

# Sustainable Impact Model Portfolio Service (SIMPS)

Medium-low risk | June 2022 | 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: 30/06/2022

LAUNCH DATE: 31/12/2018

BENCHMARK: ARC Balanced PCI

PORTFOLIO OBJECTIVE: Balance between capital preservation and capital appreciation

MANAGEMENT FEE: 0.25%

OCF OF UNDERLYING FUNDS: 0.57%\*\*

AVAILABLE THROUGH: 7IM, Nucleus, Old Mutual - Quilter, abrdn wrap, Transact

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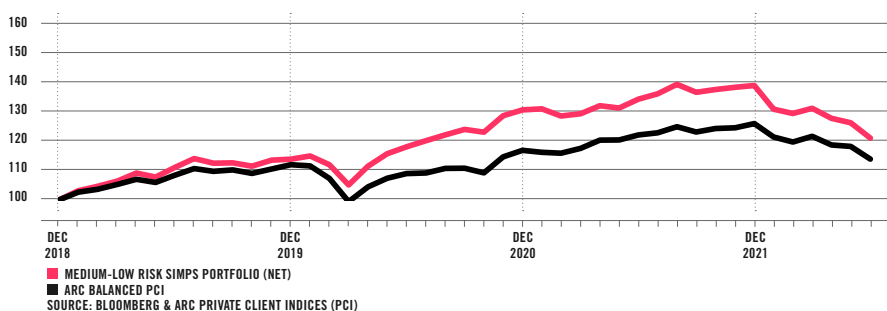
## This month

Global markets experienced another very tough quarter. Multi asset portfolios continued to suffer from the pressure of a sell-off in both equities and bonds, driven primarily from concerns about rising inflation.

In June, global stocks fell into bear market territory (defined as a 20% fall from the high point), as the markets digested an unexpected re-acceleration of the US Consumer Price Index in May, after unease in April. This upward price pressure was widespread, but it was the energy and food prices which were largely responsible for the increases. Global oil prices were pushed higher due to sanctions on Russia and a reduction in refining capacity. This was partially due to covid related closures and resulted in petrol prices doubling since early 2021. The upward price pressure on food also continued, increasing 10% year on year in May in the US. The same trends were evident in the Eurozone and the UK, where countries have also recorded generational high inflation figures in Q2.

There was a swift response from the Federal Reserve who decided to raise interest rates by 75 basis points (bps), higher than previously anticipated, which increased year end rate forecasts in the US and internationally. Global bonds fell 8% in the quarter as the market adjusted its expectations.

## RETURN METRICS\*



IN APRIL 2020 TRIBE CHANGED INVESTMENT REPORTING PLATFORM. DURING THE MIGRATION THE VAT APPLICABLE ON TRIBE'S ANNUAL MANAGEMENT CHARGE WAS NOT INCLUDED AS A COST WHEN CALCULATING THE PERFORMANCE RETURNS. WE WANT TO SHOW INVESTMENT RETURNS AFTER ALL COSTS, SO THIS MEANT THAT PERFORMANCE WAS OVER-STATE BY APPROXIMATELY 5 BASIS POINTS PER YEAR. FOR THE MEDIUM RISK SIMPS THE CUMULATIVE EFFECT OF THIS ERROR SINCE THE INCEPTION OF THE PORTFOLIO WAS -0.38%, AS THE INCORRECT CUMULATIVE RETURN SINCE INCEPTION WAS STATED 55.5% WHEN THE CORRECT RETURN SHOULD HAVE BEEN 55.2%. THIS AFFECTED FACTSHEETS THAT WERE PRODUCED FROM APRIL 2020 TO OCTOBER 2021. WE HAVE REMOVED THESE FACTSHEETS AND CORRECTED THEM. FROM 28 FEBRUARY 2022, VAT IS NO LONGER APPLICABLE SO ALL PERFORMANCE IS NOW SHOWING NET OF TRIBE'S FEE AND DOES NOT INCLUDE VAT.

**NET PERFORMANCE:** The SIMPS medium-low risk performance is shown after Tribe's management fee (0.25%) and the underlying fund managers' fees (OCF of 0.57%\*\*). But it does not include platform and adviser charges. Please note, for the period since inception to 28/02/2022 performance is reported net of VAT. Past performance covers 31/12/2018 (when the medium-low SIMPS was established) to 30/06/2022. Past performance does not exist prior to this period. Past performance is not a reliable indicator of future results.

**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.

## RISK METRICS

TO 30 JUNE 2022	VOLATILITY
MEDIUM-LOW RISK SIMPS	8.5%
ARC BALANCED PCI	7.9%

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.

	SINCE INCEPTION	ROLLING 12M PERIODS		
	Dec '18 to Jun '22	Jun '21 to Jun '22	Jun '20 to Jun '21	Jun '19 to Jun '20
TO 30 JUNE 2022				
MEDIUM-LOW RISK SIMPS	20.6%	-9.7%	13.5%	6.2%
ARC BALANCED PCI	13.6%	-6.6%	11.8%	0.5%
DIFFERENCE	7.0%	-3.1%	1.7%	5.7%

Source: Bloomberg & ARC Private Client Indices (PCI)

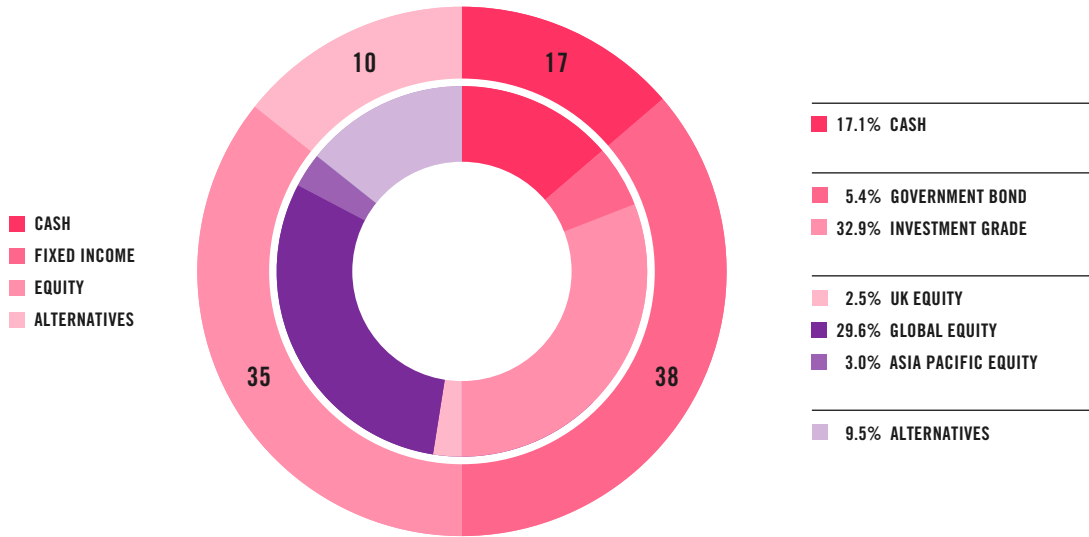
**TOP 3 EQUITY HOLDINGS**

JANUS HENDERSON GLOBAL SUSTAINABILITY	7%
WELLINGTON GLOBAL IMPACT	5%
SCHRODER GLOBAL ENERGY TRANSITION	5%

**TOP 3 FIXED INCOME HOLDINGS**

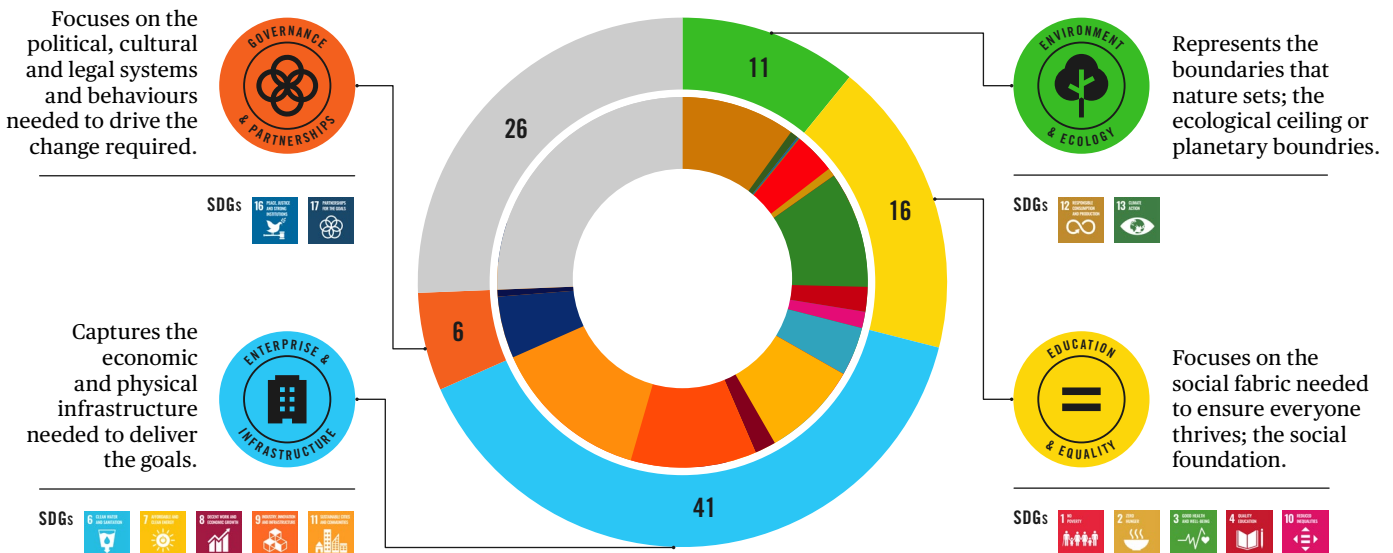
WELLINGTON IMPACT BOND	9%
LIONTRUST SUSTAINABLE FUTURE CORPORATE BOND	7%
EDENTREE RESPONSIBLE & SUSTAINABLE SHORT DATED BOND B	7%

**ASSET ALLOCATION**



**IMPACT ALLOCATION**

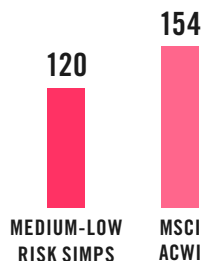
The UN Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all. To help translate the Goals into the **SIMPS Portfolios** we have aggregated them into our four Impact Themes.



PORTFOLIO IMPACT PERFORMANCE

### Carbon Intensity<sup>1</sup>

The equities in the medium-low risk **SIMPS Portfolio** are **22% less** carbon intensive than the MSCI ACWI benchmark.



TONS OF CO2 / \$M SALES

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-low risk **SIMPS Portfolio** rather than the MSCI ACWI benchmark, you save **4.0 tons** of carbon dioxide (CO2) if invested for 12 months.

This represents:



THE CARBON EMITTED BY:

**5 flights**  
from London to New York (economy class)



THE CARBON SEQUESTERED BY:

**65**  
medium grown coniferous tree seedlings grown for 10 years

Source: MSCI & US EPA Carbon calculator as at 31/03/2022.

<sup>1</sup> Based on scope 1 and 2 emissions of covered listed equities (39% of medium-low risk SIMPS portfolio).

### Healthcare

Across all equity fund holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio**, **54** companies provide access to healthcare.

Out of these, **17** report on the number of people who received access to healthcare.

In total, these 17 companies have provided healthcare to **243,936,003** people this reporting year<sup>3</sup>.

That's the equivalent of **1.4** people for each £100,000 invested in the medium-low risk **SIMPS Portfolio** for 12 months.



### Financial services

Across all equity fund holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio**, **22** companies provide financial services.

Out of these, **9** report on the provision of financial services to those previously excluded.

In total, these 9 companies have provided financial services to **693,581,253** people who previously didn't have access to financial services this reporting year<sup>3</sup>.

That's the equivalent of **1.1** people for each £100,000 invested in the medium-low risk **SIMPS Portfolio** for 12 months.



### Renewable energy

Across all equity fund holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio**, all **409** companies could produce their own renewable energy by investing in on-site renewable energy infrastructure.

**46** companies report on renewable energy generation.

In total, these 46 companies have generated **327,948,930** MWh of renewable energy this reporting year<sup>3</sup>.

That's the equivalent of **3.5** MWh of renewable energy for each £100,000 invested in the medium-low risk **SIMPS Portfolio** for 12 months.



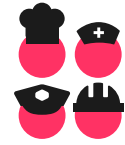
## Net jobs created

Across all equity fund holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio**, all **409** companies can create new jobs, as well as terminate existing jobs.

**315** companies report on jobs created and terminated (as a net job equivalency).

In total, these 315 companies generated **229,316** net jobs in this reporting year<sup>3</sup>.

That's the equivalent of **0.00076** net jobs created for each £100,000 invested in the medium-low risk **SIMPS Portfolio** for 12 months.



## Waste recycled

Across the equity fund holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio**, all **409** companies can recycle part or all of their waste.

**121** companies report on waste recycled.

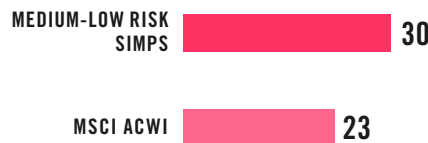
In total, these 121 companies have recycled **10,680,006** tons of waste this reporting year<sup>3</sup> (on average, 54% of their waste).

That's the equivalent of **176** kg of waste recycled for each £100,000 invested in the medium-low risk **SIMPS Portfolio** for 12 months.



## Gender

Multiple studies show that gender parity in business is essential in driving sustainable growth. Across the equity holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio** there are **409** companies. Out of 409 companies, the average percentage of female board members is **30%**<sup>3</sup>.



<sup>2</sup> 42% of the medium-low risk SIMPS portfolio holdings.

<sup>3</sup> Third-party fund holding data as at 31/03/2022. Impact data is provided from the following sources: MSCI, Net Purpose Ltd and the underlying company's latest available public reports. Reporting timetables vary company by company.

**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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their Financial Adviser. **\*Please note: (i) past performance 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 Portfolios** shown here due to the variation in

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\*\*The ongoing charge figure is variable and is for example purposes only.