

RISK LEVEL:



TIME HORIZON:



HOW YOU'RE DOING:

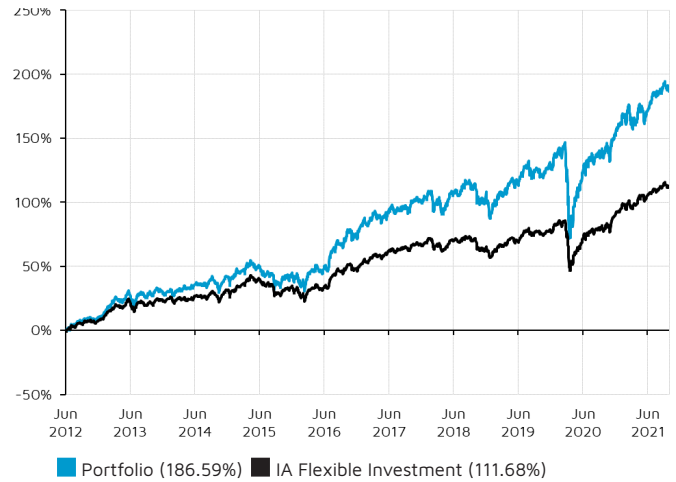
Markets have seen a lot of volatility since the last review; nevertheless, most equity markets still delivered positive returns. The spread of the Delta variant and supply chain problems hindered overall output for some businesses, but strong consumer spending continued to encourage growth in developed economies. Inflation made a strong return in most areas, including the UK, US and Europe.

The best returns since the last review have come from a mix of value- and growth-focused US equity funds as each style experienced periods of outperformance. The best performers since the last review have been Brown Advisory US Sustainable Growth and Dodge & Cox US Stock. UK equities produced strong returns on the whole as the economy continues to recover from the impacts of the pandemic. Although recent weeks have seen significant supply chain shortages and disruptions, consumer confidence has remained robust. The best performance during this period came from Marlborough Special Situations.

Fidelity Emerging Markets and Invesco China Equity were the only funds that acted as the Chinese government's intervention in the private sector caused a sell-off in its equity markets.

The portfolio has a small allocation to absolute return strategies through BlackRock European Absolute Alpha and the fund made a positive contribution to performance.

PERFORMANCE OVERVIEW:²



SUMMARY OF PORTFOLIO CHANGES:

This review brings an adjustment to the equity allocation of 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.

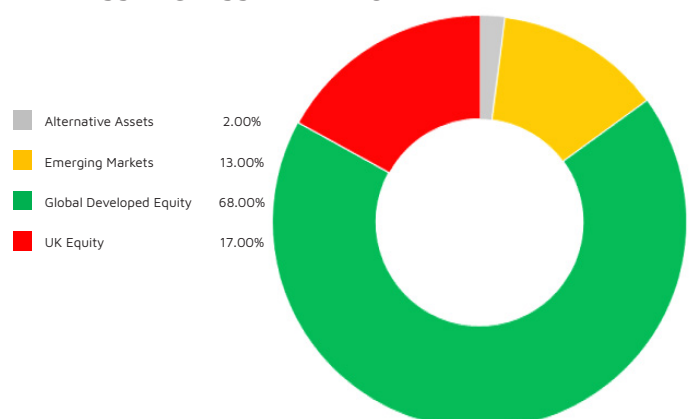
As well as increasing our allocation to UK equities, the allocation to Japanese equities has also been increased and a small allocation to emerging markets has also been added. Our exposure to US equities has increased but exposure to Europe has also been reduced. These changes result in a more diversified equity portfolio. A small allocation to defensive assets using absolute return strategies has been maintained but the size of the holding reflects the general improvement in the economic outlook.

The replacement of Fidelity Emerging Markets by a larger allocation to iShares Emerging Markets Equity Index has increased and diversified the portfolio's emerging market exposure. Lindsell Train Global Equity has been replaced by Trojan Global Income to better balance the portfolio's increased exposure to UK small caps due to the increase in allocation to Marlborough Special Situations.

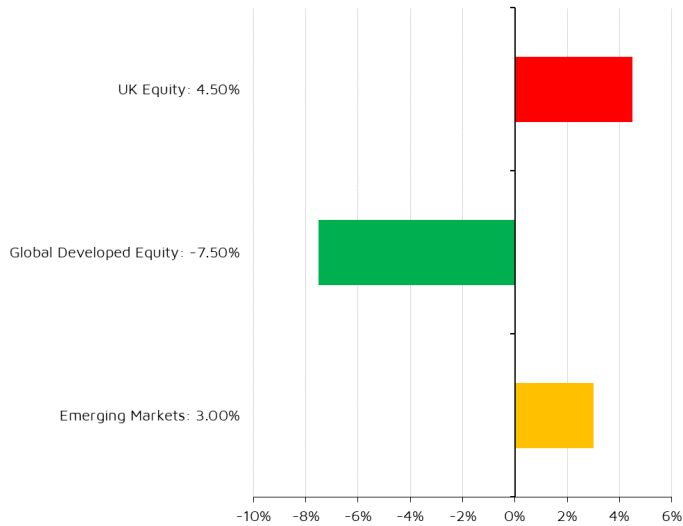
PORTFOLIO POST REBALANCING:

Name	Weighting
Trojan Global Income	15.00%
Baillie Gifford American	14.50%
Vanguard Japan Stock Index	12.50%
Marlborough Special Situations	10.00%
Dodge & Cox US Stock	9.00%
iShares Emerging Markets Equity Index (UK)	8.00%
HSBC American Index	7.50%
Unicorn UK Income	7.00%
HSBC European Index	5.00%
Invesco China Equity (UK)	5.00%
Brown Advisory US Sustainable Growth	4.50%
BlackRock European Absolute Alpha	2.00%

NEW ASSET CLASS BREAKDOWN:²



ASSET CLASS CHANGES:



WHAT IT COSTS:³

Financial Instruments OCF: 0.55%³

Financial Instruments Transactional Costs: 0.09%

Change in Portfolio Expense: 0.00%

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

▶ Trojan Global Income	15.00%
Baillie Gifford American	6.00%
Vanguard Japan Stock Index	5.50%
Marlborough Special Situations	7.00%
Dodge & Cox US Stock	3.50%
▶ iShares Emerging Markets Equity Index (UK)	8.00%

SELL

HSBC American Index	-5.50%
Unicorn UK Income	-2.50%
HSBC European Index	-6.50%
Brown Advisory US Sustainable Growth	-10.50%
◀ Lindsell Train Global Equity	-15.00%
◀ Fidelity Emerging Markets	-5.00%

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:

■ Trojan Global Income

Portfolio Holding: 15.00% **Yield:** 2.77% **Total Charge:** 0.93%

The managers favour global companies that can sustain a high return on capital employed owing to identifiable competitive advantages such as brands, scale and dominant market positions. Companies should have the potential for long-term growth with robust financials due to strong profits and a strong balance sheet with little to no debt. The manager aims to balance the portfolio between high dividend companies and companies expected to grow dividends in the future. The resulting portfolio is concentrated and low turnover in nature, comprising of around 35 holdings. To ensure portfolio discipline and avoid high position concentration, the manager has a limit of 6 per cent and 3 per cent on large and mid-sized companies respectively.

■ iShares Emerging Markets Equity Index (UK)

Portfolio Holding: 8.00% **Yield:** 1.84% **Total Charge:** 0.19%

This fund provides passive exposure to the FTSE Emerging Index and helps construct the equity portion of the portfolio. It has been chosen due to its low costs and its ability to replicate the index as closely as possible. Emerging markets have a low correlation to developed market equities and this helps to increase the diversification levels of the portfolio. 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: 15.00% **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.

■ Fidelity Emerging Markets

Previous Holding: 5.00% **Yield:** 0.67% **Total Charge:** 0.97%

This fund's benchmark-unconstrained approach to investing in emerging markets means it is a relatively aggressive allocation. The manager has not been afraid to make large contrarian calls, which have at times led the fund to significantly outperform its peers; however, there is obviously a risk these calls could spectacularly backfire. For this reason, the level of exposure to the fund is strictly controlled. The fund has been removed from the portfolio as part of a move into funds investing in UK equities due to a general improvement in outlook for UK economic 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.

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/>