

Sustainability Portfolio – December 2020 Factsheet

Your financial affairs in a safe pair of hands

Portfolio Objective

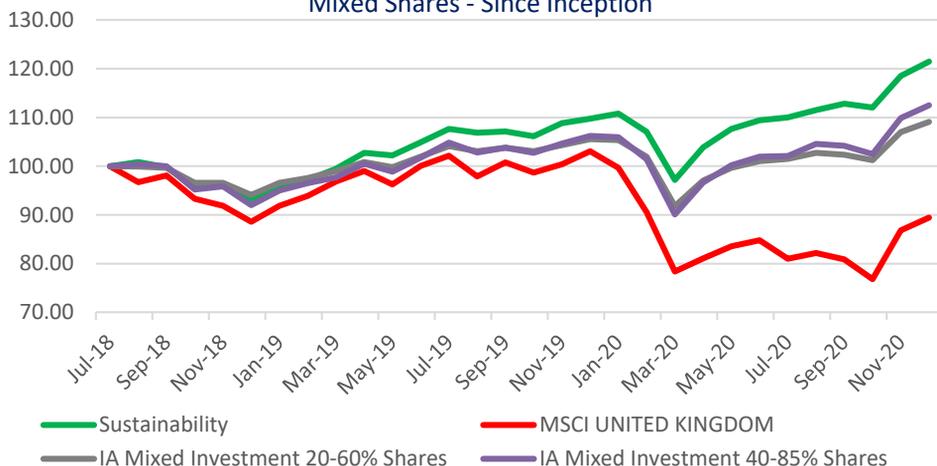
The NLPFM Discretionary Management Service offers a number of different portfolios to clients. The needs of each client are considered independently and different portfolios are selected based on suitability and approach to risk after a discussion directly with the client. The philosophy of NLPFM is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

December Saw a continuation of the rally in global markets following the announcements of various vaccines with high efficacy against Coronavirus. In the UK and worldwide, vaccination programs began in earnest with the hope of some return to normality in 2021. The stocks which saw a return to favour were the cyclical companies which had been badly hit during the start of the pandemic and had not yet recovered, such as oil stocks, travel and leisure. Markets shrugged off the worsening of the infection rates in most European countries on the hope of a successful vaccination effort, with the UK performing very strongly to cap off a solid quarter. The year ended with the announcement of a Brexit deal with Brussels, which will also encourage investors. Asia and emerging markets also ended the year on a positive note, having been the first region to lockdown and subsequently recover from the pandemic. Bond yields remained low after renewed stimulus from central banks, and rates are likely to remain low until economies recover fully. Our bond funds were a positive contribution to returns for the month. The MSCI UK ended the month up 3.00% and the fourth quarter up 10.60%, but remained down 13.23% for 2020. with mixed investment sectors made 1.94% and 2.38% for the month, and 6.57% and 8.03% for the quarter. The portfolio ended the year strongly, beating its comparators for the year and 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)	967
Average Manager Track Record (Years)	10.9
Average Holding Period (Years)	1.98
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	2.50	7.63	10.68	10.68	30.43	21.46	10.76
MSCI UK	3.00	10.60	-13.23	-13.23	0.98	-10.55	17.08
Mixed Investment 20-60% Shares	1.94	6.57	3.30	3.30	15.91	9.06	9.96
Mixed Investment 40-85% Shares	2.38	8.03	5.93	5.93	22.30	12.51	12.54

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Past performance is not a guide to the future.

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Asset Allocation

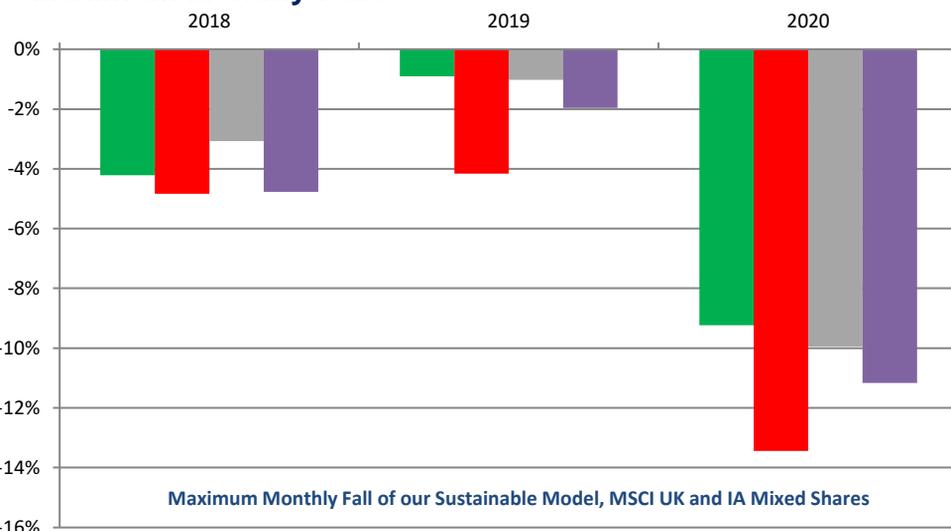
- Cash 4%
- Index-Linked Gilts 5%
- Gilts 3%
- Corporate Bonds 24%
- Global Bonds 8%
- UK Equities 13.5%
- European Equities 11%
- US Equities 18.5%
- Japanese Equities 3%
- Emerging Market & Asian Equities 8%
- Other International Equities 2%



Top 10 Holdings	%
MICROSOFT CORP	0.83
APPLE INC	0.56
TAIWAN SEMI CONDUCTOR MANUFACTURING CO (TSMC)	0.39
HM TREASURY UK 1.5% GILT 22/07/26	0.39
PRUDENTIAL PLC	0.37
BASIC FIT NV	0.33
UNILEVER PLC	0.33
ASTRAZENECA PLC	0.33
KEYENCE CORP	0.31
LAM RESEARCH CORP	0.30

Source: Financial Express Analytics

Maximum Monthly Falls



Maximum Monthly Fall of our Sustainable Model, MSCI UK and IA Mixed Shares

Upside/Downside Capture	%
Upside Capture	82%
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%

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