AB SRI Balanced Growth Portfolio

Alpha Beta PARTNERS

Data as at 31 July 2024

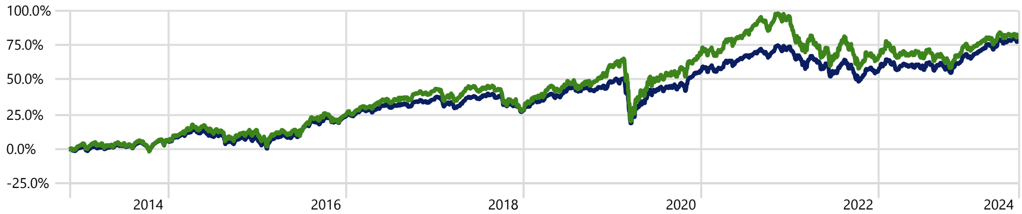
Investment Objectives

The AB SRI Balanced Growth Model Portfolio will seek to deliver longterm capital growth by blending collective strategies and employing our proprietary rating and risk profiling systems. The equity allocation of the portfolio will be managed within our self imposed parameter of 40% - 85% and in line with a Alpha Beta Risk Profile of 5 - 7.

The AB SRI Balanced Growth Portfolio only invests in funds that are sustainable and contribute positively to either the environment or society. The model selects investments that provide solutions to global issues such as climate change, biodiversity, water shortage, urbanisation, health and well-being, and social inclusion. The United Nation's Sustainable Development Goals are utilised to inform analysis and research on these themes, and the holdings in the model.

Investment Growth

Time Period: 22/11/2013 to 31/07/2024



AB SRI Balanced Growth	83.8%
IA Mixed Investment 40-85% Shares	79.7%

Snapshot

Base Currency	Pound Sterling
12 Month Yield	1.40%
Ongoing Charge	0.72%
Management Fee (VAT where applicable)	0.25%
Portfolio Cost	0.97%

Trailing Returns

Data Point: Return

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception (22/11/2013)
AB SRI Balanced Growth	3.19	5.79	6.97	-1.60	23.32	83.79
IA Mixed Investment 40-85% Shares	3.02	6.64	10.54	7.35	23.05	79.69

The portfolio launched on 24/03/2009, however the data shown is from the first available past performance date, 22/11/2013.

Benchmark

Comparator Benchmark	IA Mixed Investment 40-85% Shares

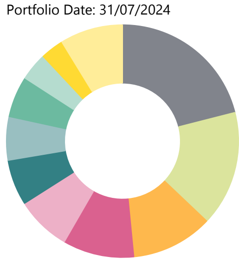
Risk

Time Period: 01/08/2023 to 31/07/2024

	Sharpe Ratio	Std Dev
AB SRI Balanced Growth	0.09	9.57
IA Mixed Investment 40-85% Shares	0.35	7.23

Asset Allocation

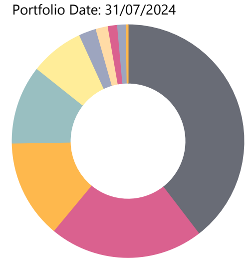
Portfolio Date: 31/07/2024



	%
Sterling Fixed Income	21.0
Global Equity Large Cap	16.0
Europe Equity Large Cap	11.4
Global Emerging Markets Equity	9.9
US Equity Large Cap Growth	7.7
Global Fixed Income	6.3
UK Equity Large Cap	6.0
Global Equity Mid/Small Cap	5.7
Infrastructure Sector Equity	3.9
Equity Miscellaneous	3.2
Other	8.8

Equity Regional Exposure

Portfolio Date: 31/07/2024



	%
North America	39.6
Europe developed	21.5
United Kingdom	13.7
Asia emerging	10.9
Asia developed	7.5
Japan	2.4
Africa/Middle East	1.7
Australasia	1.3
Latin America	1.2
Europe emerging	0.2

Top 10 Holdings

Portfolio Date: 31/07/2024

	Portfolio Weighting %
Liontrust Sust Fut Eurp Gr 2 Net Acc	11.38%
Vanguard ESG Em Mkts All Cp Eq Idx £ Acc	9.90%
Brown Advisory US Sust Gr GBP B Inc	7.66%
Liontrust Sust Fut Glbl Gr 2 Net Acc	7.06%
EdenTree Responsible & Sust Glbl Eq B	6.40%
Pictet - Climate Government Bds I GBP	6.35%
FP WHEB Sustainability C GBP Inc	5.71%
EdenTree Responsible & Sust Stlg B	5.28%
Aegon Ethical Corporate Bond GBP B Inc	5.28%
EdenTree Responsible & Sust Shrt Dtd B	5.26%
	70.28%

The aggregate total may not add up to the sum shown due to Morningstar roundings.

Manager's Commentary

In July, market volatility surged due to US election dynamics and a failed assassination attempt on Trump, affecting investor sentiment and trading patterns during a typically low-volume summer period.

Markets swiftly discounted potential Trump's policies, resulting in higher longer-dated bond yields, pressure on large technology stocks, and a boost for smaller and medium-sized firms. Trump's policies are expected to promote domestic manufacturing, increased trade restrictions, tighter borders, fiscal spending, political pressure to lower interest rates via the Federal Reserve, and be less supportive of big tech. Inflation continues to moderate, with markets anticipating a US interest rate cut in September. The dollar remains strong but has slightly weakened against other currencies, while the US treasury yield curve is beginning to normalise. Inflation moderated while markets anticipated a US interest rate cut in September.

UK equities, represented by the FTSE 100, posted a 12% return over the past year, with minimal impact from political changes. The General Election resulted in a narrow Labour victory, with Chancellor Rachel Reeves pledging a balanced budget, leaving markets largely unmoved. However, concerns arose over inflation-busting public sector wage settlements, cancelled infrastructure projects, and capital tax hikes. Failure to grow economically may lead to more debt to fund policies. A UK interest rate cut is expected later this year, but high wage settlements may hinder progress.

In June, the ECB cut rates by 0.25%. Europe's largest economies narrowly avoided recession, with slight Q2 growth, while German manufacturing and exports to a stagnating China struggled. The People's Bank of China made modest rate cuts to boost growth, allowing the currency to weaken and support exports. The Japanese Yen hit a 34-year low, aiding exports but prompting expected Bank of Japan intervention. Japan raised its benchmark interest rate to 0.25% and will reduce government bond purchases from January 2025.

Global liquidity, led by the US, supports risk asset prices through lower interest rates, Treasury Bill issuance, and reduced quantitative tightening. Basel "end-game" implementation will bolster banking balance sheets, supporting government bond issuance. Optimism remains, despite geopolitical uncertainties. Technology funds declined, while healthcare and listed infrastructure funds delivered positive returns in July. Portfolios remained stable in July despite volatility, benefiting from a rotation to smaller companies and shorter fixed income duration, positioning well for ongoing rate cuts in developed markets.

At a portfolio level, the SRI Balanced Growth model benefited from its European equity exposure. Of the portfolio's top holdings, the best performing fund was the Liontrust Sustainable Future Europe Growth fund. One of the fund's largest holdings is Tryg, a non-life insurer in Scandinavia. Tryg contributes to the UN Sustainable Development Goals, through initiatives such as their health app, which promotes good health and well-being (goal 3). The app consolidates the health of their customers in a single place and brings attention to the customers' mental and physical health needs, while consulting customers on health issues.

Investment Team

Investment Manager	Alpha Beta SRI Investment Team

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Disclaimer

Source: Morningstar Direct