

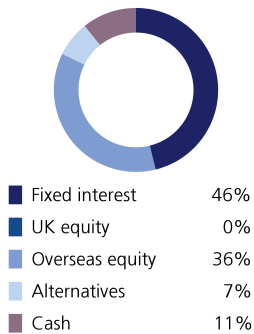
# Sustainable Model Portfolio Service

In partnership with LGT Wealth Management

May 2022

## EPIM Sustainable Cautious

### Asset allocation



### Top 10 holdings

Cash	10.70%
Vontobel Sustainable Short Term Bond	9.30%
CG Dollar	7.90%
Trojan Ethical	7.40%
Rathbone Ethical Bond	7.30%
Vanguard US Govt Bond Index	6.80%
Pictet Global Sustainable Credit	6.00%
Morgan Stanley Global Sustain	4.70%
AB Sustainable US Thematic Equity	4.40%
Lazard Global Sustainable Equity	4.30%

### Portfolio information

Launch date	1 June 2020
Minimum cash holding	2%
Annual management charge	0.3%
Total Cost of Investment	0.60%

### 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

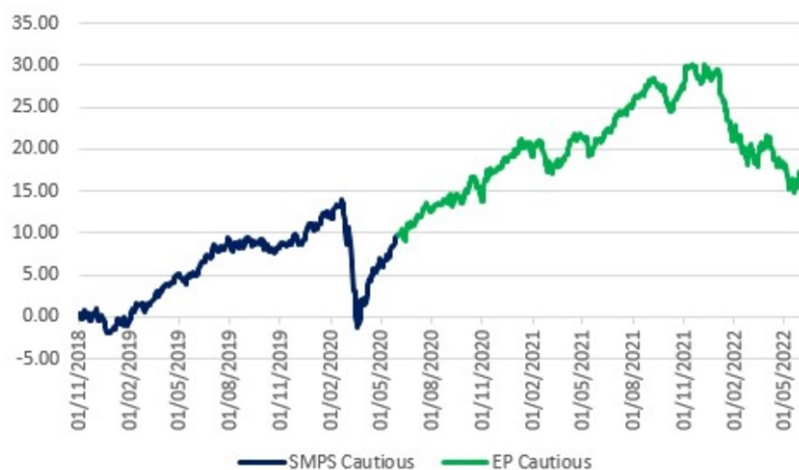
Markets were somewhat trading water in May with most indices finishing broadly flat over the month after a poor start. There were a couple of positives which triggered the rally seen towards the end of the month, including potential signs of peak US inflation and the corresponding reduction in expectations for US Fed interest rate increases. Inflation remains for the time being, with energy inflation moving higher again towards the end of the month. One of the reasons was a rebound in activity from China now that Shanghai emerges from another tight lockdown and has resulted in higher oil demand. In Europe, countries such as Germany and Spain have printed multi-decade high inflation and as more data comes through, we are seeing just how integrated the world economy is and how the war in Ukraine and pandemic related constraints are causing broad based inflation. However, should OPEC look to exempt Russia from its oil production deal in light of sanctions, this would open the door for greater supply elsewhere and potentially put downside pressure on energy prices. Although sustainable portfolios are not directly exposed to oil, the impacts have been felt but we remain convinced that capitalising on the recent weakness to invest in alternative energy offers a great opportunity to futureproof portfolios and remain ahead of government regulation. Despite markets stabilising in May, it is clear that geopolitics remain uncertain and during the month we further bolstered our exposure to more value orientated businesses. The portfolios remain focused on delivering long term returns through sustainable leaders but we acknowledge the need to balance the style biases within portfolios and increasing this exposure does not impede our ability to allocate capital towards long term sustainable leaders. Food security has also been another key concern to arise from the war in Ukraine and although we have exposure to sustainable agriculture themes within portfolios, we expect this part of the market to see greater investment as countries look to shorten supply chains and create stability in essential goods and services, such as food and energy.

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## Performance



Source: Morningstar

As at end of May 2022

<b>1 month</b>	-1.03%
<b>3 month</b>	-2.57%
<b>6 month</b>	-8.90%
<b>1 year</b>	-3.26%
<b>3 year</b>	11.44%
	<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>	0.73%
<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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