

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 Balanced 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 20-60% Shares |
| Model Portfolio Service Charge (No VAT Charged) | 0.25%                             |
| Underlying Fund Costs                           | 0.49%                             |
| Total Portfolio Cost                            | 0.74%                             |

Investment Growth

Time Period: 01/03/2021 to 31/05/2025



Performance Summary

| As at 31 May 2025                 | 3 Month | 6 Month | 1 Year | 3 Year | 5 Year | Since Inception | YTD  | 2024 | 2023 | 2022   | 2021 |
|-----------------------------------|---------|---------|--------|--------|--------|-----------------|------|------|------|--------|------|
| AB Sustainable Balanced           | -0.46   | 0.35    | 4.75   | 10.94  | 20.34  | 5.81            | 1.32 | 6.05 | 7.24 | -15.85 | 7.92 |
| IA Mixed Investment 20-60% Shares | -0.30   | 0.74    | 5.27   | 10.67  | 21.53  | 11.36           | 1.80 | 6.18 | 6.86 | -9.67  | 6.31 |

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.

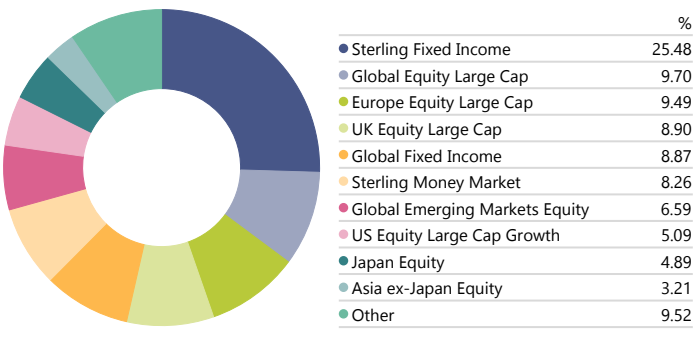
Top Holdings

Portfolio Date: 31/05/2025

|  |       |
|--|-------|
| Vanguard ESG Dev Eurp Idx £ Acc          | 9.49% |
| L&G Cash Trust I Acc                     | 8.26% |
| Vanguard ESG Em Mkts All Cp Eq Idx £ Acc | 6.59% |
| Baillie Gifford High Yield Bond B Acc    | 6.03% |
| RLBF II Royal London Ethical Bond Z Inc  | 5.90% |
| EdenTree Sterling Bond Fund B Inc        | 5.89% |
| Brown Advisory US Sust Gr GBP B Inc      | 5.09% |
| EdenTree Short Dated Bd Fund B Inc       | 4.90% |
| iShares Jpn Eq ESG Scrn & Optd IdxUKDacc | 4.89% |
| Royal London Sustainable Leaders C Acc   | 4.80% |

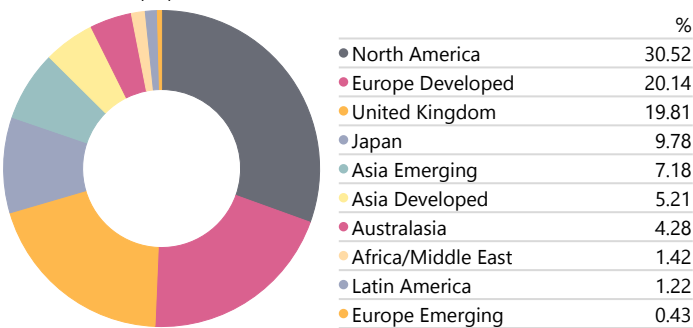
Asset Allocation

Portfolio Date: 31/05/2025



Equity Regional Exposure

Portfolio Date: 31/05/2025



## Manager Commentary

2025 has been far from normal, with markets rattled by Trump Administration rhetoric. Amid the noise, we've stayed anchored to our forward-looking process — our guide through ongoing volatility and uncertainty.

With Donald Trump back in the White House, erratic policy shifts and intraday reversals have challenged even the most seasoned portfolio managers. Slower population growth, driven by immigration policy, poses a structural drag on long-term growth. The reconciliation bill offers a short-lived boost in 2026 but dampens growth thereafter. Tariffs—now imposed on steel and aluminium—add further uncertainty. While deregulation could offer some upside, current policies will expand deficits and with it debt burden.

However, May brought encouraging results, particularly following a sharp 21.5% equity sell-off that left nearly all USD assets—except gold—marked down. Markets rebounded after Trump postponed sweeping tariffs, including a 50% duty on EU imports, to July 2025. This decision triggered a late-month rally, easing trade concerns.

The S&P 500 gained 9.6%, led by technology and healthcare earnings, while the Nasdaq rose 10.2% on strength in semiconductors and quantum computing. Biotech, fintech, and Ethereum-related optimism also supported gains. Volatility persisted amid legal challenges to tariff powers and mixed Fed signals. Bond yields climbed globally, spurred by fiscal measures and military spending. The dollar fell over 8% YTD, its sharpest drop since 2008, as Trump pursues a “weaker but still formidable” greenback. Consumer sentiment recovered, buoyed by equities, crypto gains, and improved GDP forecasts.

In the UK, the government is reportedly reconsidering its fiscal rules, despite earlier assurances to the contrary. Debt remains elevated, and growth strategies have yet to deliver following this year's tax increases. GDP is projected to rise by just 0.8% in 2025. Inflation eased to 2.3%, aided by lower energy costs and a firmer pound. The labour market stayed tight, with wages outpacing inflation. The FTSE 100 rose 3.4%, driven by energy and financials.

Japan's economy continues to struggle, contracting 0.2% in Q1, with full-year growth revised to just 0.7%, hurt by U.S. tariffs on car exports. Inflation hit 3.5%, while real wages fell and consumer spending stalled. Bond yields spiked, causing paper losses for insurers. Despite this, the Nikkei rose 1.2%, aided by defensive sectors and a weaker yen. Our reduced Japan exposure proved timely. In China, modest equity gains followed easing measures, though structural challenges persist.

At a portfolio level, the Sustainable Balanced model benefited from its US equity exposure. Of its top holdings, the highest returning fund was the Brown Advisory US Sustainable Growth fund. One of the fund's largest holdings is Gallagher, which has grown to be one of the leading insurance brokerage, risk management, and human capital consultant companies in the world. Gallagher supports businesses to grow, communities to thrive, and people to prosper by serving their clients with custom solutions that will protect them and their futures. Gallagher maintain strong ESG goals, and part of these include, introducing a Women's Development programme and a reverse mentoring scheme focused on race and ethnicity in the UK broking division. Gallagher are also assisting their clients improve their environmental impact, by helping them navigate complex risks and progress their low-carbon transition plans, as well as enabling them to become more climate resilient.

## Platform Availability



## Important Information

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