

Investment Objectives

Our objective is to outperform UK CPI +2% over the medium to long term, keeping within the prescribed volatility limits whilst investing in low-cost ETFs or Index funds, physically invested and with a low tracking error. To achieve the investment objective, we deploy quantitative and qualitative techniques and extensive research that shape our macroeconomic views. The AB Sustainable Balanced invests a minimum core of 80% in funds that are sustainable and contribute positively to either the environment or society, and that provide solutions to global issues. The sustainable models are aligned to the core model's risk first asset allocation, utilising passive instruments, whilst remaining a cost effective solution to responsible investing.

Key Facts

| | |
|---|-----------------------------------|
| Launch Date | 01 March 2021 |
| Base Currency | Pound Sterling |
| Benchmark | IA Mixed Investment 20-60% Shares |
| Model Portfolio Service Charge (No VAT Charged) | 0.25% |
| Underlying Fund Costs | 0.53% |
| Total Portfolio Cost | 0.78% |

Investment Growth

Time Period: 01/03/2021 to 31/10/2024



Performance Summary

| As at 31 October 2024 | 3 Month | 6 Month | 1 Year | 3 Year | 5 Year | Since Inception | YTD | 2023 | 2022 | 2021 | 2020 |
|-----------------------------------|---------|---------|--------|--------|--------|-----------------|------|------|--------|------|-------|
| AB Sustainable Balanced | 0.44 | 3.05 | 14.19 | -4.88 | 24.03 | 3.38 | 4.99 | 7.25 | -15.85 | 7.92 | 18.75 |
| IA Mixed Investment 20-60% Shares | 0.77 | 3.72 | 13.63 | 3.21 | 14.88 | 8.78 | 5.59 | 6.86 | -9.67 | 6.31 | 3.49 |

Performance data should be reviewed alongside the important risk information on page 2.

The portfolio launched on 01 March 2021. Performance data prior to this date is for illustration purposes only and is backed tested performance using the asset allocation of the portfolio at launch.

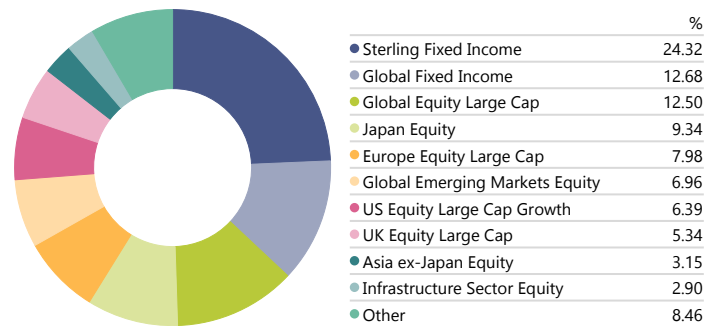
Top 10 Holdings

Portfolio Date: 31/10/2024

| Portfolio Weighting % | Percentage |
|--|------------|
| iShares Japan Equity ESG Idx (UK) D Acc | 9.34% |
| Vanguard ESG Dev Eurp Idx £ Acc | 7.98% |
| Vanguard ESG Em Mkts All Cp Eq Idx £ Acc | 6.96% |
| Baillie Gifford High Yield Bond B Acc | 6.49% |
| Royal London Short Duration Gilts M Inc | 6.47% |
| Brown Advisory US Sust Gr GBP B Inc | 6.39% |
| BNY Mellon Sust Glb Dyn Bd Instl W Acc | 6.18% |
| RLBF II Royal London Ethical Bond Z Inc | 5.62% |
| EdenTree Responsible & Sust Stlg B | 5.59% |
| Janus Henderson Global Sust Eq I Acc | 5.04% |

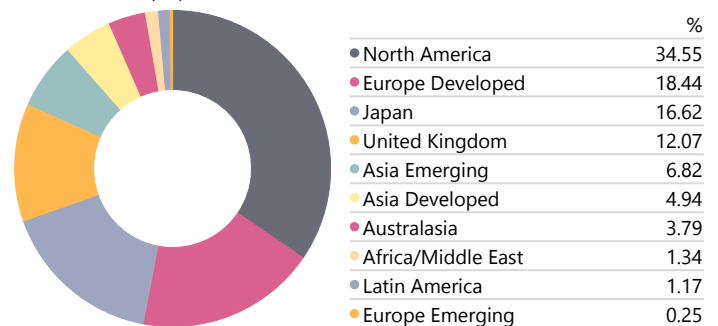
Asset Allocation

Portfolio Date: 31/10/2024



Equity Regional Exposure

Portfolio Date: 31/10/2024



Manager Commentary

October was turbulent for risk assets, with early gains eroded by month's end as liquidity waned. Valuations in some sectors appear stretched, raising questions about the potential for a year-end rally.

In the UK, Chancellor Reeves abandoned fiscal rules, adding £50+ billion in debt. Despite parallels to Mrs. Truss's policies, market reactions were muted. Gilt yields rose to 4.4% with more issuance expected, while UK equities remain selectively appealing.

The US economy remains strong, with 3.4% GDP growth and low credit spreads indicating corporate health. Inflation hovers at 2.4%, though adjusted figures fall below 2%. Improved October employment data reduced bond market's expectations for further Federal Reserve rate cuts, pushing Treasury yields higher and challenging equity valuations. Despite this, a November rate cut remains likely as the Fed navigates easing employment pressures.

As the US election nears, markets react to shifting poll dynamics. Ample liquidity supports risk assets, and a stronger dollar reflects geopolitical concerns. Overall, optimism persists for a solid year-end finish.

China's \$28bn stimulus, though significant, falls short of market expectations, leaving recovery prospects uncertain. Investors demand more decisive action from the People's Bank of China. Japan's weaker yen and rising inflation have become problematic, increasing the likelihood of Bank of Japan intervention. Additionally, China's low-cost exports are pressuring Japan's vehicle exports, signalling that equity values may have peaked.

In Europe, inflation has dropped to just above 1%, but economic struggles in Germany and France persist, with manufacturing in decline. Volkswagen's factory closures highlight the challenges. Another round of quantitative easing could be on the horizon as the Eurozone navigates its fragile recovery.

The Technology sector and emerging market funds delivered positive returns, while sustainable energy and long-duration bond funds lagged, weighed down by their sensitivity to rising yields.

At a portfolio level, the Sustainable Balanced model benefited from its US equity exposure. Of the portfolio's top holdings, the best performing fund was the Brown Advisory US Sustainable Growth fund. One of the fund's largest holdings is Monolithic Power Systems, a leading international semiconductor company who create innovative solutions and green, accessible products. Semiconductors are important for sustainability as they drive advances in communications, computing, health care, transportation, and clean energy.

Platform Availability



Important Information

Alpha Beta Partners is a trading name of AB Investment Solutions Limited, which is registered in England (no. 09138865), and regulated and authorised by the Financial Conduct Authority. Alpha Beta Partners Limited is the parent company of AB Investment Solutions Limited, registered in England and Wales (no. 10963905). The registered office for both entities is Northgate House, Upper Borough Walls, Bath, BA1 1RG.

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