

# BALANCED SUSTAINABLE PORTFOLIO



**Objective:** To grow capital in absolute and real (inflation adjusted) terms, from a balanced mix of equities and other assets, with a focus on responsible investing.

## Investor Profile

The Balanced Sustainable Portfolio aims to cater for retail or professional investors, over the long-term, looking for:



### Sustainable portfolio

A portfolio focused on responsible investing.



### Inflation beating returns

Total returns keeping pace with/ahead of inflation.



### Volatility less than equity investing

Returns that are less volatile than investing solely in equities.



### Actively managed portfolio

An actively managed portfolio under responsible stewardship.

## Key Information

Inception Date: **31st December 2021**

Base Currency: **GBP**

Minimum Investment: **Platform dependent**

Available Share Class: **Accumulation**

Historic Yield: **0.55%**

Accessibility: **GIA, ISA, PP, SIPP**

Number of Holdings: **26**

Growth Assets: **55% (Range\*: 50% - 70%)**

\*Expected range. Actual allocation may be more or less than this.

## Portfolio Charges

Initial Charge: **0%**

Portfolio Management Fee: **0.3%**

Ongoing Cost of Funds (OCF): **0.41%**

**Total Portfolio Cost: 0.71%\***

\*A professional adviser's initial and ongoing charge may be applied, subject to agreement between client and adviser. Fund transaction costs will apply, and will likely average between 0.05%-0.15% across the portfolio, depending on funds held. Other charges may also apply. OCF figure will vary.

## Portfolio Risk

Potentially lower rewards Potentially higher rewards



Lower risk Higher risk

The portfolio is in this category due to historic risk and return characteristics demonstrated in the performance simulation, alongside the expected growth asset range between 50% - 70%. A risk indicator of "1" does not mean the investment is risk free.

## Market and Portfolio Update

July was a quiet month in markets with global stocks and bonds performing relatively well across the board. A softer economic landing in the US feels more likely as disinflation progresses alongside a resilient economy. Things even seem a bit rosier at home with inflation appearing to show signs of slowing in the latest CPI (Consumer price index) print. Global equity returns this year have been driven by a focused group of technology names, however, over recent months the rally became more broad based.

The portfolio has benefitted from this broadening out of equity participation, particularly areas such as smaller companies and real assets (property, infrastructure and commodities). For fixed income - Our view is that we are close to the end of the rate hiking cycle and that bonds are a useful asset to hold in portfolios from a risk/return basis.

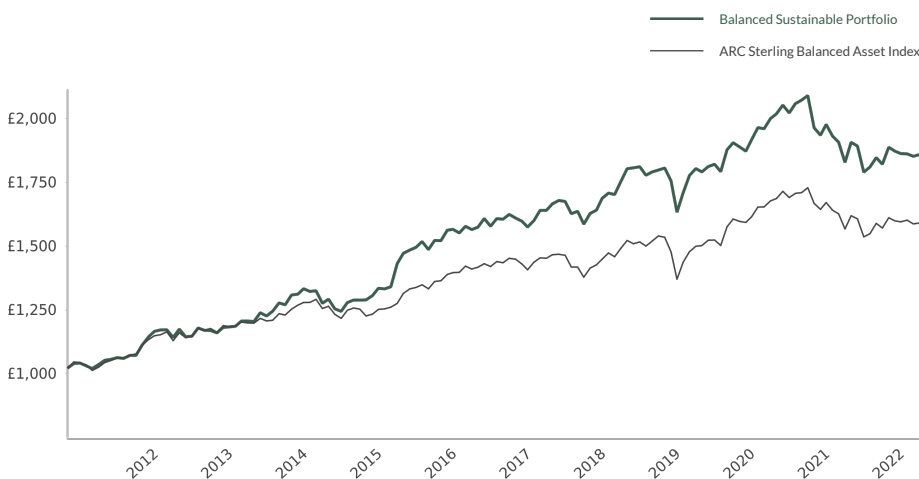
### Portfolio Positioning/Changes

We made a few changes to the Balanced Sustainable portfolio in July.

The investment committee viewed the attractiveness of bonds relative to equities merited an increase in bonds by 5%. With higher base rates, there are a range of fixed income opportunities available - with yields ranging from 4.5% - 10%. We believe the optimal blend is short-duration investment grade bonds, alongside longer-duration government bonds. This provides an average yield of around 6%, but also offers some recession proofing portfolio protection. This means the portfolio has a moderately cautious stance at present with good value in a number of equity allocations, alongside fixed income (offering attractive yields).

## Performance

**The portfolio inception date was 31/12/2021.** Prior to that date, we have provided additional **simulated returns\*** to help investors understand the risk and reward characteristics of the portfolio over a longer period of time. All returns are net of fees\*\*. **Past performance is not a guide to future returns.**



Cumulative Performance	1m	3m	6m	1y	3y	5y	YTD
Balanced Sustainable Portfolio	1.47%	1.34%	-0.02%	-1.04%	5.37%	13.28%	3.64%
ARC Sterling Balanced Asset Index	1.50%	0.71%	-0.04%	-0.53%	7.21%	9.83%	2.53%

\*Based on historical data for the portfolio strategic asset allocation (SAA). Not a guarantee of return. Future returns may be below or above those stated. Source: Lipper; Aspen. For further information on the SAA, please contact Aspen.

\*\*Fees assumed to be 0.75% for simulated returns. For live data, since 31/12/2021, fees are net of underlying fund costs and a 0.3% management fee.

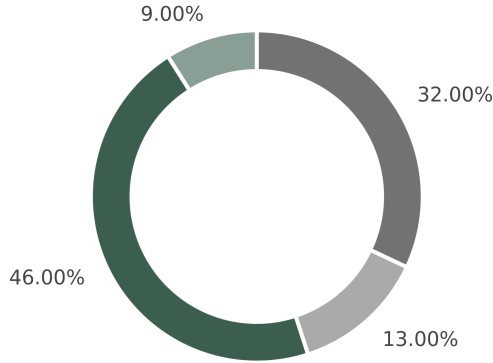
August 2023

All data as of 31 July 2023



## Asset Allocation

Indicative\* asset allocation, for the strategy:



### Defensive Assets

- Fixed income**  
 Consists of a core component of sovereign and corporate bonds, complemented by tactical funds.
- Real Return**  
 Real return assets are lower risk investments that seek to provide a real (inflation adjusted) return, such as index-linked bonds.

### Growth Assets

- Equities**  
 Consist of a core component of domestic and overseas equities, complemented by tactical funds.
- Real Assets**  
 Real Assets are those most sensitive to changes in inflation and include commodities, property and infrastructure.

## Fund Selection

Indicative\* fund selection, for the strategy:

Fund Name	Allocation / Change**
<b>Fixed Income</b>	
Cash	1.50%
iShares UK Gilts All Stocks Index Fund	6.25% ↑
iShares ESG Sterling Corporate Bond Index Fund	3.00% ↓
NT Global Bond ESG Climate Index Fund	6.00% <span>New</span>
Dimensional Global Short Duration Sustainable Fixed Income...	1.75% ↑
EdenTree Responsible and Sustainable Short Dated Bond Fund	5.00% ↓
Muzinich Short Duration Investment Grade Fund	5.50% <span>New</span>
Dimensional Global Sustainable Fixed Income Fund	3.00% <span>New</span>
<b>Real Return</b>	
Sanlam Global Inflation-Linked Bond Fund	6.50% ↓
TwentyFour Monument European ABS Fund	6.50% ↑
<b>Equities</b>	
Amundi Index MSCI UK IMI SRI PAB Fund	5.25%
Montanaro UK Income Fund	1.50%
UBAM Postive Impact Equity Fund	1.25%
Amundi Index MSCI USA SRI PAB Fund	3.75%
Hermes US SMID Cap Fund	1.00%
Amundi Index MSCI Japan SRI PAB Fund	4.50%
Amundi Index Emerging Markets SRIPAB Fund	2.75%
Stewart Investors Global Emerging Markets Sustainability	3.00%
GSI Global Sustainable Focused Value Fund	5.50%
NT Quality Low Vol Low Carbon World Feeder Fund	7.00% <span>New</span>
Liontrust Global Innovation Fund	6.00% ↓
Northern Trust World Small Cap ESG Low Carbon Fund	2.25%
Montanaro Better World Fund	2.25%
<b>Real Assets</b>	
Foresight Sustainable Real Estate Fund	1.75% ↓
First Sentier Responsible Listed Infrastructure Fund	2.25% ↓
iShares Physical Gold ETC	2.00% ↓
Robeco Smart Materials Fund	3.00% ↓
<b>Total</b>	<b>100%</b>

\*Actual portfolio asset allocation and fund selection may vary.

\*\*Increase or decrease in fund during the month, as illustrated.

## Your Investment Professionals

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## Risk Warnings & Disclaimer

The value of investments and the income from them can go down as well as up and investors may not recover the amount of their original investment. The sterling value of overseas investments, and the income from them, will fluctuate as a result of currency movements. Past performance is not a guide to future performance. Investors should be aware of the additional risks associated with funds investing in certain areas of the market or asset classes, such as smaller companies and emerging markets. The tax treatment of investments depends on each investor's individual circumstances and is subject to changes in tax legislation.

Aspen, through North Capital Management Ltd, as the regulated firm, is responsible for managing the portfolio on a discretionary basis in accordance with the stated investment objectives and risk profile for the portfolio. The professional adviser is responsible for advising their client as to the selection of a portfolio and for assessing the suitability of the chosen portfolio for their client on an ongoing basis. The information in this document is believed to be correct but cannot be guaranteed. No representation or warranty (express or otherwise) is given as to the accuracy or completeness of the information contained in this publication. This document is for illustrative purposes only and does not constitute advice. It does not constitute an offer to sell or a solicitation of an offer to purchase any security or any other investment or product. North Capital Management Ltd will not accept any liability for the consequences of acting or not acting upon the information contained in this publication. Opinions expressed are solely the opinions of North Capital Management Ltd. All expressions of opinion are subject to change without notice. This document may not be reproduced or distributed in any format without the prior written consent of North Capital Management Ltd.