



Sustainable Model Portfolio Service

October 2023

Asset allocation



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

Top 10 holdings

ICS Sterling Liquidity	13.43%
Vontobel Sustainable Short Term Bond	9.57%
Trojan Ethical	7.77%
Brown Advisory Global Sustainable Total	6.87%
Vanguard US Govt Bond Index	5.70%
Rathbone Ethical Bond	5.53%
L&G Global Inflation Linked Bond Index	5.39%
Threadneedle UK Social Bond	4.89%
CG Dollar	4.54%
Threadneedle European Social Bond	3.65%

Portfolio information

Launch date	1 November 2018
Minimum cash holding	2%
Annual management charge	0.20%
Ongoing charge figure	0.40%
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 40%) and other risk assets. Target volatility: 2%-4.75%

United Nations Sustainable Development Goals



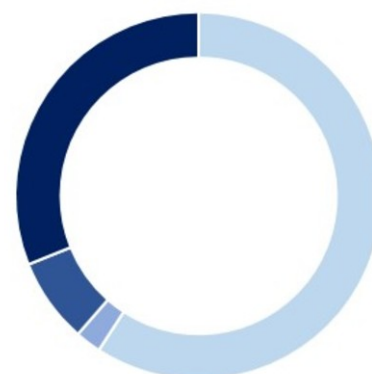
Portfolio pillar mapping

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	73%
Financial inclusion and education	3%
Circular economy and resources	10%
Climate and Environmental action	14%

Monthly investment update

The US stock market had its worst month of the year, with a September selloff erasing some of the gains from the prior seven months. Concerns have arisen that the Federal Reserve (Fed) will maintain high interest rates despite some economic weakness. The Fed's policymakers left the benchmark interest rate unchanged in September, signalling a "higher for longer" strategy to combat inflation while the economy remains strong and investors are adjusting to this outlook.

Despite uncertainty, fixed income assets have become more attractive due to rising Treasury yields, potentially luring investors away from stocks. There is also optimism for the market, especially in sectors like communication services, consumer discretionary, technology and industrials – more will be revealed as Q3 earnings begin.

During periods of market decline and prevailing apprehension, it may prove challenging to resist the urge to liquidate investments, hoping to reinvest when market sentiment becomes more favourable – an attempt to 'time the market'. However, this approach comes with the risk of potentially forgoing some of the most prosperous days of market growth, which could significantly undermine long-term investment returns. Maintaining a long-term outlook is imperative during short-term uncertainty.

Investment growth



Source: Morningstar

As at last month end	
1 month	-0.81%
3 month	-0.32%
6 month	-0.47%
1 year	2.66%
3 year	-2.29%
Target	
Volatility	2 to 4.75%
Return	3 to 4.5%
Potential drawdown	-5.0%
Yield	
Assumed yield	2.11%
Dividend	26%
Savings	74%

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.

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