Moderate to Adventurous Long

Portfolio Review as at September 2026

RELATIVE RISK:

1 2 3 **4** 5

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.

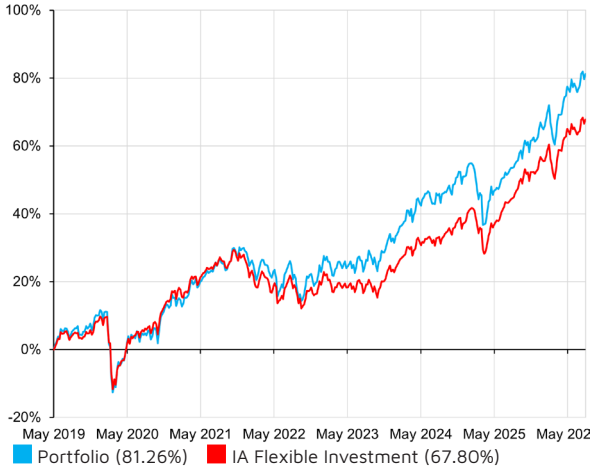
HOW YOU'RE DOING:

A joint US and Israeli attack on Iran at the end of February shocked markets as Iran retaliated by closing the key shipping route through the Strait of Hormuz. This cut off around 20% of world oil and gas exports and caused energy prices to spike. High energy prices have brought concerns about higher inflation and central banks are seen as more likely to raise interest rates. This weighed on government bonds as yields were pushed up to the highest level in several decades. Corporate bonds performed better and made a slight gain, helped by strong demand that absorbed heavier issuance from tech companies funding their AI expansion.

Equities fell during the initial campaign, but the April ceasefire helped investors look beyond geopolitical risks. A strong rebound was driven by enthusiasm for AI and robust earnings growth from companies in the US, Asia and Europe. Some concerns about the high valuations among AI-linked technology stocks led to periods of selling. Strong earnings in other areas, helped value stocks outperform growth stocks across major markets. Banks stood out, with market volatility lifting trading revenues and tech-sector activity supporting dealmaking and financing profits. Emerging markets experienced considerable volatility but very strong gains from markets with large AI-linked tech sectors produced some big gains. For UK investors, however, sterling's significant appreciation reduced returns from overseas investments.

The portfolio experienced some volatility on its way to a very strong gain. The allocation to defensive assets made a small gain, led high yield corporate bonds. Most of the growth came from the portfolio's equity investments. The biggest contributions came from exposure to the US. Emerging market equities also made a notable positive contribution alongside European and Japanese markets. Quality global stocks also performed well and value equities provided valuable contributions. UK equities also gained but lagged other developed markets.

PERFORMANCE OVERVIEW:

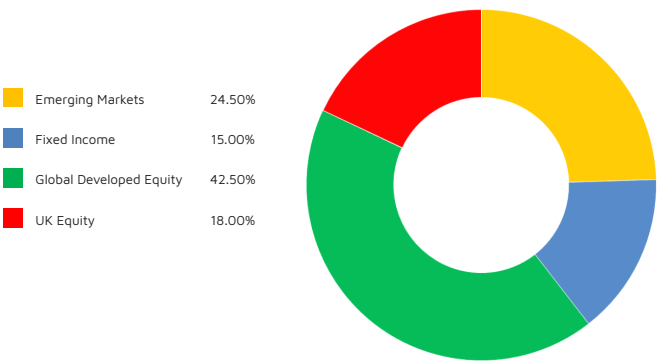


Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested.

PORTFOLIO POST REBALANCING:

Name	Weighting
HSBC American Index	20.00%
Man Income Fund	10.00%
Artemis SmartGARP Global Emerging Markets Equity	8.00%
BNY Mellon US Equity Income	8.00%
Fidelity Index UK	8.00%
Vanguard Pacific ex-Japan Stock Index	7.00%
Vanguard Global Corporate Bond Index	6.50%
CT Japan	6.00%
Vanguard Emerging Markets Stock Index	5.50%
HSBC European Index	4.00%
Invesco Global Emerging Markets (UK)	4.00%
L&G Emerging Markets Government Bond (US$) Index	3.50%
iShares UK Gilts All Stocks Index	3.00%
Vanguard Japan Stock Index	2.50%
Man Japan Core Alpha	2.00%
Royal London Short Duration Gilts	2.00%

NEW ASSET CLASS BREAKDOWN:

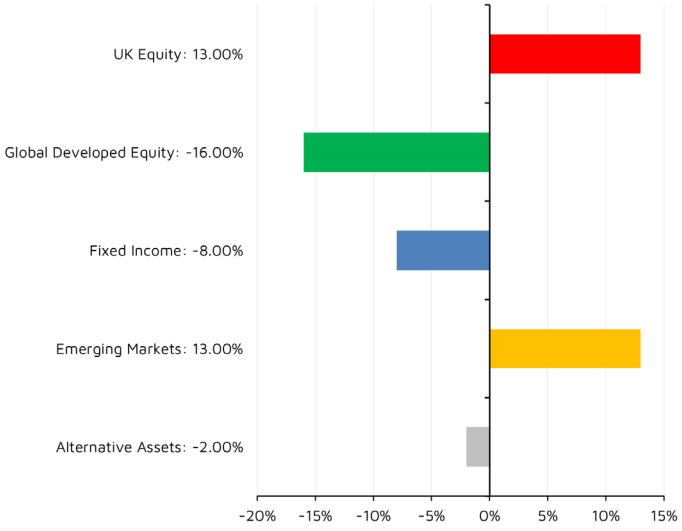


SUMMARY OF PORTFOLIO CHANGES:

This rebalance sees significant changes to the portfolio to bring it in line with our updated long-term asset class outlook. Equities are increased slightly, and the smaller fixed income allocation is reshaped. Corporate bond holdings are removed. Our view on high-yield bonds, which pay more income in return for greater risk of default, is less favourable, so we have removed the two holdings that carried most of that exposure. A new investment in emerging market government bonds now accounts for all of the portfolio's bond exposure.

US equities are reduced and we have removed several funds as the lower allocation is streamlined. European equities are cut sharply, with actively managed European holdings removed and the remaining exposure held through an index fund. The allocation to UK equities more than triples, with more of the increase going to income-generating value stocks than to the UK index fund. Japanese equities are increased slightly. A new investment in developed Pacific markets outside Japan adds Australia, Hong Kong, New Zealand and Singapore to bring further diversification. Emerging market equities are reduced, and the allocation to India is removed to spread the remaining exposure more evenly.

ASSET CLASS CHANGES:



PORTFOLIO CHANGES

	BUY	
	Man Income Fund	7.00%
	Artemis SmartGARP Global Emerging Markets Equity	2.00%
	BNY Mellon US Equity Income	3.00%
	Fidelity Index UK	6.00%
▶	Vanguard Pacific ex-Japan Stock Index	7.00%
▶	Vanguard Global Corporate Bond Index	6.50%
	CT Japan	2.00%
	Vanguard Emerging Markets Stock Index	2.50%
	Invesco Global Emerging Markets (UK)	1.50%
▶	L&G Emerging Markets Government Bond (US$) Index	3.50%
▶	iShares UK Gilts All Stocks Index	3.00%
▶	Royal London Short Duration Gilts	2.00%

	SELL	
	HSBC European Index	-4.00%
◀	Man Sterling Corporate Bond Fund	-10.00%
◀	Nomura Global Dynamic Bond	-7.00%
◀	L&G US Index Trust	-6.00%
◀	M&G North American Dividend	-4.00%
◀	Capital Group UK - Global High Income Opportunities	-3.00%
◀	Natixis Harris Oakmark US Value Equity	-3.00%
◀	Royal London Short Duration Credit	-3.00%
◀	BlackRock Continental European Income	-2.00%
◀	Janus Henderson Absolute Return	-2.00%
◀	WS Lightman European	-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

WHAT IT COSTS:

Financial Instruments OCF: 0.38%
Financial Instruments Transactional Costs: 0.14%
Investment Services: 0.19%
Total Cost of Investment: 0.71%
Change in Portfolio Expense: -0.06%

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. Other charges may apply that cannot be factored into this report, for instance platform charges and adviser charges. **The charges represent the current maximum charges, for the exact charges please refer to the Platform Portfolio Charges Document and Platform Fund Charges Document.**

FUNDS IN:

Vanguard Pacific ex-Japan Stock Index

Portfolio Holding: 7.00% **OCF:** 0.16% **Transactional Costs:** 0.01%

The fund aims to replicate the performance of a broad Asia-Pacific ex-Japan equity index by investing directly in the underlying securities. It offers exposure to economies including Australia, Singapore and Hong Kong, and is diversified across sectors. The portfolio invests mainly in large and medium-sized companies and can help broaden global equity exposure beyond the UK, Europe and North America.

Vanguard Global Corporate Bond Index

Portfolio Holding: 6.50% **OCF:** 0.18% **Transactional Costs:** 0.08%

This fund invests in global investment grade bonds by tracking the performance of the Bloomberg Global Aggregate Float Adjusted Corporate Index. This fund uses sampling to replicate the performance of the index. This is where the managers select a representative basket of securities to closely mirror the full index's performance. This method is especially useful when full ownership is not feasible, such as when the index contains infrequently traded securities, or is too broad in coverage.

L&G Emerging Markets Government Bond (US$) Index

Portfolio Holding: 3.50% **OCF:** 0.20% **Transactional Costs:** 0.07%

This fund invests in US dollar-denominated bonds issued by the governments of emerging market countries. It follows a passive approach and tracks the JPMorgan Emerging Markets Bond Index Plus using a representative sample of holdings. The portfolio spans around 30 sovereign issuers and includes both investment grade and sub-investment grade bonds. It offers access to higher-yielding government debt and a regular income, and can complement developed market bond allocations. Because the bonds are priced in dollars, returns for UK investors will also reflect movements in the pound against the US dollar.

FUNDS OUT:

Man Sterling Corporate Bond Fund

Previous Holding: 10.00% **OCF:** 0.61% **Transactional Costs:** 0.32%

The fund aims to generate outperformance in both rising and falling credit markets. It seeks 'deep value' opportunities in UK sterling investment grade corporate bonds. The manager screens potential investments to identify those trading at high discount to peers but the sustainability of cashflow. Credit selection is the core driver of returns for the strategy, and moves in interest rates are not expected to have as significant an effect. The fund has been removed to allow the equity allocation to be increased as the portfolio takes on more investment risk.

Nomura Global Dynamic Bond

Previous Holding: 7.00% **OCF:** 0.65% **Transactional Costs:** 0.14%

The fund invests across global bond markets (on an currencyhedged 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.

L&G US Index Trust

Previous Holding: 6.00% **OCF:** 0.05% **Transactional Costs:** 0.00%

This fund tracks the FTSE USA Index, which is comprised of the largest companies listed in the US. The fund tracks the index using a method called optimisation, where the fund invests in a selected basket of shares to closely mirror the performance of the index, which means the fund owns all the companies that make up the 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 a common process in long-term investing, where a select third party borrows a limited amount of the passive fund's holdings, in exchange for a fee. Profits from stock lending reduce the effect of management fees and help to minimise overall tracking difference to the index. The fund has been removed as the portfolio's equity allocation becomes more defensive.

FUNDS IN:

iShares UK Gilts All Stocks Index

Portfolio Holding: 3.00% **OCF:** 0.11% **Transactional Costs:** 0.00%

This fund provides passive exposure to the FTSE Actuaries UK Conventional Gilts All Stocks Index and helps construct the fixed income 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. Gilts generally have a low correlation to other asset classes and this helps to increase the diversification levels of the portfolio.

Royal London Short Duration Gilts

Portfolio Holding: 2.00% **OCF:** 0.29% **Transactional Costs:** 0.02%

This fund invests almost exclusively in British government bonds but focuses on bonds issued with shorter maturities which offer reduced interest rate risk. The managers use in-house forecasts to identify bonds which are under- or overvalued. 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. The fund has been added to reduce exposure to longer-dated gilts which are more sensitive to interest rate changes.

FUNDS OUT:

M&G North American Dividend

Previous Holding: 4.00% **OCF:** 0.55% **Transactional Costs:** 0.05%

This fund focuses on a dividend growth strategy rather than dividend yield, where the team believes that investing in companies that grow its dividends can successfully add value in the long run. Dividend and growth investing have often been considered opposite ends of the spectrum, but the team believes that there is a sweet spot in the middle where investors can capture both.

Capital Group UK - Global High Income Opportunities

Previous Holding: 3.00% **OCF:** 0.66% **Transactional Costs:** 0.15%

We have switched from the offshore version to the onshore version of the Capital Group Global High Income Opportunities fund, as we have been granted preferential access to a share class with lower fees.

Natixis Harris Oakmark US Value Equity

Previous Holding: 3.00% **OCF:** 0.36% **Transactional Costs:** 0.13%

The fund is a high-conviction US equity fund which targets companies trading at significant discounts to intrinsic value. It targets companies with strong cash generation, robust balance sheets and long-term recovery potential. The fund has been removed as US equity exposure has decreased significantly.

Royal London Short Duration Credit

Previous Holding: 3.00% **OCF:** 0.35% **Transactional Costs:** 0.00%

This fund mainly invests mainly in British government bonds with shorter maturities as they offer reduced interest rate risk. The managers use their internal modelling to identify which bonds are considered under- or over-valued and are therefore buying opportunities. The managers also monitor supply and demand to identify mispricing. The fund can also invest minor portions of the portfolio into high-quality corporate bonds, foreign government bonds and inflation-linked gilts.

BlackRock Continental European Income

Previous Holding: 2.00% **OCF:** 0.91% **Transactional Costs:** 0.29%

The fund focuses on generating a reliable and growing income while outperforming the wider market. The portfolio is split into two, with roughly 60% invested in above-average, income-paying companies where it is believed the dividend is reliable and secure, and the remainder used to invest in companies with opportunity for dividend growth. The fund has been removed as part of a re-alignment of the portfolio's exposure to global equities to reduce exposure to Europe.

FUNDS IN:

FUNDS OUT:

Janus Henderson Absolute Return

Previous Holding: 2.00% **OCF:** 1.08% **Transactional Costs:** 0.33%

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.

WS Lightman European

Previous Holding: 2.00% **OCF:** 0.80% **Transactional Costs:** 0.39%

Manager Rob Burnett focuses on finding businesses that have been through periods of stress and whose share prices are significantly below what he considers a fair value. The manager excludes the most expensive companies and then tries to identify each company's operational momentum that should drive share price growth. The portfolio is relatively concentrated with 40 to 50 positions. The fund has been removed as we opt for exposure to the broad European market.

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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