

SEPT 2023

SYNAPTIC RISK PROFILE 5 | INCEPTION DEC. 2015

### INVESTMENT OBJECTIVE

To provide capital growth on a long term basis by exposure to assets considered to be ethical by the managers.

### STRATEGY RISK PROFILE AND SUITABILITY

The portfolio will be fully invested in the Blenheim Ethical opportunities Fund. This is a multi-asset fund, investing in a range of asset classes which are considered by the managers to be ethical investment choices.

The fund is managed with a cautious to a medium risk tolerance. In addition to the typical risks inherent in any investment, the additional ethical overlay does narrow the investment universe when compared to a normal multi-asset portfolio, and may have an adverse impact on the performance. The fund's exposure to equities will vary between a minimum of 20% and a maximum of 60% with the remaining balance invested in other suitable asset classes for diversification purposes. Diversification is further enhanced by investing no less than 70% of the fund in collectives.

### ETHICAL CRITERIA

To be eligible for investment:

- Collective investment schemes must have a stated Environmental social or governance (ESG) objective and policy or a stated socially responsible (SRI) objective and policy.
- Property oriented collective investment schemes must have an independent accreditation for their ESG or SRI credentials.
- Direct investments must align to one or more of the sustainable development goals, as measured by the Investment manager's assessment of the business model.
- The investment manager will check at the point of investment and at least annually that a minimum of 70% of the collectives focusing on shares and Bonds, avoid companies that derive any revenue from any of the following: Human rights abuses, Environmental abuse, Animal testing for cosmetics and armaments.

The portfolio is suitable for investors who are looking for capital growth on a long-term basis (5 years plus), and are prepared to accept a cautious to medium level of risk.

### MANAGEMENT

The portfolio is managed by Beckett Asset Management's team of investment professionals: Samantha Owen, Tony Yousefian and Elliot Basford.

BAM MPS PERFORMANCE FIGURES TAKE INTO ACCOUNT THE ONGOING CHARGES OF THE UNDERLYING HOLDINGS BUT EXCLUDE ADVISER CHARGES AND PLATFORM FEES. INCLUSION OF THESE WILL RESULT IN A LOWER RETURN TO THE END INVESTOR, DEPENDING ON THE CLIENT AGREEMENT AND THE PLATFORM USED. PROSPECTIVE YIELD IS NOT GUARANTEED AND DOES NOT INCLUDE DEDUCTIONS FOR EXPENSES AND TAX. IT IS CALCULATED USING THE HOLDINGS' EXPECTED DISTRIBUTIONS OVER THE NEXT 12 MONTHS (DATA AS AT 29 SEPTEMBER 2023). ANY VARIATION IN THE ACTUAL AMOUNTS PAID WILL IMPACT THE TOTAL YIELD. THIS IMPACT COULD BE POSITIVE OR NEGATIVE.

ARC PCI: ASSET RISK CONSULTANTS (ARC) OPERATE THE PRIVATE CLIENT INDICES (PCI) ACROSS THE RISK SPECTRUM AS PERFORMANCE MEASUREMENT AND YARDSTICKS FOR DISCRETIONARY PORTFOLIO MANAGERS. THIS DATA INCLUDES PLATFORM FEES AND MAY BE ESTIMATED AND SUBJECT TO REVISION.

As well as deciding on asset allocation, the team also manages the underlying Blenheim range of funds. These are actively managed utilising a wide investment universe, in line with their investment objectives.

### BENCHMARK

ARC Sterling balanced Assets Private Clients Index is a suitable benchmark. This index has a targeted volatility band of 40%- 60% relative to World Equities.

### YIELD

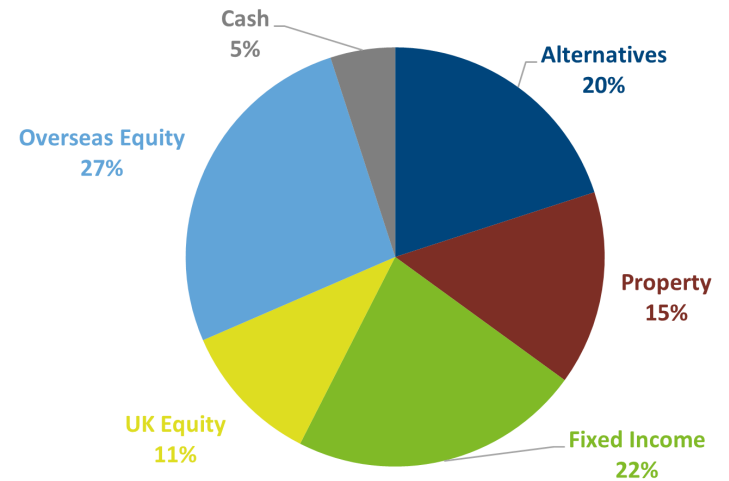
Historic Distribution Yield: 1.88%

Prospective Yield: 3.42%

### ONGOING CHARGES FIGURE (OCF)

0.81%

### PORTFOLIO COMPOSITION



### PORTFOLIO CONSTITUENTS

Blenheim Ethical Opportunities	100%
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### PERFORMANCE

	6M	1YR	3YR	5YR
Social Impact Portfolio	-1.07	1.68	5.85	16.72
ARC Sterling Balanced Asset PCI	-0.25	3.57	4.42	8.69

## MANAGER COMMENTARY

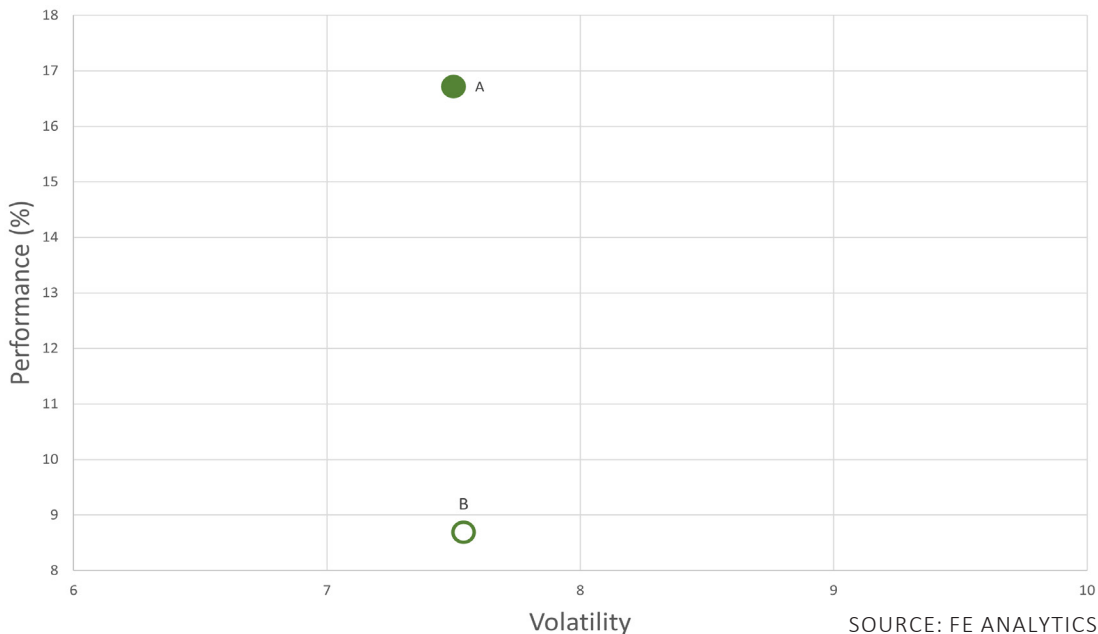
It was a “blink and you miss it” summer weather wise for the UK, and the same can be said for portfolio returns. July started brightly but then it clouded over. Equities, bonds and non-USD currencies struggled, particularly in September, as investors adjusted to the idea of US interest rates staying elevated for longer than was expected. Thoughts of a soft-landing for the economy perhaps look more like a fairytale now. Last October the Fed hinted the pace of hikes would soon slow and it looked like we had seen the peak in bond yields. We had a wobble around March when we saw a series of US regional bank failures and the fire sale of Credit Suisse, but bond yields quickly settled as the Fed stepped in. US Treasury Bond yields then resumed their climb, breaking through their 4.5% ceiling in September. This is key, as it sets the long-term price of money and impacts all other asset prices.

The strategy experienced a negative return in the third quarter and underperformed the estimated return for the ARC Sterling Balanced peer group. The portfolio suffered from its exposure to more growth-oriented businesses. Also, energy did very well in Q3 which is a headwind for this sustainable mandate. The Overseas equity portion of the fund was negative, outweighing the small positive contributions from Alternatives, Fixed Income and Property. The UK was flat.

While there were no high-level asset allocation changes this quarter in the underlying Ethical Opps Fund, we continued to let cash drift up a bit to help protect capital in the short term. You can find more detail on ongoing activity in the monthly Blenheim fact sheets.

Last October there was an opportunity to buy but we have seen the returns weren't durable. The good news is that opportunity is back in almost everything, except maybe US mega cap technology stocks. We still have a fair bit of short dated, cash like, Fixed Income to deploy when the skies look a little clearer.

## RETURN AND VOLATILITY 5 YEARS TO 30/09/23



SOURCE: FE ANALYTICS

● A  
SOCIAL IMPACT  
PORTFOLIO TR

○ B  
ARC STERLING  
BALANCED ASSET PCI

AS IS THE VERY NATURE OF INVESTING, THERE ARE INHERENT RISKS AND THE VALUE OF YOUR INVESTMENT WILL BOTH RISE AND FALL OVER TIME. PLEASE DO NOT ASSUME THAT PAST PERFORMANCE WILL REPEAT ITSELF AND YOU MUST BE COMFORTABLE IN THE KNOWLEDGE THAT YOU MAY RECEIVE LESS THAN YOU ORIGINALLY INVESTED. CHANGES IN RATES OF EXCHANGE MAY HAVE AN ADVERSE EFFECT ON THE VALUE, PRICE OR INCOME OF AN INVESTMENT. THE OPINIONS STATED ARE THOSE OF BECKETT ASSET MANAGEMENT LTD, WHICH IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY. PROSPECTIVE YIELD IS NOT GUARANTEED AND DOES NOT INCLUDE DEDUCTIONS FOR EXPENSES AND TAX. IT IS CALCULATED USING THE HOLDINGS' EXPECTED DISTRIBUTIONS OVER THE NEXT 12 MONTHS ( DATA AS AT 30 JUNE 2023). ANY VARIATION IN THE ACTUAL AMOUNTS PAID WILL IMPACT THE TOTAL YIELD. THIS IMPACT COULD BE POSITIVE OR NEGATIVE.