

### Investment Objectives

The AB SRI Balanced Growth 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 5 - 7.

The AB SRI Balanced Growth 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	0.99%
Ongoing Charge	0.86%
Management Fee (VAT where applicable)	0.25%
Portfolio Cost	1.11%

### Benchmark

Benchmark	UK RPI + 3%
Comparator Benchmark	IA Mixed Investment 40-85% Shares

### Risk

	Sharpe Ratio	Std Dev
AB SRI Balanced Growth	-0.75	11.92
IA Mixed Investment 40-85% Shares	-0.84	7.55

### Top 10 Holdings

Portfolio Date: 30/04/2022

	Portfolio Weighting %
Brown Advisory US Sust Gr GBP B Inc	11.67%
Liontrust Sust Fut Gbl Gr 2 Net Acc	10.48%
EdenTree Responsible & Sust Shrt Dtd B	10.35%
FP Foresight Global RI Infrs A GBP Acc	9.96%
EdenTree Responsible & Sust Gbl Eq B	9.62%
FP WHEB Sustainability C GBP Inc	8.69%
Impax Asian Environmental Markets IRL X	8.58%
Pictet-Water I dy GBP	5.24%
Quilter Investors Ethical Eq R (GBP) Acc	4.00%
EdenTree Responsible & Sust Stlg B	4.00%
	82.58%

### Investment Team

Investment Manager Alpha Beta SRI Investment Team

### Investment Growth

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



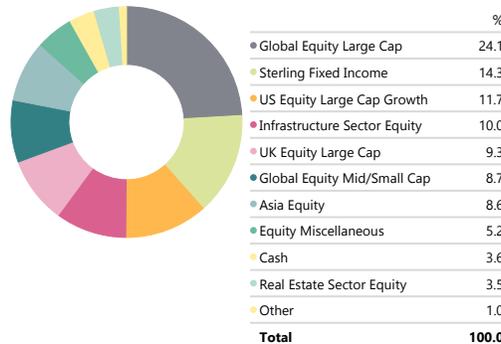
### Trailing Returns

Data Point: Return

	3 Months	6 Months	YTD	1 Year	3 Years	5 Years
AB SRI Balanced Growth	-2.65	-9.37	-10.72	-2.32	19.90	32.72
IA Mixed Investment 40-85% Shares	-1.13	-4.12	-5.81	-0.11	16.75	27.55

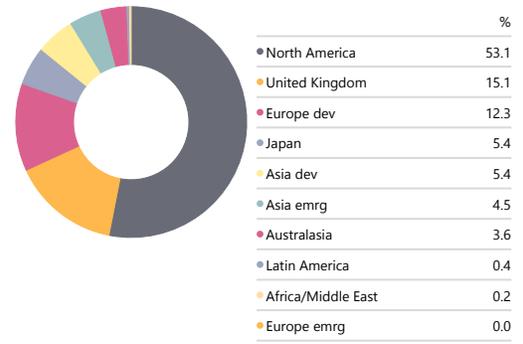
### Asset Allocation

Portfolio Date: 30/04/2022



### Equity Regional Exposure

Portfolio Date: 30/04/2022



### 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 - signalling 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 Growth model has benefited from its sustainable UK Equity exposure, with the best performing fund being the Premier Miton Responsible UK Equity fund. One of the fund's biggest holdings is Drax Group PLC, it is a renewable energy company engaged in renewable power generation, the production of sustainable biomass and the sale of renewable electricity to businesses. Enabling a zero carbon, lower cost energy future is Drax Group's purpose and in 2019, it announced a world-leading ambition to be carbon negative by 2030.

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