

## Global Sustainable Model Portfolio Service

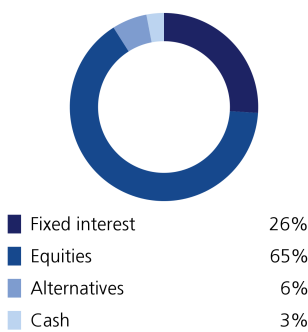
September 2022



### Strategy description

A medium risk portfolio will include investment in equities, balanced by exposure to more defensive areas of the market which may include cash, fixed interest securities, alternative investments and property. This approach aims to achieve a balance between security and return but is likely to involve at least some short-term volatility. The overall return is not guaranteed, although the range of possible outcomes should not be extreme. In most circumstances, particularly over periods in excess of five years, the return may compare favourably with that achievable from a more conservative approach but may be less than that achievable by taking a higher level of risk. The ultimate goal of the portfolio is to support more inclusive social and economic development and more sustainable environmental and business practices, whilst generating strong and consistent investment returns. The portfolio will aim to achieve this by investing in a diversified range of funds which include themes such as renewable energy, financial inclusion, education, social housing, climate change action, sustainable waste management and renewable material production.

### Asset allocation



### Top 10 holdings

Janus Henderson Hrzn Glb Sus Eq	8.81%
Stewart Inv Wldwd Sustnby	7.93%
AB Sustainable US Tmtc	6.06%
MS INVF Global Sustain	6.03%
iShares \$ Treasury Bd 3-7y ETF	5.49%
Lazard Global Sustainable Eq	5.11%
Trojan Ethical (Ireland)	5.00%
Liontrust Sust Fut Gbl Gr	4.71%
Vontobel TwentyFour Sust S/T Bd	4.61%
Rathbone SICAV Ethical Bond	4.61%

### Portfolio information

Launch date	31 March 2020
Minimum cash holding	2%

### Custody and fees

Annual management charge	0.25%
With LGT WM Jersey custody*	0.50%
Ongoing charge figure	0.68%

\*Whilst the portfolios are managed in the UK, we are currently unable to custody assets there. Third party custody charges will apply if the portfolio is held on a platform.

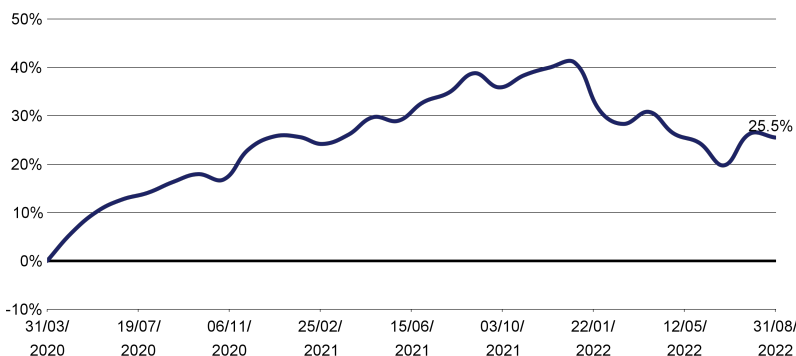
### Portfolio objectives

This portfolio aims to appreciate its capital value in excess of the rate of inflation but limit fluctuations in value by investing in a diverse portfolio of assets.

### Contact information

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### Performance since inception



Source: Morningstar, LGT Wealth Management UK LLP

### As at end of August 2022

1 month	-0.61%
3 month	0.89%
6 month	-2.19%
1 year	-9.56%

### Realised (Mar 2020 - end August 2022)

Volatility	10.06%
Return	9.85%

Source: Morningstar. Net of underlying fund costs, gross of all other charges.

### Glossary

#### Return

This is the annualised equivalent return of your investments.

#### Volatility

Volatility is measured by standard deviation. This is a measure of variability of performance around the mean.

#### YTD

Year to date.

**Monthly investment update**

Markets have continued to flag uncertainty around economic conditions and the path for inflation and interest rates. After a strong market rally in July, markets have retreated once again in August, reflecting the fact that the US central bank is unlikely to begin easing financial conditions as early as the start of 2023, also referred to as a Fed pivot. Despite this, conditions in the US do not alarm us at this point and we are seeing a divergence emerge in outcomes for the US and the UK and Europe. The EU announced in August that their Natural Gas storage had reached their intended November target ahead of schedule and this was shortly followed by a closure of the Nord Stream 1 gas pipeline from Russia, highlighting the energy and thus inflationary risks here. Through 2022, our globally diversified approach has benefitted us as our Asia Pacific exposure has provided good downside protection and remaining selective has enabled us to avoid more speculative parts of the market which have been most heavily impacted.

As summer rolls to an end in the UK, we have learnt some important lessons about our world and how prepared we are for a warmer world with more volatile weather patterns. Long has been our belief that rapid action to develop and enhance our environmental resilience is essential to avoid significant economic damage and the extreme weather we have seen this year has demonstrated both the need for greater resilience and the economic impacts of climate change. We expect the commitments from nations, businesses and individuals as equally important drivers of building greater economic resilience and the sustainable portfolios directly target many of these essential themes and we continue to see increasing prosperity for these businesses. Markets are seldom sanguine and despite near term headwinds, the strong and increasingly powerful secular growth trends we target and the level of bad news already reflected in markets, we continue to see good medium-to-long term value within sustainable portfolios.

**United Nations Sustainable Development Goals (UN SDGs)**



**Portfolio pillar mapping**

As part of the LGT Wealth Management Sustainable Portfolio Service, we have developed four sustainable investment pillars. These pillars encompass investment themes and the related UN SDGs, which they aim to support. Two of the pillars target social themes and two target environmental themes. This allows the translation of a framework based on a global, wide-reaching social and environmental change into an investable universe of ideas.

In order to better understand the thematic exposure of the portfolios, we have aligned the underlying funds to our sustainable pillars.

**Our sustainable investment pillars**



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