

Portfolio Objectives

The Sustainable Balanced portfolio aims to achieve long-term capital growth by investing across a selection of funds that we believe, in aggregate, Do Good, Avoid Harm, and Lead Change, and look to address the world's most pressing social and environmental challenges.

Portfolio Summary

Launch Date	10/09/2021
Platform Availability	Transact, Wealthtime
Yield***	1.2%
Costs and Charges for Manufacturing and Managing the Fund (deducted from returns of fund)*	
Underlying Holding Charge**	0.59%

Commentary

Bond markets struggled in Q4. UK and US government bond yields exceeded 4.5%, driven by fiscal pressures, inflation concerns and expectations of higher gilt issuance in the UK and growing US deficits. However, credit spreads narrowed, reflecting confidence in corporate balance sheets, and elevated yields position bonds to benefit from potential rate cuts across 2025. In equities, US markets led the way, buoyed by optimism about Trump's pro-growth agenda, though some gains were lost in a year-end sell-off. UK equities delivered solid returns, supported by strong earnings and attractive valuations, while European markets lagged amid political and economic headwinds. Chinese markets stabilised after a strong rally earlier in the year, and Japan saw modest gains as global risk sentiment improved. Through a selection of best-in-class funds, chosen by our award-winning research team, we aim to provide resilience and long-term performance in an unpredictable landscape.

Performance to latest month end					Calendar Year				
	3 Months	1 Year	3 Years	Since Launch	2024	2023	2022	2021	2020
Portfolio	1.0%	4.6%	-5.0%	-4.9%	4.6%	6.4%	-14.7%	-	-
ARC Balanced Asset	1.1%	6.8%	2.7%	-	6.8%	5.8%	-9.1%	-	-

Past performance is not a reliable indicator of future results. Returns are net of income reinvested and investment management fees in GBP. Performance does not consider platform or adviser fees. Performance numbers are shown in discrete periods.
Source: GWM Asset Management, ARC and LSEG Lipper (all rights reserved)

ARC is an independent consultant that compiles Private Client Indices (PCI) based on historical performance. The performance series are based on performance numbers provided by participating investment managers. This provides an objective and independent means of placing investment performance into context. Source: Suggestus.com. The latest quarter of Arc data includes estimates.

*The costs and charges of manufacturing the fund will impact the overall return received by investors. Other costs deducted from fund returns are transaction costs which include trading costs, broker commissions and spreads. More information is available on request.

**Underling Holdings Charge: Weighted average of the OCF (Ongoing Charge Figure) of all holdings. Where OCF is unavailable TER. (Total Expense Ratio) is used. The actual charge may vary depending upon Platform and availability of and access to share classes.

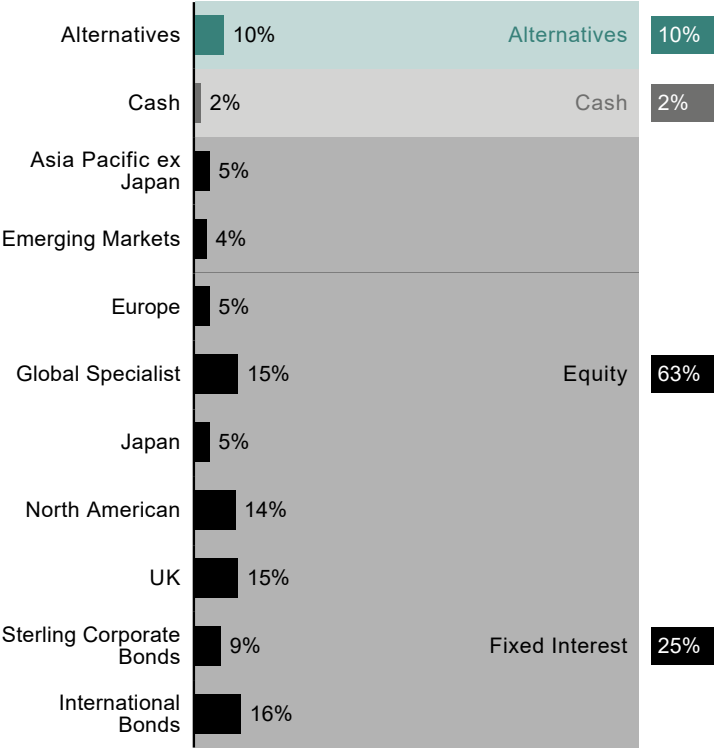
*** Historic yield figures will only be provided for funds with at least 12 months of performance history. Where quoted, the yield is the aggregate and weighted position of each underlying fund within the portfolio and is based on the yield published by the manager of each respective fund.

Portfolio Composition %

Fund Breakdown

8%	Goldman Sachs Green Bond
8%	Legal & General Future World ESG Tilted and Optimised North America Index
6%	CT UK Social Bond
6%	FTGF ClearBridge US Equity Sustainability Leaders
6%	Legal & General Future World ESG Tilted and Optimised UK Index
6%	Royal London Sustainable Leaders Trust
6%	Trium ESG Emissions Improvers
5%	FP Carmignac European Leaders
5%	Legal & General Future World ESG Tilted and Optimised Japan Index
5%	Schroder Global Sustainable Value Equity
5%	Stewart Investors Asia Pacific Leaders
5%	Storebrand Global ESG Plus Lux
4%	Aikya Global Emerging Markets
4%	BlueBay Impact-Aligned Bond
4%	Pimco Climate Bond
4%	Trojan Ethical
3%	LF Montanaro Better World
3%	Liontrust Sustainable Future Corporate Bond
3%	Ninety One UK Sustainable Equity
2%	Regnan Global Equity Impact Solutions
2%	Cash

Portfolio Breakdown



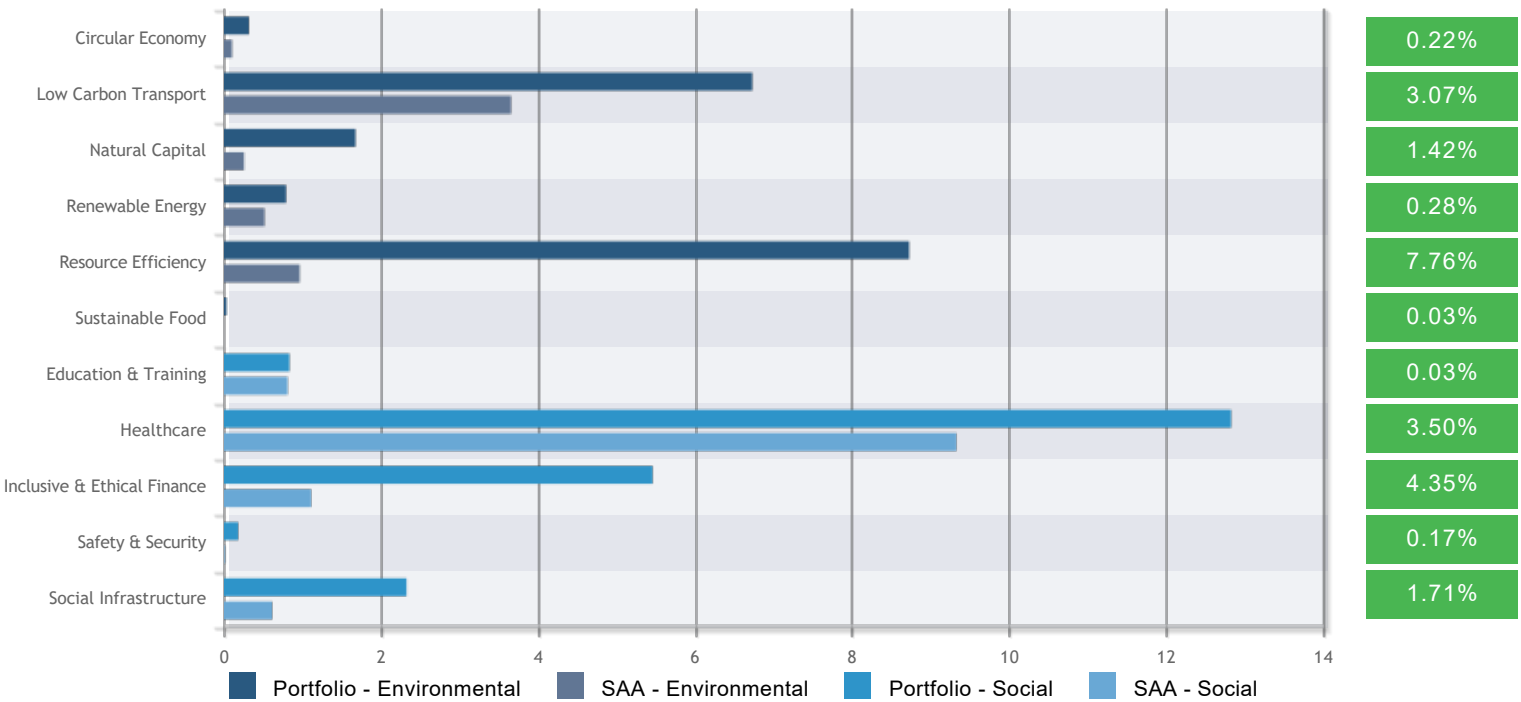
SUSTAINABILITY DATA

Commentary

Q4 marked the first quarter post-significant portfolio adjustments to enhance diversification. Allocations shifted from global equities to regional markets like Japan, the UK, and emerging markets, alongside alternatives and diversified fixed income. To address growth and small-cap biases in sustainable funds, Schroder Global Sustainable Value was introduced, balancing growth with value and improving stability. Baillie Gifford Positive Change and Guinness Sustainable Energy were sold to reduce thematic overlap and interest-rate sensitivity, prioritising funds like Montanaro Better World and Storebrand Global ESG Plus. These changes the portfolio more with our proven SAA, improving diversification. Despite near-term volatility, sustainable investing remains compelling, bolstered by growing climate finance commitments and opportunities granted by new styles of funds coming to market.

Do Good

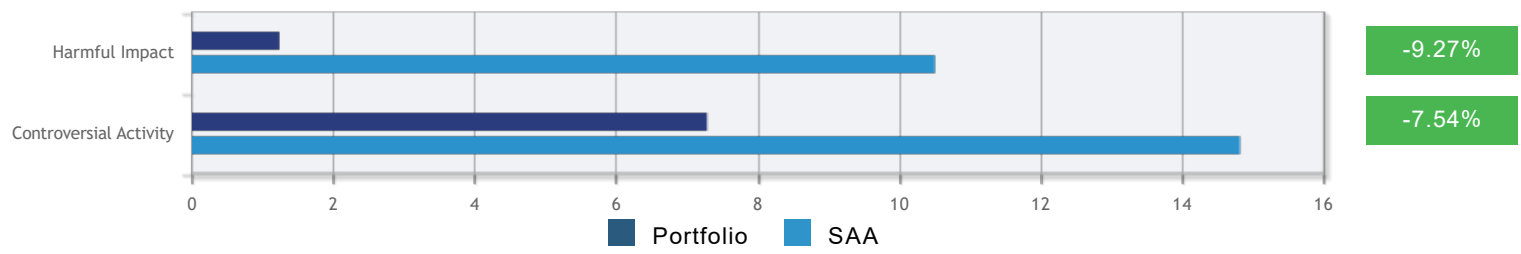
Do Good refers to the level of alignment within the portfolio to companies offering solutions to global social and environmental challenges. It is measured according to the 3D Investing methodology, which uses a large data set to individually map lines of revenue of all underlying businesses to environmental and social solutions. The chart below shows the total revenue exposure to the 3D Investing-defined solutions of the portfolio versus the Strategic Asset Allocation (SAA), the latter comprising representative index tracking funds and ETFs.



Source: Square Mile. The comparator used reflects the strategic asset class allocation based on the underlying investment exposure of the portfolio to equities and fixed income at the date of data. This information is for illustrative purposes only to provide an indicative comparison to a non-sustainable market equivalent.

Avoid Harm

Avoid Harm refers to the level of exposure to the revenue lines of companies that confer negative contributions to society and the environment. As with Do Good, it is measured according to 3D Investing's proprietary methodology, individually mapping the revenues of underlying companies to activities our analysts consider harmful, or controversial. The chart below shows the total revenue exposure to the 3D Investing-defined controversial activities and harmful impact of the portfolio versus the SAA, the latter comprising representative index tracking funds and ETFs



Source: Square Mile. The comparator used reflects the strategic asset class allocation based on the underlying investment exposure of the portfolio to equities and fixed income at the date of data. This information is for illustrative purposes only to provide an indicative comparison to a non-sustainable market equivalent.

Lead Change

Lead Change refers to the active role that fund managers play in influencing the companies they invest in. This involves engaging with these companies to encourage improvements in areas like governance, environmental practices, and social responsibility. Our 3D Investing team analyses all rated funds based on their ability to effect positive change through measurable and structured engagements.

Fund managers may work independently or collaborate with other investors and advocacy groups to drive positive change. The aim is to ensure that the companies in their portfolios are not only financially strong but also operate in a more sustainable and ethical way.

Engagement is key to responsible investing because it helps address long-term risks and opportunities that might not be immediately evident. Through this ongoing dialogue, fund managers can guide companies towards better practices, fostering more sustainable growth over time.

However, meaningful change in large organisations takes time, so these engagements often span years rather than fitting into a single quarter. This is why engagement activities aren't typically reported on a quarterly basis.

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