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Introduction

Henson Aslam Financial Management LLP was founded in 1994 by Nicholas Aslam and Valerie Elliott-Haig and is based in the West Bridgford area of Nottingham.

We are independent financial advisers and provide help for our clients in all areas of financial planning including investments, pensions, family and business protection, Cashflow forecasting and estate planning needs.

Nicholas Aslam, the senior partner, has been in Financial Services since 1984 in various roles. Prior to starting the business Nick spent 6 years with a major national independent adviser as senior consultant for the East and South East Midlands with specific responsibility for corporate and high net worth pension and investment business.

In particular Nick specialises in pension advice to individuals, business owners and directors. We advise on a large number of self-administered/self-invested pension schemes, giving the pension owner freedom to invest in any acceptable asset including commercial property. We also advise a large number of individuals on personal and tax-efficient investments, including inheritance tax planning.

Nick holds the Chartered Insurance Institute G60 Advanced Financial Planning Certificate pension specialist qualification. This qualification is held by a small minority of financial advisers and enables the holder to give advice on pension opt-out and transfers. Nick also holds the Personal Finance Society Diploma qualification.

Derek O'Connell joined Henson Aslam as partner/adviser in November 2018. Derek has been involved in financial services all his working life. He originally worked for a well-known life assurance and pensions company before forming his own advice partnership in 1984. This company became very well known locally. Among many areas of involvement was investment management, tax-efficient investments and compliance. Many of the clients that he deals with today are clients that he has known for over 35 years. Looking for a fresh challenge he joined Henson Aslam having known Nick Aslam for many years.

Valerie Elliott-Haig, the office manager/partner, has been involved in Financial Services for over 30 years including periods in an independent advisory role and an in-house insurance operation. Val along with our administration staff manages the office.

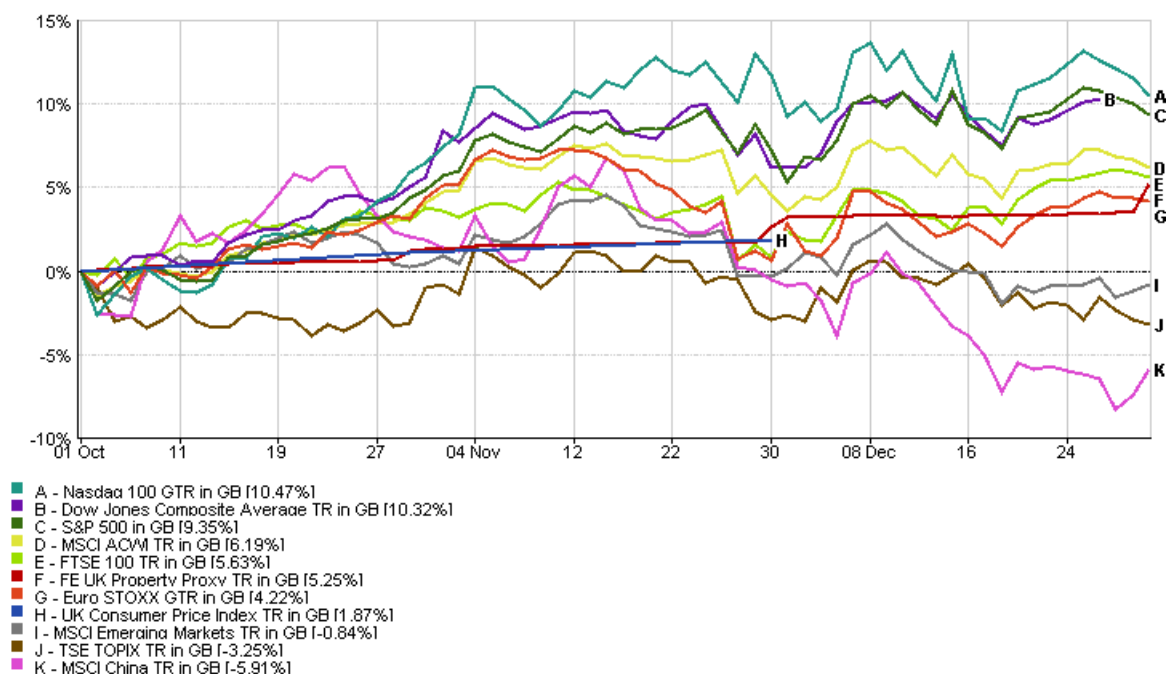
We look after in excess of £150 million in assets under management on behalf of our clients, invested on industry leading platforms including Standard Life Wrap, Quilter and Royal London.

Market Commentary – Jan 2022

The rise of the Omicron variant of Covid-19 weighed heavily on UK and global politics, and economics in the final quarter of 2021. Many European countries reintroduced forms of lockdowns and restrictions although most of the UK, despite pressure, has resisted so far.

There have now been over 295 million cases and nearly 5.5 million deaths worldwide with over 13 million cases and over 148,000 deaths in the UK. On a positive note, Omicron seems to be a milder form than the Delta variant and there has not been a large spike in hospital admissions and deaths in the UK so far.

GDP growth slowed to 1.1% in the third quarter, from 5.4% in the second quarter, slightly undershooting market expectations. The economy is still 2.1% below its pre-pandemic level, which is a worse performance than most other major economies. However, UK growth is forecast by the OECD to be 4.9% in 2022, which is the fastest in the G7.



01/10/2021 - 31/12/2021 Data from FE fundinfo2022

UK interest rates rose slightly for the first time since the pandemic began to 0.25% with further rises in 2022 expected in an effort to control inflation which rose to 5.1% in November. In the US, inflation has risen above 6% with large increases across European countries as well. UK inflation is forecast to peak at 4.9% by the middle of next year before returning to target by the end of 2023.

Global stockmarkets powered ahead in the final quarter of 2021 with the NASDAQ growing by 10.47% followed by the Dow Jones with 10.32% and the S&P 500 with 9.35%. On a general expectation of being undervalued against its peers, the FTSE 100 lagged, but still achieved good growth of 5.63%. The Chinese market continues to struggle as the Government cracks down on the technology sector and the property sector suffers from a combination of lack of confidence and high debts.

Public sector net borrowing is estimated to have been £17.4 billion in November 2021, which is the second highest November figure on record, but £4.8 billion less than the same month for 2020. The UK total public debt at the end of November 2021 was £2.317 trillion or 96.1% of GDP, a slight fall from the last quarter. Both the deficit and total debt-to-GDP should fall as the economy recovers and emergency pandemic financial measures are scaled back.

Sterling was little changed over the quarter against the US Dollar and Euro and currently stands at \$1.35 and €1.19 respectively. Investors remain cautious over Sterling as they do with UK assets generally due to the ongoing issues with Brexit.

Oil fell back during the final quarter of 2021 as investors were unsure of the negative consequences of the Omicron variant on the global economy and energy demand. However, natural gas prices remained high over the quarter as political tensions between Russia and Ukraine grew over a possible invasion and potential supply issues to the European market. The prices have eased somewhat recently to the relief of consumers and governments.

The latest house price data published by HM Land Registry for October 2021 show that average prices in the UK increased by 10.2% in the year to October 2021, down from 12.3% in the year to September 2021.

Crypto currencies continued their volatility over the quarter with Bitcoin reaching a peak of \$68,000 before falling back to \$47,000. The other Crypto currencies also remain volatile as investors search for the next big one.

Market Outlook

The US is the most expensive developed equity market globally, but the business cycle is still supportive for equities, while becoming a larger headwind for government bonds. In the US, it is widely believed that moderating demand, coupled with a rebalancing in demand (from goods to services) and a healing supply-side of the economy, should allow inflation rates to throttle down aggressively in the second half of 2022. Rate hikes by the Federal Reserve are unlikely before 2023.

Europe is expected to head into 2022 with healthy growth momentum, with business surveys showing broad-based gains across countries and sectors, and fiscal policy set to provide persistent support to growth. The MSCI EMU Index, which reflects the European Economic and Monetary Union, has the potential to outperform the S&P 500 Index in the coming quarters.

In the UK, Brexit has placed constraints on labour supply, putting upward pressure on wages and inflation. The situation is encouraging the Bank of England to begin raising interest rates, with markets priced for lift off in February. While UK equities have lagged the global rally in 2021, the FTSE 100 Index is the cheapest of the major developed equity markets and offers a dividend yield of close to 3.5% as of November 2021. It has the potential to outperform in a global cyclical rally as fears around inflation and COVID-19 ease.

China's property-market downturn, triggered by the collapse of developers such as Evergrande, is a large drag on economic growth. It is difficult to gauge the exact size of China's residential property sector, but somewhere around 20% of GDP seems fairly accurate, according to various estimates. A reasonable assumption is that there will be some stimulus in the first half of 2022, which should see China's growth trajectory improve toward the end of the year.

The Value of Advice

There is much value in individuals seeking professional financial advice throughout their lifetime. Often there are significant life events that require specific financial advice but it is ensuring that the client stays on track during those events – the ongoing monitoring and adjusting – that can often determine the long-term success of an individual's future.

A number of studies undertaken by large investment companies such as Vanguard, Morningstar and Russell Investments have aimed to identify any additional 'alpha'* for members of the public seeking professional financial advice. These studies landed on different figures but they all indicated an approximation of around 3% of additional returns above the market return each year. Even if this figure was only 2% what would the difference in return for clients be if the market return averaged 5% per annum?

According to Vanguard, the seven key components of Adviser's Alpha are as follows:

- Asset Allocation – The overwhelming factor in determining investment performance
- Rebalancing – Keeping a portfolio's risk and return profile on course
- Lowering Costs – The one factor guaranteed to improve returns
- Behavioural Coaching – Avoid the costly mistakes of giving in to fear and greed
- Tax allowances – Tax-efficiency is the key to getting the best results
- Spending Strategy – Crucial to maintaining the value of a portfolio in retirement
- Total return vs Income – Making the most of a portfolio for both income and capital

The table below shows the impact of this potential increased return of an initial £300,000 investment over various time periods.

	Market Return (%)	With Net AAV (%)	Market Return (£)	With Net AAV (£)
1 Year	5.00%	7.00%	£525,000	£535,000
3 Years	15.76%	22.50%	£578,800	£612,500
5 Years	27.63%	40.26%	£638,150	£701,300
10 Years	62.89%	96.72%	£814,450	£983,600
15 Years	107.89%	175.90%	£1,039,450	£1,379,500
20 Years	165.33%	286.97%	£1,326,650	£1,934,850
25 Years	238.64%	442.74%	£1,693,200	£2,713,700

Source: EDVOA Feb 2019

Net AAV – Net Adviser Added Value

*Alpha measures the value added by the fund manager in terms of his performance compared to his peers. Alpha is less difficult to achieve in rising markets and vice versa.

HA Investment Portfolios

Active vs Passive Investing

Investors have two main investment strategies that can be used to generate a return on their investments: active portfolio management and passive portfolio management. These approaches differ in how the account manager utilises investments held in the portfolio over time. Active portfolio management focuses on outperforming the market compared to a specific benchmark, while passive portfolio management aims to mimic the investment holdings of a particular index.

We have come to the conclusion, and the academic evidence supports this, that around 80% of long-term investment returns are generated from the asset allocation mix rather than market timing or stock picking. We therefore see little value for investors paying the additional charges for active management and they are better served investing in low-cost passive or tracker funds, and our core portfolios are constructed using this philosophy.

Income vs Total Return

We have previously operated portfolios where the objective is to generate a high natural yield, which can be distributed in the form of a regular income. After comparing the long-term returns of these 'income' portfolios against 'total return' portfolios, where returns are generated through a combination of capital growth and the natural yield, the evidence shows that the long-term returns are superior whether or not an income is taken.

As there are no passive equity income funds, an Income Portfolio is by nature actively managed and therefore the costs are a lot higher (up to three times) which will act as a drag on the performance. We see the benefits of a total return approach as follows:

- A total return approach maximises your investment choices
- Withdrawals can be set at a level consistent with client requirements
- Less danger of focusing unduly on income
- Current income levels are low
- Natural income is only part of the return
- Focusing on income to excess may reduce portfolio growth potential
- An income-only approach may be incompatible with an 'absolute return' approach

Risk Profiling

Our portfolios have been designed in line with the risk profiles used by Financial Express. We encourage clients to complete a risk profiling questionnaire to establish their attitude to risk and capacity for loss. The profiler asks a number of questions and based on the answers will place you in one of five risk categories. We use this as a basis of a conversation rather than a definitive decision. Please refer to the risk definitions set out later in this document.

Underlying Portfolio Construction

We have used three individual fund providers within the portfolios. The funds we use are managed by HSBC, BlackRock and Vanguard to provide sufficient diversification in terms of the assets they invest in and their investment strategies.

HSBC Global Strategies

The approach taken for each of the five multi-asset portfolios in the range is to build a strategic asset allocation to maximise the return for a given risk budget, with limited tactical asset allocation used to express more short-term market views.

The portfolios do not have target return objectives but do have specified volatility parameters that the funds aim to stay within over the medium to long-term. There are no formal benchmarks with the focus on generating attractive risk-adjusted returns. The long-term strategic asset allocation for each fund is determined through an optimisation process that uses long-term data on ten asset classes (US equities, European equities, UK equities, Japan equities, Pacific ex Japan equities, Emerging Markets equities, global government bonds, corporate bonds, property securities/REITs and cash) covering returns, risk and covariance and is run on at least an annual basis.

Tactical asset allocation is only expected to drive a small part of the overall return, so positions tend to be relatively small versus the strategic asset allocation, and these are the fund manager's responsibility.

BlackRock MyMap

The MyMap range is a suite of simple, risk-managed, cost-effective, multi-asset funds that provide a straightforward way to create a diversified portfolio.

The MyMap portfolios are made up of around 20 low cost internal iShares ETFs and index funds to provide access to a wide investment universe of stocks, bonds, alternatives and cash. The portfolios are rebalanced around 3-4 times a year on an ad-hoc basis.

The cost-effective MyMap range seeks to generate a total return over a 5-year period, while maintaining a pre-defined risk profile, as measured by the Fund's annualised volatility over a 5-year period.

Vanguard LifeStrategy

The overall investment process behind the Life Strategy funds is relatively straightforward. Each fund in the range has a pre-determined strategic asset allocation split between equities and fixed income with an additional set of weightings at sub-regional and sub-asset class level.

There is no tactical asset allocation overlay and the funds are re-balanced on a regular basis within certain tolerance limits to allow for market movements. The funds are then populated with Vanguard index-tracking funds to match the asset allocations. Within the equity component of each fund 25% is allocated to UK equities, which Vanguard believes reflects a balance between the benefits of globalisation and an investor's preference for their domestic market.

The remainder is allocated as per the market capitalisation weightings within the global equity index, thereby giving a bias towards US equities but also an allocation to Emerging Markets.

The funds can invest in Real Estate Investment Trusts (REITs) and specifically allocates to them based on their market cap weighting within the relevant equity region.

Non-Sterling exposure is left unhedged. Within the fixed income component there is a 35% allocation to UK fixed income, including any within a global bond allocation, again reflecting the same investment balance and the remainder is also split as per market capitalisation.

Vanguard Global Small Cap Index

The Fund employs a passive management or indexing investment approach and seeks to provide long-term capital growth by tracking the performance of the MSCI World Small Cap Index. The Index is comprised of small-sized company stocks in developed markets.

To the extent practicable, the Fund uses a full replication strategy to select securities, so that it invests in all the constituents of the Index, making the weight of such investments approximate to those of the Index. When it is not practicable to fully replicate, the Fund uses a sampling process to invest in a portfolio of securities that consists of a representative sample of the component securities of the Index. Under normal circumstances, the Fund is expected to maintain the broad risk characteristics consistent with that of the Index it tracks.

A summary of the five portfolios we operate with basic information on their charges, risk profile and sector can be seen in the table below:

FE Risk Rating	Name of Portfolio/Sector	FE Risk Score	OCF	MiFID	Total
1	HA Portfolio 1 - Cautious	26	0.19%	0.06%	0.25%
	Mixed Investment 0-35% Shares	29			
2	HA Portfolio 2 - Cautious to Moderate	34	0.20%	0.04%	0.24%
	Mixed Investment 20-60% Shares	42			
3	HA Portfolio 3 - Moderate	53	0.21%	0.05%	0.26%
	Mixed Investment 40-85% Shares	56			
4	HA Portfolio 4 - Moderate to Adventurous	65	0.21%	0.05%	0.26%
	Mixed Investment 40-85% Shares	56			
5	HA Portfolio 5 - Adventurous	77	0.23%	0.00%	0.23%
	Global	79			

Explanation of Terms

FE Risk Score

FE Risk Scores define risk as a measure of volatility relative to an index of the 100 largest UK companies (the benchmark), which has a risk rating of 100, and rebased to Sterling. Instruments more volatile than the benchmark have a score above 100 and vice versa giving a reliable indication of relative risk.

Ongoing Charges Figure (OCF)

The OCF is made up of the fund manager's fees for running the portfolio, along with other costs, such as administration, marketing and regulation but does not include certain other significant costs, such as trading costs.

MiFID

MiFID charges are transaction costs (broker commission, stamp duty and foreign exchange) and incidentals (performance fees). They were introduced as part of the MiFID II Directive in 2018 and are considered a truer reflection of the total costs to an investor.

Sectors

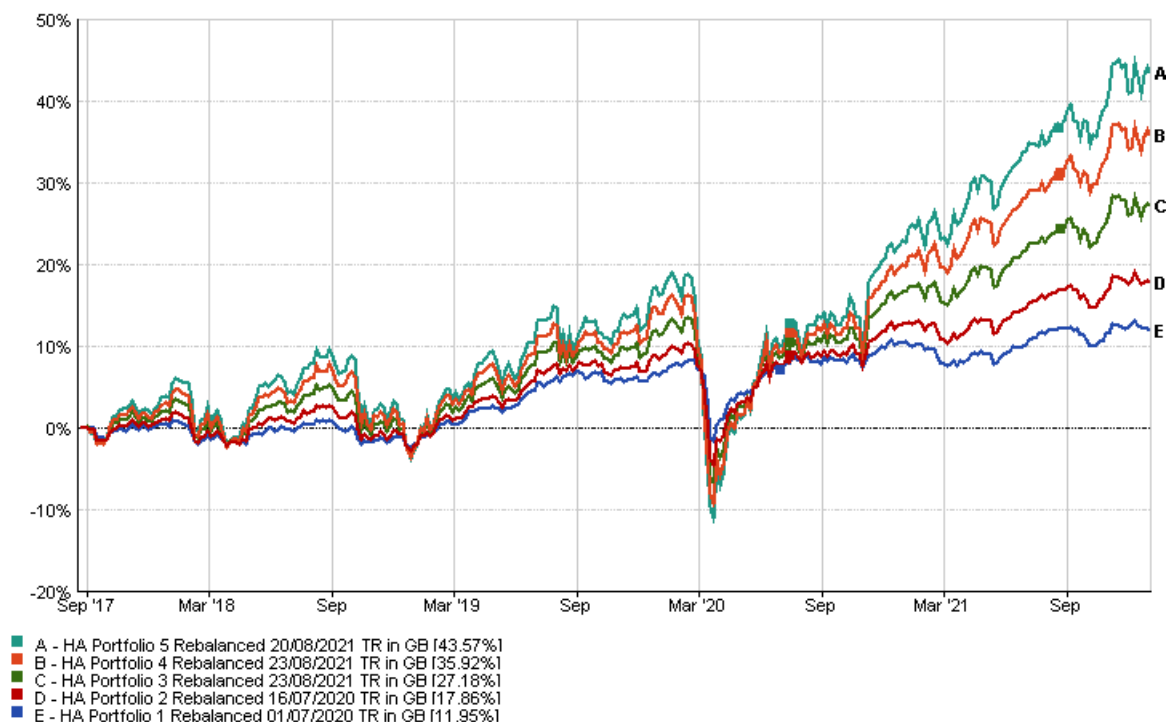
We use the Investment Association (IA) Sectors as a benchmark to the portfolios to provide an indication of the comparative performance.

The IA sectors selected represent a broad range of funds and are based on the percentage of underlying equities within the funds. The higher the percentage of equities in the sector, the higher its risk rating.

Each sector has a clear definition setting out the criteria a fund must fulfil. IA organise most sectors based on the main asset types the fund invests in. Funds in any sector may offer a wide mix of assets, strategies and risk profiles.

Performance Comparison

The below chart shows a performance comparison of the five Henson Aslam portfolios over a given period including annual rebalances:



The table below shows the annualised performance of one of the component funds managers in the portfolio, which provides an example of the sorts of returns an investor can expect (but are not guaranteed) over different time periods.

Annualised return	1 year	3 years	5 years	10 years
LifeStrategy 20% Equity	1.83	6.35	4.42	5.16
LifeStrategy 40% Equity	5.73	8.59	5.91	6.94
LifeStrategy 60% Equity	9.93	10.96	7.54	8.76
LifeStrategy 80% Equity	14.44	13.31	9.14	10.54
LifeStrategy 100% Equity	19.15	15.63	10.71	12.30

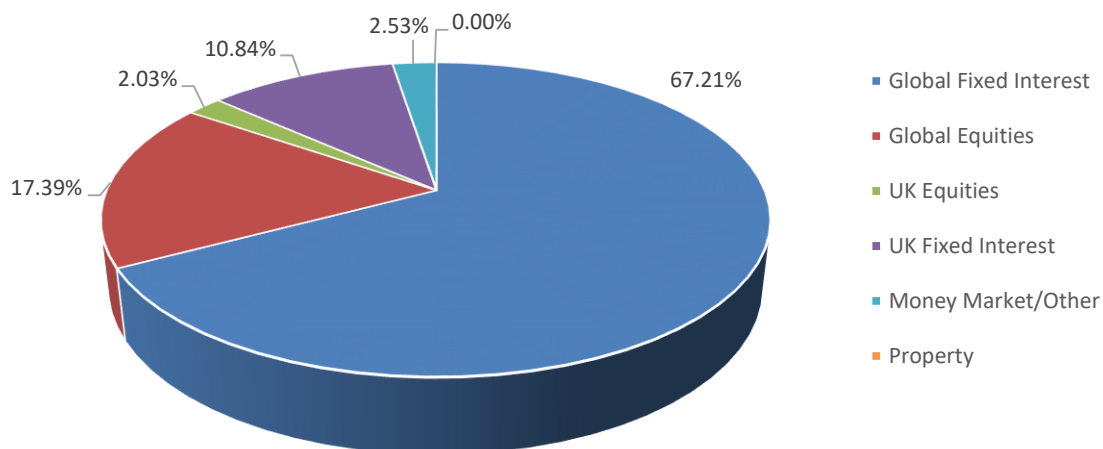
Performance: annualised to 31 December 2021 from FE Fund info

These figures are based on the returns net of the fund management costs and do not include any adviser or platform costs, which will reduce the overall returns.

HA Portfolio 1

Weighting	Cautious
40.00%	HSBC Global Strategy Cautious
20.00%	BlackRock MyMap 3
40.00%	Vanguard LifeStrategy 20% Equity

You are prepared to take only a small amount of investment risk and it is important to you that your capital is protected. This means that your portfolio will concentrate on investments that provide low returns in the long term but present lower risk to your capital. Only a small amount of riskier assets will usually be included in your portfolio in order to increase the chance of obtaining better long-term returns. A typical Cautious investor will be invested mostly in fixed interest gilts and bonds as well as in cash, with a small element in equities and property that can boost longer term returns but are associated with more risk. Using a broad range of assets gives you a varied portfolio and that diversification helps to reduce the overall levels of risk.



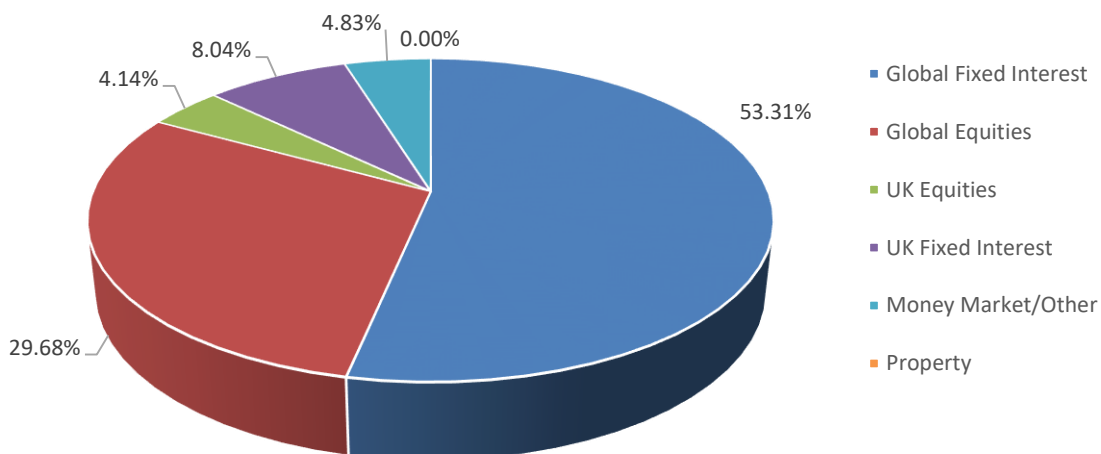
HA Portfolio 2

Weighting	Cautious to Moderate
40.00%	HSBC Global Strategy Conservative
20.00%	BlackRock MyMap 3
40.00%	Vanguard LifeStrategy 40% Equity

You are prepared to take limited investment risk in order to increase the chances of achieving a positive return but you only want to risk a small part of your capital to achieve this. A typical Cautious to Moderate portfolio will usually have the larger part of the portfolio invested in fixed interest gilts, bonds or cash that are low risk but offer only low returns. The remainder of the portfolio will usually be invested in equities and property which can boost longer term returns but are associated with more risk. Using a broad range of assets gives you a varied portfolio and that diversification helps to reduce the overall levels of risk.



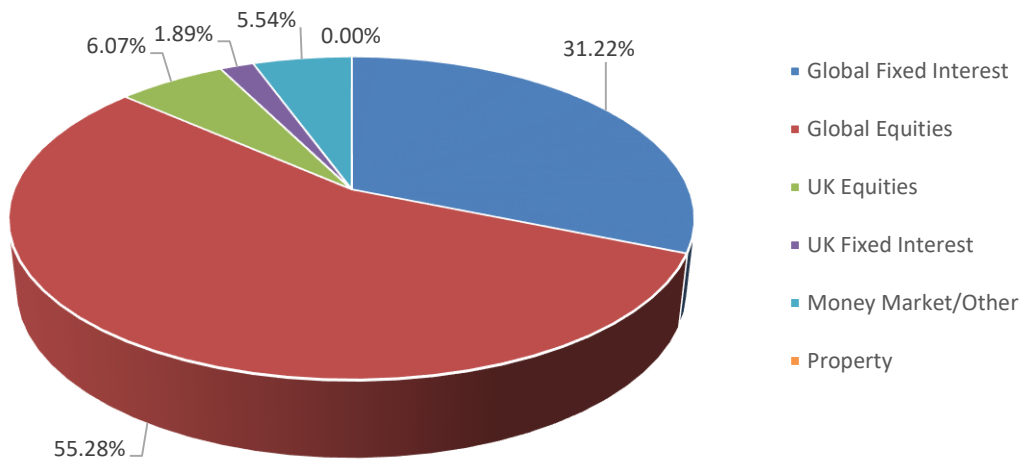
23/08/2017 - 31/12/2021 Data from FE fundinfo2022



HA Portfolio 3

Weighting	Moderate
35.00%	HSBC Global Strategy Balanced
20.00%	BlackRock MyMap 4
35.00%	Vanguard LifeStrategy 60% Equity
10.00%	Vanguard Global Small Cap Index

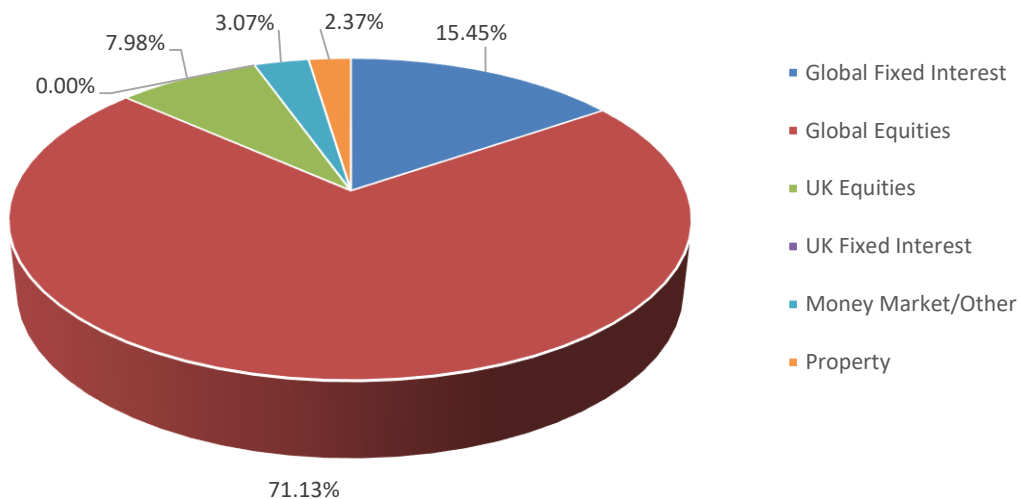
You are prepared to take a moderate amount of investment risk in order to increase the chance of achieving a positive return. Capital protection is less important to you than achieving a better return. A typical Moderate investor will usually invest in a variety of assets to obtain diversification and therefore reduce risk. Equities and property, which can boost longer term returns but are associated with more risk, would often account for a higher proportion of assets than fixed interest gilts and bonds or cash. At shorter investment terms the proportion of higher risk assets is usually reduced. The range of asset types helps reduce the overall risks while increasing the chance of better returns.



HA Portfolio 4

Weighting	Moderate to Adventurous
35.00%	HSBC Global Strategy Dynamic
20.00%	BlackRock MyMap 5
35.00%	Vanguard LifeStrategy 80% Equity
10.00%	Vanguard Global Small Cap Index

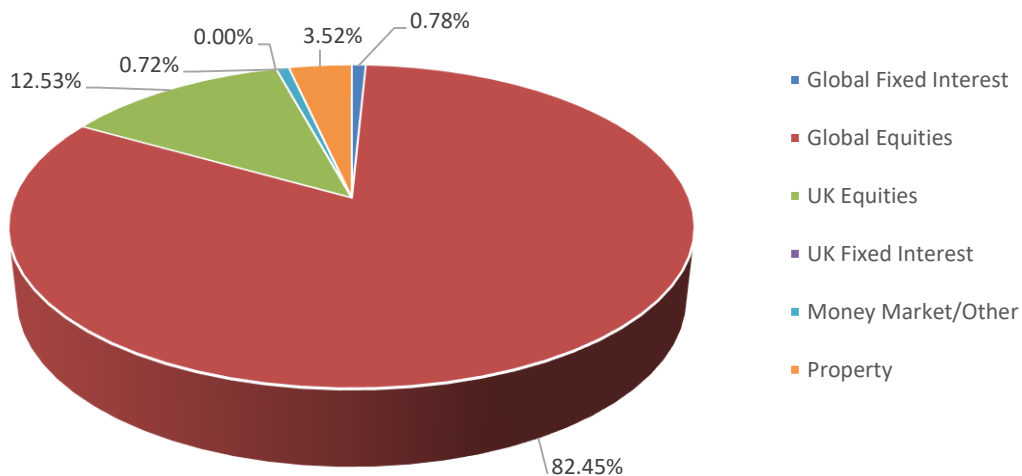
You are prepared to take a medium degree of risk with your investments in return for the prospect of improving longer term performance. Short-term capital protection is not important to you and you are willing to sacrifice some long-term protection for the likelihood of greater returns. A typical Moderate to Adventurous investor will be invested in equities but with other assets to provide some diversification. There may be a small amount of specialised equities within the portfolio, which focus on a particular sector of the economy or relate to a particular market or industry. Specialised equities can boost longer term returns but are associated with more risk than standard type equities.



HA Portfolio 5

Weighting	Adventurous
45.00%	HSBC Global Strategy Adventurous
10.00%	Vanguard Global Small Cap Index
45.00%	Vanguard LifeStrategy 100% Equity

You are prepared to take a substantial degree of risk with your investments in return for the prospect of the highest possible longer term performance. You appreciate that over some periods of time there can be significant falls, as well as rises, in the value of your investments and you may get back less than you invest. This strategy holds significant risk in the shorter term. A typical Adventurous investor will usually be invested entirely in higher risk assets such as equities. There may also be a proportion of the investment in specialised equities, which focus on a particular sector of the economy or relate to a particular market or industry. Specialised equities can boost longer term returns but are associated with more risk than standard type equities.



Environmental, Social & Governance - ESG

ESG investing is becoming more and more prominent as the public's awareness of sustainability issues increases and the fund management industry reacts to meet the new demand. Individuals are increasingly seeking financial products that are aligned with their environmental values. ESG investing refers to an investment strategy that incorporates environmental, social, and governance factors into investment decisions.

ESG can mean many different things to investors and 'Ethical' funds have been around for many years. However, the scope and definition broadened, and many fund management houses are starting to use their size and power to influence companies into adopting better practises and behaviours in environmental and corporate governance matters. An example of this would be Shell's commitment to be net zero in emissions by 2050.

There are broad principles that funds will incorporate into their investment mandates. For example, a typical objective of an ESG fund would be:

The Fund promotes environmental and social characteristics by excluding companies from its portfolio based on the impact of their conduct or products on society and/or the environment. This could mean excluding companies that engage in the following activities:

- Controversies i.e. companies which do not meet the labour, human rights, environmental, and anti-corruption standards as defined by the United Nations Global Compact Principles
- Non-renewable energy i.e. companies that own proved or probable reserves in coal, oil, or gas
- Vice products i.e. companies that produce adult entertainment, alcoholic beverages, tobacco products or gambling services
- Weapons i.e. companies that produce - or produce specific and critical parts or services for - nuclear weapon systems, chemical or biological weapons, cluster munitions, and anti-personnel mines

We have therefore introduced a new ESG range of portfolios to run alongside our standard portfolios. The ESG portfolios have been constructed using the same principles as the standard portfolios and there are 5 risk based solutions to choose from. We have used specialist ESG and/or multi-asset funds where possible and continued to use passively managed funds with the management brands we are comfortable and familiar with.

Investors need to be aware of the risks of ESG investing. There is no universal or agreed upon definition of ESG-related risks, which may also be referred to as sustainability, non-financial or extra-financial risks. This can lead to 'Greenwashing' which is the process of conveying a false impression or providing misleading information about how a company's products are more environmentally sound than they actually are.

As the ESG sector becomes more established, lots of new entrants are emerging into the market to cash in on the boom. These new funds may not have a proven track record of performance for investors to make meaningful comparisons and many will fail.

ESG Portfolios

A summary of the five portfolios we have introduced with basic information on their charges, risk profile and sector can be seen in the table below:

FE Risk Rating	Name of Portfolio/Sector	FE Risk Score	OCF	MiFID	Total
1	HA ESG Portfolio 1 - Cautious	24	0.26%	0.11%	0.37%
	Mixed Investment 0-35% Shares	29			
2	HA ESG Portfolio 2 - Cautious to Moderate	33	0.32%	0.08%	0.40%
	Mixed Investment 20-60% Shares	42			
3	HA ESG Portfolio 3 - Moderate	45	0.34%	0.08%	0.42%
	Mixed Investment 40-85% Shares	56			
4	HA ESG Portfolio 4 - Moderate to Adventurous	54	0.40%	0.10%	0.50%
	Mixed Investment 40-85% Shares	56			
5	HA ESG Portfolio 5 - Adventurous	65	0.48%	0.13%	0.61%
	Global	79			

Performance Comparison

The below chart shows a performance comparison of the five Henson Aslam ESG portfolios over a given period:



10/06/2020 - 31/12/2021 Data from FE fundinfo 2022

HA ESG Portfolio 1

Weighting	Cautious
15.00%	Vanguard ESG Developed World All Cap Equity Index
15.00%	HSBC Sustainable Multi-Asset Portfolio Cautious
2.00%	Vanguard ESG Emerging Markets All Cap Equity Index
6.00%	BlackRock MyMap Select ESG 5
54.00%	Vanguard Global Bond Index
8.00%	Vanguard UK Inflation-Linked Gilt Index

HA ESG Portfolio 2

Weighting	Cautious to Moderate
24.00%	Vanguard ESG Developed World All Cap Equity Index
24.00%	HSBC Sustainable Multi-Asset Portfolio Conservative
4.00%	Vanguard ESG Emerging Markets All Cap Equity Index
8.00%	BlackRock MyMap Select ESG 5
34.00%	Vanguard Global Bond Index
6.00%	Vanguard UK Inflation-Linked Gilt Index

HA ESG Portfolio 3

Weighting	Moderate
32.00%	Vanguard ESG Developed World All Cap Equity Index
32.00%	HSBC Sustainable Multi-Asset Portfolio Balanced
6.00%	Vanguard ESG Emerging Markets All Cap Equity Index
10.00%	BlackRock MyMap Select ESG 5
16.00%	Vanguard Global Bond Index
4.00%	Vanguard UK Inflation-Linked Gilt Index

HA ESG Portfolio 4

Weighting	Moderate to Adventurous
36.00%	Vanguard ESG Developed World All Cap Equity Index
36.00%	HSBC Sustainable Multi-Asset Portfolio Dynamic
8.00%	Vanguard ESG Emerging Markets All Cap Equity Index
12.00%	BlackRock MyMap Select ESG 5
8.00%	Vanguard Global Bond Index

HA ESG Portfolio 5

Weighting	Adventurous
48.00%	Vanguard ESG Developed World All Cap Equity Index
48.00%	HSBC Sustainable Multi-Asset Portfolio Adventurous
4.00%	Vanguard ESG Emerging Markets All Cap Equity Index

Risk Warnings

- Past performance is no guarantee of future returns.
- Inflation will reduce the real value of the capital invested if returns do not match or exceed the rate of inflation.
- An investment should be considered over a medium to long-term time frame and should not be entered into if the capital is required for other needs.
- The value of the investment is determined by units or shares, the price of which can fall as well as rise. The value could be less than what was originally invested, especially in the early years or if withdrawals are greater than the underlying returns.
- Please bear in mind that the outlook for asset classes and market sectors can change and as a result the asset allocation could become unbalanced.
- Investing in a single or limited range of asset classes or sectors may lead to greater volatility and therefore carry a greater investment risk.
- A certain fund or funds may have a higher risk rating than the agreed attitude to risk, but the overall risk applied of the combined funds or portfolio is designed to meet the agreed risk profile.
- Equities can significantly fall in value and in difficult times dividends may reduce or stop.
- Property fund investments may take significantly longer to sell. If market conditions are volatile prices may fall, exit fees could be applied or even a fund dealing suspension be imposed. This would delay any withdrawals and affect the rebalancing of a portfolio.
- Corporate bonds are not risk free as the bond issuer could default, interest rate rises could reduce the capital values and in adverse market conditions the fund could become illiquid making it difficult to sell.
- Where a fund invests in overseas markets, domestic upheaval and changes in currency exchange rates mean that the value of the investment can go up or down.
- Specialist funds which invest in emerging markets, niche industries, smaller companies or unquoted securities are likely to be more volatile and therefore carry greater investment risk.
- It is important to periodically review the value of an investment against expectations and the underlying investment strategy, particularly when close to retirement.
- The higher the charges applied to an investment the greater the effect of those charges on the performance.
- Changing funds or transferring excessively may erode the value due to transactional based fees.
- Any sale of investments held, including switching may give rise to a capital gains tax liability and any income generated will normally be subject to income tax.