

The Peregrine & Black Responsible Investment Solutions

The Responsible Portfolio 2

Moderately Cautious Investment Strategy

June 2022

The value of investments can fall and you may get back less than you invested. Past performance is not a guide to future performance. Any specific investments mentioned are for illustrative purposes only and are not intended as investment advice. Performance is shown inclusive of underlying fund charges but gross of PBIM charge or any platform, custody or adviser charges. Deduction of this charge will have the result of reducing the illustrated performance.

Moderately cautious portfolio objective

The strategy is designed to produce steady returns across the market cycle with lower than average downside risk

Commentary

The first quarter of 2022 was difficult with modest declines in values across most asset classes. Following the invasion of the Ukraine, this trend continued. The combination of political instability, energy supply disruption, spiralling inflation, and the ending of QE in combination drove the values of equities down, and more significantly also hit the value of fixed interest investments which are primarily held as a lower risk part of a portfolio. Worries about inflation and rising interest rates had an outside impact on fixed interest valuations and these have been the worst performing part of the model this year so far. We believe the outlook for global sustainable equities is still positive, but we believe any near-term gains will be modest. Returns for bond holders will depend very much on interest rates and credit risk remaining relatively low.

The Responsible focus

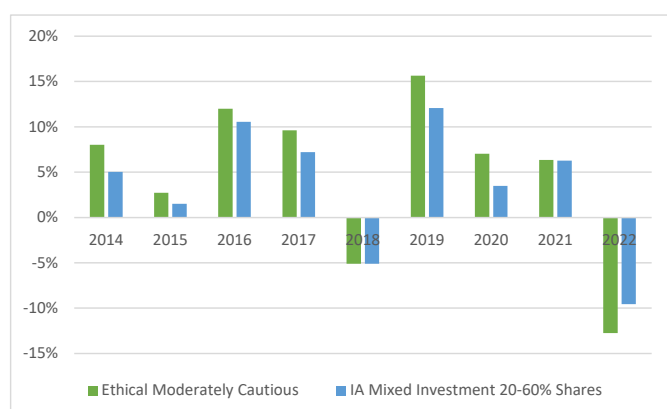
We adopt a balanced approach to both excluding funds investing in certain activities whilst seeking out funds that aim to make a positive impact on the world. All funds operate with different criteria but we would expect all our funds to avoid exposure to: alcohol production, animal abuse, armaments, high interest lending, poor environmental stewardship, gambling, human rights & labour abuses, nuclear, pornography, negative product stewardship & tobacco production. At the same time we expect the managers of the funds we invest in to take a leading position on climate change and an active engagement with the companies they invest in. Funds may invest in companies that are moving to a more sustainable world and show a clear commitment to this.

Portfolio details

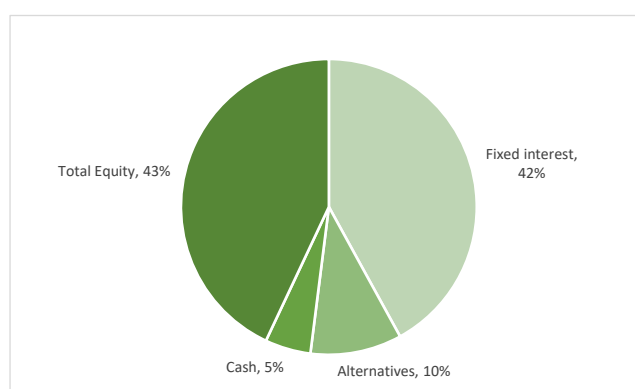
| | |
|----------------------|------------------------|
| Benchmark | AI Mixed 20-60% shares |
| Fees | 0.3% |
| Underlying fund cost | 0.81% |
| Est annual yield | 1.9% |

Performance

Total annual returns



Asset allocation



| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------|------|------|-------|-------|-------|-------|------|------|--------|
| Portfolio | 8.9% | 3.4% | 12.7% | 10.1% | -5.0% | 16.1% | 7.2% | 6.4% | -12.8% |
| AI Mixed 20-60% shares | 5.0% | 1.5% | 10.6% | 7.3% | -5.1% | 12.1% | 3.5% | 6.3% | -9.6% |

Source: Morningstar