

## 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. As capital protection is less of a priority than maximising returns, they should be prepared to lock their money away for a reasonable period of time to reduce the impact of short-term market fluctuations.

It is predominantly invested in equities of developed economies like the UK, US, Europe and Japan. Equity markets are considered to be high-risk investments. They offer the best prospects for long-term returns, but investors should not be surprised by large swings in value for this portion of the portfolio. The portfolio has limited exposure to the specialist area of emerging markets. This can be considered a speculative investment but offers the prospect of returns far above developed markets.

The portfolio includes some exposure to bonds. These will help provide some protection should markets fall. This exposure is limited as bonds offer less upside potential than equities. The portfolio may also include some exposure to absolute return funds they are viewed as an attractive opportunity. The strategy should lead to higher overall growth rates, although there is also the potential for heavy losses in the short term when markets fall.

### FUND LIST:

Name	Weighting
TM Tellworth UK Select	2.00%
BNY Mellon Emerging Income	5.00%
Royal London UK Government Bond	17.00%
PIMCO GIS Global Bond ESG	7.00%
M&G Strategic Corporate Bond	4.00%
HSBC American Index	14.00%
Schroder Global Equity	9.00%
Vanguard Japan Stock Index	8.00%
HSBC European Index	7.00%
GQG Partners U.S. Equity	6.50%
GMO Quality Investment	6.00%
Brown Advisory US Sustainable Growth	5.50%
Premier Miton European Opportunities	4.00%
CT American Smaller Companies (US)	3.00%
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	14.31%	10.41%	-8.05%	19.64%	-2.76%
IA Mixed Investment 40-85% Shares	13.85%	5.11%	-10.15%	16.63%	-0.19%

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	0.43%	3.28%	17.74%	14.87%	37.21%
IA Mixed Investment 40-85% Shares	0.97%	4.00%	16.74%	6.45%	26.42%

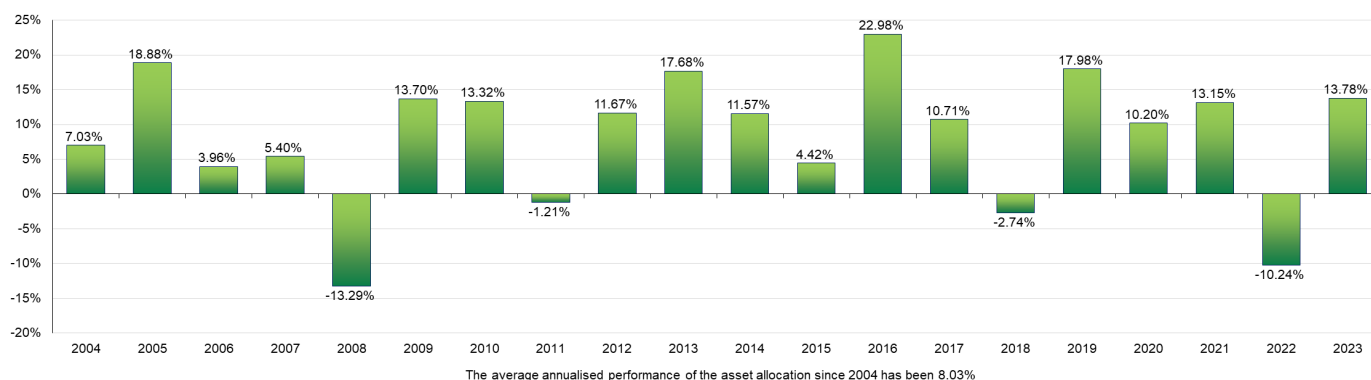
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**RISK ANALYSIS:** (uses actual performance from inception in April 2024 and simulated history prior to this from May 2019)

Best Month: 9.02%                      Best 6 Months: 17.43%  
 Worst Month: -9.93%                      Worst 6 Months: -14.11%

**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:

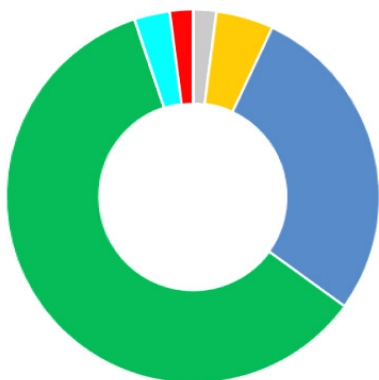
Financial Instruments OCF: 0.43%  
 Investment Services: 0.19%

Financial Instruments Transactional Costs: 0.24%  
 Third Party Payments: 0.00%

**Total Cost of Investment: 0.86%**

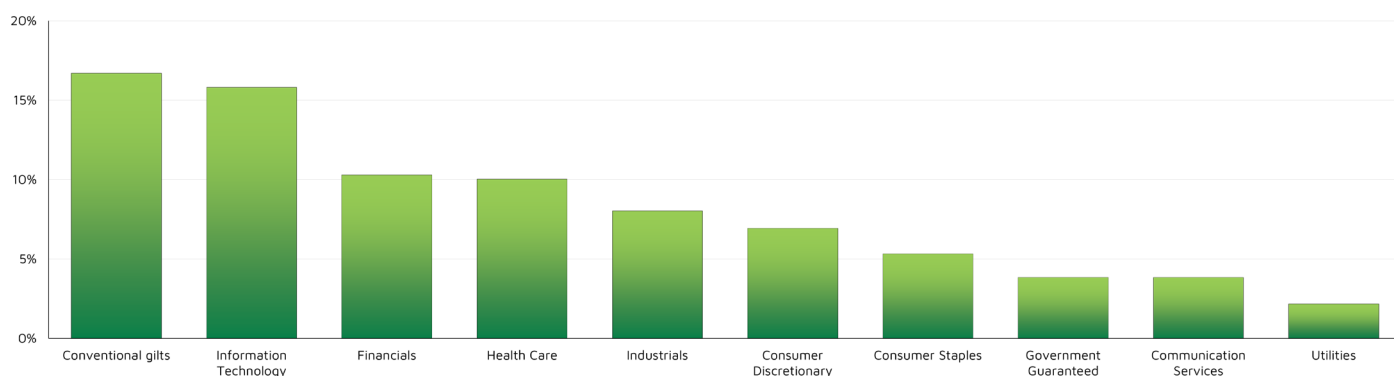
The Financial Instruments OCF refers to the underlying costs of managing the funds. Transactional costs refers to additional costs which this does not capture such as trading fees, investment research and foreign exchange fees. It also includes implicit costs that can have an impact on performance but 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	5.00%
Fixed Income	28.00%
Global Developed Equity	60.00%
Smaller Companies	3.00%
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.

### ■ Royal London UK Government Bond

**Weighting:** 17.00%

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.

### ■ BNY Mellon Emerging Income

**Weighting:** 5.00%

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.

### ■ PIMCO GIS Global Bond ESG

**Weighting:** 7.00%

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.

#### ■ **M&G Strategic Corporate Bond**

**Weighting:** 4.00%

This fund invests in government, corporate and high yield debt. The process is based on the manager's view of the global economy and how this will affect inflation and interest rates, particularly in the UK. The manager then decides the appropriate risk level and the sectors with the greatest prospects. Credit analysts at M&G study issuing companies to find companies with the best value.

#### ■ **Schroder Global Equity**

**Weighting:** 9.00%

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.

#### ■ **GMO Quality Investment**

**Weighting:** 6.00%

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.

#### ■ **HSBC American Index**

**Weighting:** 14.00%

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 highquality, 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.

#### ■ **Brown Advisory US Sustainable Growth**

**Weighting:** 5.50%

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.

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

**Weighting:** 3.00%

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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