Canaccord Genuity Wealth Management

January 2025

Risk Profile 3 Sustainability Screened Portfolio

ARC data is confirmed until 31 December 2024.

Inflation Source:

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Performance

The performance illustration represents the performance of the Risk Profile using the historic data from the Psigma portfolio until 30/09/2022 and the CGWM Sustainable Investment Service (SIS) thereafter. All performance figures are shown net of underlying fund charges and net of the Annual Management Charge 'AMC' of 0.50%. Fees charged by any Financial Adviser are not taken into account.

Glossary

Annualised volatility: risk is measured by the variability of performance. The higher the standard deviation, the greater the variability (and therefore the risk) of the Fund or the index.

Maximum historic loss: is the maximum loss from peak to trough in an investment's history. The figures are indicative and will depend on circumstance.

Sharpe ratio: measures the risk/return trade-off. It is the annualised return less the average risk-free rate, divided by the annualised volatility of the model.

This document is intended to aid a wider discussion between clients and their investment and/or financial adviser about this investment portfolio. It is for information purposes only and is not to be construed as a solicitation or an offer to purchase or sell investments, address the financial situations or needs of any specific investor nor is it deemed to be a form of advice to invest in this portfolio. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment and/or financial adviser.

The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested.

Past performance is not a guide to future performance.

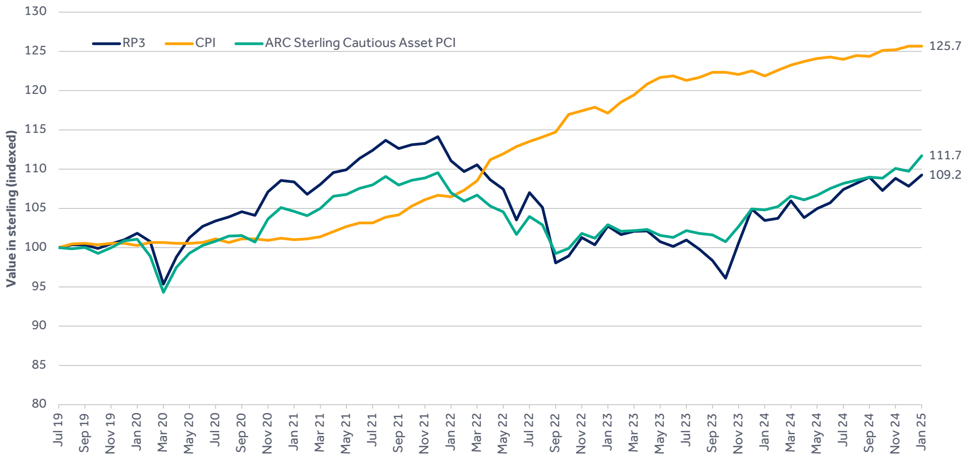
Levels and bases for taxation may change.

Figures represent performance of a model portfolio, investors should note that individual account performance may differ.

Investment objective

Our objective for this strategy is to achieve a return of inflation +2% over a minimum rolling period of seven years. The Sustainability Screened portfolio will use investments that consider sustainable investing criteria alongside traditional financial metrics. A proportion of the overall return will come from the income generated. The strategy is designed to generate risk adjusted returns over the suggested time horizon. An active screening approach is used to select potential portfolio allocations. The portfolio will predominantly be exposed to funds that consider sustainability factors alongside traditional financial metrics in tandem with the primary focus on generating risk adjusted returns. The portfolio will have exposure to diversifying investments that might not have a sustainability focus. Despite the inclusion of such assets, the performance and the volatility profile could still differ from a traditional discretionary portfolio with the same asset allocation. There are certain areas of the market that the portfolio will have limited or no exposure to, but it is important to note that exclusions are implemented by different fund managers in different ways. The risk profile of this strategy can mean exposure to companies that might be excluded by other sustainable portfolios.Investors in the Risk Profile 3 strategy are prepared to accept occasional moderate capital losses in order to achieve slightly higher total returns.

Performance since inception (31/07/2019)



Past performance is not a guide to future performance. ARC data is confirmed until December 2024. From January 2025 the data is based on estimates from ARC and is subject to change.

Discrete performance (%)

Total return as at 31/01/2025.

	2025 YTD*	2024	2023	2022	2021	2020	2019
Model	**+1.3**	**+2.8**	**+4.5**	**-12.1**	**+5.1**	**+7.5**	**+1.0**
CPI	**+0.0**	**+2.6**	**+3.9**	**+10.5**	**+5.4**	**+0.6**	**+0.6**
ARC Sterling Cautious PCI	**+1.8**	**+4.4**	**+3.7**	**-7.6**	**+4.2**	**+4.2**	**+0.9**

* 2025 YTD is data for year to date from 01 January 2025 to 31 January 2025

Cumulative performance (%)

Total return from inception to 31/01/2025.

	3 Months	1 Year	3 Years	5 Years	Inception (31/07/2019)
Model	**+1.8**	**+5.6**	**-1.6**	**+7.3**	**+9.3**
CPI	**+0.4**	**+3.1**	**+18.0**	**+25.3**	**+25.7**
ARC Sterling Balanced PCI	**+2.6**	**+6.6**	**+4.6**	**+10.5**	**+11.7**

Risk & return since inception (%)

	Model	CPI	ARC Sterling Cautious PCI
Annualised volatility	**+6.8**	**+1.8**	**+4.8**
Maximum historic loss	**-15.8**	**+0.6**	**-9.4**
Sharpe ratio	**+0.2**		**+0.4**

Source: Canaccord Genuity Wealth Management (CGWM).

Product costs are external costs levied by third party fund managers for providing collective investment schemes for your investment portfolio and include: fund expenses incurred by third party fund managers, transaction costs as a result of acquisition or sale of assets and incidental costs, which include third party performance fees. All performance figures shown on this factsheet are net of underlying fund charges and net of annual management fees. Fees charged by any Financial Adviser are not taken into account.

Risk Profile 3 Sustainability Screened Portfolio asset allocation (%)

	Model
Fixed Interest	61.9
Thematic Equity	5.2
International Investments	15.9
Alternative Investments	12.3
Cash	4.8

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Top 10 holdings (%)

Brown Advisory Global Sustainable Total Return Bond	**8.7**
L&G All Stocks Gilt Index Trust	**7.3**
Trojan Ethical Fund	**7.2**
iShares USD Treasury Bond 7-10yr UCITS ETF	**6.7**
Liontrust Sustainable Future Monthly Income Bond	**6.3**
Rathbone Ethical Bond	**6.0**
UBS Sustainable Development Bank Bonds UCITS ETF	**5.9**
iShares $ TIPS 0-5 ETF	**5.7**
MI TwentyFour AM Asset Backed Income Fund	**5.4**
Xtrackers MSCI World Quality ESG UCITS ETF	**5.4**

Top ten holdings excluding cash

Source: CGWM

Portfolio Manager commentary

January provided a positive environment for investors, despite significant volatility surrounding the launch of a potentially cheaper artificial intelligence large language model (LLM) from DeepSeek, a largely unheard of Chinese upstart. We continued to observe a broadening of equity market performance from the narrow group of stocks that dominated 2024 the 'magnificent seven' stocks (Apple, Microsoft, Amazon, Alphabet, Meta, Tesla, and Nvidia) did not dominate returns as much as earlier in the year.

The month was also positive for sustainable investors, with relative underweights to megacap stocks and relative overweights to smaller companies proving beneficial. The strongest performing areas of Canaccord's Sustainable Investment Service portfolio were artificial intelligence, robotics and cybersecurity which benefited from improved sentiment towards innovation. We also saw strong performance from our water and healthcare investments, driven by the market rotation into more defensive sectors towards the end of the month.

Find out more about Canaccord's Sustainable Investment Service by reading the latest market update.

How we think about investing sustainably across risk profiles

We see the primary return opportunity in thematic investments. These are a way of targeting companies producing products or services that help solve or mitigate sustainability challenges. This is an attempt to identify companies where innovation can help solve a sustainability problem.

These opportunities are prevalent in three main areas:

1. Technological advancement
2. Health and wellbeing
3. Environmental protection.

They break down into a number of differentiated themes which are highlighted in the table below.

The thematic managers we use pursue sustainable outcomes by investing in companies that they believe can create transformational change. They tend to have a focus on disruptive innovation and business models are often newer. This tends to be a smaller universe of companies than broader markets.

The adjacent areas tend to be characterised by smaller companies with higher levels of volatility than broader markets. For this reason, exposure to thematic investments is reduced in lower risk profiles.

We consider sustainability more broadly in lower risk profiles. Managers focus on sustainability at an operational level and there is less of a thematic focus. There is more exposure to larger, well established businesses and more sector diversification. We believe this is appropriate to control risk and volatility. The different portfolio names are reflective of the approaches being taken.

This is detailed in the below table.

Risk Profile	Equity	Thematic % of portfolio	Thematic % of equity
Portfolio name: CGWM RP3 Sustainability Screened			
RP3	20.0%	5.0%	25%
Portfolio name: CGWM RP4 Sustainability Screened			
RP4	40.0%	10.0%	25%
Portfolio name: CGWM RP5 Sustainability Themes			
RP5	60.0%	30.0%	50%
Portfolio name: CGWM RP6 Sustainability Themes			
RP6	80.0%	60.0%	75%
Portfolio name: CGWM RP7 Sustainability Themes			
RP7	97.5%	97.5%	100%

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Contact us

+44 (0)20 7523 4597

intermediary@canaccord.com

canaccordgenuity.com