

RISK LEVEL:



TIME HORIZON:



HOW YOU'RE DOING:

Markets have seen a lot of volatility since the last review; nevertheless, most equity markets still delivered positive returns. The spread of the Delta variant and supply chain problems hindered overall output for some businesses, but strong consumer spending continued to encourage growth in developed economies. Inflation made a strong return in most areas, including the UK, US and Europe. Government bonds initially performed well, but the recent surge in inflation pulled prices down as talks of tapering central bank stimulus as early as this year saw them fall out of favour.

The short time horizon of the portfolio means that it is relatively cautiously positioned. The money market continues to make up most of this portfolio, and these funds remain largely insensitive to market movements, producing small but predictable returns. This has caused the portfolio to slightly lag its benchmark but given the ongoing uncertainty within markets this is a position we are comfortable to continue with. The portfolio has a small allocation to gilts, which also resulted in some underperformance towards the end of the period. The worst performing gilt fund was Allianz Strategic Bond.

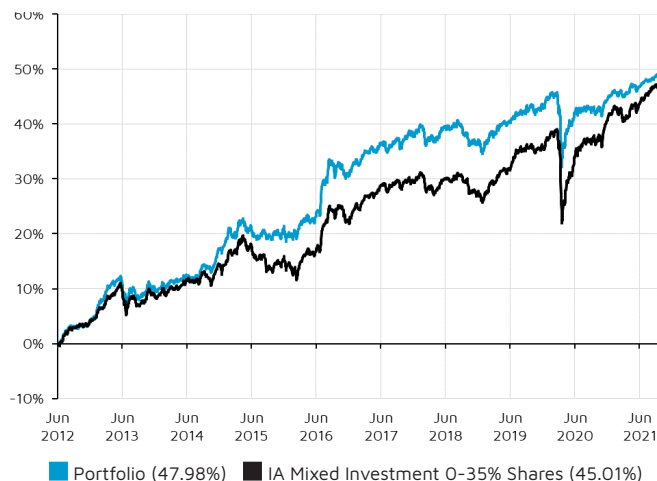
We split the equity allocation of the portfolio into small positions between multiple funds; this helps spread the risk during these unpredictable times. Since the last review growth and value funds have both experienced periods of outperformance, with Brown Advisory US Sustainable Growth and Schroder Income funds producing the best returns. Overall, all the equity funds have made positive contributions to the portfolio.

The UK and US funds have outperformed global equity funds as they benefited from a strong economic rebound as coronavirus restrictions have been removed.

PORTFOLIO POST REBALANCING:

Name	Weighting
L&G Cash Trust	30.00%
Royal London Short Term Money Market	30.00%
ASI Sterling Money Market	7.50%
Schroder Income	5.00%
Allianz Gilt Yield	5.00%
Vanguard UK Government Bond Index	4.00%
Baillie Gifford American	3.50%
Fidelity Global Dividend	3.00%
L&G All Stocks Index Linked Gilt Index Trust	3.00%
LF Gresham House UK Micro Cap	2.50%
Baillie Gifford Japanese Smaller Companies	2.50%
Allianz Strategic Bond	1.00%
Brown Advisory US Sustainable Growth	1.00%
BlackRock European Absolute Alpha	1.00%
JPM Global Macro Opportunities	1.00%

PERFORMANCE OVERVIEW:²



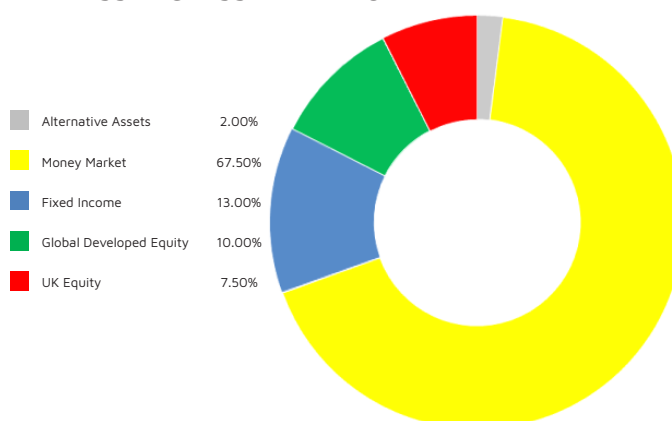
SUMMARY OF PORTFOLIO CHANGES:

This review brings an adjustment to the equity allocation of the portfolio, as well as a change to the balance of the defensive assets. At the last review the allocation to UK equities was reduced due to the uncertain outlook. Since then, the outlook has improved and many companies have returned to profitability following re-opening.

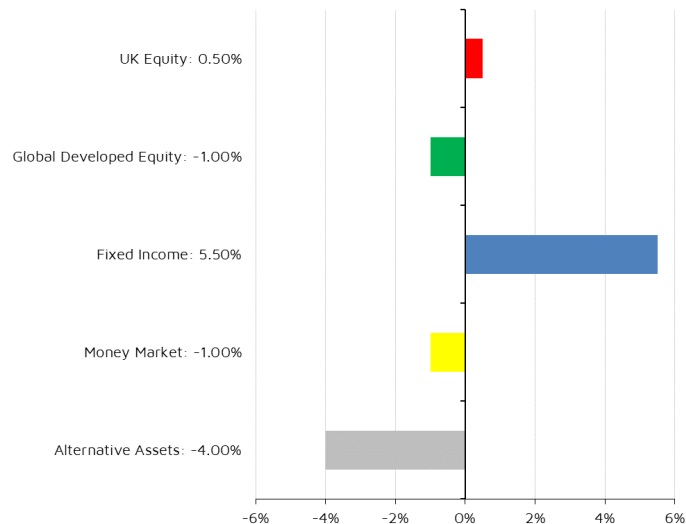
Our allocation to UK equities has increased slightly and our exposure to US, European and Japanese equities has been reduced. These changes result in a more diversified equity portfolio. The portfolio has been underweight to gilts and slightly overweight to cash. This rebalance sees the underweight to gilts reduced. The allocation to money market has been reduced and the portfolio's allocation to cash is now neutral. A new allocation to index-linked gilts has been added and the allocation to corporate bonds has also been reduced.

The addition of Baillie Gifford American maintains an allocation to large US stocks as the rebalance sees the allocation to Brown Advisory US Sustainable Growth reduced and Lindsell Train Global Equity removed from the portfolio. The addition of L&G All Stocks Index Linked Gilt Index Trust accounts for the new allocation to index linked government bonds. Janus Henderson Absolute Return has been removed as part of a reduction of absolute return strategies as the outlook for markets has improved.

NEW ASSET CLASS BREAKDOWN:²



ASSET CLASS CHANGES:



WHAT IT COSTS:³

Financial Instruments OCF: 0.27%³

Financial Instruments Transactional Costs: 0.03%

Change in Portfolio Expense: -0.04%

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

PORTFOLIO CHANGES

BUY

Schroder Income	2.50%
Allianz Gilt Yield	3.00%
Vanguard UK Government Bond Index	1.50%
▶ Baillie Gifford American	3.50%
Fidelity Global Dividend	1.00%
▶ L&G All Stocks Index Linked Gilt Index Trust	3.00%
Baillie Gifford Japanese Smaller Companies	0.50%

SELL

ASI Sterling Money Market	-1.00%
LF Gresham House UK Micro Cap	-2.00%
Allianz Strategic Bond	-2.00%
Brown Advisory US Sustainable Growth	-1.50%
BlackRock European Absolute Alpha	-1.00%
JPM Global Macro Opportunities	-1.00%
◀ Lindsell Train Global Equity	-4.50%
◀ Janus Henderson Absolute Return	-2.00%

KEY:

▶ New fund to the portfolio

◀ Sell completely out of fund

If blank add or subtract from existing holding

Weightings refer to portfolio holdings not individual fund holdings

FUNDS IN:

■ Baillie Gifford American

Portfolio Holding: 3.50% **Yield:** 0.00% **Total Charge:** 0.51%

This fund is a concentrated investment solution that helps construct the global developed equity portion of the portfolio. The fund has an investment style that is geared towards growth investing, meaning that it offers significant diversification benefits when blended with funds of differing styles – chiefly, value. The team has a high conviction in the companies that it invests in, thus the fund can have large holdings in just a few stocks, meaning it can perform very differently to the market.

■ L&G All Stocks Index Linked Gilt Index Trust

Portfolio Holding: 3.00% **Yield:** 0.00% **Total Charge:** 0.15%

This fund provides passive exposure to the FTSE Actuaries UK Index Linked Gilts All Stocks Index. This fund has been selected due to its low cost and ability to closely track the underlying 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 where a select third-party borrows a limited amount of the passive fund's holdings, in exchange for a fee. When reinvested, profits from stock lending reduce the effect of management fees, further minimising overall tracking difference to the index.

FUNDS OUT:

■ Lindsell Train Global Equity

Previous Holding: 4.50% **Yield:** 0.90% **Total Charge:** 0.65%

The managers aim to identify a small number of leading companies that will survive over the long term by maintaining their competitive advantages through staying ahead of structural market changes. The team is looking for business franchises, particularly favouring family ownership, to buy and hold forever, meaning the strategy has a very low turnover. The fund is defensively positioned with a large allocation to technology and consumer brands whilst being underweight energy and financials. The fund has been removed as part of a rebalance of the portfolio's allocation to growth- and value-focused funds, due to the general improvement in the economic situation.

■ Janus Henderson Absolute Return

Previous Holding: 2.00% **Yield:** 0.00% **Total Charge:** 1.06%

This fund offers an option for investing in equity markets while limiting risk. The managers operate by trying to assess whether a particular stock is too cheap or too expensive and taking a corresponding long (where they think the price will go up) or short (where they think the price will go down) position. They do not make a judgement on the UK economy, concentrating purely on the companies themselves. The fund has a 20 per cent performance fee above the Bank of England base rate, subject to a high water mark. Due to the improved economic situation the fund has been removed from the portfolio as part of a reduction in exposure to absolute return strategies as the portfolio becomes less defensive.

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. The average expense of funds is a simple average of the OCF of the portfolios constituent funds. Where OCF is not available TER is used. Total cost of investment include FE Invests 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.

Financial Express Investments Ltd, registration number 03110696, is authorised and regulated by the Financial Conduct Authority (FRN 209967). For our full disclaimer please visit <https://www.fefundinfo.com/en-gb/about/legal-and-policies/financial-express-investments-limited-disclaimer/>