

INVESTMENT OBJECTIVE

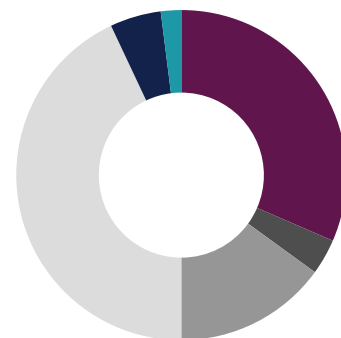
The objective of this portfolio is to grow capital over the medium to longer term. Investors should expect reasonable correlation to stock market behaviour and rewards, including quite sharp fluctuations in values, whilst also some protection in times of market weakness.

KEY INFORMATION

Launch Date: **January 2021**
 Historic Yield: **0.22%**
 Investment Management Charge: **0.40%**
 Ongoing Charges: **0.71%**

ASSET ALLOCATION

Equities – International 31.5%	Equities – UK 3.5%
Equities – Asia ex Japan 4.5%	Equities – Thematic 15.0%
Equities – Emerging Markets 6.0%	Bonds 43.0%
Equities – Europe ex UK 3.0%	Alternatives 5.0%
Equities – Japan 4.0%	Cash 2.0%
Equities – US 14.0%	

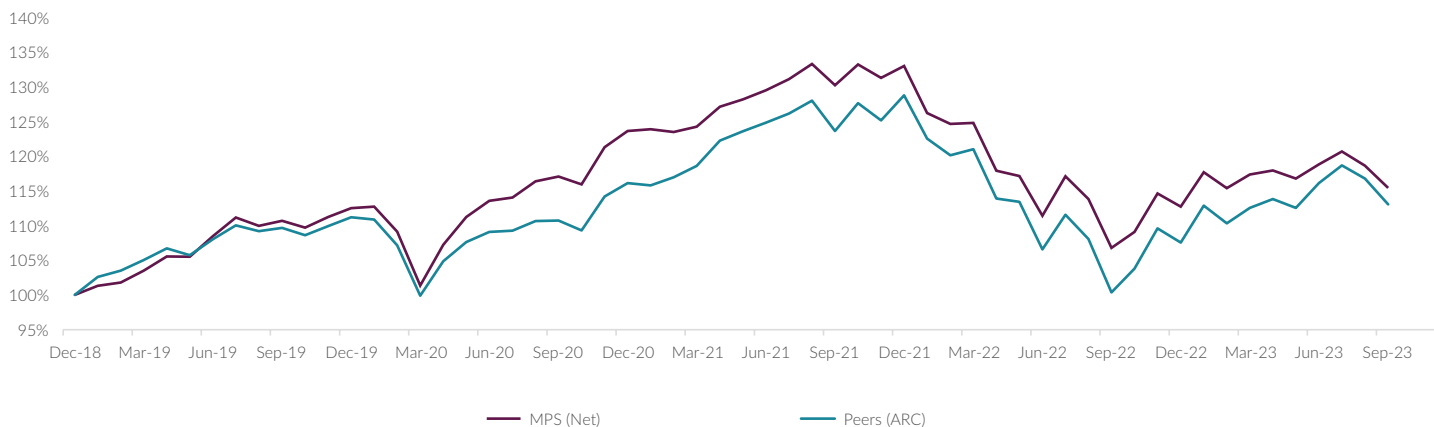


PERFORMANCE

Please note performance prior to January 2021 is for our GBP models which have a 0.25% fee. Performance post January 2021 is for our USD models. Past performance is not a guide to future returns.

	Cumulative					Calendar Year Performance				
	3m	1yr	3yr	5yr	Since Launch	2022	2021	2020	2019	2018
Portfolio	-2.9%	8.1%	1.2%	-	15.4%	-15.2%	7.6%	9.9%	12.5%	-
ARC	-2.7%	12.6%	3.5%	-	13.1%	-16.5%	10.9%	4.4%	11.2%	-

USD ESG BALANCED MPS (SINCE INCEPTION)



Source: Kingswood; ARC Research Ltd PCI (www.suggestus.com)

- Economic activity remained fairly robust in the US but recession worries reappeared in Europe and the UK and the post-Covid rebound in China continued to disappoint. On the inflation front, underlying pressures eased further in the US and also finally started to moderate in the Eurozone and UK.
- Central banks raised interest rates again as inflation concerns persisted. The Fed and the BOE both increased rates by 0.25% over the quarter while the ECB increased them by 0.5%.
- Although markets now believe US rates have peaked, comments by the Fed that rates are set to remain higher for longer led to a marked rise in US Treasury yields. UK Gilts, by contrast, were supported by a surprise drop in inflation in August and yields rose only slightly. While Treasuries lost 2.9% over the quarter, Gilts were down only 0.6%.
- Global equities lost 2.2% over the quarter in local currency terms and a somewhat larger 3.3% in USD terms due to a strengthening in the dollar. Gains in July on the back of increased hopes of a soft-landing in the US were subsequently followed by a retreat as the rise in bond yields took its toll.
- UK equities held up relatively well, helped by a rebound in oil prices, and were down 2.2% in USD terms. Japan also fared relatively well with a loss of 0.8%, as did emerging markets with a fall of 1.5%. The US performed broadly in line, falling 3.0%, while Europe suffered from the renewed recession worries and was down 5.5% in USD terms.

INVESTMENT OUTLOOK

- The Western economies could well still see a mild recession, as the effects of monetary tightening feed through, but China should continue its post-covid rebound.
- Headline inflation in the West has fallen back considerably, particularly in the US. However, core inflation is proving stickier, especially in the UK and Europe, and should remain considerably higher than the 2% targeted by central banks.
- The Fed, ECB and BOE have all now most likely finished tightening policy, although none of them looks likely to start cutting rates before next summer.
- Bond yields should finally be close to their peak and prospective returns are the highest for many years.
- Global equities face some downside risks as valuations in the US are still high and recession risks remain. Further out, however, there is scope for further gains, particularly outside the US.

TOP 10 HOLDINGS

BNY Mellon Sustainable Global Dynamic Bond	8.4%	iShares MSCI EM SRI ETF	6.0%
Wellington Global Impact Bond	8.4%	JPM Global Macro Sustainable	5.0%
TwentyFour Sustainable Short Term Bond Income	8.4%	Stewart Investors Asia Pacific Leaders Sustainability	4.5%
UBS Sustainable Development Bank Bonds	8.4%	Legg Mason US EQ Sustainability Leaders	4.0%
Rathbone Ethical Bond Fund	8.4%	iShares MSCI USA SRI ETF	4.0%

INVESTMENT STRATEGY

Our investment strategy has three key components:

ASSET ALLOCATION > Focused on analysing the economic and financial environment, assessing the prospective returns and risks of each of the major asset classes, both over the short and long term.

FUND SELECTION > Our rigorous fund selection process involves assessing which funds best allow us to gain exposure to the most attractive asset classes, regions and themes.

PORTFOLIO CONSTRUCTION > These two building blocks are then combined to create portfolios which are designed to meet their specific objectives and are actively managed with regular rebalancing.

The process is run by our research and strategy team and overseen by our investment committees to ensure that the portfolios are managed in line with their objectives and risks are kept to appropriate levels.



This factsheet is for Professional Intermediaries only. Kingswood, Kingswood Group and Kingswood Institutional are trading names of KW Wealth Planning Limited (Companies House Number: 01265376) regulated by the Financial Conduct Authority (Firm Reference Number: 114694) and KW Investment Management Limited (Companies House Number: 06931664) regulated by the Financial Conduct Authority (Firm Reference Number: 506600) with a registered office at 10-11 Austin Friars London EC2N 2HG. KW Investment Management Limited is also regulated in South Africa by the Financial Sector Conduct Authority (Firm Reference Number: 46775). Both companies are wholly owned subsidiaries of Kingswood Holdings Limited which is incorporated in Guernsey (registered number: 42316) and has its registered office at Oak House, Hirzel Street, St Peter Port, Guernsey GY1 3RH. The value of an investment and any income from it may fall as well as rise, may be affected by exchange rate fluctuations and you may not get back the amount you originally invested. Securities may not be suitable for all investors. Past performance data is not representative of past performance on different platforms. This is because MPS on platforms will vary in portfolio composition due to the differing availability of investments. Portfolios are re-balanced at least quarterly and rounding when buying securities may affect the cash held. The information in this factsheet does not constitute an offer of, or an invitation to buy or sell any security. The composition of the portfolio may also vary due to the availability of investments across the different platforms. Please refer to your Adviser for full details.