

# Sustainable Impact Model Portfolio Service (SIMPS)

Equity risk | December 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:** 31/12/2023

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

**BENCHMARK:** ARC Equity Risk PCI

**PORTFOLIO OBJECTIVE:** Capital appreciation

**MANAGEMENT FEE:** 0.25%

**OCF OF UNDERLYING FUNDS:** 0.82%\*\*

**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:**  
FCA (Number 756411)  
Companies House: (OC411984)

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advisers@tribeimpactcapital.com

## This month

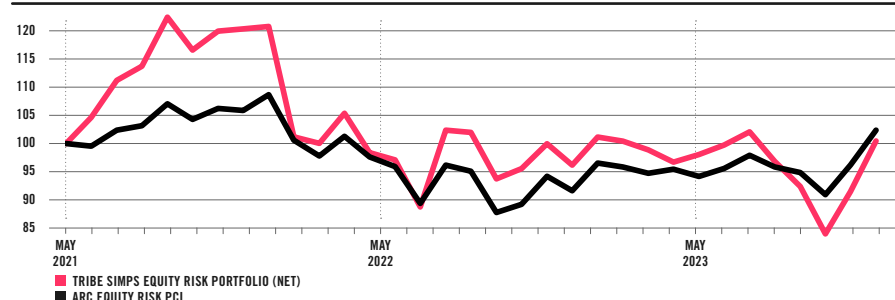
Both global equity and fixed income markets continued their strong performance into December. Monthly consumer inflation data came in lower than anticipated in Europe, driven by slowing prices for food, energy and services. Similarly, the US central bank's preferred inflation measure undershot economist expectations, posting the lowest increase since March 2021.<sup>1</sup>

The Chair of the Federal Reserve indicated that US interest rates likely peaked and may come down quicker than expected in 2024. This gave a further, unexpected boost to the buoyant mood in markets and led to outperformance from parts of the equity market that had previously lagged, including stocks with a smaller market capitalisation and companies related to the energy transition.

The year finished with global stocks and bonds up 16% and 5% respectively.<sup>2</sup>

- 1 Bloomberg
- 2 Ibid.

## 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 0.82%\*\*) have been deducted. 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		
TO 31 DECEMBER 2023	17/05/2021 - 31/12/2023	31/12/2021 - 31/12/2022	31/12/2022 - 31/12/2023
EQUITY RISK SIMPS	0.3%	-15.2%	3.2%
ARC EQUITY RISK PCI	1.7%	-11.4%	8.1%
DIFFERENCE	-1.3%	-3.8%	-4.9%

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

## RISK METRICS

TO 31 DECEMBER 2023	VOLATILITY
EQUITY RISK SIMPS	15.7%
ARC EQUITY RISK PCI	9.7%

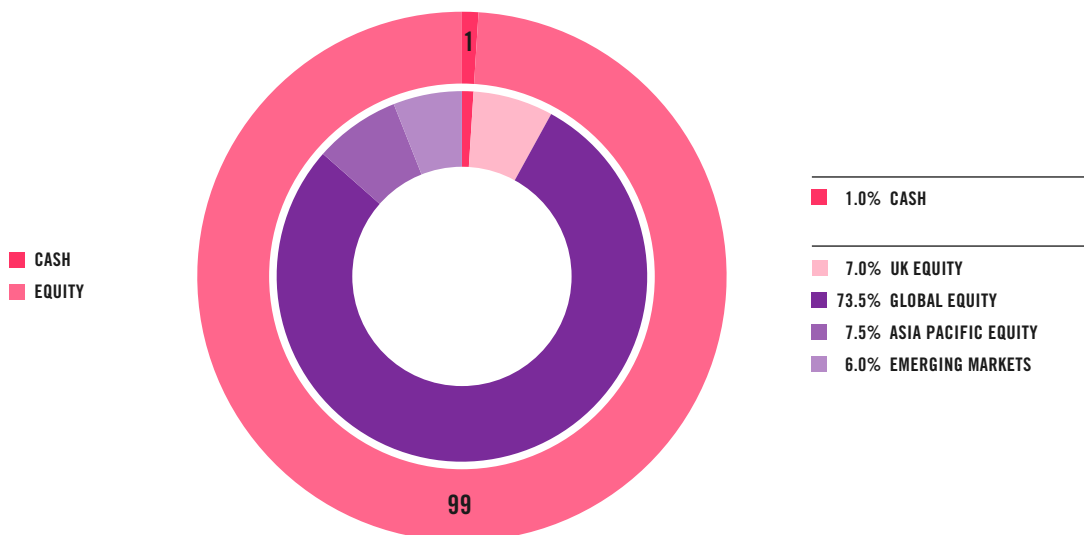
Volatility is measured as the standard deviation of monthly returns since inception. We believe this is more representative of the risk associated with our long term strategic asset allocation, we do not use an annual figure.

## TOP 6 EQUITY HOLDINGS

SCHRODER GLOBAL ENERGY TRANSITION	10%
JANUS HENDERSON GLOBAL SUSTAINABLE EQUITY	9%
MONTANARO BETTER WORLD	9%

REGNAN IMPACT SOLUTIONS	8%
STEWART A PAC SUSTAINABILITY LEADERS	8%
NINETY ONE GLOBAL ENVIRONMENT FUND	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.

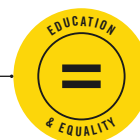
Focuses on the political, cultural and legal systems and behaviours needed to drive the change required.



Captures the economic and physical infrastructure needed to deliver the goals.



Represents the boundaries that nature sets; the ecological ceiling or planetary boundaries.



Focuses on the social fabric needed to ensure everyone thrives; the social foundation.

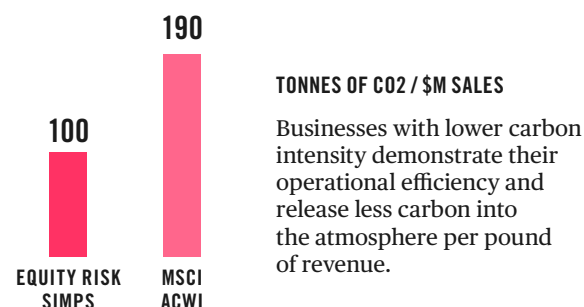


THE GREY SECTION OF THE GRAPH WHICH MAKES UP 4% OF THE SIMPS EQUITY RISK PORTFOLIO REPRESENTS CASH AND FUNDS THAT ARE MULTI-THEMED AND CAN'T BE ATTRIBUTED TO ONLY ONE SDG.

## PORTFOLIO IMPACT PERFORMANCE

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

The equities in the 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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