Model Portfolio Service

Core Active Portfolios (CAP)

Gracechurch Wealth Management have been managing model portfolios for a wide variety of clients with differing requirements since 2010. We offer seven risk budgets from Cautious to Aggressive. We can also construct portfolios for income or growth within ISAs, Pensions, direct portfolios or within onshore or offshore bonds. We therefore offer portfolios to suit most client requirements.

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Investment Process:

The portfolios each offer diversification across a range of different funds, fund management groups, geographical regions and asset classes. The process is designed to deliver the outcome expected by investors and generate returns within pre-determined volatility ranges over the longer-term. We have a strong focus on risk management ensuring the portfolios meet their individual volatility targets. We revise the portfolios at least quarterly, as a response to changing market and individual fund house conditions.

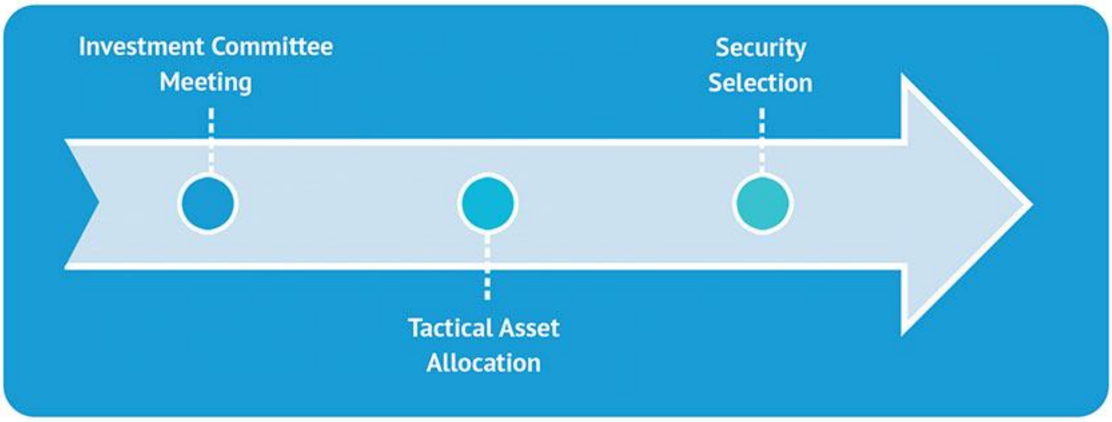
Diversification:

When it comes to investments, it is very important not to put all your eggs in one basket. Spreading the risk means we don't rely on the performance of a narrow selection of asset classes. This should provide a more consistent investment return with a lower degree of volatility.

Spread the risk by:

Model Portfolio Construction:

The process involves extensive research by the investment committee and rigorous asset allocation constraints are employed to ensure consistent levels of return within set volatility bands. The committee meets once a quarter to review investments that best suit the investment objectives, asset allocation and risk-return target for each of the models. Generally, the higher risk portfolios have higher equity weightings, but at all risk levels we will agree the maximums that we can place into any asset class, such as shares. This means that you can be confident we will always be managing the portfolio in line with your attitude to risk.



Asset Classes & Allocation:

We try to reduce portfolio risk by allocating among asset various classes and spend a considerable amount of time assessing the correlation between these assets to gain truly diversified returns.

The main asset classes are:

Equity:

The most popular and the largest asset class comprising stocks and shares of publicly listed companies on stock exchanges across the globe. Equity is generally more volatile than fixed interest and property asset class but offers the best long-term returns. Larger dividend bearing shares are considered safer than growth shares and UK based stock is generally more stable than overseas, due to currency fluctuations. Risk can be tailored therefore to a client's risk appetite.

Fixed Interest:

Fixed Interest is the structured approach for Government and Company borrowing which will provide you a regular stream of interest on the money you have lent over a fixed term. Fixed interest is less volatile than equities because you are lending money to companies and Governments rather than taking an equity stake.

Property:

The Property investments are invested into direct commercial properties or via property shares not residential property. Property investment can provide good inflation protection and a steady yield in the form of rents. Property investments work as a great diversifier when combined with other traditional investments as they are less correlated to shares and fixed interest.

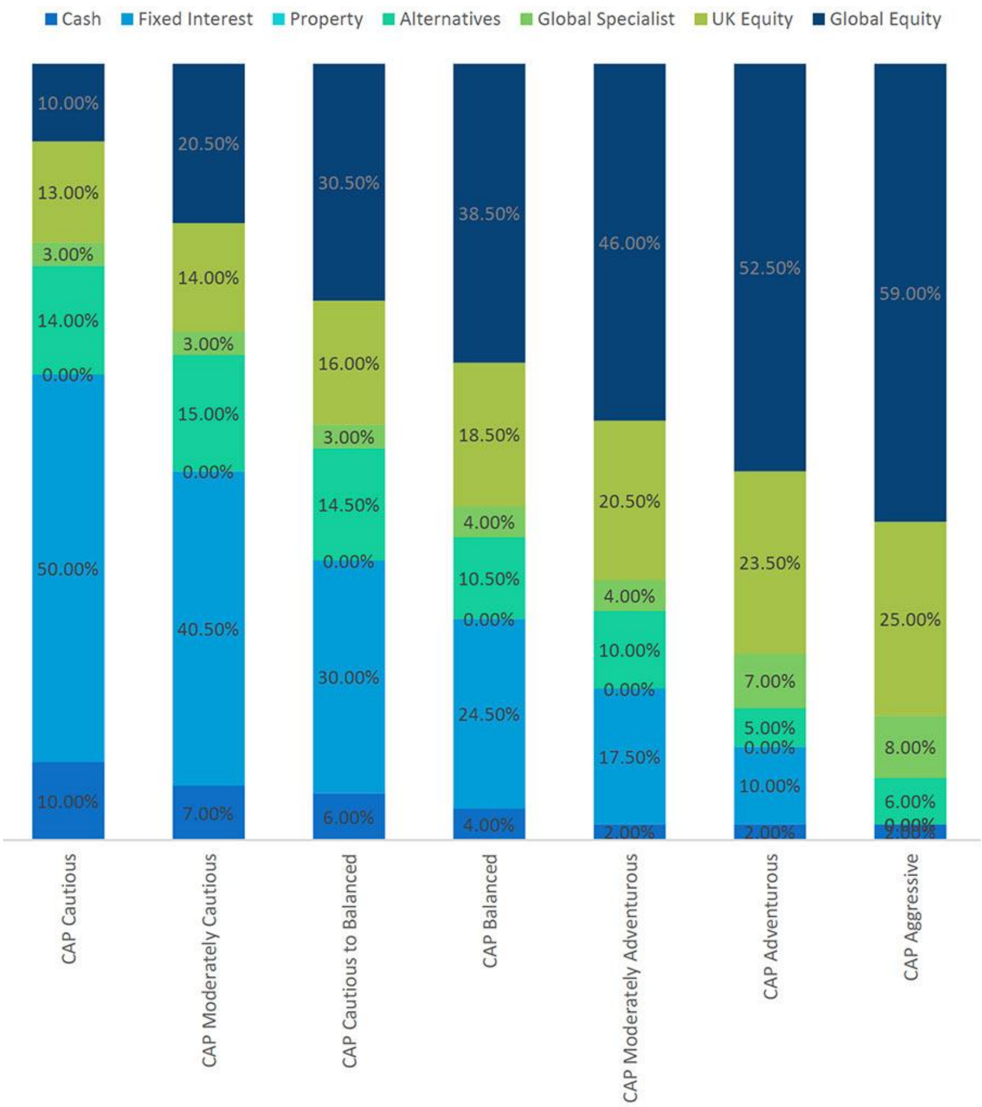
Alternatives:

The alternatives asset class includes market neutral absolute return strategies and other uncorrelated investments. The alternatives sector doesn't rely on market performance to generate returns but carries a Manager risk as we are reliant on them calling the market correctly.

Global Specialist:

Commodities and specialist areas like private equity, hedge funds and specialist equity sectors comprise this asset class. The global specialist sector is highly volatile in nature; however, tends to provide diversification as the returns are often uncorrelated from the equity and bond markets.

Current Portfolio Allocation:



Asset Allocation as of March 2023

Offerings:

Each quarter you will receive an email detailing the current valuation, portfolio breakdown, market summary and confirmation of the fund changes we wish to make.

Investors are given a choice of 15 model portfolios that cover needs for income generation, growth or ethical investment. The asset allocation is actively managed and built using both active and passive, open-ended funds and exchange-traded funds.

Income Solutions:
1. Core Active Portfolio Cautious Income
2. Core Active Portfolio Moderately Cautious Income
3. Core Active Portfolio Balanced Income

Active Growth Solutions:
1. Core Active Portfolio Cautious
2. Core Active Portfolio Moderately Cautious
3. Core Active Portfolio Cautious to Balanced
4. Core Active Portfolio Balanced
5. Core Active Portfolio Moderately Adventurous
6. Core Active Portfolio Adventurous
7. Core Active Portfolio Aggressive

Passive Growth Solutions:
1. Core Active Portfolio Balanced Passive
2. Core Active Portfolio Moderately Adventurous Passive

Ethical Solution:
1. Core Active Portfolio Cautious Ethical
2. Core Active Portfolio Balanced Ethical
3. Core Active Portfolio Adventurous Ethical

Costs:

The annual management charge for the portfolios is 0.20%. Please note that there will be underlying fund and platform charges for each portfolio that will vary over time depending on the fund charges. We aim to keep our underlying fund charges below 1.00% for the active solutions. For the passive solutions, we aim to keep our underlying fund charges under 0.50%.

Volatility and Performance:

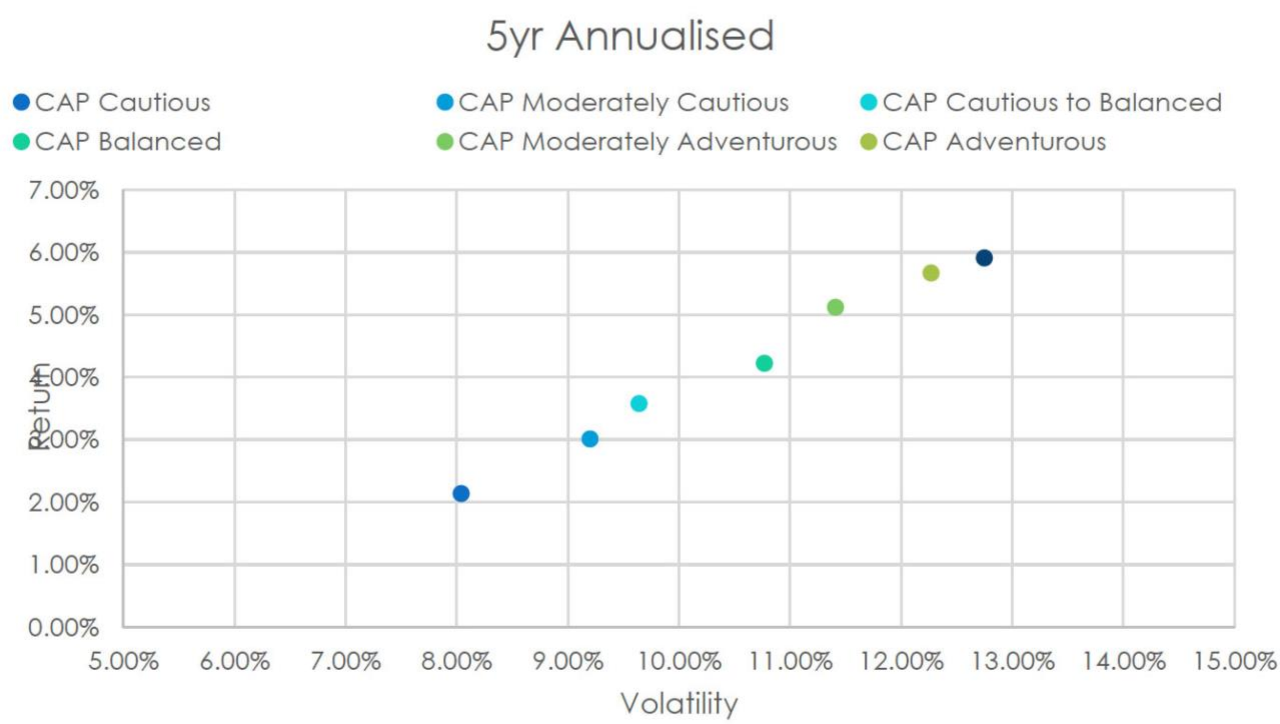
The figures below illustrate volatility and past performance at the various risk profiles.

Volatility is defined as a statistical measure of dispersion of returns. Basically, the higher the number the more the portfolio is likely to fluctuate in value.

The return is the annualised performance for each portfolio. This is measured after the annual management charge of 0.2% and underlying fund costs have been taken into consideration. Other fees could well apply such as adviser and platform fees and will vary depending upon client's circumstances. Returns are therefore indicative only.

Risk Profile	3Yrs Annualised		5Yrs Annualised	
	Return	Volatility	Return	Volatility
CAP Cautious	2.74%	9.86%	2.14%	8.04%
CAP Moderately Cautious	3.39%	11.03%	3.01%	9.20%
CAP Cautious to Balanced	4.56%	11.31%	3.58%	9.64%
CAP Balanced	5.33%	12.46%	4.22%	10.77%
CAP Moderately Adventurous	6.51%	13.04%	5.12%	11.41%
CAP Adventurous	7.17%	13.88%	5.67%	12.27%
CAP Aggressive	7.63%	14.59%	5.91%	12.75%

Source: FE Analytics as of 28th February 2023



Platform Availability:

- Aviva
- Aegon
- Ascentric
- Quilter
- 7IM

Important Notes:

The value of an investment can go down as well as up due to fluctuations in investment markets Past performance is not a guide to future performance.

Capital is at risk.

The value of property investments and income from them can go down as well as up and investors may not get back the amount originally invested.

As property is a specialist sector it can be volatile in adverse market conditions, there could be delays in realising the investment.

This information is for illustrative purposes only and is not intended as investment advice. The information stated in this document has been taken from FE Analytics and is believed to be reliable and accurate on the mentioned date.