

A risk "4" portfolio seeks to provide a high level of capital preservation whilst still allowing investors the ability to achieve long-term growth (10 years) whilst meeting the majority of investors' ethical concerns. Whilst the emphasis is on lower volatility and capital preservation, a small amount of risk will be taken to seek a higher return.

Fees

DFM Fee	0.20%
Portfolio OCF	0.18%
Transactional Cost	0.07%
Historic Yield	0.95%
1 Year Annualised Volatility	4.67%

Excluded Activity





X Tobacco Production	>0%
X Controversial / Nuclear Weapons	>0%
X Civilian Firearms Production	>0%
X Alcohol Production	>5%
X Adult Entertainment	>5%
X Gambling	>10%
X Oil & Gas Production	>10%

The above factors are excluded at the respective revenue limits at an underlying company level. Whilst there are revenue limits in place, where possible, we will aim to achieve a result where the portfolios exposure is close to zero.

Targeted Activity

✓ Climate Change (Alternative Energy, Energy Efficiency, Green Building)
✓ Natural Capital (Sustainable Water, Pollution Prevention, Sustainable Agriculture)
✓ Basic Needs (Nutrition, Major Diseases Treatment, Sanitation, Affordable Housing)
✓ Empowerment (SME Finance, Education, Connectivity)

Investment Committee

 Wayne Bishop Chief Executive Officer	 Harry Thompson Portfolio Manager
 Will Arnold Assistant Portfolio Manager	 Craig Hart Platform & MPS Proposition

Stock Pick - Hitachi Ltd

Hitachi is a multinational conglomerate with presence in information technology, electronics, power systems, social infrastructure, industrial systems, and construction machinery. They manufacture communications and electronic equipment, heavy electrical and industrial machinery, and consumer electronics, their diverse product line ranges from nuclear power systems, to kitchen appliances. They drive social innovation business, creating a sustainable society with data and technology.

Fund Manager's Report

Market activity in the past few months has been driven by politics, and more specifically the re-election of Donald Trump. As we await his inauguration, the Federal Reserve (Fed) put monetary policy back in focus at their December meeting with hawkish comments that signalled the return of inflation concerns.

As was anticipated, the Fed cut interest rates by 0.25% for the third straight meeting but their outlook rocked markets. They indicated that they would probably only lower rates two times in 2025, according to the closely watched "dot plot". This saw an index of the 500 largest US companies fall nearly 3% on the day, whilst an index of US small and mid-cap companies fell by over 4%. US equity weakness was followed around the world and global equities were broadly negative on the month. At the same time, US yields soared and the dollar strengthened, particularly against Asian and Emerging Market currencies.

As we have discussed at length previously, portfolios are naturally rate sensitive given their positive investment focus. Within this renewable energy is a particularly good example, given the effect of the cost of capital on its build-out, and this was shown again in the month with a clean energy ETF falling nearly 5%. Over the last few months, we have reduced some of the more rate sensitive renewable exposure, and have looked to increase larger-cap and more defensive exposure in portfolios, to increase their resilience amidst the higher for longer narrative.

UK long-term yields continued to rise during December and we remain shorter-duration in our fixed income exposure, which has been beneficial. At their meeting, the Bank of England left rates unchanged as expected, however it was seen as a dovish hold given 3 members voted for a cut. This increased chances for a cut at the next meeting, and we expect further steepening of the yield curve to come.

The Eurozone continues to be under significant pressure economically and politically. As expected, the central bank cut interest rates, and acknowledged that they will need to fall further in 2025 amidst expectations of lacklustre growth. In recent weeks French markets have been roiled by the former Prime Minister's proposed deficit cutting budget that led to the Government being toppled, whilst in Germany the country awaits elections early in the new year. We continue to be negative towards Europe, but selectively positive on certain companies because of their global presence.

In ethical news, an insight from Ember in December showed that fossil generation in the EU continued to fall in the first half of 2024, generating a record 30% of electricity from wind and solar, surpassing fossil fuels' 27% share for the first time. US renewables are also pushing certain fossil fuels out of the mix. According to Ember's data, wind and solar provided a record 17% of US electricity from Jan to Nov 2024, overtaking coal's 15% share for the first time. Wind alone produced more electricity than coal in March and April, reaching 13-15% compared to coal's 11%. Republican states Iowa & South Dakota leading the way in solar and wind generation. Fellow Republican state Texas also hit a milestone in March when solar generated more electricity than coal for the first time.

In relation to the above the UK's wind turbines have overtaken gas plants for the first time as the number one source of electricity, representing 29% of the country's generation mix last year, with gas shrinking to just a quarter, according to data from the National Energy System Operator. The last time gas made up such a small share of generation in the UK was 2013, when coal dominated the system.

Cumulative Performance (Net of DFM fee & OCFs)

3 months	6 months	1 year	3 years	5 years	Since Inception (30/11/23)
-1.29%	1.32%	2.77%	N/A	N/A	6.51%

Discrete Performance (Net of DFM fee and OCFs)

Jan 24 to Dec 24	Jan 23 to Dec 23	Jan 22 to Dec 22	Jan 21 to Dec 21	Jan 20 to Dec 20
2.77%	N/A	N/A	N/A	N/A

Thematic Allocation

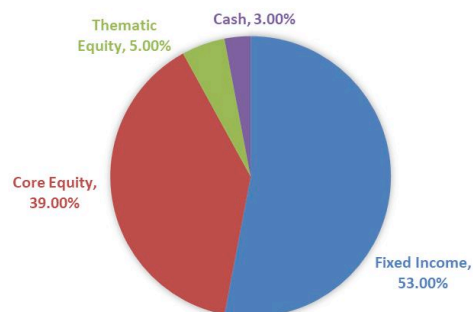
JPM Climate Change Solutions	2.50%
Rize Environmental Impact 100 ETF	2.50%

Top 5 Funds

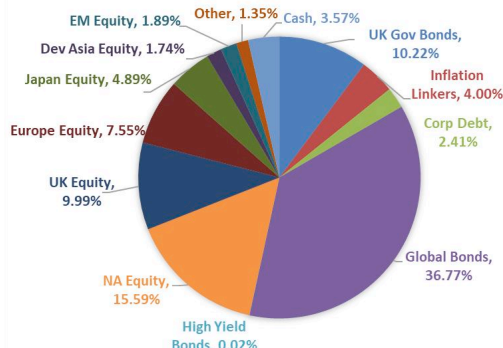
Lyxor Global Green Bond 1-10y ETF	14.00%
HSBC Sustainable Dev Bank Bond Fund	11.00%
Amundi Index MSCI World SRI PAB ETF	9.50%
Amundi Index MSCI UK SRI PAB ETF	8.50%
iShares £ Ultrashort Bond ESG ETF	7.00%



Asset Allocation



Geographical Allocation

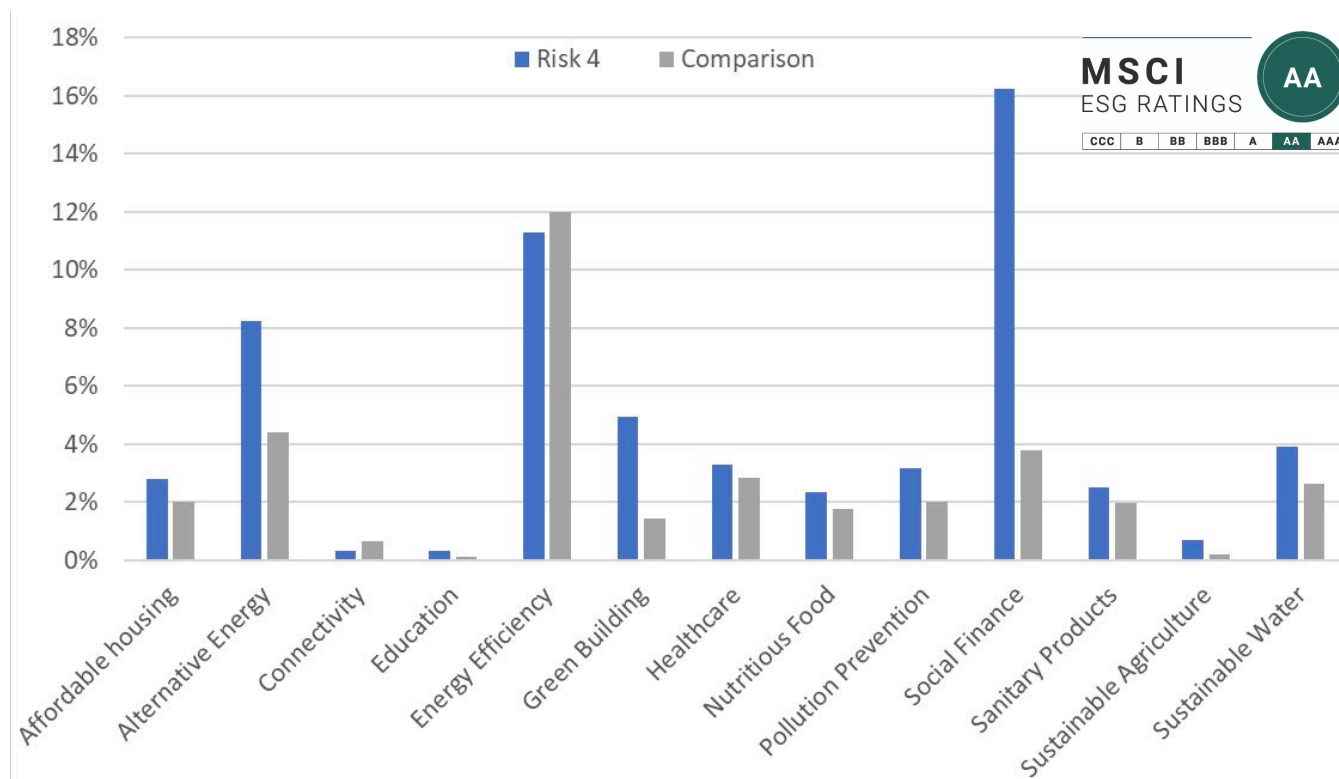


Fund SDR Classification

Information pending: We will report to clients on the underlying fund exposure according to the SDR fund sustainability fund labels, once fully implemented. The labelling will help underlying investors identify the make up our model portfolios according to the four fund labels.

Positive Investment Themes (Correct as at November 2024)

Whilst we have access to all the underlying holdings held within each collective, it would be unrealistic to detail each individual company and their own specific positive outcomes. Instead, the data below looks at the portfolios holistically, and maps their exposure to a number of positive investment themes, such as alternative energy, sustainable water, or green buildings, to name but a few. We have taken third party data from MSCI and used their thirteen 'Sustainable Impact Metrics', which cover environmental and social impact, and compared it to a blend of global equity and bonds depending on risk.



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