

Cautious Portfolio

Monthly factsheet as at 31 August 2020

Fees 0.60% (inc VAT)

Where the total Funds Under Management across all portfolios invested in by the Intermediary's client(s) ("FUM") on a Platform is less than £5,000,000 – a fee equal to 0.6% of the FUM inc VAT per annum; or Where the FUM is greater than £5,000,000 but less than £10,000,000 – a fee equal to 0.54% of the FUM inc VAT per annum; or Where the FUM is greater than £10,000,000 but less than £15,000,000 – a fee equal to 0.48% of the FUM inc VAT per annum; or Where the FUM is greater than £15,000,000 – a fee equal to 0.42% of the FUM inc VAT per annum.

Portfolio Underlying Fund Charges (Generic) 0.56%

360 Day Volatility 10.93%

Risk Profile

A "Cautious" risk portfolio seeks to provide a high level of capital protection whilst still allowing investors the ability to achieve long-term growth (10 years). The portfolio is suitable for risk-averse investors whose financial temperament cannot tolerate much variation in performance. Whilst the emphasis is on lower volatility and capital preservation, a small amount of risk will be taken to seek a higher return.

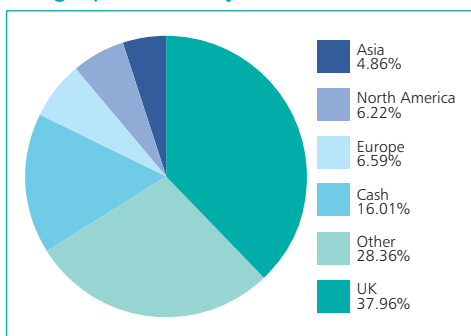
Investment Objective

To invest in a range of direct holdings and funds which have an ethical focus.

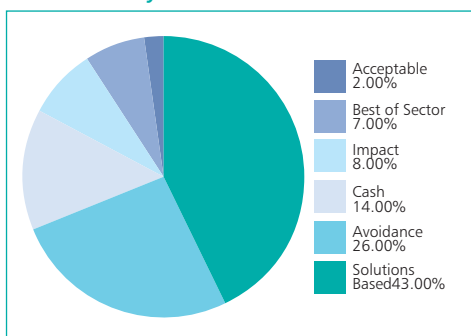
Investment Approach

The portfolio adopts negative screening criteria to avoid investing in unethical companies plus a positive screen to focus on investing in companies that provide a social or environmental benefit.

Geographical Analysis*



Ethical Analysis*



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Fund Manager's Report

Signs that the global economy continued to rebound were evident in the services, industry and manufacturing numbers, but the longevity of this remains a question mark. Employment data lags and remains a point of serious concern. Jobless claims in the UK ticked higher once again whilst US claims most recently came in above 1 million for the second reading in a row. When looking to the powerhouse in Europe, Germany has seen its jobless rate decline, but this is a result of lawmakers extending their furlough scheme to the end of 2021.

A failure to bring the unemployment level lower will inevitably lead to a prolonged downturn, especially as government support, such as the UK's furlough scheme, will be withdrawn in the near future.

Nonetheless, equity markets moved higher through August and fresh record highs were posted, largely because of the positive sentiment, or simply "Euphoria", around the small number of Technology stocks that make up a huge part of US indices. The online and work from home play continued to dominate, with market moves that continue to defy gravity but show no real signs of weakness.

What we do know is that global central bank support will remain, and borrowing rates are likely to be cemented near record lows for several years to come. The Bank of England, confirmed that negative interest rates are there to be deployed should they need them, something other central banks like the Federal Reserve are more hesitant to implement. Instead, we saw a change in stance from the Federal Reserve who will now look at inflation on an average basis, allowing undershoots to be offset by overshoots in the 2% target. This saw yield curves rise and steepen although the reaction in the inflation linked debt market was muted. A move that was partly priced in, but also some question the ability to stoke inflation when you only need to look to the last 20 years, where record levels of stimulus has failed to raise the average inflation level above 1.7%.

This year's US presidential election will take place on the 3rd November and it has now been confirmed that the Republican and incumbent, Donald Trump, will be taking on the democratic candidate, Joe Biden. With a combined age of 151 years, you could argue the candidates offer a wealth of knowledge that would pave the way for a prosperous four years in the White House for the victor. Others would think differently. There were no changes to your portfolio during August, but we are finalising our due diligence for some changes in early September.

Cumulative Performance (Net of AMC)*

	3 months	6 months	1 year	3 years	5 years
	2.23%	1.57%	-0.10%	6.95%	25.25%

Asset Allocation*

Equity	38.00%
Fixed Income	36.00%
Property/Infrastructure	12.00%
Cash	14.00%

Top Five Collective Holdings*

Rathbone Ethical Bond Fund	10.00%
Threadneedle Social Bond Fund	10.00%
Amity Sterling Bond Fund	8.00%
Kames Ethical Corp Bond Fund	8.00%
Pictet Water Fund	5.00%

Top Five Equity Holdings*

International Public Partnerships	5.00%
PRS REIT	3.50%
Triple Point Social Housing	3.50%
Pacific Assets Trust	3.00%
Sainsbury's	2.00%

* Source: King and Shaxson Asset Management Ltd