

RISK LEVEL:



TIME HORIZON:



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 may include some exposure to absolute return funds or property if they are viewed as an attractive opportunity.

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 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.

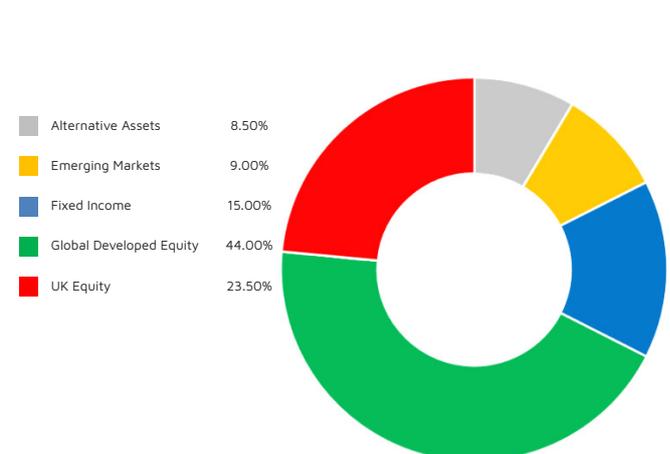
FUND LIST:

Name	Weighting
NB Uncorrelated Strategies	5.00%
Royal London Short Duration Credit	3.50%
iShares Emerging Markets Equity Index (UK)	9.00%
iShares UK Gilts All Stocks Index (UK)	9.00%
M&G Global Macro Bond	6.00%
HSBC American Index	12.50%
Fidelity European	8.50%
Legg Mason ClearBridge US Equity Sustainability Leaders	6.00%
Premier Miton US Opportunities	6.00%
Vanguard Japan Stock Index	6.00%
Dodge & Cox US Stock	5.00%
Fidelity Index UK	9.00%
TB Evenlode Income	7.50%
JOHCM UK Dynamic	4.00%
Liontrust UK Growth	3.00%

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	-13.18%	9.21%	3.68%	17.91%	-6.10%
Benchmark	-8.98%	11.30%	6.70%	15.66%	-6.72%

Past performance does not indicate 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 2023

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 targeted an annualised volatility of 11.2 per cent since June 2012; actual volatility has been slightly above this but within acceptable limits. 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 44.8 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.

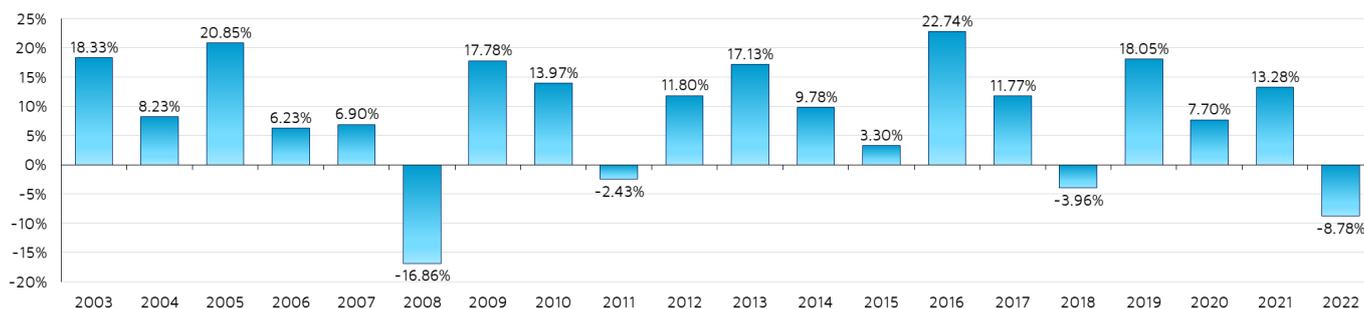
Lowest Month: -11.11% **Lowest Six Months:** -15.10% **Lowest Year:** -13.22% **Range of Monthly Returns:** -11.11% to 8.47%

RISK ILLUSTRATION:

The portfolio itself has only been running since 2015 and has synthetic performance back to 2008. 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 2002. The data shows that in a 20-year period this proxy for the portfolio's current investments lost money on four occasions, in 2002, 2008, 2011 and 2018. The biggest loss would have been in 2008, where over the year the portfolio would have lost 18.08 per cent; this equates to an investment of £10,000 falling to £8,192. 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 21.63 per cent. This means an investment of £10,000 would have been worth £12,163 at year end.

Synthetic History: This is history that has been generated prior to the official launch of the portfolio in March 2015; it has been calculated using investments that were available at the time and assuming no knowledge of how they would have performed going forward. It is indicative of how the portfolio would have performed over time had it been in existence.

Simulated History: This uses the strategic asset allocation provided by our actuarial consultants EValue. It uses passive investments to represent the risk level that we are currently targeting and whose performance we are trying to exceed. The performance provides an illustration of how the current portfolio may have behaved; historical positioning may have been different due to a variety of factors, including input from EValue, the impact of fund selection and changes of asset allocation by the portfolio management team. It also does not consider any charges. The history can be represented over a far longer time period than the synthetic history and therefore illustrates performance over a number of market cycles.

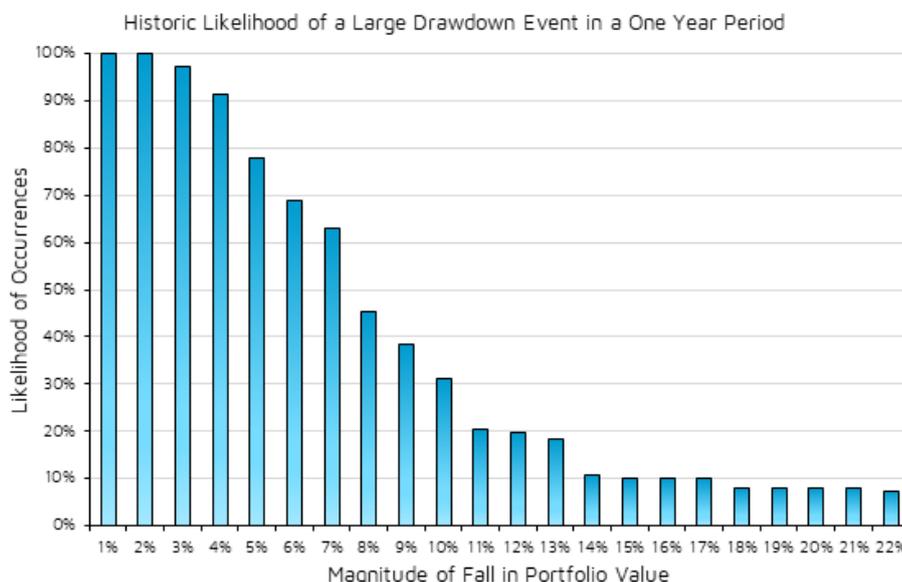


The average annualised performance of the asset allocation since 2002 has been 8.29%

POSSIBILITY OF LARGE 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 to the year 2000, 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.

■ M&G Global Macro Bond

Weighting: 6.00% **Yield:** 1.9% **Total Charge:** 0.63% (+0.10%)

This is a highly flexible fund investing in bonds offering a range of interest rate, credit and currency risk exposures. The investable universe is vast, ranging from sovereign debt to corporate credit and across the scope of credit quality and maturities. Since the fund invests globally, currency risk is significant. The fund has a track record of outperforming during times of market stress and when sterling has fallen in value.

■ Dodge & Cox US Stock

Weighting: 5.00% **Yield:** 0.0% **Total Charge:** 0.63% (+0.00%)

This fund is run on a committee basis, using its large US-based analyst team to present ideas to the investment committee, which will collectively approve any investment decisions. The fund takes a long-term view when investing, with a slight value tilt towards large global US companies. It can be considered a core holding within the global developed equity portion of the portfolio. The fund tends to behave rather differently to the market, meaning it works best when blended with other funds.

■ TB Evenlode Income

Weighting: 7.50% **Yield:** 2.7% **Total Charge:** 0.87% (+0.05%)

The fund is ideal for those looking for investment income in the UK. The fund looks to identify quality businesses that can grow their dividend. The managers look to invest in companies for the long term. The strategy has historically been very successful, and the fund has been particularly strong in weak markets, managing to preserve capital better than its peers.

■ Liontrust UK Growth

Weighting: 3.00% **Yield:** 1.8% **Total Charge:** 0.84% (+0.04%)

This fund invests in UK companies that have what the managers define as economic advantages. These are intangible assets that include intellectual property (for example, patents and copyrights), distribution networks and recurring business (contracts and subscriptions). The managers believe that whilst these assets are more difficult to identify than physical assets, they are the hardest to replicate, thus provide companies with long-term protection from competition and sustain higher returns. The resulting portfolio comprises predominantly large and mid-cap companies that have quality and growth characteristics. Given the managers' long-term investment outlook, the fund has low turnover and is relatively concentrated with 40 to 50 stocks.

■ Vanguard Japan Stock Index

Weighting: 6.00% **Yield:** 2.1% **Total Charge:** 0.16% (+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 is an offshore reporting fund, meaning that it is treated in the same way as an onshore fund by HM Revenue & Customs.

■ Fidelity Index UK

Weighting: 9.00% **Yield:** 3.2% **Total Charge:** 0.06% (+0.03%)

This fund provides passive low-cost exposure to UK markets. The fund has been chosen for its exceptionally low charges and its ability to replicate the FTSE All-Share Index extremely accurately. The fund achieves this by holding all the larger shares and a representative selection of the smaller companies; this reduces costs and liquidity risks while not impacting its ability to match the index.

■ JOHCM UK Dynamic

Weighting: 4.00% **Yield:** 5.4% **Total Charge:** 0.68% (+0.36%)

This fund invests in companies that the managers have identified as 'recovery plays' – businesses that have identified their problems and formulated a strategy for dealing with them. This means that periods of underperformance are possible and investors need to be prepared to hold the fund for a while to allow its investments to play out.

External Risk Ratings



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 Cass 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 four distinct areas; Crown Ratings, Alpha Manager Ratings, Group Awards and AFI (Adviser Fund Index).

These four 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



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 classified 100% UK Equity. A mixed investment fund would be classified 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%.

This document has been prepared for general information only and is not guaranteed to be complete or accurate. It does not contain all of the information which an investor may require in order to make an investment decision. If you are unsure whether this is a suitable investment you should speak to your financial adviser. You may get back less than you originally invested.

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