

# Sustainable Impact Model Portfolio Service (SIMPS)

Medium-low risk | September 2023 | For financial advisers

## Portfolio description

The **SIMPS Portfolio** range provides a combination of risk-adjusted returns and positive impact: investing that **does well** and **does good**. The portfolios aim to achieve capital appreciation whilst reducing investment risk via a diversified, multi asset class portfolio.

The strategy is based on **actively managed asset allocations** across equities, fixed income and cash. We invest in funds which align with our investment philosophy; businesses that **avoid controversies**, are **well run** and **solving major global challenges**.

**PORTFOLIO FACTS AS AT: 30/09/2023**

**LAUNCH DATE:** 31/12/2018

**BENCHMARK:** ARC Balanced PCI

**PORTFOLIO OBJECTIVE:** Balance between capital preservation and capital appreciation

**MANAGEMENT FEE:** 0.25%

**OCF OF UNDERLYING FUNDS:** 0.53%\*\*

**AVAILABLE THROUGH:**  
abrdn wrap, Aegon, Aegon ARC, Aviva, M&G Wealth, Nucleus, Quilter, Transact, True Potential, 7IM

**INVESTMENT MANAGERS:**  
Tribe Impact Capital LLP  
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**AUTHORISED AND REGULATED BY:**  
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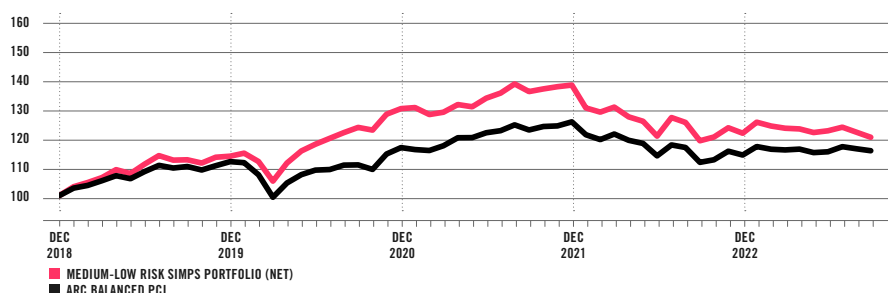
## This month

During September, the future path of interest rates continued to dominate market sentiment all over the world. There are fears that the US Federal Reserve bank will have to keep interest rates higher for a longer amount of time. There are also fears regarding the sustainability of the level of US government debt. The combination of these concerns meant that the yield on the 10-year US treasury bond moved beyond 4.5%, the highest level seen since the 2008 global financial crisis. The uncertainty this caused led to a sell-off in global equities, which fell by 3.3% this month.

Additionally, Saudi Arabia and Russia's decision to cut their oil production led to fears of a global shortage. The announcement resulted in the Brent Crude price, one of the two main benchmark prices for purchases of oil worldwide, to surpass 95 US dollars a barrel. This increase in global oil prices has the potential to lead to higher inflation.

The clean energy sector experienced another sell-off in September, following what was also a weak August. This was primarily driven by higher interest rates and continued imbalances between supply and demand for clean energy products like electric vehicle charge points. Despite this, we remain optimistic about the future outlook for the environmental theme, especially considering that September was the hottest month on record.

## RETURN METRICS\*



**NET PERFORMANCE:** The SIMPS medium-low risk performance is shown after Tribe's management fee (0.25%) and the underlying fund managers' fees (OCF of 0.53\*\*) have been deducted. But it does not include platform and adviser charges. Please note, for the period since inception to 28/02/2022 performance is reported net of VAT. Past performance is reported to 31/12/2018 (when the medium-low SIMPS was established) to 30/09/2023. Past performance does not exist prior to this period. Past performance is not a reliable indicator of future results.

**BENCHMARK:** ARC Benchmarks are calculated by collecting actual performance from over fifty investment managers. The balanced PCI is suitable for strategies with a relative volatility of 40-60% of global equities as measured by MSCI ACWI.

TO 30 SEPTEMBER 2023	SINCE INCEPTION	ROLLING 12M PERIODS			
	31/12/2018 - 30/09/2023	30/09/2019 - 30/09/2020	30/09/2020 - 30/09/2021	30/09/2021 - 30/09/2022	30/09/2022 - 30/09/2023
MEDIUM-LOW RISK SIMPS	20.1%	9.9%	10.0%	-12.5%	1.0%
ARC BALANCED PCI	15.5%	0.5%	10.9%	-9.1%	3.6%
DIFFERENCE	4.6%	9.4%	-0.9%	-3.4%	-2.6%

Sources for return metrics graph and table: Bloomberg & ARC Private Client Indices (PCI)

## RISK METRICS

TO 30 SEPTEMBER 2023	VOLATILITY
MEDIUM-LOW RISK SIMPS	8.5%
ARC BALANCED PCI	7.5%

Volatility is measured as the standard deviation of monthly returns since inception. We believe this is more representative of the risk associated with our long term strategic asset allocation, we do not use an annual figure.

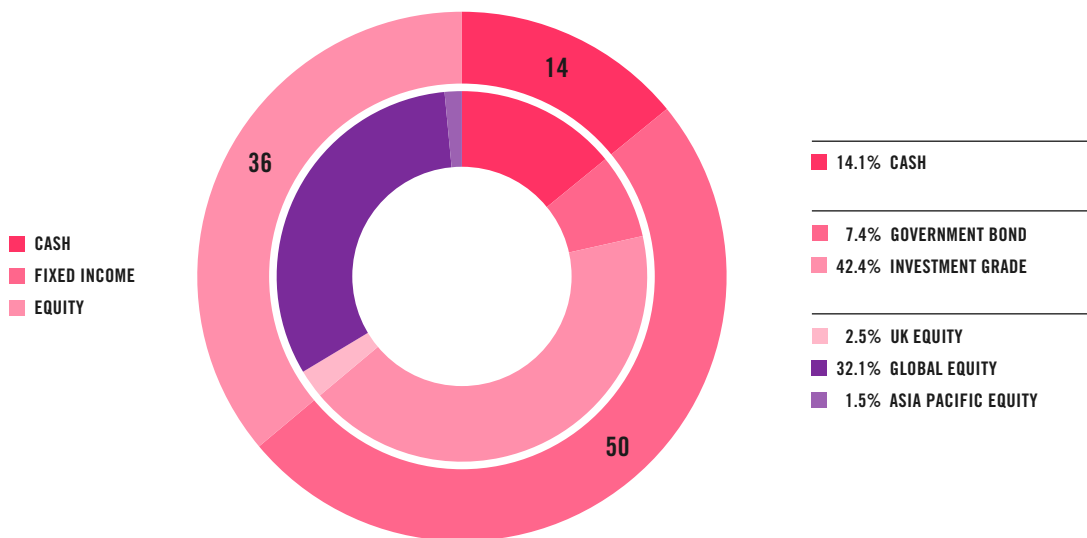
## TOP 3 EQUITY HOLDINGS

JANUS HENDERSON GLOBAL SUSTAINABILITY	7%
SCHRODER GLOBAL ENERGY TRANSITION	6%
WELLINGTON GLOBAL IMPACT	5%

## TOP 3 FIXED INCOME HOLDINGS

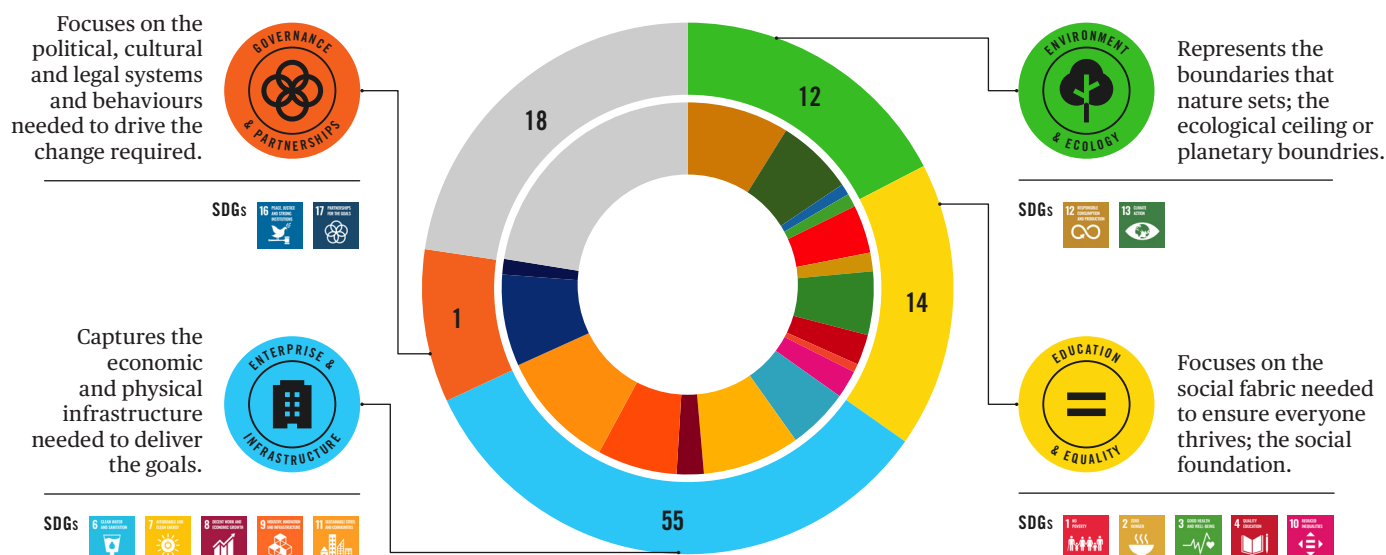
WELLINGTON IMPACT BOND	10%
COLUMBIA THREADNEEDLE UK SOCIAL BOND	9%
LIONTRUST SUSTAINABLE FUTURE CORPORATE BOND	8%

## ASSET ALLOCATION



## IMPACT ALLOCATION

The UN Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all. To help translate the Goals into the **SIMPS Portfolios** we have aggregated them into our four Impact Themes.

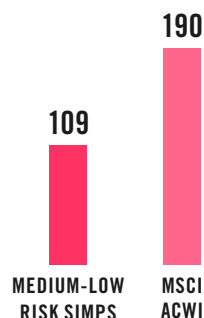


THE GREY SECTION OF THE GRAPH WHICH MAKES UP 23% OF THE SIMPS LOW-MEDIUM RISK PORTFOLIO REPRESENTS CASH AND FUNDS THAT ARE MULTI-THEMED AND CAN'T BE ATTRIBUTED TO ONLY ONE SDG.

## PORTFOLIO IMPACT PERFORMANCE

### Carbon Intensity<sup>1</sup>

The equities in the medium-low risk **SIMPS Portfolio** are **43% less** carbon intensive than the MSCI ACWI benchmark.



#### TONNES OF CO2 / \$M SALES

Businesses with lower carbon intensity demonstrate their operational efficiency and release less carbon into the atmosphere per pound of revenue.

### Carbon Saved<sup>1</sup>

By investing £100,000 into the medium-low risk **SIMPS Portfolio** rather than the MSCI ACWI benchmark, you save **5.0 tonnes** of carbon dioxide (CO2) if invested for 12 months. This represents:



#### THE CARBON EMITTED BY:

**6 flights**  
from London to  
New York (economy class)



#### THE CARBON SEQUESTERED BY:

**83**  
medium grown coniferous  
tree seedlings grown for  
10 years

Source: MSCI & US EPA Carbon calculator as at 30/06/2023.

<sup>1</sup> Based on scope 1 and 2 emissions of covered listed equities (40% of medium-low risk SIMPS portfolio).

### Healthcare

Across all equity fund holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio**, **36** companies provide access to healthcare.

Out of these, **12** report on the number of people who received access to healthcare.

In total, these 12 companies have provided healthcare to **239,191,488** people this reporting year<sup>3</sup>.

That's the equivalent of **1.2** people for each £100,000 invested in the medium-low risk **SIMPS Portfolio** for 12 months.



### Financial services

Across all equity fund holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio**, **19** companies provide financial services.

Out of these, **8** report on the provision of financial services to those previously excluded.

In total, these 8 companies have provided financial services to **882,629,261** people who previously didn't have access to financial services this reporting year<sup>3</sup>.

That's the equivalent of **1.5** people for each £100,000 invested in the medium-low risk **SIMPS Portfolio** for 12 months.



### Renewable energy

Across all equity fund holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio**, all **352** companies could produce their own renewable energy by investing in on-site renewable energy infrastructure.

**84** companies report on renewable energy generation.

In total, these 84 companies have generated **277,521,962** MWh of renewable energy this reporting year<sup>3</sup>.

That's the equivalent of **3.1** MWh of renewable energy for each £100,000 invested in the medium-low risk **SIMPS Portfolio** for 12 months.



## Net jobs created

Across all equity fund holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio**, all **352** companies can create new jobs, as well as terminate existing jobs.

**299** companies report on jobs created and terminated (as a net job equivalency).

In total, these 299 companies generated **591,736** net jobs in this reporting year<sup>3</sup>.

That's the equivalent of **0.0021** net jobs created for each £100,000 invested in the medium-low risk **SIMPS Portfolio** for 12 months.



## Waste recycled

Across the equity fund holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio**, all **352** companies can recycle part or all of their waste.

**135** companies report on waste recycled.

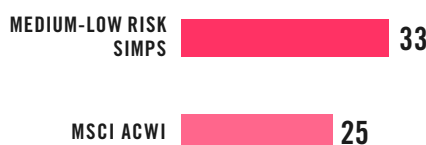
In total, these 135 companies have recycled **19,335,212** tonnes of waste this reporting year<sup>3</sup>.

That's the equivalent of **122** kg of waste recycled for each £100,000 invested in the medium-low risk **SIMPS Portfolio** for 12 months.



## Gender

Multiple studies show that gender parity in business is essential in driving sustainable growth. Across the equity holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio** there are **352** companies. Out of 352 companies, the average percentage of female board members is **33%**<sup>3</sup>.



<sup>2</sup> 40% of the medium-low risk SIMPS portfolio holdings.

<sup>3</sup> Third-party fund holding data as at 30/06/2023. Impact data is provided from the following sources: MSCI, Net Purpose Ltd and the underlying company's latest available public reports. Reporting timetables vary company by company.

**TRIBE'S COMMITMENTS** As dedicated impact wealth managers, we are signatories to a number of important initiatives including the UN Principles for Responsible Investing and the UN Environment Programme Finance Initiative, as well as HM Treasury's Women in Finance, Science Based Targets and the Principles of Positive Impact Finance. We are also a proud certified B Corp which means everything we do balances purpose and profit.



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**\*\*The ongoing charge figure is variable and is for example purposes only.**

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