

**RELATIVE RISK:**



Risk level 1 does not mean risk free, it means the lower risk option for the relative time horizon. For more information, please refer to the risk section on page two of the document.

**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.

The portfolio is mainly invested in equities to maximise the potential for long-term returns. This will mainly be blue chip stocks in major developed markets like the UK, US, Europe and Japan. It may also include a small allocation to higher-risk sectors such as emerging economies and smaller companies. The higher-risk sectors have the highest growth potential, but are also more 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.

The portfolio has limited exposure to bonds. These should provide some stability during falling equity markets whilst also allowing aggressive equity exposure elsewhere. The portfolio may include some exposure to absolute return funds if they are viewed as an attractive opportunity. 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
TM Tellworth UK Select	2.00%
BNY Mellon Emerging Income	4.00%
Pictet Indian Equities	3.00%
iShares Emerging Markets Equity Index (UK)	2.00%
Royal London UK Government Bond	15.00%
PIMCO GIS Global Bond ESG	6.00%
Nomura Global Dynamic Bond	4.00%
HSBC American Index	15.00%
Schroder Global Equity	8.00%
Vanguard Japan Stock Index	8.00%
HSBC European Index	7.00%
GQG Partners U.S. Equity	6.50%
Brown Advisory US Sustainable Growth	6.00%
GMO Quality Investment	4.00%
Premier Miton European Opportunities	4.00%
CT American Smaller Companies (US)	3.50%
Invesco UK Opportunities (UK)	2.00%

**PAST PERFORMANCE OVERVIEW (NET OF PORTFOLIO COSTS):**



**DISCRETE PERFORMANCE TO LAST QUARTER END:**

Period	0-12 Months	12-24 Months	24-36 Months	36-48 Months	48-60 Months
Portfolio	14.87%	10.58%	-8.19%	19.82%	-2.17%
IA Flexible Investment	13.04%	4.25%	-9.19%	18.30%	0.88%

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested. History prior to April 2024 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, is net of fund fees and includes FE's charge of 0.19%. Data from FEfundinfo 2024.

## CUMULATIVE PERFORMANCE TO LAST MONTH END:

Period	3 Months	6 Months	1 Year	3 Years	5 Years
Portfolio	3.41%	5.96%	17.37%	18.54%	40.21%
IA Flexible Investment	3.37%	5.30%	14.80%	9.05%	30.25%

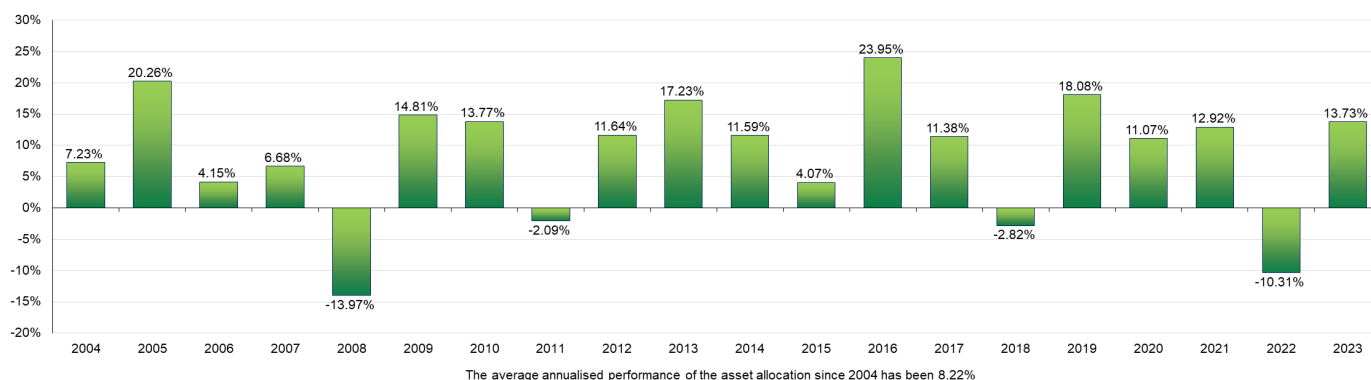
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**RISK ANALYSIS:** (uses actual performance from inception in April 2024 and simulated history prior to this from May 2019)

Best Month: 8.88%                      Best 6 Months: 17.51%  
Worst Month: -10.57%                      Worst 6 Months: -14.53%

**RISK ILLUSTRATION:** (uses current strategic asset allocation over 20 years)

To provide a better impression of how the portfolio might be expected to perform over the longer term we have provided simulated data back twenty years. The data has been compiled by taking the portfolio's current strategic asset allocation, proposed by our actuaries as the most appropriate in order for the portfolio to deliver on its objectives over the length of investment. The asset allocation of the portfolio may differ slightly due to the nature of investing in active funds and the shorter term tactical positioning of the portfolio. Each asset class will be represented by a passive investment fund. The performance provides an illustration of how the current portfolio may have behaved, although historical positioning may have been different due to a variety of factors, including the input from our actuaries, the impact of fund selection and changes of asset allocation by the portfolio management team.



**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.**

### WHAT IT COSTS:

Financial Instruments OCF: 0.46%

Financial Instruments Transactional Costs: 0.25%

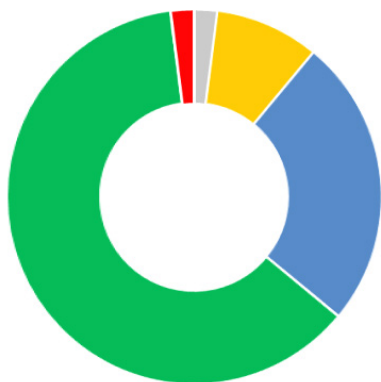
Investment Services: 0.19%

Third Party Payments: 0.00%

**Total Cost of Investment: 0.90%**

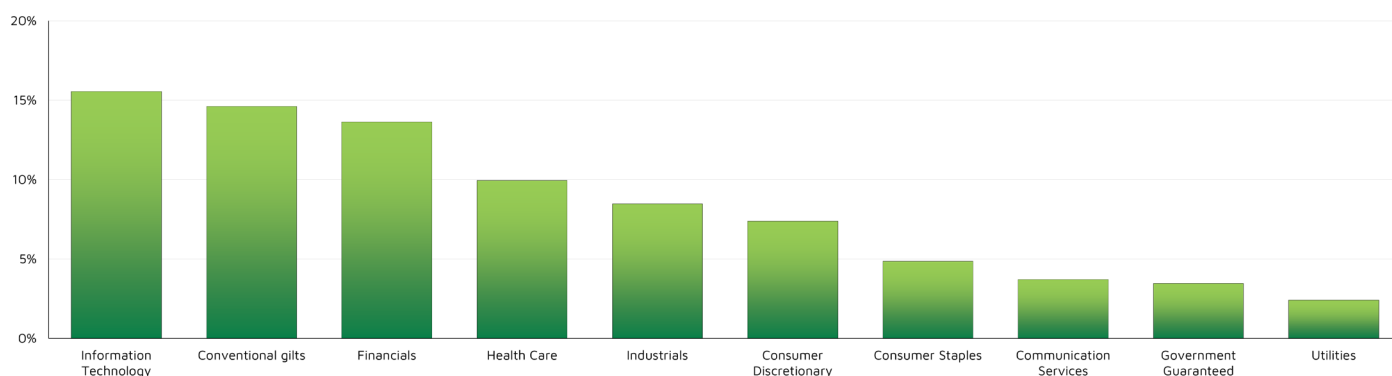
The Financial Instruments OCF refers to the underlying costs of managing the funds. Transactional costs refers to additional costs which this does not capture such as trading fees, investment research and foreign exchange fees. It also includes implicit costs that can have an impact on performance but are not charged directly to the end investor. The Investments Services charge is the cost of managing the portfolio. **The charges represent the current maximum charges.**

## ASSET ALLOCATION:



Alternative Assets	2.00%
Emerging Markets	9.00%
Fixed Income	25.00%
Global Developed Equity	62.00%
UK Equity	2.00%

## TOP 10 SECTOR ALLOCATION:



## WHAT YOU'RE INVESTED IN:

### ■ TM Tellworth UK Select

**Weighting:** 2.00%

The fund will seek to achieve returns that are in excess of one month SONIA interest rate, after fees, over a three-year rolling period, though there is no guarantee that it will do so. In addition, the fund aims for positive annual returns with lower volatility than the Deutsche Numis All Share Index. The fund uses a long/short investment approach where it can benefit from an increase in companies it invests in and can also benefit from the share price falling in stocks where it holds a short position. It typically invests in UK companies with a market cap greater than £500m and usually holds 40 long and 40 short positions. The fund aims to avoid being moved by macroeconomic factors and aims to be style and sector neutral.

### ■ Pictet Indian Equities

**Weighting:** 3.00%

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.

### ■ BNY Mellon Emerging Income

**Weighting:** 4.00%

This fund invests in shares of emerging markets companies to produce income and capital growth. The fund typically invests in companies with dividends that match or exceed the yield on the MSCI Emerging Markets NR index. In addition, the fund targets companies with higher than average dividends and with good prospects for dividend growth.

### ■ iShares Emerging Markets Equity Index (UK)

**Weighting:** 2.00%

This fund provides passive exposure to emerging markets by tracking the FTSE Emerging Index. 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. When reinvested, profits from stock lending reduce the effect of management fees, further minimising overall tracking difference to the index.

#### ■ Royal London UK Government Bond

**Weighting:** 15.00%

This fund invests almost exclusively in British government bonds. The managers compare their outlook for interest rates compared to the market to identify bonds which are under- or over-valued to identify buying opportunities. The portfolio is actively managed, as the managers adjust overall exposure to interest rate risk while at times also investing minor portions of the portfolio into high-quality corporate bonds, foreign government bonds and inflation-linked gilts.

#### ■ Nomura Global Dynamic Bond

**Weighting:** 4.00%

The fund invests across global bond markets (on an currency-hedged basis), with limited restrictions. Investment themes are diverse, ranging from a view on the direction of the interest rates for a country to participating in debt financing of listed companies. The manager combines these ideas in a portfolio that reflects his views on the macroeconomic environment. The strategy uses derivatives and options in order to best manage downside risk-potential resulting from investment in physical corporate and government bonds. The portfolio typically targets a yield of 3.5 per cent to 5 per cent. The fund has been included to add exposure to high quality corporate bonds and euro denominated debt.

#### ■ Schroder Global Equity

**Weighting:** 8.00%

This fund invests in global equities and aims to outperform the MSCI World index over a three to five year period. The manager seeks to identify companies with potential for long-term growth, particularly where they are seen to be undervalued. The manager aims to combine long-term investments with opportunistic holdings that they aim to hold for six to 18 months. The fund has a bias towards technology companies and holds a reasonably diverse portfolio of 100 to 150 stocks.

#### ■ HSBC European Index

**Weighting:** 7.00%

This fund provides passive exposure to the FTSE Developed Europe ex-UK index and helps construct the global developed equity portion of the portfolio. It has been chosen due to its low costs compared to other passive funds and its ability to replicate the index as closely as possible. The fund replicates the market by holding all stocks within the index.

#### ■ Brown Advisory US Sustainable Growth

**Weighting:** 6.00%

The managers aim to achieve long-term capital growth by investing in US companies that have outstanding business models and a sustainability focus that will directly benefit financial performance, specifically by increasing revenue growth and enhancing franchise value. Whilst looking for companies with structural growth characteristics, the fund managers also look to take valuations into account and avoid overpaying for growth.

#### ■ PIMCO GIS Global Bond ESG

**Weighting:** 6.00%

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.

#### ■ HSBC American Index

**Weighting:** 15.00%

The fund provides passive exposure to the S&P 500 Index of large cap US companies and helps construct the global developed equity portion of the portfolio. It has been chosen because it provides low-cost exposure to US markets, which can prove difficult to beat using an active strategy. The fund replicates the index by holding all 500 stocks within it.

#### ■ Vanguard Japan Stock Index

**Weighting:** 8.00%

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.

#### ■ GQG Partners U.S. Equity

**Weighting:** 6.50%

This fund aims for long-term capital growth by investing in high-quality, attractively-priced companies exhibiting competitive advantages. The fund invests in a concentrated portfolio of mainly US-listed companies, but it can have an allocation to other markets. Its investment process evaluates each business with a focus on financial strength, sustainability of earnings growth and quality of management. The resulting portfolio seeks to manage the downside risk of equity investments while providing attractive returns to long-term investors over a full market cycle.

#### ■ GMO Quality Investment

**Weighting:** 4.00%

The fund seeks to generate returns by investing in equities the managers believe to be of high quality. The managers believes that companies with an established track record of profitability and which have strong fundamentals are able to outgrow the average company over time and are therefore worth a premium price. The fund's uses both quantitative analysis and fundamental research to assess the relative quality and valuation to identify global companies with potential to grow over a long-term investment horizon while withstanding short-term volatility.

#### ■ Premier Miton European Opportunities

**Weighting:** 4.00%

The fund can invest in companies of any size and has a substantial mid-cap bias with a focus on 'quality growth' companies. After screening out unsuitable companies, the fund looks for businesses that exhibit a high return on capital, substantial barriers to entry and growth opportunities, which are undergoing positive changes. The fund aims to avoid macroeconomic risk by splitting its portfolio evenly between cyclical and defensive buckets. The final portfolio comprises between 40 to 55 stocks, thus delivering a level of diversification. The fund has been added due to the better outlook for growth stocks as the European Central Bank begins cutting rates.

#### ■ Invesco UK Opportunities (UK)

**Weighting:** 2.00%

This fund managers focus on stock valuation at the point of purchase and believe that many of the best investment opportunities run against the consensus view. The fund managers use a bottom-up, valuation-driven approach to stock selection. The fund is not managed against a particular benchmark so the managers are free to invest where they see opportunities. It typically has a concentrated portfolio of 35 to 45 large-cap stocks.

#### ■ CT American Smaller Companies (US)

**Weighting:** 3.50%

The fund aims to build a portfolio of smaller companies that will improve more than the market anticipates over the medium term. The team looks for sustainable improvement in four key indicators of quality: capital allocation, profitability, margin growth and ESG integration. The team likes to invest in companies at an early stage to capture rapid growth phase of a company's development.

# About FE Investments

**FE Investments Portfolios:** Our portfolios are a total investment solution designed to help advisers achieve their clients' investment objectives. Our investment team has produced a range of optimised portfolios that aim to maximise overall diversification between fund strategies.

Our approach to portfolio diversification is built on a deep analysis of the relationships between fund strategies. By taking this approach, we aim to find the best possible mix of funds that maximises the overall diversification of the portfolio. This strategy helps to reduce the total risk and allows greater market exposure for the same level of risk. Our portfolios are designed to offer growth and natural income models to cater to different investment objectives.

At FE Investments, we utilise an actuary to create an optimal asset allocation and risk reference that serves as a guide for portfolio construction. This approach allows us to create a portfolio that is designed to meet the specific needs of our clients, while also allowing us to find additional sources of diversification where we can.

We pride ourselves on our approach to portfolio diversification and investment management. Our portfolios are built using an approach developed internally by our investment team, which has been validated by Cass Business School. Our aim is to provide advisers with a range of optimised portfolios that are designed to help their clients achieve their investment objectives.

**FE Investments Approved List:** Our recommended list of funds undergoes initial quantitative screens using proven metrics such as Crown Ratings, Alpha Manager Ratings, and Group Award to remove behavioural biases and improve sell discipline.

The list is then subject to a qualitative overlay from a dedicated team of fund analysts who identify risks not seen in quantitative data, ensuring that every fund on the list is thoroughly vetted. The aim of the FE Investments Approved List is to create a truly diversified list of funds across investment styles, giving investors peace of mind knowing their portfolio is well-positioned for success.

## Awards & Ratings For FE Investments



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