Canaccord Genuity Wealth Management

4th Quarter 2023

ESG Risk Profile 4 Portfolio

ARC data is confirmed until 30 September 2023.

Inflation Source:

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Performance

The performance illustration represents the performance of the Risk Profile using the ESG Managed Portfolio Service (MPS) historic data of CGWM Master Models. All performance figures are shown net of underlying fund charges and net of the ESG Annual Management Charge 'AMC' of 0.50%. Fees charged by any Financial Adviser are not taken into account.

Glossary

Annualised volatility: risk is measured by the variability of performance. The higher the standard deviation, the greater the variability (and therefore the risk) of the Fund or the index.

Maximum historic loss: is the maximum loss from peak to trough in an investment's history. The figures are indicative and will depend on circumstance.

Sharpe ratio: measures the risk/return trade-off. It is the annualised return less the average risk-free rate, divided by the annualised volatility of the model.

This document is intended to aid a wider discussion between clients and their investment and/or financial adviser about this investment portfolio. It is for information purposes only and is not to be construed as a solicitation or an offer to purchase or sell investments, address the financial situations or needs of any specific investor nor is it deemed to be a form of advice to invest in this portfolio. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment and/or financial adviser.

The value of investments and any income from them can go down as well as up and you may not get back the amount originally invested.

Past performance is not a guide to future performance.

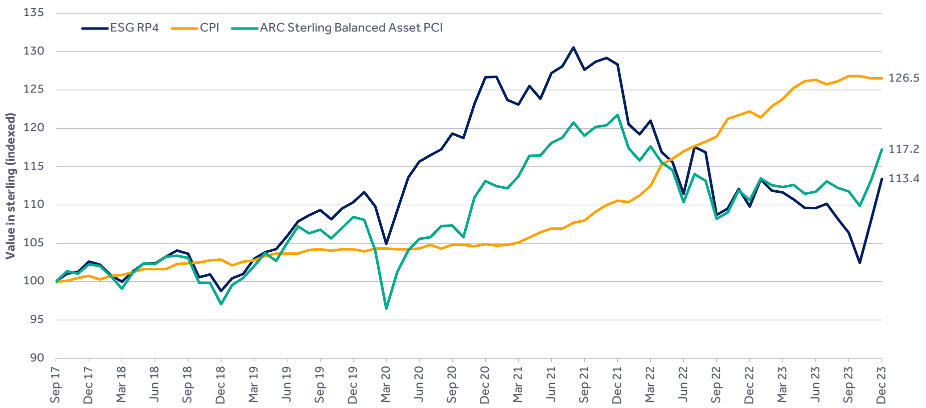
Levels and bases for taxation may change.

Figures represent performance of a model portfolio, investors should note that individual account performance may differ.

Investment objective

Our objective for this strategy is to achieve a return of inflation +3% over a minimum rolling period of seven years. The ESG portfolio will use investments that consider environmental, social, and governance criteria alongside traditional financial metrics. A proportion of the overall return will come from the income generated. The strategy is designed to generate risk adjusted returns over the suggested time horizon. The portfolio will be a balanced mix of fixed income assets, global equity investments and other diversifying financial instruments. An active screening approach is used to select potential portfolio allocations. The portfolio will have exposure to funds that focus on ESG factors (including resource efficiency, employee engagement and business culture), as well as focused thematic investments, such as environmental technology, and those that have measurable impact, such as housing. There are certain areas of the market that the ESG portfolio will have limited or no exposure to, therefore the performance and the volatility profile could differ from a traditional discretionary portfolio with the same asset allocation. Investors in the Risk Profile 4 strategy are prepared to accept occasional moderate capital losses in order to achieve slightly higher total returns.

Performance since inception (30/09/2017)



Past performance is not a guide to future performance. ARC data is confirmed until September 2023. From October to December 2023 the data is based on estimates from ARC and is subject to change.

Discrete performance (%)

Total return to end of last calendar quarter 31/12/2023.

	2023 YTD*	2022	2021	2020	2019	2018
Model	**+3.3**	**-14.4**	**+1.3**	**+14.8**	**+11.7**	**-3.7**
CPI	**+3.5**	**+10.5**	**+5.4**	**+0.6**	**+1.3**	**+2.1**
ARC Sterling Balanced Asset PCI	**+6.0**	**-9.1**	**+7.6**	**+4.3**	**+11.7**	**-5.1**

* 2023 YTD is data for year to date from 01 January 2023 to 31 December 2023

Cumulative performance (%)

Total return from inception to 31/12/2023.

	3 Months	1 Year	3 Years	5 Years	Inception (30/09/2017)
Model	**+6.6**	**+3.3**	**-10.5**	**+14.8**	**+13.4**
CPI	**-0.2**	**+3.5**	**+20.6**	**+23.0**	**+26.5**
ARC Sterling Balanced PCI	**+4.9**	**+6.0**	**+3.6**	**+20.8**	**+17.2**

Risk & return since inception (%)

	Model	CPI	ARC Sterling Balanced Asset PCI
Annualised volatility	**+8.0**	**+1.8**	**+7.2**
Maximum historic loss	**-21.5**	**-0.7**	**-11.1**
Sharpe ratio	**+0.3**		**+0.4**

Source: Canaccord Genuity Wealth Management (CGWM).

Product costs are external costs levied by third party fund managers for providing collective investment schemes for your investment portfolio and include: fund expenses incurred by third party fund managers, transaction costs as a result of acquisition or sale of assets and incidental costs, which include third party performance fees. All performance figures shown on this factsheet are net of underlying fund charges and net of annual management fees. Fees charged by any Financial Adviser are not taken into account.

Investment involves risk.

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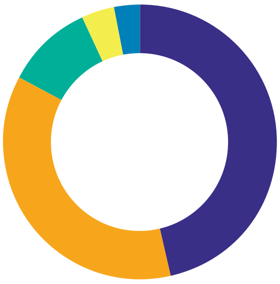
ESG Risk Profile 4 Portfolio asset allocation (%)



	Model
Fixed Interest	46.6
Thematic Equity	36.2
Alternative Investments	10.3
Emerging Markets	4.1
Cash	2.8

Top 10 holdings (%)

iShares Treasury Bond 7-10yr	**6.5**
iShares TIPS 0-5 ETF	**5.8**
Legal & General All Stocks Gilt Index Trust	**5.2**
Rathbone Ethical Bond Fund	**4.6**
Royal London Ethical Bond	**4.2**
Robeco SAM Glb SDG Credits Fund	**4.1**
Stewart Investors Global EM Sustainability Fund	**4.1**
Liontrust Sustainable Future Monthly Income Bond	**4.1**
PIMCO Emerging Markets Bond ESG Fund	**4.1**
TwentyFour Asset Backed Income Fund	**4.0**

Top ten holdings excluding cash

Source: CGWM

Portfolio Manager commentary

2023 ended with a bang, and November and December proved to be richly rewarding months for investors. Global equities rose by 10% in the last two months of 2023, with global bonds also rising an impressive 7%.

The change in tone from the miserable month of October 2023 was down to a major shift in messaging from the US Federal Reserve in terms of interest rates, and the US Treasury over bond issuance. The consensus is now expecting significant policy loosening (interest rate cuts) in 2024 and, while there has been a modicum of pushback in recent weeks, the US Federal Reserve has not tried overly hard to change investors' minds. At the same time as this change of mentality around interest rates and a symbiotic shift lower in bond yields, recent economic data has been dull but not disastrous, hinting that an economic 'soft landing' is still the 'base case'.

The obvious question is whether there will now be a period of 'January blues' for investors, as markets digest the significant gains made over the past couple of months. Markets have moved a long way very quickly and there is little doubt that expectations around the supportive backdrop for markets (economic growth, receding inflation and rate cuts) will be tested at various points in the coming months. We suspect that the downward move in bond yields has been overly aggressive in recent weeks, not least given how much fresh debt will need to be issued later this year, and some indigestion is likely. We view current government bond yields and credit spreads (excess yield gap over government bonds) as towards to the bottom of likely short-term range.

Despite short term risks and likely volatility, we still believe that the compensation offered in fixed interest markets is appropriate and we should make money from bonds this year. Equity valuations are now more expensive, and they will be tested by corporate results in 2024 and corporate managements' guidance for the uncertain year ahead. Our base case for equity markets remains that there are plenty of opportunities in various sectors and regions where valuations are appropriate, and we again expect to make positive returns this year.

Technically, equity markets look in decent shape, with the US market in particular now benefitting from a broadening out of positive moves, after a period in the first 10 months of 2023 when the "Magnificent Seven" dominated returns. The biggest risk arguably comes from investor complacency in a year where economic uncertainty will be high and political risks are elevated.

2023 was a year for 'balance, diversification, and an open-minded approach to investment'. It might well be repetitive to say the same now, but 2024 seems likely to be a year when those mottos are once again very relevant.