

# SUSTAINABLE BALANCED PORTFOLIO

## Strategy Sheet

31 DECEMBER 2021

### OVERVIEW

#### Investment objective

The Sustainable Balanced Growth Portfolio aims to achieve capital growth using sustainable investments, balancing capital preservation and equity market exposure.

#### Suitability

Designed for investors who seek capital growth over not less than 5 years through investment in a diversified range of ethically screened assets and are prepared to accept the prospect of some short-term capital losses to achieve a high return.

#### Inception date

30 Mar 2012

#### Asset allocation profile

The portfolio can invest across all asset classes, but it is limited to a maximum equity weighting of 85%.

#### Benchmarks and Return Objective

ARC Balanced | CPI +3%

#### Risk Profile

The portfolio adopts a moderate to higher approach to risk and it is anticipated its volatility will not exceed 85% of global market equity volatility.



### CHARGES INFORMATION

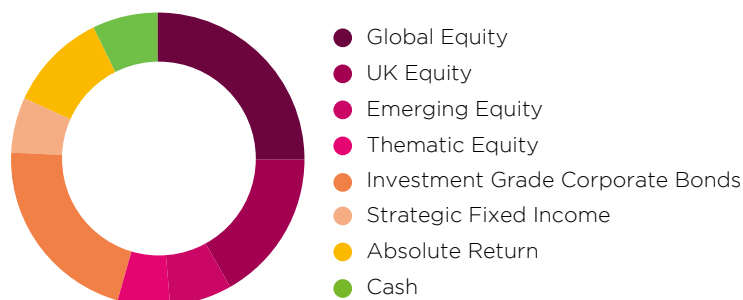
DFM	Ongoing Charges Figure	Total Charges*
0.36%	0.64%	1.00%

\*Total Charges includes all ongoing fund charges. Total excludes adviser, transaction and platform charges.

### PORTFOLIO HOLDINGS OVERVIEW

#### Current Asset Allocation (%)

Equity	55.1
Fixed Income	26.9
Absolute Return	11.0
Cash	7.0
Total	100.0



### FUND HOLDINGS IN DETAIL (%)

Asset Class	Sub Class	%	Holding	%
EQUITIES: 55.1%	Global Equity	31.0	BMO Responsible Global Equity Fund	8.10
			EdenTree Responsible and Sustainable Global Equity Fund	7.99
			Janus Henderson Global Sustainable Equity Fund	5.98
			Pacific Longevity and Social	3.00
			FP WHEB Sustainability Fund	2.98
			Aegon Global Sustainable Equity Fund	2.92
			Liontrust UK Ethical Fund	6.15
			BMO Responsible UK Equity Fund	6.15
			ASI UK Ethical Equity Fund	5.06
			RLAM Emerging Markets ESG Leaders Equity Tracker Fund	6.74
FIXED INCOME: 26.9%	Investment Grade Corporate Bonds (Global)	17.0	Rathbone Ethical Bond Fund	4.99
			Aegon Ethical Corporate Bond Fund	4.99
			Liontrust Sustainable Future Corporate Bond Fund	3.99
			RLAM Ethical Bond Fund	2.99
			Investment Grade Corporate Bonds (GBP)	7.0
			Threadneedle UK Social Bond Fund	6.98
ABSOLUTE RETURN: 11.0%	Absolute Return	11.0	EdenTree Responsible and Sustainable Sterling Bond Fund	2.99
			BNY Mellon Sustainable Real Return Fund	11.02
CASH: 7.0%	Cash	7.0	Cash	6.98

## IDENTIFYING THE BEST SUSTAINABLE INVESTMENTS

Alongside the team's rigorous process to select the best-in-class investment managers, they use two globally recognised frameworks to assess the sustainability credentials of the underlying investments.

### GLOBAL SUSTAINABLE INVESTMENT ALLIANCE

The GSIA is globally recognised framework which classifies the universe of sustainable products against a range of sustainable targets. This allows the team to define the nature of our sustainable implementation in the following formats and calculate the percentage of the portfolio covered by a sustainable target.



### SUSTAINABLE THEMES



#### NEGATIVE SCREENING

The exclusion of sectors, companies or practices based on specific criteria.



#### POSITIVE SCREENING

Investments selected for positive ESG performance relative to peers.



#### STEWARDSHIP & VOTING

Investment in themes related to sustainability issues.



#### SUSTAINABLE THEMES

Use of shareholder power to influence corporate behaviour.



#### IMPACT INVESTING

Investment with the intention to generate social and environmental impact.



#### ESG INTEGRATION

The explicit inclusion of ESG factors into financial analysis.



#### NORMS-BASED SCREENING

Screening of investments against minimum standards of business practice.

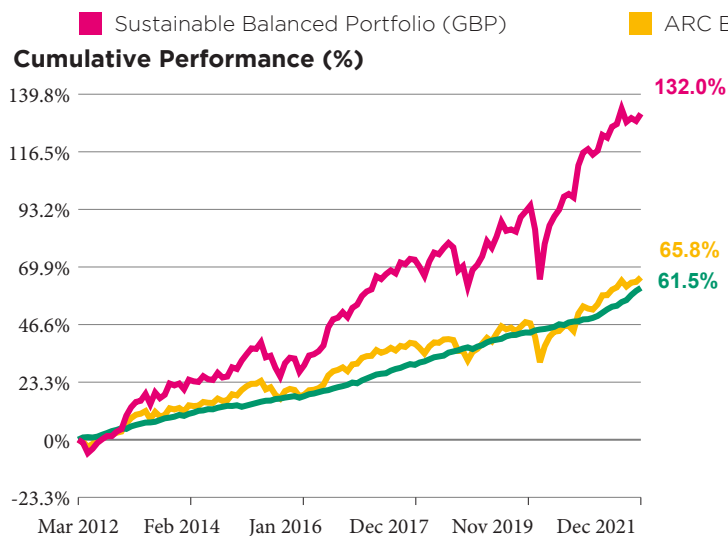
### UN SUSTAINABLE DEVELOPMENT GOALS

The UN Sustainable Development Goals are a collection of 17 interlinked goals designed to be a blueprint to achieve a better and more sustainable future for all. We map our portfolios to real world change which is vital to the future for a peaceful, more equitable world.

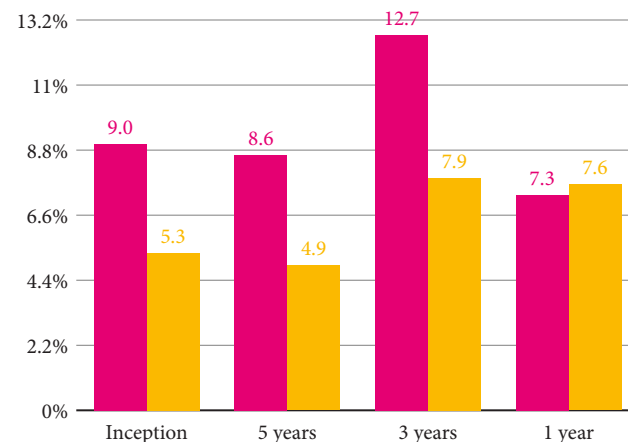


## PERFORMANCE AND RISK OVERVIEW

### Sustainable Balanced Portfolio GBP from 30 Mar 2012 to 31 Dec 2021



### Period Returns (%)



### Yearly Returns

	2014	2015	2016	2017	2018	2019	2020	2021
Portfolio	4.8%	3.3%	15.4%	12.9%	-6.4%	18.6%	12.4%	7.3%
ARC	4.5%	1.9%	8.6%	6.7%	-5.1%	11.7%	4.3%	7.6%
CPI + 3%	3.6%	3.2%	4.7%	6.1%	5.2%	4.4%	3.7%	8.6%

### Performance and Risk Characteristics

	Annualised Compound Rtn (%)	Annualised Volatility (%)	Sharpe Ratio
Portfolio	9.0%	8.6%	1.0
ARC	5.3%	5.1%	1.0
CPI +3%	5.0%	1.2%	-

### Year-on-year Performance (%)

	30 Dec 16 to 29 Dec 17	29 Dec 17 to 31 Dec 18	31 Dec 18 to 31 Dec 19	31 Dec 19 to 31 Dec 20	31 Dec 20 to 31 Dec 21
Portfolio	12.9%	-6.4%	18.6%	12.4%	7.3%
ARC	6.7%	-5.1%	11.7%	4.3%	7.6%
CPI +3%	6.1%	5.2%	4.4%	3.7%	8.6%

### Important Information

Past performance is not necessarily a guide to future performance. Performance is shown net of fees. Figures quoted on a bid-to-bid basis in Sterling with income reinvested. The value of your investments and the income derived from them can go down as well as up and may be affected by exchange rate fluctuations. You may not get back the original amount you invested. Investors actual returns may differ from the quoted performance data.

Source: Pacific Asset Management and Bloomberg.



### WHAT DOES SUSTAINABLE INVESTING MEAN TO PAM?

Sustainable investing is a catch-all term for investing in a way that accounts for being socially responsible and investing ethically while also seeking returns. **At PAM** we use the term sustainable investing to capture the various methods of incorporating concerns around Environmental, Social and Governance (ESG) issues into our investment decision making processes.

#### A commitment to responsible investing


As a signatory to the UN PRI Principles for Responsible Investment, Pacific Asset Management has publicly stated our support for the better understanding of the investment implications of ESG factors.

As a business we are committed to constantly strive to be a more responsible firm both in how we operate and how we manage our clients' investments.





## PLEASE GET IN TOUCH

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		<p><b>&gt; MOVE FORWARD</b></p>

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