

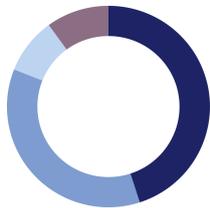


**Sustainable Model Portfolio Service**

March 2024



**Asset allocation**



- Fixed interest 45%
- UK equity 0%
- Overseas equity 36%
- Alternatives 9%
- Liquidity strategies 0%
- Cash 10%

**Top 10 holdings**

|   |       |
|---|-------|
| Vontobel Sustainable Short Term Bond      | 9.22% |
| Trojan Ethical                            | 8.50% |
| ICS Sterling Liquidity                    | 8.19% |
| Brown Advisory Global Sustainable Total   | 5.74% |
| L&G Global Inflation Linked Bond Index    | 5.35% |
| AB Sustainable US Thematic Equity         | 5.00% |
| Rathbone Ethical Bond                     | 4.95% |
| Vanguard US Govt Bond Index               | 4.00% |
| Lazard Global Sustainable Equity Fund     | 4.00% |
| Janus Henderson Global Sustainable Equity | 4.00% |

**Portfolio information**

|                          |                 |
|--------------------------|-----------------|
| Launch date              | 1 November 2018 |
| Minimum cash holding     | 2%              |
| Annual management charge | 0.20%           |
| Ongoing charge figure    | 0.46%           |

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**



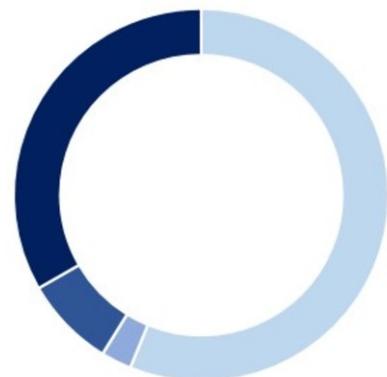
**Portfolio pillar mapping**

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 | 66% |
| ■ Financial inclusion and education | 3%  |
| ■ Circular economy and resources    | 9%  |
| ■ Climate and Environmental action  | 22% |

## Monthly investment update

February saw a surge in stock markets, with the S&P 500 rising by 5.3% in local currency, driven partly by optimism in artificial intelligence (AI). However, elevated interest rates posed challenges for many sectors.

Confidence in a global soft economic landing continued to rise, propelling Europe's benchmark Stoxx Europe 600 and the Nikkei 225 to hit new record highs in the month. US Consumer Price Index (CPI) surpassed expectations, leading to a rise in 10-year Treasury yields to 4.25%. Expectations for US interest rate cuts in 2024 decreased to three, down from seven previously anticipated. In the UK, the Bank of England awaits fiscal implications from the March budget, with Deputy Governor nominee Clare Lombardelli advocating for sustained higher rates. Meanwhile, Donald Trump gained momentum in the US Republican presidential race, likely setting the stage for a rematch with Joe Biden in November.

Central banks globally remain cautious about rate cuts amid robust economic data, strong market performance and geopolitical tensions, emphasising data dependency and favouring quality companies with sound financials.

## Investment growth



Source: Morningstar

| As at last month end      |           |
|---------------------------|-----------|
| <b>1 month</b>            | 0.91%     |
| <b>3 month</b>            | 4.14%     |
| <b>6 month</b>            | 5.06%     |
| <b>1 year</b>             | 6.54%     |
| <b>3 year</b>             | 3.76%     |
| <b>Target</b>             |           |
| <b>Volatility</b>         | 4 to 7%   |
| <b>Return</b>             | 4.5 to 6% |
| <b>Potential drawdown</b> | -9.1%     |
| <b>Yield</b>              |           |
| <b>Assumed yield</b>      | 1.95%     |
| <b>Dividend</b>           | 42%       |
| <b>Savings</b>            | 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.

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