

INVESTMENT UPDATE

Sustainable MPS Rebalance Note

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For Professional Advisers Only



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Summary

Changes in this rebalance sought to re-position the portfolios for the year ahead, with trades occurring across all asset classes.

In Fixed Income, exposure to Sovereign Bonds was adjusted to reflect our preference for having nominal exposure in the UK, where a growth shock is more likely, and inflation-protected exposure in the US. iShares Up To 10 Years Gilts Index and Vanguard UK Government Bond Index were introduced, whilst Vanguard US Government Bond Index (hedged) and Brown Sustainable Total Return Bond were sold. Within Corporate Bonds, TwentyFour Sustainable Total Return Bond Income and Aegon Global Short Dated Climate Transition Bond were increased.

Mindful that the UK equity market continues to trade at a substantial discount to the US market (albeit with a distinct lack of a clear catalyst for this to reverse), but also recognizing that exposure within the models is relatively high when compared with Evelyn Partners' Tactical Asset Allocations, holdings in Liontrust UK Ethical, Jupiter Responsible Income and Royal London Sustainable Leaders were reduced. Trojan Ethical Income was sold in its entirety. Profits were also taken from CT Responsible Global Equity and Brown US Sustainable Growth, where US Technology exposure is higher. The proceeds were largely recycled into Core Global, Core US and Thematic strategies, avoiding adding materially to segments of the market where valuations reflect particularly optimistic expectations of future earnings. Included within these changes were the introduction of M&G Global Sustain Paris Aligned and increases to Regnan Sustainable Water and Waste.

Absolute Return and Gold were increased in Alternatives. SDCL Energy Efficiency Income Trust was sold in Growth and Adventurous, with the proceeds used to buy Cordiant Digital Infrastructure, an existing holding in the lower risk models.

Four holdings were sold:

- ← Vanguard US Government Bond Index (hedged)
- ← Brown Sustainable Total Return Bond
- ← Trojan Ethical Income
- ← SDCL Energy Efficiency Income Trust

Three holdings were initiated:

- ★ Vanguard UK Government Bond
- ★ iShares Up To 10 Years Gilts Index
- ★ M&G Global Sustain Paris Aligned

Sustainable Conservative

Reflecting a preference within Sovereign Bonds for nominal exposure in the UK and inflation-protected exposure in the US, whilst keeping overall duration short, the Vanguard US Government Bond Index was reduced, and the iShares Up To 10 Years Gilt Index which has a modified duration of (< 5 years duration) was introduced. Sovereign Bond exposure is now split c.70% nominal and c.30% inflation-protected. Brown Global Sustainable Total Return Bond was exited with the proceeds used to increase the existing holdings in Vontobel TwentyFour Short Term Bond Income and Aegon Global Short Dated Climate Transition Bond, as well as the new iShares position.

Fixed Income

↓	Reduce	CG Dollar -0.25%
★	Initiate	iShares Up To 10 Years Gilts Index 15.25%
↓	Reduce	Vanguard US Government Bond Index (H) -12.75%
←	Exit	Brown Global Sustainable Total Return Bond -3.75%
↑	Increase	Vontobel TwentyFour Sustainable Short Term Bond Income 0.50%
↑	Increase	Aegon Global Short Dated Climate Transition Bond 0.75%

Equity

Liontrust UK Ethical, Jupiter Responsible Income and Royal London Sustainable Leaders were reduced, whilst Trojan Ethical Income was sold in its entirety. The proceeds from these sales, alongside profits from Brown US Sustainable Growth and CT Responsible Global Equity, were recycled into FTGF Clearbridge US Equity Sustainable Leaders, as well as Atlas Global Infrastructure and new holdings in Regnan Sustainable Water & Waste and M&G Global Sustain Paris Aligned. Overall, these changes result in slightly lower headline and look-through exposure to the UK and slightly higher headline and look-through exposure to the US, without materially changing the sector and style characteristics of the portfolio.

↓	Reduce	Liontrust UK Ethical -0.50%
←	Reduce	Trojan Ethical Income -3.00%
↓	Reduce	Jupiter Responsible Income -0.75%
↓	Reduce	Royal London Sustainable Leaders -1.50%
↓	Reduce	Brown US Sustainable Growth -0.25%
↑	Increase	FTGF Clearbridge US Equity Sustainable Leaders 2.00%
↑	Increase	Atlas Global Infrastructure 0.50%
↓	Reduce	CT Responsible Global Equity -1.50%
★	Initiate	Regnan Sustainable Water & Waste 1.50%
★	Initiate	M&G Global Sustain Paris Aligned 3.00%

Alternatives

Despite a very strong year of performance from Gold in 2024, it was slightly increased, reflecting an increasingly uncertain geopolitical and macro environment. As the Absolute Return holding which tends to exhibit lower volatility, Trojan Ethical was added to.

↑	Increase	Trojan Ethical 0.25%
↑	Increase	Invesco Physical Gold ETC 0.50%

Sustainable Cautious

Fixed Income

Reflecting a preference within Sovereign Bonds for nominal exposure in the UK and inflation-protected exposure in the US, whilst keeping overall duration short, the Vanguard US Government Bond Index was sold, and the iShares Up To 10 Years Gilt Index (<5 years duration) was introduced. Sovereign Bond exposure is now split c.70% nominal and c.30% inflation-protected. Brown Global Sustainable Total Return Bond was exited with the proceeds used to increase the existing holdings in Vontobel TwentyFour Short Term Bond Income and Aegon Global Short Dated Climate Transition Bond, as well as the new iShares position.

↓ Reduce	CG Dollar -0.25%
★ Initiate	iShares Up To 10 Years Gilts Index 15.75%
← Exit	Vanguard US Government Bond Index (H) -13.00%
← Exit	Brown Global Sustainable Total Return Bond -2.50%
↑ Increase	Vontobel TwentyFour Sustainable Short Term Bond Income 0.25%
↑ Increase	Aegon Global Short Dated Climate Transition Bond 0.25%

Equity

Liontrust UK Ethical, Jupiter Responsible Income and Royal London Sustainable Leaders were reduced, whilst Trojan Ethical Income was sold in its entirety. The proceeds from these sales, and reductions in Stewart Asia Pacific All Cap, Baillie Gifford Responsible Global Equity Income and CT Responsible Global Equity, were recycled into FTGF Clearbridge US Equity Sustainable Leaders, Atlas Global Infrastructure and new holdings in Regnan Sustainable Water & Waste and M&G Global Sustain Paris Aligned. Overall, these changes result in slightly lower headline and look-through exposure to the UK and slightly higher headline and look-through exposure to the US, without materially changing the sector and style characteristics of the portfolio.

↓ Reduce	Liontrust UK Ethical -0.50%
← Exit	Trojan Ethical Income -3.50%
↓ Reduce	Jupiter Responsible Income -0.50%
↓ Reduce	Royal London Sustainable Leaders -1.25%
↑ Increase	Brown US Sustainable Growth 0.25%
↑ Increase	FTGF Clearbridge US Equity Sustainable Leaders 2.50%
↓ Reduce	Stewart Asia Pacific All Cap -0.75%
↑ Increase	Atlas Global Infrastructure 0.50%
↓ Reduce	CT Responsible Global Equity -1.50%
↓ Reduce	Baillie Gifford Responsible Global Equity Income -0.25%
★ Initiate	Regnan Sustainable Water & Waste 1.75%
★ Initiate	M&G Global Sustainable Paris Aligned 3.25%

Alternatives

Despite a very strong year of performance from Gold in 2024, it was slightly increased, reflecting an increasingly uncertain geopolitical and macro environment. As the Absolute Return holding which tends to exhibit lower volatility, Trojan Ethical was added to.

↑ Increase	Trojan Ethical 0.25%
↑ Increase	Invesco Physical Gold ETC 0.50%

Cash

Cash was reduced to fund increase to the Fixed Income and Alternatives allocations.

↓ Reduce	Blackrock ICS Sterling Liquidity -1.25%
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Sustainable Balanced

Fixed Income

Reflecting a preference within Sovereign Bonds for nominal exposure in the UK and inflation-protected exposure in the US, whilst keeping overall duration short, the Vanguard US Government Bond Index was sold, and the iShares Up To 10 Years Gilt Index (<5 years duration) was introduced alongside the Vanguard UK Government Bond Index (>5 years duration). Sovereign Bond exposure is now split c.70% nominal and c.30% inflation-protected. Brown Global Sustainable Total Return Bond was exited with the proceeds used to fund the new index tracker positions.

★ Initiate	iShares Up To 10 Years Gilts Index 10.00%
★ Initiate	Vanguard UK Government Bond Index 1.50%
← Exit	Vanguard US Government Bond Index (H) -9.25%
← Exit	Brown Global Sustainable Total Return Bond -2.75%

Equity

Liontrust UK Ethical, Jupiter Responsible Income and Royal London Sustainable Leaders were reduced, whilst Trojan Ethical Income was sold in its entirety. The proceeds from these sales, and reductions in Stewart Asia Pacific All Cap, Baillie Gifford Responsible Global Equity Income and CT Responsible Global Equity, were recycled into FTGF Clearbridge US Equity Sustainable Leaders, Schroder Global Sustainable Value, Atlas Global Infrastructure, Regnan Sustainable Water & Waste and a new holding in M&G Global Sustain Paris Aligned. Overall, these changes result in slightly lower headline and look-through exposure to the UK and slightly higher headline and look-through exposure to the US, without materially changing the sector and style characteristics of the portfolio.

↓ Reduce	Liontrust UK Ethical -0.50%
← Exit	Trojan Ethical Income -4.25%
↓ Reduce	Jupiter Responsible Income -0.50%
↓ Reduce	Royal London Sustainable Leaders -1.25%
↑ Increase	Brown US Sustainable Growth 0.25%
↑ Increase	FTGF Clearbridge US Equity Sustainable Leaders 3.00%
↓ Reduce	Stewart Asia Pacific All Cap -1.00%
↑ Increase	Atlas Global Infrastructure 0.25%
↑ Increase	Schroder Global Sustainable Value 0.50%
↓ Reduce	CT Responsible Global Equity -2.50%
↓ Reduce	Baillie Gifford Responsible Global Equity Income -0.50%
↑ Increase	Regnan Sustainable Water & Waste 1.50%
★ Initiate	M&G Global Sustainable Paris Aligned 4.50%

Alternatives

Despite a very strong year of performance from Gold in 2024, it was slightly increased, reflecting an increasingly uncertain geopolitical and macro environment. As the Absolute Return holding which tends to exhibit lower volatility, Trojan Ethical was added to. Cordiant Digital Infrastructure trades on a 34% discount to 30th September net asset value and continues to demonstrate success in its Buy, Build & Growth digital infrastructure strategy.

↑ Increase	Cordiant Digital Infrastructure 0.25%
↑ Increase	Trojan Ethical 0.25%
↑ Increase	Invesco Physical Gold ETC 0.50%

Sustainable Growth

Fixed Income

Reflecting a preference within Sovereign Bonds for nominal exposure in the UK and inflation-protected exposure in the US, whilst keeping overall duration short, the Vanguard US Government Bond Index was sold, and the iShares Up To 10 Years Gilt Index (<5 years duration) was introduced alongside the Vanguard UK Government Bond Index (>5 years duration). Sovereign Bond exposure is now split c.70% nominal and c.30% inflation-protected. Vontobel TwentyFour Sustainable Short Term Bond Income and Aegon Global Short Dated Climate Transition Bond were slightly reduced in favour of the new Sovereign Bond holdings.

★ Initiate	iShares Up To 10 Years Gilts Index 2.50%
★ Initiate	Vanguard UK Government Bond Index 6.00%
← Exit	Vanguard US Government Bond Index (H) -7.75%
↓ Reduce	Vontobel TwentyFour Sustainable Short Term Bond Income -0.50%
↓ Reduce	Aegon Global Short Dated Climate Transition Bond -0.25%

Equity

Liontrust UK Ethical, Jupiter Responsible Income and Royal London Sustainable Leaders were reduced, whilst Trojan Ethical Income was sold in its entirety. The proceeds from these sales, and reductions in Stewart Asia Pacific All Cap, Baillie Gifford Responsible Global Equity Income and CT Responsible Global Equity, were recycled into FTGF Clearbridge US Equity Sustainable Leaders, Regnan Sustainable Water & Waste and new holdings in Federated Hermes Sustainable Global Equity and M&G Global Sustainable Paris Aligned. Overall, these changes result in slightly lower headline and look-through exposure to the UK and slightly higher headline and look-through exposure to the US, without materially changing the sector and style characteristics of the portfolio.

↓ Reduce	Liontrust UK Ethical -0.50%
← Exit	Trojan Ethical Income -5.25%
↓ Reduce	Jupiter Responsible Income -0.25%
↓ Reduce	Royal London Sustainable Leaders -1.25%
↑ Increase	FTGF Clearbridge US Equity Sustainable Leaders 3.25%
↓ Reduce	Stewart Asia Pacific All Cap -1.00%
↓ Reduce	CT Responsible Global Equity -3.75%
↓ Reduce	Baillie Gifford Responsible Global Equity Income -1.00%
↑ Increase	Regnan Sustainable Water & Waste 1.75%
★ Initiate	Federated Hermes Sustainable Global Equity 3.00%
★ Initiate	M&G Global Sustainable Paris Aligned 5.00%

Alternatives

SDCL Energy Efficiency Income Trust was sold in favour of Cordiant Digital Infrastructure. The delivery of energy efficiency solutions at scale will be key to realizing Net Zero ambitions, and SDCL represents the only energy efficiency pure-play available to UK retail investors. However, it is a relatively complex story with many moving parts which trades on a 44% discount to 30th September net asset value, and it is difficult to see where the catalyst for a re-rating might come from. Cordiant Digital Infrastructure is an existing holding in the lower risk models which trades on a 34% discount to 30th September net asset value. The strongly aligned team have proven their ability to deliver in relation to their Buy, Build and Growth digital infrastructure strategy, and we are optimistic that the market will begin to more fully recognize this over 2025.

★ Initiate	Cordiant Digital Infrastructure 1.00%
← Exit	SDCL Energy Efficiency Income Trust -1.00%

Sustainable Adventurous

Fixed Income

Reflecting a preference within Sovereign Bonds for nominal exposure in the UK and inflation-protected exposure in the US, whilst keeping overall duration short, the Vanguard US Government Bond Index was sold, and the iShares Up To 10 Years Gilt Index (<5 years duration) was introduced alongside the Vanguard UK Government Bond Index (>5 years duration). CG Dollar was slightly increased to bring the split between nominal and inflation-protected bonds to 70/30.

↑ Increase	CG Dollar 0.75%
★ Initiate	iShares Up To 10 Years Gilts Index 1.25%
★ Initiate	Vanguard UK Government Bond Index 4.00%
← Exit	Vanguard US Government Bond Index (H) -6.00%

Equity

Liontrust UK Ethical, Jupiter Responsible Income and Royal London Sustainable Leaders were reduced, whilst Trojan Ethical Income was sold in its entirety. The proceeds from these sales, and reductions in Federated Hermes Sustainable Global Equity and CT Responsible Global Equity, were recycled into FTGF Clearbridge US Equity Sustainable Leaders, Schroder Global Sustainable Value, Regnan Sustainable Water & Waste and a new holding in M&G Global Sustain Paris Aligned. Overall, these changes result in slightly lower headline and look-through exposure to the UK and slightly higher headline and look-through exposure to the US, without materially changing the sector and style characteristics of the portfolio.

↓ Reduce	Liontrust UK Ethical -0.75%
← Exit	Trojan Ethical Income -5.75%
↓ Reduce	Jupiter Responsible Income -0.50%
↓ Reduce	Royal London Sustainable Leaders -1.25%
↑ Increase	FTGF Clearbridge US Equity Sustainable Leaders 3.00%
↑ Increase	Schroder Global Sustainable Value 0.50%
↓ Reduce	CT Responsible Global Equity -3.25%
↑ Increase	Regnan Sustainable Water & Waste 2.50%
↓ Reduce	Federated Hermes Sustainable Global Equity -0.50%
★ Initiate	M&G Global Sustainable Paris Aligned 5.50%

Alternatives

Slight additions were made to both Trojan Ethical and Trium Climate Impact, increasing the allocation to Absolute Return by 0.50% overall. Additionally, SDCL Energy Efficiency Income Trust was sold in favour of Cordiant Digital Infrastructure. The delivery of energy efficiency solutions at scale will be key to realizing Net Zero ambitions, and SDCL represents the only energy efficiency pure-play available to UK retail investors. However, it is a relatively complex story with many moving parts which trades on a 44% discount to 30th September net asset value, and it is difficult to see where the catalyst for a re-rating might come from. Cordiant Digital Infrastructure is an existing holding in the lower risk models which trades on a 34% discount to 30th September net asset value. The strongly aligned team have proven their ability to deliver in relation to their Buy, Build and Growth digital infrastructure strategy, and we are optimistic that the market will begin to more fully recognize this over 2025.

★ Initiate	Cordiant Digital Infrastructure 1.00%
← Exit	SDCL Energy Efficiency Income Trust -1.00%
↑ Increase	Trium Climate Impact 0.25%
↑ Increase	Trojan Ethical 0.25%

Sustainable Maximum Growth

Equity

Liontrust UK Ethical, Jupiter Responsible Income and Royal London Sustainable Leaders were reduced, whilst Trojan Ethical Income was sold in its entirety. The proceeds from these sales, and reductions in Federated Hermes Sustainable Global Equity and CT Responsible Global Equity, were recycled into FTGF Clearbridge US Equity Sustainable Leaders, Regnan Sustainable Water & Waste, Atlas Global Infrastructure and a new holding in M&G Global Sustain Paris Aligned. Overall, these changes result in slightly lower headline and look-through exposure to the UK and slightly higher headline and look-through exposure to the US, without materially changing the sector and style characteristics of the portfolio.

↓ Reduce	Liontrust UK Ethical -1.00%
← Exit	Trojan Ethical Income 7.00%
↓ Reduce	Jupiter Responsible Income -0.50%
↓ Reduce	Royal London Sustainable Leaders -1.00%
↑ Increase	FTGF Clearbridge US Equity Sustainable Leaders 3.50%
↑ Increase	Atlas Global Infrastructure 0.25%
↓ Reduce	CT Responsible Global Equity -3.00%
↑ Increase	Regnan Sustainable Water & Waste 2.75%
↓ Reduce	Federated Hermes Sustainable Global Equity -0.75%
★ Initiate	M&G Global Sustainable Paris Aligned 6.75%

Sustainable MPS Investment List – Risk-based Portfolios

Security	Conservative	Cautious	Balanced	Growth	Adventurous	Maximum Growth
Equities						
UK Equity						
Liontrust UK Ethical	1.25%	1.75%	2.25%	3.25%	3.75%	4.50%
Jupiter Responsible Income	2.75%	3.75%	4.75%	5.50%	5.75%	7.50%
Royal London Sustainable Leaders	2.75%	3.75%	4.75%	5.25%	5.75%	7.50%
	6.75%	9.25%	11.75%	14.00%	15.25%	19.50%
US Equity						
Brown US Sustainable Growth	1.75%	2.75%	3.00%	3.75%	4.25%	4.50%
FTGF ClearBridge US Equity Sustainability Leaders	4.00%	5.00%	5.75%	6.75%	7.00%	8.00%
	5.75%	7.75%	8.75%	10.50%	11.25%	12.50%
Asia Pacific Ex Japan Equity						
Stewart Investors Asia Pacific All Cap	4.00%	3.50%	4.00%	5.00%	6.50%	7.75%
	4.00%	3.50%	4.00%	5.00%	6.50%	7.75%
Global Emerging Equity						
Alquity Future World		1.00%	1.75%	2.25%	2.50%	2.75%
		1.00%	1.75%	2.25%	2.50%	2.75%
Global Equity						
Atlas Global Infrastructure	1.50%	2.50%	3.25%	3.75%	4.25%	5.00%
Schroder Global Sustainable Value	4.25%	6.50%	7.50%	8.25%	9.00%	10.00%
CT Responsible Global Equity	2.75%	3.00%	4.00%	3.00%	4.75%	6.00%
Baillie Gifford Responsible Global Equity Income	4.25%	4.25%	6.25%	6.75%	8.00%	9.25%
Regnan Sustainable Water and Waste	1.50%	1.75%	2.75%	3.75%	4.50%	5.75%
M&G Global Sustain Paris Aligned	3.00%	3.25%	4.50%	5.00%	5.50%	6.75%
Impax Environmental Markets Trust		1.50%	1.75%	2.00%	2.00%	3.25%
Federated Hermes Sustainable Global Equity				3.00%	4.50%	6.00%
	17.25%	22.75%	30.00%	35.50%	42.50%	52.00%
Sub Total Equities	33.75%	44.25%	56.25%	67.25%	78.00%	94.50%
Fixed Income						
International Sovereign Bonds						
Vanguard US Government Bond Index (H)	2.75%					
Vanguard UK Government Bond Index			1.50%	6.00%	4.00%	
CG Dollar (H)	7.75%	6.50%	4.75%	3.75%	2.25%	
iShares Up To 10 Years Gilts Index	15.25%	15.75%	10.00%	2.50%	1.25%	
	25.75%	22.25%	16.25%	12.25%	7.50%	
Investment Grade Corporate Bonds						
Aegon Global Short Dated Climate Transition Bond	8.50%	6.50%	4.75%	2.75%		
TwentyFour Sustainable Short Term Bond Income	8.50%	6.75%	4.75%	2.75%	1.50%	
	17.00%	13.25%	9.50%	5.50%	1.50%	
Sub Total Fixed Income	42.75%	35.50%	25.75%	17.75%	9.00%	0.00%
Alternative Assets						
Real Assets						
Cordiant Digital Infrastructure	1.00%	1.00%	1.25%	1.00%	1.00%	
Octopus Renewables Infrastructure	1.50%	1.75%	2.00%			
The Renewables Infrastructure Group	2.00%	2.00%	2.00%	2.00%	1.50%	
International Public Participations	2.50%	2.00%	2.00%	2.00%	1.50%	
Schroder BSC Social Income Trust	2.25%	1.75%				
	9.25%	8.50%	7.25%	5.00%	4.00%	
Absolute Return						
Trium Climate Impact	3.00%	2.50%	2.00%	2.00%	2.25%	1.75%
Trojan Ethical	3.25%	2.75%	2.25%	2.00%	2.25%	1.75%
	6.25%	5.25%	4.00%	4.00%	4.50%	3.50%
Gold						
Invesco Physical Gold ETC	4.50%	4.50%	4.50%	4.00%	4.00%	
	4.00%	4.00%	4.00%	4.00%	4.00%	
Sub Total Alternative Assets	20.00%	18.25%	16.00%	13.00%	12.50%	3.50%
Cash						
Cash	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
BlackRock ICS Sterling Liquidity	1.50%					
Sub Total Cash	3.50%	2.00%	2.00%	2.00%	2.00%	2.00%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Important information

This document has been prepared for use by professional advisers and intermediaries only and should not be construed as investment advice. It is not intended for use by retail clients.

Please remember the value of an investment and income derived from it can go down as well as up and investors may get back less than the amount invested. The return may increase or decrease as a result of currency fluctuations.

Past performance is not a guide to future performance.



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