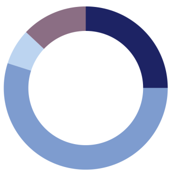
Sustainable Model Portfolio Service

In partnership with LGT Wealth Management

August 2022

EPIM Sustainable Balanced

Asset allocation



Fixed interest	25%
UK equity	0%
Overseas equity	55%
Alternatives	7%
Cash	13%

Top 10 holdings

ICS Sterling Liquidity	10.80%
Vontobel Sustainable Short Term Bond	8.50%
AB Sustainable US Thematic Equity	8.10%
Trojan Ethical	7.10%
Janus Henderson Global Sustainable Equity	6.70%
Morgan Stanley Global Sustain	6.10%
Lazard Global Sustainable Equity	6.10%
Stewart Investors Asia Pacific Leaders	5.60%
Rathbone Ethical Bond	5.60%
Brown Advisory Global Sustainable Total	4.80%

Portfolio information

Launch date	1 June 2020
Minimum cash holding	2%
Annual management charge	0.3%
Total Cost of Investment	0.70%

Portfolio description

The primary objective of this portfolio is to achieve capital growth in excess of inflation. The portfolio is diversified across a range of asset classes, with a medium allocation to funds investing in equities (expected to be no greater than 75%) and other risk assets. Target Volatility: 5%-9%

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 have continued to flag uncertainty around economic conditions and the path for inflation and interest rates. After a strong market rally in July, markets have retreated once again in August, reflecting the fact that the US central bank is unlikely to begin easing financial conditions as early as the start of 2023, also referred to as a Fed pivot. Despite this, conditions in the US do not alarm us at this point and we are seeing a divergence emerge in outcomes for the US and the UK and Europe. The EU announced in August that their Natural Gas storage had reached their intended November target ahead of schedule and this was shortly followed by a closure of the Nord Stream 1 gas pipeline from Russia, highlighting the energy and thus inflationary risks here. Through 2022, our globally diversified approach has benefitted us as our Asia Pacific exposure has provided good downside protection and remaining selective has enabled us to avoid more speculative parts of the market which have been most heavily impacted. As summer rolls to an end in the UK, we have learnt some important lessons about our world and how prepared we are for a warmer world with more volatile weather patterns. Long has been our belief that rapid action to develop and enhance our environmental resilience is essential to avoid significant economic damage and the extreme weather we have seen this year has demonstrated both the need for greater resilience and the economic impacts of climate change. We expect the commitments from nations, businesses and individuals as equally important drivers of building greater economic resilience and the sustainable portfolios directly target many of these essential themes and we continue to see increasing prosperity for these businesses. Markets are seldom sanguine and despite near term headwinds, the strong and increasingly powerful secular growth trends we target and the level of bad news already reflected in markets, we continue to see good medium-to-long term value within sustainable portfolios.

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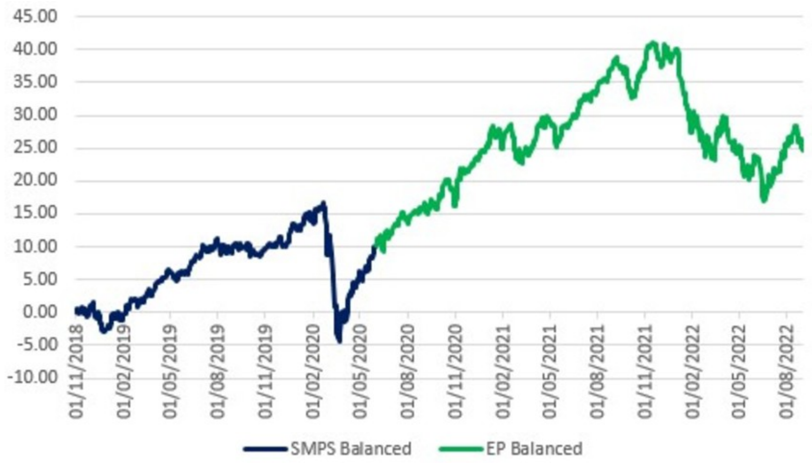
Performance



Source: Morningstar

	As at end of August 2022
1 month	-0.68%
3 month	0.73%
6 month	-1.62%
1 year	-9.64%
3 year	13.14%
	Target
Volatility	5 to 9%
Return	5.2 to 7.5%
Potential drawdown	-13.5%
	Yield
Assumed yield	1.27%
Dividend	62%
Savings	38%

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.