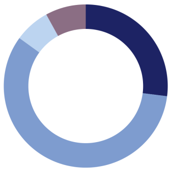
Sustainable Model Portfolio Service

In partnership with LGT Vestra

February 2022

EPIM Sustainable Balanced

Asset allocation



Fixed interest	27%
UK equity	0%
Overseas equity	58%
Alternatives	7%
Cash	8%

Top 10 holdings

Vontobel Sustainable Short Term Bond	10.00%
Cash	7.80%
AB Sustainable US Thematic Equity	7.60%
Morgan Stanley Global Sustain	7.60%
Stewart Investors Worldwide Sustainable	7.50%
Trojan Ethical	7.00%
Janus Henderson Global Sustainable Equity	6.40%
Rathbone Ethical Bond	6.10%
Lazard Global Sustainable Equity	5.90%
WHEB Sustainability	5.30%

Portfolio information

Launch date	1 June 2020
Minimum cash holding	2%
Annual management charge	0.3%
Total Cost of Investment	0.74%

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

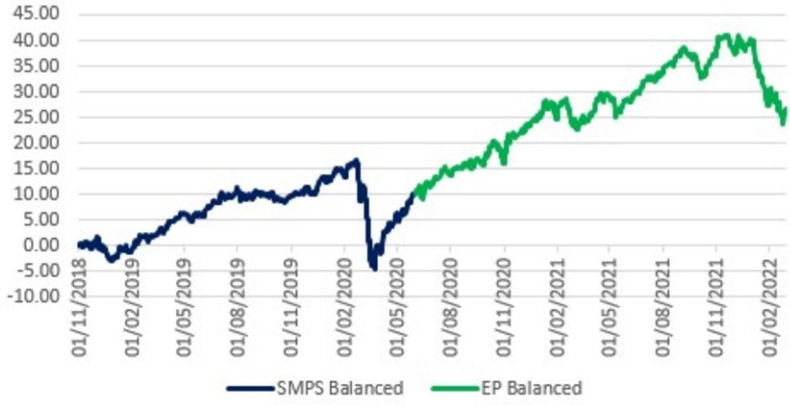
The ultimate goal of the portfolio is to support more inclusive social and economic development and more sustainable environmental and business practices, whilst generating strong and consistent investment returns. The portfolio will aim to achieve this by investing in a diversified range of funds which 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 on the volatile path set in January with ongoing geopolitical tensions injecting further uncertainty into global markets. This comes at a time where central banks are tightening their purse strings as a result of the strong post-COVID economic recovery and higher inflation, and recent events have left markets in limbo, as they try to price the outcomes of policy and politics. The ongoing conflict in Ukraine has led to energy prices continuing to rise as countries, primarily in Europe, look to reduce their consumption of Russian gas which accounts for a large part of the continents energy demands. Although the rest of the world is not so reliant in the same way as Europe is, the effects will be felt globally as countries fight for energy from other regions away from Russia. There has been clear intent from many countries to reduce their reliance on other regions for their primary energy supply, which could mean that this conflict may spark a big shift to energy independence. The important question is then how this will be done with all eyes on the renewables sector which is well positioned to benefit, whilst also helping countries achieve their environmental policy objectives. Such periods of uncertainty can be unnerving and can often be difficult to stay the course, especially when markets are falling. However, we continue to believe that the companies held in portfolios exhibit high quality characteristics which should see them perform well over the longer term. We did however make the decision to reduce our UK equity exposure in lower risk portfolios and we will look to deploy the proceeds when we gain greater clarity on the ongoing risks. This decision reflects our increasingly negative view on the UK market and the lower opportunity set for a sustainable investor here.

Powered by

Performance



Source: Morningstar

	As at end of February 2022
1 month	-1.73%
3 month	-8.52%
6 month	-8.15%
1 year	2.80%
3 year	25.75%
	Target
Volatility	5 to 9%
Return	5.2 to 7.5%
Potential drawdown	-13.5%
	Yield
Assumed yield	0.47%
Dividend	65%
Savings	35%

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.