alpha beta partners

AB Sustainable Cautious

Data as at 30 June 2025

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.

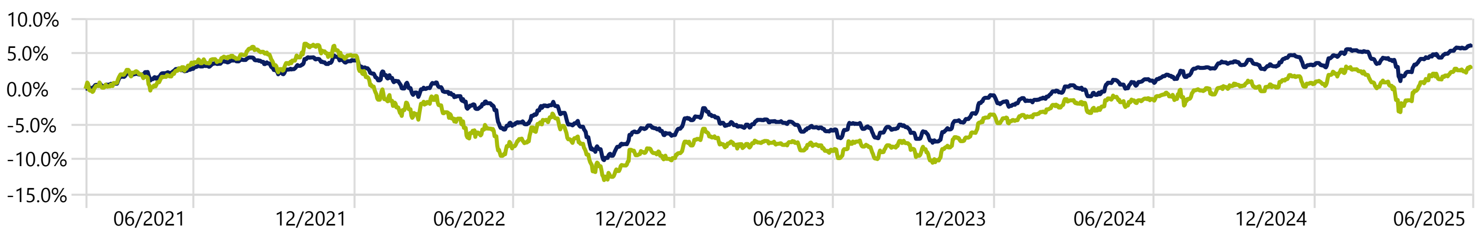
AB Sustainable Cautious invests a minimum core of 80% in funds that are sustainable and contribute positively to either the environment or society, and that provide solutions to global issues. The sustainable models are aligned to the core model's risk first asset allocation, utilising both thoroughly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

Key Facts

Launch Date	01 March 2021
Base Currency	Pound Sterling
Benchmark	IA Mixed Investment 0-35% Shares
Model Portfolio Service Charge (No VAT Charged)	0.25%
Underlying Fund Costs	0.51%
Total Portfolio Cost	0.76%

Investment Growth

Time Period: 01/03/2021 to 30/06/2025



AB Sustainable Cautious 3.24% IA Mixed Investment 0-35% Shares 6.34%

Performance Summary

As at 30 June 2025	3 Month	6 Month	1 Year	3 Year	5 Year	Since Inception	YTD	2024	2023	2022	2021
AB Sustainable Cautious	3.30	2.49	4.75	12.82	9.83	3.24	2.49	4.57	6.88	-13.96	3.32
IA Mixed Investment 0-35% Shares	2.30	2.84	5.11	12.26	10.21	6.34	2.84	4.37	6.06	-10.22	2.57

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

The portfolio launched on 01 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.

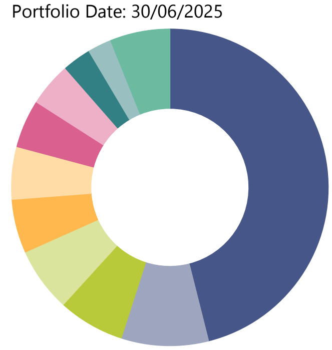
Top Holdings

Portfolio Date: 30/06/2025

	Portfolio Weighting %
EdenTree Sterling Bond Fund B Inc	10.03%
RLBF II Royal London Ethical Bond Z Inc	10.00%
EdenTree Short Dated Bd Fund B Inc	9.74%
CT Responsible Sterling Corp Bd C Inc	9.56%
L&G Cash Trust I Acc	8.90%
CT Responsible UK Equity 2 Acc	6.77%
Baillie Gifford High Yield Bond B Acc	5.95%
iShares Jpn Eq ESG Scrn & Optd IdxUKDAcc	5.36%
Liontrust Sust Fut Eurp Gr 2 Net Acc	4.91%
Vanguard ESG Em Mkts All Cp Eq Idx £ Acc	4.50%

Asset Allocation

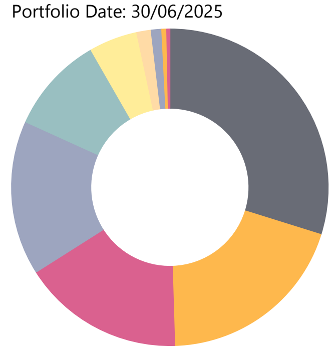
Portfolio Date: 30/06/2025



	%
Sterling Fixed Income	46.07
Sterling Money Market	8.90
UK Equity Large Cap	6.77
Global Fixed Income	6.56
Global Equity Large Cap	5.49
Japan Equity	5.36
Europe Equity Large Cap	4.91
Global Emerging Markets Equity	4.50
US Equity Large Cap Growth	2.92
Infrastructure Sector Equity	2.43
Other	6.09

Equity Regional Exposure

Portfolio Date: 30/06/2025



	%
North America	29.83
United Kingdom	19.69
Europe Developed	16.49
Japan	15.77
Asia Emerging	9.92
Asia Developed	4.94
Africa/Middle East	1.47
Latin America	1.07
Europe Emerging	0.50
Australasia	0.31

Source: Morningstar Direct

Manager Commentary

President Trump's recent shift on tariffs marks a retreat from the bold promise of "90 trade deals in 90 days". With less than a week to go, the administration has only secured a limited agreement with the UK and a partial de-escalation with China. Instead of sweeping accords, interim deals are being pursued, retaining a 10% levy on U.S. consumers of foreign goods. While the Department of Government Efficiency (DOGE) has achieved notable cost savings, June's tariffs delivered billions in extra revenue. Meanwhile, the Senate remains locked in debate over the fiscal deficit. President Trump's expansive "One Big Beautiful Bill Act" seeks to reshape federal tax policy, welfare programmes, immigration enforcement, and energy priorities. Key measures include extending the 2017 tax cuts, cutting Medicaid by $900 billion, reducing green incentives, and boosting fossil fuel investment. Tariff-driven U.S. revenue and the "One Big Beautiful Bill" point to debt-led growth.

Although U.S. equities rallied further in June, analysts cautioned that unresolved trade issues could fuel future market volatility.

The economic backdrop in the world's largest economy remains slower than the Trump administration would prefer, with signs of potential stagflation as interest rates stay higher for longer. A potential replacement for Federal Reserve Chair, Jerome Powell, may align more closely with Trump's views, opening the door to future rate cuts. However, Trump's ongoing criticism of Powell remains notable. The 10-year U.S. Treasury yield stands at around 4.23%— it's down slightly, yet still high in terms of debt servicing. Meanwhile, the dollar recorded its steepest first-half decline in over 50 years—partly a Trump objective, though also reflecting erratic White House policy.

In June, European stocks outperformed the U.S. The Stoxx Europe 600 rose steadily, with Germany's DAX and Spain's IBEX 35 each up around 20% year-to-date, driven by low inflation, monetary support, and public investment. UK markets showed mixed performance, as the FTSE 100 posted modest gains amid weak domestic demand and persistent inflation. Japan's Nikkei surged 6.64%, while firms cut U.S. export costs to absorb tariffs —pressuring future earnings. China and emerging markets were mixed; Hong Kong led on tech optimism.

Commodity, income, and tech holdings performed strongly, while infrastructure and mid-cap funds lagged slightly over the course of the month.

At a portfolio level, the Sustainable Cautious model benefited from its Emerging Markets equity exposure. Of its top holdings, the highest returning fund was the Vanguard ESG Emerging Markets All Cap Equity Index fund. One of the fund's largest holdings is Hon Hai Precision Industry, an electronics manufacturer and technology solution provider. Hon Hai leverages its expertise in software and hardware to integrate its distinctive manufacturing systems with emerging technologies. The company has expanded its capabilities into the development of electric vehicles, digital health, and robotics, as well as three key technologies: AI, semiconductors, and next-generation communications technology. Such smart technologies support the achievement of sustainable goals, such as improved health outcomes and the transition to a low-carbon economy.

Platform Availability

abrdn AEGON AJBell AVIVA Fundment FundsNetwork Invinitive M&G wealth novia global nucleus Parmenion Quilter SCOTTISH WIDOWS transact take control wealthtime

Important Information

Financial advisers can find further information at www.alphabetapartners.co.uk or via telephone at 020 8152 5120. We ask clients to please go to their financial adviser with any queries or information requests.

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Source: Morningstar Direct