Factsheet date: 30 July 2021

IMX s9

Allocation to growth assets

Objective

IMX spend 9 is made up of a selection of investment funds to enable regular withdrawals. The main types of investment asset classes included are equity with some bonds.

It will usually hold 70%-90% in growth assets although the amount held in these assets may move outside this range depending on changes in economic conditions.

Typical clients

This portfolio is suited to you if you require a high to very high level of return. You're likely to have a tolerance and capacity to accept substantial investment losses in the short to medium term with the potential for greater investment returns.

You'll be comfortable holding a significant proportion of your portfolio in higher risk investments.

Always remember investment returns aren't guaranteed. The value of an investment can go down as well as up and may be less than the amount paid in.

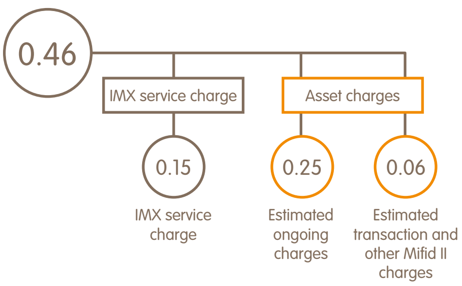
Key facts

Growth assets at factsheet date	83.0%
Estimated long-term* annual volatility	13.8%
Estimated long-term* annual return	4.8%
Rebalancing frequency	Quarterly
Launch date	31/07/2020

*10-years

Portfolio charges

Total annual charge (%)

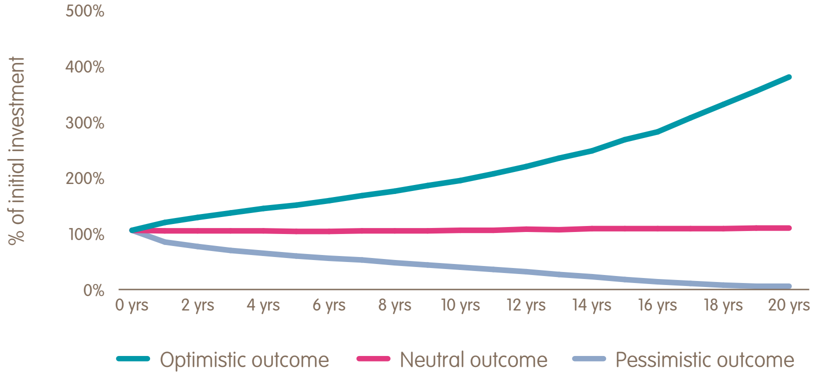


Estimated portfolio outcomes

To help you understand the nature of this portfolio, we provide estimated projections which reflect the aggregate risk and return characteristics of the allocations in the portfolio.

Estimated portfolio size in different future scenarios, withdrawing 4% of the initial investment each year

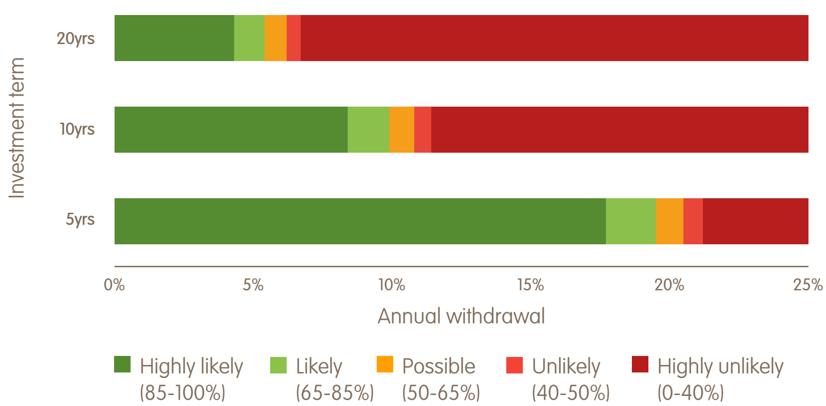
This chart gives an indication of the spread in potential outcomes if good (optimistic), average (neutral), or poor (pessimistic) performance is experienced whilst withdrawing an inflation-linked 4% of the initial investment per year.



	5yrs	10yrs	15yrs	20yrs
Optimistic	145%	189%	262%	374%
Neutral	98%	100%	103%	104%
Pessimistic	54%	34%	12%	0%

Likelihood of achieving annual withdrawals

This chart estimates the likelihood of achieving annual inflation-linked withdrawals (how often the annual withdrawal rate is achieved or exceeded in projected scenarios). We show this for three investment terms and five different ranges of likelihood.



	5yrs	10yrs	20yrs
Highly likely (85%)	17.7%	8.4%	4.3%
Likely (65%)	19.5%	9.9%	5.4%
Possible (50%)	20.5%	10.8%	6.2%

For more information on each section please see page three

IMX s9

Market commentary Q2 2021

Economic background

As vaccination campaigns continue at pace, and economies reopen, growth and inflation have surprised to the upside. Equity and credit markets have risen, in line with the improving backdrop. Government bonds delivered positive returns, perhaps an indication bond investors sense an easing of recent momentum.

Global growth forecasts have been revised upwards to 5.9% in 2021 and 4.4% in 2022. These updates forecast output in many advanced economies reaching pre-pandemic levels by the end of 2021, much faster than previously thought.

Asset classes

Equities

Global equities rose 7.1% in Q2. Cyclical, shorter-duration sectors, such as financials, industrials and basic materials, and value and small-cap investment styles underperformed, having outperformed significantly since the initial positive vaccine news in November last year. Conversely, technology, with its longer-duration growth characteristics, outperformed during Q2.

From a regional perspective, Japan materially underperformed as a resurgence in new COVID-19 cases led to new restrictions. Outperformance by the technology sector helped North America to outperform.

Fixed income

The US Federal Reserve surprised markets by suggesting rates may rise in 2023 even as they re-iterated current inflationary pressures are likely transitory. Nevertheless, both UK and US government bonds delivered positive returns.

UK corporate bonds (all stocks) delivered a return of 1.7% in-line with declining default rates and improving credit fundamentals.

Alternative bonds

US High yield bonds delivered a return of 2.8% over the period as the fundamental picture continued to improve with earnings rebounding strongly and leverage levels continuing to fall, albeit from elevated levels. Local currency emerging market debt, as measured by the GBI-EM Global Diversified Traded Index, returned 3.5% in dollar terms as index currencies, in aggregate, strengthened against the dollar.

Property

Listed property generated a positive return over the quarter, with the FTSE UK Real Estate Index returning 2.8% in Q2. Over 12 months, the index has returned 26.4% despite some of the challenges in property markets.

Outlook

The economic backdrop remains strong but the quarterly pace of global growth is likely to ease beyond Q2. Meanwhile, the spread of virus variants in countries with lower vaccination rates and the potential for vaccine resistant strains poses a risk to global demand. Though the most acute current inflationary forces will likely prove transitory we expect some modest upwards pressure may persist.

That is an outlook more fundamentally supportive of equities than bonds and credit. While valuations are elevated, suggesting future returns from equities are likely to be modest, that is no less true of other markets, while equities offer some upside exposure.

Provided by our investment partner, Hymans Robertson LLP

Portfolio past performance

We will include past performance once the portfolio has accrued a full year of performance.

Asset classes in the portfolio

Equity	**80.0%**
Emerging market equity	14.4%
Developed market equity	41.6%
Global multi-factor equity	24.0%
Property	**3.0%**
Property	3.0%
Bonds	**15.0%**
Alternative credit	15.0%
Operational cash	**2.0%**

For more information on each section please see page three

Notes and further information

Key facts

Estimated long-term annual return and volatility

Estimated return and volatility figures are annual, based on the holdings at the factsheet date – measured by Hymans Roberston's Economic Scenario Service (ESS) as at 30 June 2021 – and will vary with changing market conditions. The return estimate is the median 10-year annualised return and the volatility is the average estimated annual volatility over 10 years. The figures represent estimates net of portfolio charges.

Estimated portfolio outcomes

Assumptions for projections are based on Hymans Robertson's ESS which simulates 5000 different economic outcomes. The projections in the factsheet are based on the portfolio asset allocation at the factsheet date and economic conditions as at 30 June 2021 and represent outcomes net of portfolio charges. Performance projections are not a reliable indicator of future performance and are illustrative only.

Estimated portfolio size in different future scenarios, withdrawing an inflation-linked 4% of the initial investment per year

Withdrawals are linked to CPI.

The scenarios included are:

- 'Pessimistic' – the average of the worst 10% of projected outcomes i.e. the average outcome in 1 in 10 projected future scenarios.
- 'Neutral' – the median outcome
- 'Optimistic' – the upper 10% outcome i.e. outcome experienced in 1 in 10 projected future scenarios.

Likelihood of achieving annual withdrawals

This chart estimates the likelihood of achieving annual inflation-linked withdrawals (how often the annual withdrawal rate is achieved or exceeded in projected scenarios). We show this for three investment terms and five different ranges of likelihood. The likelihood is shown in ranges of:

- Highly likely: 85-100%
- Likely: 65-85%
- Possible: 50-65%
- Unlikely: 40-50%
- Highly unlikely: 0-40%

Portfolio charges

IMX service charge

The IMX annual charge for the management of the portfolio.

Asset charges

The total ongoing charge of the funds in the portfolio. In addition, we include the total transaction and other Mifid II charges expected to be incurred in the funds in the portfolio.

Allocation to growth assets

Growth assets are higher risk asset classes (such as equity and property) which are expected to provide higher returns over the long-term. The portfolio objective details the range of growth assets the portfolio allocates to. The growth assets allocation scale indicates the proportion allocated to growth assets in relation to the other IMX portfolios.

The portfolios are also classified from very low to very high, based on the portfolio's growth assets allocation range minimum and maximum figures:

- Very low: minimum and maximum both below 25%
- Low: minimum below 25% and maximum between 25-50%
- Medium: minimum between 25-50% and maximum between 50-75%
- High: minimum between 50-75% and maximum over 75%
- Very high: minimum and maximum both above 75%

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