

## Sustainable Model Portfolio Service

November 2022

### Asset allocation



- Fixed interest
- UK equity
- Overseas equity
- Alternatives
- Liquidity strategies
- Cash

### Top 10 holdings

|                                         |       |
|-----------------------------------------|-------|
| ICS Sterling Liquidity                  | 9.89% |
| Vontobel Sustainable Short Term Bond    | 9.17% |
| Trojan Ethical                          | 7.51% |
| Rathbone Ethical Bond                   | 6.78% |
| Cash                                    | 6.36% |
| Brown Advisory Global Sustainable Total | 5.95% |
| Pictet Global Sustainable Credit        | 5.66% |
| CG Dollar                               | 5.52% |
| AB Sustainable US Thematic Equity       | 4.80% |
| Lazard Global Sustainable Equity Fund   | 4.70% |

### Portfolio information

|                          |                 |
|--------------------------|-----------------|
| Launch date              | 1 November 2018 |
| Minimum cash holding     | 2%              |
| Annual management charge | 0.20%           |
| Ongoing charge figure    | 0.49%           |

There will be an additional 0.25%pa charge (no VAT) if LGT Wealth Management are asked to act as custodian and a third party platform is not used.

### Portfolio description

This portfolio looks to achieve capital growth in excess of inflation, whilst supporting inclusive economic development by investing in more environmentally and socially sustainable business practices. The portfolio will look to do this by investing in a diversified range of funds, which allocate capital to sustainable themes, such as healthcare and social housing, financial inclusion and education, the circular economy and renewable energy. The portfolio is diversified across a range of asset classes with a medium allocation to funds investing in equities (expected to be no greater than 55%) and other risk assets. Target volatility: 4% - 7%

### United Nations Sustainable Development Goals



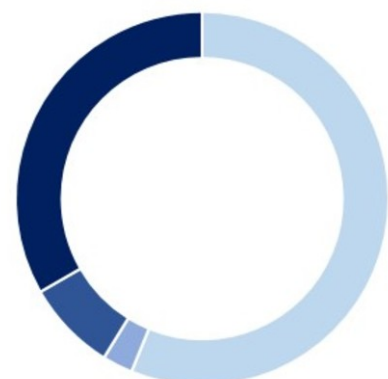
### Portfolio pillar mapping

As part of the LGT Wealth Management Sustainable Model Portfolio Service, we have developed four sustainable investment pillars. These pillars encompass investment themes and the related the United Nation's Sustainable Development Goals (UN SDG), which they aim to support. Two of the pillars target social themes and two target environmental themes. This allows the translation of a framework based on a global, wide-reaching social and environmental change into an investable universe of ideas.

### Our sustainable investment pillars



In order to better understand the thematic exposure of the portfolios, we have aligned the underlying funds to our sustainable pillars.



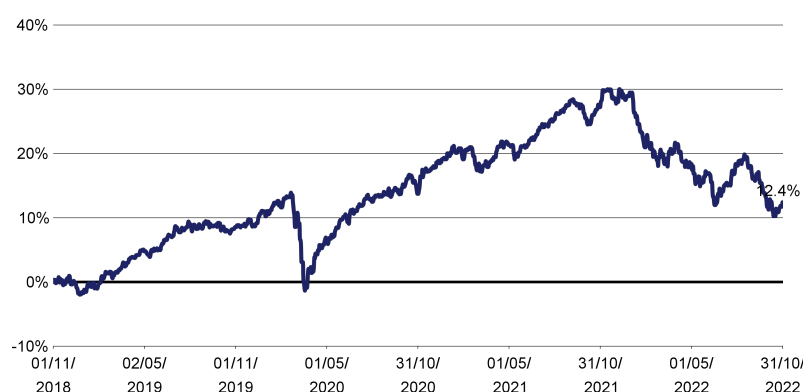
### Key

|                                     |     |
|-------------------------------------|-----|
| ■ Healthcare and societal wellbeing | 53% |
| ■ Financial inclusion and education | 2%  |
| ■ Circular economy and resources    | 5%  |
| ■ Climate and Environmental action  | 40% |

## Monthly investment update

As we near the end of 2022, we head into another meeting of global leaders to discuss climate change, this year in Egypt at COP27. Meanwhile, markets have shown little sign of falling volatility, as inflation remains persistent and central banks continue to diverge in how they look to tackle inflationary pressures. Over in the US, the Federal Reserve has remained steadfast in raising rates as far as necessary, indicating to the market that their expectations are currently too low as to where interest rates will peak. On the flip side, we have seen the Bank of England do the opposite, indicating that the market has priced in too much, signalling a reluctance to raising interest rates to tackle inflationary pressures broadly outside of their control. Whatever the outcome, relying on overly descriptive macroeconomic forecasts to inform our investment decisions is unlikely to yield favourable results and instead, looking to where attractive medium to longer growth opportunities, alongside favourable current risk/return characteristics is the most prudent mandate to follow. Away, but by no means insignificant to markets, COP27 will be underway in November and will mark another year of continued commitments towards reducing our environmental impact and more importantly, acknowledging the impact previous damage made by the West on the current landscape in developing economies and how we can better work together to solve the global climate crisis. We will be watching to closely to see how world leaders are approaching COP27 due to the myriad of other factors they must contend with this year and hope to see renewed and enhanced commitments to transitioning to a net zero economy.

## Investment growth



Source: Morningstar

### As at end of October 2022

|                    |           |
|--------------------|-----------|
| 1 month            | 0.61%     |
| 3 month            | -5.03%    |
| 6 month            | -5.04%    |
| 1 year             | -11.65%   |
| 3 year             | 3.54%     |
| Target             |           |
| Volatility         | 4 to 7%   |
| Return             | 4.5 to 6% |
| Potential drawdown | -9.1%     |
| Yield              |           |
| Assumed yield      | 1.29%     |
| Dividend           | 42%       |
| Savings            | 58%       |

Where targets are given, these are for indication purposes only; the actual figures achieved could be more or less than the ranges given. Source: Morningstar. Net of underlying fund costs, gross of all other charges. \*Source: Figaro. Fixed income considered saving income, all other asset classes (bar cash) considered dividend income.

## Important information

**LGT Wealth Management's fees for the management of model portfolios should be VAT exempt and it treats such fees accordingly. However, the firm is aware that the VAT liability of model portfolio management services is due to be reviewed by HM Revenue & Customs. If it is determined that such services should be subject to VAT, it will be necessary for LGT Wealth Management to add VAT to its fees.**

The performance of actual portfolios linked to this Model Portfolio may differ from the performance of the Model Portfolio shown herein due to certain funds contained in the Model Portfolios not being made available for investment into actual portfolios by some investment platforms, the variation in timing of the initial investment or rebalancing differences resulting from minimum transaction size limits on the investment platform.

The Model Portfolio Service is not a financial instrument. The portfolio will consist of financial instruments, which when considered together as the Model Portfolio Service have a target market consistent with the needs of retail clients. This publication is marketing material. It is for information purposes only. The information presented herein is for illustrative purposes only and does not provide sufficient information on which to make an informed investment decision. This document is not intended and should not be construed as an offer, solicitation or recommendation to buy or sell any specific investments or participate in any investment (or other) strategy. It is recommended that potential investors should seek advice concerning the suitability of any investment from their Financial Adviser. Potential investors should be aware that past performance is not an indication of future performance and the value of investments and the income derived from them may fluctuate and they may not receive back the amount they originally invested. The tax treatment of investments depends on each investor's individual circumstances and is subject to changes in tax legislation. The performance of actual portfolios linked to this Model Portfolio may differ from the performance of the Model Portfolio shown herein due to the variation in timing of the initial investment or rebalancing differences resulting from minimum transaction size limits on the investment platform. The Ongoing Charge Figure is variable and is for example purposes only. The information in this factsheet is for private circulation only and though it is believed to be correct it cannot be guaranteed. No representation or warranty (express or otherwise) is given as to the accuracy or completeness of the information contained in this factsheet and LGT Wealth Management UK LLP ("LGT Wealth Management") and its partners and employees accept no liability for the consequences of your acting upon the information contained herein.

LGT Wealth Management UK LLP is a Limited Liability Partnership registered in England and Wales. Registration number OC329392. LGT Wealth Management is authorised and regulated by the Financial Conduct Authority and is a member of the London Stock Exchange.