

# SUSTAINABLE IMPACT MODEL PORTFOLIO SERVICE (SIMPS)

MEDIUM RISK | JULY 2020 | FOR FINANCIAL ADVISERS

## PORTFOLIO DESCRIPTION

The SIMPS PORTFOLIO range provides a combination of risk-adjusted returns and positive impact: investing that **does well and does good**. The portfolios aim 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:**  
31/07/2020

**LAUNCH DATE:**  
30/11/2016

**BENCHMARK:**  
ARC BALANCED PCI

**MANAGEMENT FEE:**  
0.25% + VAT

**OCF OF UNDERLYING FUNDS:**  
0.69%\*\*

**AVAILABLE THROUGH:**  
NUCLEUS, OLD MUTUAL,  
STANDARD LIFE, TRANSACT

**INVESTMENT MANAGERS:**  
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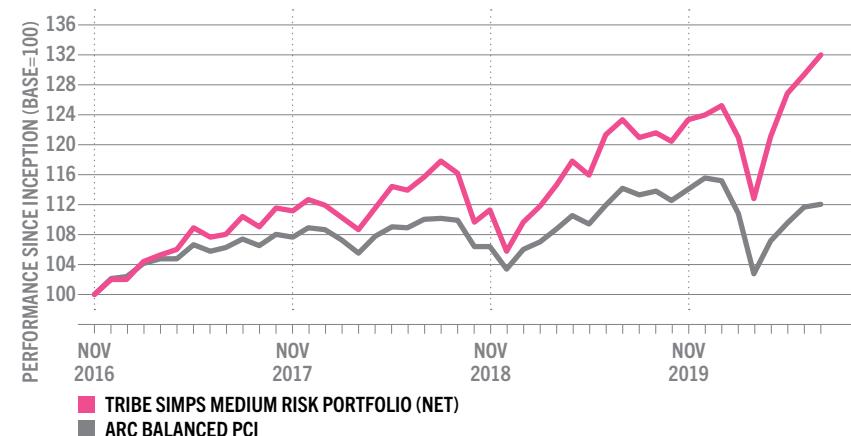
## THIS MONTH

Global equity markets continued to deliver positive returns in July, despite a resurgence of Covid-19 cases in several countries. At the same time, prices of US Treasuries and Gold also neared all-time highs.

Governments continued to offer significant stimulus to support markets. A landmark agreement was reached with the “EU recovery fund”; which should eventually lead to the issuance of EU wide backed bonds, signalling a greater level of EU integration than before, a positive for the Euro and Euro denominated assets. The recovery plan is encouraging for impact investors given the package’s focus on “green” policies, with grants and loans available specifically for energy efficient housing, circular economy and renewable energy, to be funded in part by higher taxes on carbon.

Geopolitical tensions remained, most notably between China and the USA.

## RETURN METRICS\*



**NET PERFORMANCE:** The SIMPS medium risk performance is shown after Tribe's management fee (0.25% plus VAT) and the underlying fund managers' fees (OCF of 0.69%\*\*) have been deducted. But it does not include platform and adviser 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 (NOV 16 - JUL 20)	ROLLING 12M PERIODS				YEAR TO DATE (DEC 19 - JUL 20)
		(JUL 19 - JUL 20)	(JUL 18 - JUL 19)	(JUL 17 - JUL 18)		
TO 31 JULY 2020						
Tribe medium risk SIMPS	31.9%	7.0%	6.6%	7.1%	6.4%	
ARC Balanced PCI	12.1%	-1.9%	3.8%	3.5%	-3.0%	
Difference	19.8%	8.8%	2.8%	3.6%	9.5%	

## RISK METRICS

TO 31 JULY 2020	VOLATILITY
Tribe medium risk SIMPS	9.3%
ARC Balanced PCI	6.8%

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.

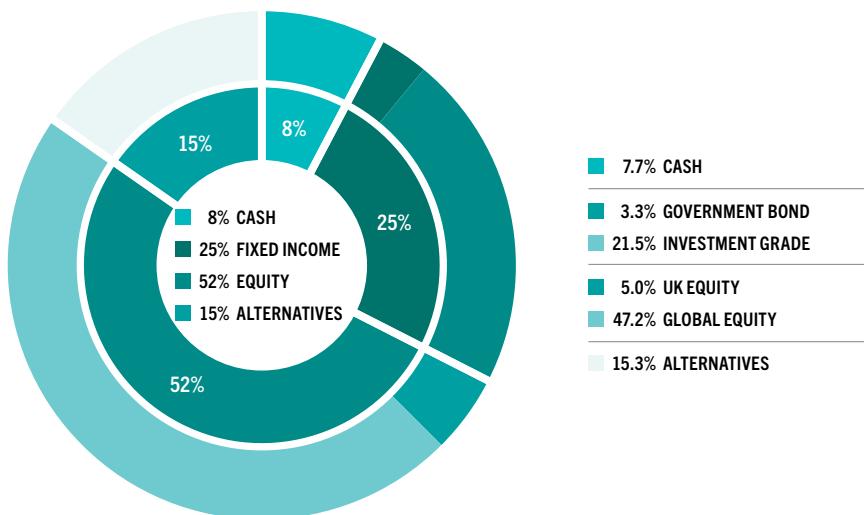
### TOP 3 EQUITY HOLDINGS

Janus Henderson Global Sustainability	9%
Baillie Gifford Positive Change	7%
Hermes Impact Opportunities	7%

### TOP 3 FIXED INCOME HOLDINGS

Threadneedle UK Social Bond Fund	10%
EdenTree Amity Short Dated Bond	6%
Liontrust Sustainable Future Corporate Bond	6%

### ASSET ALLOCATION



### IMPACT ALLOCATION

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



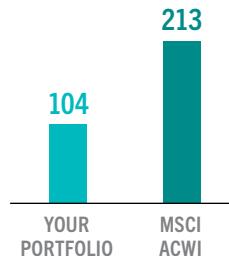
THE GREY SECTION OF THE GRAPH MAKES UP 20% OF THE SIMPS MEDIUM RISK PORTFOLIO. THIS REPRESENTS CASH & FUNDS THAT CAN'T BE ATTRIBUTED TO ONLY ONE SDG.

We harness the interconnectedness of the Goals to create the **SIMPS PORTFOLIOS**. **Tribe Theme 1** focuses on the boundaries that Nature sets; the ecological ceiling or planetary boundaries. **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.

## PORTFOLIO IMPACT

### CARBON INTENSITY<sup>1</sup>

The equities in the medium risk **SIMPS PORTFOLIO** are **51%** less carbon intensive than the MSCI ACWI benchmark.



Businesses with lower carbon intensity demonstrate their operational efficiency and release less carbon into the atmosphere per pound of revenue.

### CARBON SAVED<sup>1</sup>

By investing £100,000 into the medium risk **SIMPS PORTFOLIO** rather than the MSCI ACWI benchmark, you save **8** tons of carbon dioxide (CO<sub>2</sub>). Which is equivalent to the amount of carbon sequestered by:



SOURCE: MSCI & US EPA CARBON CALCULATOR JULY 2020.<sup>1</sup> BASED ON SCOPE 1 AND 2 EMISSIONS OF COVERED LISTED EQUITIES (52% OF MEDIUM RISK SIMPS PORTFOLIO)

**TRIBE'S COMMITMENTS** As dedicated impact wealth managers, we are signatories to a number of important initiatives including the UN Principles for Responsible Investing and the UN Environment Programme Finance Initiative, as well as HM Treasury's Women in Finance, Science Based Targets and the Principles of Positive Impact Finance. We are also a proud certified B Corp which means everything we do balances purpose and profit.



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**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.