

# Sustainable Impact Model Portfolio Service (SIMPS)

Medium-low risk | October 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:** 31/10/2023

**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:** 0.51%\*\*

**AVAILABLE THROUGH:**  
abrdn wrap, Aegon, Aegon ARC, Aviva, Fidelity, 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:**  
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## This month

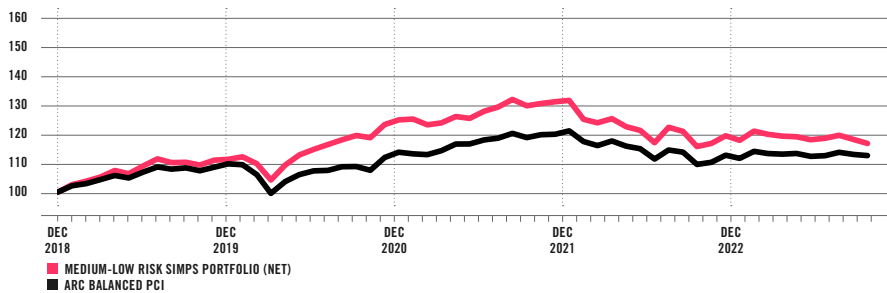
October was a significant month for the global economy. In the US, the yield on the ten-year US government bond exceeded the 5% mark for the first time in 16 years.\* This was driven by the persistently strong performance of the US economy. Generally, higher yields on government bonds can impact lending conditions in the economy, reducing the need for central banks to increase interest rates themselves. We continue to favour fixed income as an asset class due to its attractive yields that can help cushion any further price volatility.

On another note, equities didn't do particularly well in October. This was primarily due to increasing bond yields and mixed earnings reports. While earnings have been positive, the market hasn't been kind to companies that reported results below the consensus estimate. This was especially true for large technology stocks that have been driving the market this year. These businesses reported strong results, but they fell short of the high expectations of investors which led to their stock prices shrinking.

The conflict in the Middle East may have implications for the global economy, beyond the tragic humanitarian impact. One risk is that the situation could transform into a proxy war between Iran, a major oil producing country, and the West. This could lead to an increase in oil prices, putting upward pressure on the market. Thus far, this pressure has been muted and Brent Crude Oil prices have remained below their late-September peak.\* The risk of inflation caused by higher oil prices highlights the need for energy security and independence. We believe the current conflicts have only strengthened the impetus to develop more resilient and sustainable local energy sources.

\*Source: Bloomberg as at 31/10/2023

## RETURN METRICS\*



**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 0.51%\*\*) have been deducted. But it does not include platform and adviser charges. Please note, for the period since inception to 28/02/2022 performance is reported gross of VAT. Past performance covers 31/12/2018 (when the medium-low SIMPS was established) to 31/10/2023. 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.

TO 31 OCTOBER 2023	SINCE INCEPTION	ROLLING 12M PERIODS			
	31/12/2018 - 31/10/2023	31/10/2019 - 31/10/2020	31/10/2020 - 31/10/2021	31/10/2021 - 31/10/2022	31/10/2022 - 31/10/2023
MEDIUM-LOW RISK SIMPS	17.9%	10.2%	11.6%	-12.2%	-1.9%
ARC BALANCED PCI	13.2%	0.1%	13.6%	-9.3%	0.8%
DIFFERENCE	4.7%	10.0%	-2.0%	-2.9%	-2.7%

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

## RISK METRICS

TO 31 OCTOBER 2023	VOLATILITY
MEDIUM-LOW RISK SIMPS	8.5%
ARC BALANCED PCI	7.5%

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.

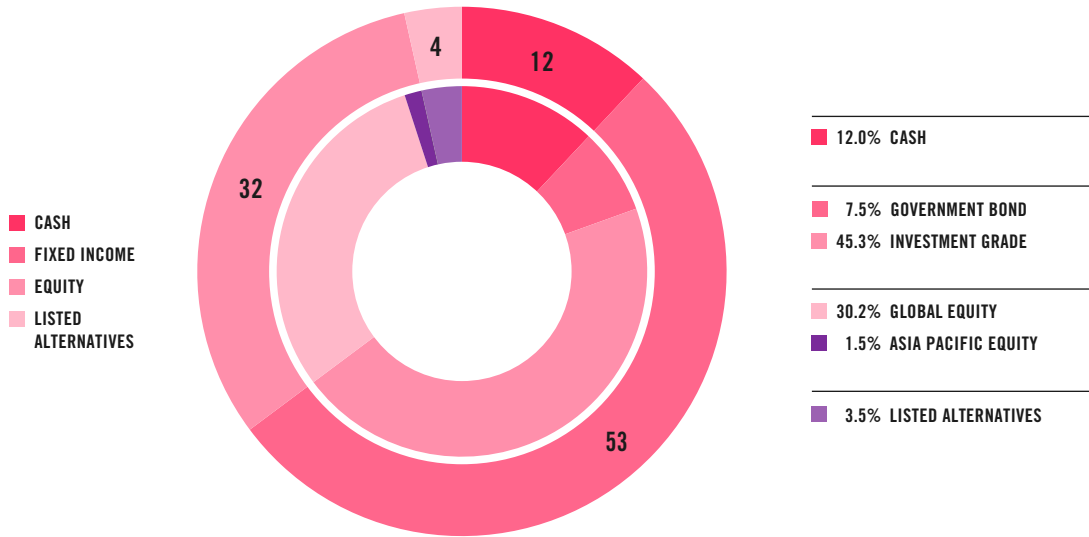
**TOP 3 EQUITY HOLDINGS**

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

**TOP 3 FIXED INCOME HOLDINGS**

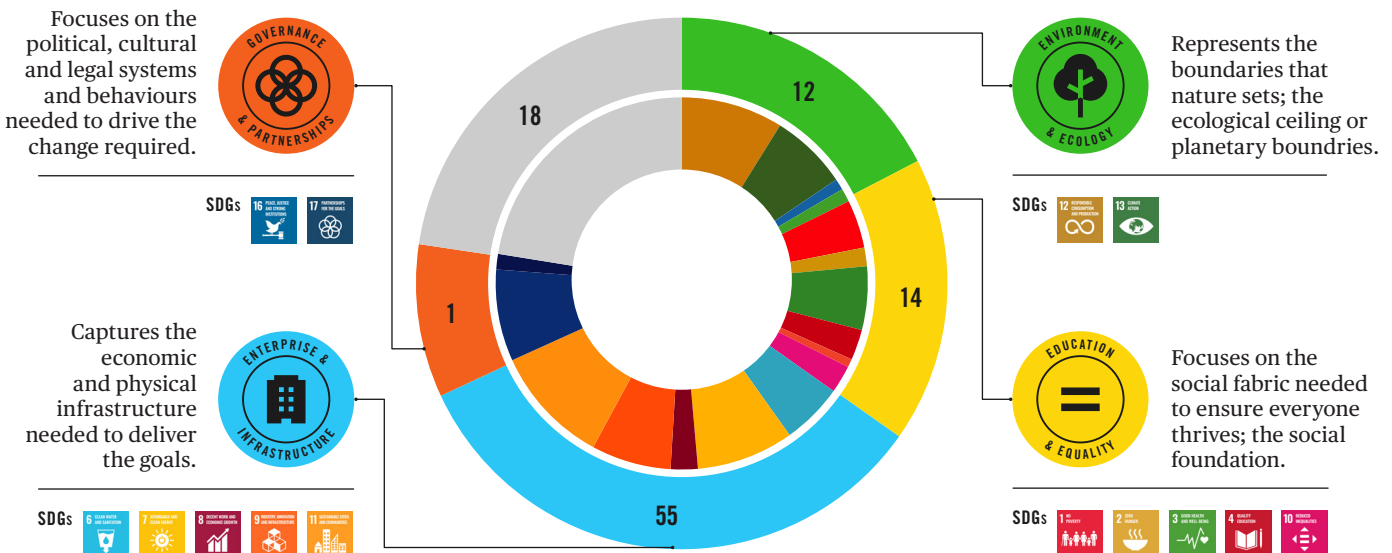
WELLINGTON IMPACT BOND	10%
ROYAL LONDON SHORT DURATION INDEX LINKED	8%
LIONTRUST SUSTAINABLE FUTURE CORPORATE BOND	8%

**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.

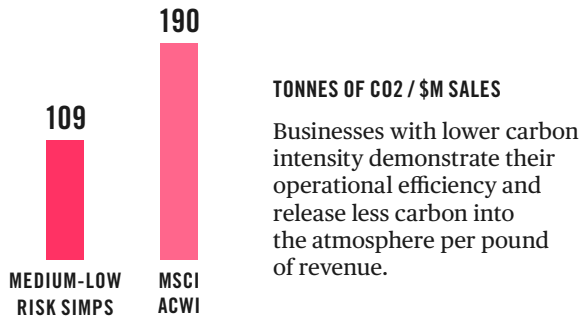


THE GREY SECTION OF THE GRAPH WHICH MAKES UP 23% OF THE SIMPS LOW-MEDIUM RISK PORTFOLIO REPRESENTS CASH AND FUNDS THAT ARE MULTI-THEMED AND CAN'T BE ATTRIBUTED TO ONLY ONE SDG.

PORTFOLIO IMPACT PERFORMANCE

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

The equities in the medium-low risk **SIMPS Portfolio** are **43% less** carbon intensive than the MSCI ACWI benchmark.



### Carbon Saved<sup>1</sup>

By investing £100,000 into the medium-low risk **SIMPS Portfolio** rather than the MSCI ACWI benchmark, you save **5.0 tonnes** of carbon dioxide (CO2) if invested for 12 months. This represents:



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



THE CARBON SEQUESTERED BY:  
**83**  
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 (40% of medium-low risk SIMPS portfolio).

### Healthcare

Across all equity fund holdings<sup>2</sup> in the medium-low risk **SIMPS Portfolio**, **36** companies provide access to healthcare.

Out of these, **12** report on the number of people who received access to healthcare.

In total, these 12 companies have provided healthcare to **239,191,488** 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**, **19** companies provide financial services.

Out of these, **8** report on the provision of financial services to those previously excluded.

In total, these 8 companies have provided financial services to **882,629,261** people who previously didn't have access to financial services this reporting year<sup>3</sup>.

That's the equivalent of **1.5** 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 **352** companies could produce their own renewable energy by investing in on-site renewable energy infrastructure.

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

In total, these 84 companies have generated **277,521,962** MWh of renewable energy this reporting year<sup>3</sup>.

That's the equivalent of **3.1** 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 **352** companies can create new jobs, as well as terminate existing jobs.

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

In total, these 299 companies generated **591,736** net jobs in this reporting year<sup>3</sup>.

That's the equivalent of **0.0021** 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 **352** companies can recycle part or all of their waste.

**135** companies report on waste recycled.

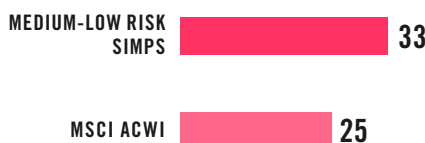
In total, these 135 companies have recycled **19,335,212** tonnes of waste this reporting year<sup>3</sup>.

That's the equivalent of **122** 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 **352** companies. Out of 352 companies, the average percentage of female board members is **33%**<sup>3</sup>.



<sup>2</sup> 40% of the medium-low 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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