Alpha Beta Portfolios
AB Sustainable Cautious

as at 31 Aug 2021

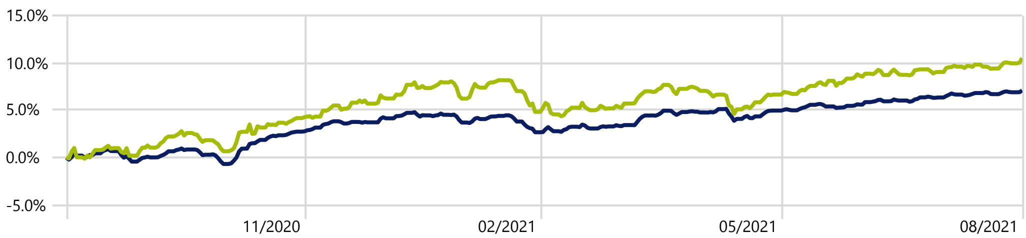
Investment Objectives

Our objective is to outperform RPI UK 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.

Investment Growth

Time Period: 01/09/2020 to 31/08/2021



AB Sustainable Cautious 10.5% — IA Mixed Investment 0-35% Shares 7.1%

Snapshot

Base Currency	Pound Sterling
12 Mo Yield	1.08%
Ongoing Charge	0.46%
Management Fee (VAT where applica	0.25%
Portfolio Cost	0.71%

Trailing Returns

	3 Months	6 Months	YTD	1 year
AB Sustainable Cautious	3.62	5.42	4.01	10.52
IA Mixed Investment 0-35% Shares	2.03	4.30	2.83	7.10

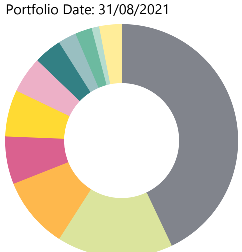
The Portfolio launched on 1 March 2021. Performance data prior to this date is for illustration purposes only and is back tested performance using the asset allocation of the Portfolio at launch. Past performance is no guarantee of future returns.

Benchmark

Comparator Benchmark	IA Mixed Investment 0-35%

Asset Allocation

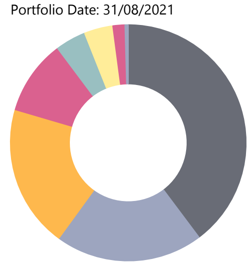
Portfolio Date: 31/08/2021



	%
Sterling Fixed Income	43.0
Global Equity Large Cap	16.1
Global Fixed Income	9.9
UK Equity Large Cap	6.6
Cash	6.5
Japan Equity	5.1
US Fixed Income	3.9
Real Estate Sector Equity	2.5
Infrastructure Sector Equity	2.3
Europe Equity Large Cap	1.0
Other	3.0
Total	**100.0**

Equity Regional Exposure

Portfolio Date: 31/08/2021



	%
North America	39.7
Japan	20.3
United Kingdom	19.5
Europe dev	10.2
Asia emrg	4.2
Asia dev	3.9
Australasia	1.6
Latin America	0.4
Africa/Middle East	0.0
Europe emrg	0.0

Risk

	Std Dev	Sharpe Ratio
AB Sustainable Cautious	4.62	1.45
IA Mixed Investment 0-35% Shares	4.08	0.99

Top 10 Holdings

Portfolio Date: 31/08/2021

	Portfolio Weighting %
Royal London Short Duration Gilts M Inc	19.88%
Baillie Gifford Global Stewardship B Acc	11.84%
L&G Global Inflation Linked Bd Idx I Acc	9.93%
RLBF II Royal London Ethical Bond M Acc	8.41%
BMO Responsible UK Equity 2 Acc	6.63%
CASH	6.47%
Vanguard UK Govt Bd Idx £ Acc	6.27%
Vanguard Jpn Stk Idx £ Acc	5.06%
Rathbone Ethical Bond I Acc	4.21%
EdenTree Sterling Bond Cls B Inc	4.21%
	82.90%

Manager's Commentary

The efficient market hypothesis assumes that stock markets are very efficient discounting mechanisms and price in all available information, including present and potential future known events. This, along with the extraordinary amount of liquidity provided by the central banks, helps understand why equities have recovered to register all-time highs since the start of pandemic. We now stand on the verge of a full reopening and potential immunity from the virus. The inoculation drive throughout the developed world has helped deliver some form of immunity to the prevalent variants. Of course, there is always a chance that a more deadly variant may emerge to wreck it all, but the progress made in the last 18 months is impressive.

With all the extraordinary monetary and fiscal measures taken by the central banks and governments, asset prices are now stretched on most of the fundamental measures we look at relative to the outlook for the real economy. Consequently, how inflation, global growth and corporate earnings play out from here will play an even more crucial role in determining the direction of markets. The month was positive for the risk assets. US equities (S&P 500 Index) made new highs after a dovish statement from Chairman Powell at the Jackson Hole meeting. The US unemployment rate fell to 5.2% percent although the non-Farm payrolls data considerably undershot expectations. We remain cognisant of the potential changes in the Fed's posture and the economic data points that can drive such a change. Chairman Powell previously hinted upon creating a taper committee and was widely expected to expand on that subject at Jackson Hole but delivered little on the subject of substance.

For now, the US Treasury markets remain resilient, and yields remain range bound despite an increase in the inflation breakeven numbers. However, inflation pressure continues to build for now, despite a general cooling of the global economy, with supply-side squeezes now accentuated by Covid factors and by disruptive weather. We are keeping a close eye on wage pressures and service sector inflation which continue to suggest that inflation is not yet contained. We recently decreased our interest rate sensitivity to protect against an increase in rates.

At a portfolio level, the Sustainable Cautious model has benefited from its global equity exposure, with its biggest contributor being the Janus Henderson Global Sustainable Equity Fund, which is first quartile over 3 months within its sector.

Please contact :
Andrew Thompson or Geoff Brooks on 0208 059 0253
Alpha Beta Partners
78 Cannon Street, London, EC4N 6HL

defaqto EXPERT RATED ★★★★★ DFM MPS on Platform 2021

defaqto EXPERT RATED ★★★★★

Investment Team

Investment Managers	Alpha Beta SRI Investment Team

Source: Morningstar Direct