MOSAIC
Portfolio Report as at December 2023

DESCRIPTION:

The portfolio is designed for an investor prepared to take on a moderate amount of risk in the hope of making a positive return on their initial outlay. Capital preservation is less important than in a cautious portfolio, meaning significant periods of losses are possible and the investor should be prepared to commit their money for a reasonable length of time in order to realise its potential.

The main driver of returns is likely to come from the portfolio's significant equity exposure. Equities are generally considered a high-risk asset class and can experience significant market falls. It is for this reason that investors should be prepared to hold their investments for a reasonable period. Exposure is mainly in the developed markets of the UK, US, Europe and Japan. Limited exposure to the higher-risk area of emerging markets is possible when considered appropriate. A limited allocation may be held in smaller companies due to the higher risk but greater growth prospects associated with them.

It is important for investors at this risk level to hold a range of assets to diversify as much risk as possible without sacrificing growth potential. This is why a portion of the portfolio is invested in bonds, which provide steady returns and help to provide protection in falling equity markets due to their perceived safe haven status. The portfolio can also hold an allocation to absolute return strategies and the money market. Absolute return funds are targeted to produce positive returns within a set period in all market environments; positive returns though cannot be guaranteed. Managers of these funds will typically employ complex investment strategies using derivatives and other sophisticated investment instruments to achieve their aims.

The strategy should lead to sustained growth rates, although there are likely to be bumps along the way.

RISK LEVEL

TIME HORIZON

This is a medium term portfolio, investors should be prepared to invest their money for more than one market cycle in order the strategies that the portfolio is invested in can reach fruition. Roughly investors should be looking to place their money for a minimum of 7 years.

WHAT IT COSTS:

Financial Instruments OCF: 0.47% **Financial Instruments Transactional Costs: 0.04%**
Investment Services: 0.27% **Third Party Payments: 0.00%** **Total Cost: 0.78%**

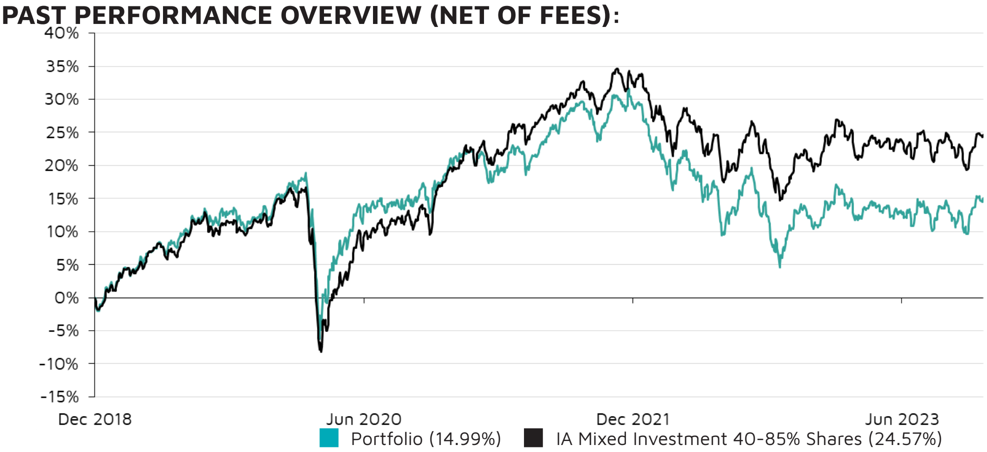
Financial Instruments OCF refers to the underlying costs of managing the funds. Commonly known as the ongoing charges figure these costs consist primarily of management fees and additional expenses such as registration, regulation, auditing and legal fees, the costs of distribution as well as any other operational expenses. Transactional costs refers to additional costs which the portfolio expense 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 Investment Services Charge refers to the costs of managing the portfolio including the selection of the funds and ensuring that the portfolio meets its risk targets and performs as expected. **The charges represent the current maximum charges, for the exact charges please refer to the Platform Portfolio Charges Document.**

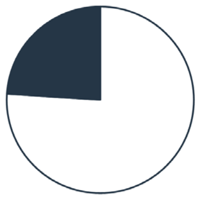
ASSET ALLOCATION

UK Equity	3.50%
Global Developed Equity	49.50%
Emerging Markets	1.50%
Money Market	4.00%
Fixed Interest	41.50%

PAST PERFORMANCE OVERVIEW (NET OF FEES):



ACTIVE/PASSIVE SPLIT



Active 76.04%
Passive 23.96%

DISCRETE PERFORMANCE TO LAST QUARTER END:

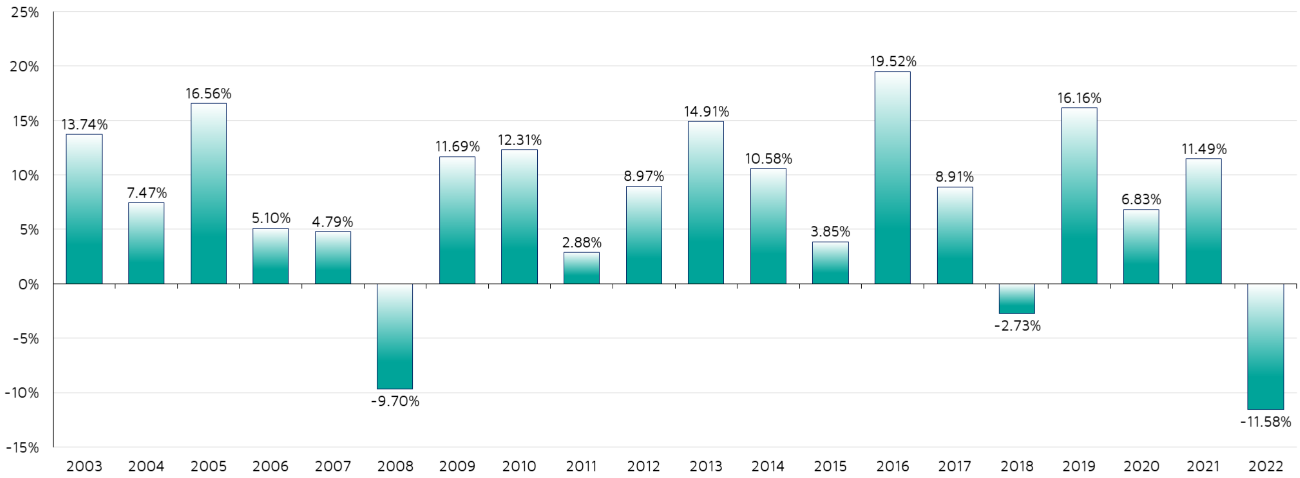
Period	0-12 Months	12-24 Months	24-36 Months	36-48 Months	48-60 Months
Portfolio	4.63%	-15.05%	9.59%	1.55%	
Benchmark	5.11%	-10.15%	16.63%	-0.19%	4.20%

Past performance is not a guide to future performance and you may get back less than you originally invested. 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 ILLUSTRATION:

The portfolio itself has only been running since 2018. 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 2003. The data shows that in a 20-year period this proxy for the portfolio's current investments lost money on three occasions, in 2008, 2018 and 2022. The biggest loss would have been in 2022, where over the year the portfolio would have lost 11.58 per cent; this equates to an investment of £10,000 falling to £8,842. This means over the period our proxy would have made money in 17 out of 20 years. The highest growth experienced was in 2016 when the asset allocations grew by 19.52 per cent. This means an investment of £10,000 would have been worth £11,952 at year end.

What is the 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.

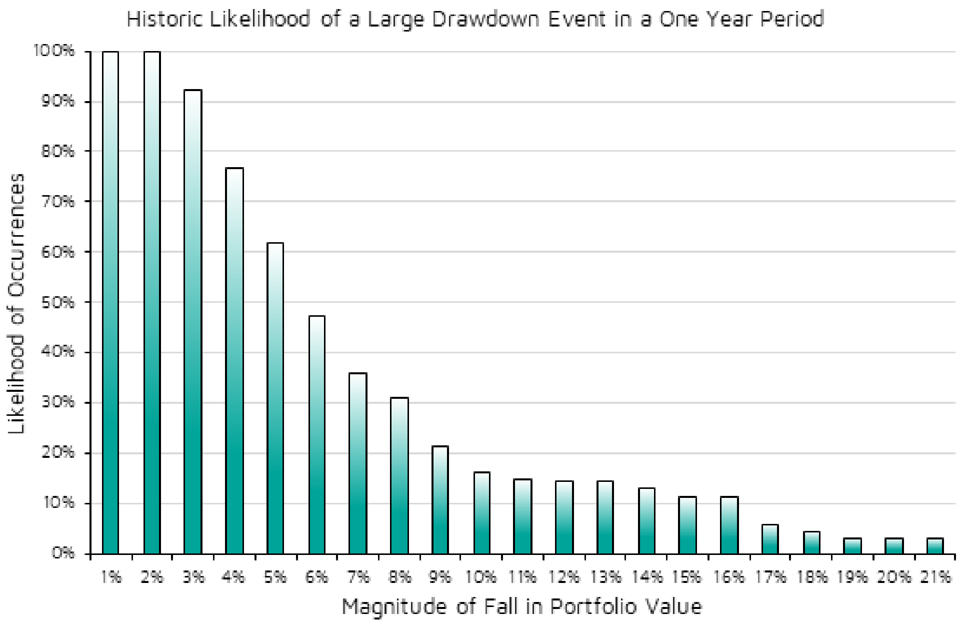


The average annualised performance of the asset allocation since 2003 has been 7.27%

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 on the chart. For instance, a chart that reads 5% on the 'x' axis and 60% on the 'y' axis would indicate that over any one year period there was a 60% chance the portfolio fell by at least 5%. 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.

WHY INVEST IN UK EQUITIES:

The UK equity market is one of the most mature investment markets globally, with a diverse mix of companies listing on its exchanges. It would be wrong, however, to confuse the UK market and the UK economy. The FTSE 100 represents around 80% of the UK market by capitalisation, yet 70% of the income earned by these companies comes from overseas. This explains why the fortunes of the UK market and the UK economy can often vary wildly.

This can become particularly evident if there are large currency movements, as seen around the Brexit vote, where a 20% devaluation in the pound did not stop markets rising over the following week. Investors should therefore not assume by investing in the UK market that they are insulating themselves from currency risk.

The UK market is dominated by two main industries – financials (banks, insurance and investment firms) and natural-resources firms (oil and gas, miners and refiners) – and these are followed by consumer goods (particularly tobacco) and the consumer services sector. The prospects for the market will therefore be very dependent on the fortunes of these sectors.

A noticeable underweight for the UK market is technology, which makes up approximately 1%, with most of these firms choosing to list abroad, particularly in the US market.

The UK market is particularly popular with those looking for income, with the FTSE 100 yielding approximately 3.8% thanks to big dividend payers such as GlaxoSmithKline, Royal Dutch Shell and British American Tobacco making up a large portion of this. Investors should be aware, however, that two thirds of the income paid out is concentrated in just 20 companies, meaning that investors are very dependent on the fortunes of a limited number of firms.

For those looking for pure exposure to the UK economy they will have to look beyond the FTSE 100 and into the FTSE 250 and below. As these are made up of smaller and medium-sized companies this inevitably means that they will be higher risk – they will, however, offer greater growth prospects. This portion of the market also tends to be under researched compared to the large cap market, offering diligent managers a greater chance to outperform.

WHAT YOU ARE INVESTED IN:

Name	Ongoing Charge	Transactional Costs	Total Cost
Liontrust UK Growth	0.87%	-0.07%	0.80%
Man GLG Income	0.90%	0.68%	1.58%
Royal London Sustainable Leaders Trust	0.76%	0.37%	1.13%
Schroder Income	0.83%	0.11%	0.94%
Slater Growth	0.80%	0.00%	0.80%
WS Evenlode Income	0.77%	0.35%	1.12%

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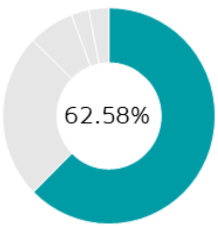
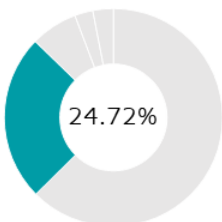
MARKET CAPITALISATION BREAKDOWN

Large Cap



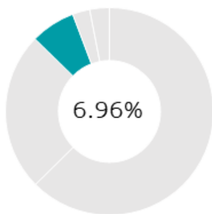
Large cap typically means companies within the FTSE 100 over £5 billion in size. They are typically well established international companies and are the largest dividend payers.

Medium Cap



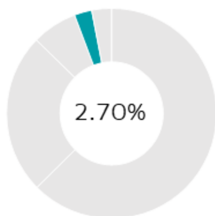
Mid cap typically means companies within the FTSE 250 around £1-5 billion in size. Companies tend to be more domestically focussed and more affected by the UK economies health.

Small Cap



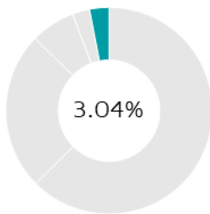
Small cap typically means companies of £250 million–1 billion. Their small size means they are higher risk, but they do have much greater growth prospects.

Micro Cap



Micro cap typically means companies below £250 million in size. This is the least researched and highest risk portion of the UK market but also has the greatest potential.

Other



This will include cash and derivative positions held by a fund. Funds are also able to invest up to 20% in foreign markets, although not all funds will choose to do this.

DISCRETE PERFORMANCE TO LAST QUARTER END:

Period	0-12 Months	12-24 Months	24-36 Months	36-48 Months	48-60 Months
UK Equity Tile	11.29%	-11.33%	24.93%	-11.99%	
IA UK All Companies	12.77%	-15.33%	32.38%	-12.76%	-0.03%

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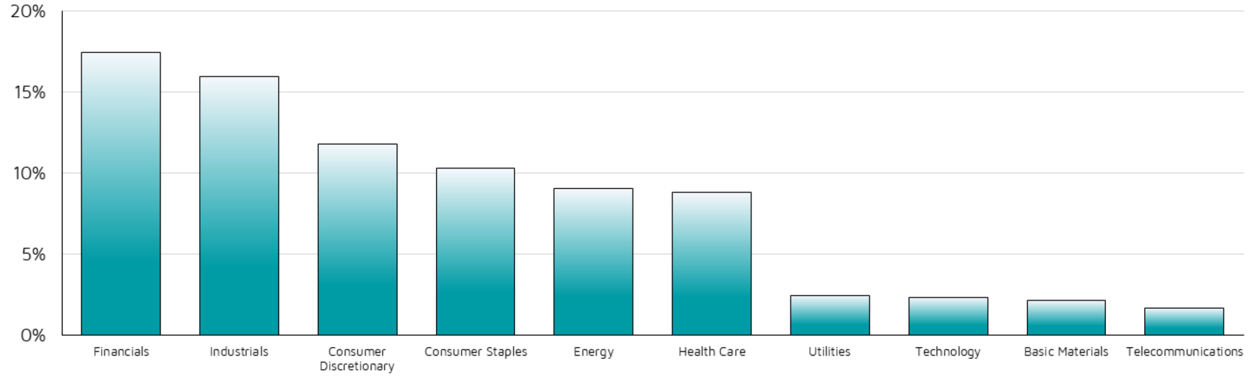
UK EQUITY SECTOR EXPOSURE



* Sector exposure may not add up to 100% because of undeclared cash and derivative positions from some funds

ASSET CLASSES

Growth: This is a style of investing where a manager is trying to identify companies that can grow their earnings at an above average rate. This may involve investing in markets which are yet to fully emerge; in recent years the technology sector has been an excellent example of a growth investment. Unlike a value investor a growth investor may choose to invest in a company that already looks expensive as it is expected to be worth even more in the future, which justifies the price.

Value: This investment style looks at companies that the managers believe are currently trading at less than their intrinsic value. Value investors believe markets overreact to good and bad news; this results in share movements that do not reflect fundamentals. Although the concept is relatively simple it is very contrarian as you are going against the market consensus. This can lead to periods of underperformance.

Income: From its earned profits, companies have one of two options: to pay out a portion in dividends to shareholders or to reinvest the money in the business. Dividend paying companies therefore tend to be larger businesses in well-established industries. Income investing is generally thought of as slightly lower risk, because in a falling market you will receive some return through income payments.

WHAT YOU ARE INVESTED IN

Slater Growth: This fund's investment process takes on a growth at a reasonable price approach – that is, identifying profitable, faster growing and cashflow-generative companies with a competitive advantage, and buying these companies at a discount to the market. Once a company passes the due diligence and is approved by the investment committee, the fund typically buys for the long-term. Portfolio turnover tends to be low under normal market conditions. This has resulted in a concentrated portfolio of 35 to 50 holdings with a bias to small and medium-sized firms.

Royal London Sustainable Leaders Trust: This fund focuses on investing in companies that have strong environmental, social and governance (ESG) qualities and offer potential for growth, as well as being relatively undervalued by the market. The team applies its rigorous, qualitative positive screening to identify companies that are actively seeking out better ways of producing goods and services for the benefit of society. The fund is distinguishable from its ethical peers, who focus predominantly on negative screening, in that the manager goes a step further and screens all 'ethical' companies to isolate those that are actively engaging in sustainable areas as well as those that operate in socially neutral areas, such as alcohol production, but which utilise responsible methods of production.

Liontrust UK Growth: The fund invests in UK companies that have what the managers call economic advantages. These are intangible assets that include intellectual property (for example, patents and copyrights), distribution networks and recurring business (contracts and subscriptions). As these characteristics are hard to replicate they give companies long-term protection from competition and sustained higher returns. Companies must be priced at a discount and strict risk scoring – including ESG risk – determines stocks' maximum weightings relative to the benchmark, resulting in portfolio of predominantly large and mid-cap companies that have quality and growth characteristics. The fund has low turnover and is relatively concentrated.

Schroder Income: Although ostensibly an income fund, the real driver of returns is its contrarian valuation driven approach. The managers are focused on identifying companies with strong balance sheets and healthy profits that are significantly undervalued. The ability for the company to grow dividends is also a consideration. The fund has a strict buy/sell discipline and can be aggressively positioned.

WS Evenlode Income: 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.

Man GLG Income: This fund has an unconstrained approach which means it can look quite different from the wider UK market at times. The team tries to identify companies that are undervalued, but which have strong balance sheets and are cash generative. The fund invests across the market-cap spectrum if the manager perceives opportunity. This positioning can lead to impressive periods of outperformance, although the fund is likely to lag in certain market conditions, particularly ones that favour growth companies.

WHY INVEST IN GLOBAL EQUITIES:

Investors in the UK tend to have a notable home bias when it comes to their investment portfolios. The reasons for this are not completely clear, but it is likely to do with a preference for the familiar and an aversion for the unknown. Yet with UK stocks making up just over 6% of the global market, investors are potentially leaving themselves severely compromised. The US meanwhile makes up about 60% of the global market, Europe excluding UK just under 20% and Japan just under 10%.

While investing globally adds important diversification benefits, it is exceptionally difficult to know where the best investment opportunities will be over the next few years – but if you own the whole haystack you don't have to worry about finding the needle. Investing in a single region ties results directly to its economic performance. The economies of the US, Europe and Japan all have things that make them unique and interesting. Despite the size of its market, the US in recent years has come to be dominated by the Silicon Valley tech stocks, with information technology now making up roughly a quarter of the index.

Europe is made up of a diverse range of economies – from Germany, with its core manufacturing base, to Switzerland with its well-established banking and insurance industry, to France, which has some of the largest insurance, airline, cosmetic, luxury and energy companies in the world.

The Japanese market is particularly interesting, because as well as having some of the most well-known car manufacturers and technology firms globally, the market itself has a surprisingly low correlation to other developed equity markets. In addition, the Japanese yen has some status as a safe haven asset and this further differentiates the asset class and spreads the risk of the portfolio.

Clearly investing in global markets contains some currency risk; however, by diversifying across multiple regions it clearly mitigates the effects of being too overexposed to any one currency. Over the long term currency movements are likely to have minimal impact and would be far outweighed by the exposure to additional markets and sectors rather than a concentrated position in the UK.

WHAT YOU ARE INVESTED IN:

Name	Ongoing Charge	Transactional Costs	Total Cost
Brown Advisory US Sustainable Growth	0.90%	0.02%	0.92%
Dodge & Cox US Stock	0.63%	-0.08%	0.55%
Fidelity European	0.92%	0.05%	0.97%
Fundsmith Equity	0.95%	0.01%	0.96%
HSBC American Index	0.06%	0.03%	0.09%
Vanguard Japan Stock Index	0.16%	0.02%	0.18%

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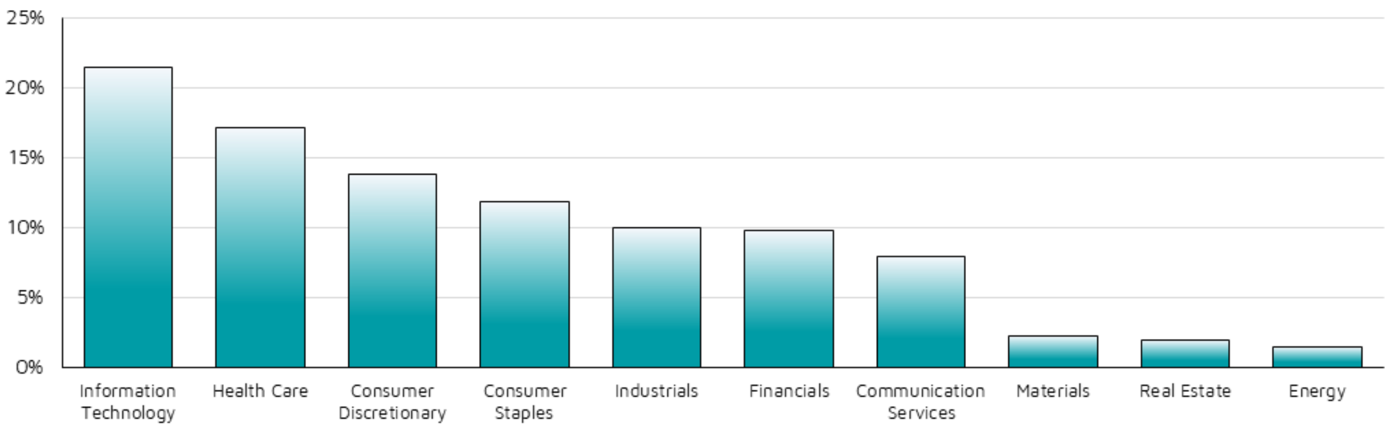
GLOBAL EQUITY SECTOR EXPOSURE



* Sector exposure may not add up to 100% because of undeclared cash and derivative positions from some funds

DISCRETE PERFORMANCE TO LAST QUARTER END:

Period	0-12 Months	12-24 Months	24-36 Months	36-48 Months	48-60 Months
Global Equity Tile	8.13%	-10.11%	22.32%	11.85%	
IA Global	7.77%	-8.90%	23.20%	7.19%	5.98%

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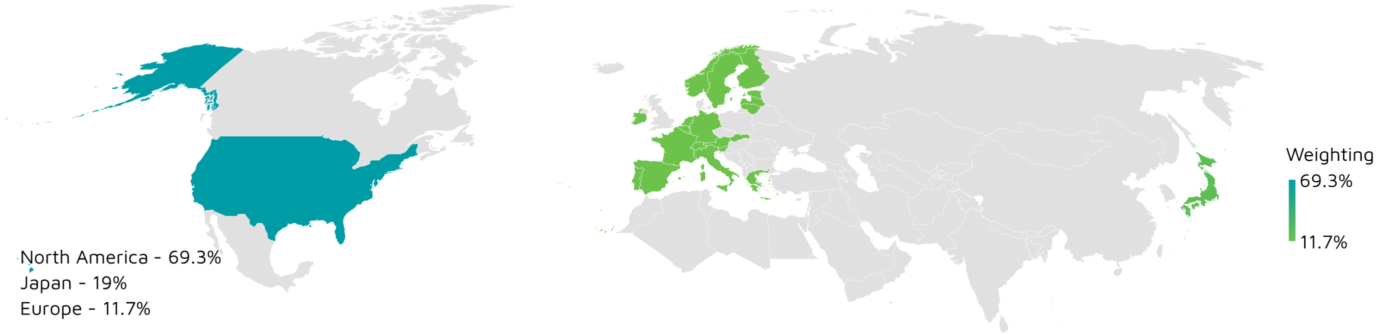
REGION ALLOCATION HEAT MAP



ASSET CLASSES

Passive: Passive funds try to replicate an index rather than outperform it. The advantage of this process is that it is considerably cheaper as you do not require a manager to try and identify the best market opportunities.

Growth: This is a style of investing where a manager is trying to identify companies that can grow their earnings at an above average rate. This may involve investing in markets which are yet to fully emerge; in recent years the technology sector has been an excellent example of a growth investment. Unlike a value investor a growth investor may invest in a company that already looks expensive as it is expected to be worth more in the future, which justifies the price.

Value: This style of management focuses on companies that it believes are currently trading at less than their intrinsic value. Value investors believe that markets overreact to both good and bad news; this results in stock price movements that do not reflect the company fundamentals. A common approach is to find problem companies that other investors are avoiding that can be turned around with a new strategy or management team. Although the concept is relatively simple it is at the same time very contrarian as you are going against the market consensus, and this can lead to periods of underperformance.

WHAT YOU ARE INVESTED IN

Vanguard Japan Stock Index: This fund provides passive exposure to the MSCI Japan index. It has been chosen due to its exceptionally low costs and its ability to replicate the index as closely as possible.

HSBC American Index: The fund tracks the S&P 500 Index by holding all 500 stocks within in it. It provides low-cost exposure to US markets, which can prove difficult to beat using an active strategy.

Brown Advisory US Sustainable Growth: The managers aim for long-term capital growth by investing in companies that have outstanding business models and a sustainability focus. They believe growth is only sustainable if it is helping society, and employ negative screens so they do not invest in companies harmful to society.

Fundsmith Equity: The fund looks for global companies with organic growth. Ideally they will generate many repeatable and predictable transactions. Potential investments need to be at a reasonable valuation and the team will waits for an attractive entry point. The resulting portfolio is heavily concentrated between 20 to 25 names.

Fidelity European: The fund aims to find attractively valued companies that exhibit good long-term growth prospects. The manager looks for companies that grow their dividend on a three-to five-year time horizon, have sustainable margins, a strong balance sheet and fund their dividends through growth. Each holding needs three reasons to invest based on fundamentals and valuation.

Dodge & Cox US Stock: 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. This fund is being removed as we become more cautious about the outlook for value stocks in the US.

WHY INVEST IN EMERGING MARKETS:

Emerging markets covers the geographical areas of Asia (including China and India), parts of Africa, Eastern Europe, and Central and South America. The economies of these countries are typically growing and urbanising fast, with young populations. They are less wealthy than developed nations and have growing middle class populations who are driving demand for consumer goods.

Theoretically this is an ideal environment for private companies to grow and increase profits rapidly. Compared to developed markets, emerging markets are under-researched and less efficient providing opportunities for diligent managers to find undervalued stocks. Emerging markets offer higher expected returns as these nations go through many years of high economic growth. They are most suitable for investors with a high risk tolerance and a reasonably long-term horizon for investment.

There are risks associated with emerging markets, however. Weaker corporate governance and accounting standards, and limited shareholder rights, mean many companies lack transparency and accountability, which has a negative impact on the security of firms. Regulation and systems of checks and balances tend to be lax, and whilst this provides opportunities for companies it also translates into higher failure rates.

Politics in emerging markets also has a larger impact on investments than it does in developed economies. Political instability and changes of policy in emerging markets are far more common; companies are therefore at increased risk of state interference, and the government's inability to control inflation or war, to name just a few factors.

As with any foreign investment emerging markets are subject to currency risk. Any depreciation in the local currency relative to sterling will result in a negative return to the investor, if the value of the stock remains static. The currencies of many emerging market countries can be extremely volatile and, as a result, some funds may choose to hedge their exposure back to sterling; this however adds further costs to the fund.

It is this mix of large opportunity combined with significant uncertainty that defines investing in emerging markets.

WHAT YOU ARE INVESTED IN:

Name	Ongoing Charge	Transactional Costs	Total Cost
Artemis SmartGARP Global Emerging Markets Equity	0.95%	0.31%	1.26%
Aubrey Global Emerging Markets Opportunities	1.36%	0.44%	1.80%
BlackRock Emerging Markets	0.97%	0.65%	1.62%
Fidelity Asia Pacific Opportunities	0.90%	-0.15%	0.75%
JPM Emerging Markets Income	0.82%	0.29%	1.11%
Pictet Indian Equities	1.06%	0.29%	1.35%
Schroder Asian Income	0.84%	0.13%	0.97%
Vanguard Emerging Markets Stock Index	0.23%	0.01%	0.25%

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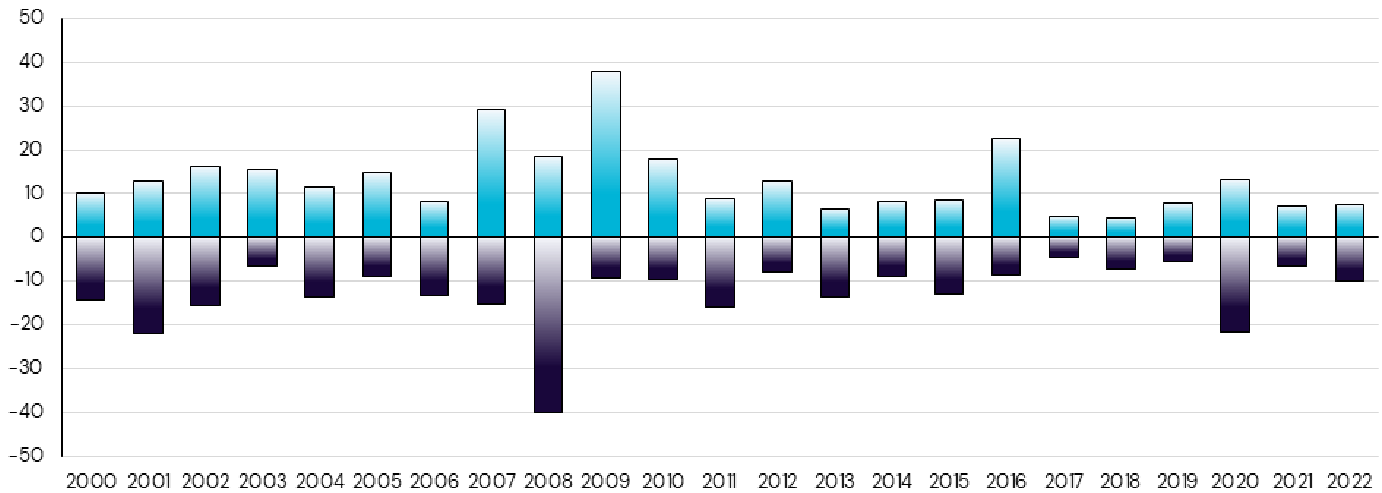
MAX GAIN AND LOSS FOR EMERGING MARKETS SINCE 2000:

Max gain represents the longest running consecutive gain without a loss within that year, in contrast max loss represents the longest period of loss without a gain. Calculation uses weekly data and the asset class is represented by the IA sector average.



DISCRETE PERFORMANCE TO LAST QUARTER END:

Period	0-12 Months	12-24 Months	24-36 Months	36-48 Months	48-60 Months
Emerging Markets Tile	0.18%	-14.53%	16.36%	3.66%	
IA Global Emerging Markets	2.60%	-15.36%	16.96%	1.97%	6.54%

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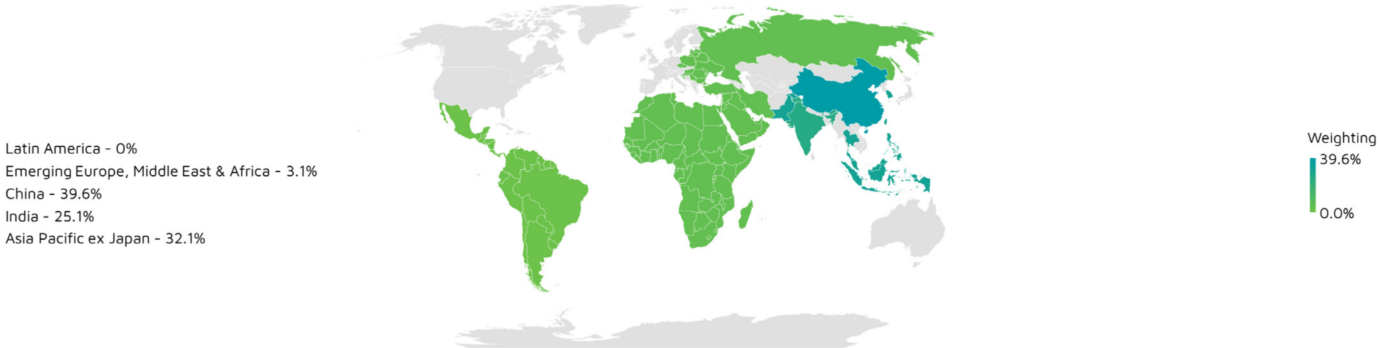
REGION ALLOCATION HEAT MAP



ASSET CLASSES

Global Emerging Markets: This makes up the core section of the asset class. The managers have the flexibility to decide which countries and markets offer the best opportunity. The funds focus on the larger markets of Brazil, China India and Russia. They can include a limited amount of the smaller, less developed markets known as 'frontier markets', which are much further back in their development. They have more future growth potential but carry much more risk.

WHAT YOU ARE INVESTED IN

Artemis SmartGARP Global Emerging Markets Equity: The fund uses rigorous quantitative analysis to identify the best opportunities. It aims to identify companies that are cheap compared to their predicted growth rates.

Aubrey Global Emerging Markets Opportunities: The fund aims to generate returns by investing in companies which are focused on growth in consumption and services in emerging markets. It first narrows the investible universe by highlighting the development stage for each country, and consequently which industries will provide investment opportunities. It then seeks to identify companies that have very strong prospective earnings growth and profitability.

BlackRock Emerging Markets: Lead manager Gordon Fraser believes that emerging markets are inefficient, complex and cyclical, and that a disciplined approach to macroeconomic country allocation along with in-depth company research can deliver superior returns. The manager is supported by a large team of analysts from six regions who generate stock-specific ideas. The team's process focuses on identifying turning points in the macroeconomic cycle, which includes an assessment of politics. The resulting portfolio is comprised of 50 to 70 stocks.

JPM Emerging Markets Income: This fund takes a total return approach by balancing income and capital appreciation. It aims to deliver a dividend in excess of 130% of the benchmark. This results in a bias towards high-quality companies trading at a discount. There is no minimum yield or need a long history of dividend payments. Around 60% of the portfolio consists of stocks with a 3% to 6% yield. The remaining 40% is split equally into dividend growth and high-dividend-yielding companies. The resulting portfolio comprises 70 to 80 stocks, well diversified across countries and sectors.

Vanguard Emerging Markets Stock Index: This fund replicates the performance of the index by direct ownership of the underlying securities. To supplement fund returns and offset the trading costs involved with direct ownership of the securities the manager engages in stock lending. Profits from stock lending reduce the effect of management fees, minimising the tracking difference to the index.

Asia Pacific ex Japan: The region combines a mix of developed and emerging economies. China makes up over a quarter of the region, followed by Australia, South Korea, Taiwan and Hong Kong. In total these five economies cover around 80% of the investable region. Asia's economic importance to the world is increasing and this asset class allows access to not only China but also surrounding countries that are benefiting from the region's development.

Fidelity Asia Pacific Opportunities: The manager takes a style agnostic approach and aims to find companies which have better earnings growth potential over a 12 to 24-month view versus consensus. Position sizes are based on conviction, diversification benefits, liquidity and volatility. The resulting portfolio comprises 25 to 35 high-conviction holdings.

Schroder Asian Income: This fund takes a different approach from that of its emerging market peers in that it focuses on producing income. Approximately half of the fund's returns have come from dividends. This focus means that it has a bias towards quality companies, which helps to provide protection during times of falling markets.

India: The Indian economy is growing rapidly and its development lags China, offering lots of opportunity. It has the potential to overtake China as it has more favourable demographics, with a higher birth rate and a younger population. This is offset somewhat by the messy and inefficient nature of its politics. The reforms it needs to undergo to realise its potential require a significant amount of political will.

Pictet Indian Equities: The fund takes a 'quality at the right price' approach to investing in Indian equities. The fund is a concentrated all cap portfolio, holding 20 to 30 stocks, with stock selection being the main driver of returns. The bulk of the portfolio will always be in the more liquid, large cap stocks, and the allocation to small and mid cap stocks will fluctuate, based on the opportunity set and valuation.

WHY INVEST IN FIXED INTEREST:

Bonds are traditionally seen as defensive assets, but they are not without risks. Bonds are debt securities issued by a government or business. Owners of the bond will then receive interest until the debt matures, at which point the government or business will repay the face value of the bond. Bonds are an interest-bearing rather than a growth asset. Equities can rise in value as company revenues or profits rise but the final value of a bond does not change.

Gilts are bonds issued by the British government. As they are backed by the government, they are a very defensive asset class as the chance of any default on the debt is very low. This means the interest paid on gilts is likely to be lower than on corporate bonds as there is no need to compensate for the higher risk the investor is taking. Gilts are extremely important when it comes to managing risk in a portfolio due to their low correlation to equities, especially in falling markets. Their perceived safe haven status means they tend to see large inflows during times of market stress, and this causes the yield on the gilt to compress and the capital value to increase. The inclusion of gilts in a portfolio allows for the inclusion of much riskier, higher yielding assets than would otherwise be possible. This allows the performance potential of a portfolio to be increased without increasing the risk.

The main headwinds for gilts are interest rate rises from the Bank of England. As rates rise, yields on gilts increase and consequently the capital value of the bond decreases. How big this decrease in capital value will be is determined by duration – typically, the longer dated the gilt the greater the fall in value.

Corporate bonds are a form of debt financing for a business. Most corporate bonds are rated by external credit rating agencies to provide some context to their ability to repay debt. Corporate bonds with high ratings are known as 'investment grade' and the rating suggests the business has an extremely strong capacity to meet its obligations. They usually pay a lower coupon than bonds with lower ratings.

Non-investment grade debt is sometimes called high yield, distressed debt or, in some cases, junk bonds. These businesses are generally seen as vulnerable and may not necessarily be able to meet future financial commitments. The risk to investors is that a business will enter into financial difficulty and default on its debt obligations. In cases where a firm goes bankrupt all is not necessarily lost, as a company must pay its bond holders before shareholders, explaining why bonds are perceived as a safer asset.

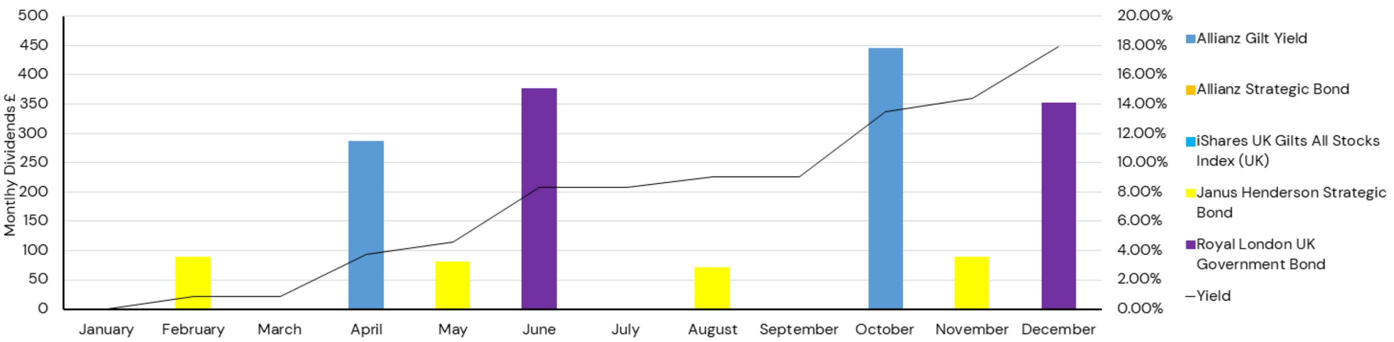
WHAT YOU ARE INVESTED IN:

Name	Ongoing Charge	Transactional Costs	Total Cost
Allianz Gilt Yield	0.32%	0.15%	0.47%
Janus Henderson Strategic Bond	0.70%	0.25%	0.95%
M&G Global Macro Bond	0.78%	0.23%	1.01%
Pimco GIS Global Bond ESG	0.52%	-0.21%	0.31%
Royal London UK Government Bond	0.35%	-0.17%	0.18%

The charges represent the current maximum charges, for the exact charges please refer to the Platform Fund Charges Document.

HOW THE INCOME BREAKS DOWN:

The charts and tables below use information from the past year to show the level of income that may be expected from the portfolio and when this will be received. To demonstrate this, we have assumed a £10,000 initial investment that remains level each month. These levels of income are not guaranteed and are purely for indicative purposes; in reality they could differ significantly either on the upside or the downside. The yield is calculated by taking the dividend of the fund and dividing it by the price on the ex-dividend date. This is then listed below as being paid out on the pay date. We assume that the portfolio is always worth £10,000 and the weightings of the individual holdings have not drifted.

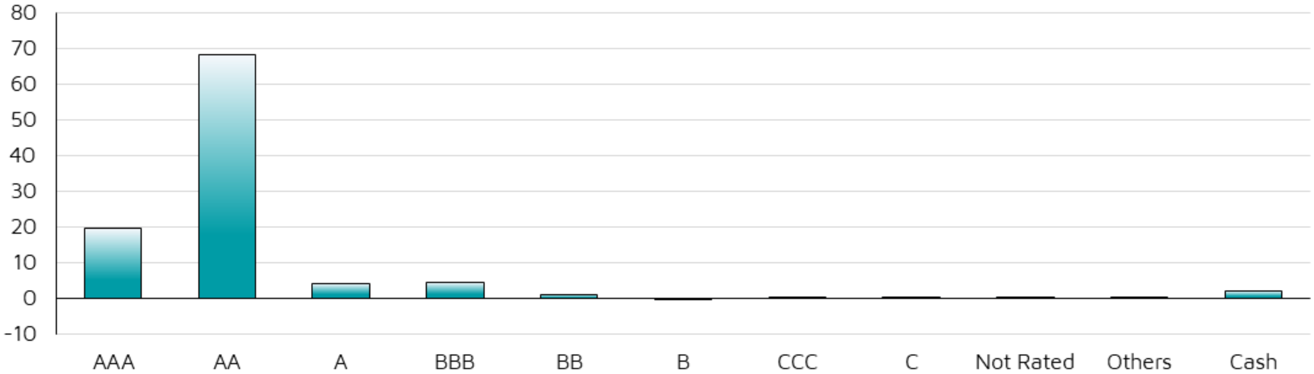


DISCRETE PERFORMANCE TO LAST QUARTER END:

Period	0-12 Months	12-24 Months	24-36 Months	36-48 Months	48-60 Months
Fixed Interest Tile	-1.95%	-20.53%	-3.69%	6.88%	
IA Sterling Corporate Bonds	7.28%	-20.53%	1.26%	4.21%	9.02%

Past performance does not indicate future performance and you may get back less than you originally invested. All figures are calculated on a bid to bid total return basis in GBP. Data from FEfundinfo 2023

FIXED INTEREST CREDIT RATING



* Portfolio Credit Rating may not add up to 100% because of undeclared cash and derivative positions from some funds

ASSET CLASSES

Sterling Strategic Bonds: These are the most flexible type of bond funds as they have the freedom to invest wherever they like according to where they see the best opportunities. This means that they could be investing in government bonds, investment grade corporate bonds, high yield bonds or even international bonds. The only restriction is that at least 80 per cent of holdings must be invested in sterling investments, or investments hedged back into sterling. Some strategic bond funds may choose to hold some equities, although this must not exceed 20 per cent of the portfolio at any one time.

Gilts: Gilts are a type of debt issued by the British government that pay a fixed interest amount on a half yearly basis until maturity. As they are backed by the British government, gilts are traditionally seen as a very defensive asset class as the chance of any default on the debt is very low compared to corporate debt. This does mean that the interest paid on gilts is likely to be lower than on corporate bonds as there is no need to compensate for the higher risk the investor is taking. The low correlation to equity markets adds significant diversification benefits, which is extremely valuable when it comes to efficient portfolio management. The inclusion of gilts in a portfolio allows for the inclusion of much riskier, higher yielding assets than would otherwise be possible. As gilts are only issued by the British government, they are not exposed to any currency risk.

WHAT YOU ARE INVESTED IN

Janus Henderson Strategic Bond: This is a highly flexible bond fund as it can invest in many types of conventional bond, including those issued by governments and private companies, as well as in loans companies have taken out, and in derivatives. It invests in UK, European and US debt, but does not take currency risks. 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.

M&G Global Macro Bond: 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 UK sterling has fallen in value. The fund has been added due to the additional diversification it brings, including exposure to emerging markets.

Pimco GIS Global Bond ESG: This fund invests in global government and high-quality corporate bonds and can also invest in emerging markets and lower quality 'high yield' bonds when the opportunities arise. Investment decisions are based on macroeconomic research produced in-house by one of the world's largest bond managers. The fund also uses credit research to identify companies with improving credit profiles. The fund is globally diversified but hedges all foreign currency exposures back to UK sterling. The fund has been added due to the additional diversification it offers.

Allianz Gilt Yield: This fund is a core fixed-income holding that invests primarily in British government bonds. It can invest up to 20 per cent of the fund in bonds other than UK gilts, with the caveat that they must be of an equivalent credit rating. Practically these investments largely have to be in foreign government bonds, with derivatives used to hedge out currency exposure. The manager tries to add value by altering the interest rate sensitivity (the duration) by buying securities of different maturities. The manager can only shift the duration by two years either way meaning that he is reasonably restricted in how active the fund can be. The performance of the fund will not differ greatly from that of the index.

Royal London UK Government Bond: The fund invests predominantly in UK government bonds with maturity dates of between one and five years. This gives the fund a very low risk profile as it has a very low sensitivity to any changes in interest rates. The managers compare their interest rate projections with market assumptions and also monitor supply and demand for different bond maturities to identify mispricing. The fund can also invest in highly-rated corporate bonds as well as government bonds from other developed economies.

WHY INVEST IN MONEY MARKET:

The money market represents the most defensive type of investing besides holding your money in physical cash. It is in essence a form of short-term borrowing of up to a year undertaken by governments, financial institutions and large corporations. It is most suitable for investors with a very cautious attitude to risk or investors who have a short time horizon for investment, meaning they would potentially not be invested long enough to tolerate even small amounts of volatility.

Defaults on money market instruments are exceedingly low, and it is for this reason that they are considered one of the safest forms of investment. This does mean that returns on investment tend to be extremely low as there is minimal risk that needs to be compensated for.

These low returns mean that the asset class is extremely sensitive to costs, which can quickly become a drag on performance. Therefore, one of the most important aspects of money market investing is keeping the costs as low as possible.

The money market itself exists to serve five main functions: to finance trade, finance industry, invest profitably, enhance commercial banks' self-sufficiency and lubricate central bank policies. Lending times can be anything from overnight to up to one year.

The chief risk with investing in the money market is exposure to losses in real terms, as the asset is so low yielding it is unlikely to keep pace with inflation; this, therefore, does not make it a good long-term investment opportunity.

Unlike equity markets, the money market is lightly regulated and unstructured – dealing is done over the counter rather than on a formal exchange. Despite this the market remains highly liquid, making it easy for investors to enter or exit positions.

One of the chief advantages of the asset class is that it shows almost zero correlation to other asset classes. In falling markets, the asset class historically has remained largely unaffected, explaining why it is so valued for its defensive capabilities. For this reason money market funds see large inflows during times of uncertainty and outflows when market confidence is high.

WHAT YOU ARE INVESTED IN:

Name	Ongoing Charge	Transactional Costs	Total Cost
abrdn Sterling Money Market	0.15%	0.01%	0.16%
Fidelity Cash	0.15%	0.00%	0.15%
L&G Cash Trust	0.15%	-0.03%	0.12%
Royal London Short Term Money Market	0.10%	0.00%	0.10%
WS Canlife Sterling Liquidity	0.15%	0.17%	0.32%

The charges represent the current maximum charges, for the exact charges please refer to the Platform Fund Charges Document.

abrdn Sterling Money Market: The fund aims to generate income and preserve capital over the short term (two years or less) by investing in cash deposits and money market instruments. The fund invests at least 80% in cash deposits and money market instruments. The fund may also invest in reverse repos, securitisations and asset-backed commercial paper. The fund's holdings are diversified across a range of countries, sectors and companies.

L&G Cash: Launched in 1992, the L&G Cash Trust fund is run by the L&G Money Markets team, which oversees more than £40 billion of assets. The fund invests in short-term deposits from high-quality institutions with the aim of beating its sector peers but maintaining a cautious profile. Investment decisions are primarily driven by the team's expectations regarding the wider economy, both over the short and long term, as well as base interest rates rather than the study of individual securities. The team also takes into consideration the supply-and-demand dynamics of the money markets. The fund has a value approach and its focus on short-term deposits mean it is particularly defensive.

Royal London Short Term Money Market: This is the most defensive of the cash funds within the Royal London range. The fund invests in short-term deposits from high quality institutions with the aim of beating its sector peers but maintaining a cautious profile. Due to its short-term limit it is unable to invest in any deposits which take longer than 60 days to mature, helping the fund to maintain its defensive nature. The fund is one of the cheapest in its sector. Cost is incredibly important for money market funds as they can very quickly erode any returns the fund is able to produce. The low cost provides a significant advantage compared to its peers.

WS Canlife Sterling Liquidity: Although the fund was launched in June 2017, it is managed by two experienced money market managers who have run cash mandates for Canada Life since 2003. They have built a repeatable process and are restricted to investing in issuers which have been approved by their internal credit team. The fund can be run with a maximum average maturity of 180 days but has typically ranged between 60 to 90 days. The price is highly competitive as it is one of the lowest in the sector.

Fidelity Cash: The fund aims to provide capital preservation and liquidity, while delivering a competitive yield. The manager uses a multi-strategy approach to build a well-diversified portfolio, where no single decision or investment has a dominant impact on the fund. The fund takes a very conservative approach, and the manager uses a five-stage process to select securities to identify the highest quality borrowers and construct a diversified and highly liquid portfolio.

DISCRETE PERFORMANCE TO LAST QUARTER END:

Period	0-12 Months	12-24 Months	24-36 Months	36-48 Months	48-60 Months
Money Market Tile	4.12%	0.55%	-0.03%	0.47%	
IA Money Market	4.23%	0.38%	-1.23E-05	0.56%	0.72%

Past performance does not indicate future performance and you may get back less than you originally invested. All figures are calculated on a bid to bid total return basis in GBP. Data from FEfundinfo 2023

PORTFOLIO HOLDINGS:

Fund	Asset Class	Weighting
Aubrey Global Emerging Markets Opportunities	Emerging Markets	0.32%
BlackRock Emerging Markets	Emerging Markets	0.31%
Schroder Asian Income	Emerging Markets	0.24%
Fidelity Asia Pacific Opportunities	Emerging Markets	0.23%
Artemis SmartGARP Global Emerging Markets Equity	Emerging Markets	0.16%
JPM Emerging Markets Income	Emerging Markets	0.08%
Pictet Indian Equities	Emerging Markets	0.08%
Vanguard Emerging Markets Stock Index	Emerging Markets	0.08%
Royal London UK Government Bond	Fixed Interest	16.59%
Allianz Gilt Yield	Fixed Interest	10.38%
Pimco GIS Global Bond ESG	Fixed Interest	6.23%
Janus Henderson Strategic Bond	Fixed Interest	4.15%
M&G Global Macro Bond	Fixed Interest	4.15%
HSBC American Index	Global Developed Equity	12.35%
Fundsmith Equity	Global Developed Equity	10.40%
Vanguard Japan Stock Index	Global Developed Equity	9.41%
Brown Advisory US Sustainable Growth	Global Developed Equity	7.43%
Dodge & Cox US Stock	Global Developed Equity	7.43%
Fidelity European	Global Developed Equity	2.48%
abrdn Sterling Money Market	Money Market	0.80%
Fidelity Cash	Money Market	0.80%
L&G Cash Trust	Money Market	0.80%
Royal London Short Term Money Market	Money Market	0.80%
WS Canlife Sterling Liquidity	Money Market	0.80%
Schroder Income	UK Equity	0.87%
Liontrust UK Growth	UK Equity	0.70%
Man GLG Income	UK Equity	0.70%
Royal London Sustainable Leaders Trust	UK Equity	0.53%
Slater Growth	UK Equity	0.35%
WS Evenlode Income	UK Equity	0.35%

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 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%.