

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.

The portfolio has maintained its high allocation to the gilt market as these funds provide substantial protection in the event of sell-off in equities. 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 worst performing fund was Vanguard UK Government Bond Index. Although economic recovery is continuing, considerable uncertainty remains in financial markets as it is important to maintain the allocation to gilts due to the important role they play in portfolio diversification.

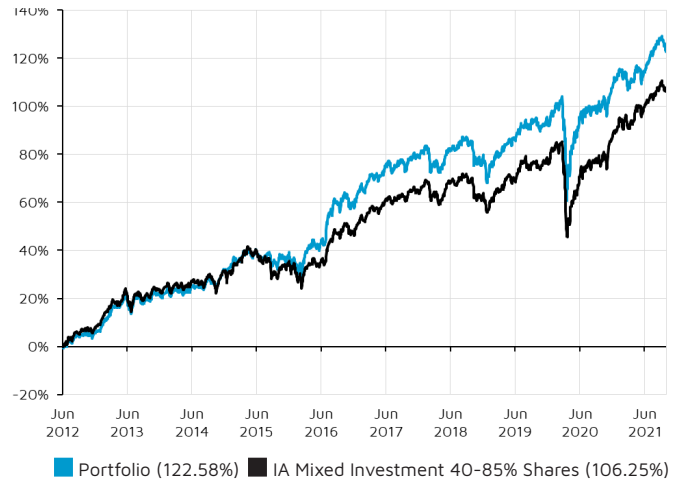
The portfolio has generated positive returns since the last review due to the strong performance seen in equity markets. Funds with a growth tilt and small-cap funds saw strongest returns as these funds have high exposure to technology and healthcare sectors, which have performed well during the recovery from the pandemic. The best performing funds were Brown Advisory US Sustainable Growth and Marlborough UK Micro-Cap Growth.

Overall, the UK and US funds have outperformed from other regions as they benefited from a strong economic rebound as coronavirus restrictions have been removed.

PORTFOLIO POST REBALANCING:

| Name | Weighting |
|--|-----------|
| Vanguard UK Government Bond Index | 26.00% |
| Allianz Gilt Yield | 15.00% |
| Schroder Income | 12.00% |
| HSBC American Index | 11.50% |
| Brown Advisory US Sustainable Growth | 8.00% |
| CFP SDL UK Buffettology | 6.00% |
| Vanguard Japan Stock Index | 5.00% |
| JPM Emerging Markets Income | 5.00% |
| HSBC European Index | 3.50% |
| Marlborough UK Micro Cap Growth | 3.00% |
| Baillie Gifford Japanese Smaller Companies | 3.00% |
| Baillie Gifford American | 2.00% |

PERFORMANCE OVERVIEW:²



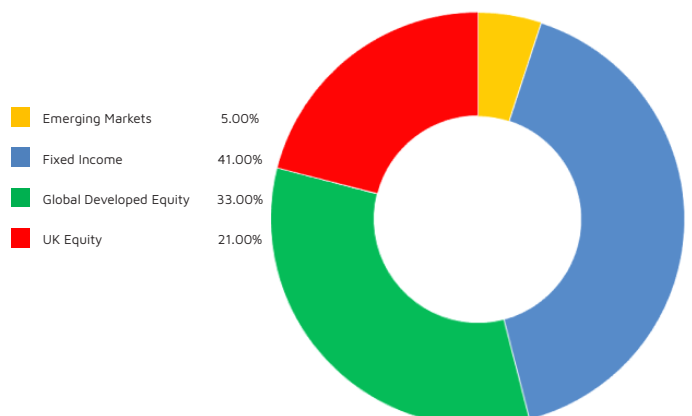
SUMMARY OF PORTFOLIO CHANGES:

This review brings an adjustment to the equity allocation of the portfolio, as well as a small reduction to gilts in the portfolio. At the last review the allocation to UK equities was reduced due to the uncertain outlook for the economy due to Covid-19 restrictions and a sharp deterioration in UK dividends. Since then, the outlook for the UK economy has improved and many companies have restored dividends as profitability returned following re-opening.

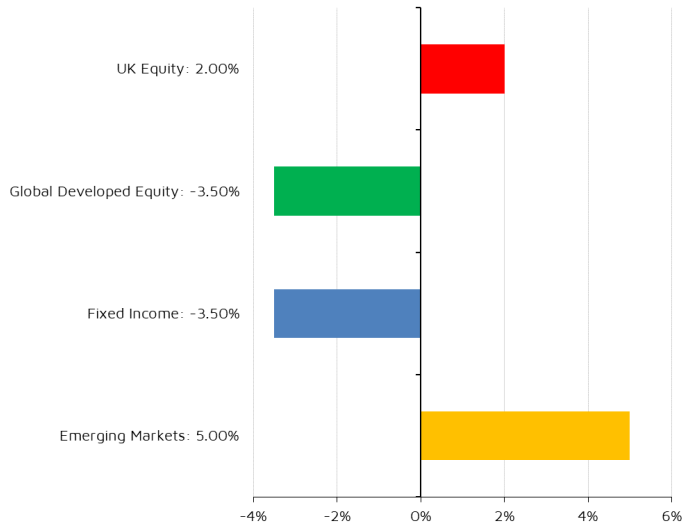
As well as increasing our allocation to UK equities and the exposure to Japan has increased slightly. Previously there was a very large overweight allocation to US equities and this has been reduced to leave a more diversified equity portfolio. The portfolio's defensive assets have seen the allocation to gilts decrease slightly as the economic outlook has improved significantly since the last review. The allocation to gilts remains substantial as, despite the improved outlook, there are still risks of a setback in the path to global economy.

Fidelity Global Dividend has been removed as part of the rebalance of the portfolio's equity exposure, which also involves increasing the allocation to growth-focused funds Brown Advisory US Sustainable Growth and CFP SDL UK Buffettology. The addition of JPM Emerging Markets Income significantly increases diversification in the portfolio.

NEW ASSET CLASS BREAKDOWN:²



ASSET CLASS CHANGES:



WHAT IT COSTS:³

Financial Instruments OCF: 0.44%³

Financial Instruments Transactional Costs: 0.08%

Change in Portfolio Expense: 0.01%

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

| | |
|---|-------|
| Vanguard UK Government Bond Index | 3.50% |
| Schroder Income | 0.50% |
| Brown Advisory US Sustainable Growth | 3.00% |
| CFP SDL UK Buffettology | 2.50% |
| Vanguard Japan Stock Index | 2.00% |
|  JPM Emerging Markets Income | 5.00% |
| HSBC European Index | 0.50% |

SELL

| | |
|--|--------|
| Allianz Gilt Yield | -7.00% |
| HSBC American Index | -0.50% |
| Marlborough UK Micro Cap Growth | -1.00% |
| Baillie Gifford American | -2.00% |
|  Fidelity Global Dividend | -6.50% |

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:

■ JPM Emerging Markets Income

Portfolio Holding: 5.00% **Yield:** 2.99% **Total Charge:** 0.82%

This fund takes a total return approach to investing in emerging markets by balancing income and capital appreciation. The fund aims to deliver a dividend in excess of 130 per cent of the benchmark per annum. The strategy results in a bias towards high-quality companies trading at a discount. The fund takes a flexible approach to income as stocks do not need to pay out a certain proportion or need a long history of dividend payments; the only criteria is that a stock needs to be dividend paying. Around 60 per cent of the portfolio consists of stocks with a 3 per cent to 6 per cent dividend yield. The remaining 40 per cent 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.

FUNDS OUT:

■ Fidelity Global Dividend

Previous Holding: 6.50% **Yield:** 2.82% **Total Charge:** 0.93%

This fund takes an unconstrained but relatively cautious approach to income investing, concentrating primarily on European and UK companies, although these companies tend to have a global focus. The fund has a strong track record in growing its dividends year-on-year. The manager looks for simple, understandable business models with a strong valuation discipline, and this leads to a relatively concentrated portfolio of around 50 stocks. The fund has been removed from the portfolio due to the improved economic situation since the last rebalance and has been replaced by funds with a greater focus on growth.

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.

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