

# Sustainable Impact Model Portfolio Service (SIMPS)

Medium risk | April 2023 | 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: 30/04/2023

LAUNCH DATE: 30/11/2016

BENCHMARK: ARC Balanced PCI

PORTFOLIO OBJECTIVE: Balance between capital preservation and capital appreciation

MANAGEMENT FEE: 0.25%

OCF OF UNDERLYING FUNDS: 0.64%\*\*

AVAILABLE THROUGH:  
7IM, abrdn wrap, M&G Wealth, Nucleus, Quilter, Transact, True Potential, Aegon, Aegon ARC

INVESTMENT MANAGERS:  
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## This month

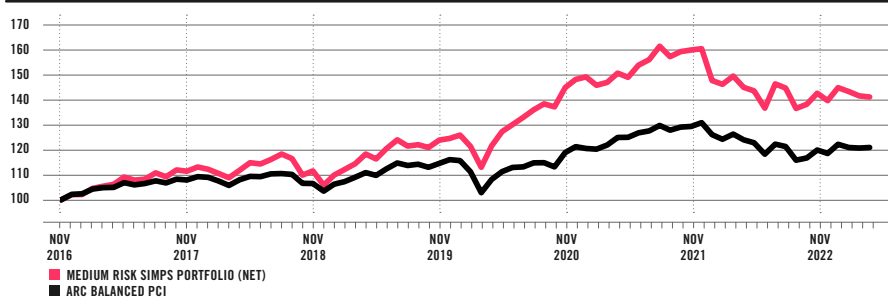
After banking turmoil in March, investor attention returned to the macro data in April. Both the US and Europe continued to show a downward trend in inflation, although food prices and housing remained stubbornly high.

First quarter company earnings season kicked off, showing year-on-year declines as expected. However, good numbers from the technology sector in particular meant that, in aggregate, earnings were not as weak as initially feared.

In a surprise move, designed to keep oil prices elevated, the Organisation of the Petroleum Exporting Countries+ (OPEC+) announced that it would be cutting production quotas by 1.1 million barrels per day. Oil prices duly spiked more than 10% before ending the month almost unchanged.

Whilst Western economies have generally had economic growth forecasts revised down over the course of 2023, China posted stronger than expected numbers for the first quarter. This came as consumers in China continued to spend their savings, accumulated during the covid lockdowns of last year.

## RETURN METRICS\*



**NET PERFORMANCE:** The SIMPS medium risk performance is shown after Tribe's management fee (0.25%) and the underlying fund managers' fees (OCF of 0.64%\*\*). But it does not include platform and adviser charges. Please note, for the period since inception to 28 February 2022 performance is reported net of VAT. 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.

|                   | SINCE INCEPTION         | ROLLING 12M PERIODS     |                         |                         |                         |                         |
|-------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                   | 30/11/2016 - 30/04/2023 | 30/04/2018 - 30/04/2019 | 30/04/2019 - 30/04/2020 | 30/04/2020 - 30/04/2021 | 30/04/2021 - 30/04/2022 | 30/04/2022 - 30/04/2023 |
| TO 30 APRIL 2023  |                         |                         |                         |                         |                         |                         |
| MEDIUM RISK SIMPS | 39.6%                   | 5.6%                    | 2.7%                    | 23.2%                   | -3.7%                   | -2.6%                   |
| ARC BALANCED PCI  | 20.2%                   | 2.5%                    | -2.4%                   | 15.0%                   | -0.7%                   | -2.4%                   |
| DIFFERENCE        | 19.4%                   | 3.0%                    | 5.1%                    | 8.2%                    | -2.9%                   | -0.2%                   |

Sources for return metrics graph and table: Bloomberg & ARC Private Client Indices (PCI)

## RISK METRICS

| TO 30 APRIL 2023  | VOLATILITY |
|-------------------|------------|
| MEDIUM RISK SIMPS | 9.7%       |
| ARC BALANCED PCI  | 6.9%       |

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.

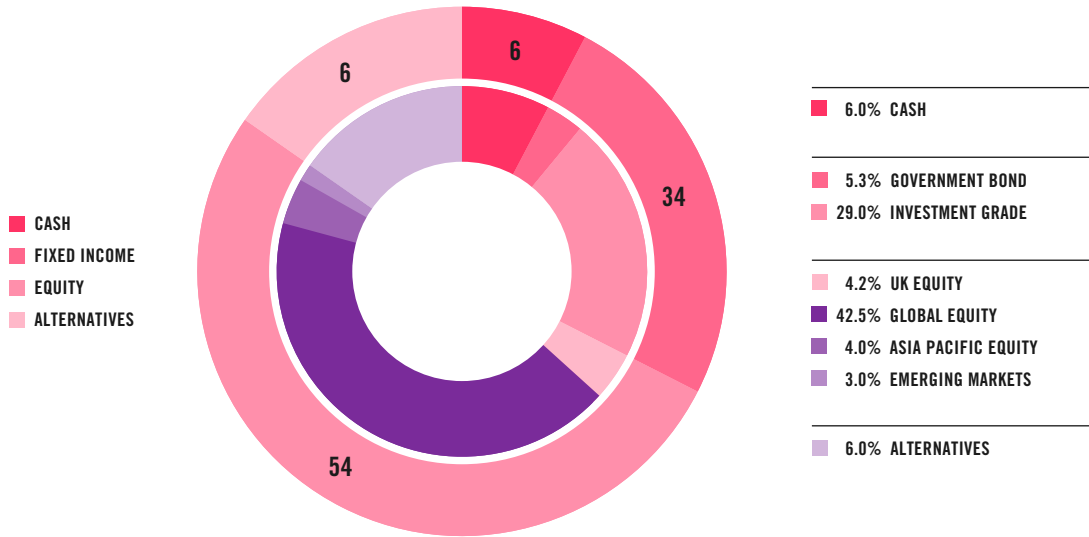
**TOP 3 EQUITY HOLDINGS**

|   |    |
|---|----|
| SCHRODER GLOBAL ENERGY TRANSITION         | 8% |
| JANUS HENDERSON GLOBAL SUSTAINABLE EQUITY | 7% |
| WELLINGTON GLOBAL IMPACT                  | 6% |

**TOP 3 FIXED INCOME HOLDINGS**

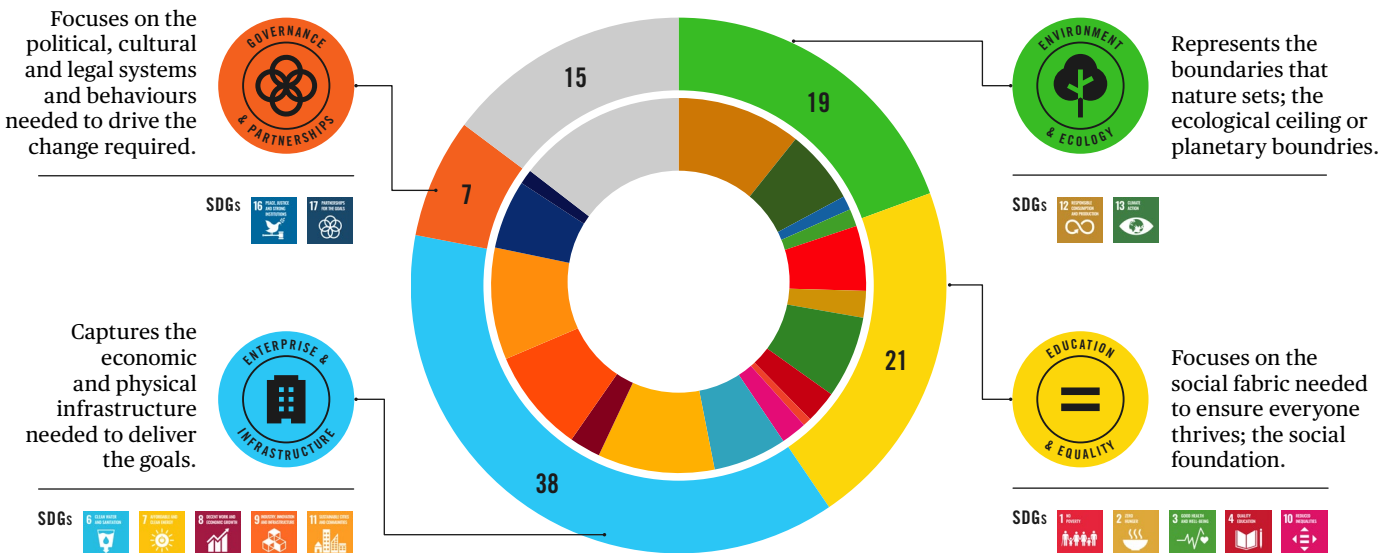
|   |    |
|---|----|
| WELLINGTON IMPACT BOND                      | 9% |
| LIONTRUST SUSTAINABLE FUTURE CORPORATE BOND | 7% |
| ROYAL LONDON SHORT DURATION INDEX LINKED    | 5% |

**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.

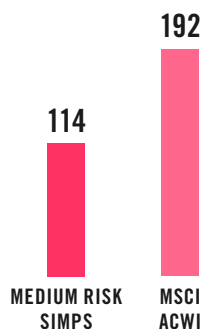


THE GREY SECTION OF THE GRAPH WHICH MAKES UP 15% OF THE SIMPS MEDIUM RISK PORTFOLIO REPRESENTS CASH AND FUNDS THAT ARE MULTI-THEMED AND CAN'T BE ATTRIBUTED TO ONLY ONE SDG.

PORTFOLIO IMPACT PERFORMANCE

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

The equities in the medium risk **SIMPS Portfolio** are **40% 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 risk **SIMPS Portfolio** rather than the MSCI ACWI benchmark, you save **6.6 tonnes** of carbon dioxide (CO2) if invested for 12 months. This represents:



THE CARBON EMITTED BY:  
**7 flights**  
from London to New York (economy class)



THE CARBON SEQUESTERED BY:  
**109**  
medium grown coniferous tree seedlings grown for 10 years

Source: MSCI & US EPA Carbon calculator as at 31/03/2023.

<sup>1</sup> Based on scope 1 and 2 emissions of covered listed equities (61% of medium risk SIMPS portfolio).

### Healthcare

Across all equity fund holdings<sup>2</sup> in the medium risk **SIMPS Portfolio**, **38** companies provide access to healthcare.

**11** report on the number of people who received access to healthcare.

In total, these 11 companies have provided healthcare to **239,179,488** people this reporting year<sup>3</sup>.

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



### Financial services

Across all equity fund holdings<sup>2</sup> in the medium risk **SIMPS Portfolio**, **17** companies provide financial services.

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

In total, these 10 companies have provided financial services to **886,333,261** people who previously didn't have access to financial services this reporting year<sup>3</sup>.

That's the equivalent of **2.2** people for each £100,000 invested in the medium risk **SIMPS Portfolio** for 12 months.



### Renewable energy

Across all equity fund holdings<sup>2</sup> in the medium risk **SIMPS Portfolio**, all **371** companies could produce their own renewable energy by investing in on-site renewable energy infrastructure.

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

In total, these 87 companies have generated **303,386,475** MWh of renewable energy this reporting year<sup>3</sup>.

That's the equivalent of **3.9** MWh of renewable energy for each £100,000 invested in the medium risk **SIMPS Portfolio** for 12 months.



## Net jobs created

Across all equity fund holdings<sup>2</sup> in the medium risk **SIMPS Portfolio**, all **371** companies can create new jobs, as well as terminate existing jobs.

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

In total, these 312 companies generated **704,789** net jobs in this reporting year<sup>3</sup>.

That's the equivalent of **0.0028** net jobs created for each £100,000 invested in the medium risk **SIMPS Portfolio** for 12 months.



## Waste recycled

Across the equity fund holdings<sup>2</sup> in the medium risk **SIMPS Portfolio**, all **371** companies can recycle part or all of their waste.

**131** companies report on waste recycled.

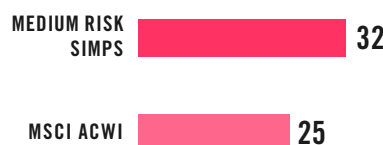
In total, these 131 companies have recycled **19,770,488** tonnes of waste this reporting year<sup>3</sup>.

That's the equivalent of **150** kg of waste recycled for each £100,000 invested in the medium 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 risk **SIMPS Portfolio** there are **371** companies. Out of 371 companies, the average percentage of female board members is **32%**<sup>3</sup>.



<sup>2</sup> 61% of the medium risk SIMPS portfolio holdings.

<sup>3</sup> Third-party fund holding data as at 31/03/2023. 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. \*\*\*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.

Tribe Impact Capital LLP is authorised and regulated by the Financial Conduct Authority (FCA).