



PORTFOLIO
MANAGEMENT SERVICE

ETHICAL



PERFORMANCE
UPDATE

JUNE
2017



OLD MUTUAL
WEALTH
PLATFORM
ONLY

PERFORMANCE

PMS INVESTMENT PERFORMANCE TABLE to 30TH June 2017

Portfolio	Cumulative Performance					Rolling 5 year Data					
	YTD	1 Year	3 Years	5 Years	Since Launch*	Alpha	Beta	Sharpe Ratio	Info Ratio	Vol	Max DD
Outperformance											
Portfolio Ethical	6.38	16.47	28.65	63.96	129.30	2.31	0.84	1.37	0.36	6.11	-5.83
IA Benchmark	5.43	16.14	26.41	57.27	117.64	0.00	1.00	1.10	0.00	6.83	-8.68

*01/11/2008

Source of Data: FE Analytics

The first half of 2017 has been positive in both absolute terms and relative to benchmark. Much of the performance was achieved through individual fund selection with several standout performers. Once again, the Royal London Sustainable Trusts beat the majority of funds with no ethical or Socially Responsible Investing (SRI) restrictions and they continue to perform very well, whilst in the same sector the Axa Ethical Distribution fund has achieved a superb 3rd percentile position returning nearly 18% on a rolling year basis.

Our European exposure helped the equity component of the portfolio to outperform its benchmark with excellent performances from SVM All Europe SRI and Eden Tree Amity European. The Eden Tree fund outperformed its own benchmark during the recent months mostly due to the overweight position in France, which has had something of a relief rally following the election of Macron as president. One of newest additions to the portfolio has been the Unicorn UK Ethical Income fund and over the last twelve months the fund has returned an impressive 34% which puts it in 3rd percentile ranking. There is considerable variance in definition of ethical and or SRI but as an example Unicorn state that ***Selection of such ethical equities will be undertaken on the basis of thorough company analysis, with ethical and socially responsible criteria reviewed at the point of investment and quarterly thereafter.*** Troy Trojan are more descriptive and state in their approach ***the fund will invest in accordance with the parameters of its ethical investment criteria, which consider ethical issues in relation to fossil fuels, pornography, tobacco and certain types of armaments.*** It therefore remains incumbent on any adviser (and investor) to conclude whether the range of funds held in our portfolio satisfies their personal 'ethical' criteria.





Obviously, this portfolio is multi asset and is not just relying on equities for its performance characteristics and the overall returns have been helped by a stellar year for the Rathbone Ethical Bond fund which has returned nearly 10% giving it a 2nd percentile position the IA Sterling Corporate Bond sector. Once again Eden Tree who are something of a specialist investment house in the ethical arena have returned nearly 8% over the last twelve months which gives them a top quartile position in the IA Strategic Bond sector.

Of course, it hasn't all been success stories and the property sector has struggled over the last twelve months regardless of any ethical filters. In the bond space the F&C Responsible Sterling Bond had put in a 4th quartile performance but by a fairly narrow margin and it continues to have circa benchmark positions over the longer term and it's an area where there are few ethical options. Surprisingly, the worst performing ethical equity fund was Henderson Global Care UK Income fund but it still returned nearly 16% and its longer term numbers remain very much top quartile under the stewardship of Andrew Jones who has been at the helm for over six years now.

SUMMARY

So overall, we trust our investors are quite pleased with the results almost regardless of when they invested. It goes without saying the investable universe is smaller by dint of the ethical approach but hopefully we have demonstrated it is still possible to beat the benchmark (and with less volatility) over a sustained period. As ever we strive to increase the diversification of assets where possible and hold multiple funds in each sector to further reduce risk. If you would like any further information on our ethical portfolio then please don't hesitate to contact us.



PMS ETHICAL PORTFOLIO

PERFORMANCE SINCE START OF DATA



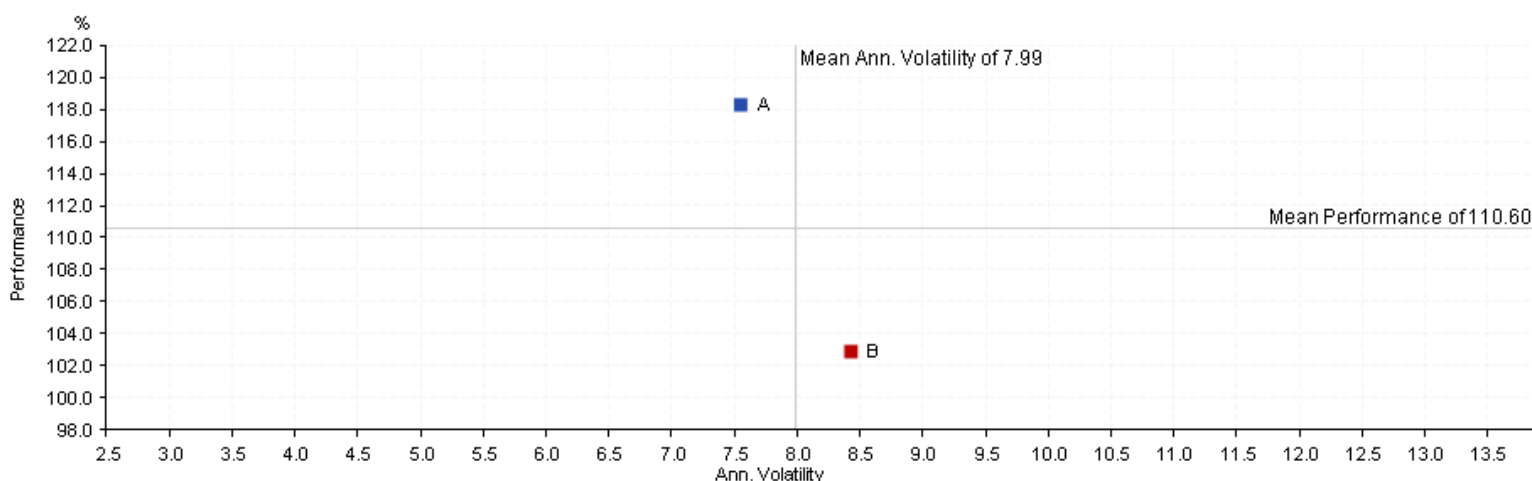
31/10/2008 - 30/06/2017 Data from FE 2017

PMS ETHICAL PORTFOLIO RATIOS TO BENCHMARK IA SECTOR 40-85 SHARES SINCE START OF DATA 31/10/2008 to 30/06/2017 (Monthly Data)

	Alpha		Beta		Downside Risk		Info Ratio Rel.		Max Drawdown		Max Gain		Max Loss		r2		Sharpe		Volatility	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Portfolio Ethical	1.53	21	0.90	15	7.16	6	0.27	43	-9.29	11	21.50	58	-9.29	15	0.94	32	0.98	15	8.23	8

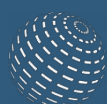
Source of Data: FE Analytics

PMS ETHICAL PORTFOLIO 8 YEAR RISK/ RETURN PERFORMANCE



30/06/2009 - 30/06/2017 © FE 2017

Key	Name	Performance	Annualised Volatility
■ A	Investment Portfolio - Ethical TR in GB	118.29	7.55
■ B	IA Mixed Investment 40-85% Shares TR in GB	102.91	8.43





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