

Sustainable Impact Model Portfolio Service (SIMPS)

Medium 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: 30/11/2016

BENCHMARK: ARC Balanced PCI

PORTFOLIO OBJECTIVE: Balance between capital preservation and capital appreciation

MANAGEMENT FEE: 0.25%

OCF OF UNDERLYING FUNDS: 0.66%**

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

INVESTMENT MANAGERS:
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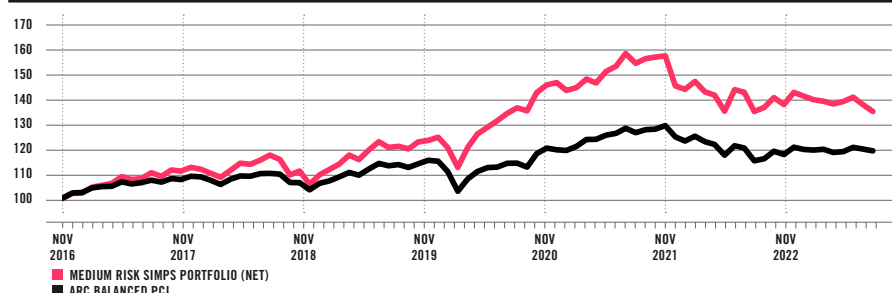
This month

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 risk performance is shown after Tribe's management fee (0.25%) and the underlying fund managers' fees (OCF of 0.66**) have been deducted. But it does not include platform and adviser charges. Please note, for the period since inception to 28 February 2022 performance is reported net of VAT. 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.

| | SINCE INCEPTION | ROLLING 12M PERIODS | | | | |
|----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 30/11/2016 - 30/09/2023 | 30/09/2018 - 30/09/2019 | 30/09/2019 - 30/09/2020 | 30/09/2020 - 30/09/2021 | 30/09/2021 - 30/09/2022 | 30/09/2022 - 30/09/2023 |
| TO 30 SEPTEMBER 2023 | | | | | | |
| MEDIUM RISK SIMPS | 35.5% | 4.7% | 13.0% | 13.3% | -12.7% | 0.0% |
| ARC BALANCED PCI | 19.4% | 3.6% | 0.5% | 10.9% | -9.1% | 3.6% |
| DIFFERENCE | 16.1% | 1.1% | 12.5% | 2.4% | -3.6% | -3.6% |

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

RISK METRICS

| TO 30 SEPTEMBER 2023 | VOLATILITY |
|----------------------|------------|
| MEDIUM RISK SIMPS | 9.5% |
| ARC BALANCED PCI | 6.7% |

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.

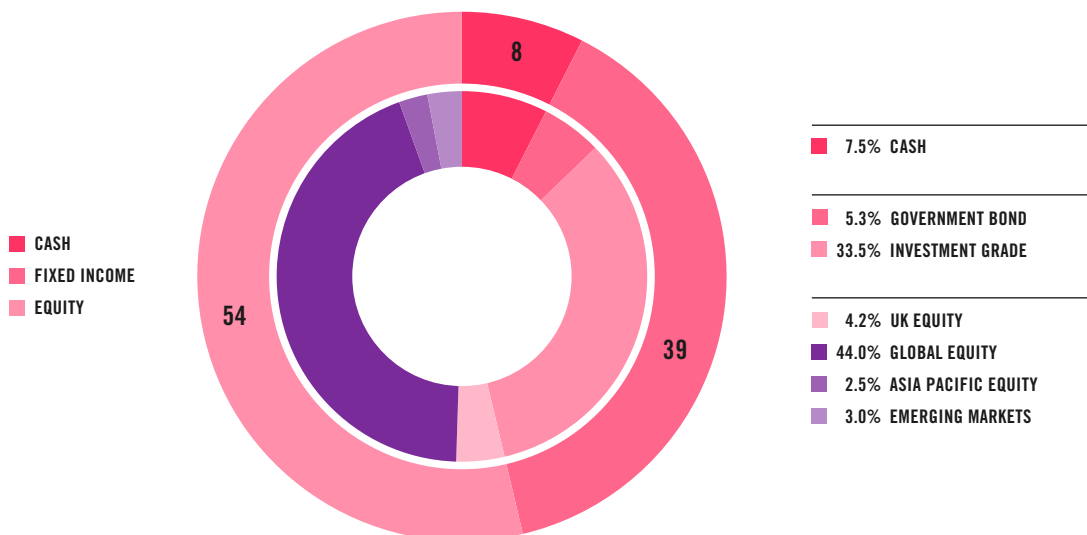
TOP 3 EQUITY HOLDINGS

| | |
|---|----|
| SCHRODER GLOBAL ENERGY TRANSITION | 8% |
| JANUS HENDERSON GLOBAL SUSTAINABLE EQUITY | 7% |
| WELLINGTON GLOBAL IMPACT | 6% |

TOP 3 FIXED INCOME HOLDINGS

| | |
|--------------------------------------|----|
| WELLINGTON IMPACT BOND | 9% |
| COLUMBIA THREADNEEDLE UK SOCIAL BOND | 8% |
| PARETO ESG GLOBAL CORPORATE BOND | 6% |

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.

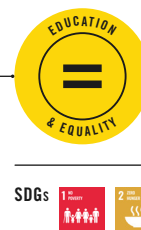
Focuses on the political, cultural and legal systems and behaviours needed to drive the change required.



Captures the economic and physical infrastructure needed to deliver the goals.



Represents the boundaries that nature sets; the ecological ceiling or planetary boundaries.

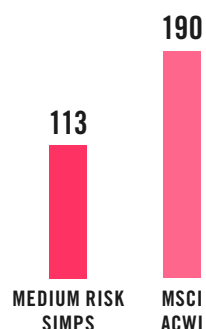


THE GREY SECTION OF THE GRAPH WHICH MAKES UP 15% OF THE SIMPS MEDIUM RISK PORTFOLIO REPRESENTS CASH AND FUNDS THAT ARE MULTI-THEMED AND CAN'T BE ATTRIBUTED TO ONLY ONE SDG.

PORTFOLIO IMPACT PERFORMANCE

Carbon Intensity¹

The equities in the medium risk **SIMPS Portfolio** are **40% 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 Saved¹

By investing £100,000 into the medium risk **SIMPS Portfolio** rather than the MSCI ACWI benchmark, you save **6.8 tonnes** of carbon dioxide (CO2) if invested for 12 months. This represents:



THE CARBON EMITTED BY:

8 flights
from London to
New York (economy class)



THE CARBON SEQUESTERED BY:

112
medium grown coniferous
tree seedlings grown for
10 years

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

¹ Based on scope 1 and 2 emissions of covered listed equities (56% of medium risk SIMPS portfolio).

Healthcare

Across all equity fund holdings² in the medium risk **SIMPS Portfolio**, **54** companies provide access to healthcare.

12 report on the number of people who received access to healthcare.

In total, these 12 companies have provided healthcare to **239,192,688** people this reporting year³.

That's the equivalent of **1.3** people for each £100,000 invested in the medium risk **SIMPS Portfolio** for 12 months.



Financial services

Across all equity fund holdings² in the medium risk **SIMPS Portfolio**, **17** companies provide financial services.

10 report on the provision of financial services to those previously excluded.

In total, these 10 companies have provided financial services to **886,333,261** people who previously didn't have access to financial services this reporting year³.

That's the equivalent of **2.1** people for each £100,000 invested in the medium risk **SIMPS Portfolio** for 12 months.



Renewable energy

Across all equity fund holdings² in the medium risk **SIMPS Portfolio**, all **416** companies could produce their own renewable energy by investing in on-site renewable energy infrastructure.

92 companies report on renewable energy generation.

In total, these 92 companies have generated **281,281,822** MWh of renewable energy this reporting year³.

That's the equivalent of **4.0** MWh of renewable energy for each £100,000 invested in the medium risk **SIMPS Portfolio** for 12 months.



Net jobs created

Across all equity fund holdings² in the medium risk **SIMPS Portfolio**, all **416** companies can create new jobs, as well as terminate existing jobs.

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

In total, these 344 companies generated **731,383** net jobs in this reporting year³.

That's the equivalent of **0.0030** net jobs created for each £100,000 invested in the medium risk **SIMPS Portfolio** for 12 months.



Waste recycled

Across the equity fund holdings² in the medium risk **SIMPS Portfolio**, all **416** companies can recycle part or all of their waste.

141 companies report on waste recycled.

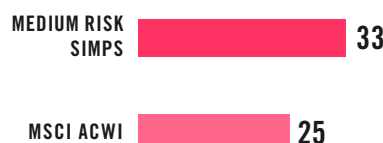
In total, these 141 companies have recycled **20,012,447** tonnes of waste this reporting year³.

That's the equivalent of **146** kg of waste recycled for each £100,000 invested in the medium risk **SIMPS Portfolio** for 12 months.



Gender

Multiple studies show that gender parity in business is essential in driving sustainable growth. Across the equity holdings² in the medium risk **SIMPS Portfolio** there are **416** companies. Out of 416 companies, the average percentage of female board members is **33%**³.



² 56% of the medium risk SIMPS portfolio holdings.

³ 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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and the income derived from them may fluctuate and you may not receive back the amount you originally invested and (ii) any type of impact investment will involve risk to investors capital and the expected impact or financial return may not be achieved. The tax treatment of investments depends on each investor's individual circumstances and is subject to change in tax legislation. The performance of actual portfolios linked to this **SIMPS Portfolios** may differ from the performance of the **SIMPS Portfolios** shown here due to the variation in timing of the initial investment or rebalancing differences resulting from minimum transaction size limits on the Investment platform. The information in this factsheet is believed to be correct but we cannot guarantee this. No representation or warranty (express or otherwise)

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****The ongoing charge figure is variable and is for example purposes only. ***From 31 October 2019 we changed our industry performance benchmark from the ARC Steady Growth to the ARC Balanced benchmark. The ARC Balanced benchmark is more reflective of our long term Strategic Asset Allocation and relative risk objective over the long term.**

Tribe Impact Capital LLP is authorised and regulated by the Financial Conduct Authority (FCA).