tam sustainable world

Model: **Sustainable World GBP**
Risk Profile: **Cautious**

DATE: 31 JULY 2026

## PORTFOLIO OBJECTIVE

This Investment portfolio comprises a wide range of collective investment vehicles, such as unit trusts, mutual funds and exchange traded funds (ETFs), whose underlying objectives aim to match or outperform their respective target markets. Asset classes you could find in this portfolio are equities, government bonds, corporate bonds, alternative investments, commodities and cash. Absolute return, multi-asset, and property may feature within the alternatives classification. The Investment portfolio seeks to generate capital growth over the medium to long term, typically 3-5 years or more, by employing a dynamic investment strategy. Investment portfolios will typically comprise 40% equity and 60% non-equity assets, though weightings may deviate within set parameters, allowing managers to react to market conditions.

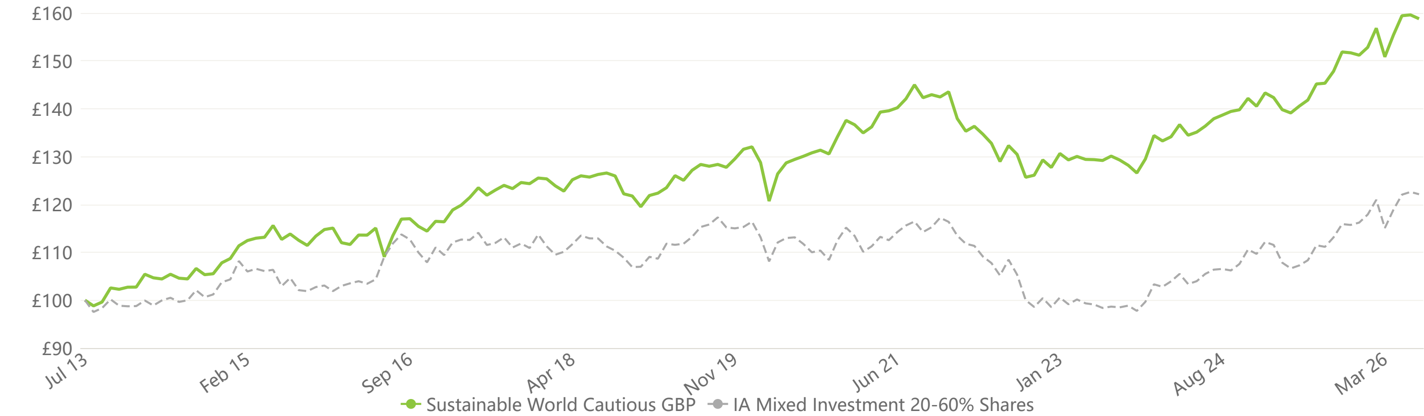
## KEY INFORMATION

| | |
|---|---|
| Portfolio Benchmark | IA Mixed Investment 20-60% Shares |
| Portfolio Manager | Dan Babington |
| Inception Date | 02/08/2013 |
| AUM (est.) | £11.1m |
| Minimum Investment | Any size |
| TAM AMC | 0.40% |
| Underlying OCF (est.) | 0.45% |
| Bond Duration (est.) | 5.07 yrs |
| Yield (est.) | 1.14% |

*This document refers to the model on the TAM Platform. The model is also available on other third-party platforms, where underlying holdings, performance and charges may vary. Please contact us for more information.*

## PERFORMANCE

*Growth of £100 from inception to 31 July 2026. Net of TAM investment management fee.*




*From Q4 2025, the benchmark has changed to the relevant IA Mixed Investment sector (replacing the previous Bloomberg Developed Markets/Global Aggregate Bond composite), giving a clearer comparison against approaches across the wider UK market.*

## CUMULATIVE RETURN %

| | 1M | 3M | 6M | 1Y | 3Y | 5Y |
|---|---|---|---|---|---|---|
| Portfolio | -0.51% | +2.20% | +3.90% | +9.38% | +22.05% | +11.77% |
| Benchmark | -0.39% | +2.74% | +3.59% | +9.57% | +23.79% | +5.65% |
| **Difference** | **-0.12%** | **-0.54%** | **+0.31%** | **-0.19%** | **-1.74%** | **+6.12%** |

## CALENDAR YEAR RETURNS %

| | 2022 | 2023 | 2024 | 2025 | YTD |
|---|---|---|---|---|---|
| Portfolio | -11.01% | +5.22% | +4.56% | +7.59% | +5.03% |
| Benchmark | -15.31% | +4.84% | +6.15% | +5.96% | +5.10% |
| **Difference** | **+4.30%** | **+0.38%** | **-1.59%** | **+1.63%** | **-0.07%** |

*All performance figures are net of TAM's investment management fee.*

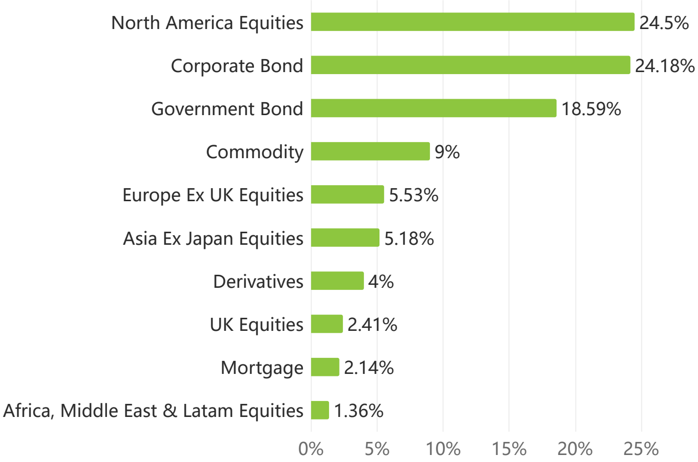
## VOLATILITY %

| Volatility % | 1Y | 3Y | 5Y |
|---|---|---|---|
| Portfolio | +4.62% | +4.34% | +4.67% |
| Benchmark | +4.13% | +5.52% | +6.38% |
| **Difference** | **+0.49%** | **-1.18%** | **-1.71%** |

## MAX DRAWDOWN %

| Max Drawdown % | 1Y | 3Y | 5Y |
|---|---|---|---|
| Portfolio | -4.59% | -5.30% | -14.66% |
| Benchmark | -5.15% | -8.12% | -19.13% |
| **Difference** | **+0.56%** | **+2.82%** | **+4.47%** |

## TOP 10 ASSET ALLOCATION

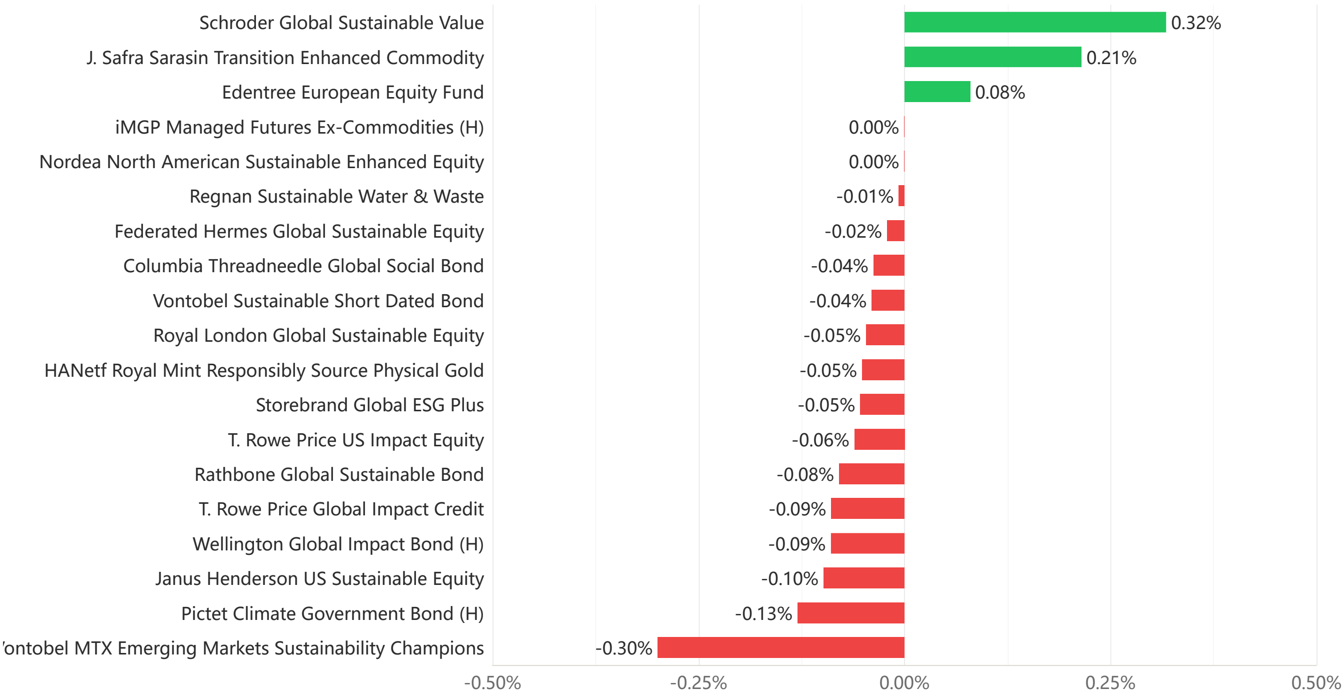



**Top 10 represent 96.9% of the portfolio**

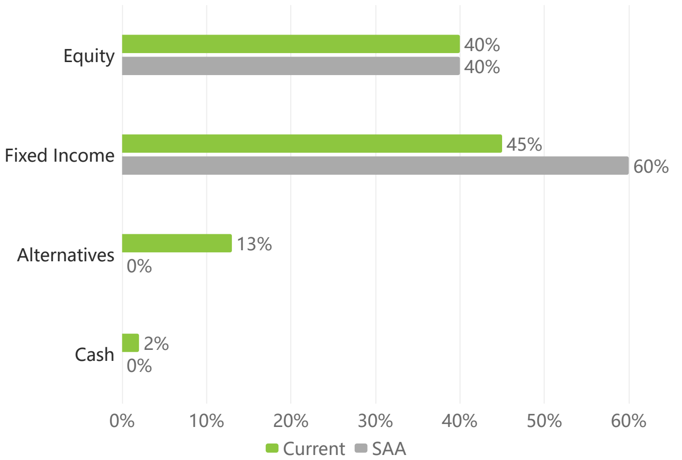
## TOP 10 PORTFOLIO HOLDINGS %

| # | Holding | % |
|---|---|---|
| 1 | Vontobel Sustainable Short Dated Bond | 11.00% |
| 2 | Pictet Climate Government Bond | 10.00% |
| 3 | Rathbone Global Sustainable Bond | 7.50% |
| 4 | Nordea North American Sustainable Enhanced Equity | 7.50% |
| 5 | Wellington Global Impact Bond | 7.50% |
| 6 | T. Rowe Price Global Impact Credit | 6.50% |
| 7 | Schroder Global Sustainable Value | 5.00% |
| 8 | Royal London Global Sustainable Equity | 5.00% |
| 9 | HANetf Royal Mint Responsibly Source Physical Gold | 5.00% |
| 10 | Janus Henderson US Sustainable Equity | 4.50% |
| | **Top 10 Total** | **69.50%** |

## PORTFOLIO ATTRIBUTION (LAST MONTH)




## STRATEGIC VS CURRENT ASSET ALLOCATION




## PLATFORM AVAILABILITY

**Currently available**

- Aberdeen
- Aviva
- Fidelity
- M&G
- Morningstar
- Novia
- Nucleus
- Quilter
- Transact

## SUSTAINABILITY UPDATES

There was encouraging news on flows during the month, with Morningstar's latest Global Sustainable Fund Flows report showing global sustainable funds attracted $3.7bn in net inflows during the second quarter, a second consecutive quarter of positive flows. US sustainable funds returned to positive territory for the first time since 2022, while global sustainable fund assets reached a record $3.7tn.

Closer to home for the portfolios, Mombak, the Amazon reforestation carbon removal developer held within two of our bond funds, delivered its first carbon removal credits to corporate buyers including Google, McKinsey and Bain, more than two years ahead of schedule, a welcome proof point for our holding.

However, the human cost of a warming climate was underlined this month by a joint study from LSHTM, Imperial College London and the Met Office, which found that climate change was responsible for 42% of the roughly 2,700 heat-related deaths recorded in the UK during May and June's heatwaves.

## REVIEW

Global equity markets finished July broadly flat, though this masked considerable dispersion beneath the surface. UK equities rose 3.7% and European markets gained 2.0%, while emerging markets fell 3.0%. Intra-month volatility was notable, with major indices swinging from losses of around 1.2% to gains of approximately 0.3% over the course of the month, and the VIX rising around 30% from its intra-month low before finishing below its June level.

Much of this volatility stemmed from a loss of momentum in the AI narrative, as investors grew more cautious on the scale and return profile of large technology investment. This weighed on the Nasdaq, which fell 3.2%, and given the significant weight of mega-cap technology within US indices, was sufficient to prevent the broader market from moving higher. Renewed tensions in Iran added a further catalyst for rotation towards value: energy stocks rose 12%, financials gained 6% and the broader US value index advanced 4%, against a 4.7% decline in growth stocks.

For sustainability focused investors, this environment was particularly supportive for portfolios with greater exposure to value over growth, commodities and UK equities, alongside lower exposure to US mega-cap technology. From a thematic focus, energy transition equities have been a notable beneficiary of this broadening leadership over the year to date, with the iShares Global Clean Energy ETF up over 20%, outpacing a Nasdaq index which faltered in July.

## PORTFOLIO ACTIVITY

Our global sustainable value position led strongly during the month as investors rotated away from growth into traditional value and real assets. Commodity-focused transition strategies also performed well, benefiting from geopolitical tensions and demand for inflation hedges. Emerging market and US-focused impact strategies underperformed, reflecting weakness in developing markets and high-growth technology. Fixed income strategies declined as rates moved higher, which we were positioned for due to our underweight positioning in bonds. On the equity side, we are keeping a diversified book across value, carbon-reduction and sustainable development goal aligned strategies, rather than concentrating in any single theme or geography.

## MARKET OUTLOOK

The significant rotation in July suggests investors are looking beyond concentrated AI exposure towards a broader opportunity set. The unresolved Iran conflict remains a market risk, with oil price volatility potentially feeding into inflation expectations and central bank guidance.

The AI theme is becoming increasingly mature, with markets rewarding those companies converting AI investment into sustainable earnings over those dependent on future expectations. Structural demand from data centre infrastructure continues to drive capital towards electricity, grid modernisation and renewable energy, whilst critical minerals and transition materials remain essential to this build-out. For sustainability focused investors, this reinforces the value of focusing on quality outcomes and companies positioned to benefit from digital transformation's energy and resource requirements. Diversification across assets, sectors and geographies remains essential as leadership rotates across an increasingly fragmented market.

## AVOIDING HARM

We recently caught up with the Wellington Global Impact Bond Fund. I outline in the following sections how their approach fits within our four pillar process. They employ a disciplined screening framework to avoid harm, maintaining strict exclusions across tobacco, firearms, defence, nuclear power, coal, petroleum, alcohol, adult entertainment and gambling. Critically, the team does not simply apply blanket exclusions; instead, they assess each issuer against a clearly defined and consistently applied philosophy. This approach ensures that the fund's impact objectives are not compromised whilst preserving diversification across government, agency, municipal, and corporate sectors. The fund's exclusion framework operates alongside active monitoring of controversy flags and emerging sustainability risks, recognising that harm avoidance is an ongoing process rather than a one-time screening exercise.

## DOING GOOD

The fund's approach to generating positive outcomes is built around three core investible themes: Life Essentials, Human Empowerment, and Environment. Within Life Essentials, the fund targets issuers focused on affordable housing, clean water and sanitation, health, and sustainable agriculture. Under Human Empowerment, it seeks exposure to digital divide solutions, education and job training, financial inclusion, and safety and security. The Environment pillar emphasises alternative energy, resource efficiency, and resource stewardship. Recent engagement with Angel Oak Mortgages, a US non-agency mortgage-backed securities issuer, exemplified this approach—he fund advocated for a theme reclassification to Financial Inclusion to better capture the issuer's focus on lending to underserved borrowers and self-employed individuals, demonstrating the team's rigour in categorising issuers for measurable impact.

## DRIVING CHANGE

Stewardship and engagement are embedded into Wellington's investment process. Recent engagement with EDF, a global energy supplier, focused on understanding the issuer's decarbonisation pathway and the role of nuclear energy within its net-zero strategy by 2050. The team gained valuable insight into evolving regulatory and investor attitudes towards nuclear power, an important consideration as the EU's taxonomy shifts. Rather than viewing nuclear as binary, the engagement enabled the team to monitor how market participants are re-evaluating the transition energy mix, allowing Wellington to adapt its positioning accordingly as industry dynamics evolve.

## DELIVERING FINANCIAL RETURNS

The fund's one-year performance to 30 April 2026 was 3.4% GBP, with active return of +0.8% versus benchmark, reflecting disciplined positioning across credit sectors and impact themes. Corporate credit positioning proved additive, with developed market corporates outperforming on the back of resilient fundamentals. Exposure to emerging market high-yield corporates in clean water and sanitation and digital divide themes provided additional lift. The fund's overweight to agency mortgage-backed securities supporting affordable housing, combined with selectivity in municipal bonds focused on healthcare and education issuers, contributed positively. This balanced allocation across impact themes and credit quality demonstrates that delivering financial returns and pursuing measurable social and environmental outcomes are not mutually exclusive objectives.