Adventurous
Portfolio Review as at September 2025

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:

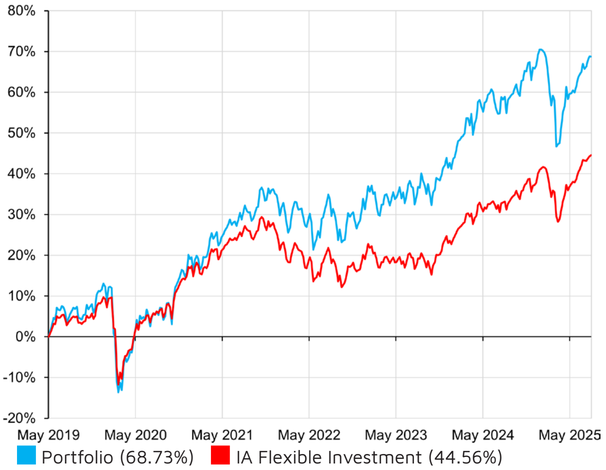
When the portfolio was rebalanced in May, markets were volatile due to President Trump's 'liberation day' tariffs. Since then, equities have recovered as the postponement of higher tariffs gave markets time to adjust and trade negotiations contributed to improved market conditions. Many equity markets have since hit record highs after key trading partners made concessions to the US for reduced tariffs.

US equities gained as concerns about recession receded and demand for AI-related stocks returned. Japanese stocks showed volatility but saw gains following a late-July tariff agreement. UK equities also rose, supported by an early trade agreement with the US. European shares fell in local currency, but sterling investors made a small gain as low growth and low inflation allowed the European Central Bank to cut interest rates. Emerging market equities gains were supported by positive momentum in Chinese stocks and robust, AI-driven performance among technology companies in Korea and Taiwan.

Rising inflation led the US Federal Reserve to maintain its rates, while the Bank of England reduced rates in response to weak economic growth. UK gilts gained but persistent inflation and concerns about the level of government borrowing meant the increase in value was limited. Corporate bonds rose due to lower recession fears and steady demand for investment grade credit.

The portfolio increased in value, led by the performance of US equities. Japanese and European stocks made notable gains as developed market equities were positive, although GQG U.S Equity Partners struggled due to its defensive positioning. The small allocation to emerging markets made a notable positive contribution despite a slight decline from the investment in Indian equities. Absolute return strategies fell slightly but gilts added to performance and the portfolio's investment in the money market produced a modest gain.

PERFORMANCE OVERVIEW:[1]

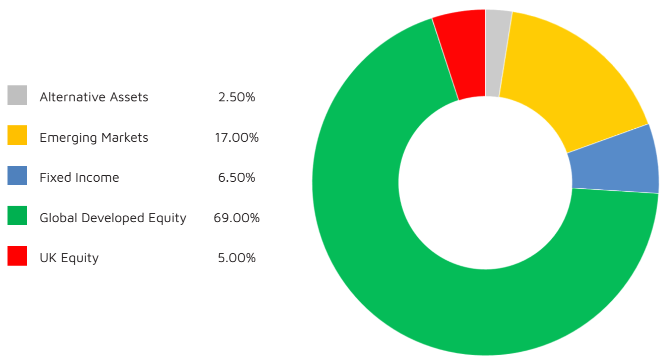


Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested.

PORTFOLIO POST REBALANCING:

Name	Weighting
HSBC S&P 500 Equal Weight Equity Index	20.00%
HSBC American Index	20.00%
HSBC European Index	9.00%
Artemis SmartGARP Global Emerging Markets Equity	8.00%
Man Sterling Corporate Bond Fund	4.50%
CT Japan	4.00%
Vanguard Japan Stock Index	4.00%
Invesco Global Emerging Markets (UK)	4.00%
BNY Mellon US Equity Income	4.00%
iShares Emerging Markets Equity Index (UK)	3.00%
Man Income Fund	3.00%
BlackRock Continental European Income	3.00%
WS Lightman European	3.00%
Janus Henderson Absolute Return	2.50%
Man Japan Core Alpha	2.00%
Pictet Indian Equities	2.00%
Royal London Sustainable Leaders Trust	2.00%
Royal London Short Duration Credit	2.00%

NEW ASSET CLASS BREAKDOWN:[2]



SUMMARY OF PORTFOLIO CHANGES:

The last rebalance was carried out in response to market volatility triggered by US President Donald Trump's 'liberation day' tariffs in April. This meant a more defensive strategy in portfolio positioning was necessary. Since then, many key US trading partners have given concession to the US to secure lower tariff rates, so the worst-case scenario is less likely and US economic growth has remained robust. This rebalance sees the portfolio become less defensive and move back more in line with its long-term asset allocation.

The allocation to the money market is removed. The small allocation to UK gilts is also removed and we have slightly increased the allocation to corporate bonds. This includes a new allocation to Royal London Short Duration credit as we seek to reduce the portfolio's sensitivity to interest rates and inflation. The reduction in the overall allocation to fixed income sees an increase in the portfolio's equity holdings. This includes a significant increase in US equity holdings. We remain wary of some US equity valuations, so other developed equity markets have also been increased. This includes the UK due to the more defensive characteristics of this markets, and European equities which benefit from lower inflation and falling interest rates. The small allocation to global equities is removed due to GMO Quality Investment's defensive positioning. The allocation to emerging market equities has been increased as it is the region with the most favourable outlook for growth. We have retained the allocation to absolute return strategies but have replaced Thesis TM Tellworth UK Select with Janus Henderson Absolute Return due to the latter's more diversified and lower risk approach.

ASSET CLASS CHANGES:

PORTFOLIO CHANGES

BUY

	HSBC S&P 500 Equal Weight Equity Index	4.00%
	HSBC American Index	6.00%
	Artemis SmartGARP Global Emerging Markets Equity	1.50%
	Invesco Global Emerging Markets (UK)	2.00%
▶	BNY Mellon US Equity Income	4.00%
	Man Income Fund	1.00%
▶	BlackRock Continental European Income	3.00%
▶	WS Lightman European	3.00%
▶	Janus Henderson Absolute Return	2.50%
▶	Royal London Short Duration Credit	2.00%

SELL

	HSBC European Index	-3.00%
	Man Sterling Corporate Bond Fund	-1.00%
	iShares Emerging Markets Equity Index (UK)	-0.50%
◀	GMO Quality Investment	-8.00%
◀	GQG Partners U.S. Equity	-8.00%
◀	iShares UK Gilts All Stocks Index	-3.00%
◀	Royal London Short Term Money Market	-3.00%
◀	Premier Miton Tellworth UK Select	-2.50%

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

WHAT IT COSTS:[3]

Financial Instruments OCF: 0.40%[3]
Financial Instruments Transactional Costs: 0.12%
Investment Services: 0.19%
Total Cost of Investment: 0.71%
Change in Portfolio Expense: -0.13%

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:

BNY Mellon US Equity Income

Portfolio Holding: 4.00% **OCF**: 0.62% **Transactional Costs**: 0.45%

The fund brings exposure to US large cap value stocks. Although it has significant exposure to financials it is well diversified and includes significant exposure to energy and healthcare sectors. Rather than relying on a small number of stocks with high dividend, all stocks in the portfolio are expected to make a contribution to overall dividend yield.

BlackRock Continental European Income

Portfolio Holding: 3.00% **OCF**: 0.92% **Transactional Costs**: 0.29%

The fund can be considered a core European holding within the international equity portion of the portfolio. It is run by Andreas Zoellinger, who 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.

WS Lightman European

Portfolio Holding: 3.00% **OCF**: 0.80% **Transactional Costs**: 0.58%

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. After applying a quantitative screen aimed at excluding the most expensive companies, the manager tries to identify each company's operational momentum – catalysts that should drive a rehabilitation of the company's earnings and ultimately of its share price. The fund also uses quantitative analysis of the buying and selling signals on stocks to review position sizing or to reappraise the original investment thesis. The resulting portfolio is relatively concentrated with 40 to 50 positions. The fund has been added as its exposure to industrials and utilities are likely to protect earnings during a period of weak growth, and materials and energy sectors may benefit if economic growth improves.

FUNDS OUT:

GMO Quality Investment

Previous Holding: 8.00% **OCF**: 0.53% **Transactional Costs**: 0.07%

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 fund has been removed as we realign this portfolio with the rest of the portfolios in the range.

GQG Partners U.S. Equity

Previous Holding: 8.00% **OCF**: 0.55% **Transactional Costs**: 2.51%

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 fund has been removed as we realign this portfolio with the rest of the portfolios in the range.

iShares UK Gilts All Stocks Index

Previous Holding: 3.00% **OCF**: 0.11% **Transactional Costs**: 0.01%

This fund provides passive exposure to the FTSE Actuaries UK Conventional Gilts All Stocks Index. The fund has been removed as we reduce exposure to longer-dated UK government bonds in favour of shorter-dated gilts and corporate bonds.

FUNDS IN:

Janus Henderson Absolute Return

Portfolio Holding: 2.50% **OCF**: 1.07% **Transactional Costs**: 0.40%

This is an excellent fund for anyone who wants to invest in the stockmarket 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.

Royal London Short Duration Credit

Portfolio Holding: 2.00% **OCF**: 0.35% **Transactional Costs**: 0.00%

This fund invests in bonds issued by companies predominantly issuing debt in UK sterling but typically with global revenues. This is primarily investment-grade credit rating, but it can invest up to 20% in lower quality 'high yield' debt and bonds unrated by credit agencies. The manager will seek to keep the fund at a low level of sensitivity to interest rates, via investment in bonds with only a few years to maturity. The fund has been added to reduce exposure to longer-dated gilts which are more sensitive to interest rate changes.

FUNDS OUT:

Royal London Short Term Money Market

Previous Holding: 3.00% **OCF**: 0.10% **Transactional Costs**: 0.00%

Cash is the safest and most defensive asset class available for use in the portfolios. Although the fund will offer little in terms of absolute performance it will provide substantial protection to the portfolio should there be a large market sell-off. It therefore makes it ideal for a portfolio of this risk level and time horizon, and allows higher risk investments elsewhere in the portfolio that over time will drive returns. The fund invests in short-term debt issued by companies with a term of 60 days or less.

Premier Miton Tellworth UK Select

Previous Holding: 2.50% **OCF**: 0.93% **Transactional Costs**: 0.35%

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 has been removed as we realign this portfolio with the rest of the portfolios in the range.

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