

## Sustainability Portfolio – June 2021 Factsheet

Your financial affairs in a safe pair of hands

### Portfolio Objective

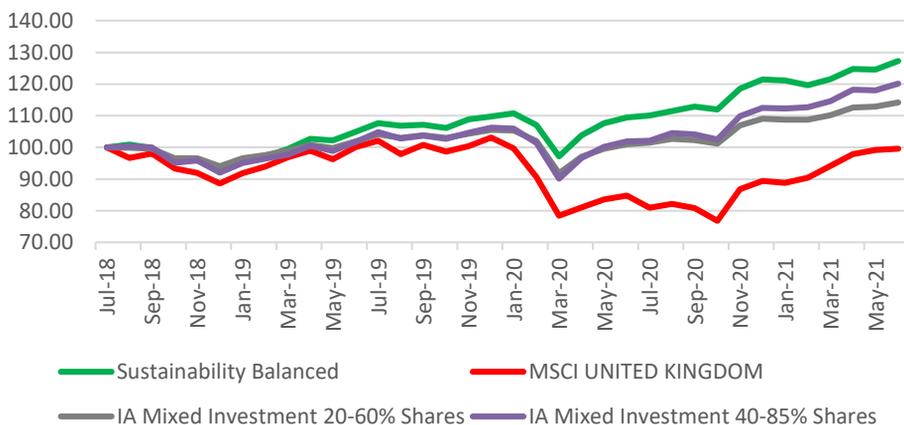
The NLPFM Discretionary Management Service offers a number of different portfolios to clients. The needs of each client are considered independently and different portfolios are selected based on suitability and approach to risk after a discussion directly with the client. The philosophy of NLPFM is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

**June** saw a strong end to a quarter with economies continuing to reopen as the vaccination drive surged across developed markets. This was especially the case for Europe which is now catching up with the UK and US, something which was reflected in the performance of the European stock market. The UK market has largely shrugged off fears of the delta variant, with rising cases not yet leading to increased hospitalisations, signalling the effectiveness of the vaccines. Asia, and in particular Japan has been slower on the vaccine uptake, with investor appetite for the region more muted for the quarter. Bond markets have recovered well from the first quarter which was dominated by inflation fears, and whilst the threat of inflation remains bond yields fell on the back of market support. As a result, all of our bond funds were additive to performance for the month and the quarter. All equity funds were positive for the second quarter, with particularly good numbers coming from our global and US funds. The MSCI UK ended the month +0.43% and the second quarter up 5.84%. The mixed investment sectors made 1.19% and 1.80% for the month, and 3.67% and 4.87% for the quarter. The Balanced Portfolio enjoyed a strong quarter after a mostly flat Q1, 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	20
Average Fund Size (£m)	905.57
Average Manager Track Record (Years)	10.1
Average Holding Period (Years)	2.29
Historic Yield (%)	1.07
Portfolio Expense	0.69

Source: Financial Express Analytics

Performance & Volatility (%)	1 Month	3 Months	YTD	1 Year	2 Years	Since Inception (August 2018)	Volatility (Since Inception)
Sustainability Cautious	1.75	3.78	N/A	N/A	N/A	N/A	N/A
Sustainability Balanced	2.16	4.66	4.77	16.27	21.28	27.25	9.99
Sustainability Balanced Growth	2.40	5.11	N/A	N/A	N/A	N/A	N/A
MSCI UK	0.43	5.84	11.35	17.44	-0.48	-0.40	15.95
Mixed Investment 20-60% Shares	1.19	3.67	4.71	13.02	12.02	14.19	9.14
Mixed Investment 40-85% Shares	1.80	4.87	6.83	17.90	18.12	20.19	11.55

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### Asset Allocation – Sustainability Balanced

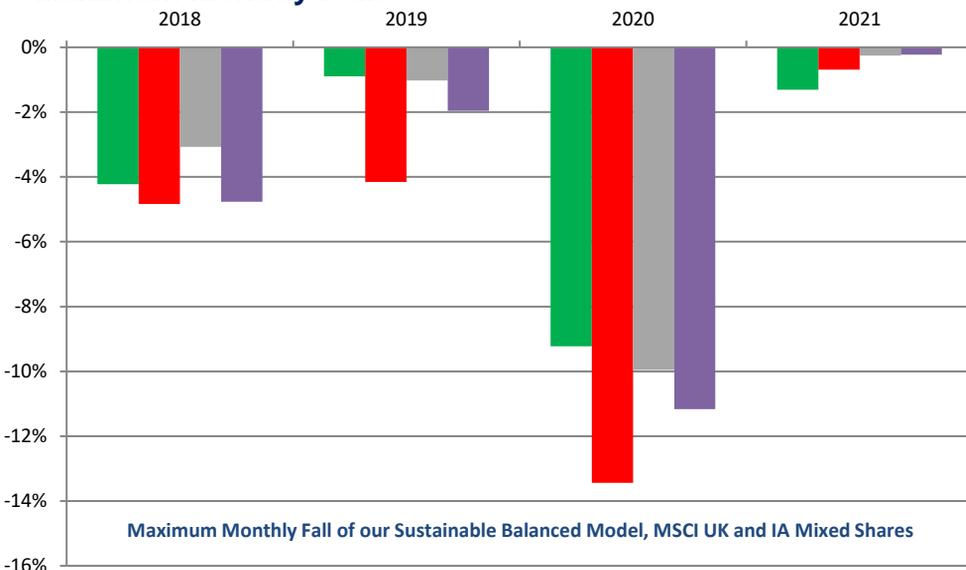
- Index-Linked Gilts 5%
- Strategic Bonds 10%
- Corporate Bonds 15%
- Global Bonds 5%
- Absolute Return Bonds 5%
- UK Equities 16%
- European Equities 10.5%
- US Equities 20.5%
- Japanese Equities 2.5%
- Emerging Market & Asian Equities 8.5%
- Other International Equities 2%



Top 10 Holdings	%
APPLE INC	0.58
MICROSOFT CORP	0.47
TAIWAN SEMICONDUCTOR CO	0.47
ASTRAZENECA	0.39
PRUDENTIAL PLC	0.36
CSL LTD	0.30
KEYENCE CORP	0.30
TENCENT HLDGS LTD	0.29
RELX PLC	0.28
THERMO FISHER SCIENTIFIC	0.28

Source: Financial Express Analytics

### Maximum Monthly Falls



Upside/Downside Capture	%
Upside Capture	87%
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%

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