Hybrid

Portfolio Report as at February 2024

RELATIVE RISK:

1 2 3 **4** 5

Lower Risk — Higher Risk

TIME HORIZON:

Short 3-7 yrs

Medium 8-15 yrs

Long 16 yrs +

Risk level 1 does not mean risk free, it means the lower risk option for the relative time horizon. For more information, please refer to the risk section on page two of the document.

DESCRIPTION:

The portfolio is designed for an investor who is prepared to take on an above-average level of risk and lock their money away for a significant period of time. Short-term capital protection is not a consideration and significant falls in value are possible in the search for growth.

In order to maximise the long-term potential returns, the majority of the portfolio is invested in equities. Most of these will be blue chip stocks listed in the major developed markets of the UK, the US, Europe and Japan, but a limited number will derive their growth from higher-risk sectors such as emerging economies and smaller companies. The higher-risk sectors have the highest growth potential, but are also the most volatile, with large price movements expected in the short term. This is a high-risk portfolio so this behaviour should not be a surprise to investors. This portion is expected to be the main driver of portfolio performance.

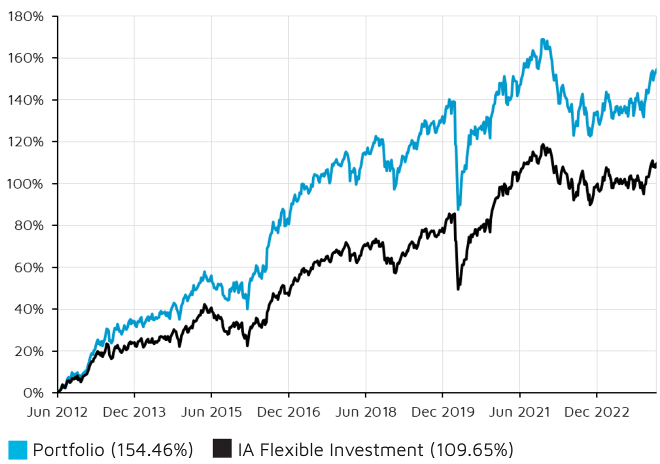
The portfolio has a limited exposure to bonds, which should provide some stability during falling equity markets whilst also allowing aggressive equity exposure elsewhere. The portfolio may include some exposure to absolute return funds or property if they are viewed as an attractive opportunity.

The strategy should lead to strong overall growth rates, but investors should also be prepared to face short periods of heavy losses as the value of the portfolio fluctuates.

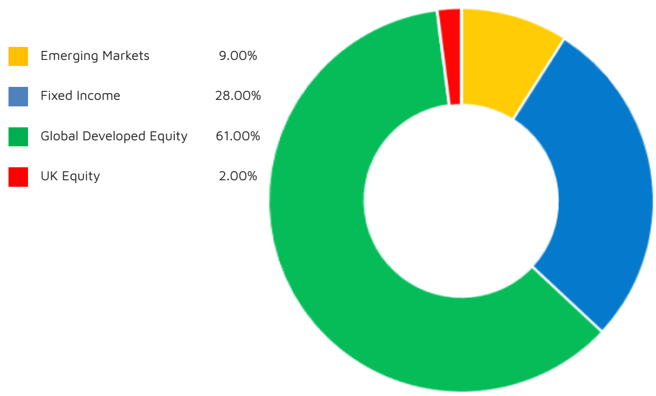
FUND LIST:

Name	Weighting
BlackRock Emerging Markets	5.25%
Aubrey Global Emerging Markets Opportunities	3.75%
Vanguard UK Government Bond Index	10.00%
iShares UK Gilts All Stocks Index (UK)	9.50%
Janus Henderson Strategic Bond	6.00%
M&G Emerging Markets Bond	2.50%
HSBC American Index	19.00%
Vanguard Japan Stock Index	9.00%
GQG Partners U.S. Equity	8.00%
Fidelity European	7.00%
L&G US Index Trust	5.50%
FTGF ClearBridge US Equity Sustainability Leaders	5.00%
HSBC European Index	4.00%
Brown Advisory US Sustainable Growth	3.50%
WS Evenlode Income	2.00%

PAST PERFORMANCE OVERVIEW (NET OF FEES):[1]



ASSET BREAKDOWN:[2]



DISCRETE PERFORMANCE TO LAST QUARTER END:

Period	0-12 Months	12-24 Months	24-36 Months	36-48 Months	48-60 Months
Portfolio	10.28%	-13.18%	9.21%	3.68%	17.91%
Benchmark	7.08%	-8.98%	11.30%	6.70%	15.66%

Past performance is not a guide to future performance and you may get back less than you originally invested. History prior to March 2015 is synthetic history, it has been calculated using investments that were available at the time and would have been chosen for inclusion in this portfolio had it been running. All figures are calculated on a bid to bid total return basis in GBP and includes FE's charge of 0.27%. Data from FEfundinfo 2024

RISK ANALYSIS:

The portfolio is managed to a risk target deemed appropriate for this portfolio by the actuarial firm EValue. Risk is measured using volatility which is the movement of the return around its average. The greater the swings in value the less consistent the performance of the portfolio and the higher the risk. Our aim is to match the risk target as closely as possible.

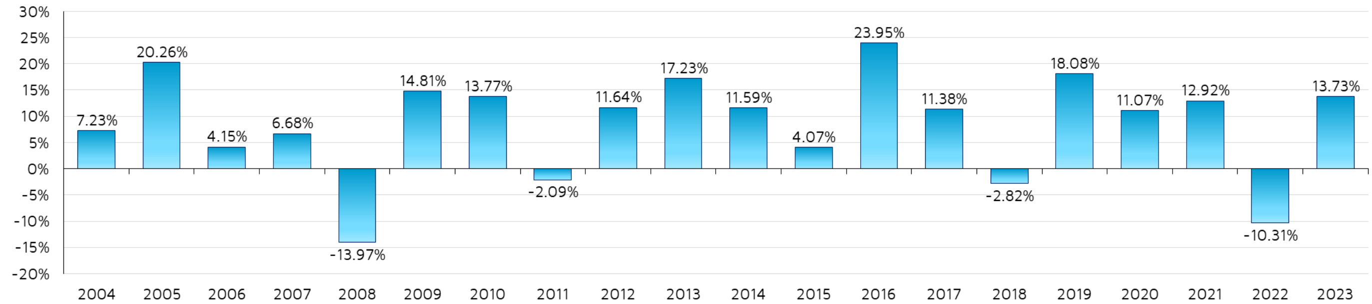
This portfolio has returned an annualised volatility of 10.9 per cent since June 2012. This figure includes the synthetic history from 2012 to 2015. This allows us to say that historically, over one year, the difference between the best and worst possible results would have been 43.6 per cent in 95 per cent of cases. A higher-risk portfolio would have a greater spread of returns, meaning the chances of both large losses and large gains increase, whereas a lower-risk portfolio would have a narrower spread of returns.

Lowest Month: -11.11% **Lowest Six Months**: -15.10% **Lowest Year**:-13.22% **Range of Monthly Returns**: -11.11% to 8.47%

RISK ILLUSTRATION:

The portfolio itself has only been running since 2015 and has synthetic performance back to 2012. To provide a better impression of how the portfolio might be expected to perform over the longer term we have provided simulated data back to the year 2004. The data shows that in a 20-year period this proxy for the portfolio's current investments lost money on four occasions, in 2008, 2011, 2018 and 2022. The biggest loss would have been in 2008, where over the year the portfolio would have lost 13.97 per cent; this equates to an investment of £10,000 falling to £8,603. This means over the period our proxy would have made money in 16 out of 20 years. The highest growth experienced was in 2016 when the asset allocations grew by 23.95 per cent. This means an investment of £10,000 would have been worth £12,395 at year end.

The data has been compiled by taking the portfolio's current strategic asset allocation, proposed by our actuaries as the most appropriate in order for the portfolio to deliver on its objectives over the length of investment. The asset allocation of the portfolio may differ slightly due to the nature of investing in active funds and the shorter term tactical positioning of the portfolio. Each asset class will be represented by a passive investment fund. The performance provides an illustration of how the current portfolio may have behaved, although historical positioning may have been different due to a variety of factors, including the input from our actuaries, the impact of fund selection and changes of asset allocation by the portfolio management team.

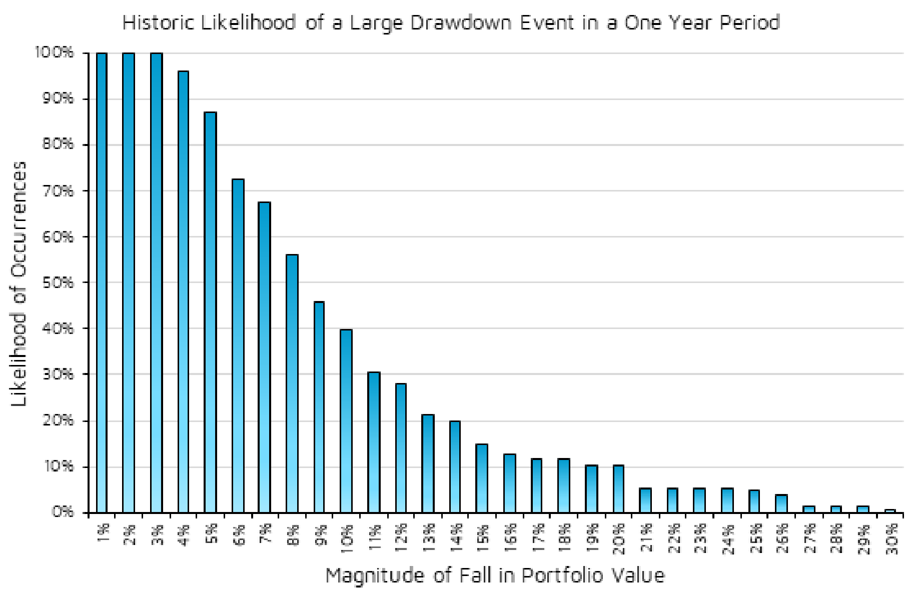


The average annualised performance of the asset allocation since 2004 has been 8.22%

POSSIBILITY OF LOSSES:

All investments necessarily include some risk that cannot be fully diversified away, meaning periods of loss will occur. It is important therefore that investors understand what the potential magnitude of these losses could be and whether they are comfortable with them.

The chart opposite analyses the current strategic asset allocation of the portfolio back over a 20-year period, looking at rolling one-year periods. For each of these periods we analyse what the largest loss the portfolio experienced during that period was and then plot the total occurrences. For instance, a chart that reads 5 per cent on the 'x' axis and 60 per cent on the 'y' axis would indicate that over any one year period there was a 60 per cent chance the portfolio fell by at least 5 per cent. It therefore shows what would happen if you invested at the top and sold at the bottom. Any recovery during the period is not considered.



All information presented on this page is only illustrative of what has happened in the past, it should not be seen as a guarantee that losses will not exceed past levels. Past performance is not a guide to future performance and you may get back less than you originally invested.

WHAT IT COSTS:[3]

Financial Instruments OCF: 0.41% **Financial Instruments Transactional Costs**: 0.20%
Investment Services: 0.27% **Third Party Payments**: 0.00% **Total Cost of Investment**: 0.88%

The Financial Instruments OCF refers to the underlying costs of managing the funds. Transactional costs refers to additional costs which this does not capture such as trading fees, investment research and foreign exchange fees. It also includes implicit costs that can have an impact on performance but are not charged directly to the end investor. The Investments Services charge is the cost of managing the portfolio. Other charges may apply that cannot be factored into this report, for instance platform charges. **The charges represent the current maximum charges, for the exact charges please refer to the Platform Portfolio Charges Document and Platform Fund Charges Document.**

WHAT YOU'RE INVESTED IN:

BlackRock Emerging Markets
Weighting: 5.25% **OCF**: 0.95% **Transactional Costs**: 0.88%
This fund takes a flexible approach to emerging market equities. The manager believes emerging markets are inefficient, complex and cyclical, and that a disciplined approach to macroeconomic country allocation, combined with in-depth company research, can deliver superior returns. The fund looks for turning points in the macroeconomic cycle, which includes an assessment of politics. The resulting portfolio is comprised 50 to 70 stocks. The fund has been added as we prefer active management at this stage in the economic cycle and this fund brings a large exposure to Brazil and Mexico, as both are likely to benefit from strong tailwinds for Latin America.

Aubrey Global Emerging Markets Opportunities
Weighting: 3.75% **OCF**: 1.12% **Transactional Costs**: 0.28%
This fund uses a four-step process to assess macroeconomic and company-specific information. This begins with a review of the economic development of each country and an assessment of which industries offer scope for investment. The second step identifies companies with very strong prospective earnings growth and profitability. The first two steps will narrow the universe to 150 to 200 stocks, which are then submitted to the final two steps: qualitative assessment and identifying macro tailwinds. The fund has been added to increase exposure to India, as its strong economic growth is likely to continue, and to reduce exposure to China.

Vanguard UK Government Bond Index
Weighting: 10.00% **OCF**: 0.06% **Transactional Costs**: 0.03%
This fund provides passive exposure to the Barclays Global Aggregate UK Government Float Adjusted Bond Index. It has been chosen for its low cost and its ability to replicate the index as closely as possible. Gilts generally have a low correlation to other asset classes and this helps to increase the diversification levels of the portfolio. As markets are positioned for further interest rate hikes, there is limited risk of downside for bonds, and the potential for recession and rate cuts in the near term makes the yield on longer-dated bonds attractive.

iShares UK Gilts All Stocks Index (UK)
Weighting: 9.50% **OCF**: 0.11% **Transactional Costs**: 0.02%
This fund provides passive exposure to the FTSE Actuaries UK Conventional Gilts All Stocks Index and helps construct the fixed income portion of the portfolio. It has been chosen due to its exceptionally low costs compared to other passive funds and its ability to replicate the index as closely as possible. Gilts generally have a low correlation to other asset classes and this helps to increase the diversification levels of the portfolio. The fund has been added as part of a general rebalance of the exposure to fixed income in the portfolio.

Janus Henderson Strategic Bond
Weighting: 6.00% **OCF**: 0.70% **Transactional Costs**: 0.18%
This is a highly flexible bond fund that invests across a range of corporate and government bonds while regularly adjusting risk exposures using derivatives. It will occasionally invest small portions of the portfolio into bank loans and asset-backed securities. It adopts a global outlook but all foreign currency exposure is hedged back to UK sterling. The managers believe their flexibility should give them the ability to perform well in all types of market and to navigate through the interest rate cycle. As inflation is beginning to slow down, bonds with a longer time to maturity stand to benefit if central banks slow or halt interest rates rises. This fund has been added due to its exposure to US bonds, particularly corporate bonds, as the outlook for the US is more favourable for this sector.

M&G Emerging Markets Bond
Weighting: 2.50% **OCF**: 0.68% **Transactional Costs**: 0.04%
This fund invests in the bonds of governments and companies in emerging markets, with a focus on sovereign debt. The primary manager, Claudia Calich, builds a view of the economic state in the world and the emerging markets, and which countries, sectors or currencies it will be better to invest in. She then uses the input from the wider team to decide whether she would rather invest in government or corporate bonds in her preferred geographies, and to generate ideas for specific companies to invest in. The decision on which currency to invest in is critical, as emerging market currencies can be very volatile. The manager can invest entirely in US dollar-denominated debt if she prefers, assuming at least 80% of her portfolio is invested in issuers from the developing world. The fund has been added to increase diversification in the portfolio's bond exposure.

HSBC American Index
Weighting: 19.00% **OCF**: 0.06% **Transactional Costs**: 0.00%
This fund makes up part of the developed-equity portion of the portfolio by tracking the S&P 500 index. It has been chosen because it provides low-cost exposure to US markets, which can prove difficult to beat using an active strategy. The fund replicates the index by holding all 500 stocks within it. The fund has been added as the portfolio's exposure to global equities has been diversified across a range of regional funds.

Vanguard Japan Stock Index
Weighting: 9.00% **OCF**: 0.17% **Transactional Costs**: 0.02%
This fund provides passive exposure to the MSCI Japan index and helps construct the global developed-equity portion of the portfolio. It has been chosen due to its exceptionally low costs compared to other passive funds and its ability to replicate the index as closely as possible. The fund does this by holding all (or substantially all) the stocks within the index. Japan generally has a low correlation to other equity markets and this helps to increase the diversification levels of the portfolio. The fund has been added as we increase the diversification in the portfolio.

GQG Partners U.S. Equity

Weighting: 8.00% **OCF**: 0.55% **Transactional Costs**: 1.32%

This fund aims for long-term capital growth by investing in high-quality, attractively-priced companies exhibiting competitive advantages. The fund invests in a concentrated portfolio of mainly US-listed companies, but it can have an allocation to other markets. Its investment process evaluates each business with a focus on financial strength, sustainability of earnings growth and quality of management. The resulting portfolio seeks to manage the downside risk of equity investments while providing attractive returns to long-term investors over a full market cycle. This is a well balanced fund and has been added as it brings exposure to growth stocks, but also has some defensive characteristics.

L&G US Index Trust

Weighting: 5.50% **OCF**: 0.08% **Transactional Costs**: 0.01%

This fund tracks the FTSE USA Index, which is comprised of the largest companies listed in the US. The fund tracks the index using a method called optimisation, where the fund invests in a selected basket of shares to closely mirror the performance of the index, which means the fund owns all the companies that make up the index. To supplement fund returns and compensate for the trading costs involved with direct ownership of the securities, the fund manager engages in stock lending. This is a common process in long-term investing, where a select third party borrows a limited amount of the passive fund's holdings, in exchange for a fee. Profits from stock lending reduce the effect of management fees and help to minimise overall tracking difference to the index. The fund has been added as exposure to large US companies has increased.

HSBC European Index

Weighting: 4.00% **OCF**: 0.05% **Transactional Costs**: 0.03%

This fund provides passive exposure to the FTSE Developed Europe ex-UK index and helps construct the global developed equity portion of the portfolio. It has been chosen due to its low costs compared to other passive funds and its ability to replicate the index as closely as possible. The fund replicates the market by holding all stocks within the index. The fund has been added as the portfolio's exposure to global equities has been diversified across a range of regional funds.

WS Evenlode Income

Weighting: 2.00% **OCF**: 0.77% **Transactional Costs**: 0.09%

This fund aims to provide investors with income and capital growth by investing predominantly in large UK dividend-paying companies. The managers' investment philosophy is to identify businesses with a large market share and/or competitive edges that can consistently generate high levels of recurring profits that can be returned to shareholders as dividends. The fund has been added as part of the rebalance of UK equity investments.

Fidelity European

Weighting: 7.00% **OCF**: 0.91% **Transactional Costs**: 0.08%

The managers of this fund look for companies that are expected to grow their dividend on a three- to five-year time horizon. They target companies that have sustainable margins and a strong balance sheet, and fund their dividends through organic growth rather than by taking on high levels of debt. Each company in the investable universe will have a score based on the analysts' view, the liquidity of the stock and the risk associated with the name. The fund is benchmark-aware, with sector weights close to that of the benchmark, and position sizing is based on both conviction and the benchmark weight. The resulting portfolio is around 40 to 50 stocks that exhibit sustainable dividend growth. The fund has been added due to its relatively high exposure to sectors such as consumer non-durable stocks, which are likely to perform better in a recession.

FTGF ClearBridge US Equity Sustainability Leaders

Weighting: 5.00% **OCF**: 1.05% **Transactional Costs**: 0.15%

The investment process begins by identifying potential investments with attractive valuations, fundamental strength and capital discipline. Fundamental analysis and environmental, social and governance (ESG) research are conducted to identify companies with attractive risk/reward attributes, but that are also leaders in their sustainability approach. The resulting portfolio is comprised around 40 to 60 holdings. The fund aims to only invest in the best ESG-rated companies, as they are deemed to be leaders, or emerging leaders, in their sustainability approach. The fund has been added as we increase exposure to US growth companies.

Brown Advisory US Sustainable Growth

Weighting: 3.50% **OCF**: 0.86% **Transactional Costs**: 0.01%

The managers aim to achieve long-term capital growth by investing in US companies that have outstanding business models and a sustainability focus that will directly benefit financial performance, specifically by increasing revenue growth and enhancing franchise value. Whilst looking for companies with structural growth characteristics, the fund managers also look to take valuations into account and avoid overpaying for growth. The fund has been added as we increase exposure to growth companies in the US due to the better economic outlook in the region.

External Risk Ratings

DYNAMIC PLANNER PROFILED 6

defaqto 7 RISK RATING GROWTH

About FE Investments

FE Investments Portfolios: Our portfolios are a total investment solution designed to help advisers in achieving their clients objectives. FE Investments has produced a range of optimised portfolios which are designed to manage risk to achieve the desired outcome for investors.

The portfolios are optimised to maximise the overall level of diversification between different fund strategies. By analysing the relationships between funds we aim to find the best possible mix, where differing strategies are complementary and further reduce the total risk in the portfolio; thus allowing for greater market exposure for the same level of risk compared to a more traditional portfolio solution.

FE Investments produce fifteen growth portfolios that uses optimal asset allocation models from EValue as a reference for each level of risk. We optimise our portfolios to match the risk of the reference, to try and achieve greater returns and better capital protection. We use the asset allocation models as a guide but allow our portfolios to differ significantly where we are able to diversify away the extra risk. This approach has been developed internally by FE Investments and has been validated by Bayes Business School.

FE Investments Portfolios are constructed exclusively from funds that have made the FE Investments Approved List and have therefore gone through a rigorous vetting procedure. We've developed 15 growth portfolios, spanning three time periods and five risk levels, as well as a natural income solution which is outcomes orientated, as opposed to risk targeted.

FE Investments Approved List: Our recommended list of funds builds upon our established suite of research tools to help keep investors better informed. Funds initially undergo a rigorous quant screening to identify the best performers. This screening encompasses three distinct areas; Crown Ratings, Alpha Manager Ratings and Group Awards.

These three areas combined allow us to accurately scrutinize a fund from all angles. Our dedicated team of analysts overlay this quant analysis with their own independent and unique qualitative analysis. Funds that pass this rigorous two-stage quantitative and qualitative analysis process then make it on to the FE Investments Approved List.

Awards & Ratings For FE Investments

INVESTMENT WEEK INVESTMENT RESEARCH AWARDS 2018 WINNER BEST FUND RATINGS AND RESEARCH SERVICE

INVESTMENT WEEK INVESTMENT RESEARCH AWARDS 2017 WINNER BEST FUND RATINGS AND RESEARCH SERVICE

INVESTMENT WEEK INVESTMENT RESEARCH AWARDS 2017 WINNER BEST RESEARCH SERVICES

defaqto EXPERT RATED ★★★★★ 2023

Professional Adviser AWARDS 2019 WINNER Best Model Portfolio Service

Professional Adviser AWARDS 2020 WINNER Best Model Portfolio Service

Professional Adviser AWARDS 2020 WINNER Best Ratings/Research Service for Advisers

Important Information

1 Performance Overview: All performance figures are calculated on a bid to bid total return basis in pounds sterling to last month end.

2 Asset Breakdown: For this calculation a fund is assumed to invest 100% in any one asset class. For example a fund in the IA UK All Companies sector would be classifed 100% UK Equity. A mixed investment fund would be classifed as 100% Mixed.

3 What it Costs: The portfolio expense is calculated using the weighted value of the OCF of the portfolios constituent funds. Total cost of investment include FE Investments charges of 0.27%.