

The aim of this portfolio is to provide growth opportunities by investing in collective investment schemes which display strong sustainable characteristics and themes. This portfolio will invest principally through global equities, themes, fixed-interest, alternatives and (to a lesser extent) property. The portfolio's holdings undergo the IQ Sustainability Screen to determine their respective environmental, social and governance credentials in accordance with the strategy's criteria. The portfolio can hold a percentage weighting in cash deposits for both liquidity and tactical reasons.

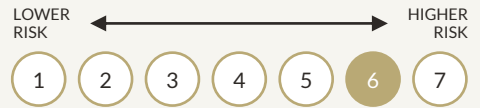
KEY INFORMATION

Currency: **GBP**

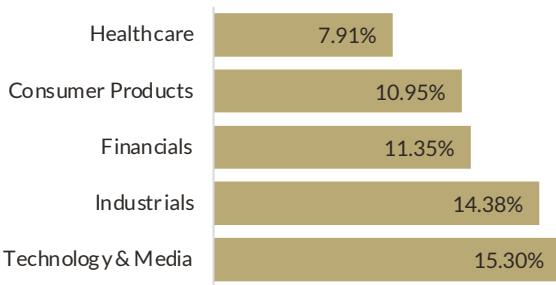
Historical Yield: **0.98% p.a.**

Total Fund Charges: **0.73% p.a.**

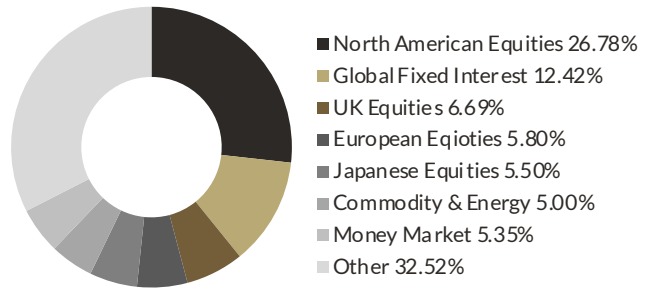
RISK & REWARD PROFILE



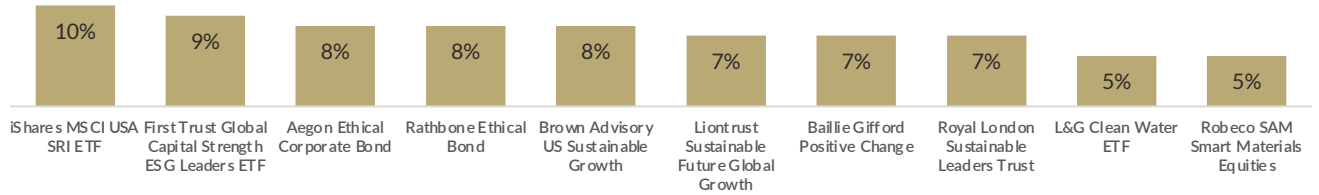
Top Sector Allocation



Asset Allocation



Largest Fund Holdings*



* Key (investor) information documents are available for each fund.

Discrete Calendar Year Performance

PERIOD	01/01/2018 to 31/12/2018	01/01/2019 to 31/12/2019	01/01/2020 to 31/12/2020	01/01/2021 to 31/12/2021	01/01/2022 to 31/12/2022	01/01/2023 to 31/12/2023	ANNUALISED RETURN (since Jan-21)
Sustainable Strategy**	N/A	N/A	N/A	12.00%	-15.77%	8.35%	0.68%
ARC Sterling Equity Risk PCI (Benchmark)	-6.50%	18.04%	5.82%	12.31%	-11.40%	8.10%	2.46%

Cumulative Performance

PERIODS TO 31/12/2023	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS	CUMULATIVE RETURN (since Jan-21)
Sustainable Strategy**	6.89%	3.61%	8.35%	2.05%	N/A	N/A	2.05%
ARC Sterling Equity Risk PCI (Benchmark)	5.53%	5.02%	8.10%	7.58%	34.38%	69.07%	7.58%

** Performance figures take account of underlying fund charges but not IQ's and platform fees.

Please remember that past performance is not a guide to the future.

Strategy Commentary

Following a tricky October, global equity and fixed-income markets ended the year on a more buoyant note. US treasury yields dropped sharply as the Federal Reserve Bank's tone changed, with Chairman Jerome Powell indicating that rates would probably be cut faster than expected over the course of 2024. Equity markets reacted positively to this news: performances improved across most equity markets and down the market cap spectrum. This improvement was not limited to the Magnificent Seven US technology stocks – stocks which enjoyed a stellar year, particularly over the first three quarters. The top three performing funds through Q4 were **Liontrust Sustainable Future Global Growth (+13.28%)**, **L&G Clean Water ETF (+11.98%)** and **Baillie Gifford Positive Change (+10.53%)**. Recent progress in Artificial Intelligence (AI) is proving pivotal, and its impact will perhaps dwarf that of the Internet and the smartphone. The Baillie Gifford Positive Change team has been bullish on AI for many years and has an exceptional long-term track record in investing in similar exciting sub-themes. Such strong stock selection contributed to sector-leading performance not only over the quarter, but also the year, as the team continued to allocate to many of the companies enabling such developments or benefiting from them. The team believes that AI can be leveraged by businesses and consumers to enhance efficiency and productivity and can also be harnessed to improve society and contribute to positive change. With this portfolio by no means resembling just a “technology” fund, the precision with which the team has identified firms from all sectors embracing such change should position the strategy well for 2024 – should market strength broaden further beyond the *Magnificent Seven*.

The worst performing fund over the quarter was **Trojan Ethical Global Income (+2.75%)**. This portfolio tends to lag behind the market over shorter time periods when returns are strong, and this partly explains its weaker performance over the quarter. The manager continues to believe that more robust, resilient businesses are better suited for the long run – even if growth tends to be slower than many of the market's other “boom or bust” sectors. Troy tends to have far lower drawdowns than the market, with its funds tailored to limit volatility during periods of stress. So, if we do move into a more difficult period as uncertainties over the inflation trajectory and growth persist, then we would expect this fund to provide clients with better protection than they would get by simply investing in the market. With growth-focused investors enjoying substantially better gains through periods of lower interest rates, we believe now is the time – with rates still over 5% – for investors to reallocate some of those investments to funds such as this one, which has a better balance between growth and income.

Powered by data from FE, data collected: 01/01/2024

Investment Team

Peter Lowman Chief Investment Officer



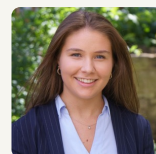
Peter has served as IQ's CIO and Global Market Strategist since 2007. With over 50 years of investing experience, he has delivered impressive returns on IQ clients' investments over the past 15 years. He oversees and manages every aspect of our investment process – from asset allocation to fund selection. His ability to navigate the intricate world of investment markets is underpinned by a blue-sky thinking approach and an ongoing commitment to innovation.

Nick Harrington Investment Analyst



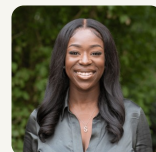
Nick has been an Investment Analyst at IQ for 4 years. Nick is responsible for analysing North American and Asian markets, evaluating investments to find the best opportunities for our clients. Nick holds the CFA UK Certificate in Investment Management and the CFA Certificate in ESG Investing.

Holly West Investment Analyst



Holly has been an Investment Analyst at IQ for 3 years. Holly is responsible for analysing UK and European markets, evaluating investment to find the best opportunities for our clients. Holly holds the CFA UK Certificate in Investment Management and a diploma in Financial Planning.

Sophie Ajuda Investment Team Administrator



Sophie is the Investment Administrator for the team. Her daily responsibilities include dealing, cash management, and meeting our clients' cash needs for income and withdrawals. She is committed to providing the highest level of service to our clients.