

### Investment Objectives

Our objective is to outperform RPI UK + 4.5% over the medium to long term, keeping within the prescribed volatility limits whilst investing in low cost ETFs or Index funds, physically invested and with a low tracking error.

To achieve the investment objective we deploy quantitative and qualitative techniques and extensive research that shape our macro economic views.

The AB Sustainable Adventurous Portfolio 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 passive instruments, whilst remaining a cost-effective solution to responsible investing.

### Snapshot

Base Currency	Pound Sterling
12 Mo Yield	1.30%
Ongoing Charge	0.66%
Management Fee (VAT exempt)	0.25%
Portfolio Cost	0.91%

### Benchmark

Comparator Benchmark	IA Flexible Investment
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### Risk

	Std Dev	Sharpe Ratio
AB Sustainable Adventurous	11.87	-1.11
IA Flexible Investment	7.54	-1.46

### Top 10 Holdings

Portfolio Date: 30/04/2022

	Portfolio Weighting %
Vanguard SRI European Stk £ Acc	17.96%
Stewart Inv Asia Pac Sustnby B GBP Acc	11.69%
Vanguard Pac exJpn Stk Idx £ Acc	9.80%
Brown Advisory US Sust Gr GBP B Acc	9.29%
Baillie Gifford Global Stewardship B Acc	9.21%
Royal London Sustainable Leaders C Acc	6.71%
Impax Asian Environmental Markets IRL X	5.10%
FP Foresight Global RI Infrs A GBP Acc	4.43%
Pictet-Nutrition I dy GBP	4.21%
Fidelity Sustainable Water & Waste W Acc	4.05%
	82.45%

### Investment Team

Investment Manager	Alpha Beta SRI Investment Team
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### Investment Growth

Time Period: 01/03/2021 to 30/04/2022

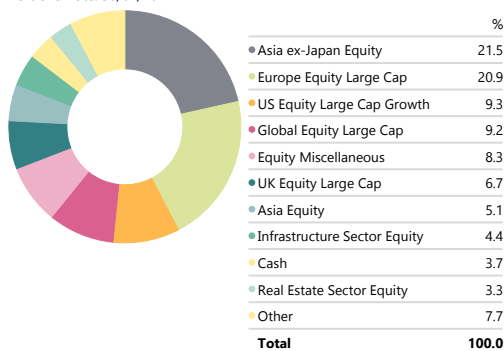


### Trailing Returns

	3 Months	6 Months	YTD	1 Year	Since Inception (01/03/2021)
AB Sustainable Adventurous	-1.26	-8.24	-9.26	-2.73	2.66
IA Flexible Investment	-0.95	-4.35	-5.68	-0.54	4.46

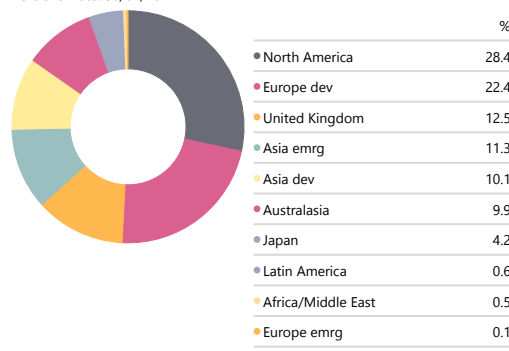
### Asset Allocation

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 – 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 Sustainable Adventurous model has benefited from its sustainable Asia Pacific ex Japan exposure, with the best performing fund being the Stewart Investors Asia Pacific Sustainability fund. One of the fund's biggest holdings is Tube Investments of India Ltd., a leading engineering company, they are engaged in manufacturing of precision steel tubes and strips, car doorframes, automotive and industrial chains, and bicycles. They have programs in place that encompass livelihoods,

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