

Investment Objectives

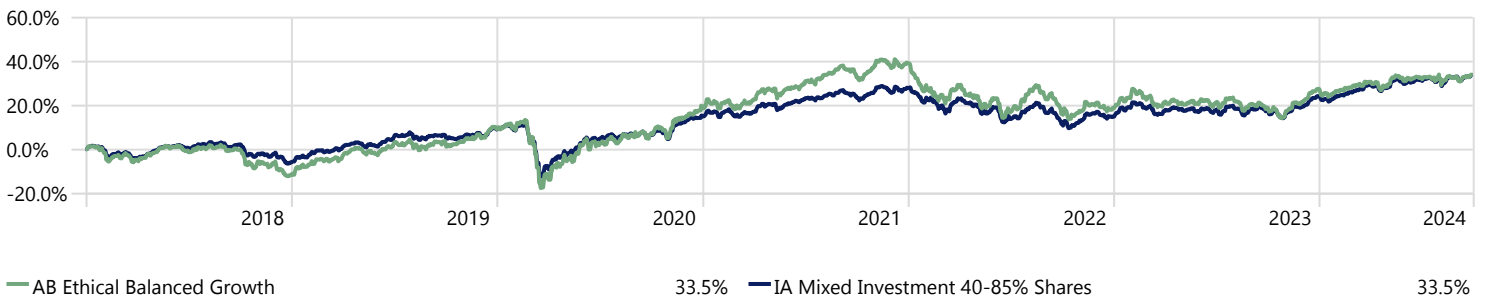
The AB Ethical Balanced Growth model portfolio will seek to deliver long-term capital growth and income by blending collective strategies and employing our proprietary rating and risk profiling systems. We employ a strict negative screening process in order to highlight investments which do not meet 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 40-85% Shares
Model Portfolio Service Charge (No VAT Charged)	0.25%
Underlying Fund Costs	0.78%
Total Portfolio Cost	1.03%

Investment Growth

Time Period: 01/01/2018 to 30/09/2024



Performance Summary

As at 30 September 2024	3 Month	6 Month	1 Year	3 Year	5 Year	Since Inception	YTD	2023	2022	2021	2020
AB Ethical Balanced Growth	0.71	2.27	12.39	-0.39	29.17	33.52	4.83	7.33	-14.65	17.27	8.66
IA Mixed Investment 40-85% Shares	1.61	3.33	13.83	7.53	25.49	33.54	7.63	8.10	-10.18	11.22	5.50

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.

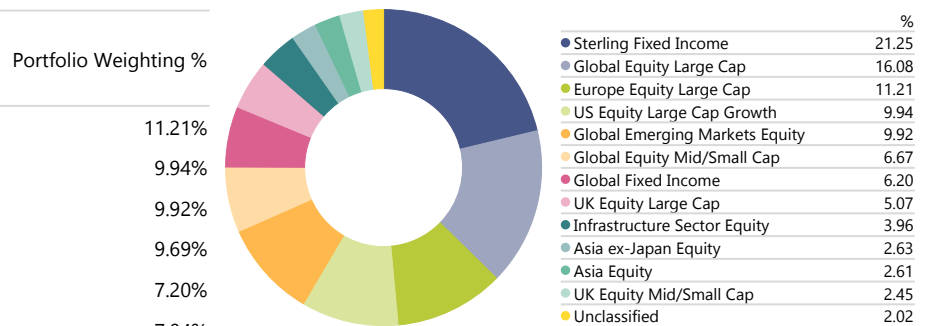
Top 10 Holdings

Portfolio Date: 30/09/2024

Portfolio Holding	Portfolio Weighting %
Liontrust Sust Fut Eurp Gr 2 Net Acc	11.21%
Brown Advisory US Sust Gr GBP B Inc	9.94%
Stewart Inv Gbl EM Sustnby B GBP Acc	9.92%
Quilter Investors Ethical Eq R (GBP) Acc	9.69%
EdenTree Responsible & Sust Shrt Dtd B	7.20%
Rathbone Ethical Bond Fund I Inc	7.04%
Aegon Ethical Corporate Bond GBP B Inc	7.01%
Jupiter Ecology I Inc	6.67%
EdenTree Responsible & Sust Gbl Eq B	6.40%
Pictet - Climate Government Bds I GBP	6.20%

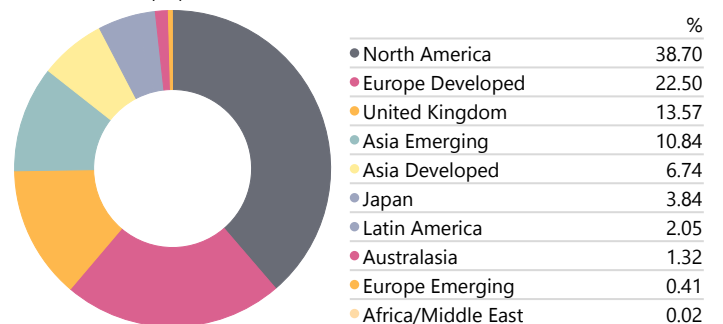
Asset Allocation

Portfolio Date: 30/09/2024



Equity Regional Exposure

Portfolio Date: 30/09/2024



Manager Commentary

The U.S. Federal Reserve's unexpected 0.5% rate cut in September marks a key market turning point. Initially, a 0.25% cut seemed more likely, so the larger reduction surprised markets, prompting cautious optimism. While the U.S. economy showed strength with a Q2 GDP revision to 3%, inflation remains above the 2% target, raising concerns of future price hikes. However, unemployment has risen above 4%, and removing Owners' Equivalent Rent from the CPI calculation reads well below 2%.

Liquidity is a crucial driver of nominal returns across asset classes. The US M2 money supply continues to expand via fiscal deficit spending and with China joining the party, liquidity trend is positive for the remainder of 2024 and into 2025. With anticipated but still debated changes to bank solvency regulations likely boosting liquidity further. Following the interest rate cut, the U.S. dollar has modestly weakened, but a significant retracement appears unlikely due to the strong economy. Goldman Sachs projects a stronger British pound against the dollar, supporting our 50/50 hedged dollar approach, which is performing well.

In September, China's economy faced recession risks due to real estate sector weaknesses and demographic challenges. The People's Bank of China launched a substantial liquidity stimulus, boosting stock prices and benefiting Pacific emerging markets. This growth could support global recovery, especially if the dollar weakens. Meanwhile, key commodities, excluding oil, rose in response to China's stimulus. Japan's inflation readings remain positive, prompting a modest rate hike from the Bank of Japan to address inflation and Yen devaluation, which may impact equity prices. We see BoJ in a policy trilemma and would like to see further evidence to determine the direction of travel.

On September 12, 2024, the European Central Bank cut its main interest rate by 0.25%, reducing the deposit rate from 3.75% to 3.5%, marking its second rate cut since the end of the hike cycle in September 2023. The Eurozone faces near-recessionary growth, particularly in Germany's manufacturing sector, although stocks are performing well due to diversified corporate earnings. In the UK, government wage settlements exceeding targeted inflation raise concerns as debt hits 100% of GDP. Geopolitical uncertainties persist, prompting readiness for unforeseen events, especially regarding the U.S. and Ukraine.

The healthcare sector and long-duration bond funds lagged this month, while emerging markets and clean energy funds saw solid gains. The technology sector and infrastructure funds also saw modest gains.

At portfolio level, the Ethical Balanced Growth model benefited from its emerging markets equity exposure. Of the portfolio's top holdings, the best performing fund was the Stewart Investors Global Emerging Markets Sustainability fund. One of the fund's holdings is Glodon, a leading provider of construction software in China. The built environment sector is one of the largest emitters of greenhouse gases and Glodon's software plays a role in supporting the construction industry to improve energy and material efficiency. Through their innovations they enable buildings that maximise energy and resource efficiency, which helps in the development of smart and sustainable cities.

Platform Availability



Important Information

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