Sustainable Model Portfolio Service

In partnership with LGT Wealth Management

June 2023

EPIM Sustainable Defensive

Asset allocation

Fixed interest	58%
UK equity	0%
Overseas equity	18%
Alternatives	8%
Cash	16%

Top 10 holdings

ICS Sterling Liquidity	10.00%
Vontobel Sustainable Short Term Bond	9.40%
Trojan Ethical	7.80%
Brown Advisory Global Sustainable Total	7.00%
Rathbone Ethical Bond	6.50%
Vanguard US Govt Bond Index	5.90%
Threadneedle UK Social Bond	5.90%
L&G Global Inflation Linked	5.50%
CG Dollar	4.80%
Threadneedle European Social Bond	3.60%

Portfolio information

Launch date	1 June 2020
Minimum cash holding	2%
Annual management charge	0.3%
Total Cost of Investment	0.48%

Portfolio Objectives

The primary objective of this portfolio is to preserve capital. The portfolio is diversified across a range of asset classes but with a low overall allocation to funds investing in equities (expected to be no greater than 40%) and other risk assets. Target Volatility: 2%-4.75%

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

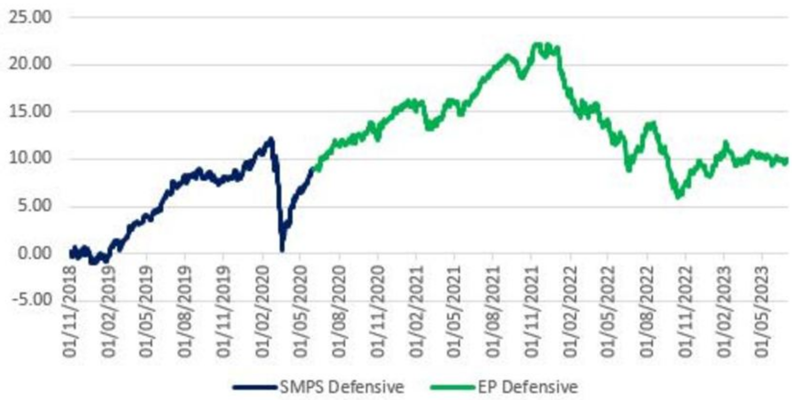
Headlines in June centred around decisions made by central banks in response to a puzzling macroeconomic backdrop. Despite efforts by central banks, inflation remains elevated, but markets continue to climb the 'wall of worry'.

In June, we started to see small-cap stocks and some cyclical sectors rebound. However, the S&P 500 has still largely been driven by the 'Magnificent Seven' – Apple, Alphabet, Microsoft, Amazon, Meta, Tesla and Nvidia. This 'narrow rally' has largely been driven by tech / AI companies, but widening to other sectors is a healthy sign for the stock market.

As had been widely expected, the Federal Reserve refrained from hiking rates for the first time since March 2022, whilst in the UK, the Bank of England has now raised rates to 5%, the highest since 2008 . Importantly, monetary policy acts with a lag, thus, the full effects of the aggressive rate hikes of the last year have yet to fully work their way through the system.

Powered by LGT Wealth Management

Performance



Source: Morningstar

	As at end of June 2023
1 month	0.13%
3 month	-0.15%
6 month	1.69%
1 year	0.56%
3 year	0.14%
	Target
Volatility	2 to 4.75%
Return	3 to 4.5%
Potential drawdown	-5.0%
	Yield
Assumed yield	2.04%
Dividend	26%
Savings	74%

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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