

Investment Objectives

The AB Ethical Balanced Growth 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	1.05%
Ongoing Charge	0.86%
Management Fee (VAT where applicable)	0.25%
Portfolio Cost	1.11%

Benchmark

Benchmark	UK RPI + 4%
Comparator Benchmark	IA Mixed Investment 40-85% Shares

Risk

	Sharpe Ratio	Std Dev
AB Ethical Balanced Growth	0.07	11.76
IA Mixed Investment 40-85% Shares	0.04	7.70

Top 10 Holdings

Portfolio Date: 31/03/2022

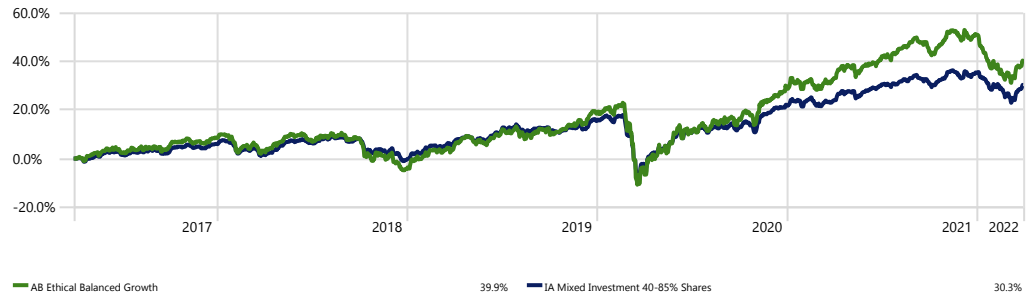
	Portfolio Weighting %
Quilter Investors Ethical Eq R (GBP) Acc	15.27%
Brown Advisory US Sust Gr GBP B Inc	14.75%
Jupiter Ecology I Inc	10.11%
EdenTree Responsible & Sust Gbl Eq B	10.00%
FP Foresight Global RI Infrs A GBP Acc	9.85%
Aegon Ethical Corporate Bond GBP B Inc	6.98%
Rathbone Ethical Bond I Inc	6.96%
Impax Asian Environmental Markets IRL X	6.11%
CASH	3.73%
BMO Responsible UK Equity 2 Inc	3.65%
	87.40%

Investment Team

Investment Manager	Alpha Beta SRI Investment Team
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Investment Growth

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



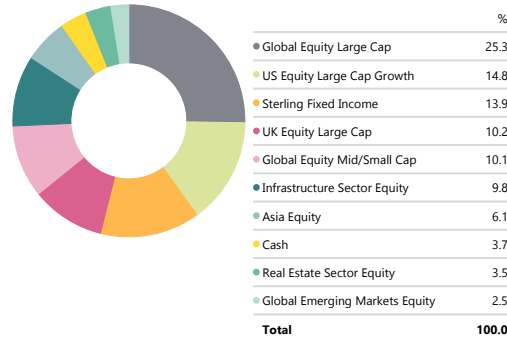
Trailing Returns

Data Point: Return

	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
AB Ethical Balanced Growth	-7.35	-3.89	-7.35	5.46	34.88	39.90
IA Mixed Investment 40-85% Shares	-3.69	-1.01	-3.69	5.29	22.87	30.33

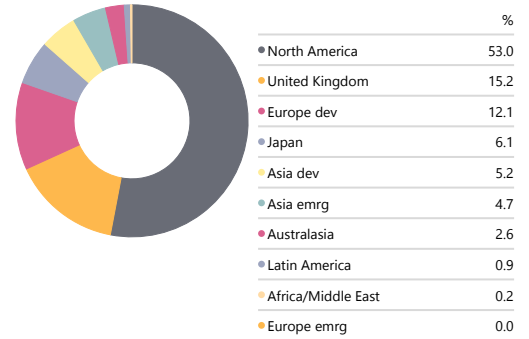
Asset Allocation

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 Growth model has benefited from its sustainable global infrastructure exposure, with the best performing fund being the FP Foresight Global Real Infrastructure fund. One of the fund's biggest holdings is Brookfield Renewable Partners, who are one of the world's largest publicly traded, renewable power platforms. Their portfolio consists of hydroelectric, wind, solar and storage facilities in North America, South America, Europe and Asia.

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