

# SUSTAINABLE IMPACT MODEL PORTFOLIO SERVICE (SIMPS)

FOR FINANCIAL ADVISERS | MARCH 2020

## PORTFOLIO DESCRIPTION

The SIMPS PORTFOLIO provides a combination of risk-adjusted returns and positive impact: investing that **does well** and **does good**. The portfolio aims to achieve capital appreciation whilst reducing investment risk via a diversified, multi asset class portfolio.

The strategy is based on **actively managed asset allocations** across equities, fixed income and cash. We invest in funds which align with our investment philosophy; businesses that **avoid controversies**, are **well run** and **solving major global challenges**.

PORTFOLIO FACTS AS AT:  
31/03/2020

LAUNCH DATE:  
30/11/2016

BENCHMARK:  
ARC PCI BALANCED

MANAGEMENT FEE:  
0.25% + VAT

OCF OF UNDERLYING FUNDS:  
0.68%\*

AVAILABLE THROUGH:  
TRANSACTION

INVESTMENT MANAGERS:  
TRIBE IMPACT CAPITAL LLP  
40 CONDUIT STREET  
LONDON  
W1S 2YQ

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## THIS MONTH

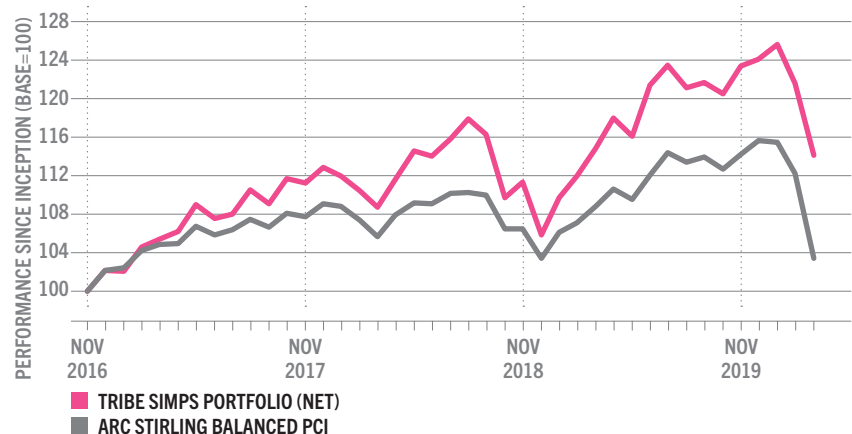
As the full impact of Coronavirus induced panic hit financial markets, the bull market in equities finally ended as across the globe we saw countries go into lockdown to halt the spread of the virus and business forced to seek help from the government.

Governments, initially slow to react, soon began implementing emergency measures. This included a rate cut and £30bn spending package in the UK, while the U.S. Federal Reserve (Fed) cut rates twice and introduced a stimulus package of \$2.2 trillion (9% of US GDP). In total nearly 40 central banks across the world cut rates.

Economic data showed the massive economic effect the pandemic has already had as US unemployment reached a record high 3.3 million and Global PMI readings hit historic lows.

The rapid escalation in market volatility led to a surge in demand for safe havens, in particular government backed securities such as 10-year Treasury notes whose yield decreased to a record 0.35% (yields move inversely to price).

## RETURN METRICS



**NET PERFORMANCE:** The Sustainable Impact performance is shown after Tribe's management fee (0.25% plus VAT) and the underlying fund managers' fees (OCF of 0.68%) have been deducted. But it does not include platform and advisor charges.

**BENCHMARK\*\*:** ARC Benchmarks are calculated by collecting actual performance from over fifty investment managers. The Balanced PCI is suitable for strategies with a relative volatility of 40-60% of global equities as measured by MSCI ACWI.

	SINCE INCEPTION	ROLLING 12M PERIODS			YEAR TO DATE
	(NOV 16 - MAR 20)	(MAR 19 - MAR 20)	(MAR 18 - MAR 19)	(MAR 17 - MAR 18)	(DEC 19 - MAR 20)
<b>TO 31 MARCH 2020</b>					
Tribe Sustainable Impact	14.0%	-0.6%	5.6%	3.1%	-8.0%
ARC PCI Balanced	3.3%	-5.0%	3.0%	0.8%	-10.6%
Difference	10.6%	4.3%	2.6%	2.3%	2.6%

## RISK METRICS

TO 31 MARCH 2020	VOLATILITY
Tribe Sustainable Impact	8.4%
ARC PCI Balanced	6.6%

VOLATILITY IS MEASURED AS THE STANDARD DEVIATION OF MONTHLY RETURNS SINCE INCEPTION. WE BELIEVE THIS IS MORE REPRESENTATIVE OF THE RISK ASSOCIATED WITH OUR LONG TERM STRATEGIC ASSET ALLOCATION, WE DO NOT USE AN ANNUAL FIGURE.

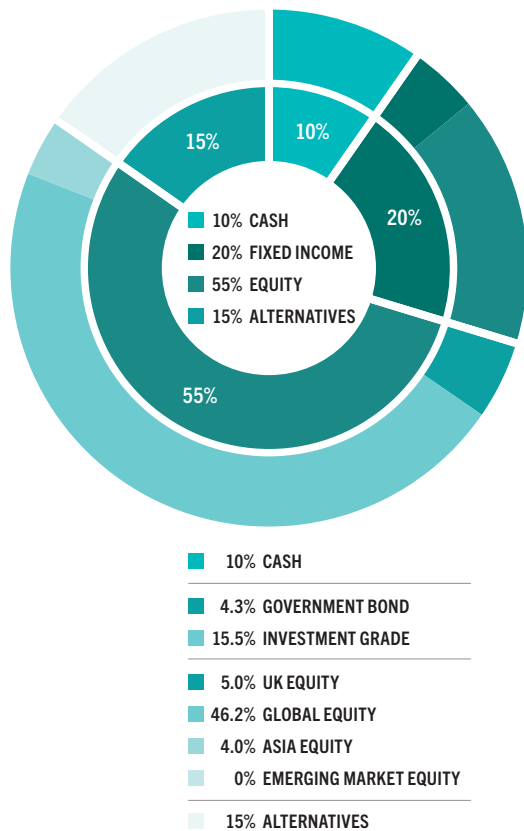
**TOP 3 EQUITY HOLDINGS**

Janus Henderson Global Sustainability	9%
WHEB Sustainability	8%
Baillie Gifford Positive Change	7%

**TOP 3 FIXED INCOME HOLDINGS**

Threadneedle UK Social Bond Fund	10%
EdenTree Amity Short Dated Bond	6%
Royal London Short Duration Global Index Linked	4%

**ASSET ALLOCATION**



**GOAL ALLOCATION**

The UN Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. To help translate the Goals into the SIMPS PORTFOLIO we have aggregated them into our four Impact Themes.



We harness the interconnectivity of the Goals to create the SIMPS PORTFOLIO. **Tribe Theme 1** focuses on the boundaries that Nature sets; the ecological ceiling or planetary boundary. **Tribe Theme 2** focuses on the social fabric needed to ensure everyone thrives; the social foundation. **Tribe Theme 3** focuses on the economic and physical infrastructure needed to deliver **Tribe Theme 2** whilst respecting **Tribe Theme 1**; the fabric for delivery of the goals. **Tribe Theme 4** focuses on the political, cultural and legal systems and behaviours needed to drive the change required; the behavioural shift needed to succeed.

THE GRAPH REPRESENTS 80% OF THE SIMPS PORTFOLIO. THE REMAINDER IS CASH & FUNDS THAT CAN'T BE ATTRIBUTED TO ONLY ONE SDG.

**TRIBE'S COMMITMENTS** As dedicated impact wealth managers, Tribe are signatories to a number of important initiatives including the UN's Principles for Responsible Investment, UN Environment Programme Finance Initiative and HM Treasury's Women in Finance Charter. Tribe are also part of the B Corps movement: businesses as a force for good.



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**is not an indication of future performance and the value of investments and the income derived from them may fluctuate and you may not receive back the amount you originally invested and (ii) any type of impact investment will involve risk to investors capital and the expected impact or financial return may not be achieved.** The tax treatment of investments depends on each investor's individual circumstances and is subject to change in tax legislation. The performance of actual portfolios linked to this SIMPS PORTFOLIO may differ from the performance of the SIMPS PORTFOLIO shown here due to the variation in timing of the initial investment or rebalancing differences resulting from minimum transaction size limits on the Investment platform. The

information in this factsheet is believed to be correct but we cannot guarantee this. No representation or warranty (express or otherwise) is given as to the accuracy or completeness of the information contained in this factsheet and Tribe Impact Capital LLP ("Tribe") and its partners and employees accept no liability for the consequences of your acting upon the information contained herein. \* The ongoing charge figure is variable and is for example purposes only. \*\* From 31 October 2019 we changed our industry performance benchmark from the ARC Steady Growth to the ARC Balanced benchmark. The ARC Balanced benchmark is more reflective of our long term Strategic Asset Allocation and relative risk objective over the long term.