

## Sustainability Portfolio – September 2021 Factsheet

Your financial affairs in a safe pair of hands

### Portfolio Objective

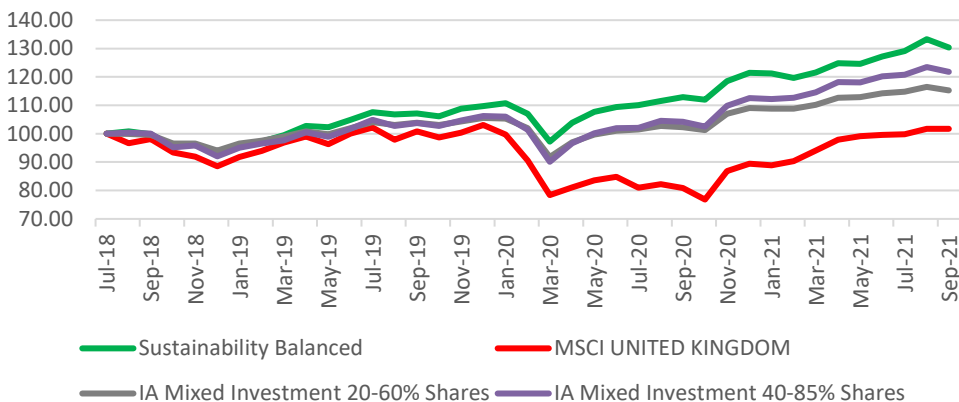
The NLPFM Discretionary Management Service offers a number of different portfolios to clients. The needs of each client are considered independently and different portfolios are selected based on suitability and approach to risk after a discussion directly with the client. The philosophy of NLPFM is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

**September** saw a coordinated sell-off of risk assets, as investors digested news of a potential slowdown in economic growth, supply chain bottlenecks and rising inflation. Despite this, developed market equities are still sitting pretty for the year, with continued support emanating from strong corporate earnings. The same cannot be said for emerging economies, which have endured a difficult third quarter on the back of continued negative sentiment in China. The world's second largest economy has become a regular topic of discussion of late, with the Communist Party of China targeting the education sector earlier in the quarter, before switching focus to the tech sector. Concerns also increased on the news that the second largest property developer in China could default on its debt, and any possible spill-over effects resulting from this. Central banks in the US and UK struck a more hawkish tone, with the Bank of England signalling they could begin a cycle of interest rate hikes either side of the new year, and the US Federal Reserve forecasting a tapering of asset purchases to begin in November. This had led investors to dump bonds, seeing yields spike and growth stocks weaken on the expectation of increased borrowing costs. Consequently our bond funds were mixed for the month but negative as a whole, with the alternatives also detracting from performance. The MSCI UK ended the month flat after strong quarter, whilst the mixed investment sectors were -1.14% and -1.35%. Our models fell after a positive start to the quarter, but continue to deliver strong, risk-adjusted returns

### Performance

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



| Key Information                      |         |
|--------------------------------------|---------|
| Number of Funds                      | 22      |
| Average Fund Size (£m)               | 1024.18 |
| Average Manager Track Record (Years) | 9.69    |
| Average Holding Period (Years)       | 2.19    |
| Historic Yield (%)                   | 1.10    |
| Portfolio Expense                    | 0.72    |

Source: Financial Express Analytics

| Performance & Volatility (%)   | 1 Month | 3 Months | YTD   | 1 Year | 3 Years | Since Inception (August 2018) | Volatility (Since Inception) |
|--------------------------------|---------|----------|-------|--------|---------|-------------------------------|------------------------------|
| Sustainability Cautious        | -1.85   | 1.88     | N/A   | N/A    | N/A     | N/A                           | N/A                          |
| Sustainability Balanced        | -2.15   | 2.47     | 7.35  | 15.55  | 30.68   | 30.39                         | 9.83                         |
| Sustainability Balanced Growth | -2.35   | 2.75     | N/A   | N/A    | N/A     | N/A                           | N/A                          |
| MSCI UK                        | 0.00    | 2.14     | 13.74 | 25.79  | 3.75    | 1.74                          | 15.33                        |
| Mixed Investment 20-60% Shares | -1.14   | 0.88     | 5.63  | 12.57  | 15.63   | 15.20                         | 8.83                         |
| Mixed Investment 40-85% Shares | -1.35   | 1.36     | 8.29  | 16.98  | 21.86   | 21.83                         | 11.17                        |

## Sustainability Portfolio – June 2021 Factsheet

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### Asset Allocation – Sustainability Balanced

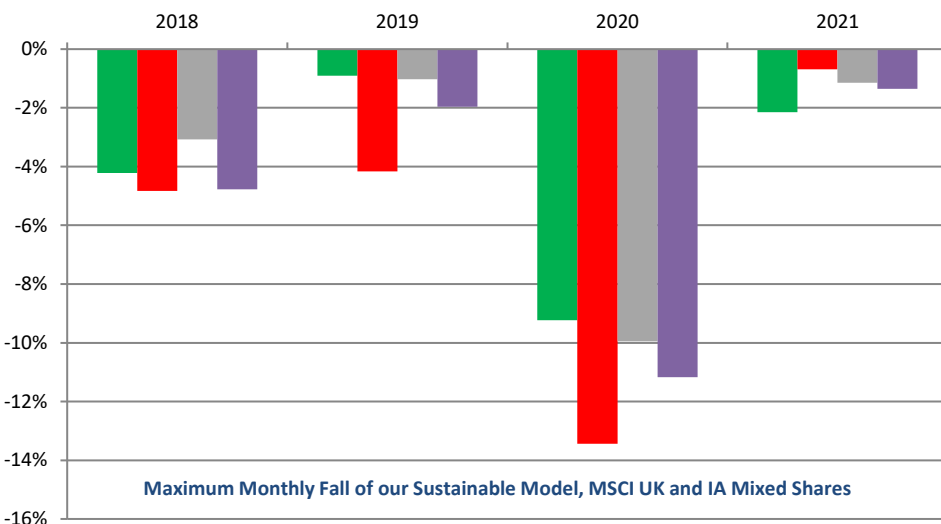
- Global Index Linked 5%
- Strategic Bonds 8%
- Corporate Bonds 12%
- Global Bonds 5%
- Absolute Return Bonds 5%
- UK Equities 16%
- European Equities 10%
- US Equities 21%
- Japanese Equities 2.5%
- Emerging Market & Asian Equities 8.5%
- Other International Equities 2%
- Global Macro Fund 5%



| Top 10 Holdings          | %    |
|--------------------------|------|
| MICROSOFT CORP           | 0.56 |
| PRUDENTIAL PLC           | 0.51 |
| DANAHER CORP             | 0.46 |
| APPLE INC                | 0.46 |
| TAIWAN SEMICONDUCTOR CO  | 0.45 |
| ASTRAZENECA PLC          | 0.42 |
| THERMO FISHER SCIENTIFIC | 0.37 |
| US TREASURY BILLS        | 0.33 |
| GERMAN BUNDS             | 0.33 |
| SCHNEIDER ELECTRIC       | 0.31 |

Source: Financial Express Analytics

### Maximum Monthly Falls



| Upside/Downside Capture | %    |
|-------------------------|------|
| Upside Capture          | 112% |
| 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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