

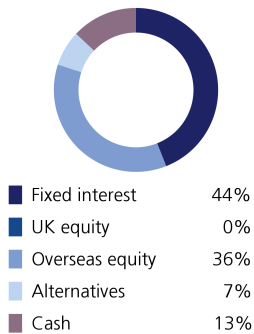
# Sustainable Model Portfolio Service

In partnership with LGT Wealth Management

April 2023

## EPIM Sustainable Cautious

### Asset allocation



### Top 10 holdings

|   |        |
|---|--------|
| ICS Sterling Liquidity                    | 10.00% |
| Vontobel Sustainable Short Term Bond      | 9.10%  |
| Trojan Ethical                            | 7.50%  |
| Rathbone Ethical Bond                     | 7.00%  |
| Brown Advisory Global Sustainable Total   | 5.90%  |
| L&G Global Inflation Linked               | 5.50%  |
| Morgan Stanley Global Sustain             | 4.70%  |
| AB Sustainable US Thematic Equity         | 4.40%  |
| Lazard Global Sustainable Equity Fund     | 4.20%  |
| Janus Henderson Global Sustainable Equity | 4.10%  |

### Portfolio information

|                          |             |
|--------------------------|-------------|
| Launch date              | 1 June 2020 |
| Minimum cash holding     | 2%          |
| Annual management charge | 0.3%        |
| Total Cost of Investment | 0.57%       |

### Portfolio description

The primary objective of this portfolio is to achieve a moderate level of capital growth. The portfolio is diversified across a range of asset classes with low-to medium allocation to funds investing in equities (expected to be no greater than 55%) and other risk assets. Target Volatility: 4%-7%

### Sustainable philosophy

The ultimate goal of the portfolio is to support more inclusive social and economic development and more sustainable environmental and business practices, whilst generating strong and consistent investment returns. The portfolio will aim to achieve this by investing in a diversified range of funds which include themes such as renewable energy, financial inclusion, education, social housing, climate change action, sustainable waste management and renewable material production.



### Monthly investment update

Markets calmed through April as fears over the solvency of the banking sector subsided. Equity markets rallied throughout most of April as contagion risk subsided and volatility came down. Only a fraction of companies have reported their Q1 2023 earnings, but despite this there have been some significant market moves, such as Microsoft and Alphabet exceeding their earnings expectations. However, the overall reports coming out for S&P 500 stocks have shown continued earnings decline, most notably in materials, health care and technology. The reduced profitability of firms, coupled with a changing macro-economic environment, may give more impetus to central banks to stop raising interest rates.

Whilst communication out from the Federal Reserve's Chair Powell et al continues to insist that inflation is too high and must be brought down to target, the market has remained skeptical. The issue herein lies with the unknown and lagged effects of monetary policy. Whilst global Composite Leading Indicators ran by the OECD point to future economic decline, trends look to at least be decelerating for several key economies, including Europe.

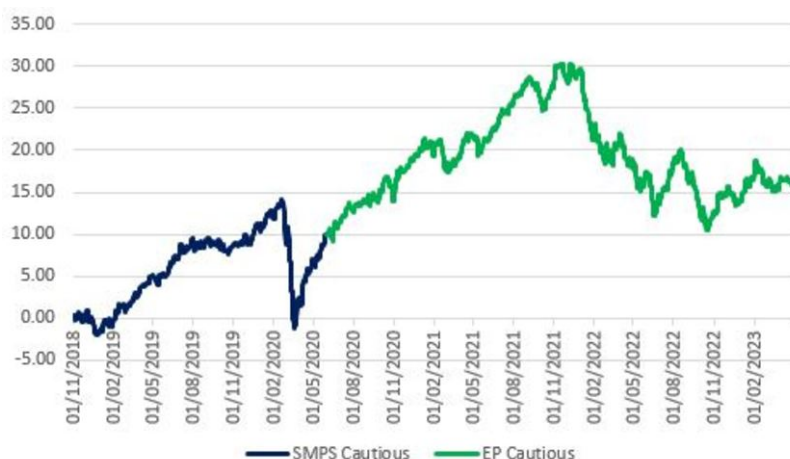
Both in March and in April our bond allocation has hedged equity volatility and we expect the correlation of these asset classes to continue to help lower volatility in our portfolios. Our Fixed Income exposure has been diversified enough to provide meaningful value on various parts of the curve as bonds continue to stabilise with interest rate expectations.

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## Performance



Source: Morningstar

As at end of April 2023

|                           |               |
|---------------------------|---------------|
| <b>1 month</b>            | -0.17%        |
| <b>3 month</b>            | -0.33%        |
| <b>6 month</b>            | 3.07%         |
| <b>1 year</b>             | -2.05%        |
| <b>3 year</b>             | 8.48%         |
|                           | <b>Target</b> |
| <b>Volatility</b>         | 4 to 7%       |
| <b>Return</b>             | 4.5 to 6%     |
| <b>Potential drawdown</b> | -9.1%         |
|                           | <b>Yield</b>  |
| <b>Assumed yield</b>      | 1.85%         |
| <b>Dividend</b>           | 43%           |
| <b>Savings</b>            | 57%           |

Where targets are given, these are for indication purposes only; the actual figures achieved could be more or less than the ranges given. Source: Morningstar. Net of underlying fund costs, gross of all other charges. Source: Figaro. Fixed income considered saving income, all other asset classes (bar cash) considered dividend income.

## Important information

The performance of actual portfolios linked to this Model Portfolio may differ from the performance of the Model Portfolio shown herein due to certain funds contained in the Model Portfolios not being made available for investment into actual portfolios by some investment platforms, the variation in timing of the initial investment or rebalancing differences resulting from minimum transaction size limits on the investment platform.

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