

Investment Objectives

The AB Ethical Balanced Income Model Portfolio will seek to deliver long-term capital growth and income by blending collective strategies and employing our proprietary rating and risk profiling systems.

We employ a strict negative screening process in order to highlight investments that do not meet our ethical criteria. Our process will screen for and seek to avoid investments in areas like Animal testing, Gambling, Intensive farming, Nuclear power, Pornography, Tobacco & Weaponry. In addition to this, we seek to exclude companies that support oppressive regimes or operate in a way that does not respect human rights issues.

Snapshot

Base Currency	Pound Sterling
12 Mo Yield	2.23%
Ongoing Charge	0.75%
Management Fee (VAT where applicable)	0.25%
Portfolio Cost	1.00%

Benchmark

Benchmark	UK RPI + 2%
Comparator Benchmark	IA Mixed Investment 40-85% Shares

Risk

	Sharpe Ratio	Std Dev
AB Ethical Balanced Income	-0.29	6.68
IA Mixed Investment 40-85% Shares	0.04	7.70

Top 10 Holdings

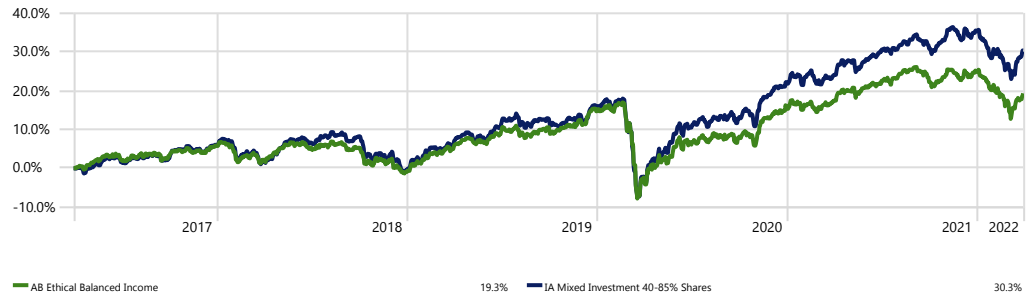
Portfolio Date: 31/03/2022	Portfolio Weighting %
Rathbone Ethical Bond I Inc	14.32%
BMO Responsible UK Income 2 Inc	12.58%
EdenTree Responsible & Sust Gbl Eq B	12.34%
Janus Henderson UK Responsible Inc I Inc	12.29%
Unicorn UK Ethical Income B Inc	11.37%
Aegon Ethical Corporate Bond GBP B Inc	10.57%
Climate Assets Fund B GBP Inc	10.23%
EdenTree Responsible & Sust Shrt Dtd B	9.05%
CASH	7.25%
	100.00%

Investment Team

Investment Manager	Alpha Beta SRI Investment Team
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Investment Growth

Time Period: 01/04/2017 to 31/03/2022



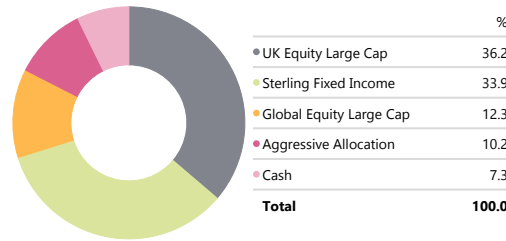
Trailing Returns

Data Point: Return

	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
AB Ethical Balanced Income	-4.51	-3.30	-4.51	1.75	13.66	19.29
IA Mixed Investment 40-85% Shares	-3.69	-1.01	-3.69	5.29	22.87	30.33

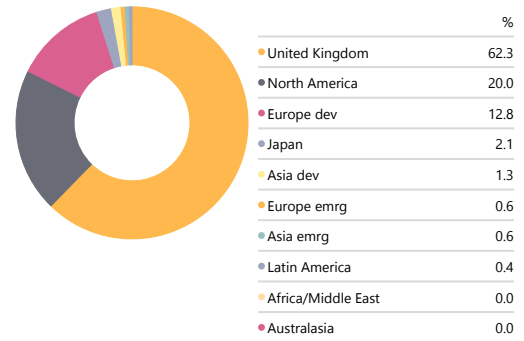
Asset Allocation

Portfolio Date: 31/03/2022



Equity Regional Exposure

Portfolio Date: 31/03/2022



Manager's Commentary

The geopolitical risk emanating from Russia-Ukraine conflict continued to affect the market. The wider impact of this conflict can be felt across energy and agricultural commodity prices, ultimately finding its way to the inflation numbers. Economists are busy recalibrating possible trajectories for inflation given the current squeeze on energy prices, particularly oil. The CPI readings are expected to remain high over the next few months. In the absence of the current geopolitical risk, we had expected these readings to have peaked by Q1 this year.

The Federal Reserve announced on March 16th that it would raise interest rates for the first time since 2018. Rates were raised 0.25% in response to rising inflation and undoubtedly have further to go with mortgages set to cost significantly more in time. Again, equities have been resilient in the face of central banks tightening monetary policy – which is not unusual during the early stages of an interest rate rising cycle.

Central bankers have other tools at their disposal to reduce excess liquidity in economies, with quantitative tightening, or QT if you prefer, potentially able to play a role alongside higher interest rates. Care should be taken not to raise rates too high too soon and choke off growth aggressively as economies naturally retard, as set out earlier. There is scope for central bank policy error in this regard and we remain alert to early signals.

The spread between 10Y and 2Y treasuries act as a rough measure to gauge market sentiments with regards to economic growth and risk on/off mood. An inversion of this curve generally acts as a signal for a possible slowdown within the next 12/24 months. This yield curve inverted briefly towards the end of the month signaling the shorter end of the yield curve is expecting further rate rises and demand for longer duration securities due to a possible slow down during 2023.

We believe now is time for some sensible housekeeping. There is still scope for equity upside, of that we have little doubt, but the risk reward balance has shifted.

At portfolio level, the Ethical Balanced Income model's best performing fund was the EdenTree Responsible and Sustainable Short Dated Bond fund, which is first quartile within its sector. One of the fund's largest holdings is Motability Operations Group, who since 1978, have enabled people to use their mobility allowance to lease a car, powered wheelchair or scooter, enabling them to achieve everyday freedom. Part of their community work involves; offering best practice disability access in and around buildings and offering their facilities to various disability organisations and local associations. Motability Operations Group also operate a scholarship programme for disabled students that provides financial support and work experience in summer placements.

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