



ESG Review

RBC Brewin Dolphin

Sustainable MPS Balanced

January 2025



Brewin
Dolphin

For professional advisers only

Defaqto Fund Reviews

This document is designed to provide the reader with a quantitative overview of the fund reviewed. The review then goes on to examine information of a more qualitative nature, which has been obtained through an interview process with the fund manager/s.

The qualitative information covers specific areas including the fund manager's philosophy, their people, and the processes they employ. Additional information is also provided on their research capability, the resources they have at their disposal and how they manage risk. All of this information goes towards creating this comprehensive Fund Review.

Defaqto Ratings

Ratings to help advisers and their clients make better informed decisions

The Defaqto experts have created a range of ratings to help advisers find the best product or proposition for their clients.



Show at a glance how a fund or fund family performs in comparison to the rest of the market.



Demonstrate the comprehensiveness of products across a range of areas, from pensions to DFMs.



An overall assessment of service – by advisers for advisers.

Suitability ratings to support compliant advice

Defaqto have created a set of ten Risk Profiles, and four Income Risk Profiles with corresponding ratings to which funds are mapped using a robust process. This helps advisers to evidence suitability for their clients in both the accumulation and decumulation phase:



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Key facts



- A range of portfolios that looks to balance risk/return objectives with sustainable investment.
- A dedicated Fund Research Team maintains an 'SRI buy list,' which contains funds that seek to exclude companies with more than 10% of their revenue from tobacco, controversial weapons, thermal coal, gambling, and adult entertainment; funds that are industry leaders in integrating ESG factors into investment decisions and stewardship activities; and funds that invest in companies which contribute positively and measurably to social and/or environmental challenges.
- This focus on exclusions and positive contribution has led to relatively low controversial exposures throughout the range.

Investment objective

The portfolio aims to maximise returns from income and capital growth from a portfolio of funds which exclude exposure to companies with significant revenue from controversial sectors. Subject to the primary objective, the portfolio seeks exposure to companies that have a positive societal or environmental impact.

Fund information and classification

Launch Date	26 April 2021
Manager	-
Domicile	GBR
Assets	Active
Investment Style	Return Focused
Type	Model Portfolio

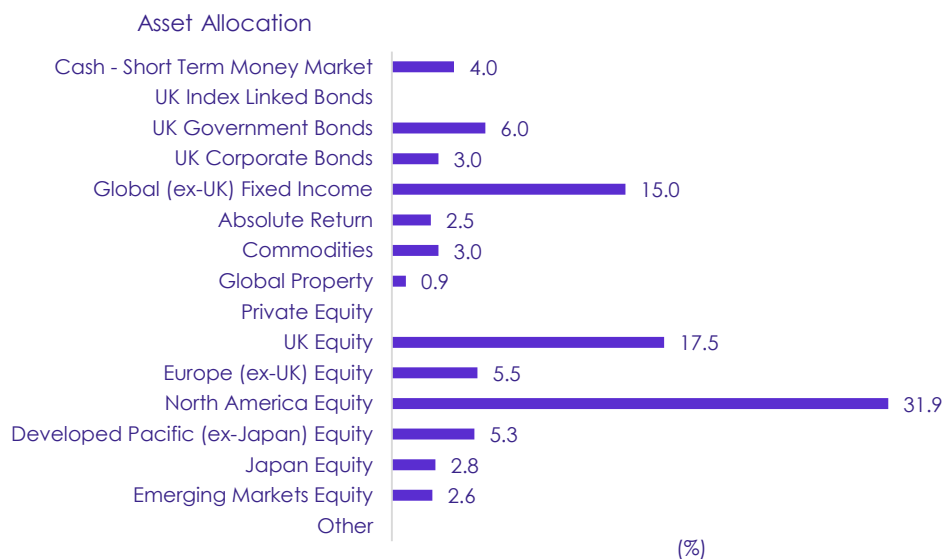
Category	Defaqto Risk Rating 6 Portfolios
Diamond Rating Type	DFM MPS Family
Diamond Rating	Not rated

AUM	£39.4m
Performance Date	31 October 2024
Total Costs	0.99%



Source: Morningstar, 31 October 2024

Asset allocation



Source: Morningstar, 31 October 2024

Top 10 holdings



Name	% of assets
Brown Advisory US Sustainable Growth	10.0%
Stewart Investors Asia Pacific Leaders	7.2%
L&G Global ex UK Inflation Bond	6.5%
L&G All Stocks Gilt Index Trust	6.5%
IFSL Evenlode Income	6.5%
Royal London Sustainable Leaders	6.4%
Robeco Global SDG Credits	6.0%
Schroder Global Sustainable Value	6.0%
Liontrust Sustainable Future US Growth	5.2%
Pictet Global Environmental Op	5.0%

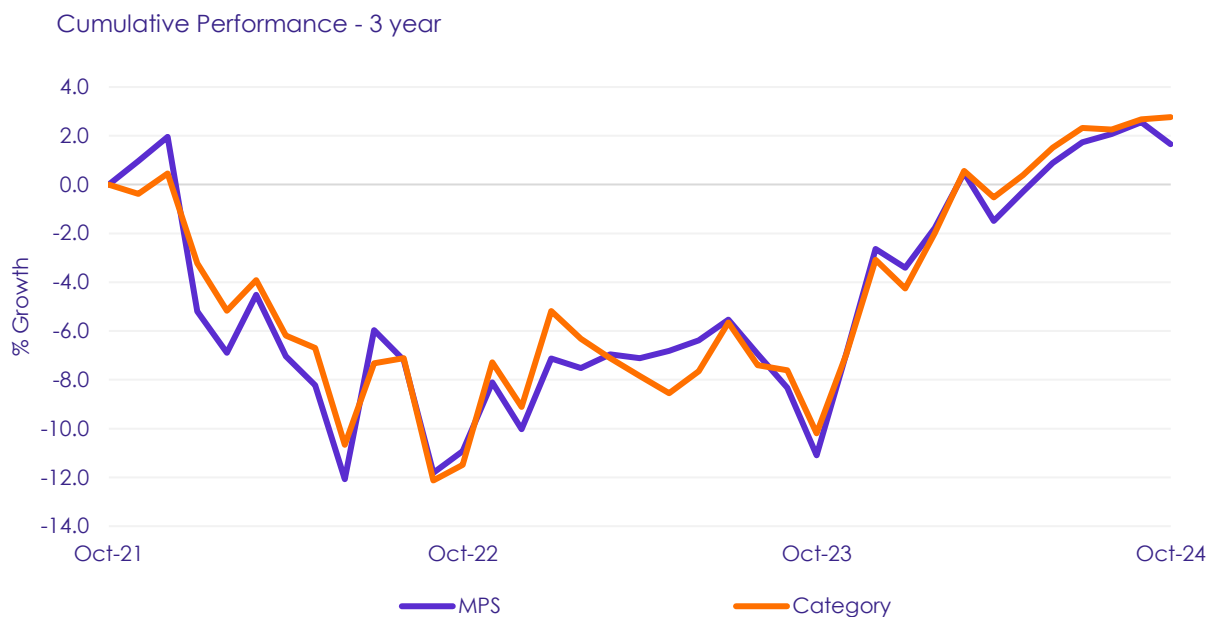
Source: Morningstar, 31 October 2024

Note

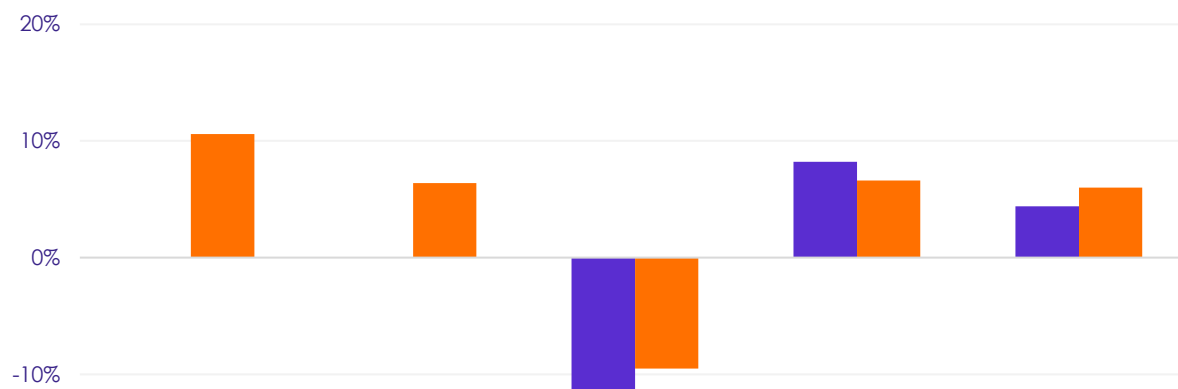
This asset allocation chart is drawn using the 16 asset classes (including 'other') that we use in Defaqto Engage.

This may differ slightly from the asset allocation described by the asset manager, due to various asset class roll-up and mapping variances.

Performance



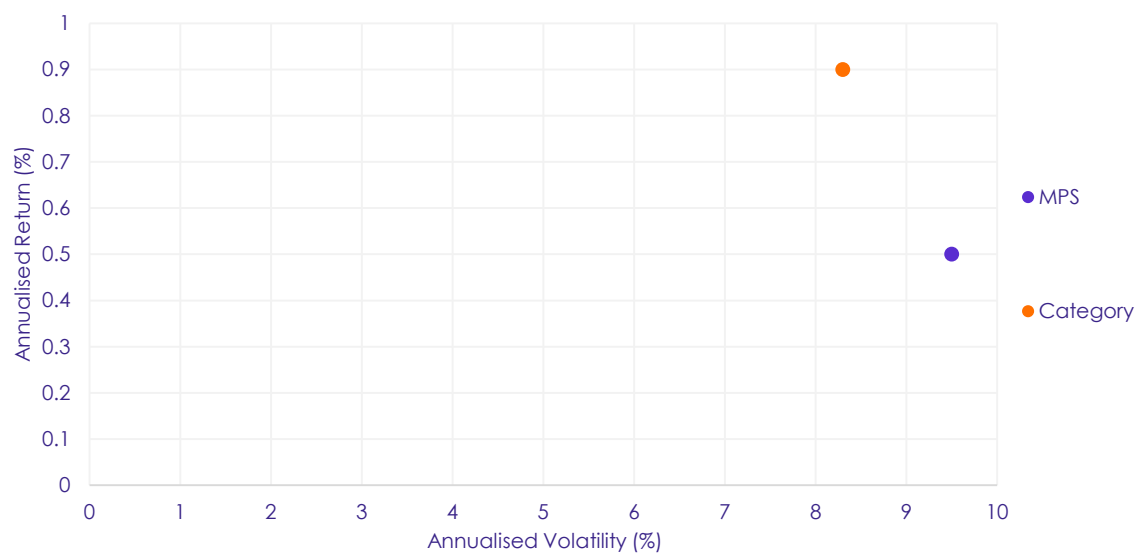
Annual Performance



	2020	2021	2022	2023	2024 to date
■ MPS	0.0%	0.0%	-11.7%	8.2%	4.4%
■ Category	10.6%	6.4%	-9.5%	6.6%	6.0%

Risk

Risk vs Return- 3 year



Source: Morningstar, 31 October 2024

Drawdown

Last 36 Months	
Max Drawdown	-13.8%
Positive Months	20
Negative Months	16
Worst Month	-7.0%

Source: Morningstar, 31 October 2024



RBC Brewin Dolphin's ESG policy

RBC Brewin Dolphin consider themselves a 'good corporate citizen' and a 'responsible business' and state they have sustainability at the heart of their business and their investment decisions. Executive management are responsible for setting and reviewing their responsible investment strategy, which includes a strong focus on stewardship.

At firm level, the research team address ESG issues in due diligence questionnaires for all funds considered for their buy list.

The firm is a signatory to the PRI and UK Stewardship Code 2020. From an environmental perspective, they are a member of Climate Action 100+ and Nature Action 100.

ESG policy and alignment

The RBC Brewin Dolphin Sustainable MPS range offers a portfolio of funds that looks to balance risk/return objectives with sustainable investment. All funds are considered and are initially screened to ensure no holding derives more than 10% of its revenue or sales from 5 controversial areas; tobacco, controversial weapons, thermal coal, gambling and adult entertainment.

RBC Brewin Dolphin (RBC BD) look to invest in funds that they consider to be ESG leaders, using their fund research to satisfy themselves that the fund managers are doing what they say they do and that there is no 'greenwashing' taking place. They analyse the active ownership policy of fund managers to verify they have

thorough and proactive engagement on ESG topics. Investment in funds holding positive environmental or social impact is also favoured.

Exclusions: Yes

Resources

The team responsible for the Sustainable MPS range is split into two distinct areas. The first is the Fund Research Team, who are responsible for researching the funds and creating the 'SRI Buy List'. The Fund Research Team numbers six and they initially screen funds at sector level using both Morningstar Sustainalytics and Moody's ESG. Further internal research is then performed on the funds before a meeting with the manager is arranged.

forums that have input into and oversight of the overall process, including the Sustainable Investment Advisory Group, the Fund and Model Committee, the MPS Investment Committee and the Asset Allocation Committee.

The Central Investment Solutions Team is responsible for managing the asset allocation and choosing which funds from the 'SRI Buy List' to invest in. There are various internal

Engagement with corporates and/or funds

RBC BD continually assess the funds they invest in. There is an 'SRI Buy List' from which the portfolio managers can select. Every fund on the buy list is reviewed on an ongoing basis to ensure that it still meets RBC BD's exclusion policies and that the fund manager is doing what they say they are doing.

RBC BD meet formally with each fund manager at least once per year, but typically more frequently. Meetings between the RBC BD team and the fund manager tend to concentrate on any controversial areas. They also ensure they meet with any extended part of the team, for instance designated ESG team members.

ESG factors

Environmental

Less than 1%	Between 1% and 10%	More than 10%
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Environmental Exposures	Product Involvement
Fossil Fuel	1.5%
GMO	-
Nuclear	1.1%
Oil Sands Extraction	-
Palm Oil	-
Pesticides	-
Thermal Coal	0.2%

The main environmental exposure of note is to fossil fuels. However, at the time of review, this predominantly came from the portfolio's underlying holdings in the Trium ESG Emissions Improvers Fund and the Ninety One Global Environment Fund. In both cases, the funds also have high exposure to carbon solutions and are invested in companies transitioning to cleaner forms of energy.

On a similar note, the underlying fund with the highest nuclear exposure is Ninety One Global Environment, which invests in energy companies using nuclear as a form of renewable energy.

Source: Based on availability of Morningstar ESG data as at 31 October 2024

Social

Social Exposures	Product Involvement
Adult Entertainment	-
Alcohol	0.8%
Animal Testing	14.6%
Controversial Weapons	-
Fur and Specialty Leather	-
Gambling	-
Military Contracting	0.6%
Small Arms	-
Tobacco	-

The only social exposure of note is to animal testing. However, this is a common feature of ESG focused portfolios, given the exposure to the healthcare industry, which often carries a legal requirement to test new medicines on animals.

Source: Based on availability of Morningstar ESG data as at 31 October 2024

Governance

RBC BD initially screen funds using Morningstar Sustainalytics and Moody's ESG before meeting with the fund managers. RBC BD state that these meetings often concentrate on any controversial areas that have been flagged during their research and they will challenge the fund manager if necessary.

Once investment has been made into a fund, fund holdings have to be disclosed to RBC BD on a monthly basis and they will have, at the very least, an annual face to face meeting with the fund manager. On a biweekly basis, RBC BD monitor alignment to their exclusionary policy with any conflict being flagged immediately to the

fund manager. In the absence of a successful resolution, the fund will be removed from the 'buy list' and RBC BD will divest as soon as practicable.

Additionally, RBC BD perform a screen using Sustainalytics and Moody's ESG for any controversies in the underlying holdings. Where a significant controversy is identified, RBC BD will engage with the fund manager to understand their perspective.

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