

## Sustainability Portfolio – March 2021 Factsheet

Your financial affairs in a safe pair of hands

### Portfolio Objective

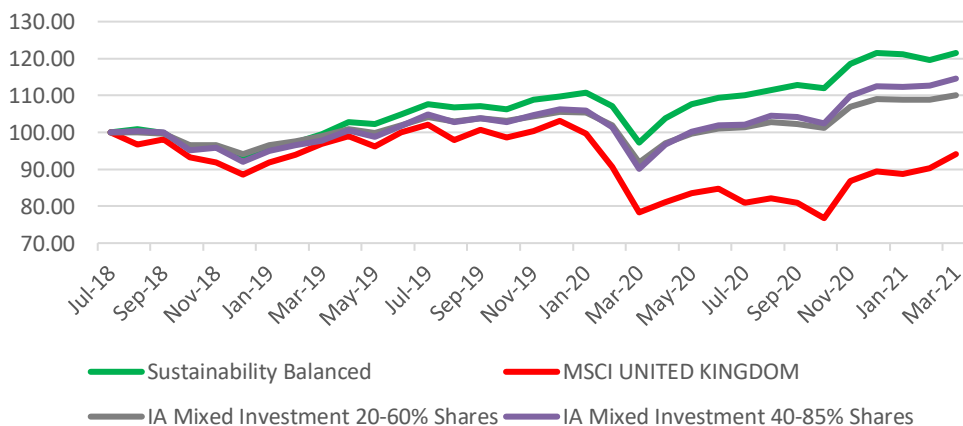
The NLPFM Discretionary Management Service offers a number of different portfolios to clients. The needs of each client are considered independently and different portfolios are selected based on suitability and approach to risk after a discussion directly with the client. The philosophy of NLPFM is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

**March** Saw a strong end to a quarter dominated by rising bond yields and a value-driven equities rally. This is built on dropping infection rates in the US and UK particularly, and a further \$1.9tn of stimulus introduced in the US. The strength of performance of value sectors such as financials has coincided with rising bond yields globally, and optimism over the reopening of domestic economies and the subsequent bounce in global growth. Small cap stocks, which are typically focused on domestic companies, have performed particularly well over the month and quarter. Even the economies with a lower vaccination rate have surged ahead for the month, with Eurozone and Japanese markets up significantly in sterling terms, despite only 11% and 1% of their populations receiving a vaccine. Emerging markets and Asia fell over the month but remained positive for the quarter, partly down to concerns over mooted central bank tightening in China. March also capped off a bad quarter for fixed income markets, which suffered from rising bond yields on the fears of deflation in domestic economies. UK government bonds fell over 7% for the quarter and it was a similar story in the US, as investors carefully monitor central bank sentiment, looking for an indication on when interest rate hikes could be introduced. Our bond funds were a detractor for returns over the quarter. The MSCI UK ended the month +4.12% and the first quarter up 5.21%. The mixed investment sectors made 1.26% and 1.69% for the month, and 1.00% and 1.87% for the quarter. The portfolio ended the quarter strongly after a difficult February, and continues to deliver superior risk adjusted returns.

### Performance

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



Key Information	
Number of Funds	20
Average Fund Size (£m)	818
Average Manager Track Record (Years)	9.9
Average Holding Period (Years)	2.04
Historic Yield (%)	1.2
Portfolio Expense	0.71

Source: Financial Express Analytics

Performance & Volatility (%)	1 Month	3 Months	YTD	1 Year	2 Years	Since Inception (August 2018)	Volatility (Since Inception)
Sustainability Cautious	1.30						
Sustainability Balanced	1.67	0.11	0.11	25.13	22.26	21.59	10.34
Sustainability Balanced Growth	1.90						
MSCI UK	4.12	5.21	5.21	20.02	-2.85	-5.89	16.50
Mixed Investment 20-60% Shares	1.26	1.00	1.00	19.95	11.23	10.15	9.49
Mixed Investment 40-85% Shares	1.69	1.87	1.87	27.20	17.32	14.61	11.95

## Sustainability Portfolio – March 2021 Factsheet

Your financial affairs in a safe pair of hands

### Asset Allocation – Sustainability Balanced

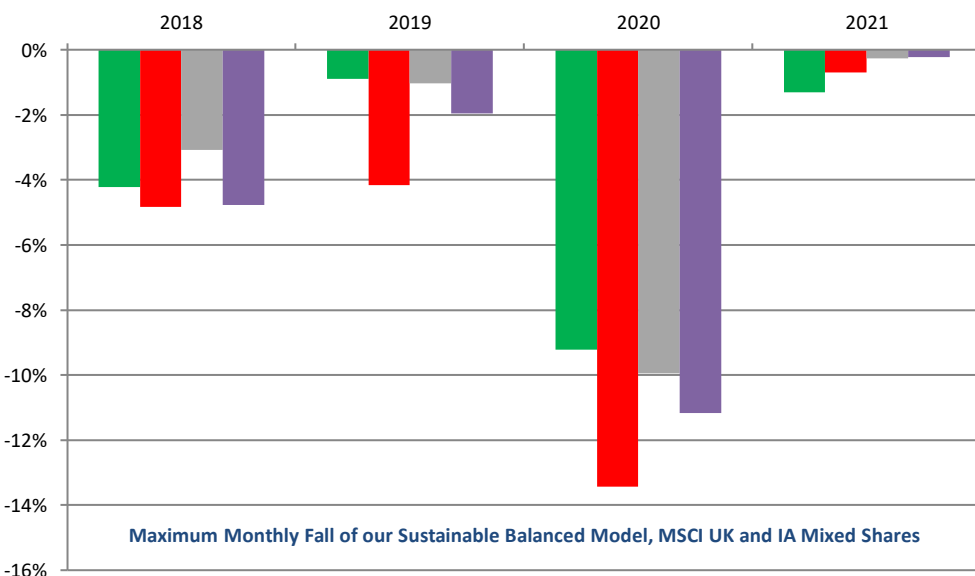
- Index-Linked Gilts 5%
- Strategic Bonds 10%
- Corporate Bonds 15%
- Global Bonds 5%
- Absolute Return Bonds 5%
- UK Equities 16%
- European Equities 10.5%
- US Equities 20.5%
- Japanese Equities 2.5%
- Emerging Market & Asian Equities 8.5%
- Other International Equities 2%



Top 10 Holdings	%
MICROSOFT CORP	0.99
APPLE INC	0.72
PRUDENTIAL PLC	0.50
TAIWAN SEMICONDUCTOR CO	0.49
ASTRAZENECA	0.40
UNILEVER PLC	0.32
TENCENT HOLDINGS LTD	0.32
SSE PLC	0.31
AIA GROUP LTD	0.29
CSL LTD	0.28

Source: Financial Express Analytics

### Maximum Monthly Falls



Upside/Downside Capture	%
Upside Capture	71%
Downside Capture	15%

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%

NLP Financial Management Ltd  
2<sup>nd</sup> Floor, Charles House  
108-110 Finchley Road  
London  
NW3 5JJ  
www.nlpfm.co.uk  
Tel 020 7472 5555

This is a marketing communication, intended for information only and should not be construed as an invitation or offer to buy and sell any investment vehicle, instrument or service. This information is based on historic data collected by NLP Financial Management Limited using Financial Express Analytics and presented here in gross form before fees and taxes. The effect of these fees should be considered as they will create a drag on performance. Past performance is not a guide to the future performance. Changes in rates of exchange may also cause the value of investments to go up or down.

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.

NLP Financial Management Limited is authorised and regulated by the Financial Conduct Authority.