



RBC Brewin Dolphin Sustainable Risk Category 2 Portfolio

31 December 2024

MSCI ESG Ratings



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Investment objective and overview

The portfolio aims to maximise returns from income and capital growth from a portfolio of funds which exclude exposure to companies with significant revenue from controversial sectors. Subject to the primary objective, the portfolio seeks exposure to companies that have a positive societal or environmental impact.

All funds in the portfolio go through a robust Environmental, Social, Governance (ESG) selection process which consists of three parts:

Exclusions: funds that seek to exclude companies that derive significant revenue from tobacco, controversial weapons, thermal coal, gambling, and adult entertainment*.

ESG Leaders: funds that are industry leaders in integrating ESG factors into investment decisions and stewardship activities, and

Impactful companies: funds that invest in companies which contribute positively and measurably to social and/or environmental challenges

We measure our approach by assessing alignment with the United Nations' Sustainable Development Goals (SDGs).

* Involvement is defined as greater than 10% of sales in the listed areas.

Economic Commentary

If the initial phase of the current Bull Market in 2023 was notably choppy and uncertain, the past year has proven to be relatively smooth, as global growth and corporate earnings remained healthy. The factors that triggered the 2022 Bear Market (i.e. inflation and interest rates) continued to trend in the right direction in 2024, as inflation has moved lower to the extent that global central banks have felt comfortable in starting to cut interest rates.

With the incoming economic data remaining broadly positive and corporate earnings continuing to hold up well in aggregate, there are solid fundamentals supporting the global stock market, which is trading around its all-time high.

Looking to the next 12 months, we must acknowledge that investors have driven the market multiple (valuation) higher. This being the case, it is difficult to foresee material future gains without the delivery of the expected earnings growth implied by these higher multiples.

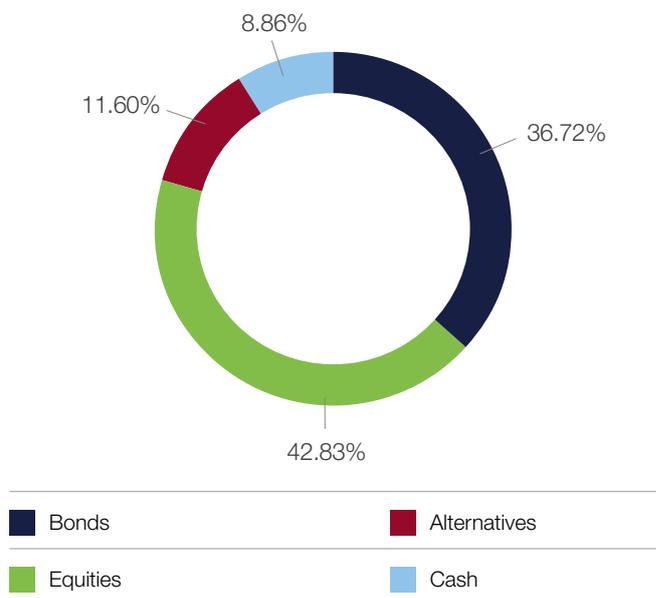
So, if we want to see delivery of the expected earnings growth for the broader market, economic growth will likely be the engine. With consensus expectations for global economic growth being broadly positive, and monetary policy expected to continue to be supportive, there are many reasons to believe that growth can indeed provide the required support for earnings in 2025.

As we move into the new year with a new US president, the ever-present potential for volatility is clear. What is also ever-present is our focus on longer-term outcomes and, taking this perspective, we continue to see many reasons for optimism.

Portfolio Holdings as at 31 December 2024

Robeco Global Credits SDG Fund	17.50%
iShares Global Government Bond UCITS ETF	13.47%
Brown Advisory US Sustainable Growth	11.70%
Liontrust Sustainable Future Growth	7.52%
JPM EUR Money Market Funds	6.72%
iShares Global Inflation Linked UCITS ETF	5.75%
BNY Mellon Sustainable Global Dynamic Bond	4.58%
Schroder Global Cities	4.23%
Schroder Global Sustainable Values	4.11%
Columbia Threadneedle Responsible Global Equity	3.82%
Stewart Asia Pacific Leaders	3.42%
Pictet Global Environmental Opportunities	3.22%
Muzinich Global Tactical Credit	2.79%
Royal London Global Sustainable Leaders	2.74%
TB Evenlode Global Income	2.39%
Cash	2.14%
Ninety One Global Environment	1.51%
Schroder ISF Global Energy Transition	1.21%
Baillie Gifford Positive Change	1.18%

Asset Allocation



Carbon Intensity

Carbon Intensity measures a portfolio’s exposure to carbon intensive businesses and is a recommended metric for assessing Carbon Risk by the Task Force on Climate Related Financial Disclosures (TCFD). It is calculated as a weighted average of each portfolio companies total Scope 1(1) and Scope 2(2) Carbon Emissions divided by their annual Sales, with a lower score representing less (better) Carbon Intensity.

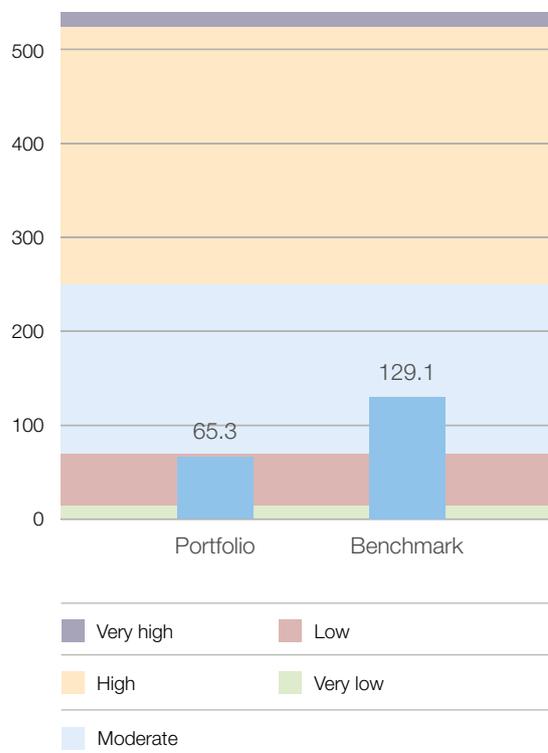
Comparisons of Carbon Intensity figures should be made with caution, as generally companies in the sectors with the highest Carbon Emissions (such as Utilities) also have the highest potential for reducing their Carbon Emissions. We believe it is important to encourage these reductions in carbon emissions where they have the potential for highest impact.

References:

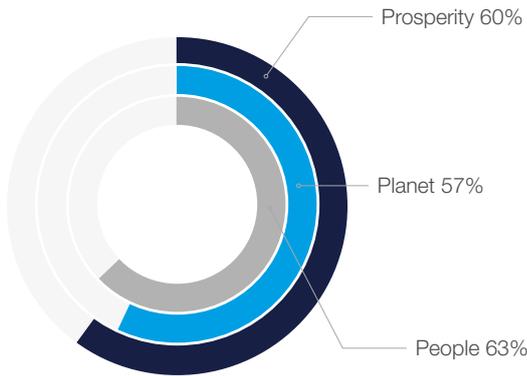
(1) Scope 1: All direct GHG emissions from sources owned or controlled by the company (e.g. emissions from combustion in owned boilers, furnaces).

(2) Scope 2: Indirect GHG emissions that occur from the generation of purchased electricity, steam or heat consumed by the company.

Benchmark for comparison: 37.5% Global equity, 40% Eurozone aggregate bonds, 20% Alternatives, 2.5% Euribor



SDG Alignment



The UN SDG Alignment provides a framework for considering a broad set of seventeen sustainability issues. Although not intended for investment purposes, it provides a useful context for measuring a portfolio's alignment with these goals.

We select 12 of these SDGs and place them into three sustainability themes: People, Planet, and Prosperity, with each sustainability theme consisting of four SDG goals. We use fund alignment data from MSCI to measure the alignment of the portfolio to each of our three sustainability themes. To calculate this, we take a weighted average of each fund's alignment to each of the three sustainability themes.

For instance, if Fund A is a 10% holding in the portfolio, and within the People theme is aligned with both "Zero Hunger" and "Gender Equality" but not the other two SDGs, then the fund will contribute 5% to the overall score of the People theme: 2.5% through Gender Equality and 2.5% through "Zero Hunger".

Prosperity



Planet



People



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The Illustration provides an indication of the fully invested position that may be achieved within the chosen portfolio strategy as at the date of the factsheet. Brewin Dolphin Wealth Management Limited accept no liability for any direct or consequential loss arising from the use of information contained in this document.

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Warning: the value of your investment may go down as well as up.
Warning: you may lose some or all of the money you invest.
Warning: your investment may be affected by changes in currency exchange rates.
Warning: any income you get from this investment may go down as well as up.

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