

# Sustainable Impact Model Portfolio Service (SIMPS)

Equity risk | August 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 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:** 31/08/2023

**LAUNCH DATE:** 17/05/2021

**BENCHMARK:** ARC Equity Risk PCI

**PORTFOLIO OBJECTIVE:** Capital appreciation

**MANAGEMENT FEE:** 0.25% + VAT

**OCF OF UNDERLYING FUNDS:** 0.90%\*\*

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

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

**AUTHORISED AND REGULATED BY:**  
FCA (Number 756411)  
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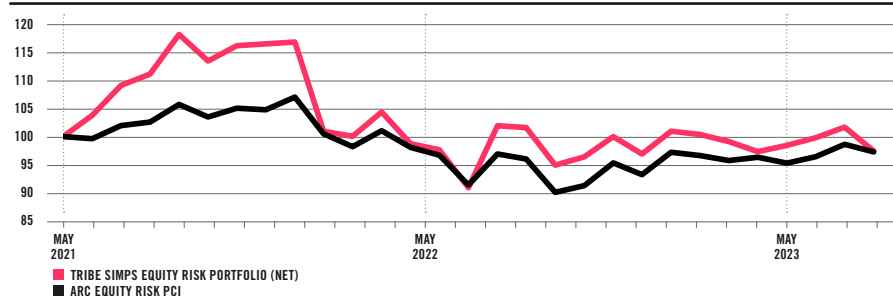
## This month

August was a tale of two halves for both stock and bond markets. Following a strong July, the MSCI ACWI global equity index initially fell 5% but recovered in the run-up to the end of the month. Global bonds followed a similar path, with moves driven by the continued mixed signals coming from the worldwide economy.

Policymakers are questioning whether the interest rate rises they've completed over the last 18 months will be sufficient in getting inflation under control. Jay Powell, Chairman of the US Federal Reserve, indicated that interest rates may have to stay higher for longer during his speech at the annual Jackson Hole Symposium in Wyoming. As such, we continue favouring fixed income over equities, given the attractive yield now offered on bonds issued by strong companies.

A weak second quarter from the Chinese economy added another layer of uncertainty to the global outlook. China's shaky domestic real estate sector continues to make consumers hesitant to spend despite the build-up of savings over the lockdowns of the last few years. We focus our China exposure on companies that align with the Central Government's main policy aims of family values, common prosperity and the energy transition. Climate policy continues to feature more regularly in government communications.

## RETURN METRICS\*



**NET PERFORMANCE:** The SIMPS equity risk performance is shown after Tribe's management fee (0.25%) and the underlying fund managers' fees (OCF of 0.90%\*\*). But it does not include platform and adviser charges. 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 equity risk PCI is suitable for strategies with a relative volatility of 80-120% of global equities as measured by MSCI ACWI.

	SINCE INCEPTION	
	17/05/2021 - 31/08/2023	31/08/2022 - 31/08/2023
<b>TO 31 AUGUST 2023</b>		
EQUITY RISK SIMPS	-2.3%	-3.6%
ARC EQUITY RISK PCI	-2.4%	1.1%
DIFFERENCE	0.1%	-4.8%

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

## RISK METRICS

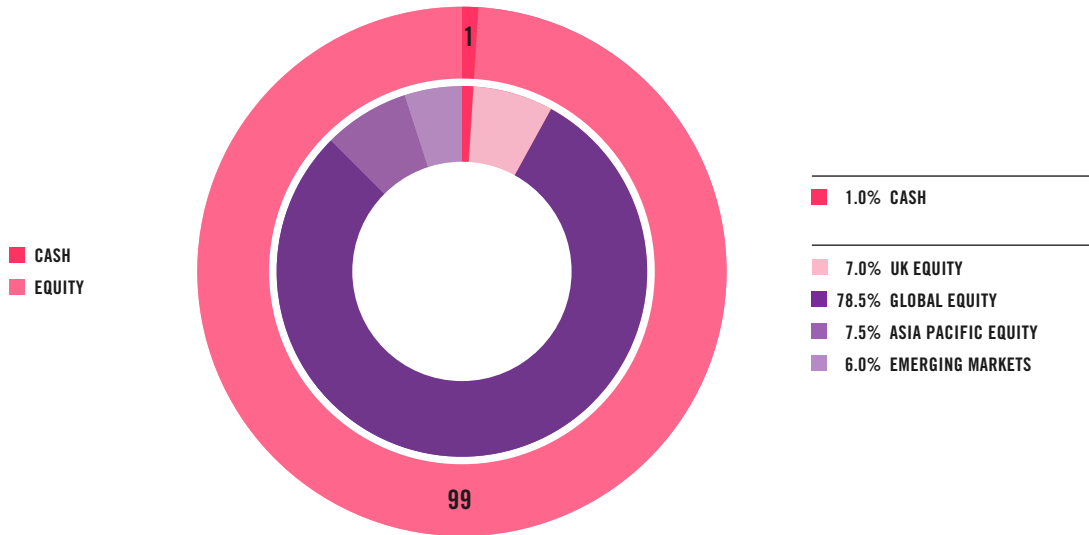
TO 31 AUGUST 2023	VOLATILITY
EQUITY RISK SIMPS	15.0%
ARC EQUITY RISK PCI	9.3%

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 6 EQUITY HOLDINGS

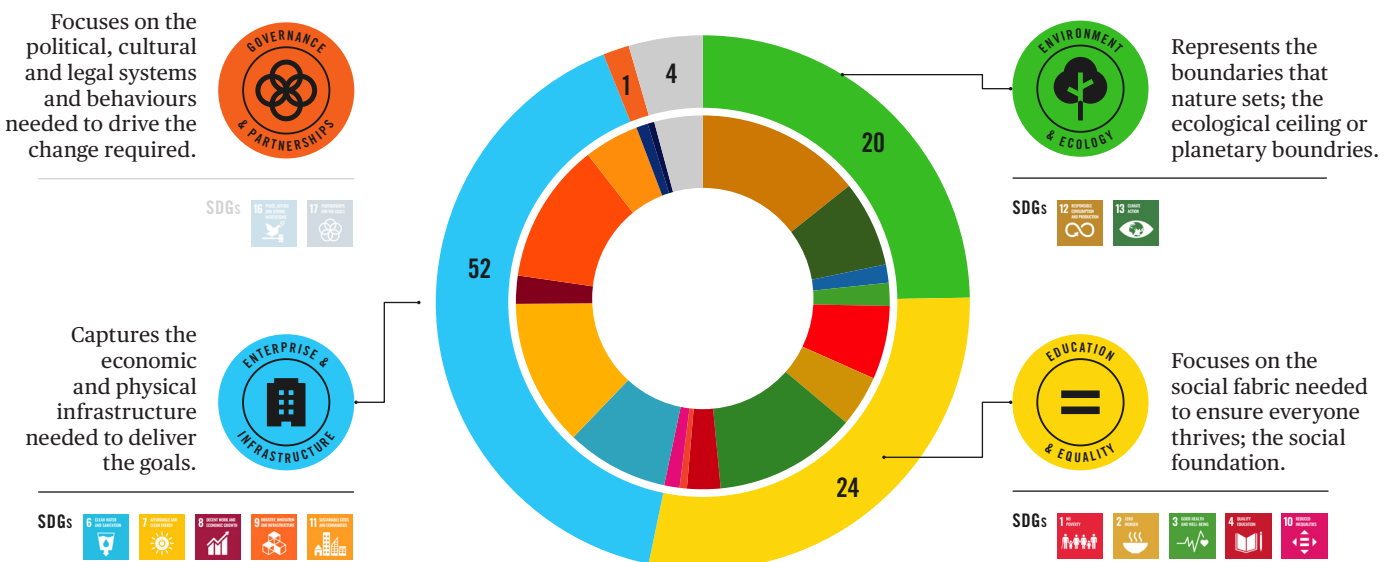
SCHRODER GLOBAL ENERGY TRANSITION	10%	WELLINGTON GLOBAL IMPACT	9%
JANUS HENDERSON GLOBAL SUSTAINABLE EQUITY	9%	STEWART INVESTORS ASIA PACIFIC LEADERS	8%
MONTANARO BETTER WORLD	9%	REGNAN IMPACT SOLUTIONS	8%

## ASSET ALLOCATION



## IMPACT ALLOCATION

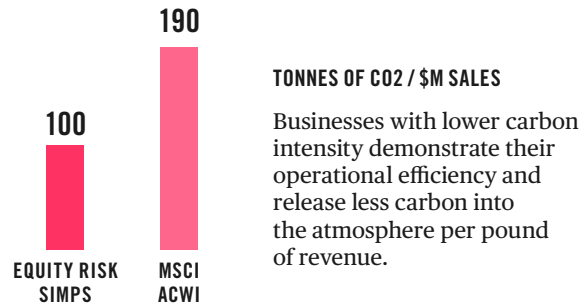
The UN Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all. To help translate the Goals into the **SIMPS Portfolios** we have aggregated them into our four Impact Themes.



PORTFOLIO IMPACT PERFORMANCE

Carbon Intensity<sup>1</sup>

The equities in the equity risk **SIMPS Portfolio** are **47% less** carbon intensive than the MSCI ACWI benchmark.



Carbon Saved<sup>1</sup>

By investing £100,000 into the equity risk **SIMPS Portfolio** rather than the MSCI ACWI benchmark, you save **11.7 tonnes** of carbon dioxide (CO2) if invested for 12 months. This represents:



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



THE CARBON SEQUESTERED BY:  
**194**  
medium grown coniferous tree seedlings grown for 10 years

Source: MSCI & US EPA Carbon calculator as at 30/06/2023.

<sup>1</sup> Based on scope 1 and 2 emissions of covered listed equities (93% of equity risk SIMPS portfolio).

Healthcare

Across all equity fund holdings<sup>2</sup> in the equity risk **SIMPS Portfolio**, **63** companies provide access to healthcare.

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

In total, these 15 companies have provided healthcare to **283,942,688** people this reporting year<sup>3</sup>.

That's the equivalent of **2.9** people for each £100,000 invested in the equity risk **SIMPS Portfolio** for 12 months.



Financial services

Across all equity fund holdings<sup>2</sup> in the equity risk **SIMPS Portfolio**, **18** 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 **3.6** people for each £100,000 invested in the equity risk **SIMPS Portfolio** for 12 months.



Renewable energy

Across all equity fund holdings<sup>2</sup> in the equity risk **SIMPS Portfolio**, all **426** companies could produce their own renewable energy by investing in on-site renewable energy infrastructure.

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

In total, these 82 companies have generated **281,158,248** MWh of renewable energy this reporting year<sup>3</sup>.

That's the equivalent of **5.5** MWh of renewable energy for each £100,000 invested in the equity risk **SIMPS Portfolio** for 12 months.



## Net jobs created

Across all equity fund holdings<sup>2</sup> in the equity risk **SIMPS Portfolio**, all **426** companies can create new jobs, as well as terminate existing jobs.

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

In total, these 353 companies generated **768,840** net jobs in this reporting year<sup>3</sup>.

That's the equivalent of **0.0060** net jobs created for each £100,000 invested in the equity risk **SIMPS Portfolio** for 12 months.



## Waste recycled

Across the equity fund holdings<sup>2</sup> in the equity risk **SIMPS Portfolio**, all **426** companies can recycle part or all of their waste.

**139** companies report on waste recycled.

In total, these 139 companies have recycled **19,460,870** tonnes of waste this reporting year<sup>3</sup>.

That's the equivalent of **203** kg of waste recycled for each £100,000 invested in the equity 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 equity risk **SIMPS Portfolio** there are **426** companies. Out of 426 companies, the average percentage of female board members is **33%**<sup>3</sup>.



<sup>2</sup> 93% of the equity risk SIMPS portfolio holdings.

<sup>3</sup> Third-party fund holding data as at 30/06/2023. 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.

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