

Investment Objectives

The portfolio aims to provide capital growth over the medium to long term, keeping within the prescribed volatility limits whilst investing, where appropriate, in low cost ETFs or Index funds, physically invested and with a low tracking error.

AB Sustainable Cautious invests a minimum core of 80% in funds that are sustainable and contribute positively to either the environment or society, and that provide solutions to global issues. The sustainable models are aligned to the core model's risk first asset allocation, utilising both thoroughly researched active and passive instruments, whilst remaining a cost-effective solution to responsible investing.

Investment Growth

Time Period: 01/03/2021 to 31/03/2024



Snapshot

Base Currency	Pound Sterling
12 Month Yield	3.04%
Ongoing Charge	0.48%
Management Fee (VAT exempt)	0.25%
Portfolio Cost	0.73%

Trailing Returns

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception (01/03/2021)
AB Sustainable Cautious	2.15	7.65	6.78	-1.58	14.79	-1.18
IA Mixed Investment 0-35% Shares	1.45	7.22	5.85	-0.12	8.12	0.51

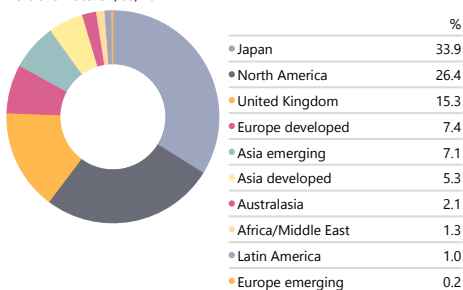
The portfolio launched on 1 March 2021. Performance data prior to this date is for illustration purposes only and is backed tested performance using the asset allocation of the portfolio at launch.

Benchmark

Comparator Benchmark	IA Mixed Investment 0-35%
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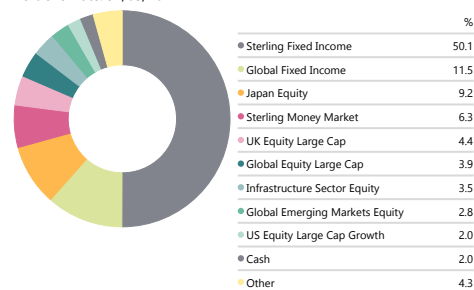
Equity Regional Exposure

Portfolio Date: 31/03/2024



Asset Allocation

Portfolio Date: 31/03/2024



Risk

Time Period: 01/04/2023 to 31/03/2024

	Std Dev	Sharpe Ratio
AB Sustainable Cautious	5.67	0.28
IA Mixed Investment 0-35% Shares	5.63	0.20

Top 10 Holdings

Portfolio Date: 31/03/2024

Portfolio Weighting %	
9.81%	CT Responsible Sterling Corp Bd C Inc
9.34%	Royal London Short Duration Gilts M Inc
9.17%	iShares Japan Equity ESG Idx (UK) D Acc
8.99%	RLBF II Royal London Ethical Bond Z Inc
8.96%	EdenTree Responsible & Sust Stlg B
8.45%	EdenTree Responsible & Sust Shrt Dtd B
6.35%	L&G Cash Trust I Acc
5.91%	BNY Mellon Sust Glb Dyn Bd Instl W Acc
5.58%	Baillie Gifford High Yield Bond B Acc
4.49%	Rathbone Ethical Bond I Inc

Manager's Commentary

In the first quarter of 2024, we witnessed positive outcomes in our portfolio's performance.

Some important milestones included the Bank of Japan raised interest rates for the first time in 37 years, while the Swiss National Bank initiated an interest rate cutting cycle with a 0.25% decrease. Inflation in the United States surprised on the downside, pleasing domestic markets, though core inflation remained steady, particularly due to persistent housing costs.

The Federal Reserve indicated a likelihood of three rate cuts in 2024 but uncertainty regarding further easing in 2025. The promise of lower interest rates, coupled with an impending Presidential election, boosted optimism in US markets. Solid economic growth, a robust labour market, and optimistic consumer confidence further fuelled this positivity. Moreover, ample liquidity supported risk assets, acting as a vital lubricant for portfolio growth.

Chinese equities and emerging markets remained stable. Copper prices and commodities in general were supported by increased Chinese demand, indicating manufacturing demand. However, deflation in China is a real phenomenon and is finding its way into Western markets, supported by a weaker Yuan.

In Europe, the European Central Bank faced pressure to cut interest rates to alleviate the burden on struggling Eurozone economies. ECB has indicated it may front run the Fed to cut interest rates. In the UK we were all pleased to see inflation falling back and offering an overdue positive surprise.

Meanwhile, geopolitical tensions persisted, with conflicts in the Middle East and the Russo-Ukraine crisis causing instability.

Despite potential geopolitical risks, the outlook remained optimistic. A regenerative interest rate cutting cycle across developed markets, robust economic performance in the US, and resilient corporate earnings suggested further upside potential. Alpha Beta Partners maintained a cautious risk-on positioning in portfolios, aiming to capture opportunities while remaining cognizant of the potential downside risks.

At a portfolio level, the Sustainable Cautious model benefited from its Japanese Equity exposure with its biggest contributor being the iShares Japan Equity ESG Index fund. One of the fund's largest holdings is Nintendo who strive to provide their customers with safe and enjoyable gaming experiences. Nintendo seeks to foster a sustainable environment for future generations and engages in multiple initiatives to reduce the environmental impact of their products. These initiatives range from the formative design stage to post sale repair and support, and continue through to end of life recycling.

The aggregate total may not add up to the sum shown due to Morningstar roundings.

Investment Team

Investment Manager	Alpha Beta SRI Investment Team
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