Ethical | January 2024

Quarter Four Review

Your guide to the markets and the Ethical Portfolios

Investment solutions to suit all risk profiles

ProfessionalAdviser
PA AWARDS 2023
FINALIST
Best Discretionary Fund Manager

ProfessionalAdviser
PA AWARDS 2022
FINALIST
Best Discretionary Fund Manager

Professional Adviser
AWARDS 2021
FINALIST
Best Model Portfolio Service

INVESTMENT WEEK
SPECIALIST INVESTMENT AWARDS 2020
WINNER
Best Specialist Multi-Asset Group of the Year

money marketing AWARDS 19
WINNER
BEST DISCRETIONARY FUND MANAGER

Contents

Our ethical range of model portfolios

Our Ethical Model Portfolio range is designed to do two things: to provide you with a good return and as equally important, making sure your money is having a positive impact on our planet.

When a client chooses to take an ethical investment approach, it is essential to have a clear mandate, so that investors can understand how you are managing this increasingly more complex area of investing. There is no silver bullet for Ethical investing, with many different, and often conflicting, approaches and styles.

In order to deliver both an appropriate risk adjusted return, and a portfolio that delivers good outcomes, it is important not to be pigeon-holed into one single investment style within the ethical arena.

We have an extremely thorough due diligence process for our ethical funds, which is the same rigorous process for all of our investment solutions. In addition, we want to ensure that the funds, the fund managers, and the fund groups are all committed to ethical investing and not simply providing a green rhetoric to take advantage of a growing trend. Greenwashing will not be tolerated.

Within the Ethical range of model portfolios, we manage three risk profiles, Cautious, Balanced and Growth. These are constructed to follow the Strategic Asset Allocation (SAA), for their given risk profile. The SAA is regularly assessed and formally reviewed at least every five years where changes are made if relevant and appropriate.

The Ethical products are a distinct offering which means the composition may differ from our non-Ethical mandates. The same level of care, due diligence and research is conducted across all of our product offering.

The Ethical mandates are mostly likely to differ versus a non-Ethical mandate within the regional equity allocation or the sub-asset classes within Fixed Income. The Ethical mandates are constructed to have all of the underlying investment managers signed up to the Principles for Responsible Investing (PRI), so that the portfolio can be mapped across to the UN's Social Development Goals (UN SDG's). There are many markets where this is difficult to achieve such as in emerging markets, where there may be more reliance on old heavy industry and fossil fuels and questions over labour rights. It becomes very difficult to marry the PRI's principles to these regions at their current point in the development cycle, but this may change with time.

From a sector perspective there could also be differences between non-ethical products such as areas like tobacco, fossil fuels and industries that are seen as heavy polluters, all of which could be excluded. In summary, asset allocation at the strategic level will match a non-ethical mandate, but the regional and sector positions could possibly differ, potentially leading to differences in the risk and return profile of the Ethical mandates compared to non-ethical mandates.

It is important that you understand the structural constraints that investing ethically can have. Whereas the Ethical Model Portfolio will be suitably and appropriately diversified, there will be geographical areas of investment that are excluded, and certain sectors could have higher concentrations. On a comparative basis, this may mean having a lower level of diversification than a non-ethical portfolio.

Our process, shown as a step diagram, is on the following page.

Strategic Asset Allocation

Our long-term view on which all our investment solutions are based upon. These are adjusted to consider that certain asset classes do not currently have any suitable ethical investment choices.

Tactical Asset Allocation

Our current views on which asset classes offer the best returns and which are challenged in the short term. Due to the nature of ethical investing, it is not always possible to replicate the precise allocations, as certain asset classes will be unavailable to us.

Portfolio Construction

Building the Ethical model portfolios, covering risk profiles 1 through to 9. Where certain asset classes are unavailable, we increase those that are; while this may not fully replicate our Tactical Asset Allocation, the broad equity content will be the same.

Ethical Research

We want fund groups to be signed up to the UN's Principles for Responsible Investment, and their funds mapped across to the UN's Sustainable Development Goals.

Fund Research

Researching the very best funds within all the sectors that offer ethical propositions and adhere to our criteria above. We aim for an unconstrained approach to ethical investing, looking to blend ESG, impact, sustainability, stewardship, and exclusion styles.

What we are aiming to achieve

As we have already identified, there is no clear description or style for investing ethically and for each individual investor, the term means something different and personal. What we endeavour to achieve through our Ethical Model Portfolios, is to provide investors with two key answers:

- Is my investment being managed with an ethical mandate?
- What good is my investment doing for the world?

The Investment Association's Responsible Investment Definitions are excellent in helping you to understand what is meant by different methods of ethical investing and which we consider when investing in our underlying funds:

Stewardship

Stewardship is the responsible allocation, management, and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. Examples of stewardship would include setting clear expectations, oversight of assets, engaging with issuers and voting.

ESG Integration

ESG Integration is the systematic and explicit inclusion of material ESG factors into investment analysis and investment decisions. Examples of ESG integration include statement of commitment and firm-wide policies.

Exclusions

Exclusions prohibit certain investments from a firm, fund, or portfolio. These may be applied on a variety of issues, including to align with client expectations. They may be applied at the level of sector, business activity, products, or revenue stream, as well as company or jurisdictions. Examples of exclusion include ethical, value-based, or religious exclusions.

Sustainability Focus

Sustainability Focus is an investment approach that selects and includes investments based on their fulfilling certain sustainability criteria and/or delivering on specific and measurable sustainability outcomes. Examples of sustainability focus include sustainability themed, positive tilts and best in class.

Impact Investing

Impact Investing covers investments made with the intention to generate positive, measurable, social, and environmental impact, alongside a financial return. Examples of Impact Investing include social bond funds and private impact investing. We have always built appropriately diversified portfolios, utilising all asset classes available and including differing investment styles. Our ethical proposition is no different. We have built three portfolios using the same guidelines and, included an additional layer which is known as Ethical Diversification.

This quarterly review will deliver those two objectives. The first part will look at how we have delivered the return within the level of risk that you have taken; this will include commentary on the current economic and market conditions. The second part will look at how your money is being used to do good; including a description of the UN's Sustainable Development Goals, and how these relate to the underlying investments within the Ethical model portfolio range. We will include relevant news pieces relating specifically to ethical investing, as well as case studies of some of the underlying companies that you are indirectly invested with.

This will show you that the Ethical model portfolio range delivers on our two core objectives: providing you with a good return and in turn, showing that your money is doing good.

Introduction

Welcome to the latest edition of the quarterly review. This has been designed to provide you with a clear and simple explanation of what has happened over the past three months, how this has affected your investment returns, and what our outlook might look like over the coming quarters.

If you only read the key points in this introduction and the performance summary, you will have a grasp of what has happened over the past quarter and how that has influenced your investment returns. If you want to delve further into the underlying forces that are shaping the investment landscape, there is much more detail covered in the following pages.

Summary

The summary below encapsulates the key learning points and outlook without the in-depth analysis:

- **Performance was strong in 2023**

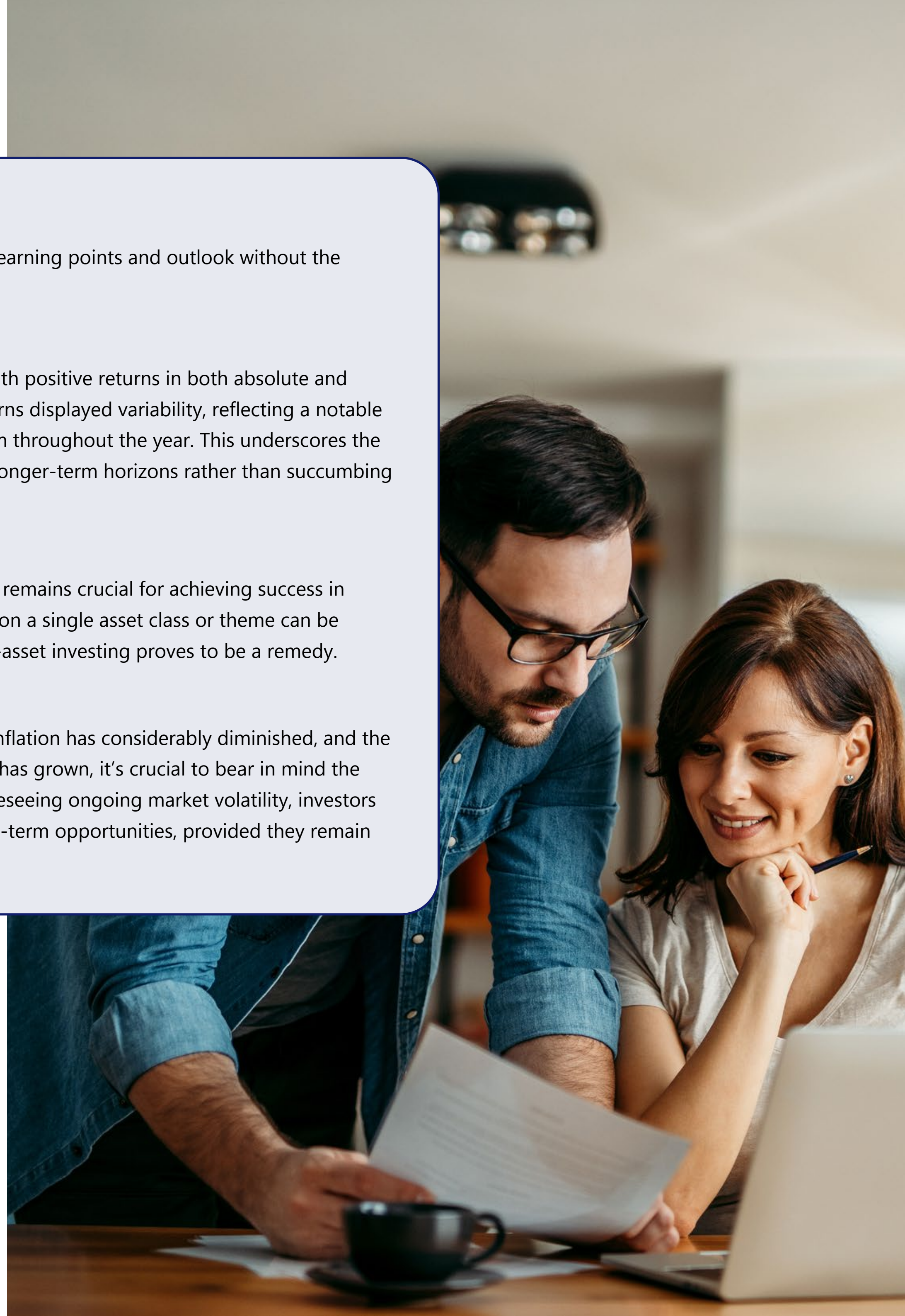
  2023 witnessed robust performance, with positive returns in both absolute and relative terms. Quarter-on-quarter returns displayed variability, reflecting a notable shift in sentiment from fear to optimism throughout the year. This underscores the importance of maintaining a focus on longer-term horizons rather than succumbing to the allure of short-term gains.

- **Staying focused on diversification**

  Maintaining a well-diversified portfolio remains crucial for achieving success in long-term investing. Depending solely on a single asset class or theme can be risky, and in the face of volatility, multi-asset investing proves to be a remedy.

- **Outlook**

  Although the threat of enduring high inflation has considerably diminished, and the anticipation of interest rate reductions has grown, it's crucial to bear in mind the resurgence of political risk in 2024. Foreseeing ongoing market volatility, investors have the potential to capitalise on long-term opportunities, provided they remain invested to seize these chances.



Performance Summary

Below is an overview of how each Model Portfolio has performed over the last quarter, one year, three years, five years, since launch and it's annualised return.

We also provide details of how a typical cash account and the FTSE 100 Index have performed so you can compare your Portfolio's performance against these common alternative forms of investment.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Ethical Cautious	Portfolio	6.2%	7.0%	-0.7%	18.1%	30.4%	3.1%
Ethical Balanced	Portfolio	7.2%	8.2%	2.0%	29.9%	47.3%	4.6%
Ethical Growth	Portfolio	7.6%	10.0%	5.2%	43.0%	63.8%	5.9%

	QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
CPI	-0.2%	3.5%	20.6%	23.0%	71.3%	2.8%
IA Mixed Investment 20-60%	5.7%	6.8%	3.7%	20.0%	121.1%	4.2%
IA Mixed Investment 40-85%	5.8%	8.1%	7.9%	31.5%	198.9%	5.9%
IA Flexible Investment	5.3%	7.1%	8.5%	33.9%	210.0%	6.1%
Cash - FE Interest 0.5%	0.1%	0.5%	1.5%	2.5%	10.0%	0.5%
Inflation UK Retail Price	-0.3%	4.7%	27.7%	32.1%	100.1%	3.7%
FTSE 100 Index	2.3%	7.9%	33.8%	38.9%	238.4%	6.6%

The Investment Association (IA) monitors around 4,000 funds in the UK and are classified to the IA sectors. The sectors provide a way to divide these funds into broad groups, so investors and advisers can compare funds in one or more sectors.

UK CPI is for Risk Profiles 01 to 03, IA Mixed Investment 20-60% Shares is for Risk Profile 04 to 06, IA Mixed Investment 40-85% Shares is for Risk Profiles 07 to 09 and IA Flexible Investment is for Risk Profile 10.

Comparators for clients to use against three key levels of comparison: cash, inflation and the core UK stock market.

Notes: Due to rounding, relative performance may not correspond exactly with its constituent components above.

What did happen?

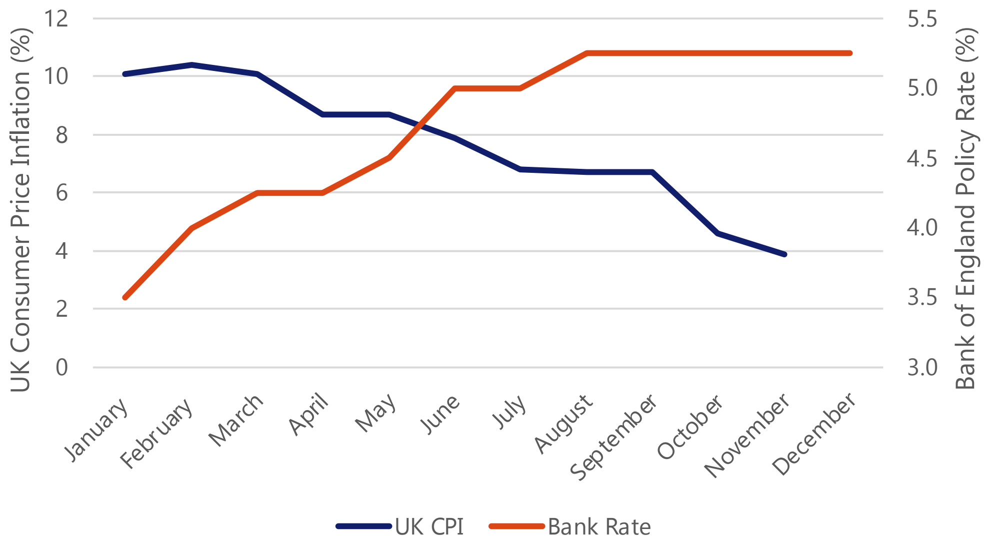
A prevailing sentiment in 2023 foresaw a negative trajectory, influenced by the sombre market conditions experienced in 2022. Economists held a consensus view that the repercussions of the previous year would extend well into 2023, with a notable possibility of a global recession.

We entered 2023 with inflation still high and central bank interest rates which were forecast to go higher. Central banks were single-minded in the pursuit of tighter monetary conditions to combat inflation and there was a majority view that 2023 would see a recession.

Having suffered a tough 2022, the market was in no mood to be caught out and views were understandably negative. This outlook was hard to shake off and even as 2023 saw bouts of good news, the general view was still negative, and was maintained until the last months of the year.

Sentiment swung back and forth, rebounding from recession fears at the start of the year, with the banking crisis in the US, to the hope of resilient growth over the summer. The mantra of 'higher for longer' for interest rates persisted, however, we ended the year with the possibility of future interest rate cuts.

> Driving this view was an inflation rate that started stubbornly high at the beginning of the year, before falling as the year progressed, with the most recent figure for November surprising expectations on the downside (meaning it was lower than anyone had forecast).



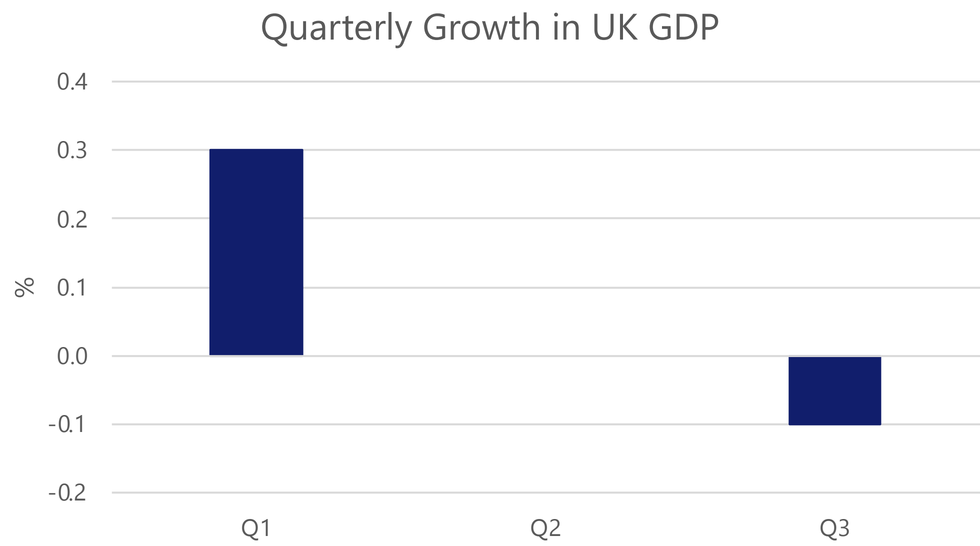
This relieved the Bank of England from the immediate pressure to continuously raise rates. However, it remained crucial for policymakers to observe a consistent trend of decreasing inflation. The Bank persisted in raising rates throughout the summer, pausing only when other global policymakers reached the same conclusion that inflation was receding.

With inflation falling, attention changed to the economy, where tighter monetary conditions (i.e. reducing the money supply and availability of money, and increasing its cost) to curb rising inflation, had limited the conditions for economic growth. Higher interest rates pose a challenge to economic growth as they increase the cost of financing for companies and incentivise consumers to save rather than spend.

GDP stands for Gross Domestic Product and is the value of all the goods and services produced in the country, showing the size of the economy. The growth of GDP measures whether the economy is growing or shrinking. We can see in Q1 the economy grew, while in Q2 it remained flat (the reading for Q2 is zero). The latest reading for Q3 shows the economy shrunk.

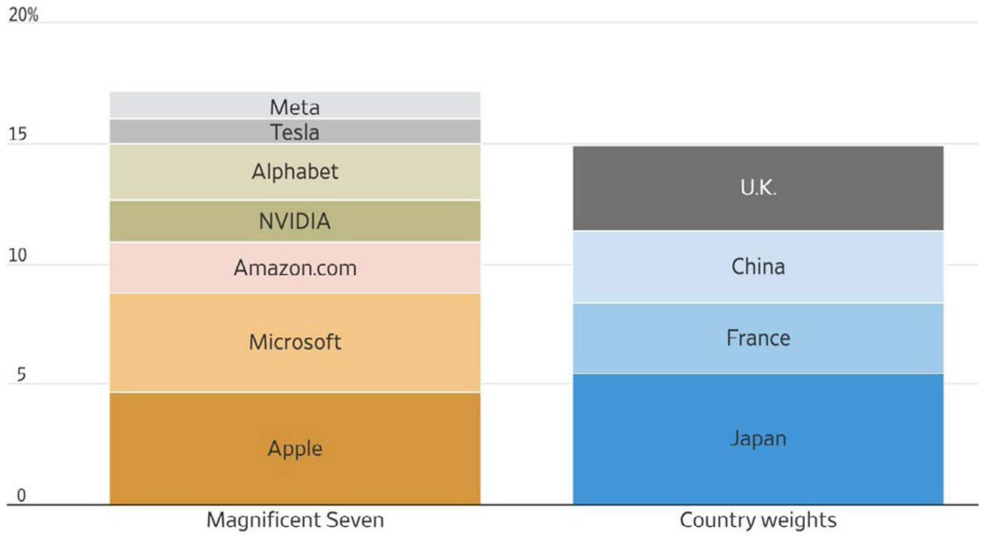
Although it appears that inflation has been successfully addressed, the outcome has been an economy that is faltering and weakening. This forms the basis for the perspective that we have not only surpassed the peak in the interest rate cycle, but have also transitioned from the expectation of 'higher for longer' to the potential for interest rate cuts. The rationale behind this shift is that central banks are expected to transition from restrictive policies to measures theoretically designed to support the economy.

In 2023, the market's attention was captivated by the theme of Artificial Intelligence, embodied by a select group of major technology companies known as 'The Magnificent Seven.' The surge in these stocks contributed to a heightened concentration in market capitalisation-weighted indices. These indices are constructed in a way that assigns greater weight to larger companies relative to their size compared to other components. In the MSCI All Country World Index, the combined representative weight of 'The Magnificent Seven' surpassed the combined allocation to Japan, France, China, and the UK.



Source: Office for National Statistics

Weighting in the MSCI All Country World Index



While acknowledging the excellence of these companies, we emphasise the significance of diversifying exposure across various sectors. This becomes crucial for maintaining a well-rounded investment portfolio. The events of the past year underscore the importance of adopting a perspective beyond calendar years and not allowing one challenging period to alter long-standing investment beliefs. The wisdom lies in cultivating a global multi-asset portfolio with geographical diversification, steering clear of the temptation of concentrated exposure to potentially overvalued thematic stocks. Successful long-term investing demands patience and a steadfast philosophy, principles that have consistently benefited our clients over the past two decades.

Source: MSCI and Allspring Global Investments.

How has this affected my Portfolio?

Returns (%)	
	Portfolio
Ethical Cautious	6.2
Ethical Balanced	7.2
Ethical Growth	7.6

The strong performance of the Ethical portfolios over the final three months of 2023 was reflective of the starkly different economic and market conditions experienced across each month. October saw a continuation of the higher interest rate dynamic which has prevailed since early 2022. This was driven by concerns about the amount of borrowing the US Treasury would be required to undertake in order to finance the fact that the government is spending more than it raised in taxes.

These concerns, and the higher interest rates they entailed, dissipated exceptionally rapidly in the final two months of the year. Throughout November and December markets continued to see tangible evidence that the challenge of inflation is largely behind us, and that central banks in general, and the US Federal Reserve in particular, have finished raising interest rates for this cycle. This led to a festive rally in assets across multiple markets from Equities to Fixed Income.

The MSCI All Country World Index of global equities was up +6.4% for the quarter, while the GBP hedged Bloomberg Global Aggregate Index of high-quality fixed income rallied +5.8%. The Bloomberg Global High Yield Corporate Index was up +7.0%, which illustrates the slightly low-quality nature of the rally as the most distressed debt of the most indebted companies rallied the most. Similarly, when we look within equity markets, smaller companies rallied aggressively relative to their "large capitalisation" peers.

Following on from the strong returns experienced in the fourth quarter of 2023, we are mindful of retaining a high-quality and diversified focus for the portfolios. As discussed above, many low-quality assets, such as the equity and debt of stressed companies, rallied hard into the end of the year. These firms could face a challenging environment in 2024 as their cost of capital remains at some of the highest levels of the past two decades – a particular challenge for those looking to issue more debt, for instance.

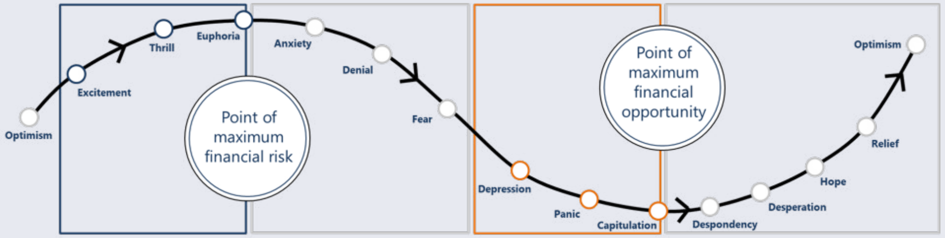
We are pleased with the absolute and relative returns generated by the portfolios in 2023, a year whereby the headlines were often dominated by rapidly changing macro sentiment, armed conflict and political strife.

> Given many components of high-quality Fixed Income and global equity markets remain at attractive valuations, we think a globally-diverse, multi-asset portfolio is well positioned to meet long-term investment requirements for years to come.

What do we think will happen?

The narrative has changed from being fearful to being optimistic. While 2023 was predominantly about how high interest rates would go, 2024 will likely be about how quickly will interest rates come down.

It is a significant change from just twelve months ago and referring to the cycle of market emotions image below, the market has moved from 'depression, panic, and capitulation' to 'hope, relief, and arguably, optimism.'



The end of 2023 saw significantly positive performance from both global equities and global bonds, giving both core asset classes a positive return for the year. A dramatic change from the previous calendar year which saw both global equities and global bonds post negative returns.

The foundations for feeling more optimistic about the coming year have been the removal of one of the biggest impediments to investment performance. The market is expecting rate cuts to be the next move from central banks, which provides a more favourable environment for bonds and equities in general. In the same way central banks were slow to react to rising inflation, it may take central banks longer to react to slowing inflation and deteriorating economic data. Markets continue to expect imminent rate cuts as central banks switch attention from being defensive around inflation, to supportive around growth.

The overall view is that 2024 should be favourable, albeit another year that is laced with volatility; markets do not move in a straight line. However, we do remain cognisant of the risk that if inflation does not continue to move downwards, then conditions for more interest rate hikes could arise. This is certainly not our base case, but something that does support the continued need to be appropriately diversified.

Politics

Having had a dearth in 2023, we are due a bumper harvest of elections in 2024. 76 countries are set to vote this year, representing over half of the world's population and almost 60% of the economic size of the planet.

The first key election will be this month, as Taiwan's vote may be key in determining future relations with China. Followed by the main elections that the media will be focusing on, which will be the UK General Election and the US President Election in November. Not only will America be voting for their next president, but they will also be deciding on the entire House of Representatives and a third of Senate. Significant change for US politics.

Before that change comes around, the incumbent politicians need to avoid kicking the can down the road again and decide on the US debt ceiling. In the last quarter of 2023, policymakers failed to agree on a new spending limit and a closure of the US government came close to the edge. Having deferred the

2024 Elections	Total	Global Share
Number of Countries Voting	76	39%
Population (Billions)	4.2	51%
GDP (USD, Trillions)	65.8	59%

Source: IMF, and Goldman Sachs Asset Management, as at 13/11/2023.

decision twice, it was decided to split the debate on funding into two and have two shutdown deadlines:

- 19th January 2024: priority was given to military, construction, transportation, housing, and energy sectors.
- 2nd February 2024: anything not covered in the first decision will be funded up to this date.

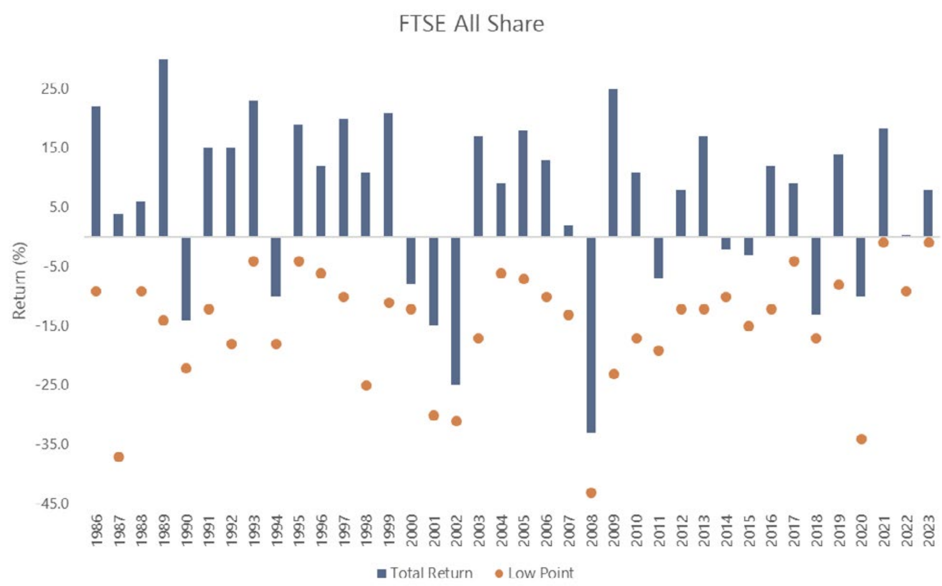
So, while certain risks can be argued to have dissipated, others have remerged. This is an opportunity for all investors to remind themselves of the importance of being resilient in all market conditions and stay invested.

Time in the markets

Sentiment shifted back and forth during 2023 and gave investors the opportunity to capitulate. One of the keys to long-term investing is being emotionally robust and not becoming too fearful during the difficult times and conversely, not becoming too greedy during the better times. A consistent approach is best and staying invested throughout is one of the methods to achieve better long-term returns.

The end of 2023 gave us a positive equity market in the UK. Using the FTSE All Share Index as a broad measure of UK listed companies, shows a positive return and one that was above the long-term average of 6% since 1986. The orange dots represent the lowest point in the index during the calendar year, with 2023 having a drawdown of less than -1%.

The chart shows 38 years of which 27 have been positive. If you have stayed invested throughout and ignored the fear of the low points, you would have put probability in your favour and increased your potential long-term returns.



Positioning & Strategy

We believe that Asset Allocation is the key determinant of investor returns. We achieve this by building your portfolio by blending Equities, Fixed Income, and Property & Real Assets to achieve the optimal mix for your risk profile. We diversify across asset classes, geography, manager, and style.

We build your portfolio in three stages:

1. Strategic View

Our long-term Strategic Asset Allocation is reviewed on an annual basis to ensure the mix and weighting of each asset class is appropriate for each risk profile.

2. Tactical View

On a monthly basis, the YOU Investment and Asset Allocation Committee sits and considers and proposes potential tilts to asset allocation weightings.

3. Manager Selection

On a monthly basis, the YOU Investment and Asset Allocation Committee sits and considers and proposes potential changes to the managers used within your portfolios.

In the Ethical Model Portfolio Service, we select ‘active’ funds to enhance portfolio returns.

Current Strategic and Tactical Positioning

Strategic Positioning

There are three Ethical Model Portfolio risk profiles – Cautious, Balanced, and Growth. Each risk profile has a strategic neutral equity weighting e.g. The Ethical Balanced model portfolio has a neutral equity allocation of 50%. The balance of the portfolio is made up of 'diversifier' asset classes such as Fixed Income and Property and Real Assets.

We are currently positioning clients at neutral across all three risk profiles.

Tactical Positioning

There were no changes to the Tactical Asset Allocation (TAA) of the Funds over the quarter.

Within Equities, we remain overweight UK Equities and underweight Continental European Equities. We remain neutral on Equities vs diversifiers overall.

Factor	Overweight
+3	UK Equities

Factor	Underweight
-3	European Equities

UK Equities: +3%

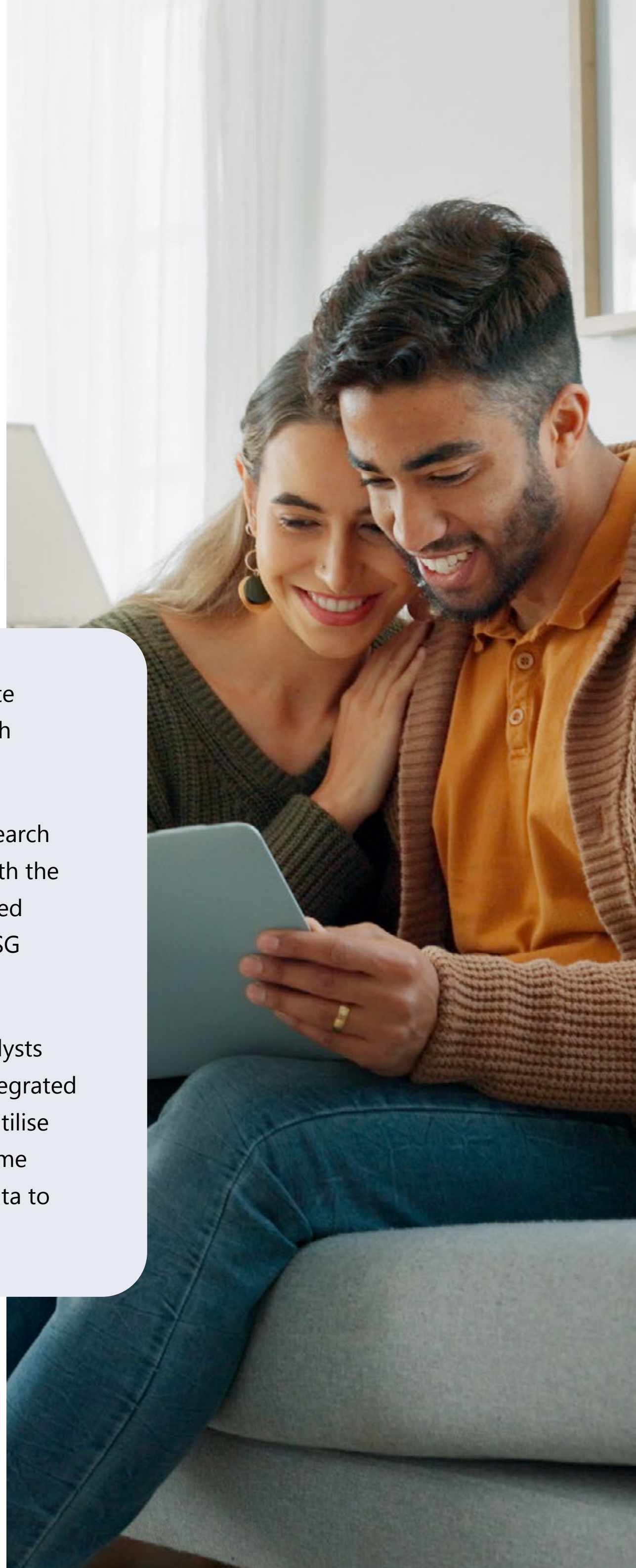
The UK market remains unloved, despite the recent significant positive revisions to UK GDP data. The asset class is attractively valued on an absolute and relative basis, particularly when looking at small and medium-sized companies.

European Equities: -3%

As evidenced by recent weak economic data and increasing bankruptcies across multiple EU sectors, we believe economic risks remain in Europe and the difficulty of executing a coherent monetary policy across 27 disparate nations is a challenge. European equity valuations look less attractive compared to the UK which informs our underweight position.

Manager Selection

The following changes were made within your Fund during the quarter:



Fixed Income

Selling:

Federated Hermes Absolute Return Credit

Buying:

JP Morgan Global Bond Opportunities Sustainable

- Following a disappointing review meeting with Federated Hermes Absolute Return Credit Fund, we decided to implement a switch into the Subs Bench manager, JP Morgan Global Bond Opportunities Sustainable Fund.
- JP Morgan's Fund has a deep team of 5 portfolio managers, 74 career research analysts and an extensive team of sustainable analysts who collaborate with the credit analysts on ESG related research. The fund adopts a highly disciplined approach and is explicitly sustainable with three pillars in the approach: ESG Integration, Exclusions, and Positive Tilt.
- Within JP Morgan's credit research team, there are 74 career research analysts who cover all fixed income sectors. Financially material ESG factors are integrated into their core fundamental, quantitative, and technical framework. They utilise a proprietary scoring framework that addresses nuances across fixed income sectors. Internal Quantitative ESG scores are combined with third-party data to complement their views.

Property & Real Assets

Buying:

Clearbridge Global Infrastructure Income Fund

- Clearbridge is an Australia based, infrastructure equity specialist with a deep team of highly experienced global infrastructure specialists. They are a wholly owned subsidiary of Franklin Templeton, benefiting from the significant operational infrastructure that this brings in terms of analytics, technology, trading and compliance.
- With the fund now reporting their alignment to UN Sustainable Development Goals (UN SDGs), this fund was added to the Ethical MPS in order to bring greater diversification to the Property & Real Assets component. This component focuses on assets that have some embedded sensitivity to inflation and many infrastructure companies have their revenues and pricing contractually linked to inflation. The addition also comes at a point where we believe there is significant upside opportunity across infrastructure assets globally.

YOU - Glossary of Terms

KEY | Term
Explanation

Absolute return strategy

An investment strategy that aims to deliver positive returns whatever the market does, rather than simply aiming to outperform a benchmark index.

Asset allocation

An investment strategy that aims to balance risk and reward based on each client's needs across asset classes and/or markets. For example, a fund may hold a combination of shares, bonds and cash. The weightings given vary according to the investment objective and the investment outlook.

Diversifiers

Diversifiers, as the name may suggest, are investments that provide exposure to assets that tend to behave differently from traditional stock and bonds. These investments can help improve the risk-reward characteristics of a portfolio - that is, offer investors the potential to earn a higher return per unit of risk - because they are less correlated, earning cash flows from different sources.

Equities

A share in ownership of a company. Equities in trading are portions of ownership in a public-listed company. Equity is bought and sold in the form of shares or stocks, which are issued by companies as a way to raise money. When you buy equity, you are taking ownership of a small portion of that company.

Fixed income asset class

Fixed income is an asset class that is a commonly held investment because it helps preserve capital. Fixed-income investments, or bonds as they are commonly known, typically provide a premium above inflation and experience less return volatility compared with shares.

Fixed income exposure

Fixed income exposure refers to the investment allocation or percentage of a portfolio that is dedicated to fixed income securities. Fixed income securities are financial instruments that provide regular fixed payments to investors over a specified period. They typically include government bonds, corporate bonds, municipal bonds, and other debt instruments.

Strategic bond fund

Strategic bond funds are a type of mutual fund or investment vehicle that invests in a diversified portfolio of fixed income securities, including government bonds, corporate bonds, high-yield bonds, and other debt instruments. Unlike traditional bond funds that follow a specific benchmark or index, strategic bond funds have the flexibility to actively manage their portfolios by dynamically adjusting their allocation based on market conditions and their investment manager's discretion.

YOU Asset Management Team

Core YOU Team

Derrick Dunne

Chief Executive

Shane Balkham

Client Investment Director

Nick Heath

Client Relationship Manager

Chris Ayton

Fund Manager

Cormac Nevin

Fund Manager

Millan Chauhan

Investment Analyst

Ilaria Massei

Investment Analyst

Ashwin Gurung

Investment Analyst

Dominic Williams

Investment Analyst

Peter Griffin

Operations Director

Kira Parker

Investment Administration Manager

Conor Cassidy

Investment Administration Specialist

Maddie O'Connor

Investment Administration Specialist

Linda Afari

Investment Administration Specialist

Support to the YOU Team

Steven Poulton

Compliance Director

Ceris Hymas

Head of Marketing & Communications

Emma Sheldon

Senior Marketing & Communications Executive

Mary Fyfe

Group Head of HR

Inspired by our clients

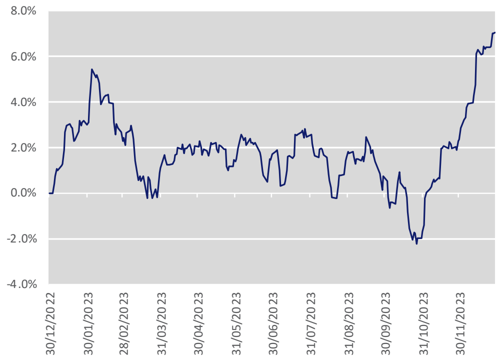
Portfolio Holdings

Fund	Allocation	Qtr %	1 Year %	
Cash				
Cash	5.0%	0.00	0.00	
Fixed Income				
JPM Global Bond Opportunities Sustainable	18.0%	6.1%	5.7%	
PIMCO Global Bond ESG	15.0%	6.1%	6.7%	
Robeco SAM Global SDG Credits IH	15.0%	7.3%	7.3%	
Property & Real Assets				
Schroder Global Cities Real Estate	8.5%	13.4%	11.1%	
ClearBridge Global Infrastructure Income	8.5%	10.4%	0.8%	
UK Equity				
Janus Henderson - UK Responsible Income	6.5%	8.9%	13.1%	
Royal London Sustainable Leaders Trust	6.5%	4.4%	10.7%	
Europe Ex-UK Equity				
River & Mercantile European	6.6%	7.2%	6.6%	
Global Developed Market Equity				
Brown Advisory Global Leaders Sustainable	5.2%	9.8%	17.9%	
Janus Henderson - Global Sustainable Equity	5.2%	9.1%	16.0%	

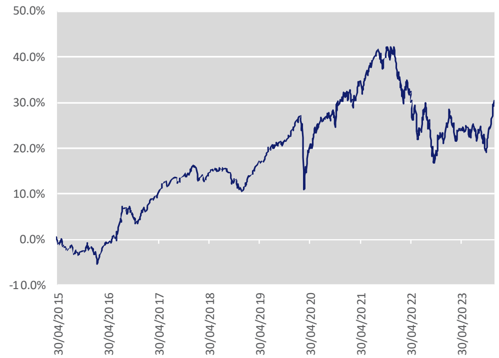
This Portfolio invests mainly in Cash and Fixed Interest and is suitable for investors who wish to protect their capital with a minimal amount of risk.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Ethical Cautious	Portfolio	6.2%	7.0%	-0.7%	18.1%	30.4%	3.1%

12 Months Performance



Since Launch Performance



Asset Class	Strategic (%)	Tactical (%)
Cash	5	5
Fixed Income	48	48
Property & Real Assets	17	17
Absolute Return	-	-
UK Equity	10.5	13
US Equity	-	-
Europe ex-UK Equity	9.3	6.6
Japanese Equity	-	-
Global Emerging Market Equity	-	-
Global Developed Market Equity	10.2	10.4

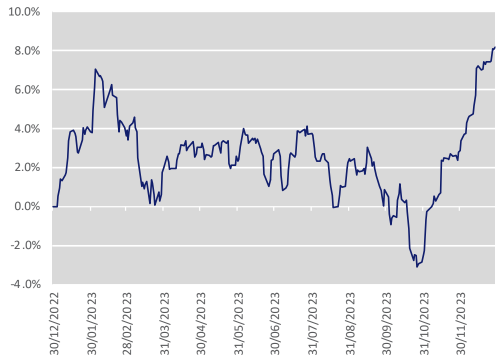
Fund	Allocation	Qtr %	1 Year %	
Cash				
Cash	2.0%	0.00	0.00	
Fixed Income				
JPM Global Bond Opportunities Sustainable	7%	6.1%	5.7%	
PIMCO Global Bond ESG	12%	6.1%	6.7%	
Robeco SAM Global SDG Credits IH	12%	7.3%	7.3%	
Property & Real Assets				
Schroder Global Cities Real Estate	8.5%	13.4%	11.1%	
ClearBridge Global Infrastructure Income	8.5%	10.4%	0.8%	
UK Equity				
Royal London Sustainable Leaders Trust	10.8%	4.4%	10.7%	
Janus Henderson - UK Responsible Income	10.8%	8.9%	13.1%	
Europe Ex-UK Equity				
River & Mercantile European	10.9%	7.2%	6.6%	
Global Developed Market Equity				
Janus Henderson - Global Sustainable Equity	8.7%	9.1%	16.0%	
Brown Advisory Global Leaders Sustainable	8.8%	9.8%	17.9%	

Portfolio Holdings

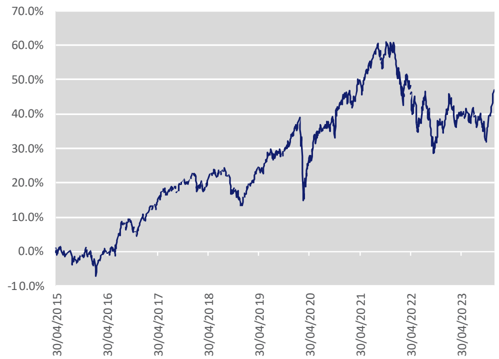
Invests in a moderate amount of Fixed Interest, with a greater proportion in Equities and Property. It is suitable for investors who wish to increase the chances of reasonable returns and still protect capital, if possible.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Ethical Balanced	Portfolio	7.2%	8.2%	2.0%	29.9%	47.3%	4.6%

12 Months Performance



Since Launch Performance



Asset Class	Strategic (%)	Tactical (%)
Cash	2	2
Fixed Income	31	31
Property & Real Assets	17	17
Absolute Return	-	-
UK Equity	17.5	21.6
US Equity	-	-
Europe ex-UK Equity	15.6	10.9
Japanese Equity	-	-
Global Emerging Market Equity	-	-
Global Developed Market Equity	16.9	17.5

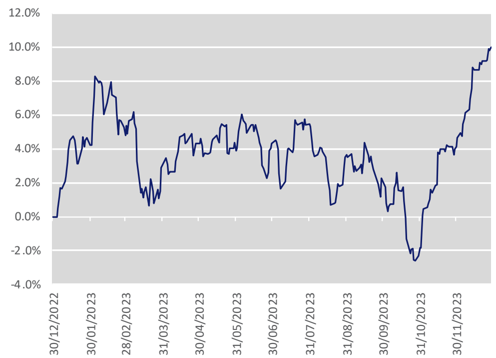
Portfolio Holdings

Fund	Allocation	Qtr %	1 Year %	
Cash				
Cash	2.0%	0.00	0.00	
Fixed Income				
PIMCO Global Bond ESG	5.0%	6.1%	6.7%	
Robeco SAM Global SDG Credits IH	5.0%	7.3%	7.3%	
Property & Real Assets				
Schroder Global Cities Real Estate	4.0%	13.4%	11.1%	
ClearBridge Global Infrastructure Income	4.0%	10.4%	0.8%	
UK Equity				
Royal London Sustainable Leaders Trust	17.3%	4.4%	10.7%	
Janus Henderson - UK Responsible Income	17.3%	8.9%	13.1%	
Europe Ex-UK Equity				
River & Mercantile European	17.5%	7.2%	6.6%	
Global Developed Market Equity				
Janus Henderson - Global Sustainable Equity	13.9%	9.1%	16.0%	
Brown Advisory Global Leaders Sustainable	14.0%	9.8%	17.9%	

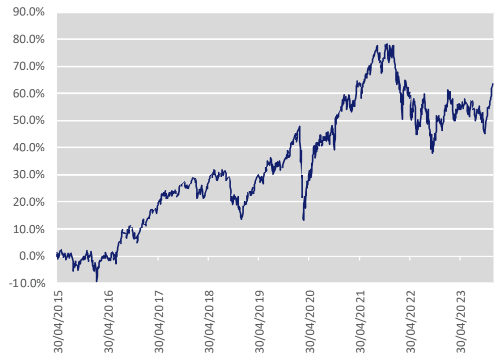
This Portfolio invests mainly in Equities and some specialist Equities in order to obtain diversification. It is suitable for investors who are prepared to take some investment risk to improve long-term returns, where these are more important than capital protection.

		QTR	1YR	3YR	5YR	LAUNCH	ANNUALISED
Ethical Growth	Portfolio	7.6%	10.0%	5.2%	43.0%	63.8%	5.9%

12 Months Performance



Since Launch Performance



Asset Class	Strategic (%)	Tactical (%)
Cash	2	2
Fixed Income	10	10
Property & Real Assets	8	8
Absolute Return	-	-
UK Equity	28.1	34.6
US Equity	-	-
Europe ex-UK Equity	24.9	17.5
Japanese Equity	-	-
Global Emerging Market Equity	-	-
Global Developed Market Equity	27	27.9

How is your money doing good?

We are focused on ensuring that you receive appropriately risk managed returns from your portfolio. We are equally motivated in providing evidence that your money is being used for good. That is what our Ethical model portfolios are aiming to deliver: appropriate returns that are making the world a better place.

We have already shown how the Ethical model portfolios have performed over the past quarter, and over longer time periods. This section is now dedicated on showing and educating you, how the Ethical model portfolios are invested to improve the world and its population. We look to ensure that the underlying funds are signed up to the UN Principles for Responsible Investing (PRI) and that the underlying companies they invest in can be mapped across to the UN Sustainable Develop Goals (SDG).

UN Principles for Responsible Investing

The six Principles for Responsible Investing (PRI) are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. In signing up for the PRI, a fund group publicly commits to adopt and implement the Principles, and to align its investment activities with the broader interests of society.

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

UN Sustainable Development Goals

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. All of the 17 goals are connected, which means that action in one area will affect outcomes in others, and that development must balance social, economic, and environmental sustainability.

Through the pledge to Leave No One Behind, countries have committed to fast-track progress for those furthest behind first. That is why the SDGs are designed to bring the world to several life-changing 'zeros', including zero poverty, hunger, AIDS and discrimination against women and girls. Everyone is needed to reach these ambitious targets. The creativity, knowhow, technology, and financial resources from all of society is necessary to achieve the SDGs in every context. While fund groups can sign up to the PRI, they cannot sign up to the SDGs, as this is for countries. However, the companies which they invest will look to work towards these goals, as through these we can map across to the SGDs and show what good your money is being used for.

- 103 countries have agreed to integrate the SDGs into their national planning.
- Over 100 requests have been received from governments to enhance their Nationally Determined Contributions, which are at the heart of The Paris Agreement to reduce national emissions and adapt to climate change.
- Over 100 countries have agreed to support youth empowerment for sustainable development.

End poverty in all its forms everywhere.

Millions of people around the world lack the basic resources to enjoy a decent life. Goal 1 will make sure that everyone has access to food, shelter, clothing, healthcare, and education, so they can fully participate in society.

End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

While there is food available to feed everyone, so many people, including children, still do not have enough food to eat. Goal 2 focuses on addressing poor agricultural practices, food waste and environment degradation to ensure no one goes hungry.

Ensure healthy lives and promote well-being for all at all ages.

When people are in good health, societies prosper. While a lot has been done to reduce the impact of HIV/AIDS, malaria and other diseases in recent years, real progress can only be achieved when everyone, including women and children, have access to good healthcare.

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Access to education can help lift people out of poverty, bring a deeper understanding of the world around us and provide better opportunities for everyone, including girls. This goal is all about ensuring everyone has access to learn no matter who they are or where they are.

Achieve gender equality and empower all women and girls.

Women and girls still suffer discrimination and violence and that is half of the world's population. This goal is about achieving gender quality, through equal access to education, healthcare and decent work, can only benefit societies.

Ensure availability and sustainable management of water and sanitation for all.

There are billions of people all over the world without access to clean water and toilets, a human right that many of us take for granted. Water scarcity and inadequate sanitation has a huge cost, not least of all the number of people, especially children, that die from diseases every year.

Ensure access to affordable, reliable, sustainable, and modern energy for all.

We cannot only talk about providing affordable and reliable energy to the billions who still rely on wood and charcoal for cooking and heating. This goal also underscores the need for clean and renewable energy to help combat climate change.

Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all.

With global unemployment on the rise, we need to find ways to create more jobs that not only provide decent pay but stimulate the economy and provide equal opportunities for both men and women while protecting the environment.

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

In simple terms, this goal states that in order for a society to grow, it should encourage industries that bring opportunities to everyone while protecting the environment. These industries must also be supported by resilient infrastructure such as reliable transport as well as by technological innovation.

Reduce inequality within and among countries.

For real improvements in a society, everyone needs to have the access to opportunities that will let them grow as individuals. But this is not the case in many places where people face discrimination because of their gender, disability status, ethnic or racial group, or background. This goal seeks to make sure everyone everywhere has a chance to live a healthy and happy life.

Make cities and human settlements inclusive, safe, resilient, and sustainable.

Cities are lively hubs for ideas, commerce, culture, science, productivity and much more. But they face many challenges such as pollution, lack of basic services for many citizens, and declining infrastructure. Our cities and villages need to be clean and safe, with good housing and basic services like water and electricity. They also need clean transport systems and green areas that everyone can enjoy.

Ensure sustainable consumption and production patterns.

This goal wants to make us think twice about the things we use, the waste we create, and how that impacts our planet. Changing our behaviour towards more sustainable actions such as recycling really makes a difference when everyone, that includes individuals, companies, and governments, contributes. There are many little things you can do to achieve this goal.

Take urgent action to combat climate change and its impacts.

Our climate has always been changing, but in the past 200 years the changes have been more extreme because of human activity. Climate change is now affecting every country on every continent and the poorest and most vulnerable people are being affect the most. This goal is about finding solutions like renewable energy and clean technologies to fix climate change. But it will take actions from governments, the private sector and civil society organisations to make a significant impact.

Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.

This goal is about protecting the oceans, seas, and all of its species, as they provide food, medicines, and biofuels, as well as jobs for millions of people. Keeping oceans healthy also helps us address climate change.

Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

We are all part of the global ecosystem. This goal is about making sure that we stop all the things that threaten our global home. This includes deforestation, land degradation, and loss of animal and plant species.

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.

Too many people experience war and violence. This goal is about finding ways to make sure everyone lives in a peaceful society, where they can have access to justice, and do not have to live in fear.

17 PARTNERSHIPS FOR THE GOALS

Strengthen the means of implementation and revitalise the global partnership for sustainable development.

To make all the goals a reality will require the participation of everyone. That includes governments, the private sector, civil society organisations, and individual people. It is about joining forces and partnering, so the goals can be achieved faster.

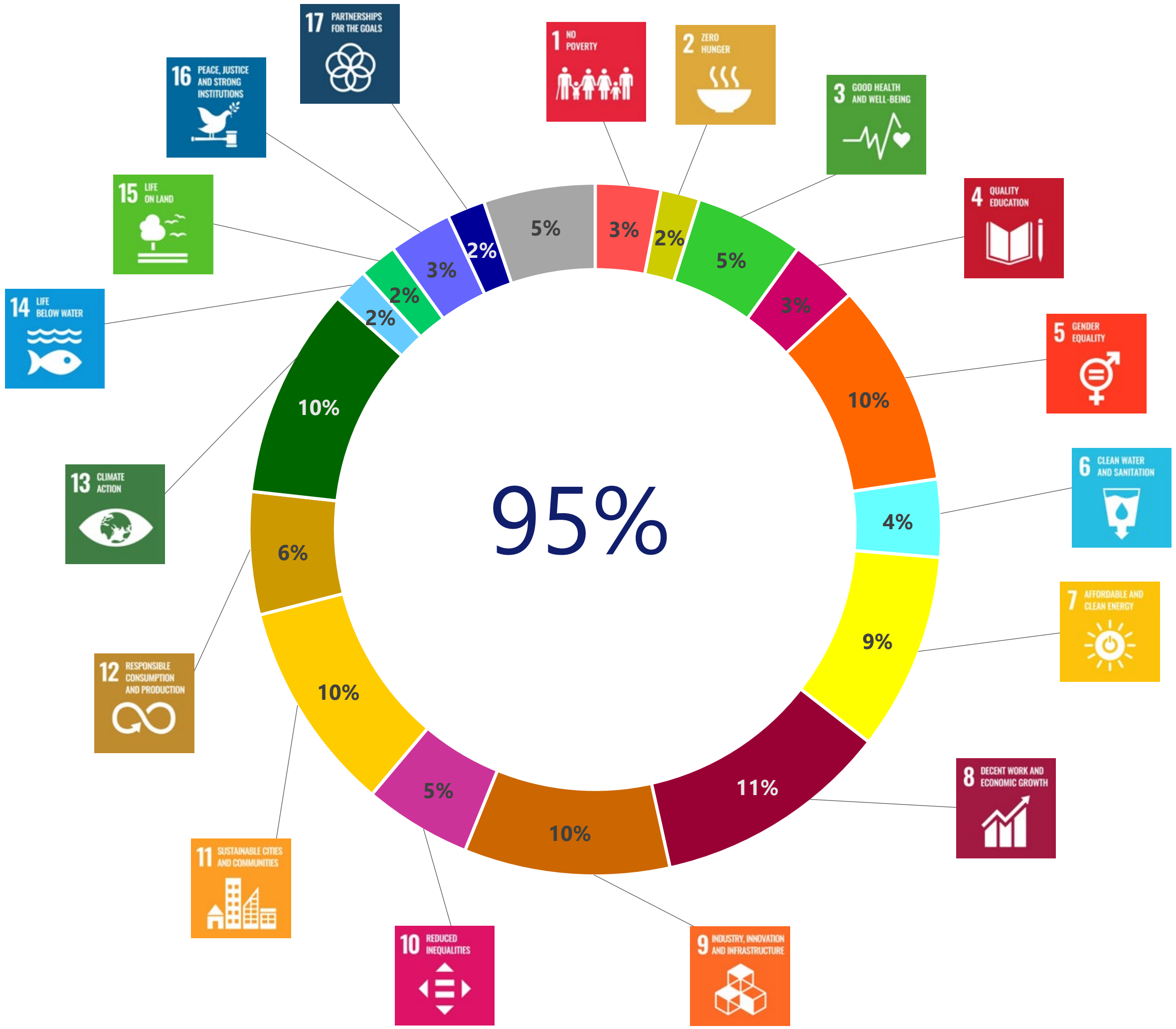
Mapping across to the UN's Sustainable Development Goals – Ethical Cautious

Our cautious model portfolio within the Ethical range can be mapped across to the UN Sustainable Development Goals, through the underlying investments with the individual funds that make up the portfolio.

95% of the portfolio can be directly mapped to the 17 goals, as of 31st December 2023. This clearly shows how your money is being used for good and aligns with the future wellbeing of the planet and its inhabitants.

The portion of your portfolio that does not directly align to the UN Sustainable Development Goals is still being invested ethically, it just contains companies that do not directly align with one of the individual goals.

The mapping across to the UN Sustainable Development Goals will be updated at least every six months, or when significant changes are made to the underlying funds.



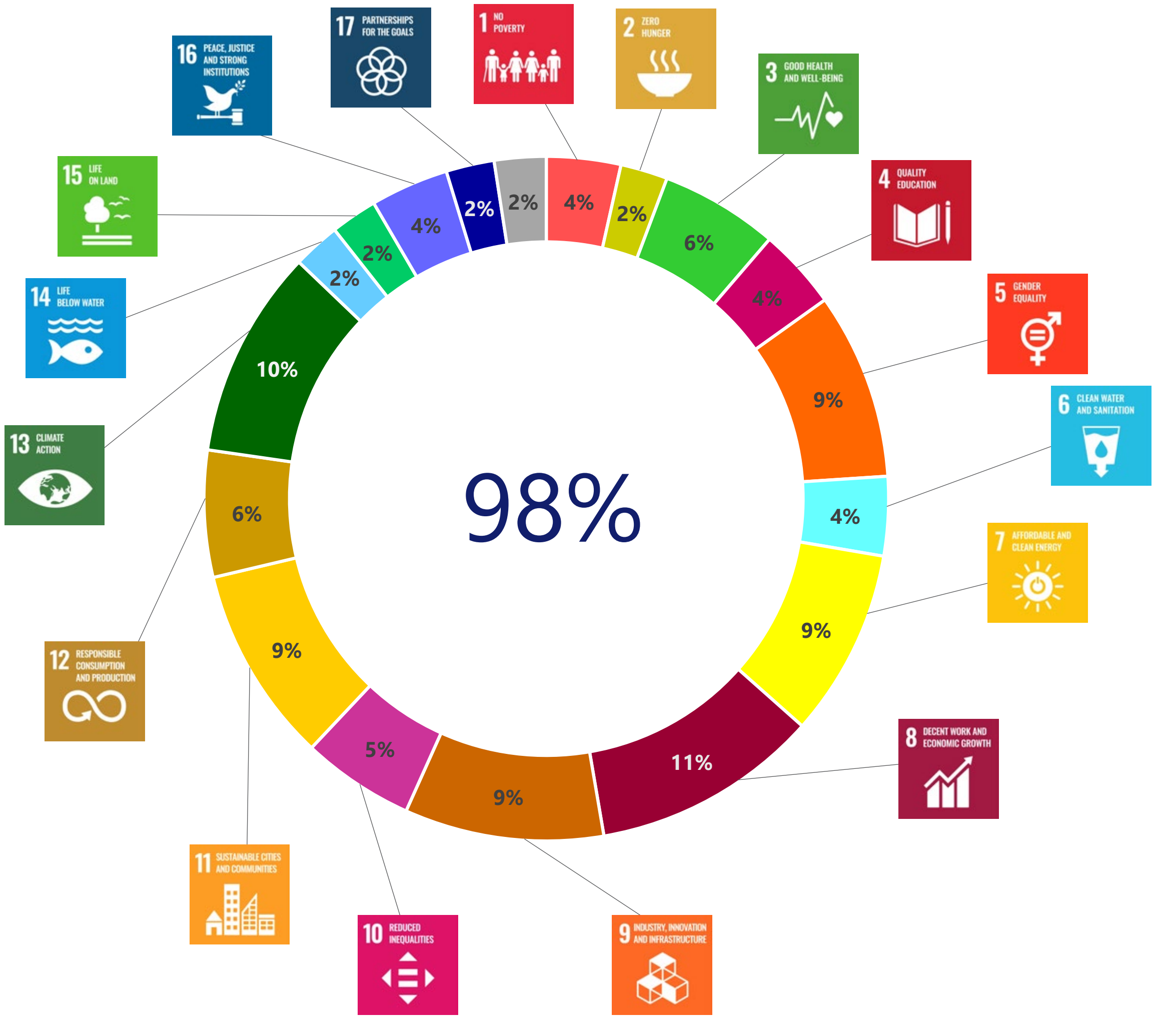
Mapping across to the UN's Sustainable Development Goals – Ethical Balanced

Our balanced model portfolio within the Ethical range can be mapped across to the UN Sustainable Development Goals, through the underlying investments with the individual funds that make up the portfolio.

98% of the portfolio can be directly mapped to the 17 goals, as of 31st December 2023. This clearly shows how your money is being used for good and aligns with the future wellbeing of the planet and its inhabitants.

The portion of your portfolio that does not directly align to the UN Sustainable Development Goals is still being invested ethically, it just contains companies that do not directly align with one of the individual goals.

The mapping across to the UN Sustainable Development Goals will be updated at least every six months, or when significant changes are made to the underlying funds.



Mapping across to the UN's Sustainable Development Goals – Ethical Growth

Our growth model portfolio within the Ethical range can be mapped across to the UN Sustainable Development Goals, through the underlying investments with the individual funds that make up the portfolio.

99% of the portfolio can be directly mapped to the 17 goals, as of 31st December 2023. This clearly shows how your money is being used for good and aligns with the future wellbeing of the planet and its inhabitants.

The portion of your portfolio that does not directly align to the UN Sustainable Development Goals is still being invested ethically, it just contains companies that do not directly align with one of the individual goals.

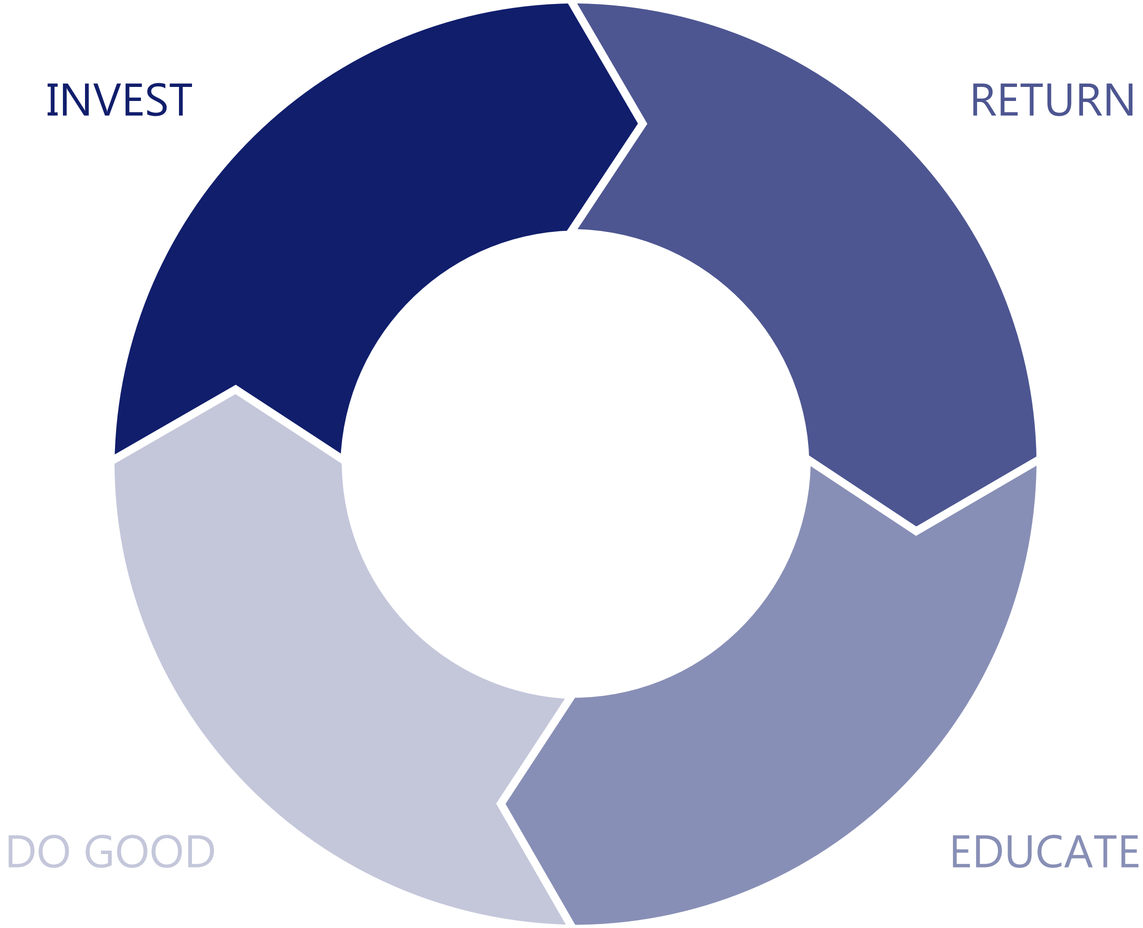
The mapping across to the UN Sustainable Development Goals will be updated at least every six months, or when significant changes are made to the underlying funds.

Invest, return, educate and do good

Now that you understand the robust framework, we implement for our Ethical model portfolios and how the Cautious, Balanced and Growth will map across to the UN's Sustainable Development Goals, we will look at our regular educational part of the quarterly review. This is where we give you a closer look at the numbers behind the goals, the stories in the news and some of the companies that you may be invested with.

- Ethical issues in the news.
- Case studies of the some of the companies that you are invested in.
- The UN's Sustainable Development Goals in focus.

Our commitment to you, is to provide a suitable product for you to invest ethically, to provide an appropriate return for the level of risk being taken, to further educate you on the issues and news stories that could affect your investment and show how your money is doing good for the world.



Ethical issues in the news

In December, the world witnessed the conclusion of COP28, hosted in the United Arab Emirates (UAE) – a setting inherently linked to the oil and gas industry. It was a controversial choice to hold it in the UAE, given the nation's economic reliance on fossil fuels. Additionally, Sultan Al-Jaber, the president of the Dubai gathering, is also the Chair of Abu Dhabi National Oil Company (ADNOC). ADNOC have proposed a $150bn investment over five years to facilitate an "accelerated growth strategy" which includes the expansion of their oil production capacity to 5 million barrels per day by 2027.

The COPs serve as a global forum to collectively address the climate crisis, aiming to limit global temperature rise to 1.5 degrees Celsius, assist vulnerable communities in adapting to climate change effects, and achieve net-zero emissions by 2050.

The summit, attended by over 100,000 delegates - double the number of COP27 - along with 2,000 representatives from fossil fuel companies, began optimistically. A substantial $400 million (£314 million) fund was announced on the first day to aid vulnerable countries in dealing with climate disasters and discussions centred around a potential new climate agreement, with a focus on phasing out all fossil fuels. The total pledged, in aiding vulnerable countries in dealing with climate disasters, now amounts to £700 million considering a similar fund of £300 million agreed upon at COP27. Despite this positive development, the sum falls significantly short of the required £400 billion. Additionally, concerns persist about fund administration, with the World Bank set to manage it for a substantial 24% fee, meaning one in four dollars in the fund will not reach the countries in need.

Surprisingly, COP28 was the first COP to officially recognise fossil fuels as the root cause of climate change. While progress is evident compared to COP26 in 2021, where fossil fuels were first mentioned in an international climate agreement, the language fell short of expectations. The agreement called for a "transition away" from fossil fuels rather than a decisive "phase-out", leaving room for interpretation and introducing a potential loophole through carbon capture and storage.

A positive development is the pledge, signed by 118 countries, committing to tripling renewable energy capacity and doubling global energy efficiency by 2030. Notably, the agreement recognises the role of "transitional fuels" in maintaining energy security temporarily. Green hydrogen also gained attention, with industries committing to scaling up production derived from renewables-based hydrogen.

While the decarbonisation charter signed by over 50 oil companies covering 40% of global production is a step in the right direction, it has limitations. It focuses on net-zero emissions and methane reduction but excludes 60% of global oil and gas production, leaving room for improvement.

The "global stocktake" at COP28 marked the first instance at a COP where they assessed how the international community has reduced greenhouse gas emissions since the 2015 Paris Agreement. The result indicated that the world is significantly behind on the 1.5°C limit agreed upon in Paris.

In conclusion, COP28 presented both progress and challenges on the global climate front. The acknowledgment of fossil fuels as a root cause is significant, though the call for a "transition away" lacks the decisiveness of a complete "phase-out". Financial commitments, while commendable, fall short of the resources needed and positive developments in renewable energy and the decarbonisation charter require broader industry involvement. The path forward demands global cooperation and continuous strategic reassessment for our shared climate future.

Companies that you are invested in: Quality Education

This quarter, our primary focus is on Goal 4 – Quality Education, which is one of the United Nations' Sustainable Development Goals (SDGs). We will examine a couple of underlying investments held within Ethical MPS that are aligned with this goal and contribute to Quality Education.

Brown Advisory's Global Sustainable Leaders invests in Mastercard, a multinational financial services corporation specialising in facilitating electronic funds transfers. As a major player in the global payments industry, Mastercard provides a range of credit, debit, and prepaid card services to businesses and consumers. Its innovative technologies contribute to secure and efficient transactions worldwide. Beyond its core services, Mastercard engages in social initiatives, including programs with an educational focus, aligning with SDG 4.

One such program is Mastercard's "Girls4Tech," an educational initiative designed to inspire and engage young girls in science, technology, engineering, and mathematics (STEM) fields. The program addresses the gender gap in STEM by providing hands-on activities and mentorship opportunities. Girls4Tech focuses on building foundational STEM skills, promoting creativity, and encouraging girls to consider careers in technology. Through interactive workshops and global school partnerships, Mastercard seeks to empower young girls with the knowledge and confidence to pursue STEM-related disciplines and future career paths. As of the end of 2022, the program had reached 5.7 million girls, making it the world's largest STEM program specifically designed for young girls.

Another initiative by Mastercard is the Mastercard Foundation Scholars Program, a social initiative providing scholarships and support to economically disadvantaged young people in Africa. Launched by the Mastercard Foundation, the program aims to empower individuals to contribute to their communities and catalyse positive change. Focused on education and leadership development, it offers comprehensive support, including tuition, accommodation, and other necessities. Scholars are selected based on academic achievements and a demonstrated commitment to social impact. The program is designed to foster a network of skilled and socially conscious leaders contributing to the continent's development. Since its launch in 2012, the program has supported nearly 45,000 young people in Africa in pursuing secondary or tertiary education.

Microsoft

Microsoft is a holding within Janus Henderson's Global Sustainable Equity fund. Renowned as a global technology corporation, Microsoft has been a major force in the computing industry for decades, excelling in software, hardware, and services. Notable products include the Windows operating system, Office productivity suite, and Azure cloud platform. Committed to innovation, Microsoft focuses on developing cutting-edge technologies, from personal computing to artificial intelligence, shaping the digital landscape worldwide. As one of the world's largest companies, providing a vast array of products used by most people on the planet, Microsoft has a strong commitment to the SDGs.

Microsoft identifies specific SDGs where it believes it can have the greatest impact, with one notable goal being Goal 4 – Quality Education. The company supports both the United Nations and the nonprofit ecosystem dedicated to advancing the SDGs.

In collaboration with the International Labour Organisation and its International Training Centre (ITCILO), Microsoft actively supports women entrepreneurs in small and micro-businesses. This collaborative effort aims to provide comprehensive digital business curriculum, including business coaching, mentorship, certifications, and stipend funding for digitising their enterprises. The initiative seeks to impact 30,000 women entrepreneurs across 10 countries, offering them invaluable training and coaching opportunities. The focus is on empowering these women with enhanced digital skills, enabling them to foster growth and innovation within their businesses. Microsoft's commitment to this program reflects dedication to fostering inclusivity and digital empowerment in the business landscape.

Microsoft also supports UNICEF's digital platform, Passport to Earning (P2E). Launched in 2021, this platform addresses the global challenge of youth unemployment and skills gaps. P2E offers free, world-class skills training for young people aged 15–24, collaborating with employers, government partners, and youth advisers to curate job-relevant content. The initiative aims to skill 10 million young people in its initial three-year phase, focusing on bridging gender gaps with a target of 50% young women beneficiaries. Operating in 15 countries, including India, P2E utilises blended learning, local-language content, and the Microsoft Community Training platform. With support from Accenture, Dubai Cares, Microsoft, and UNICEF, P2E pioneers a customisable approach for sustainable skilling, aiming to empower disadvantaged youth globally. The platform has skilled and certified more than a million young people in India in areas of financial literacy and digital productivity, marking a significant step towards helping youth gain skills relevant for the future of work and life. Notably, 62% of all young learners who benefited from P2E courses in India are adolescent girls and young women.

UN's Sustainable Development Goals in Focus – No.4 – Quality Education

Each quarter, we will explore a different Sustainable Development Goal (SDG), examining its significant facts and figures and highlighting why it is a critical issue that affects us all. Goal 4 focuses on "Quality Education". Its primary objective is to ensure inclusive and equitable quality education, fostering lifelong learning opportunities for all.

Quality Education addresses the fundamental need to provide an excellent standard of education globally. Its core objectives include ensuring inclusive and quality education, promoting lifelong learning opportunities, and fostering a supportive environment for academic achievement. Achieving SDG 4 entails tackling various challenges, such as enhancing infrastructure, investing in qualified teachers, and bridging educational disparities.

The significance of SDG 4 extends beyond personal development. It plays a crucial role in shaping societies and economies, contributing to poverty reduction, improved health outcomes, and enhanced social cohesion. Quality education serves as a catalyst for innovation, economic growth, and sustainable development.

Moreover, SDG 4 is intricately connected to broader global challenges. Education is a powerful tool in addressing issues such as poverty, inequality, and gender discrimination. It empowers individuals to break the cycle of poverty, promotes gender equality by providing equal educational opportunities, and fosters social inclusion.

The achievement of SDG 4 also has a ripple effect on other Sustainable Development Goals. Education is both a driver and an outcome of development. For instance, educated communities are better equipped to address health challenges, as education contributes to improved health awareness and practices. Quality education is also linked to environmental sustainability, as an educated populace is more likely to understand and support conservation efforts.

International cooperation is a key aspect of SDG 4, mirroring the interconnected nature of education in a globalised world. Collaboration among nations is essential to share best practices, resources, and expertise. Initiatives like the Global Partnership for Education exemplify the commitment to working collectively to advance education on a global scale.

The progress towards achieving quality education worldwide has shown positive signs. Between 2015 and 2021, there was an increase in primary school completion, as well as lower and upper secondary school completion. However, the progress during this period was notably slower compared to the prior 15 years. Without additional measures, it is estimated that only one in six countries will achieve the universal secondary school completion target by 2030. An estimated 84 million children and young people will still be out of school, and approximately 300 million students will lack the basic numeracy and literacy skills necessary for success in life.

To effectively advance Goal 4, education financing must become a national investment priority. Furthermore, crucial measures such as making education free and compulsory, increasing the number of teachers, improving basic school infrastructure, and embracing digital transformation are essential. By championing this goal, we contribute to a world where education becomes a transformative force, ensuring a brighter and more equitable future for all.

4 QUALITY EDUCATION

Qualitative Research

As part of our research into the Funds that make up the Portfolios, the Investment Management Team meet with as many of the individual Fund Managers, team members and Economists as possible. The following is a list of some of the Fund Managers, Analysts and Strategists our team has met over the past quarter:

Total Meetings This Quarter

Fund Managers	Consultants	Other
47	0	0

Nick Train
- Lindsell Train UK Equity

Tom Walker
- Schroder Global Cities Real Estate

Shayne Dunlap
- Pacific G10 Macro Rates

Mike Fox
- Royal London Sustainable Leaders Trust

Nick Davis
- Polar Capital Europe ex-UK Equity Income

Keita Kubota
- Neuberger Berman Japan Engagement

Roddy Snell
- Baillie Gifford Pacific

Douglas Brodie
- Baillie Gifford Global Discovery

Aziz Hamzaogullari
- Loomis Sayles US Equity Leaders

Vinay Thapar
- Alliance Bernstein American Growth

John Goetz
- Pzena Global Value

Andy Evans
- Schroder Income

General information & important notes

- The Ethical Portfolios one to ten were launched on the 1st April 2015, and merged to form Ethical Cautious, Ethical Balanced and Ethical Growth on 2nd January 2020.
- The calculation date for all performance figures quoted is the 31st December 2023. The Funds shown reflect the current composition of the Ethical Portfolios with effect from the 1st January 2024.
- The performance data in the quarterly review takes into account the components that make up the models up to 31st December 2023. This may include funds that have been sold and would not include funds that were purchased from 1st January 2024. The summary of the holdings is effective from 1st January 2024.
- Past performance is not a guide to future investment returns. The value of investments and the income from them may fluctuate and you may not get back your original investment.
- All the performance information is based on unit holdings priced in GBP (Sterling) unless otherwise stated.
- Where a Fund invests in securities designated in a different country to the Fund, or where an underlying Fund is denominated in a different currency, investments may rise and fall purely as a result of currency rate fluctuations.
- The performance of certain sectors in the recommended asset allocation, are reviewed by the Investment Asset Allocation Committee. They may decide to make tactical decisions to alter the Model asset allocation of each Portfolio for a short period. It is likely that their position on whether to be overweight or underweight in a particular asset class will fluctuate and may be adjusted to reflect any changes in market conditions.
- Fund percentage growth is calculated with income re-invested back into the Fund net of tax. For Fund or sector average benchmarks the percentage growth is also calculated net of tax Performance is bid to bid.
- If you have moved Portfolio during the quarter or have not been fully invested in the Portfolio for the entire quarter then the performance figures quoted in the review will not be the same as you have experienced.
- Investors should note that inflation may occur over the duration of their investment and this may affect the future buying power of their capital.
- Funds with an emphasis on a particular sector or geographical area are exposed to a higher risk of volatility than a Fund which is more broadly diversified.
- Emerging Markets tend to be more volatile than more established stock markets and therefore your money is at greater risk. Other risk factors such as political and economic conditions should also be considered.
- Where a Fund holds a limited number of investments and one or more of those investments declines or is otherwise adversely affected, it may have a more pronounced effect on the Fund value than if a larger number of investments were held.
- Smaller companies have an increased risk of price fluctuation than larger capitalised companies.
- Performance can vary depending on the dates on which switches are carried out and may be considerably different from that quoted.

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