

## Sustainability Portfolio – September 2020 Factsheet

Your financial affairs in a safe pair of hands

### Portfolio Objective

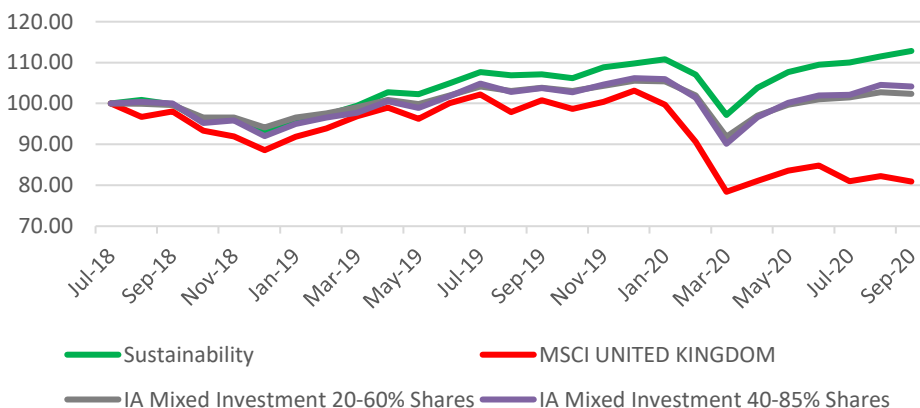
The NLPFM Discretionary Management Service offers a number of different portfolios to clients. The needs of each client are considered independently and different portfolios are selected based on suitability and approach to risk after a discussion directly with the client. The philosophy of NLPFM is 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 the environment and society.

### The Month in Review

September saw a mixed end to the quarter for risk assets after a strong rebound in economic activity pushed asset prices higher over the previous two months. Japan was the strongest performing developed market for September after newly sworn in prime minister Yoshihide Suga promised to continue his predecessor's pro-growth policy, also known as "Abenomics". Asia also had a strong end to the quarter, with China currently the only major nation expected to avoid recession this year after its relative success in containing the virus. The US had a good quarter but weakened throughout September, as the technology stocks which had driven the market recovery began to falter. The US election race heated up through the month as incumbent Donald Trump squared off against Democratic nominee Joe Biden for the first time. Expect heightened volatility in the weeks leading up to the election of 3<sup>rd</sup> November as market participants begin to predict the outcome. The UK remains the global laggard, with uncertainty over what kind of deal will be reached with the EU ahead of the conclusion of the transition period, and concerns over the services sector once the furlough scheme finishes at the end of October. The MSCI UK ended September down 1.59%, with mixed investment sectors losing 0.36% and 0.38%. 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	20
Average Fund Size (£m)	944
Average Manager Track Record (Years)	10.25
Average Holding Period (Years)	1.67
Historic Yield (%)	1.38
Portfolio Expense	0.64

Source: Financial Express Analytics

Performance & Volatility (%)	1 Month	3 Months	YTD	1 Year	2 Years	Since Inception (August 2018)	Volatility (Since Inception)
Sustainability Portfolio	1.21	3.11	2.83	5.33	13.10	12.85	10.70
MSCI UK	-1.59	-4.64	-21.55	-19.76	-17.53	-19.12	14.91
Mixed Investment 20-60% Shares	-0.36	1.29	-3.07	-1.42	2.72	2.34	9.73
Mixed Investment 40-85% Shares	-0.38	2.16	-1.94	0.38	4.17	4.15	12.23

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

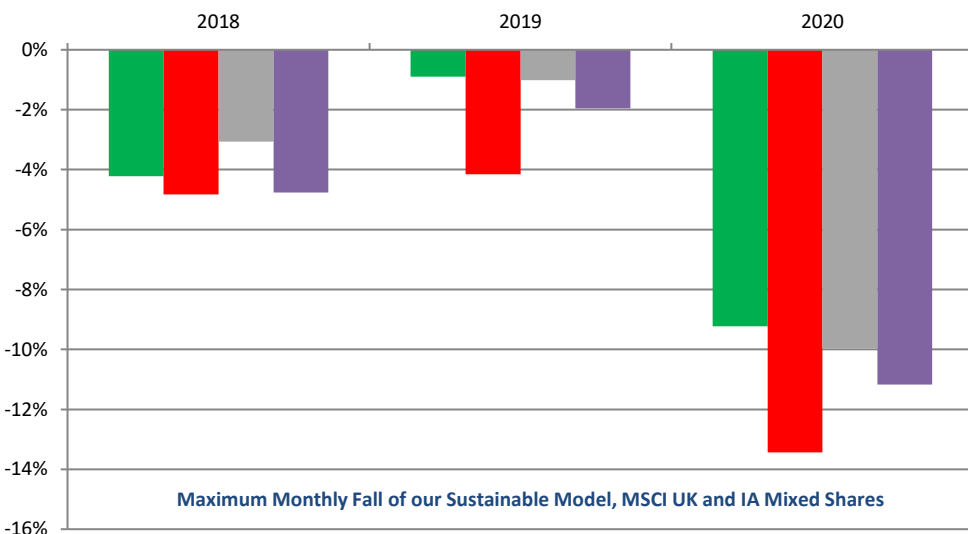
- Cash 8%
- Index-Linked Gilts 4%
- Gilts 3%
- Corporate Bonds 22.5%
- Global Bonds 7.5%
- UK Equities 13%
- European Equities 11%
- US Equities 21%
- Japanese Equities 3%
- Emerging Market & Asian Equities 4%
- Other International Equities 3%



Top 10 Holdings	%
MICROSOFT CORP	1.06
APPLE INC	0.73
TAIWAN SEMI CONDUCTOR MANUFACTURING CO (TSMC)	0.37
KEYENCE CORP	0.35
KBC BANK (CASH)	0.35
PRUDENTIAL PLC	0.35
THERMO FISHER SCIENTIFIC INC	0.34
TOMRA SYSTEMS AMA	0.31
HM TREASURY UK 1.5% GILT 22/07/26	0.31
SCHNEIDER ELECTRIC SE	0.30

Source: Financial Express Analytics

### Maximum Monthly Falls



Upside/Downside Capture	%
Upside Capture	85%
Downside Capture	14%

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%