

Square Mile's Sustainable Portfolios

July 2022

Responsible Investment

Responsible Investment has gained a lot of traction over recent years, and we believe that the momentum of trajectory in this field will only strengthen.

Responsible Investment is where managers actively and intentionally seek to do good, avoid doing harm and lead change by investing in companies which are helping to meet the world's most pressing challenges, whilst avoiding or seeking to improve those which perpetuate our problems.

At Square Mile, we see Responsible Investment as an umbrella term from which stems a spectrum of differing investment approaches, ranging from those that exclude certain securities or sectors to those that are focused on delivering a positive and measurable impact to society and/or the environment.

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Until recently, the primary focus for most investors was to ensure that the return on their investments met their financial goals. Today, of equal importance for many, is a desire for those investments to be in line with their broader social conscience – a desire to do good, avoid doing harm and lead change. Responsible Investing is the future and we believe our Sustainable MPS range offers a solution.

Richard Romer-Lee
Chief Executive Officer



Ethical Exclusions

An ethical exclusions fund manager seeks to avoid industries and company practices that cause harm to people or the planet.



Sustainable Solutions

Sustainable funds are those which are helping enable the transition to a more sustainable world. Examples of this could include investment in companies which are enabling or delivering solutions to environmental, social and economic challenges, as well as those which are evolving their operations and products or services. It can also encompass thematic funds, which are focused upon a particular issue, such as the energy transition.



Impact Investing

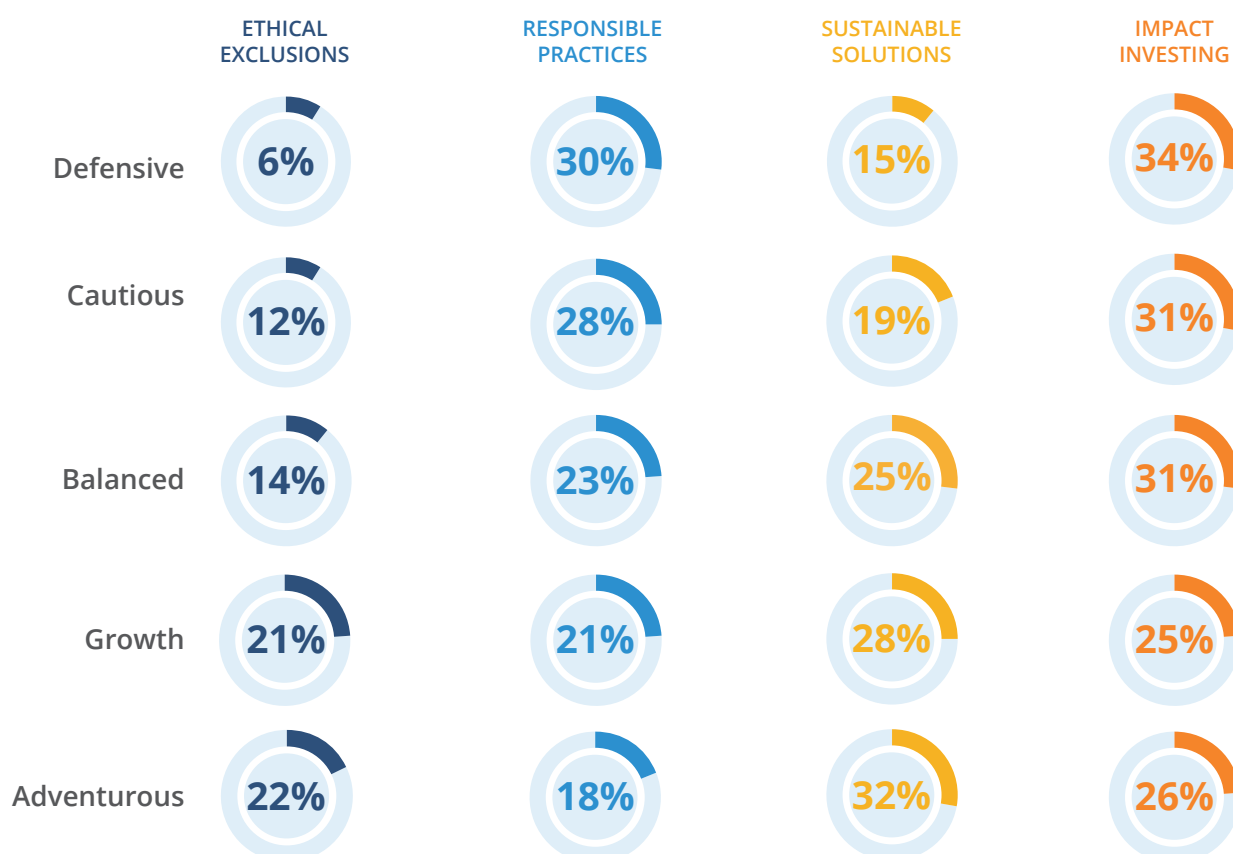
Impact funds display a clear intent to deliver a positive social and/or environmental impact by investing in companies providing solutions to the world's most pressing challenges. This should be demonstrated through the achievement of measurable outcomes, which are clearly evidenced and reported on at least an annual basis.

Our Portfolios

The Square Mile Sustainable Portfolio Range has been designed to provide advisers with exposure to Responsible Investment funds which seek to do good, avoid doing harm and lead change without sacrificing long-term growth.

Currently, our portfolios span the four categories of Responsible Investment, as detailed below. Therefore, they may be of interest to investors who wish to achieve both their financial and responsible goals.

The below image illustrates the allocation across investor types.



Source: Square Mile Research as at 31st December 2022.

The portfolios will be made up of investments that seek to include companies or entities which aim to have a positive environmental or social impact or mitigate environmental and social harm.

SM Sustainable Defensive

Launch date: September 2022

Investment objective: To provide capital accumulation over the long term from a mixture of income and capital growth by investing in a mix of equities and fixed income/other defensive assets.

Risk level: primarily defined by the equity exposure which will range between 25% and 40%..

SM Sustainable Cautious

Launch date: December 2020

Investment objective: To provide capital accumulation over the long term from a mixture of income and capital growth by investing in a mix of equities and fixed income/other defensive assets.

Risk level: primarily defined by the equity exposure, which will range between 40% and 55% .

SM Sustainable Balanced

Launch date: February 2020

Investment objective: To provide capital accumulation over the long term from a mixture of income and capital growth by investing in a mix of equities and fixed income/other defensive assets.

Risk level: primarily defined by the equity exposure, which will range between 53% and 68%.

SM Sustainable Growth

Launch date: December 2020

Investment objective: To provide capital accumulation over the long term from a mixture of income and capital growth by investing predominantly in equities, with some exposure to fixed income/ other defensive assets.

Risk level: primarily defined by the equity exposure, which will range between 65% and 80%

SM Sustainable Adventurous

Launch date: September 2022

Investment objective: To provide capital accumulation over the long term from a mixture of income and capital growth by investing predominantly in equities, with some exposure to fixed income/ other defensive assets.

Risk level: primarily defined by the equity exposure which will range between 78% and 93%.

The Square Mile Sustainable Model Portfolios are available on the following platforms:

Standard Life

Quilter

AVIVA

AEGON

transact

Market leading qualitative Responsible research

All funds selected will have a Square Mile Rating and it is expected that all, bar government securities, will have a Responsible rating. This should provide investors with the peace of mind that every fund is constantly monitored and scrutinised to ensure that its management team continues to meet both the financial and responsible objectives set in the funds investment mandate. Should a fund lose its rating, Square Mile would look to remove it from the portfolio as soon as practically possible. Government securities may be held for diversification and risk mitigation purposes, where there is no suitable alternative available.

Adding Value

There are many ways that Square Mile can help you develop your Responsible Investment Proposition.

- **Discretionary Managed Portfolios.** Available on a number of leading investment platforms
- **Bespoke Managed Portfolio Service.** Portfolios tailored to meet your business needs
- **Research consulting service.** For advisers that require responsible research support
- **Advisory portfolio service.** Common rail portfolios for advisers to transact themselves

If you would like to speak to any of our team or find out more about Square Mile, then please contact us:



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