Prism Financial Advice Ltd - Voted as one of the top 100 financial advice firms in the UK for 2021,and again in 2022, in an independent survey carried out by the Financial Times

Prism Spectrum Investment Portfolios

Carefully Constructed ► Professionally Managed ► Reassuringly Successful

This booklet has been prepared to explain in detail how our client portfolios are constructed, monitored, and managed and why they consistently ride out market volatility to deliver significant long-term results.

The content is for information purposes only and should not be taken as financial advice in any form. If you have any questions after reading it, please contact your Prism adviser or telephone Prism on 0191 461 9400.

Prism Financial Advice Limited
Independent Financial Advisers

Long Term Investing – Overcoming Market Volatility – Delivering Results

Overview

In a fast moving and complex financial world, it's often difficult for consumers to know just where to invest their money to achieve sound long term returns at an acceptable level of risk. In such a situation they will often take advice from a regulated financial adviser, who will explore and establish their short, medium, and long-term financial needs and provide them with tailored advice and recommendations that will address those needs.

For some, this may be the first time they have put their faith in a financial adviser and the first time they have invested significant sums in assets that can go down as well as up, such as stocks and shares (equities), commercial property, global bonds, commodities etc. For others, this may be something they have done for many years and who fully understand the ups and downs of investing in such assets and what part their adviser plays in protecting their future financial wellbeing.

Whatever your background and investment experience, and whatever your initial thoughts and convictions when you first invested, there may be times on your investment journey when market downturns will cause you to rethink your strategy and question if your money is still in the right place. You may even begin to question if your financial adviser is being proactive enough in their stewardship of your investments during such periods.

As a client of Prism Financial Advice Ltd, we want you to have total confidence in the way we manage your financial arrangements, so that you never have to worry about how and where your money is invested or if we are working in your best interests at all times.

We understand and accept that clients place their trust in us to manage their financial arrangements with skill, care and due diligence and we take that obligation very seriously.

It is against this backdrop that we developed our client investment proposition in late 2006, which has consistently delivered excellent long-term performance over different time horizons and through different market conditions.

When managing a client's investments, a portfolio manager and/or a financial adviser will generally adopt one of two main investment strategies. The first, and historically the most successful in delivering sound longer-term results, is the **'strategic asset allocation model'**, sometimes called the buy and hold model as it relies on staying invested (time in the market) with the adviser/portfolio manager providing ongoing fund and portfolio management. The second, is the **'tactical asset allocation model'** which relies on asset allocation changes and market buy/sell timing interventions that are driven by current thinking/trends and future views/expectations (timing the market).

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Prism's client investment proposition, which is the one we use when managing our Spectrum portfolios and your investments, uses the 'strategic asset allocate model' rather than a tactical allocation model.

We monitor and manage the portfolios daily and our investment committee, which includes independent oversight personnel, meets quarterly to review all aspects of our proposition and, where appropriate, makes changes in line with our laid down processes and procedures. In doing so, we believe it offers the best solution in meeting the needs and objectives of our clients.

As independent financial advisers with many years' experience of successfully managing client's financial arrangements, we fully understand and accept that from time to time, when markets are volatile, you may have concerns/worries about your investment portfolio held through us. However, it is important to stress that just because we do not constantly switch funds and/or make wholesale changes to your portfolio when values are rising or falling, it does not mean we are complacent or not working in your best interests, quite the contrary. It is simply because a 'strategic asset allocation' mandate does not require us to do so in order for us to deliver you sound long-term results, as we hope to demonstrate throughout this booklet.

The success of our investment management lies mainly in the rigor with which we make the initial fund and fund manager choices and how we blend them into the overall portfolio to achieve the right asset mix for each given level of risk. It is then down to how we monitor and manage the investment portfolios on an ongoing basis that ensures continuing effectiveness and suitability.

Unfortunately, this does not mean that our portfolios are immune from global market volatility, or that we have found the magic bullet that fully shields them from periods of market downturn. What it does mean though, is that, whatever the situation, we will remain focused and proactive in pursuit of positive investment performance.

We never forget that it is your money that we are managing, and that your future financial wellbeing may well depend on the success of your investment portfolio. That is why we manage your investments the way we do, and why we are confident they will deliver investment growth in the years ahead, just as they have done in the past.

In the following pages we will explain in detail the way different investment strategies work, why the strategy we have chosen to manage your investments is the right one, and clearly demonstrate that your investments are in safe hands.

In addition, we hope to dispel any fears you may have about investment market volatility and demonstrate that holding your nerve when markets are falling, whilst not easy, has proved to be ultimately rewarding, time after time.

Long Term Investing – Overcoming Market Volatility – Delivering Results

Choosing the Right Investment Strategy

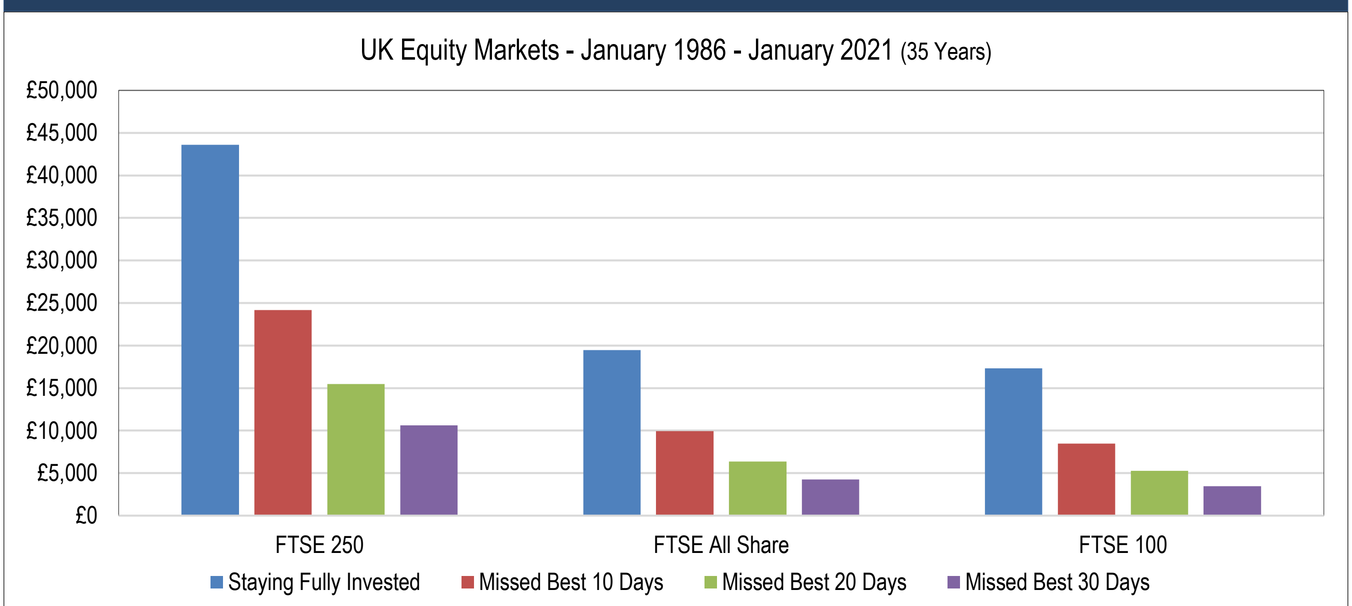
During periods of heightened market volatility, when the value of your portfolio falls significantly from its original investment value or its previous highs, you may be tempted to think that an immediate change to the underlying investments is necessary in order to limit losses and protect the longer-term investment value. This strategy, known as 'tactical intervention', is rarely ever successful, and on far too many occasions fails to deliver the expected results or to meet the longer term needs and objectives of investors.

The truth is that no one knows with any certainty when markets will rise or fall, so choosing when to invest or disinvest is always clouded in significant uncertainty. Trying to time the markets correctly and consistently has proved to be a futile exercise for investors down the ages. Research shows it is far better to use time to your advantage, as it is **'time in the market'** (strategic approach) not **'timing the market'** (tactical approach) that will more often deliver superior long-term results.

Making short term tactical changes to investment portfolios carries with it major challenges and pitfalls for investors, such as poor market timing, out of market risk due to the time it takes to disinvest from old funds and reinvest into new ones, increased transactional costs and potential asset sale taxation.

The chart below illustrates what £1,000, invested from 1986 to 2021 would have been worth across three different UK indices, based on riding out all market downturns and staying invested the whole time (strategic allocation model) or withdrawing from the markets periodically and missing the 10, 20 or 30 best days over the last 35 years (tactical allocation model). The mistimed withdrawal and reinvestment decisions on an investment of just £1,000 could have cost almost £33,000 worth of returns.

Time in the Market – v – Timing the Market



Source: Schroders. Refinitive data correct as at, 19th May 2021. Values shown for each index are total returns, which includes dividends and share prices, between 1st January 1986 and 1st January 2021. Figures have not been adjusted for the effect of charges and the rate of inflation. **Note:** Whilst the above chart just shows UK equity markets the same principle and subsequent returns holds true for all other global equity markets.

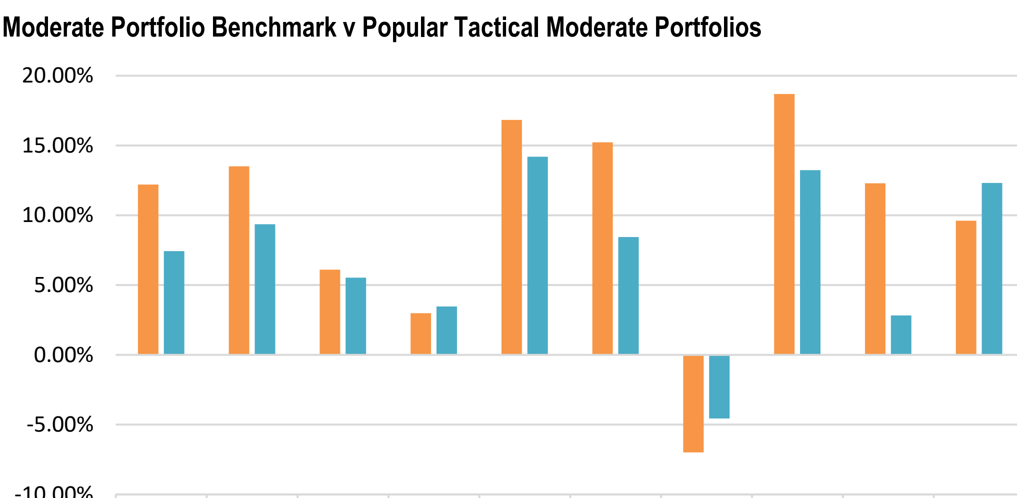
Past performance is no guarantee of future returns. Your investments and income from them can go down as well as up and you could get back less than you invested

Long Term Investing – Overcoming Market Volatility – Delivering Results

Over the years there have been countless studies (two such studies are referenced below**) with regard to the long-term performance of tactical and strategic asset allocation investing, and their respective ability to deliver long term results for investors. The conclusion of this work shows conclusively that tactical asset allocation models generally underperformed most benchmark indexes and they have tended to deliver lower long-term performances than strategic asset allocation models, as illustrated below.

Typical Example: The chart below shows the **discrete** annual benchmark performance (averaged) of our strategic asset allocation portfolios against the (averaged) performance of 4 popular tactical asset allocation portfolios, Parmenion PIM Tactical Active, Risk Grade 8 – Close Tactical Select Passive Balanced X Acc – Schroder Tactical Portfolio 6F – EF 8AM Tactical Growth Portfolio Ret Inc. All analysis was assessed on the same 'Moderate Risk Score' basis.

Tactical Asset Allocation – v – Strategic Asset Allocation



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Moderate Portfolio Sector Benchmark	12.20%	13.50%	6.10%	2.98%	16.83%	15.22%	-6.98%	18.70%	12.30%	9.60%
Average Tactical Portfolios	7.43%	9.36%	5.53%	3.47%	14.20%	8.45%	-4.56%	13.24%	2.83%	12.31%

Moderate Portfolio Sector Benchmark   Average Tactical Portfolios

Source: Financial Express Analytics January 2022. To ensure fair comparisons between both sets of research we have used the same 'Moderate' risk score parameters for each analysis. The 'Moderate Portfolio Sector Benchmark' has been used in this comparison as our current Spectrum portfolio models have not been in existence for the full ten years illustrated. The benchmark does, however, reflect the asset allocation of our current Spectrum portfolio models. Put simply, if our current Spectrum portfolios had been in existence for the full ten years the above figures reflect the underlying benchmark performance achieved. Historically, our client investment portfolios have performed better than the benchmark over longer time periods.

Whilst the above chart shows that the tactical approach can work to some degree, the constant tactical interventions with their inherent stock picking and timing risks can have a negative impact on longer term performance.

The strategic approach relies on picking the right funds and fund managers in the first place then blending them to create truly risk adjusted portfolios. Once the portfolios have been created it is a matter of sticking with those funds and fund managers through the ups and downs of the markets, only making changes if they breach clearly defined quality and performance metrics that would render them no longer suitable for use.

** (1) Kanuri, Malm and Malhlotra - The Journal of Beta Investment Strategies Autumn 2021, (2) Joseph McCarthy and Edward Tower - Static Indexing Beats Tactical Asset Allocation - The Journal of Index Investing Spring/Summer 2021

Long Term Investing – Overcoming Market Volatility – Delivering Results

The Fall & Rise of Global Stock Markets

We all know that the world stock markets rise and fall on a daily basis in response to global issues of the time. We also know that in normal times this goes largely unnoticed by the investor public as the impact on their investments is more immediately self-correcting and subtle. However, when the markets suffer prolonged periods of downward movement which take a longer time to self-correct, some investors may have understandable concerns.

The important thing to remember here is that stock markets **have to work,** as they underpin all the world's economies which in turn supports the world population in many ways. You may think this statement is obvious, but consider this: if stock markets did not recover after a fall, it would not matter where you had put your money, it would all be practically worthless. The markets will recover and push on to new heights, just like they have done in the past after all the biggest market crashes in history: The Great Depression in the 1920s, World War II 1939-45, Black Monday 1987, The Dot Com Bubble 1999/2000, Financial Crisis (Credit Crunch) 2008, Coronavirus Crash 2020, plus many other major but no less significant market falls. See Below.

Bear & Bull Market History

Bull / Bear	Start Date	End Date	% Return	Duration
Bull	January 1926	October 1929	+ 47%	46 Months
Bear	November 1929	July 1932	- 45%	35 Months
Bull	August 1932	January 1937	+ 142%	54 Months.
Bear	February 1937	August 1940	- 42%	43 Months.
Bull	September 1940	November 1951	+341%	139 Months
Bear	December 1951	July 1952	- 22%	8 Months
Bull	August 1952	August 1957	+ 160%	61 Months
Bear	September 1957	March 1958	- 20%	7 Months.
Bull	April 1958	May 1961	+ 168%	38 Months
Bear	June 1961	August 1962	- 21%	15 Months
Bull	September 1962	February 1969	+ 185%	78 Months
Bear	March 1969	June 1970	- 30%	16 Months.
Bull	July 1970	May 1972	+ 103%	23 Months.
Bear	June 1972	December 1974	- 67%	31 Months
Bull	January 1975	October 1987	+ 3514%	154 Months
Bear	November 1987	December 1987	- 34%	2 Months
Bull	January 1988	September 2000	+ 571%	153 Months
Bear	October 2000	February 2003	- 43%	29 Months.
Bull	March 2003	November 2007	+ 135%	57 Months.
Bear	December 2007	March 2009	- 41%	16 Months
Bull	April 2009	December 2019	+ 212%	129 Months
Bear	January 2020	March 2020	- 33%	2 Months

Source: Timelineapp Tech Ltd/Global Financial Data (GFD). Data shown is for the FTSE All Share Total Return Index with Global Financial Data extension. Bull markets start from the lowest close reached after the market has fallen 20% or more to the next market high, Bear markets start from when the index closes at least 20% down from its previous high close, through to the lowest close reached after it has fallen 20% or more.

Long Term Investing – Overcoming Market Volatility – Delivering Results

In the investment world, the terms 'Bull' and 'Bear' are frequently used to refer to market conditions. These terms describe how stock markets are doing in general—that is, whether they are appreciating or depreciating in value. As an investor, the direction of the market is a major force that has a huge impact on investment portfolios. So, it's important to understand how each of these market conditions may impact your investments.

A 'Bull' market is a market that is on the rise with market sentiment and investor confidence generally high. The average Bull market duration over the last 90+ years has been 84 months, and the average Bull market return has been **+ 507%**

A 'Bear' market is a market that is on the decline with market sentiment and investor confidence generally low. The average Bear market duration over the last 90+ years has been 20 months, and the average Bear market return has been **– 36.5%**

So, if you need reassurance that things can and do turn around, and that temporary drops in investment values do recover, you need look no further than the history of bull and bear markets for compelling proof.

The next few pages look in detail how the Prism investment team construct, monitor and manage client investemt portfolios to achieve sound long-term results.

Background

Following over 40 years of portfolio management experience, detailed research and practical application, the investment team at Prism have developed a client investment proposition which has not only stood the test of time and ridden out significant market downturns, but has also delivered positive longer-term results for our clients.

Our proposition, like that of the most successful strategic portfolio managers, is driven by a set of core investment principles and beliefs that guide our decision-making process and this is reflected in the way our investment portfolios are constructed and managed. It provides a roadmap to help us stay on track with our investment objectives, particularly when confronted with market volatility, and helps to control negative emotions such as fear and greed, which can sometimes override logic and reason.

In addition, the proposition promotes patience and discipline in managing our investment strategy so that we focus on the things that really matter, namely managing our investment portfolios so that they meet the needs and objectives of our clients

Diversification

When constructing our investment portfolios, we fundamentally believe in the principle of 'diversification', drawing on the well-established rules of 'never putting all your eggs in the one basket' and 'safety in numbers'. This takes the form of investing in well-established actively managed collective investments and using multiple assets that have different risk/reward characteristics.

In addition, we invest across a broad range of investment houses in order to take advantage of different fund manager styles, spheres of influence and fund objectives and we blend those investments in such a way as to deliver clear risk adjusted portfolios.

Our belief is that genuine diversification can only occur when implemented at several levels, across all major asset classes and different investment managers. This will give us the best return for any given or accepted level of risk. Too much diversification and we will end up with mediocre or only index returns; too little and our portfolio risk level becomes too high due to asset concentration.

Asset Allocation

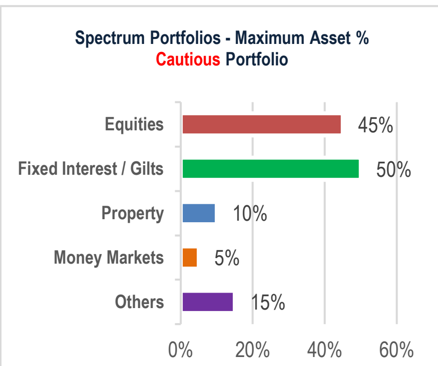
As we do not operate a tactical asset allocation model which would drive us to continually adjust the portfolio asset allocation to capture theoretical future potential, our focus has to be on quantifiable facts, which have consistently proved to be the most reliable way of setting asset allocation models.

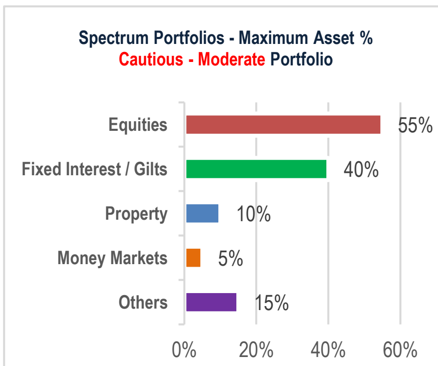
Prism portfolios are made up of cash, fixed interest/gilts, property, equities in developed and emerging markets, and specialist/technology, with each asset class playing a different role; cash is there for liquidity and to help protect the nominal value of your capital; fixed interest securities/gilts provide security of capital with known predictable income; equities and property will provide capital growth over the medium to longer term and specialist/technology funds will provide a little something different.

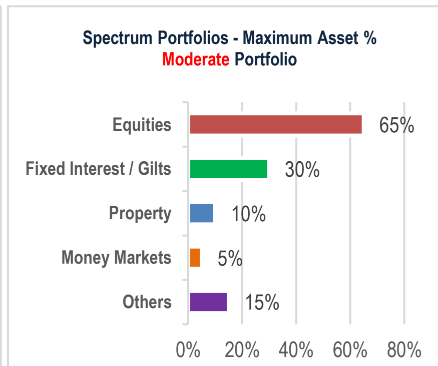
The asset allocation in each portfolio does not remain static, so the precise asset percentage weighting in any portfolio will change from day to day, as market movements and manager interventions have an impact on each and every fund. However, we insist that the initial asset allocation of every portfolio is weighted so that it minimises the risk of over exposure to individual assets that are not in tune with the appetite for risk agreed with our clients.

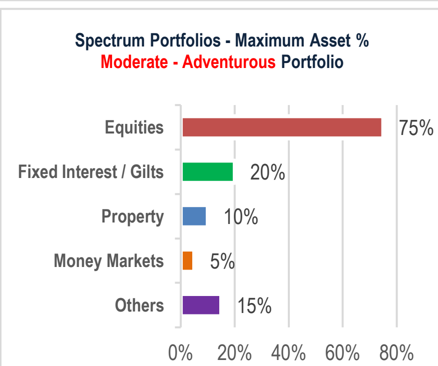
Once a portfolio has been constructed, a full asset allocation analysis is undertaken, and where appropriate, adjustments are made to ensure that no portfolio breaches the maximum asset allocation allowed for each risk profile as shown below.

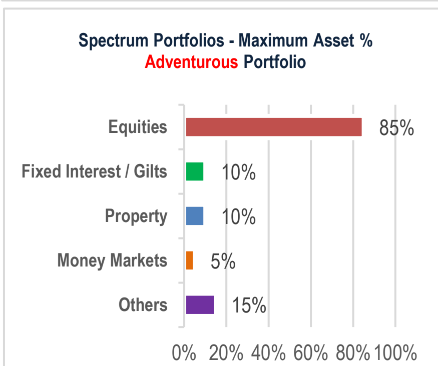
Prism 'Spectrum' Portfolio Initial Asset Allocation – Maximum %











These charts show the maximum asset % permitted for each risk graded Prism 'Spectrum' portfolio. The actual asset % employed will vary from day to day but should remain within the maximum % permitted at all times.

Over time all investment portfolios can suffer from portfolio drift, which means that the assets % weighing drifts away from its initial starting point due to market movements, e.g., If equities have a strong period of growth they can account for a greater % of the portfolio assets, which in turn could change its risk profile to one outside the client's risk tolerance. This situation is addressed by periodic rebalancing of the portfolio assets back to the original % weightings.

Past performance is no guarantee of future returns. Your investments and income from them can go down as well as up and you could get back less than you invested

Active Fund Management

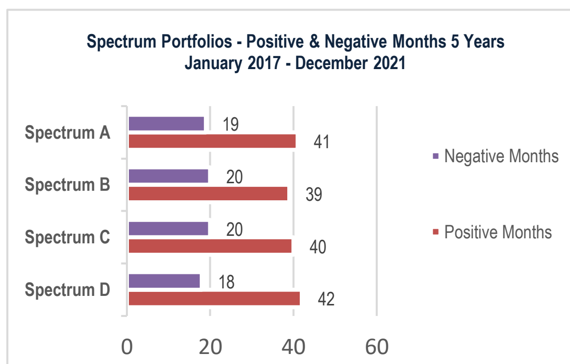
We are strong proponents of actively managed funds because research has shown that markets are not efficient, (at least not all the time), and some markets are more efficient than others. They often exhibit highly irrational behaviour and suffer from market inefficiencies and mispricing's which will offer opportunities for the more skillful active manager to exploit.

Truly active fund managers will continually manage their funds to take account of both strategic and tactical thinking, but within their investment mandate and the parameters and benchmarks of the sector in which they reside.

When choosing funds to include in our 'Spectrum' portfolios we actively look for fund managers who can provide reliable above average returns with a strong track record of 1st or 2nd quartile performance as measured against their peer group over 1,2,3,4 and 5 years. The selection of the best active managers is crucially important and a primary consideration, and whilst we fully understand and appreciate that past performance is no guarantee of future performance, countless studies have shown that it's the best guide to show what a manager is really capable of over a long period – so past performance is extremely important, with some qualifications.

In addition to choosing the right fund manager, their funds must also rank above average for important qualitative and quantitative measures which assess in detail the health and strength of the fund. These measures, when evaluated with other performance data, will ensure that each fund in the portfolios has the right credentials to meet our objective of delivering sound long-term results at an acceptable level of risk.

Our belief is that properly researched and resourced active managers help us to minimise risk and improve performance, which in turn will support delivery of attractive risk adjusted returns. That is not to say that they will deliver positive results each and every month of their existence (although that would be nice), but over time they deliver far more positive months than negative ones leading to significant positive results overall, as illustrated in the chart[1] opposite.



1 The current 'Spectrum' portfolios have only been available to clients since January 2020. This chart shows the actual positive and negative periods that would have been achieved, had they been available for a full 5 years.

Risk & Reward

A large part of our investment management is to focus on minimising risk and maximising returns. That is to say, minimise the level of risk within individual asset classes and across the whole portfolio, whilst striving to deliver net returns which will satisfy our client's needs.

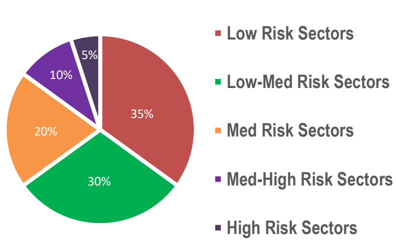
When considering investment, many clients would define risk as the chance of potential losses of some or all their capital or the chance of not meeting their desired objectives.

Research has shown that equity market risk represents the major downside risk in most portfolios, so we aim to counterbalance this with the use of other asset classes that have low or uncorrelated returns to equities. In choosing a fund or funds to include in our portfolios it is paramount that their individual risk score should not over inflate the maximum portfolio risk score for each risk profile.

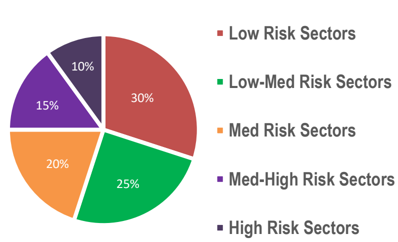
When the fund research is complete and funds are selected, they are then included in the portfolio in line with their corresponding investment sector, which is ranked in order of risk. To ensure the overall portfolio meets with the right risk/asset allocation makeup, each fund sector is % weighted to reflect its value to the overall risk score of the portfolio, ranging from cautious through to adventurous, as illustrated below.

Prism 'Spectrum' Portfolio Blended Solutions

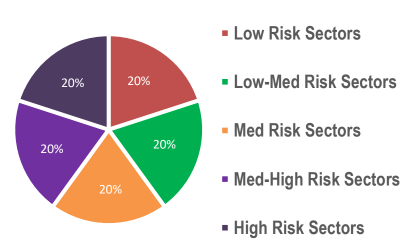
Spectrum Portfolio - Cautious



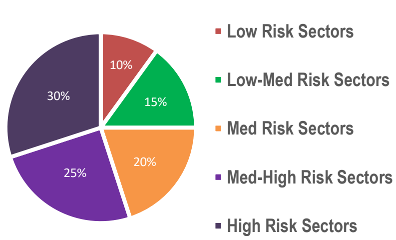
Spectrum Portfolio - Cautious/Moderate



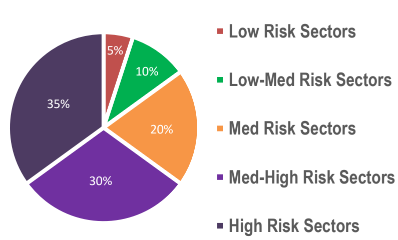
Spectrum Portfolio - Moderate



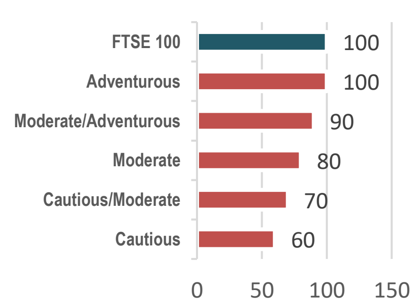
Spectrum Portfolio - Moderate/Adventurous



Spectrum Portfolio - Adventurous



Spectrum Portfolios - Maximum Risk Scores



Prism Investment Portfolio Management

Each portfolio risk score is calculated and confirmed using ‘Financial Express Analytics’ (FE), the industry’s leading financial research and analytical organisation. The score for each portfolio is calculated with reference to the funds used, their individual risk score and the % invested in the portfolio. As a guide, FE would assess the FTSE 100 Index at a risk score of 100, so any portfolio with a risk score of less than 100 could be said to have a lower risk than the FTSE 100 with the lowest score indicating the lowest risk.

Benchmarking Comparisons

When tracking the comparative performance of our portfolios, we map them against the Investment Association sectors that we use to source the individual fund selections. By choosing this benchmarking we are comparing like for like vehicles allowing us to compare performance metrics that will constantly validate our portfolio construction/maintenance methodology.

Rebalancing Portfolio Assets

To ensure the ongoing suitability of the portfolio for each client, we periodically rebalance them back to the initial asset allocation to avoid portfolio drift which could expose them to more risk than they are willing and able to accept. This is either done when a fund or funds are changed at the quarterly investment committee review or when/if, following a client review, their attitude to risk has changed.

Ongoing Portfolio Reviews

Once the ‘Spectrum’ portfolios have been created and widely available to our clients, they are continually monitored and managed by our investment committee of experienced portfolio management personnel and independent investment specialists.

Every quarter the investment committee meets to review the performance of each portfolio in detail. They evaluate all the important qualitative and quantitative metrics that will highlight if any funds need replacing and/or if any changes are needed to the portfolio structure to ensure it stays within agreed risk and reward parameters.

Where a fund or funds need changing, replacement funds are chosen using our fund selection criteria detailed earlier. For those clients who hold a discretionary mandate with us, the funds are changed automatically, and for those clients where we do not hold a discretionary mandate, we write to them to obtain their approval to make the changes to their portfolio.

Prism Investment Portfolio Management

The investment team at Prism have been managing client portfolios using the same investment management methodolgy since the team was set up many years ago. Over those years minor changes have been implemented in response to consumer demand, regulatory rule changes and global market developments, but the core philosophy and management processes have remained broadly the same throughout.

In this booklet we have already looked at long term investing, market volitility and client concerns/expectations, we have explored and explained the features and benefits of the two main investment management styles, and we have outlined the way the Prism investment team manage our client portfolios.

So, what does the Prism investment proposition look like in practice, and how have the 'Spectrum' portfolios performed, when compared to investment markets and other financial indicators over investment cycles which have included periods of increased market volatility and some significant ups and downs?

The next few pages looks at the performance of the current portfolio of funds over the last 5 years and compares them to important investment markets and industry measures from 2nd January 2017 to 31st December 2021, a period which included two significant market downturns, 2018 when the major global markets fell by more than 15% in the year, and again in 2020 when they fell by nearly 30% in the year due to the Covid pandemic.

On both occasions the 'Spectrum' portfolios limited the downside impact and in 2020 they not only recovered from the drop very quickly but increased our client portfolios by between 16% and 29% dependent on the risk profile chosen.

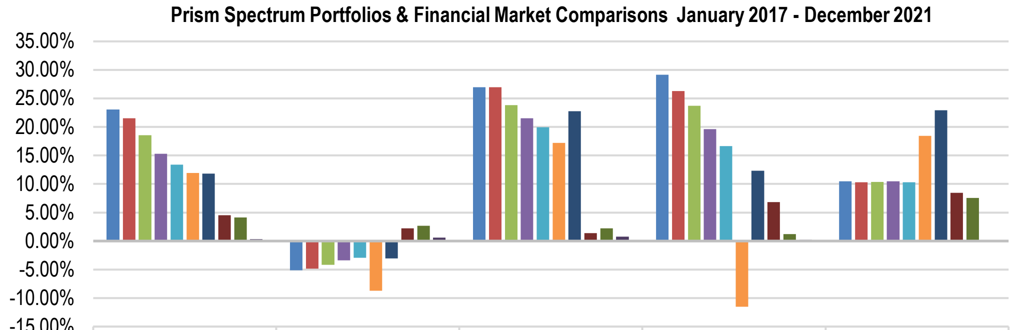
Important Note:

Whislt we show performance statistics covering the last 5 years up to December 2021, it is important to stress that the current 'Spectrum' portfolios have only been available to clients since January 2020 when they replaced earlier editions of the portfolios which included some different funds and fund managers. The changes were made to add greater asset diversity and downside protection, whilst further enhancing long term performance potential.

The 5 year performance figures are to illustrate how the portfolios would have performed had they been in existance since Jaunary 2017 using the current funds and fund managers, however, the performance figures for 2020 and 2021 are actual results for anyone who invested at the start of 2020.

Prism Spectrum Investment Portfolios Performance

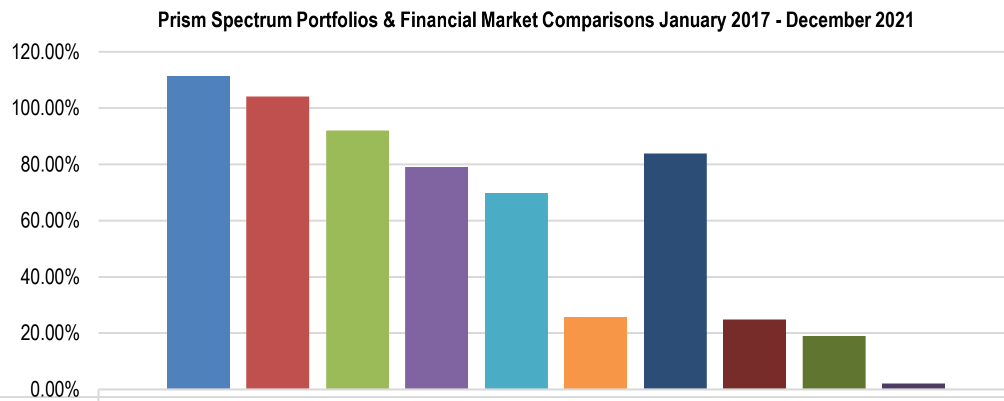
Spectrum Portfolio – Average Discrete Annual Performances



	2017	2018	2019	2020	2021
Prism Spectrum - Adventurous	22.99%	-5.13%	26.96%	29.17%	10.47%
Prism Spectrum - Moderate-Adventurous	21.51%	-4.84%	26.96%	26.32%	10.32%
Prism Spectrum - Moderate	18.53%	-4.15%	23.81%	23.73%	10.38%
Prism Spectrum - Cautious-Moderate	15.28%	-3.36%	21.55%	19.59%	10.46%
Prism Spectrum - Cautious	13.38%	-2.92%	19.96%	16.63%	10.30%
FTSE 100 UK Index	11.95%	-8.73%	17.23%	-11.55%	18.44%
MSCI World Index	11.80%	-3.04%	22.74%	12.32%	22.94%
UK House Prices	4.51%	2.21%	1.41%	6.80%	8.46%
Retail Price Index	4.12%	2.70%	2.21%	1.20%	7.55%
Bank of England Base Rate	0.29%	0.61%	0.75%	0.23%	0.11%

Source: Financial Analytics - July 2022. The current 'Spectrum' portfolios shown above have only been available since January 2020; however, the chart illustrates the performance of the portfolios with the current fund holdings had they been in place for a full 5 years. The figures shown are the discrete (actual performance in that year) annual performance for each portfolio and financial market indicator. **Note**: The 'Spectrum' portfolio figures include fund manager charges but do not include provider and adviser charges.

Spectrum Portfolios v Others – Cumulative 5 Year Performances



Prism Spectrum - Adventurous	111.34%
Prism Spectrum - Moderate-Adventurous	104.15%
Prism Spectrum - Moderate	92.10%
Prism Spectrum - Cautious-Moderate	78.93%
Prism Spectrum - Cautious	69.81%
FTSE 100 UK Index	25.58%
MSCI World Index	83.75%
UK House Prices	24.67%
Retail Price Index	18.94%
Bank of England Base Rate	1.99%

Source: Financial Analytics - July 2022. The current 'Spectrum' portfolios shown above have only been available since January 2020; however, the chart illustrates the performance of the portfolios with the current fund holdings had they been in place for a full 5 years. The figures shown are the cumulative (5-year compound) performance for each portfolio and financial market indicator. **Note:** The 'Spectrum' portfolio figures include fund manager charges but do not include provider and adviser charges.

Past performance is no guarantee of future returns. Your investments and income from them can go down as well as up and you could get back less than you invested

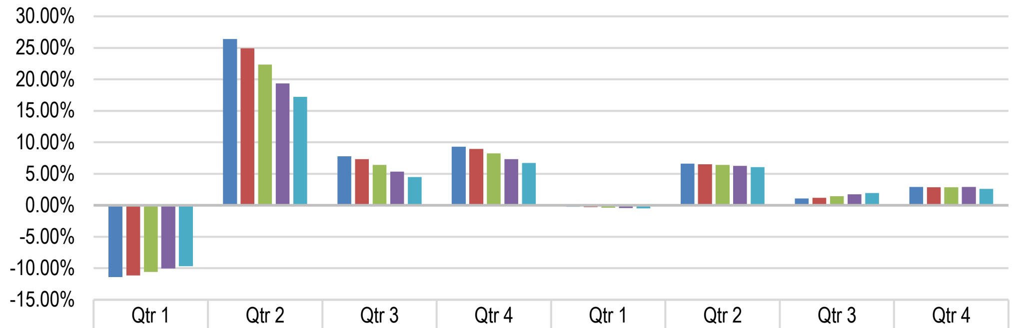
Prism Spectrum Investment Portfolios Performance

Spectrum Portfolio – Quarterly Average Discrete Performances

This chart shows the average **discrete** quarterly performance of the current Spectrum portfolios from inception on 2nd January 2020 up to 31st December 2021.

Over the 2-year period, they have had 6 positive quarters and 2 negative quarters.

January 2020 - December 2021



	Qtr 1 2020	Qtr 2 2020	Qtr 3 2020	Qtr 4 2020	Qtr 1 2021	Qtr 2 2021	Qtr 3 2021	Qtr 4 2021
Prism Spectrum - Adventurous	-11.36%	26.38%	7.79%	9.31%	-0.26%	6.63%	1.09%	2.91%
Prism Spectrum - Moderate-Adventurous	-11.13%	24.93%	7.32%	8.96%	-0.29%	6.50%	1.19%	2.85%
Prism Spectrum - Moderate	-10.60%	22.33%	6.40%	8.22%	-0.37%	6.40%	1.44%	2.88%
Prism Spectrum - Cautious-Moderate	-10.01%	19.32%	5.32%	7.31%	-0.46%	6.27%	1.74%	2.92%
Prism Spectrum - Cautious	-9.65%	17.19%	4.50%	6.69%	-0.50%	6.04%	1.93%	2.59%

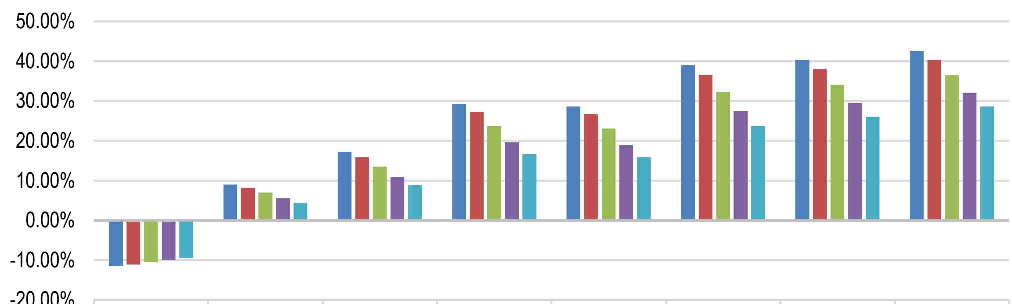
Source: Financial Analytics - July 2022. The chart above shows the discrete (actual performance in that quarter) quarterly performance of the current 'Spectrum' portfolios from 2nd January 2020 to 31st December 2021. **Note:** The performance figures include fund manager charges but do not include provider and adviser charges.

Spectrum Portfolio – Quarterly Average Cumulative Performances

This chart shows the average **cumulative** quarterly performance of the current Spectrum portfolios from inception on 2nd January 2020 up to 31st December 2021.

Over the 2-year period, they have delivered investment growth for our clients of between 28.6%* and 42.6%* dependent on the risk profile chosen.

January 2020 - December 2021



	Qtr 1 2020	Qtr 2 2020	Qtr 3 2020	Qtr 4 2020	Qtr 1 2021	Qtr 2 2021	Qtr 3 2021	Qtr 4 2021
Prism Spectrum - Adventurous	-11.36%	9.01%	17.20%	29.17%	28.64%	38.99%	40.31%	42.66%
Prism Spectrum - Moderate-Adventurous	-11.12%	8.20%	15.82%	27.24%	26.69%	36.59%	38.04%	40.34%
Prism Spectrum - Moderate	-10.55%	7.00%	13.53%	23.73%	23.11%	32.37%	34.14%	36.56%
Prism Spectrum - Cautious-Moderate	-9.89%	5.57%	10.84%	19.59%	18.91%	27.41%	29.55%	32.11%
Prism Spectrum - Cautious	-9.52%	4.46%	8.81%	16.63%	15.92%	23.74%	26.08%	28.60%

Source: Financial Analytics - July 2022. The chart above shows the cumulative quarterly performance of the current 'Spectrum' portfolios from 2nd January 2020 to 31st December 2021. **Note:** The performance figures include fund manager charges but do not include provider and adviser charges.

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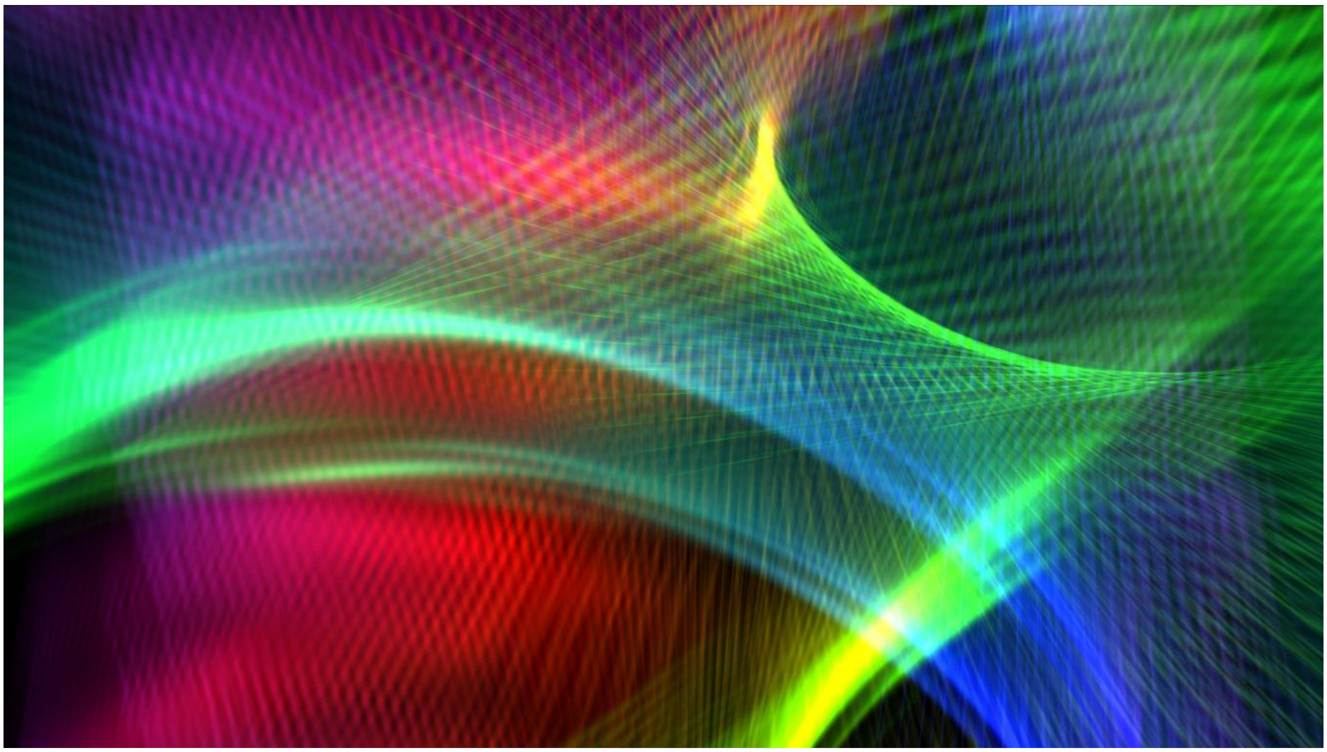
Prism Financial Advice Limited

Where Independence Counts….



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