

# Sustainable Impact Model Portfolio Service (SIMPS)

Medium-low risk | August 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: 31/08/2022

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

INVESTMENT MANAGERS: Tribe Impact Capital LLP  
52 Jermyn St, London, SW1Y 6LX

AUTHORISED AND REGULATED BY: FCA (Number 756411)  
Companies House: (OC411984)

CONTACT: advisers@tribeimpactcapital.com  
+44 (0)203 745 5570

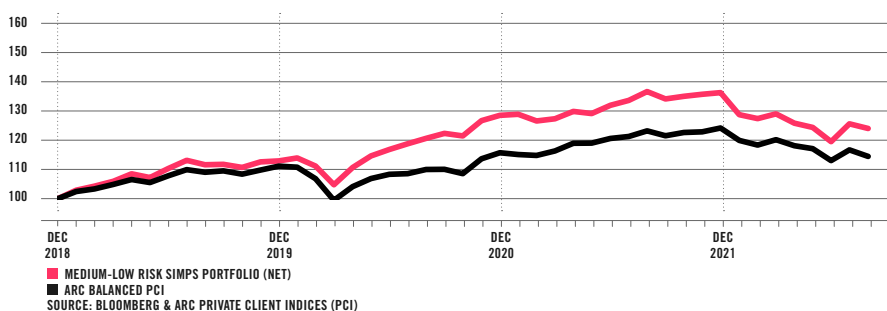
## This month

Equity markets were strong at the beginning of the month. Despite the US entering a technical recession, investors were buoyed by falling gasoline prices in the US and the prospect of slowing inflation. Falling prices curbed the Federal Reserve's appetite to continue raising interest rates. This sentiment was dramatically reversed mid-month as Chair of the Federal Reserve, Jerome Powell, used his annual Jackson Hole speech to re-commit to curbing inflation and further rate hikes, even if it risked jobs and growth.

President Biden scored a rare win during the month as the Democrat party passed the Inflation Reduction Act. The Act is one of the largest pieces of climate legislation in the US and should provide \$369bn to help the US economy decarbonise. The legislation seemed unlikely to pass until recently, so its approval led to a strong market rally for companies focussed on renewable energy and the green transition, especially in the US.

In Europe, the focus moved even more sharply towards Russia's weaponisation of its gas exports. A further reduction in flows and closures for maintenance saw huge price spikes in natural gas, some ten times above their average of recent years. The global energy crunch was further exacerbated by climate changes; warm rivers in France reduced capacity for nuclear energy. Similarly, droughts in China reduced hydroelectric output by as much as 80% in some regions.

## 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 31 AUGUST 2022	VOLATILITY
MEDIUM-LOW RISK SIMPS	8.8%
ARC BALANCED PCI	8.0%

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 Aug '22	Aug '21 to Aug '22	Aug '20 to Jul '21	Aug '19 to Aug '20
TO 31 AUGUST 2022				
MEDIUM-LOW RISK SIMPS	25.3%	-9.6%	13.8%	8.4%
ARC BALANCED PCI	15.2%	-7.4%	12.6%	0.9%
DIFFERENCE	10.0%	-2.2%	1.2%	7.5%

Source: Bloomberg & ARC Private Client Indices (PCI)

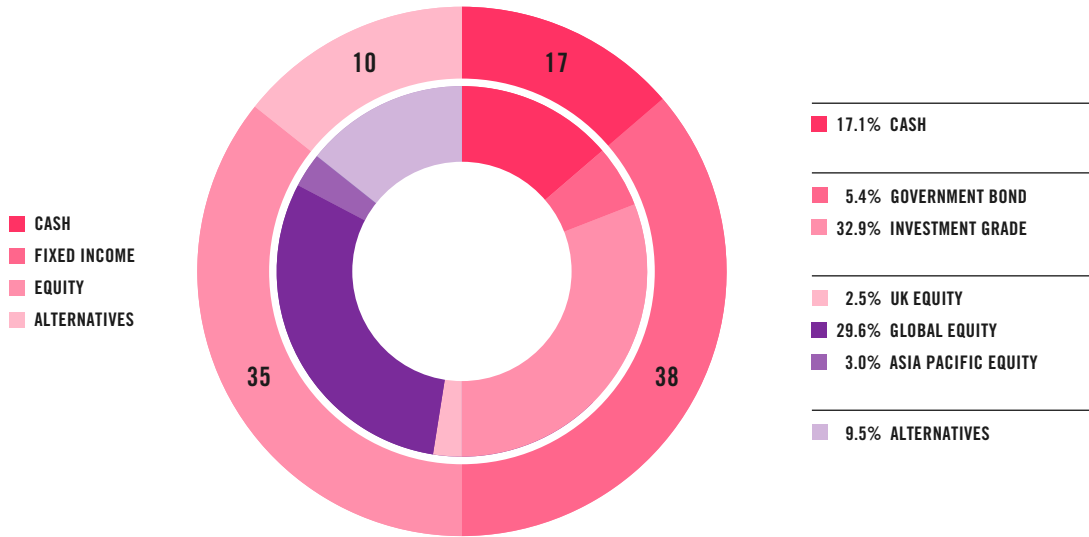
**TOP 3 EQUITY HOLDINGS**

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

**TOP 3 FIXED INCOME HOLDINGS**

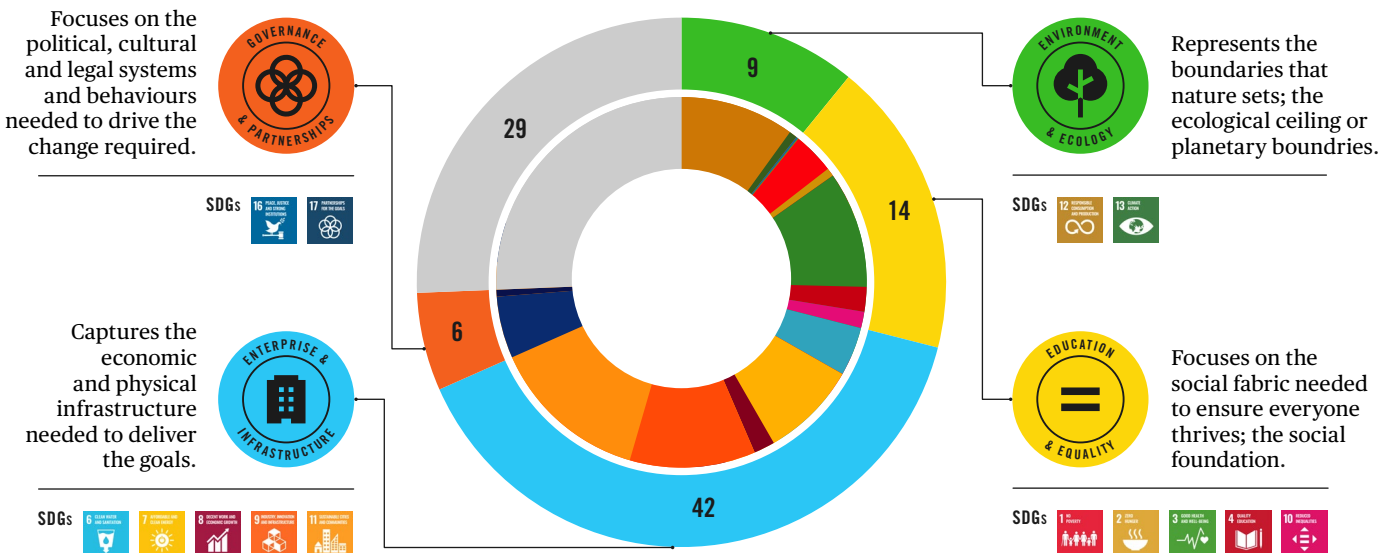
WELLINGTON IMPACT BOND	9%
LIONTRUST SUSTAINABLE FUTURE CORPORATE BOND	7%
EDENTREE RESPONSIBLE & SUSTAINABLE SHORT DATED BOND B	7%

**ASSET ALLOCATION**



**IMPACT ALLOCATION**

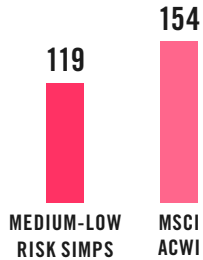
The UN Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all. To help translate the Goals into the **SIMPS Portfolios** we have aggregated them into our four Impact Themes.



PORTFOLIO IMPACT PERFORMANCE

**Carbon Intensity<sup>1</sup>**

The equities in the medium-low risk **SIMPS Portfolio** are **23% less** carbon intensive than the MSCI ACWI benchmark.



TONNES 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 **4.5 tonnes** 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:

**74**  
medium grown coniferous tree seedlings grown for 10 years

Source: MSCI & US EPA Carbon calculator as at 30/06/2022.

<sup>1</sup> Based on scope 1 and 2 emissions of covered listed equities (42% of medium-low risk SIMPS portfolio).

**Healthcare**

Across all equity fund holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio**, **39** companies provide access to healthcare.

Out of these, **15** report on the number of people who received access to healthcare.

In total, these 15 companies have provided healthcare to **232,886,003** people this reporting year<sup>3</sup>.

That's the equivalent of **1.2** 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**, **24** companies provide financial services.

Out of these, **10** report on the provision of financial services to those previously excluded.

In total, these 10 companies have provided financial services to **693,597,253** 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 **353** companies could produce their own renewable energy by investing in on-site renewable energy infrastructure.

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

In total, these 66 companies have generated **324,566,079** MWh of renewable energy this reporting year<sup>3</sup>.

That's the equivalent of **2.7** MWh of renewable energy for each £100,000 invested in the medium-low risk **SIMPS Portfolio** for 12 months.



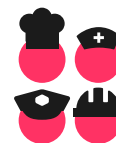
## Net jobs created

Across all equity fund holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio**, all **353** companies can create new jobs, as well as terminate existing jobs.

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

In total, these 287 companies generated **212,348** net jobs in this reporting year<sup>3</sup>.

That's the equivalent of **0.0007** 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 **353** companies can recycle part or all of their waste.

**115** companies report on waste recycled.

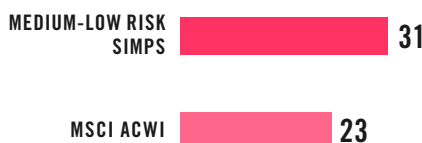
In total, these 115 companies have recycled **10,499,371** tonnes of waste this reporting year<sup>3</sup>.

That's the equivalent of **243** 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 **353** companies. Out of 353 companies, the average percentage of female board members is **31%**<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 30/06/2022. 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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\*\*The ongoing charge figure is variable and is for example purposes only.