

Investment Objectives

Our objective is to outperform RPI UK + 3% over the medium to long term, keeping within the prescribed volatility limits whilst investing in low cost ETFs or Index funds, physically invested and with a low tracking error.

To achieve the investment objective we deploy quantitative and qualitative techniques and extensive research that shape our macro economic views.

The AB Sustainable Balanced Growth Portfolio invests a minimum core of 80% in funds that are sustainable and contribute positively to either the environment or society, and that provide solutions to global issues. The sustainable models are aligned to the core model's risk first asset allocation, utilising passive instruments, whilst remaining a cost-effective solution to responsible investing.

Snapshot

Base Currency	Pound Sterling
12 Mo Yield	1.17%
Ongoing Charge	0.60%
Management Fee (VAT where applicable)	0.25%
Portfolio Cost	0.85%

Benchmark

Comparator Benchmark	IA Mixed Investment 40-85% Shares
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Risk

	Std Dev	Sharpe Ratio
AB Sustainable Balanced Growth	12.16	-0.27
IA Mixed Investment 40-85% Shares	7.08	0.53

Top 10 Holdings

Portfolio Date: 31/01/2022

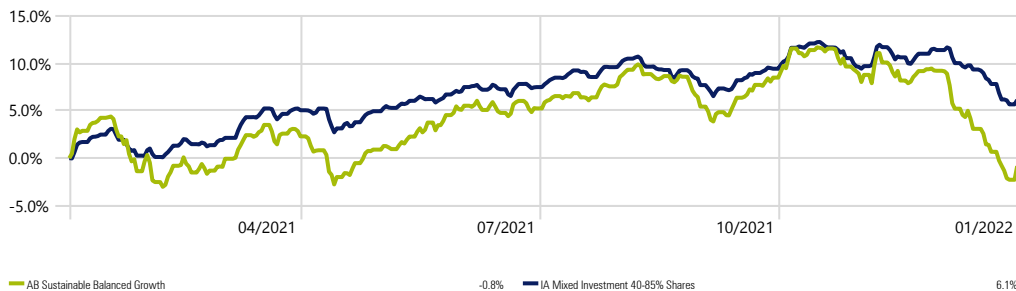
	Portfolio Weighting %
Baillie Gifford Global Stewardship B Acc	14.84%
Brown Advisory US Sust Gr GBP B Acc	11.91%
Janus Henderson Global Sust Eq I Acc	11.02%
BMO Responsible UK Equity 2 Acc	9.14%
FP Foresight Global RI Infrs A GBP Acc	9.10%
Stewart Inv Wldwd Sustnby B GBP Acc	7.20%
Vanguard Jpn Stk Idx £ Acc	7.02%
EdenTree Responsible & Sust Stlg B	4.00%
Rathbone Ethical Bond I Acc	3.99%
RLBF II Royal London Ethical Bond M Acc	3.87%
	82.09%

Investment Team

Investment Managers	Alpha Beta SRI Investment Team
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Investment Growth

Time Period: 01/02/2021 to 31/01/2022



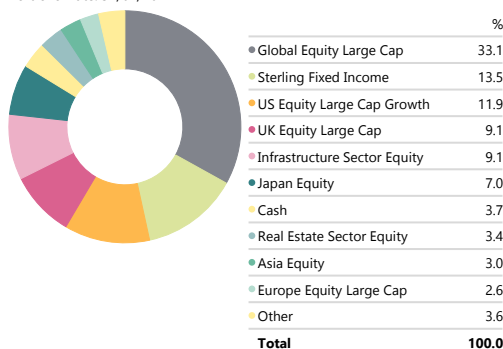
Trailing Returns

	3 Months	6 Months	YTD	1 Year
AB Sustainable Balanced Growth	-8.62	-5.79	-9.23	-0.84
IA Mixed Investment 40-85% Shares	-3.02	-1.27	-4.74	6.15

The Portfolio launched on 1 March 2021. Performance data prior to this date is for illustration purposes only and is back tested performance using the asset allocation of the Portfolio at launch. Past performance is no guarantee of future returns.

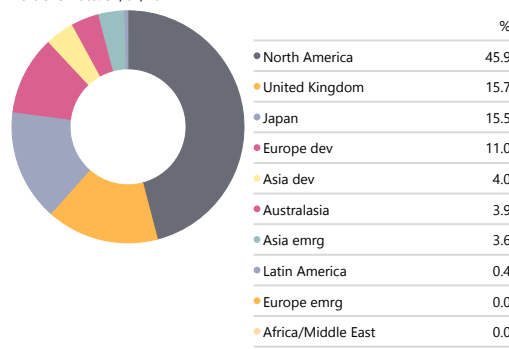
Asset Allocation

Portfolio Date: 31/01/2022



Equity Regional Exposure

Portfolio Date: 31/01/2022



Manager's Commentary

The start of this year did bring some risk with it. From inflation to geopolitical risks, the US stock market was gripped with fear for a short period in January, with the major indices registering double digit declines from their all-time highs recorded in Q4 2021, before staging a partial recovery into month end.

The downward spiral started with the release of FOMC minutes on January 5th which added to the already hawkish tones emanating from Fed Chairman Powell following the FOMC meeting. The Fed, in their communications, have made "price stability" their only concern at this point. With the labour market running hot and labour market participation rate low, the Fed's primary concern is inflation getting entrenched in the pricing cycle. However, we also note that despite inflation sitting at elevated levels and likely to go higher, particularly at home in UK, we are beginning to observe indications of some pressures starting to ease. With US 5 and 10-year breakeven inflation indicators sitting around 2.8%, the market certainly expects a moderation in inflation looking further ahead. Indeed, we expect supply chain bottlenecks to ease significantly as we progress through the year, and base effects are likely to bring down the headline inflation figures beginning in quarter two this year.

The Fed Chair J. Powell also clarified their position on the Quantitative Tightening and that the preferred route is to let the debt run to maturity. The Fed's hawkish tone took the stock market by surprise and that led to a quick re-rating growth stocks. The market also envisages some risk of monetary policy tightening into a slowing economy. The key now is the growth numbers for the rest of the year.

In the so-called emerging world, the People's Bank of China have now cut rates twice in consecutive months after GDP contracted sharply following the further lockdowns and hit to the property sector. We expect an upward rebound in growth and equity valuations as the economy reopens and a reopening China will also help to pull back inflationary pressure in the West. In Europe, Germany has also seen recession looming and with inflation pushing above 5% across the EU the ECB has had to adopt a slightly more cautious tone too, although it's more likely that liquidity will be tapered back first and rate rises are still likely some way off. The UK market has performed well, aided by better prospects for banks and mining stocks benefitting from commodity inflation globally.

The Technology, Healthcare and Clean Energy sectors were hit hard during the month. All three registering a double digit drop. The UK, European and Chinese equities fared relatively better than their US counterparts. Portfolios have been buffered by January volatility which is now ebbing away.

At a portfolio level, the Sustainable Balanced Growth model has benefited from its sustainable Real Estate exposure, with its largest contributor being the FP Foresight Sustainable Real Estate Securities fund. This fund invests in global real estate which meets the fund's sustainable investment criteria. It only invests in companies that deliver a net social or environmental benefit, meet the principles of the UN Global Compact and meet at least one of four pre-defined UN Sustainable Development Goals.

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