

Square Mile's Sustainable Portfolios

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.

Types of Responsible Investment

Responsible Investment



Ethical Exclusions

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



Responsible Practices

A responsible practices fund manager considers the operational practices of investee companies and supports 'best practice' and the use of engagement to encourage companies to improve their environmental and social performance.



Sustainable Solutions

A sustainable solutions fund manager seeks to invest in companies that are providing solutions to social and environmental challenges through their core products and services in the belief that this will realise long-term financial benefits.



Impact Investing

Clear intent to make a wider positive social or environmental impact, substantiated by investment in companies providing solutions to social and environmental challenges through their core products and services, with evidence provided of the social and environmental impact.

"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



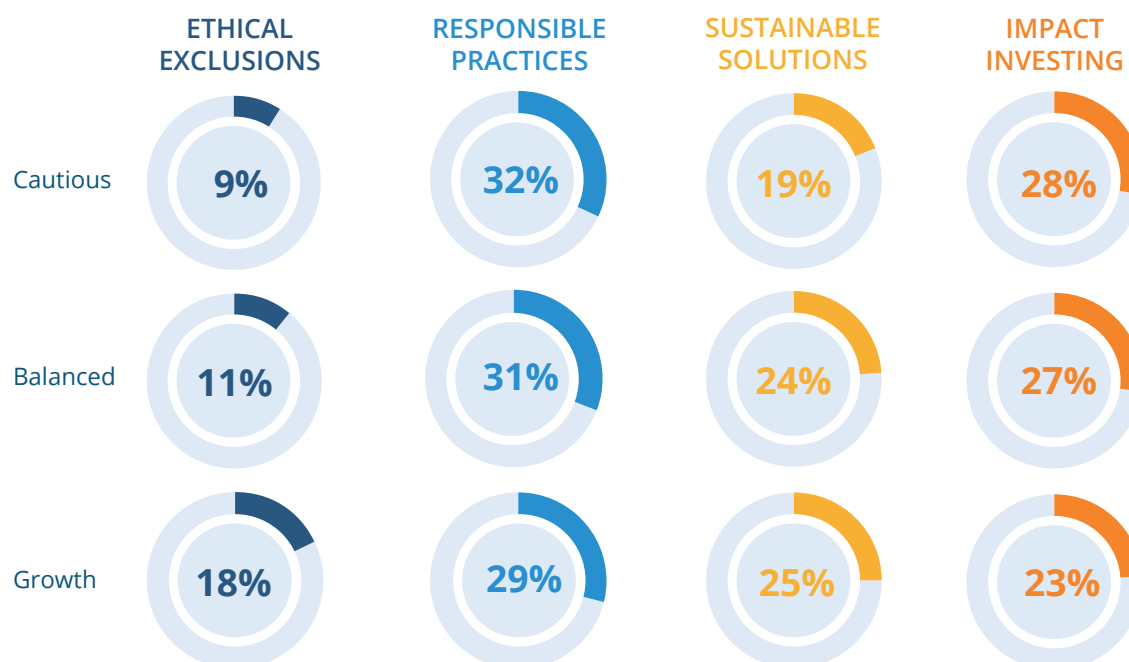
Our Sustainable Model Portfolio Range

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/or 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 socio-environmental goals.

Responsible Investment

The below image illustrates the allocation across investor types.



Source: Square Mile as at 11 July 2021. Note: Figures do not include cash or traditional funds.

SM Sustainable Cautious

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%

Volatility range: 7.5% - 9.1% over rolling 10-year time periods.

SM Sustainable Balanced

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%

Volatility range: 9.1% - 10.7% over rolling 10-year time periods.

SM Sustainable Growth

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%

Volatility range: 10.7% - 12.3% over rolling 10-year time periods.

Please note that that on all portfolios this is not guaranteed, and actual volatility may fluctuate outside of these boundaries.

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 socio-environmental 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

Contact us

For further information on how Square Mile can help you embed Responsible Investment within your advice process, please contact us:



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



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