

Sustainable Impact Model Portfolio Service (SIMPS)

Equity risk | June 2023 | For financial advisers

Portfolio Description

The SIMPS Portfolio range provides a combination of risk-adjusted returns and positive impact: investing that **does well** and **does good**. The portfolios aim to achieve capital appreciation whilst reducing investment risk via a diversified, multi asset class portfolio.

The strategy is based on **actively managed asset allocations** across equities and cash. We invest in funds which align with our investment philosophy; businesses that **avoid controversies**, are **well run** and **solving major global challenges**.

PORTFOLIO FACTS AS AT: 30/06/2023

LAUNCH DATE: 17/05/2021

BENCHMARK: ARC Equity Risk PCI

PORTFOLIO OBJECTIVE: Capital appreciation

MANAGEMENT FEE: 0.25% + VAT

OCF OF UNDERLYING FUNDS: 0.90%**

AVAILABLE THROUGH:
abrdrn wrap, Aegon, Aegon ARC, M&G Wealth, Nucleus, Quilter, Transact, True Potential, TIM

INVESTMENT MANAGERS:
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This month

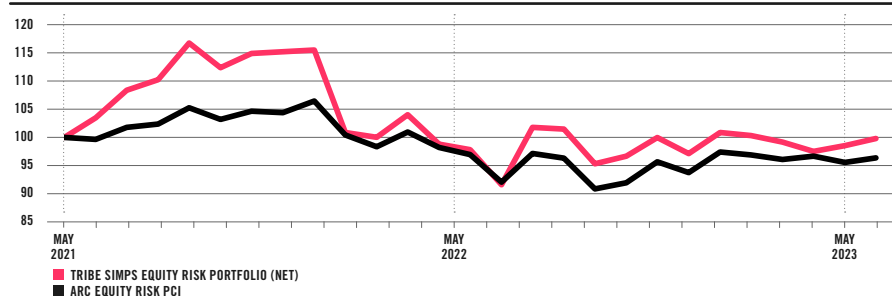
The main focus for financial markets entering June was the cross-party negotiations around raising the national debt ceiling in the US. Ultimately, the US government avoided a worse-case scenario of failing to pay its debt obligations as President Biden signed a bill to lift the borrowing limit on June 5th.

Attention returned to economic data and the path for interest rates. In the UK, headline inflation re-accelerated to 8.7%, forcing the Monetary Policy Committee to raise by 0.5 percentage points, higher than expected. This highlights one of the key risks we see in the global economy: central banks may be forced to over-tighten financial conditions to get inflation under control. Given this risk, we maintain a cautious outlook on company profitability and, thus, equities at the index level.

However, we do see attractive relative value in bonds. After ten consecutive hikes, the US Federal Reserve paused its rate-raising programme in June. Whilst the current level may not yet be the peak rate, this summer pause should indicate that we are close to the end of the hiking cycle. As a result, we have a relative preference for fixed income over equities.

Looking beyond the US and Europe, the Chinese Communist Party announced stimulus measures in an effort to kickstart the lacklustre economic reopening. Along with the visit of US Secretary of State Anthony Blinken, this comes as a welcome signal for the Chinese economy and that geopolitical tensions may improve.

RETURN METRICS*



NET PERFORMANCE: The SIMPS equity risk performance is shown after Tribe's management fee (0.25%) and the underlying fund managers' fees (OCF of 0.90%**). But it does not include platform and adviser charges. Past performance is not a reliable indicator of future results.

BENCHMARK: ARC Benchmarks are calculated by collecting actual performance from over fifty investment managers. The equity risk PCI is suitable for strategies with a relative volatility of 80-120% of global equities as measured by MSCI ACWI.

	SINCE INCEPTION	
	17/05/2021 - 30/06/2023	30/06/2022 - 30/06/2023
TO 30 JUNE 2023		
EQUITY RISK SIMPS	-0.2%	8.5%
ARC EQUITY RISK PCI	-3.5%	4.4%
DIFFERENCE	3.3%	4.0%

Sources for return metrics graph and table: Bloomberg & ARC Private Client Indices (PCI)

RISK METRICS

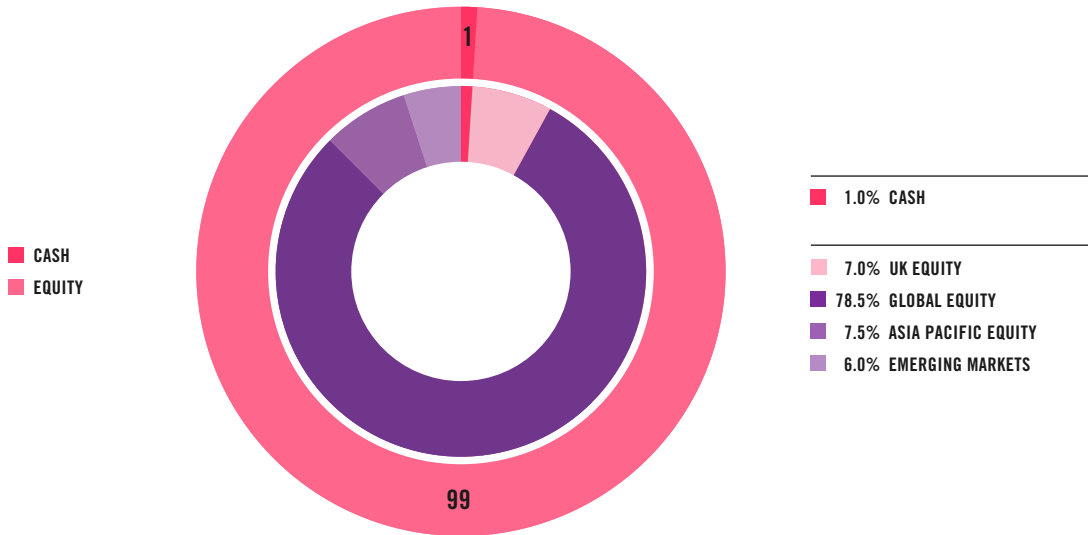
TO 30 JUNE 2023	VOLATILITY
EQUITY RISK SIMPS	15.3%
ARC EQUITY RISK PCI	9.6%

Volatility is measured as the standard deviation of monthly returns since inception. We believe this is more representative of the risk associated with our long term strategic asset allocation, we do not use an annual figure.

TOP 6 EQUITY HOLDINGS

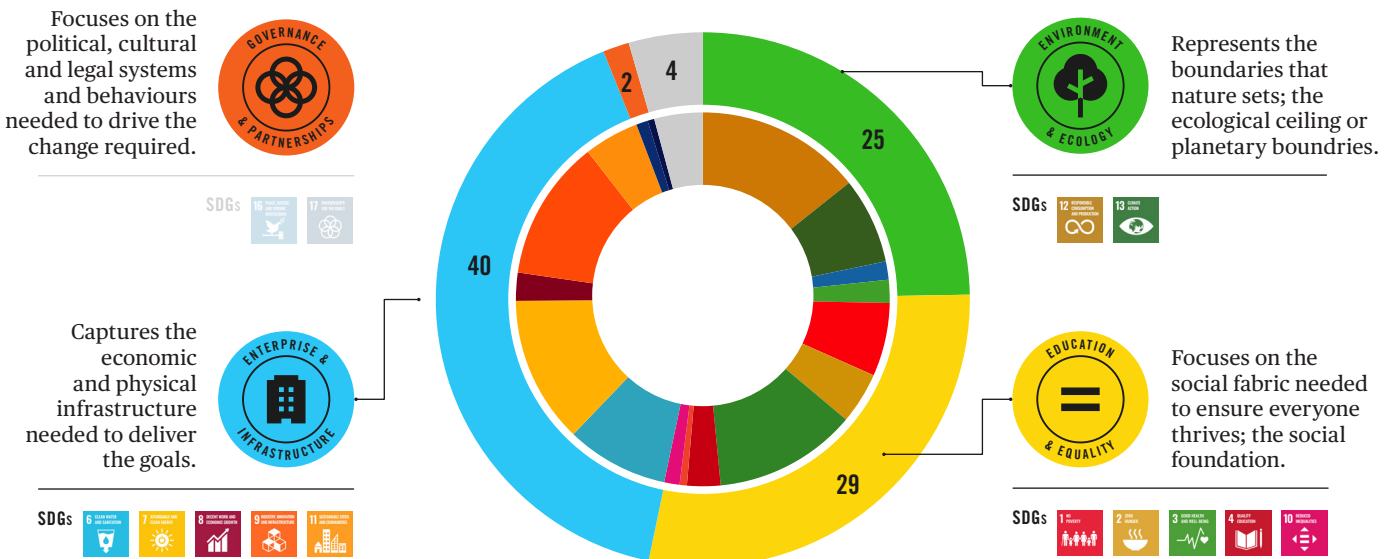
SCHRODER GLOBAL ENERGY TRANSITION	10%	WELLINGTON GLOBAL IMPACT	9%
JANUS HENDERSON GLOBAL SUSTAINABLE EQUITY	9%	STEWART INVESTORS ASIA PACIFIC LEADERS	8%
MONTANARO BETTER WORLD	9%	REGNAN IMPACT SOLUTIONS	8%

ASSET ALLOCATION



IMPACT ALLOCATION

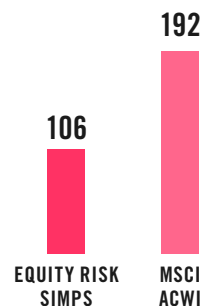
The UN Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all. To help translate the Goals into the **SIMPS Portfolios** we have aggregated them into our four Impact Themes.



PORTFOLIO IMPACT PERFORMANCE

Carbon Intensity¹

The equities in the equity risk **SIMPS Portfolio** are **45%** **less** carbon intensive than the MSCI ACWI benchmark.



TONNES OF CO2 / \$M SALES

Businesses with lower carbon intensity demonstrate their operational efficiency and release less carbon into the atmosphere per pound of revenue.

Carbon Saved¹

By investing £100,000 into the equity risk **SIMPS Portfolio** rather than the MSCI ACWI benchmark, you save **9.8 tonnes** of carbon dioxide (CO2) if invested for 12 months. This represents:



THE CARBON EMITTED BY:

11 flights from London to New York (economy class)



THE CARBON SEQUESTERED BY:

162 medium grown coniferous tree seedlings grown for 10 years

Source: MSCI & US EPA Carbon calculator as at 31/03/2023.

¹ Based on scope 1 and 2 emissions of covered listed equities (92% of equity risk SIMPS portfolio).

Healthcare

Across all equity fund holdings² in the equity risk **SIMPS Portfolio**, **49** companies provide access to healthcare.

14 report on the number of people who received access to healthcare.

In total, these 14 companies have provided healthcare to **283,929,488** people this reporting year³.

That's the equivalent of **3.0** people for each £100,000 invested in the equity risk **SIMPS Portfolio** for 12 months.



Financial services

Across all equity fund holdings² in the equity risk **SIMPS Portfolio**, **18** companies provide financial services.

10 report on the provision of financial services to those previously excluded.

In total, these 10 companies have provided financial services to **886,333,261** people who previously didn't have access to financial services this reporting year³.

That's the equivalent of **4.0** people for each £100,000 invested in the equity risk **SIMPS Portfolio** for 12 months.



Renewable energy

Across all equity fund holdings² in the equity risk **SIMPS Portfolio**, all **387** companies could produce their own renewable energy by investing in on-site renewable energy infrastructure.

77 companies report on renewable energy generation.

In total, these 77 companies have generated **303,262,901** MWh of renewable energy this reporting year³.

That's the equivalent of **5.2** MWh of renewable energy for each £100,000 invested in the equity risk **SIMPS Portfolio** for 12 months.



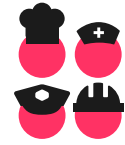
Net jobs created

Across all equity fund holdings² in the equity risk **SIMPS Portfolio**, all **387** companies can create new jobs, as well as terminate existing jobs.

327 companies report on jobs created and terminated (as a net job equivalency).

In total, these 327 companies generated **744,699** net jobs in this reporting year³.

That's the equivalent of **0.0052** net jobs created for each £100,000 invested in the equity risk **SIMPS Portfolio** for 12 months.



Waste recycled

Across the equity fund holdings² in the equity risk **SIMPS Portfolio**, all **387** companies can recycle part or all of their waste.

130 companies report on waste recycled.

In total, these 130 companies have recycled **19,221,557** tonnes of waste this reporting year³.

That's the equivalent of **201** kg of waste recycled for each £100,000 invested in the equity risk **SIMPS Portfolio** for 12 months.



Gender

Multiple studies show that gender parity in business is essential in driving sustainable growth. Across the equity holdings² in the equity risk **SIMPS Portfolio** there are **387** companies. Out of 387 companies, the average percentage of female board members is **32%**³.



² 92% of the equity risk SIMPS portfolio holdings.

³ Third-party fund holding data as at 31/03/2023. Impact data is provided from the following sources: MSCI, Net Purpose Ltd and the underlying company's latest available public reports. Reporting timetables vary company by company.

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