Canaccord Genuity Wealth Management

2nd Quarter 2024

ESG Risk Profile 4 Portfolio

ARC data is confirmed until 31 March 2024.

Inflation Source:

CPI from the Office for National Statistics. Crown Copyright material is reproduced with the permission of the Office of Public Sector Information (OPSI). Reproduced under the terms of the Click-Use License.

Performance

The performance illustration represents the performance of the Risk Profile using the ESG Managed Portfolio Service (MPS) historic data of CGWM Master Models. All performance figures are shown net of underlying fund charges and net of the ESG 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.

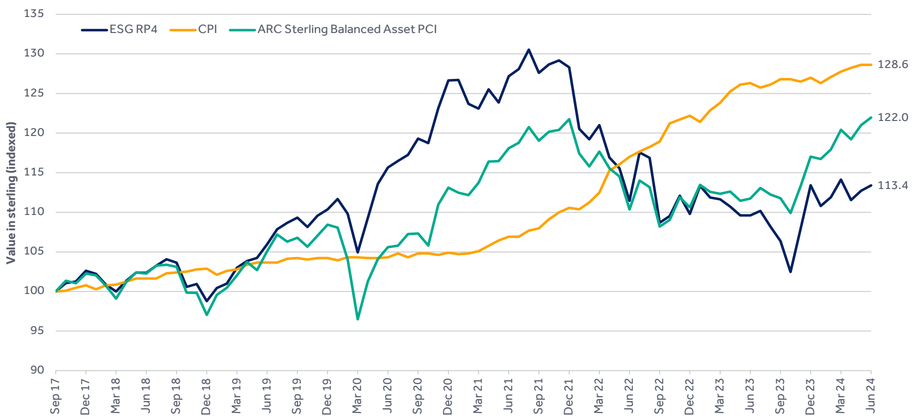
Levels and bases for taxation may change.

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 +3% over a minimum rolling period of seven years. The ESG portfolio will use investments that consider environmental, social, and governance 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. The portfolio will be a balanced mix of fixed income assets, global equity investments and other diversifying financial instruments. An active screening approach is used to select potential portfolio allocations. The portfolio will have exposure to funds that focus on ESG factors (including resource efficiency, employee engagement and business culture), as well as focused thematic investments, such as environmental technology, and those that have measurable impact, such as housing. There are certain areas of the market that the ESG portfolio will have limited or no exposure to, therefore the performance and the volatility profile could differ from a traditional discretionary portfolio with the same asset allocation. Investors in the Risk Profile 4 strategy are prepared to accept occasional moderate capital losses in order to achieve slightly higher total returns.

Performance since inception (30/09/2017)



Past performance is not a guide to future performance. ARC data is confirmed until March 2024. From April to June 2024 the data is based on estimates from ARC and is subject to change.

Discrete performance (%)

Total return to end of last calendar quarter 30/06/2024.

	2024 YTD*	2023	2022	2021	2020	2019
Model	**0.0**	**+3.3**	**-14.4**	**+1.3**	**+14.8**	**+11.7**
CPI	**+1.3**	**+3.9**	**+10.5**	**+5.4**	**+0.6**	**+1.3**
ARC Sterling Balanced Asset PCI	**+4.2**	**+5.8**	**-9.1**	**+7.6**	**+4.3**	**+11.7**

* 2024 YTD is data for year to date from 01 January 2024 to 30 June 2024

Cumulative performance (%)

Total return from inception to 30/06/2024.

	3 Months	1 Year	3 Years	5 Years	Inception (30/09/2017)
Model	**-0.7**	**+3.5**	**-10.9**	**+7.0**	**+13.4**
CPI	**+0.7**	**+1.8**	**+20.3**	**+24.1**	**+28.6**
ARC Sterling Balanced PCI	**+1.3**	**+9.2**	**+3.3**	**+16.1**	**+22.0**

Risk & return since inception (%)

	Model	CPI	ARC Sterling Balanced Asset PCI
Annualised volatility	**+7.9**	**+1.7**	**+7.0**
Maximum historic loss	**-21.5**	**-0.7**	**-11.1**
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.

ESG Risk Profile 4 Portfolio asset allocation (%)

	Model
Fixed Interest	48.7
Thematic Equity	20.6
International Equity	20.5
Alternative Investments	8.0
Cash	2.2

Top 10 holdings (%)

Baillie Gifford Responsible Global Equity Income Fund	**11.6**
Wellington Global Stewards Fund	**8.9**
iShares USD Treasury Bond 7-10 yr UCIT ETF	**6.4**
Legal & General All Stocks Gilt Index Trust	**6.0**
Brown Advisory Funds Global Sustainable Total Return Bond	**6.0**
iShares USD TIPS 0-5 UCITS ETF	**5.7**
Rathbone Ethical Bond Fund	**4.5**
MI TwentyFour Asset Backed Income Fund	**4.1**
PIMCO Emerging Markets Bond ESG Fund	**4.1**
Robeco SAM Glb SDG Credits Fund	**4.0**

Top ten holdings excluding cash

Source: CGWM

Portfolio Manager commentary

As we reach the halfway mark of the year, most of the key factors underpinning our 'base case' for 2024 are playing out as we expected. As we forecast at the start of this year, our view was that a cooling of economic activity and inflation would be a positive backdrop for the two main asset classes, fixed interest and equities. This would allow financial markets and client portfolios to continue to make a recovery from a difficult year in 2022.

This environment has driven a broad-based rally across global stock markets. The US has continued to lead the performance tables, led by the extraordinary outperformance of a small cohort of very large technology companies, but all markets around the world have enjoyed a positive environment. We believe that this enthusiasm has been justified, but it does lead us to question what might be possible for equity markets in the coming months. Our expectation is that we can continue to make progress, even if the potential for short-term returns has been limited by the positivity of recent months. With valuations across most markets still 'about right,' growth in corporate earnings, and evidence that profit margins are expanding once again, it would be strange to see a major market downturn, unless something unexpected happens on geopolitical or economic fronts.

Fixed interest returns lagged equities over the first six months of the year, as inflation concerns lingered, forcing the market to reappraise its earlier optimism on interest rate cuts. At the start of the year, expectations were for six or seven interest rate cuts in the US by the end of January 2025. But as the year has developed this has amounted to two. We were never in the six or seven camp, but we did expect more than two – we also expected them sooner. However, in the last month, with better news on inflation, signs that the US economy is moderating, and verbal signs from central banks that rate cuts are coming, fixed interest markets have started to make positive gains. Again, as with equities, there have been a range of returns across different markets and, pleasingly, our favoured areas have done well. We expect further progress and positive returns from the asset class in the remainder of the year.

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