tam sustainable world

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

DATE: 30 SEPTEMBER 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.)	**£10.9m**
Minimum Investment	**Any size**
TAM AMC	**0.40%**
Underlying OCF (est.)	**0.45%**
Bond Duration (est.)	**5.07 yrs**
Yield (est.)	**1.08%**

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 30 September 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	-1.45%	-0.54%	+5.89%	+7.39%	+23.84%	+11.55%
Benchmark	-1.03%	-0.13%	+6.72%	+8.25%	+23.86%	+7.19%
Difference	**-0.42%**	**-0.41%**	**-0.83%**	**-0.86%**	**-0.02%**	**+4.36%**

CALENDAR YEAR RETURNS %

	2022	2023	2024	2025	YTD
Portfolio	-11.01%	+5.22%	+4.56%	+7.59%	+5.00%
Benchmark	-15.31%	+4.84%	+6.15%	+5.96%	+5.37%
Difference	**+4.30%**	**+0.38%**	**-1.59%**	**+1.63%**	**-0.37%**

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

VOLATILITY %

Volatility %	1Y	3Y	5Y
Portfolio	+4.82%	+4.32%	+4.66%
Benchmark	+4.15%	+5.45%	+6.35%
Difference	**+0.67%**	**-1.13%**	**-1.69%**

MAX DRAWDOWN %

Max Drawdown %	1Y	3Y	5Y
Portfolio	-4.59%	-5.30%	-14.15%
Benchmark	-5.15%	-8.12%	-19.13%
Difference	**+0.56%**	**+2.82%**	**+4.98%**

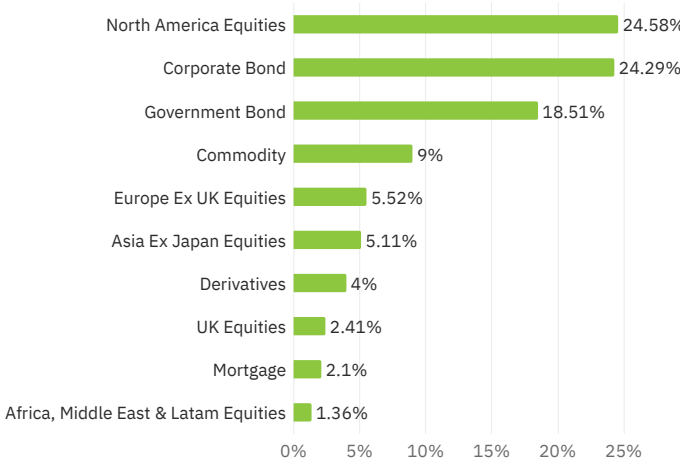
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TOP 10 ASSET ALLOCATION

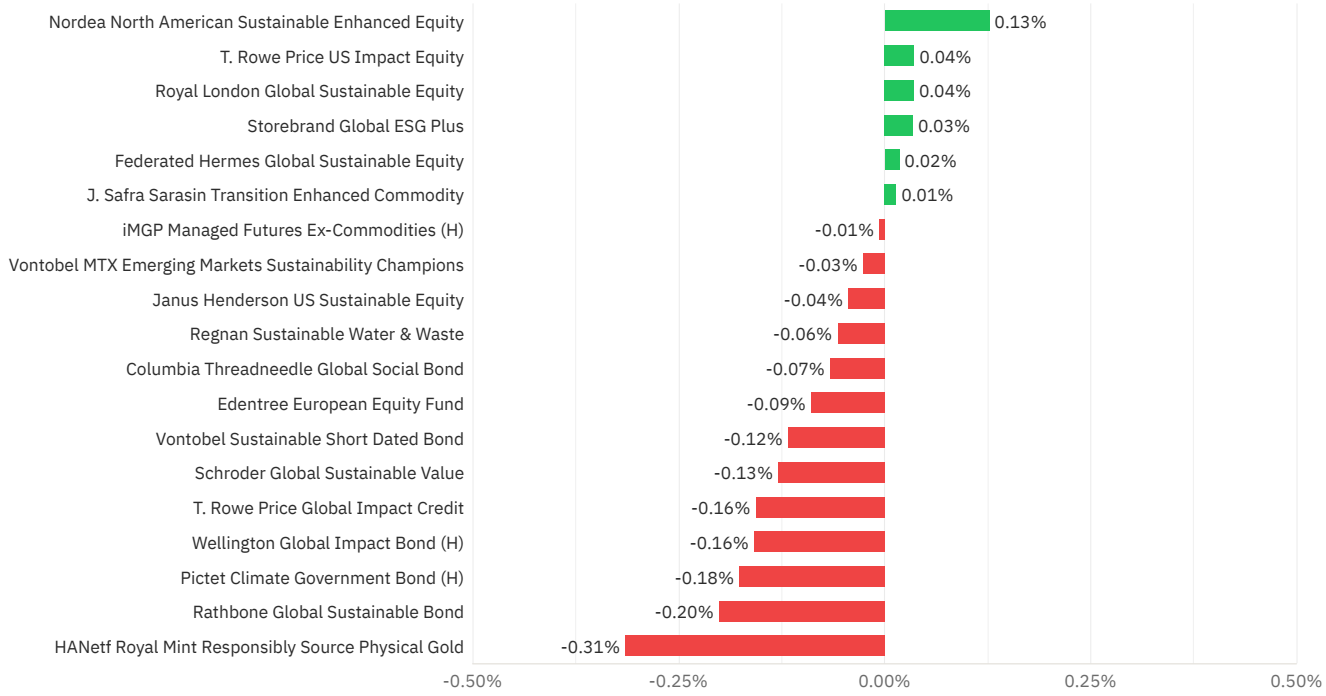


Top 10 represent 96.9% of the portfolio

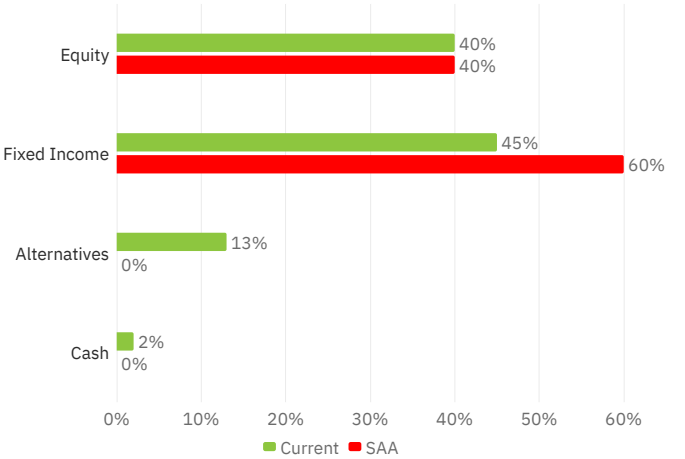
TOP 10 PORTFOLIO HOLDINGS %

#	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

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SUSTAINABILITY UPDATES

It was a positive quarter for sustainability-focused investors. Morgan Stanley's Institute for Sustainable Investing reported in September that sustainable funds returned a median 4.9% in the first half of 2026, against 4.0% for traditional funds, helped by greater equity exposure. Sustainable fund assets reached a record $4.24 trillion. Flows were also encouraging, with Article 9 funds recording small inflows in the second quarter to end a ten quarter run of outflows, and North America domiciled sustainable funds seeing inflows for the first time in more than three years.

Separately, Ember's August report found that solar met 10% of global electricity in the first half of 2026, and argued that batteries are ushering in an era of "anytime solar". Solar plus storage met over 25% of California's evening peak demand, while Bulgaria's battery capacity grew from virtually nothing in 2023 to 8.6GWh by May, a welcome sign that the intermittency challenge is being addressed.

REVIEW

Global equities rose over the third quarter, reaching several record highs as resilient growth and strong earnings outweighed geopolitical tension and tighter policy. Brent crude moved back above $100 amid the Middle East war, and more than 80% of developed market central banks raised rates, yet earnings upgrades meant profits outpaced prices and valuations compressed. Developed markets led, with Japan ahead on earnings, buybacks and governance reform, while Europe lagged and UK equities held up better. As yields rose, value beat growth and small caps underperformed. For sustainability focused investors, higher energy prices strengthened the energy security case for renewables and electrification, and AI investment kept driving demand for power and grid infrastructure. The Bloomberg Commodity Index rose 16%. Bonds struggled, with the US 30 year yield at 5.6%, its highest since 2002, a headwind for longer duration sustainable bonds and capital intensive infrastructure.

PORTFOLIO ACTIVITY

The portfolios were supported by commodities and developed market equities while being held back broadly by emerging markets and fixed income. J. Safra Sarasin Transition Enhanced Commodity was the largest contributor as energy prices stayed elevated, with physical gold also helping. In equities, Nordea North American Sustainable Enhanced Equity and Schroder Global Sustainable Value led, with Storebrand, Federated Hermes, Royal London and Edentree also contributing positively. The main detractor was Vontobel MTX Emerging Markets Sustainability Champions, as emerging markets weakened. Rising yields weighed on fixed income, particularly longer duration government and impact bond strategies such as Pictet Climate Government Bond and T. Rowe Price Global Impact Credit, while shorter duration holdings held up better. Regnan Sustainable Water & Waste and cash were also modest drags. We remain diversified across value, carbon reduction and SDG aligned strategies.

MARKET OUTLOOK

Looking into the fourth quarter, Government bond prices are now at multi decade lows, creating concern but also increasingly attractive valuations. We believe the global economy can absorb weak bonds while debt funded government and corporate spending continues to support activity. We expect the Iranian conflict to remain unresolved through Q4, keeping oil elevated and G7 inflation resilient, potentially reaching around 4% in early 2027. We expect one 0.25% rate rise in Q4, with the path thereafter dependent on oil and the conflict. Further into 2027, we expect oil to moderate below $90 as global demand slows, creating scope for rates to eventually fall. The upcoming budget will be important, with significant borrowing or spending negative for Gilts, equities and sterling. Stocks remain supported, with Q3 earnings expected to grow around 25%. AI remains both the market's greatest strength and vulnerability. Strong technology earnings could broaden the rally, while disappointment could trigger a wider correction. Our focus is on identifying mispriced opportunities, participating in the next stage of the rally and protecting capital where risks become excessive.

As a reminder TAM's Sustainable World portfolios are built on four pillars: Avoid Harm, Do Good, Drive Change and Deliver Financial Returns. The following examples highlight how each principle is applied in practice this month.

AVOIDING HARM

We recently reviewed Storebrand's six month update on the Global Plus fund - this strategy acts as our flagship core global equity exposure. The fund applies Storebrand's Exclusion Policy to the MSCI World universe, removing 281 companies, around 19.2% of the benchmark by weight, across 11 criteria. Fossil fuels is the largest bucket at 10.6%, taking out the whole energy sector and 82% of utilities by benchmark weight. Other exclusions cover controversial and conventional weapons, tobacco, alcohol and gambling, alongside norm based exclusions for severe human rights breaches, serious environmental damage such as deforestation and deep sea mining, and corruption. Exclusion is treated as a last resort, with companies usually engaged first or placed on an observation list, and holdings are screened daily for conduct breaches and quarterly against the criteria.

DOING GOOD

Beyond what it avoids, the fund actively tilts towards climate solutions. A 12.4% sleeve is invested in 164 developed market companies that derive more than 50% of revenue from climate solutions, spread across themes such as water and services, EVs and green vehicles, grid equipment, grid operators and recycling, with active positions in names such as Quanta Services, Steel Dynamics, Schneider Electric and Iberdrola. The rest of the portfolio is tilted towards lower carbon intensity, higher green revenues and science based target alignment. The result is a green to brown revenue ratio of 68.5 times, against 1.46 times for MSCI World, with 17.3% of revenues classed as green against 8.7% for the index.

DRIVING CHANGE

Stewardship is built around engagement, voting and escalation. In 2025 Storebrand voted at 2,138 AGMs, covering 92% of invested listed equity, and voted against management on 56 of 72 climate resolutions, supporting management on environmental proposals only 21% of the time. Engagement priorities for 2024 to 2026 span the transition strategies of the highest emitters, nature and commodity driven deforestation, social and just transition issues, and policy dialogue. The Bunge case shows the full cycle. Placed on the observation list in 2021 over deforestation risk in its soy supply chain, Bunge saw a co-filed shareholder resolution pass with 98% support and board backing, reported 100% traceability of Brazilian soy to indirect suppliers by December 2024, and was removed from the observation list in 2025.

DELIVERING FINANCIAL RETURNS

Over the twelve months to the end of the third quarter, the fund returned 16.12%. That kind of steady, market-like return is what makes Storebrand Global Plus such a strong ballast in portfolios. It holds 718 stocks, tracks its benchmark closely with tracking error of just 1.40% so it behaves like a core global equity holding rather than a high conviction bet. At the same time it brings real climate alignment, with fossil fuel exclusions and a 12.4% allocation to climate solutions companies, without asking investors to take uncontrolled risk to get it.

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