Alpha Beta PARTNERS

AB SRI Balanced Income Portfolio

as at 30 April 2022

Investment Objectives

The AB SRI Balanced Income Model Portfolio will seek to deliver long-term capital growth by blending collective strategies and employing our proprietary rating and risk profiling systems.

The equity allocation of the portfolio will be managed within our self imposed parameter of 40% - 85% and in line with a Alpha Beta Risk Profile of 4 - 6.

The AB SRI Balanced Income Portfolio only invests in funds that are sustainable and contribute positively to either the environment or society. The model selects investments that provide solutions to global issues such as climate change, biodiversity, water shortage, urbanisation, health and well-being, and social inclusion. The United Nation's Sustainable Development Goals are utilised to inform analysis and research on these themes, and the holdings in the model.

Snapshot

Base Currency	Pound Sterling
12 Mo Yield	2.44%
Ongoing Charge	0.71%
Management Fee (VAT where applicable)	0.25%
Portfolio Cost	0.96%

Snapshot - AB SRI Balanced Income

Benchmark	UK RPI + 1%
Comparator Benchmark	IA Mixed Investment 40-85% Shares

Risk

	Sharpe Ratio	Std Dev
AB SRI Balanced Income	-0.83	6.90
IA Mixed Investment 40-85% Shares	-0.84	7.55

Top 10 Holdings

Portfolio Date: 30/04/2022

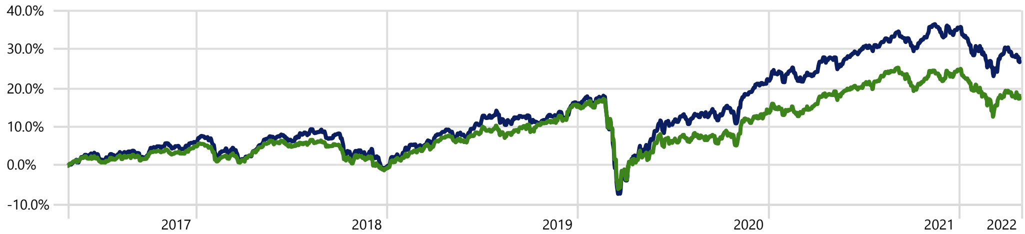
	Portfolio Weighting %
EdenTree Responsible & Sust Shrt Dtd B	16.19%
Climate Assets Fund B GBP Inc	14.10%
BMO Responsible UK Income 2 Inc	11.16%
Janus Henderson UK Responsible Inc I Inc	11.15%
Jupiter Responsible Inc I Inc	10.22%
Montanaro UK Income Fund GBP Seed	9.33%
CASH	7.23%
EdenTree Responsible & Sust Stlg B	6.84%
Baillie Gifford Rspnb Glb Eq Inc B Inc	5.16%
RLBF II Royal London Ethical Bond M Inc	4.34%
	95.72%

Investment Team

Investment Manager	Alpha Beta SRI Investment Team

Investment Growth

Time Period: 01/05/2017 to 30/04/2022



AB SRI Balanced Income 18.0%   IA Mixed Investment 40-85% Shares 27.6%

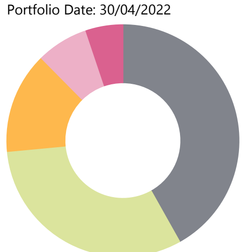
Trailing Returns

Data Point: Return

	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
AB SRI Balanced Income	-1.64	-3.59	-5.26	-0.23	9.45	17.98
IA Mixed Investment 40-85% Shares	-1.13	-4.12	-5.81	-0.11	16.75	27.55

Asset Allocation

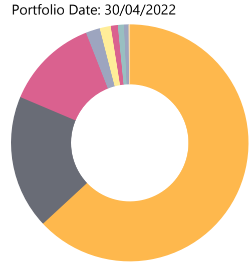
Portfolio Date: 30/04/2022



	%
UK Equity Large Cap	41.9
Sterling Fixed Income	31.6
Aggressive Allocation	14.1
Cash	7.2
Global Equity Large Cap	5.2
Total	**100.0**

Equity Regional Exposure

Portfolio Date: 30/04/2022



	%
United Kingdom	63.1
North America	18.3
Europe dev	12.7
Japan	1.9
Asia dev	1.5
Australasia	0.9
Asia emrg	0.8
Latin America	0.6
Africa/Middle East	0.1
Europe emrg	0.0

Manager's Commentary

The geopolitical risk emanating from Russia-Ukraine conflict continued to affect the market. The wider impact of this conflict can be felt across energy and agricultural commodity prices, ultimately finding its way to the inflation numbers.

With CPI inflation in the United States standing at 8.5%, created by the Covid-19 supply shock and exacerbated by mountains of central bank liquidity, the vampire-like effect of spiraling price rises across the board is a serious headwind to progress. A possible summer of discontent at home takes us back to images of the 1970s. Central banks face a tough challenge of slaying the inflation vampire whilst maneuvering delicately to avoid a recession. Raising rates multiple times and removing excess liquidity by a new tool called quantitative tightening will slow economic growth. However, economies are simultaneously slowing down quite naturally following the turbo charged recovery from the worst effects of the pandemic. So, the distinct possibility of central bank policy error must be calculated and factored into our forthcoming asset allocation decisions.

The Federal Reserve announced has raised FFR again in May's FOMC as expected. Interestingly, the accompanying Q&A session revealed the limitations of monetary policy in curbing the supply-side inflation. It is however, destroying the demand side of the equation. This leads us back to thinking if the fed is behind the curve again. Care should be taken not to raise rates aggressively as we progress through the year. There is scope for central bank policy error in this regard and we remain alert to early signals.

US 10-year treasury yields hit 3%, the highest level since 2018. The world's supply of negative yielding bonds has evaporated before our eyes as the bond bubble steadily deflates. Higher bond yields prove a disruptor for equity valuations, particularly for those levered firms and those whose stock prices have risen perhaps too high. Then there is a case of curve inversion – we have seen both the Treasury 10/2 and OIS 30/5 curve inverted – signaling tighter borrowing conditions for economic agents in the near term.

We believe now is time for some sensible housekeeping. There is still scope for equity bounce, of that we have little doubt, but the risk reward balance has shifted. We are now favoring changes to duration, cash and at the next upside failure we intend to take some of the equity exposure off.

At a portfolio level, the SRI Balanced Income model has benefited from its sustainable UK Equity exposure, with the best performing fund being the Jupiter Responsible Income fund. One of the fund's biggest holdings is AstraZeneca PLC, is a global, science-led biopharmaceutical company that focuses on the discovery, development and commercialisation of prescription medicines. It operates in over 100 countries worldwide, they also work alongside other institutions to stimulate innovation and evaluate emerging technologies such as Modified RNA and CRISPR genome editing.

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Source: Morningstar Direct