

### Investment Objectives

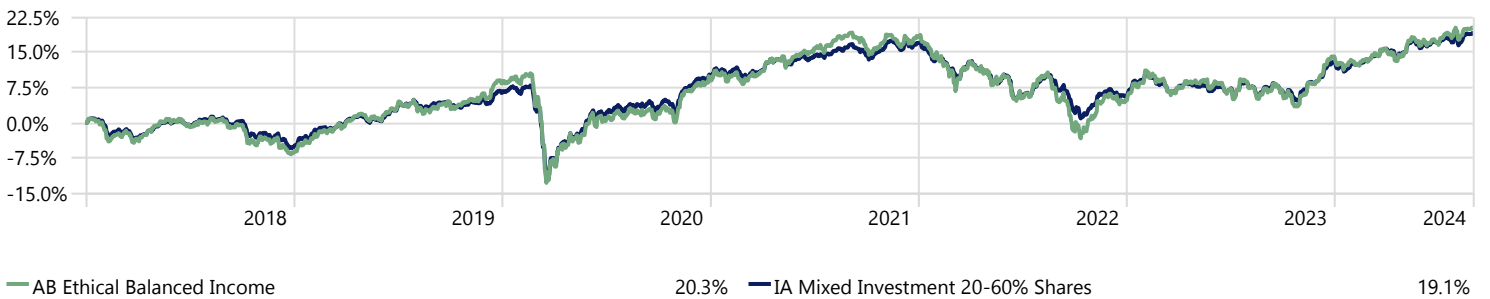
The AB Ethical Balanced Income model portfolio will seek to deliver long-term capital growth and income by blending collective strategies and employing our proprietary rating and risk profiling systems. We employ a strict negative screening process in order to highlight investments which do not meet our ethical criteria. Our process screens for and seeks to avoid investments in areas such as animal testing, gambling, intensive farming, adult entertainment, tobacco and weaponry. Additionally, we seek to exclude companies which support oppressive regimes or operate in a way which does not respect human rights issues.

### Key Facts

Launch Date	22 November 2013
Base Currency	Pound Sterling
Benchmark	IA Mixed Investment 20-60% Shares
Model Portfolio Service Charge (No VAT Charged)	0.25%
Underlying Fund Costs	0.71%
Total Portfolio Cost	0.96%

### Investment Growth

Time Period: 01/01/2018 to 31/08/2024



### Performance Summary

As at 31 August 2024	3 Month	6 Month	1 Year	3 Year	5 Year	Since Inception	YTD	2023	2022	2021	2020
AB Ethical Balanced Income	3.23	6.34	12.08	1.30	16.81	20.31	5.43	8.94	-11.46	8.52	0.60
IA Mixed Investment 20-60% Shares	2.72	5.34	10.78	2.45	14.81	19.12	5.47	6.86	-9.67	6.31	3.49

**Performance data should be reviewed alongside the important risk information on page 2.**

The portfolio launched on 24/03/2009, however the data shown is from the first available past performance date, 22/11/2013.

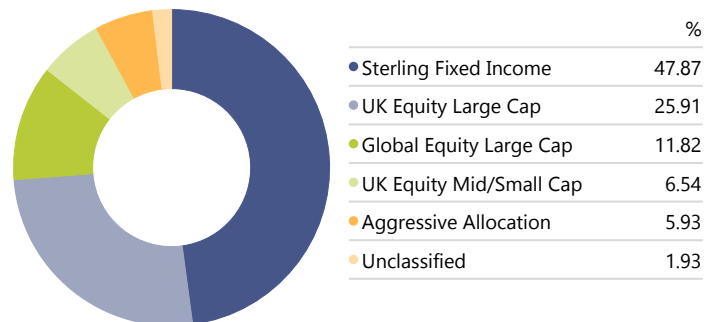
### Top 10 Holdings

Portfolio Date: 31/08/2024

Portfolio Holding	Portfolio Weighting %
EdenTree Responsible & Sust Stlg B	8.03%
Rathbone Ethical Bond I Inc	8.01%
RLBF II Royal London Ethical Bond M Inc	7.99%
Aegon Ethical Corporate Bond GBP B Inc	7.97%
Liontrust Sust Fut Mn Inc Bd B Grs Inc	7.96%
Sarasin Responsible Corporate Bond P Acc	7.90%
CT Responsible UK Income 2 Inc	6.59%
Unicorn UK Ethical Income B Inc	6.54%
Montanaro UK Income GBP	6.46%
Jupiter Responsible Inc I Inc	6.45%

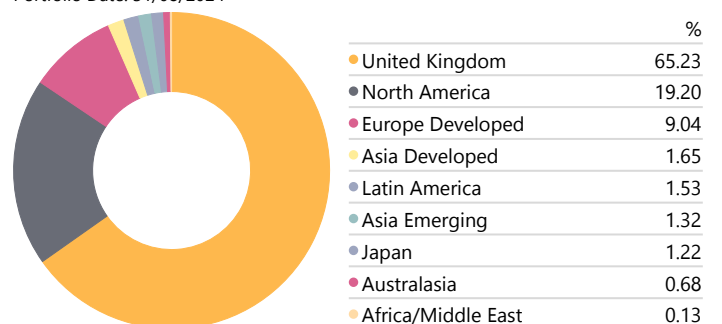
### Asset Allocation

Portfolio Date: 31/08/2024



### Equity Regional Exposure

Portfolio Date: 31/08/2024



## Manager Commentary

In August, equity market's realised volatility, measured by the VIX Index, surged to its highest levels since the pandemic and 2008 banking crisis before returning to normal. This was driven by Japanese carry trade unwind coupled with economic uncertainty, interest rate concerns, and geopolitical risks, potentially signalling investor caution and impacting broader market stability.

Japan's recent economic resurgence has been driven by policy shifts allowing bond yields to rise and inflation to remain controlled, while a weakened Yen boosted exports and stock market rallies. The Yen's devaluation also revived the carry trade, where investors borrow cheaply and reinvest in higher-yield assets. However, the Bank of Japan's rate hike in August reduced the carry trade's profitability, triggering brief market volatility, amplified by weak U.S. economic data. Volatility eased after reassurances from Japan's central bank.

The US job market has started to soften despite assurances of a soft landing. The U.S. continues to provide fiscal support through the Reverse Repo and Treasury General Account, increasing liquidity and driving markets, with money supply growing from -4.50% to +1.26%. Corporate earnings rose 9%, and despite weaker jobs data, consumer sentiment remains positive. Short-duration treasuries benefited from rate-cut expectations, while the U.S. dollar has weakened, spurring optimism for global lending and emerging market recovery. Meanwhile, China faces economic challenges with weaker retail sales, overcapacity, and tariff-related export issues, but stimulus and technology investments, including AI, could help offset these difficulties, especially as it pivots exports to Asia and Africa.

Europe has benefited from lower interest rates, though Germany's manufacturing sector is underperforming. Large European companies with global exposure remain profitable, but the Eurozone is economically weaker than in past years. In the UK, rising public sector wages have increased borrowing, with tougher fiscal measures expected. UK GDP is strong compared to peers, and equities are up 12% over the year.

Healthcare sector and long-duration bonds posted gains, while American Special Situations and Mid-Cap funds had negative returns this month.

Geopolitical concerns remain, but market volatility has normalised, with a weaker dollar supporting portfolio performance. Heading into autumn, we expect lower interest rates, increased liquidity, and a decisive U.S. Presidential election outcome. We remain cautiously optimistic as we approach the high impact event window of the US elections.

At portfolio level, the Ethical Balanced Income model benefited from its ethical fixed income exposure. Of the portfolio's top holdings, the best performing fund was the Rathbone Ethical Bond fund. One of the fund's largest holdings is AXA, a financial services company. One of AXA's many sustainability initiatives is aimed at tackling climate change. To help people live more sustainably, they are funding research to forecast the impacts of climate change and working on policy initiatives for sustainable living whilst cutting their own use of energy.

## Platform Availability



## Important Information

Alpha Beta Partners is a trading name of AB Investment Solutions Limited, which is registered in England (no. 09138865), and regulated and authorised by the Financial Conduct Authority. Alpha Beta Partners Limited is the parent company of AB Investment Solutions Limited, registered in England and Wales (no. 10963905). The registered office for both entities is Northgate House, Upper Borough Walls, Bath, BA1 1RG.

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