Canaccord Genuity Wealth Management

2nd Quarter 2020

ESG Growth Portfolio

Patrick Thomas
Investment Director

Patrick sits on the firm's Portfolio Construction Committee, Fund Selection Committee and Alternatives Committee. He manages investment portfolios for intermediaries, trusts, charities and pension funds, specialising in discretionary mandates. Patrick is a chartered Wealth Manager and a Chartered Fellow of the CISI.

Paul Parker
Head of Intermediary Portfolio Management Team

Paul and his team manage CGWM's MPS models and inheritance tax portfolios. He has been with Canaccord Genuity since 2001 and is a Chartered Fellow of the Chartered Institute for Securities and Investment.

Benchmark
PIMFA Growth Portfolio Total Return

Contact us

+44 (0)20 7523 4597

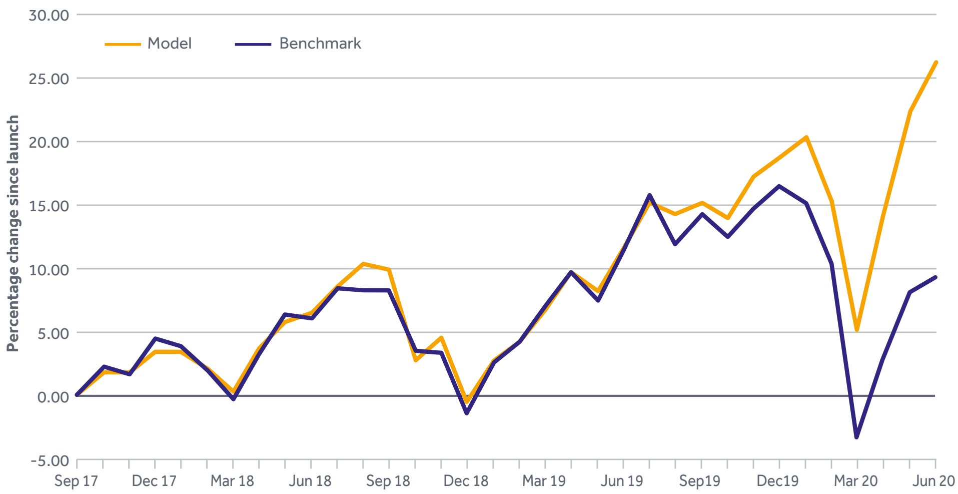
intermediary@canaccord.com

canaccordgenuity.com

Investment objective

This portfolio aims to produce capital appreciation over a typical investment cycle (i.e. 7-10 years) using investments that consider environmental, social and governance criteria alongside traditional financial metrics. An active screening approach is used to select potential portfolio allocations. This portfolio will have exposure to funds that focus on ESG factors (including resource efficiency, employee engagement and business culture), as well as focused thematic investments, such as environmental technology, and those that have measurable impact, such as social housing. The volatility profile could therefore differ from a traditional discretionary portfolio with the same asset allocation.

Performance since inception (30/09/2017)



Discrete performance (%)

Total return to end of last calendar quarter 30/06/2020.

	2019	2018
Model	**+19.5**	**-3.7**
Benchmark	**+18.2**	**-5.5**

Cumulative performance (%)

Total return from inception to 30/06/2020.

	3 Months	1 Year	Inception (30/09/2017)
Model	**+20.1**	**+13.1**	**+26.5**
Benchmark	**+13.0**	**-1.9**	**+9.5**

Source: Canaccord Genuity Wealth Management (CGWM).
All performance data to 30/06/2020. Total return before fees and charges are deducted.

Risk & return since inception

	Model	Benchmark (PIMFA Growth Portfolio Total Return)
Annualised volatility (%)	**+11.8**	**+12.4**
Maximum loss (%)	**-12.6**	**-16.9**
Sharpe ratio	**+2.2**	**+0.8**

Annualised volatility: risk is measured by the variability of performance. The higher the standard deviation, the greater the variability (and therefore the risk) of the Fund or the index.

Sharpe ratio: measures the risk/return trade-off. It is the annualised return less the average risk-free rate, divided by the annualised volatility of the model.

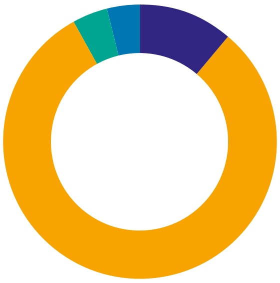
defaqto 2020 DFM MPS on Platform

defaqto 2020 DFM Bespoke

defaqto 2020 DFM MPS Direct

DYNAMIC PLANNER PROFILED 5

ESG Growth Portfolio asset allocation (%)



	Model
Fixed Interest	11.4
Thematic Equity	80.8
Alternative Investments	4.1
Cash	3.7

Top 10 holdings (%)

MONTANARO ASSET MANAGEMENT LIMITED BETTER WORLD GBP DIS	**8.0**
BAILLIE GIFFORD & CO POSITIVE CHANGE B ACC	**8.0**
WELLINGTON MGMNT FUNDS (IRELAND) GLOBAL IMPACT S GBP ACC UNHEDGED	**7.3**
FIRST STATE INVESTMENTS(UK) STEWART INV GBL EMG MKTS SUST B GBP ACC	**6.1**
FIRST TRUST GLOBAL FUNDS PLC CLOUD COMPUTING UCITS ETF A EUR	**5.0**
IMPAX FUNDS(IRELAND) ENVIRONMENTAL MKTS(IRE) X GBP	**4.9**
INVESTEC FUND MANAGERS GLOBAL ENVIRONMENT K GBP ACC	**4.9**
HERMES INVESTMENT MANAGEMENT SDG ENGAGEMENT S GBP ACC	**4.8**
PICTET ASSET MANAGEMENT (EUROPE) SA NUTRITION I GBP DIS	**4.7**
FIL INVESTMENT SERVICES(UK)LIMITED SUSTAINABLE WATER & WASTE W GBP ACC	**4.5**

Source: CGWM

Portfolio Manager commentary

While these portfolios are about more than just financial returns, we are comforted by the performance of the ESG portfolios during the strongest quarter for equity markets for a decade. The strategies substantially outperformed their benchmarks; pleasingly it was an environment where doing good for the world continued to be correlated with better returns.

Some of our more cyclical themes such as battery technology, waste management and smart materials saw a significant bounce and more defensive areas like cyber security and cloud computing also continued to maintain their momentum. We like all of our themes because they target companies with growing opportunities, competitive advantages and business models that are not only well placed to survive short-term pressures, but should resume their positive trends when the current crisis is over.

We took the opportunity to add a position in a fund targeting the responsible use of robotics and automation – a new sustainable theme we admire at a more depressed price. This is an area we see becoming increasingly important as businesses are impacted by the coronavirus.

This quarter saw a continuing focus amongst investors and the public on the benefits of companies acting responsibly towards all stakeholders, including employees and customers, as well as shareholders. The markets continue to reward ESG-oriented companies which reassures us of our ongoing strategy and positioning.