Sustainable Model Portfolio Service

In partnership with LGT Wealth Management

October 2022

EPIM Sustainable Defensive

Asset allocation

Fixed interest	55%
UK equity	0%
Overseas equity	18%
Alternatives	8%
Cash	19%

Top 10 holdings

ICS Sterling Liquidity	10.00%
Vontobel Sustainable Short Term Bond	9.40%
Trojan Ethical	7.80%
Federated Hermes Sterling	6.90%
Rathbone Ethical Bond	6.30%
Brown Advisory Global Sustainable Total	6.00%
Pictet Global Sustainable Credit	6.00%
Vanguard US Govt Bond Index	5.90%
L&G Global Inflation Linked	5.60%
CG Dollar	4.80%

Portfolio information

Launch date	1 June 2020
Minimum cash holding	2%
Annual management charge	0.3%
Total Cost of Investment	0.49%

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

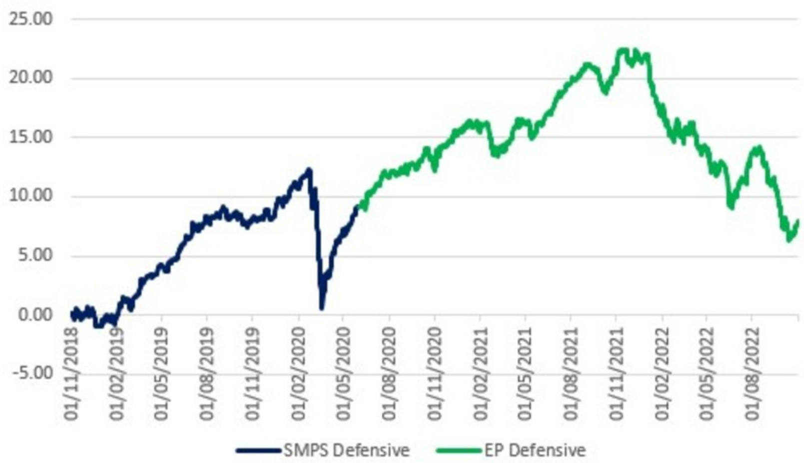
The ultimate goal of the portfolio is to support more inclusive social and economic development and more sustainable environmental and business practices, whilst generating strong and consistent investment returns. The portfolio will aim to achieve this by investing in a diversified range of funds which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

Monthly investment update

As we near the end of 2022, we head into another meeting of global leaders to discuss climate change, this year in Egypt at COP27. Meanwhile, markets have shown little sign of falling volatility, as inflation remains persistent and central banks continue to diverge in how they look to tackle inflationary pressures. Over in the US, the Federal Reserve has remained steadfast in raising rates as far as necessary, indicating to the market that their expectations are currently too low as to where interest rates will peak. On the flip side, we have seen the Bank of England do the opposite, indicating that the market has priced in too much, signalling a reluctance to raising interest rates to tackle inflationary pressures broadly outside of their control. Whatever the outcome, relying on overly descriptive macroeconomic forecasts to inform our investment decisions is unlikely to yield favourable results and instead, looking to where attractive medium to longer growth opportunities, alongside favourable current risk/return characteristics is the most prudent mandate to follow. Away, but by no means insignificant to markets, COP27 will be underway in November and will mark another year of continued commitments towards reducing our environmental impact and more importantly, acknowledging the impact previous damage made by the West on the current landscape in developing economies and how we can better work together to solve the global climate crisis. We will be watching to closely to see how world leaders are approaching COP27 due to the myriad of other factors they must contend with this year and hope to see renewed and enhanced commitments to transitioning to a net zero economy.

Powered by LGT Wealth Management

Performance



Source: Morningstar

	As at end of October 2022
1 month	0.38%
3 month	-5.15%
6 month	-5.57%
1 year	-10.48%
3 year	-0.51%
	Target
Volatility	2 to 4.75%
Return	3 to 4.5%
Potential drawdown	-5.0%
	Yield
Assumed yield	1.64%
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.