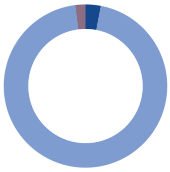
Sustainable Model Portfolio Service

In partnership with LGT Wealth Management

December 2024

EPIM Sustainable Adventurous

Asset allocation



Fixed interest	0%
UK equity	3%
Overseas equity	95%
Alternatives	0%
Cash	2%

Top 10 holdings

AB Sustainable US Thematic Equity	10.00%
Lazard Global Sustainable Equity Fund	8.50%
Janus Henderson Global Sustainable Equity	8.50%
Morgan Stanley Global Sustain	8.50%
Schroder Global Sustainable Value	8.50%
Stewart Investors Worldwide Sustainable	8.50%
Sparinvest Ethical Global Value	8.50%
Polar Emerging Market Stars	7.00%
Stewart Investors Asia Pacific Leaders	7.00%
Ninety One Global Environment	5.00%

Portfolio information

Launch date	1 June 2020
Minimum cash holding	2%
Annual management charge	0.3%
Total Cost of Investment	0.79%

Portfolio description

The primary objective of this portfolio is to achieve high levels of capital growth. The portfolio is diversified across a range of asset classes, with a significant allocation to funds investing in equities (up to 100%) and other risk assets. Target volatility: 10%-16%

Sustainable philosophy

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.

Monthly investment update

December concluded a politically turbulent year marked by significant global shifts. European instability intensified as France and Germany's governments collapsed, and martial law was declared in South Korea, spurring protests. These events underscored a global appetite for change, setting a transformative tone for 2025.

Equity markets faced volatility in December; the S&P 500 dipped 2.4% in December but closed 2024 with a 25% gain. Technology stocks continued to dominate, with the Magnificent 7 surging 6.3%. In contrast, interest rate-sensitive sectors struggled as bond yields climbed. The Russell 2000 fell over 8% in December, though it ended the year up 11.5%. European markets were mixed; French equities benefitted from Chinese stimulus which boosted luxury goods, while the FTSE 100 and EuroStoxx 600 underperformed.

The US Federal Reserve cut rates for a third time in 2024 but signalled a slower pace ahead amid Trump's deregulatory agenda. The Bank of England held rates steady at 4.75%, balancing inflation concerns and a softening economy. Meanwhile, the ECB is preparing continued rate cuts as Germany grapples with recessionary pressures. Trump's return to power promises policy shifts, including tariffs and deregulation, with uncertain economic consequences. Amid these challenges, the focus remains on resilient businesses and long-term strategies to navigate global instability effectively.

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Performance

Source: Morningstar

	As at end of December 2024
1 month	-2.29%
3 month	-0.06%
6 month	1.99%
1 year	7.78%
3 year	-2.34%

	Target
Volatility	10 to 16%
Return	7 to 10%
Potential drawdown	-25.0%

	Yield
Assumed yield	0.81%
Dividend	98%
Savings	2%

Where targets are given, these are for indication purposes only; the actual figures achieved could be more or less than the ranges given. Source: Morningstar. Net of underlying fund costs, gross of all other charges. Source: Figaro. Fixed income considered saving income, all other asset classes (bar cash) considered dividend income.