

Sustainable Balanced (£)

Quarter 2 2025 (as at 30 June 2025)



Investment Philosophy: we are active, unconstrained managers, investing globally and believing risk should be a choice, not a fate. Our portfolios are designed to be outcome oriented and therefore better aligned to client needs. We focus on behaviour not labels; meaning what matters is how assets respond to the changing environment, not what they are called. We are a diverse group of contrarian thinkers, committed to learning and constant improvement.

Mandate

Investment Objective: investing in companies and projects with the intention to generate a positive social and/or environmental impact, alongside risk-adjusted returns

Target Outcome: UK CPI +1% to 3% p.a. over a rolling 5 year period

Currency: sterling

Risk Parameters: 17% maximum peak to trough drawdown, volatility in the range 8% to 13% annualised

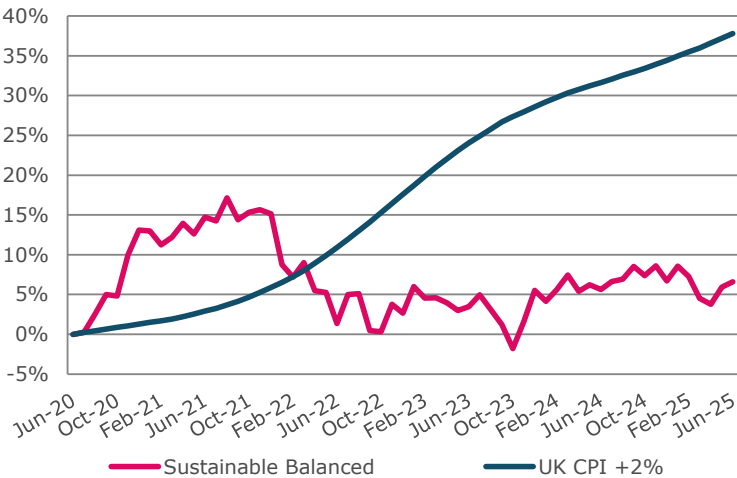
Time Horizon: ≥ 5 years

Style: diversified, global, multi asset (bonds, equities, alternatives, currencies and cash)

Performance¹

Statistics Since Inception (July 2020)

Total Return	6.58%
Annualised Return	1.28%
Annualised Volatility	7.36%
Maximum Drawdown	-16.18%



3 Month	YTD	1 Year	3 Year	5 Year
1.99%	-0.11%	0.92%	5.15%	6.58%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	1.75%	-1.19%	-2.59%	-0.71%	2.08%	0.62%							-0.11%
2024	-1.32%	1.43%	1.71%	-1.90%	0.79%	-0.57%	0.97%	0.27%	1.48%	-1.06%	1.15%	-1.75%	1.11%
2023	3.28%	-1.38%	0.03%	-0.58%	-0.92%	0.43%	1.45%	-1.80%	-1.80%	-2.97%	3.44%	3.89%	2.82%
2022	-5.56%	-1.43%	1.69%	-3.24%	-0.21%	-3.70%	3.59%	0.11%	-4.41%	-0.18%	3.47%	-1.10%	-10.87%
2021	-0.10%	-1.55%	0.88%	1.57%	-1.18%	1.86%	-0.40%	2.53%	-2.34%	0.81%	0.29%	-0.45%	1.83%
2020							0.24%	2.26%	2.44%	-0.17%	4.91%	2.82%	13.08%

¹ Performance data is net of all fees

Quarterly Commentary

Across an extremely turbulent quarter, global equities suffered one of the sharpest corrections of recent decades, only to finish at new highs. Among numerous noteworthy events, developments which bookmarked Q2 were arguably the most consequential; Trump’s ‘Liberation Day’ tariffs on April 2nd, and a positive conclusion to the NATO summit on June 25th. With concerns around the US Treasury market moderating – as growth and inflation each cooled slightly in the US – fixed income markets saw small gains across the quarter. Global equities, using the MSCI ACWI, ultimately finished up 4.7% for the quarter but only 0.6% higher for the first half, in sterling terms.

Gold continued higher in US dollar terms, finishing up 6.1% for the quarter, but this translated into a 0.2% decline in sterling. These numbers help to illustrate the ongoing weakness of the greenback in 2025, having lost 10% of its value this year. This represents the worst first half for the US dollar in more than 50 years, despite the Fed staying on hold while other major central banks eased interest rates.

The strategy was up 2% across the second quarter, resulting in flat year-to-date performance. Some of the portfolio’s ‘darkest green’ allocations delivered most strongly for the mandate, despite negative rhetoric around sustainable investing, particularly in the US. Leading contributors included Vontobel Global Environmental Change, Ninety One Global Environment, and recently added Lombard Odier TargetNetZero Europe Equity, introduced to increase European exposure. Emerging market fixed income (see [Featured Fund](#)) has also been additive during the first half.



As part of Affinity Private Wealth’s association with Durrell Wildlife Conservation Trust (DWCT), we have committed to donating a portion of the investment management fees earned in this strategy, managed by APW Investors Limited (APWIL), to DWCT.

Disclaimer: DWCT is a registered charity, and is not involved in any of the activities undertaken by Affinity Private Wealth or APWIL, which is an investment management business regulated by the Jersey Financial Services Commission. DWCT, furthermore, do not endorse or recommend any third party investment strategy and any decision by an investor to invest with APWIL will be exclusively subject to terms between such investor and APWIL. No reliance may be placed on DWCT and no responsibility express or implied will be accepted by DWCT in connection with a decision to invest with APWIL.

Fund Name	Weighting	Description	SFDR ⁵
Aikya Global Emerging Markets	8.0%	High quality, sustainable franchises at attractive valuations	9
BlueBay Impact-Aligned Bond	9.0%	Financing highly sustainable businesses	9
BlueOrchard Emerging Markets Impact Bond	8.0%	Financing sustainable corporations in emerging markets	9
Federated Hermes Sustainable Global Equity	9.0%	Targeting reduced CO2, waste and water footprint	9
HSBC Global Sustainable Long Term Equity	8.0%	Investing in top quality businesses with a credit mindset	9
LO TargetNetZero Europe Equity	5.0%	Investing in climate leaders, avoiding carbon-intensive laggards	8
Ninety One Global Environment	6.0%	Investing in the trend towards decarbonisation	9
PIMCO Climate Bond	9.0%	Investing in the journey to net zero	9
Polar Capital Emerging Market Stars	5.0%	Stock selection driven by people, profits & sustainability	8
T Rowe Price Global Impact Credit	8.0%	Sustainable fixed income with pulleys & levers	9
The Royal Mint Responsibly Sourced Physical Gold ETC	5.0%	Responsibly sourced bullion stored securely in Wales	n/a
Vontobel Global Environmental Change	5.0%	Mitigating climate change & air & water pollution	9
Wellington Global Impact Bond	5.0%	Expanding sustainability through public debt markets	9
Blackrock Sterling Liquidity	8.0%	Money market fund, as an alternative to cash	8
Cash	2.0%	Money waiting to be invested	
OCF: 0.59%² Equity Beta: 0.50³ Yield: 0.93% Bond Duration: 5.10yrs⁴			

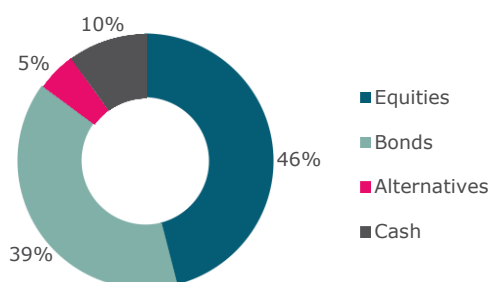
² Weighted ongoing charge figure - not including Affinity fees

⁴ Sensitivity to interest rate changes – applied only to bonds

³ A measure of an investment's sensitivity to global listed equities

⁵ Sustainable Finance Disclosure Regulation – article classification

Asset Class Breakdown



Themes



Featured Fund

BlueOrchard Emerging Markets SDG Impact Bond: is an SFDR article 9 emerging markets impact bond fund, dedicated to generating lasting positive impact for communities and the environment, while also targeting attractive returns. The fund invests in emerging and frontier debt issues which engage or contribute directly towards the UN SDGs. Driven by a UN initiative, BlueOrchard was founded in 2001, as the first commercial manager of global microfinance debt. The company has since evolved into a leading global impact investment manager, investing over \$9bn across more than 90 countries. It is estimated to have helped provide financial and related services to over 230 million low income people.

This fund offers access to a fully liquid, impact investing strategy, supported by a rigorous investment and impact assessment process. The team utilises BlueOrchard's broad network to identify, assess and selectively invest in the most compelling debt instruments, within its investment universe – primarily financial institutions, supranational and sovereigns. In addition to extensive fundamental analysis, each position in the fund is selected on the basis of the firm's proprietary ESG and impact framework, 'B.Impact'.

Contacts



Russell Waite

E: russellwaite@affinitypw.com

T: +44 1534 828482 **M:** +44 7797 741093

Ben Stott

E: bensott@affinitypw.com

T: +44 1534 828483 **M:** +44 7797 727705



www.affinitypw.com

Disclaimer: Affinity Private Wealth is a trading name for APW Investors Limited, which is regulated by the Jersey Financial Services Commission. Registered office 27 Esplanade, St Helier, Jersey, JE4 9XJ. This document is for discussion purposes only and is not an advertisement and does not constitute an offer to sell or a solicitation of an offer to buy shares in any fund. This document has been provided to you in a private and confidential manner and may not be reproduced or disseminated to third parties without APW Investors Limited's prior written consent. Performance represents a combination of model (January 2012 to December 2012) and composite (January 2013-to-date). Composites calculated using recommended Global Investment Performance Standards (GIPS) methodology. Whilst every effort has been made to ensure the accuracy of this data, APW Investors Ltd does not accept any liability for unintentional errors or omissions. APW Investors Limited does not guarantee the performance of any investments. **The price of investments may go up or down and the investor may not get back the amount invested. Your income is not fixed and may fluctuate. Past performance is not a reliable indicator of future results. The value of the investment involving exposure to foreign currencies can be affected by exchange rate movements. We remind you that the levels and bases of, and reliefs from, taxation can change.**