

### Investment Objectives

The AB Ethical Balanced Growth 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	1.34%
Ongoing Charge	0.78%
Management Fee (VAT where applicable)	0.25%
Portfolio Cost	1.03%

### Benchmark

Comparator Benchmark IA Mixed Investment 40-85% Shares

### Risk

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

	Sharpe Ratio	Std Dev
AB Ethical Balanced Growth	0.16	9.65
IA Mixed Investment 40-85% Shares	0.35	7.23

### Top 10 Holdings

Portfolio Date: 31/07/2024

	Portfolio Weighting %
Liontrust Sust Fut Eurp Gr 2 Net Acc	11.38%
Brown Advisory US Sust Gr GBP B Inc	10.05%
Stewart Inv Gbl EM Sustnby B GBP Acc	9.86%
Quilter Investors Ethical Eq R (GBP) Acc	9.66%
EdenTree Responsible & Sust Shrt Dtd B	7.15%
Aegon Ethical Corporate Bond GBP B Inc	6.96%
Rathbone Ethical Bond I Inc	6.87%
Jupiter Ecology I Inc	6.63%
EdenTree Responsible & Sust Gbl Eq B	6.39%
Pictet - Climate Government Bds I GBP	6.36%

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

### Investment Team

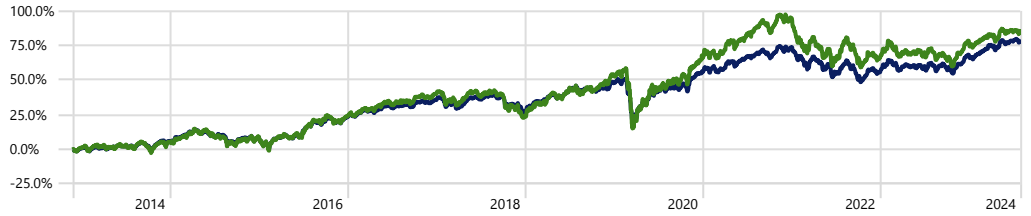
Investment Manager Alpha Beta SRI Investment Team

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### Investment Growth

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



AB Ethical Balanced Growth 86.8% IA Mixed Investment 40-85% Shares 79.5%

### Trailing Returns

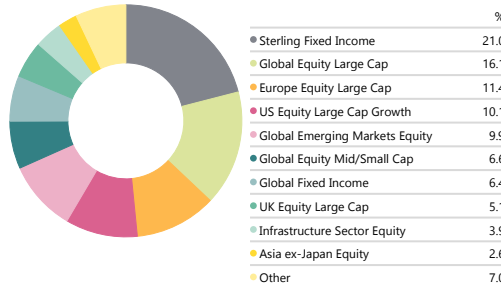
Data Point: Return

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception (28/11/2013)
AB Ethical Balanced Growth	3.41	5.75	8.06	0.72	28.31	86.77
IA Mixed Investment 40-85% Shares	3.02	6.64	10.54	7.35	23.05	79.46

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

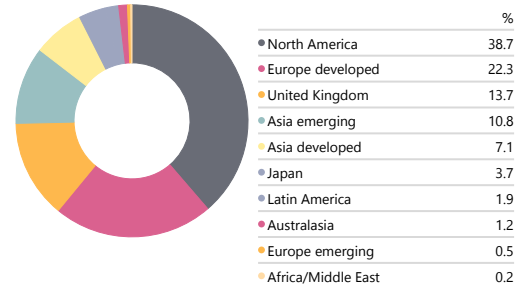
### Asset Allocation

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 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.

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