

Investment Objectives

The AB Ethical Balanced Income Model Portfolio will seek to deliver long-term capital growth and income by blending collective strategies and employing our proprietary rating and risk profiling systems. We employ a strict negative screening process in order to highlight investments that do not meet our ethical criteria.

Our process will screen for and seek to avoid investments in areas like Animal testing, Gambling, Intensive farming, Pornography, Tobacco & Weaponry. In addition to this, we seek to exclude companies that support oppressive regimes or operate in a way that does not respect human rights issues.

Snapshot

Base Currency	Pound Sterling
12 Month Yield	4.04%
Ongoing Charge	0.71%
Management Fee (VAT where applicable)	0.25%
Portfolio Cost	0.96%

Benchmark

Comparator Benchmark IA Mixed Investment 20-60% Shares

Risk

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

	Sharpe Ratio	Std Dev
AB Ethical Balanced Income	0.31	8.02
IA Mixed Investment 20-60% Shares	0.26	6.20

Top 10 Holdings

Portfolio Date: 31/07/2024

	Portfolio Weighting %
EdenTree Responsible & Sust Stlg B	7.99%
Aegon Ethical Corporate Bond GBP B Inc	7.97%
RLBF II Royal London Ethical Bond M Inc	7.96%
Liontrust Sust Fut Mn Inc Bd B Grs Inc	7.95%
Sarasin Responsible Corporate Bond P Acc	7.91%
Rathbone Ethical Bond I Inc	7.89%
Unicorn UK Ethical Income B Inc	6.71%
Montanaro UK Income GBP	6.58%
CT Responsible UK Income 2 Inc	6.57%
Janus Henderson UK Responsible Inc I Inc	6.41%

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

Investment Team

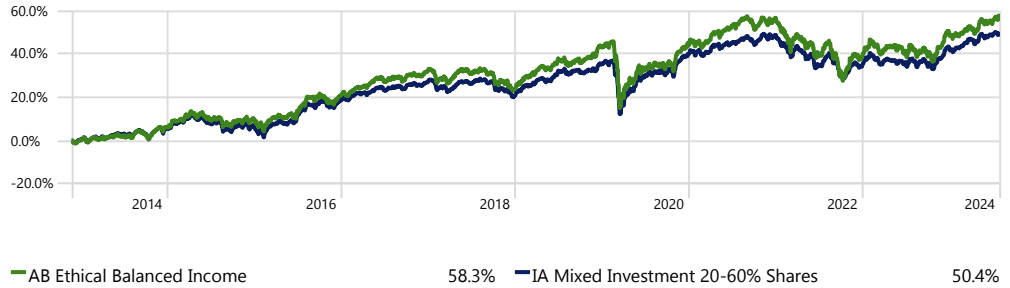
Investment Manager Alpha Beta SRI Investment Team

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Investment Growth

Time Period: 28/11/2013 to 31/07/2024



Trailing Returns

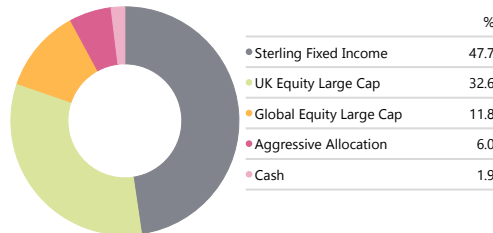
Data Point: Return

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception (28/11/2013)
AB Ethical Balanced Income	4.43	5.78	10.17	2.95	14.78	58.33
IA Mixed Investment 20-60% Shares	2.92	5.19	9.06	3.25	12.97	50.41

The portfolio launched on 05/06/2009, however the data shown is from the first available past performance date, 28/11/2013.

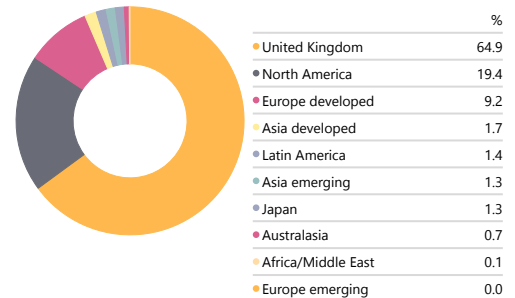
Asset Allocation

Portfolio Date: 31/07/2024



Equity Regional Exposure

Portfolio Date: 31/07/2024



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 portfolio level, the Ethical Balanced Income model benefited from its small and mid-cap UK equity exposure. Of its top holdings, the highest returning fund was the Montanaro UK Income fund. One of the fund's largest holdings is Bloomsbury Publishing, a leading independent publishing house, established in 1986. The company aims to educate and inspire readers of all ages and backgrounds, and seeks to help build a reading culture that will benefit society. Part of this includes helping people from all backgrounds and identities become part of the global publishing industry, which will allow diverse voices to both reflect and shape our culture and society.

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