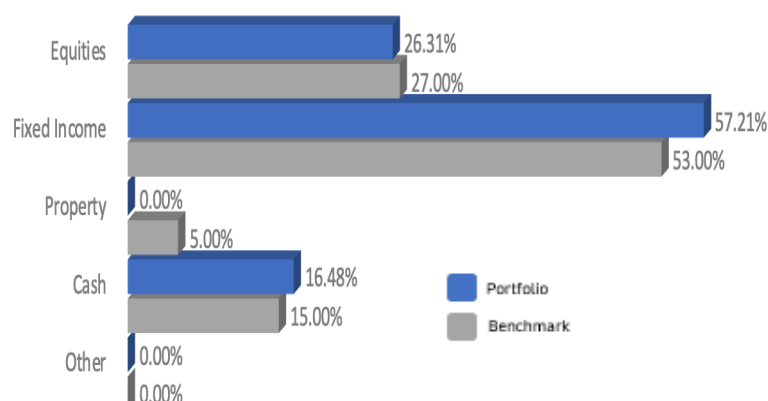
Facet Performance**



Efficient Frontier



Fund Breakdown by Asset Class



Top 5 Holdings

Holding	% of Portfolio
iShares UK Gilts All Stocks Index	11%
M&G Global Macro Bond	10%
Baillie Gifford Inv Grade Long Bond	10%
JH Fixed Interest Monthly Income	9%
AXA Sterling Corporate Bond	9%
	49%

Portfolio Manager's Comments

August's MPC meeting will be vital in the Bank's plans to both support the economy and head off inflation that is continuing to rise, but at a snail's pace. Whilst there are no signs that interest rates will change, meaning they stay at historically low levels, the discussion about beginning the taper of asset purchases will be significant. It remains to be seen whether the vote to retain the current level of purchases sees any votes against. If it were to occur, it would be a dramatic signal to the market that the end of support for the economy is fast approaching. As of the 5th August, which was the last MPC vote, it remained at 7-1. This has steadied views slightly as the market was watching to see if the vote went 6-2 putting us nearer the withdrawal. Talking more on economic support, the fiscal effect of the withdrawal of furlough payments will be difficult to judge as there are parts of the economy that have only survived due to its staff being paid by the Government. The Chancellor will present the latest forecasts for both the economy and the fiscal state of play to Parliament on 27th October. However, there is growing speculation that the Chancellor is going to delay his budget until next year. While this will be jumped upon as yet more evidence of dithering, it does make perfect sense with the withdrawal of support now well under way. Data for GDP growth between April and June was released this month and although it took the economy back above its pre-Pandemic level, it was something of a disappointment, missing the market's expected level by some margin. The economy grew by 6.5% in Q2, up from 6.3% in Q1. The market, however, was expecting a rise of around 8.5%. With analysts expecting this to be the end of stellar numbers as the economy has continued to recover, but at a more sustainable pace and supply bottlenecks subsiding, Q3 may see both growth and inflation at more reasonable levels.

Portfolio Performance

	Facet Portfolio Risk 3	IA Mixed Investment 0-35% Shares	UK Consumer Price Index + 1%
1m	1.68	0.72	
3m	3.76	1.82	1.26
6m	2.60	2.88	2.53
1yr	7.14	6.86	3.51
3yr	15.28	11.79	8.39
5yr	21.91	19.03	16.19
10yr	84.98	47.58	31.67

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Further information is available from:

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**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.

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 3 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 3 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.