

## Sustainability Portfolio – June 2020 Factsheet

Your financial affairs in a safe pair of hands

### Portfolio Objective

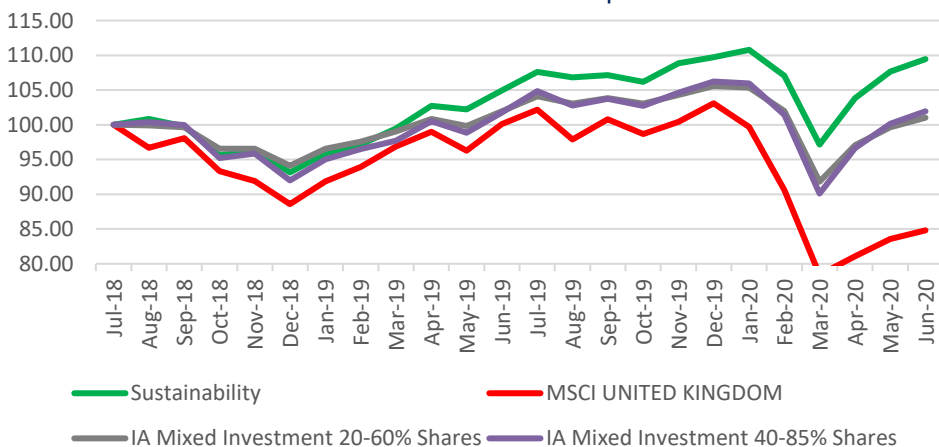
The NLPFM Discretionary Management Service offers a number of different portfolios to clients. The needs of each client are considered independently and different portfolios are selected based on suitability and approach to risk after a discussion directly with the client. The philosophy of NLPFM is that irrespective of which portfolio is used, clients can be assured that their money is looked after with their interests at heart. The Sustainability Portfolio aims to deliver superior risk-adjusted returns to the benchmark through investing in a number of funds which can help improve the world investors live in, targeting companies with sustainable environmental, societal and corporate governance practices. Whilst the funds in this portfolio can be considered sustainable in nature, they are not necessarily ethical in the traditional sense. The processes of the underlying fund managers vary, but as a group the funds should offer an attractive risk and return profile whilst investing in companies which can have a positive impact on society.

### The Month in Review

June saw the end of the second quarter, and with it a market environment which was in stark contrast to Q1 2020. The raft of support given by the central banks globally, paired with enormous levels of fiscal stimulus provided by governments has ensured that risk assets have rebounded strongly from the lows seen at the end of March. The Coronavirus pandemic which gripped the world throughout the entire quarter, appears to have been effectively managed in Asia and Europe, allowing economies to reopen gradually. This has certainly buoyed market participants, which have virtually priced in a V-shaped recovery. However, the virus has not been entirely controlled as we have seen with an increase in infections in the US, Brazil, India and other emerging economies. With the US election in November and the end of the UK's transition phase out of the EU looming, there remain significant geo-political risks which have only been heightened by COVID. The US has been the best performing market since the start of the quarter, but still remains down year-to-date. The UK is the worst performing developed market YTD at -17.73%, and has lagged the rally for Q2. The MSCI UK ended June up 1.50%, with mixed investment sectors returning 1.40% and 1.78%. The portfolio continues to deliver superior risk adjusted returns.

### Performance

NAV Performance of our Sustainability Portfolio, MSCI UK and Mixed Shares - Since Inception



Key Information	
Number of Funds	19
Average Fund Size (£m)	941
Average Manager Track Record (Years)	9.71
Average Holding Period (Years)	1.61
Historic Yield (%)	1.40
Portfolio Expense	0.64

Source: Financial Express Analytics

Performance & Volatility (%)	1 Month	3 Months	6 Months	12 Months	Since Inception (August 2018)	Volatility (Since Inception)
Sustainability Portfolio	1.66	12.63	-0.27	4.30	9.44	11.38
MSCI UK	1.50	8.16	-17.73	-15.26	-15.19	15.54
Mixed Investment 20-60% Shares	1.40	10.03	-4.30	-0.89	1.04	12.93
Mixed Investment 40-85% Shares	1.78	13.14	-4.02	0.19	1.94	12.93

NLP Financial Management Limited does not accept liability for any errors or inaccuracies that may have occurred in the collection and recording of this data and will provide extra detail on data or graphs used in this note upon request. The above figures are indicative of the returns for the portfolios on a particular day, however not all portfolios are valued on the same day and variations may occur.

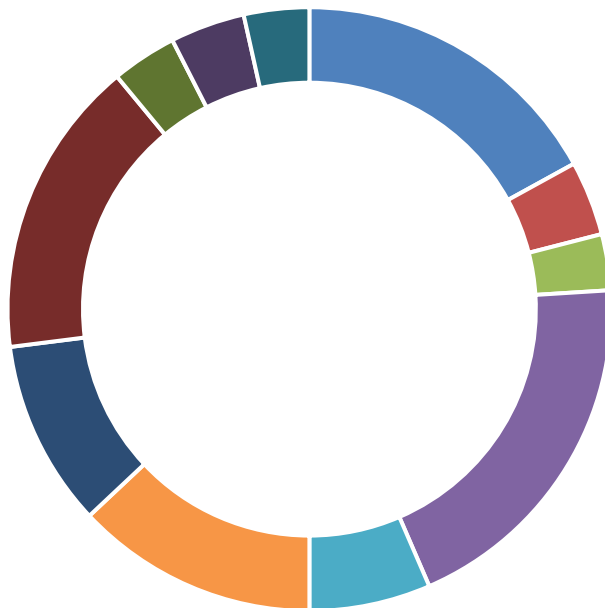
Past performance is not a guide to the future.

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### Asset Allocation

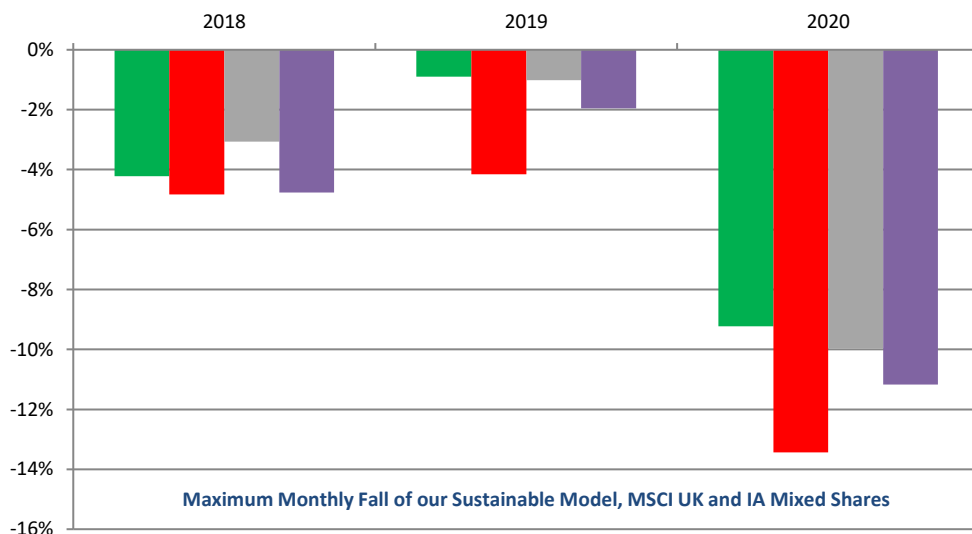
- Cash 17%
- Index-Linked Gilts 4%
- Gilts 3%
- Corporate Bonds 19.5%
- Global Bonds 6.5%
- UK Equities 13%
- European Equities 10%
- US Equities 16%
- Japanese Equities 3.5%
- Emerging Market & Asian Equities 4%
- Other International Equities 3.5%



Top 10 Holdings	%
UK TREASURY	1.97
BRED – BANQUE POPULAIRE (CASH)	0.69
COOPERATIEVE RABOBANK (CASH)	0.69
DZ BANK AG (CASH)	0.69
NATIONAL BANK OF CANADA (CASH)	0.69
SUMITOMO MITSUI BANKING (CASH)	0.66
MICROSOFT CORP	0.62
CREDIT AGRICOLE CORPORATE AND INV (CASH)	0.50
KEYENCE CORP	0.36
DIASORIN	0.39

Source: Financial Express Analytics

### Maximum Monthly Falls



Upside/Downside Capture	%
Upside Capture	84%
Downside Capture	25%

Average monthly capture versus MSCI United Kingdom. An upside capture ratio over 100 indicates the portfolio has generally outperformed the benchmark during periods of positive returns for the benchmark. Meanwhile, a downside capture ratio of less than 100 indicates that the portfolio has lost less than its benchmark in periods when the benchmark has fallen. Data taken from Financial Express Analytics

- Sustainable
- MSCI UNITED KINGDOM
- IA Mixed 20-60%
- IA Mixed 40-85%