SUSTAINABILITY REPORT 2020

FOREWORD

The coronavirus pandemic has shone a light on people's incredible capacity for caring and kindness. If we can apply those qualities to the fight for a more sustainable world with the same vigour, we can seek to ensure a bright future for ourselves and those who come after us.

At Coutts, we've already made great strides in achieving better, sustainable practices – not least by ensuring we invest with purpose and integrity. But we want our work on this to be game changing.

PETER FLAVEL
Chief Executive Officer, Coutts

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MOHAMMAD KAMAL SYED
Head of Asset Management, Coutts

LESLIE GENT
Head of Responsible Investing, Asset Management, Coutts

TAKING RESPONSIBILITY

At Coutts, we invest with purpose and integrity, and with a keen focus on sustainability. And in the first of our annual sustainability reports, we show you how.

We do it a little differently to many other investment houses. Others tackle it by providing one ethical investment product. But we embed this thinking across our entire investment process and offering for all our clients.

So those who invest with us choose to fight against climate change, promote diversity and establish good working conditions for all.

And crucially, it doesn't cost you a penny more.

It's extremely important that we do this well. It's not enough to simply sit back and do nothing to make it worse. We all have to do something tangible. Defeating climate change, for example, isn't about what we believe, it's about what we do.

Inaction is not an option. Only action will lead to a sustainable future.

At a climate change event we hosted for clients last year, broadcaster Sir David Attenborough told the audience the levers that needed pressing lay with them. He's right. As our client, you have the power and influence to effect much-needed change.

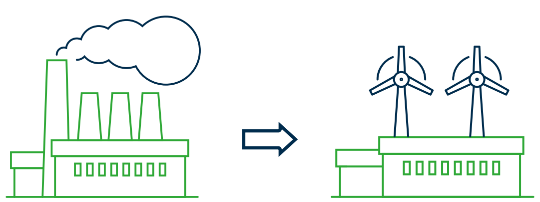
And as your indispensable partner, it's vital that we help you.

FIVE REASONS TO BE RESPONSIBLE

We all know having a sustainable and responsible approach to investing is important because it can build a better world – and who doesn't want that? But here are five more specific reasons to get behind it.

1

YOU CAN HELP DISRUPT INDUSTRIES FOR THE BETTER



Companies across the globe are making very real, very positive changes as a result of investor engagement. For example, Climate Action 100+, an initiative we participate in which aims to reduce corporate greenhouse gas emissions, helped achieve the following:

◊

Nestlé committed to net zero emissions by 2050

◊

Volkswagen committed to become 'climate neutral' by 2050 and to launch nearly 790 electric vehicle models by 2028

◊

Rio Tinto stopped mining coal and committed to an asset-by-asset review to set emission reduction targets

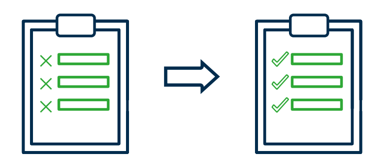
2

YOU CAN SUPPORT INVESTMENT IN RESPONSIBLE COMPANIES

Any major change in society can lead to opportunities for investors. At Coutts, we're always looking for cases where positive environmental, social and governance (ESG) characteristics form part of a company's investment case. An example is a US industrial gases company we recently bought shares in that provides technology to enable cleaner energy solutions in the Middle East and China. These activities dramatically improved the company's profitability, helping drive annual earnings per share growth of 13% over the last five years.

3

WE CAN ADAPT QUICKLY WHEN THE RULES CHANGE



With these issues discussed everywhere from Westminster to the World Economic Forum, it's only a matter of time before regulators start formalising rules to ensure businesses do what's required. So far, there's been a lot of 'carrot' and not much 'stick'.

At Coutts we believe we will be well placed if regulators harden their stance. We've set ambitious targets on the carbon emissions of our portfolios and funds – a 25% reduction in our equity holdings by the end of 2021 and a 50% reduction in our overall holdings by 2030 – and were awarded the highest possible rank for our responsible investing activities by the Financial Reporting Council at their last review in September 2017.

4

IT HELPS YOU PRESERVE YOUR WEALTH FOR THE LONG TERM

Numerous studies show a strong link between responsible investing and investment performance. Research by Morningstar shows that equity funds with the highest ESG scores outperformed funds with low scores by about 9% in 2019, when markets were positive. But they also outperformed by the same amount in the first three months of 2020, when conditions were less positive due to the COVID-19 related sell-off. This makes perfect sense, because businesses that take it seriously can reduce risk and maximise opportunities by coming up with new, much-needed ways to do things. And it can all have a positive effect on the share price.

5

YOU CAN TAKE COMFORT IN KNOWING WE CARE ABOUT THE FUTURE

We have a long history of banking families for generations. Everything we do for our clients, from helping them invest to supporting their wider financial planning needs, is designed to help them and their children prosper now and well into the future. We understand that preserving and growing our clients' wealth is not enough – we also need to help create a better future for them to enjoy that wealth in.

WHAT IS ESG?

A HANDY GLOSSARY OF SOME KEY RESPONSIBLE INVESTING TERMS AND ORGANISATIONS

ESG

Stands for Environmental, Social and Governance – the three key categories that investors use to classify the topics they address to create a sustainable future.

Here's what each one means:

ENVIRONMENTAL

The impact a company has on the environment. This includes carbon emissions, deforestation, water usage and packaging.

SOCIAL

The impact a company has on society. This includes how it treats its staff, making sure supply chains avoid unethical labour practices, and the health impact of its products.

GOVERNANCE

The impact a company has on the business environment. This includes its accounting practices, how it negotiates with suppliers, its attitude to diversity and how it contributes to a fair and stable market environment.

SUSTAINABILITY

This means achieving today's goals without compromising the ability of future generations to do the same. In an investing context, it means striving to provide financial returns today without negatively impacting the environment and society over the longer term.

PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)

The world's leading organisation on responsible investing, the PRI encourages investors to use responsible investment to enhance returns and better manage risks. It is an independent body that's supported by the United Nations.

CLIMATE ACTION 100+

A global body, run by five leading environmental organisations, with the world's biggest corporate greenhouse gas emitters firmly in its sights. It works with investors to ensure the relevant companies take appropriate action to tackle climate change.

THE UK STEWARDSHIP CODE

Created by the Financial Reporting Council, the code aims to enhance engagement between investors and companies.

CARBON INTENSITY

Standard measure of how much carbon a company emits per million dollars of revenue.

LOW CARBON ECONOMY

An economy that sees the energy businesses need to operate generated from renewable, sustainable sources such as wind, water and solar power.

PARIS AGREEMENT

A United Nations agreement – also known as COP 21 – which sets out an action plan to limit global warming to well below 2° Celsius.

OUR JOURNEY OF RESPONSIBILITY

COUTTS SUSTAINABILITY MILESTONES PAST, PRESENT AND FUTURE

We have a strong track record on responsible investing and a clear plan of action for the future.

OUR TRACK RECORD AND TARGETS

THE BEGINNING

2010
We start managing ethical portfolios to reflect client values

2011
We start using software to improve our ethical screening

2016
First Coutts Responsible Investment Policy introduced

We appoint EOS at Federated Hermes to support voting and engagement

Coutts Responsible Investment Forum established

ESG factors integrated into our investment decision-making

2017
We achieve the top, tier 1 rating for our Statement of Compliance with the UK Stewardship Code

2018
We sign up to the United Nations Principles for Responsible Investment

2019
We join carbon-cutting body Climate Action 100+

Our responsible investing work achieves strong scores in UN-backed, independent assessment

We vote against the management of companies we invest in at 42% of meetings

Sir David Attenborough speaks at climate change event we host for our clients

2020
We reduce carbon emissions in our Coutts Invest funds by 23% on average

We exclude four key areas from our direct investments*:

Thermal coal extraction

Thermal coal energy generation

Tar sands

Arctic oil and gas exploration

Climate change action plan issued in line with Task Force on Climate-Related Financial Disclosures

THE FUTURE

2021
INVESTMENT TARGET: Reduce our carbon emissions by 25% by end of 2021**

2025
BUSINESS TARGET: Our business operations go beyond net zero carbon emissions and help remove CO_2 from the atmosphere - ahead of government's ambition of net zero emissions by 2050

2030
INVESTMENT TARGET: Reduce our carbon emissions by 50% by end of 2030**

* To help us achieve our 2021 and 2030 ambitions
** Carbon emissions reduction relates to carbon intensity, the standard measure of how much carbon a company emits per million dollars of revenue.

BEHIND THE SCENES

HOW COUTTS AND OUR CLIENTS ARE MAKING A DIFFERENCE

Our ambition to invest with purpose and integrity to achieve sustainable returns feeds directly into how we decide where to invest on your behalf. Here's how it works...

STAGE ONE: CONSIDERED DECISIONS

LET'S BE DIRECT

We work with independent organisations like Sustainalytics, a world leader in gathering ESG information, to assess the relevant risks and opportunities a company presents before we decide whether to invest in it directly. The information comes in three categories:

- unmanaged ESG risks – how much risk related to ESG the company is exposed to and how well they're managing it. Example: an oil company is exposed to the risk of environmental damage, perhaps bribery because of the areas it operates in, and the safety of its people.
- controversies – they scan around 60,000 data sources for ESG news on the company, looking for anything that has caused severe environmental, reputational, legal or regulatory damage. Example: staying with our oil company, an oil spill or fine from an environmental regulator
- United Nations' principles – has the company signed up to the 10 principles of the UN Global Compact, which cover human rights, labour rights, the environment and ethics?

WHAT'S THE SCORE?

We combine all this information and data into our Coutts equity score. This helps us decide whether or not to invest.

"Getting a poor ESG score doesn't necessarily prevent a company from reaching our portfolios, but it makes it much less likely."

HOWARD SPARKS, SENIOR EQUITY SPECIALIST

FUND-AMENTAL

We work with the world's best-in-class specialist fund managers, who invest in a number of companies on our behalf, and make up a significant proportion of our client portfolios. When selecting these funds, our thorough analysis of them – their investment process and performance, and any risks – includes assessing their approach to responsible investing.

We do this by sending them a responsible investing questionnaire, which asks them to go into detail on their policies, pledges and principles regarding responsible investment. It includes checking if:

- their investment decisions are in line with the commitments of the Paris Agreement (COP 21) to limit global warming to well below 2° Celsius
- they have signed up to the Principles of Responsible Investment, the world's top responsible investing body
- they vote at the annual general meetings (AGMs) of the companies they invest in. And if they do, what's their voting record?

As with our direct investments, we have a scoring system for our funds, and their record on responsible investing contributes to their final score.

STAGE TWO: GETTING ENGAGED

We don't just stop thinking about the impact our investments have on the world once we've chosen which firms and funds to invest in.

With the companies we invest in directly, we regularly take a long, hard look at how they operate and use our power as shareholders to pressure them to do more.

We do this with EOS at Federated Hermes, which engages with companies on behalf of investors to encourage responsible behaviour. EOS represents investors in 14 countries with over £850 billion in assets under advice (as at 31 March 2020).

As shareholders, we also vote at AGMs using guidance from EOS to influence a company into doing the right things. In Q2 2019, a period during which most AGMs take place, we voted against management at almost 60% of them. This was largely on board, structure and pay issues.

With funds, we review progress through regular reports and face-to-face, annual reviews. We also ask them to update our responsible investing questionnaire every year.

"Even though we like the companies we have in our portfolios, we're not afraid to go against their management when we think it's the right thing to do."

HOWARD SPARKS, SENIOR EQUITY SPECIALIST

"We look for actionable outcomes from every company and fund we invest in. With so much at stake, we need to be change makers on this, not change followers, even if that involves making hard choices."

MOHAMMAD KAMAL SYED,
HEAD OF ASSET MANAGEMENT

We don't just stop thinking about the impact our investments have on the world once we've chosen which firms and funds to invest in.

STAGE THREE: ONGOING IMPROVEMENT

We're working with independent consultants Vivid Economics to develop a model of how our investments should look under different global warming scenarios.

This should help us ensure our portfolios and funds are well-prepared for the future.

We work with leading ESG groups to improve the world we live in. For example, our work with Climate Action 100+ contributes to ensuring the world's biggest corporate greenhouse gas emitters take appropriate action to tackle climate change.

We work closely with the Coutts Client Council, a group of clients we consult to ensure we're providing the best service possible, in line with their priorities and concerns around responsible investing.

"We're committed to continually improving how we do this to ensure we're making the biggest possible difference. Our clients deserve nothing less. This involves reviewing our overall process at least every two years."

LESLIE GENT, HEAD OF RESPONSIBLE INVESTING, ASSET MANAGEMENT

TAKING A STAND ON COAL

COUTTS NO LONGER INVESTS IN COMPANIES OVERLY INVOLVED IN CLIMATE-HARMING, COAL-RELATED ACTIVITIES

After extensive research, we chose four key areas to exclude when deciding which businesses to invest in directly.

We did this because it helps protect the planet but also because, as support for coal-based activity dwindles, companies that adopt it will come under increased pressure.

Already, as of September 2019, more than 1,110 institutions have pledged to divest from fossil fuels, according to 350.org.

So where we invest directly, we exclude. And where we don't have as much control, for instance with external fund managers, we influence.

Here are the areas forming the basis of our exclusions. We will review these topics at least once a year.

THERMAL COAL EXTRACTION AND THERMAL COAL ENERGY GENERATION

Thermal coal, which is coal burnt in power stations to generate electricity, creates some of the highest levels of CO_2 emissions compared to the energy it produces. There is growing agreement among scientists that, to limit global warming to well below 2° Celsius, a drastic phase-out of thermal coal is vital.

We exclude any company that derives more than 5% of its revenue from thermal coal extraction, and more than 25% from thermal coal energy generation.

TAR SANDS

Tar sands are a mixture of clay, sand, water and bitumen that are mined and refined into oil. But extraction is significantly less efficient and more damaging to the environment than it is with liquid oil. Crude oil from tar sands emits 14-20% more greenhouse gases than conventional oil.

We exclude any company that derives more than 5% of its revenue from involvement in tar sands.

ARCTIC OIL AND GAS EXPLORATION

We believe that exploration of the Arctic is inherently unsustainable. Extreme conditions and the high degree of unpredictability increase the danger of irreparable damage to the planet's ecosystem.

We exclude any company that derives more than 5% of its revenue from Arctic oil and gas exploration.

"Excluding these activities from our direct holdings is the smart thing to do as well as the sustainable thing to do. We want to minimise our exposure to anything that's inherently unsustainable because we believe the growing push to protect the environment will ultimately impact the value of the companies involved. As long-term investors, it's vital we consider such long-term risks."

LESLIE GENT, HEAD OF RESPONSIBLE INVESTING, ASSET MANAGEMENT

WHERE ARE THE GROWTH AREAS?

JUST SOME OF THE SECTORS INVESTORS ARE WATCHING CLOSELY

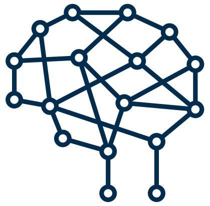
From plug-in planes to plant-based food, we make it our business to know the growth areas as the world becomes more responsible

Any major change in how the world works creates opportunity and risk for investors. And ESG matters are no different. Clear leaders will emerge from the 'responsible revolution'.

The issues involved – particularly those relating to the environment – have become so important to the planet and its people that they're increasingly fundamental to the long-term value of a firm, if not an entire sector.

Here are just five areas investors are watching closely as the world becomes more responsible.

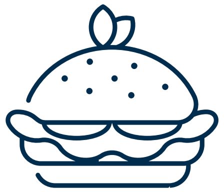
ARTIFICIAL INTELLIGENCE



AI and 'machine learning' are the future. That's nothing new. But they could also help preserve the future. Their ability to process the huge amounts of data now available to companies will prove invaluable. A paper published last year by some of the biggest brains in this area, from the likes of Stanford University and Microsoft Research, suggested a myriad ways in which it could make a material difference to climate change. These include cutting down transport while improving vehicle efficiency, carbon dioxide removal and low-carbon electricity.

It's clear that businesses see its value as well. An Intel study last year of more than 200 'business decision-makers working in environmental sustainability' found that 74% of them thought AI would help solve long-standing environmental challenges.

PLANT-BASED MEAT



Online interest in 'veganism' increased seven-fold between 2014 and 2019, according to The Vegan Society. And plant-based food could have an important role to play in protecting the environment.

In the US alone, red meat and dairy production accounts for almost half the greenhouse gas emissions associated with the country's food supply chain, according to the Johns Hopkins Center for a Livable Future. Meanwhile, a University of Michigan study into the 'Beyond Burger' – a plant-based patty created by the company Beyond Meat – found that it used 90% fewer greenhouse gases than a traditional beef burger, 93% less land and 99% less water.

"While only time will tell where the real ESG-related growth areas will be, the facts point towards certain areas that could potentially evolve further as the world continues to take it more seriously."

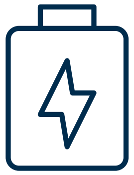
VINOD NEHRA, INVESTMENT STRATEGY

PLUG-IN PLANES

Electricity is increasingly powering our journeys short and long. While electric trains are nothing new, the popularity of electric cars has sky-rocketed. The number of electric passenger cars passed the five million mark in 2018 – a massive 63% rise on the previous year, according to the International Energy Agency.

Another area growing rapidly is Hybrid Electric Aviation, which sees aircraft propelled by kerosene and an electric battery. The global aviation industry accounts for around 2% of all human-created carbon dioxide emissions, according to the Air Transport Action Group. And with global air traffic expected to double by 2037, according to Airports Council International, this is clearly an area to address in terms of cutting those emissions.

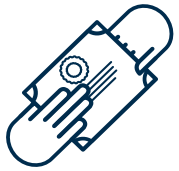
RENEWABLE ENERGY



Probably the most obvious example of a growing area is renewable energy. It has been growing gradually for years, achieved the highest growth rate of any energy source in 2017, according to the International Energy Agency, and has gone from strength to strength ever since. This is largely because of reduced costs, technological advances – such as battery storage and electric vehicles – changes in regulation and, of course, public demand.

Fossil fuels, meanwhile, are falling out of favour. Environmental organisation 350.org says over 1,110 institutions with assets totalling $11 trillion have pledged to divest from fossil fuels, as of September 2019. At Coutts, we've introduced our own exclusions in that area.

GREEN BONDS



On the bond side of the investment markets, so-called 'green bonds' are a massively expanding area. For such a bond to be included in the Climate Bond Initiative's (CBI's) database, at least 95% of the proceeds must be dedicated to green assets or projects aligned with specific, climate-friendly criteria. In the first half of 2019, those bonds were up 48% year-on-year in terms of value, reaching a total of $118 billion. To take just one example of their increasing popularity, sports car giant Porsche recently announced its intention to offer more green debt, appropriately enough to back its €6 billion investment in electric cars.

LINKS TO INFORMATION

Renewable energy saw the highest growth rate of any energy source in 2017, according to the International Energy Agency **http://www.iea.org/publications/freepublications/publication/GECO2017.pdf** Green bonds: **(https://www.climatebonds.net/files/reports/h1_2019_highlights_final.pdf)** Johns Hopkins research on meat|: **http://www.foodsystemprimer.org/food-production/food-and-climate-change/index.html** University of Michigan Beyond Burger study: **http://css.umich.edu/publication/beyond-meats-beyond-burger-life-cycle-assessment-detailed-comparison-between-plant-based** Intel AI study: **https://software.intel.com/en-us/articles/how-ai-is-helping-us-better-understand-the-environment** AI academic paper: **https://arxiv.org/pdf/1906.05433.pdf**

SAVING THE WORLD, ONE SCALLOP AT A TIME

HOW A TRIP TO THE CANADIAN ARCTIC SPARKED A PASSION FOR PROTECTING THE ENVIRONMENT FOR COUTTS CLIENT HARVEY JONES

If you want to save life on earth, get yourself a piece of the earth and save the life on it. That's the most effective investment you can make in sustainability.

When Harvey Jones left the business he built from scratch – online cycle shop Wiggle – he needed time to figure out his new purpose in life. So he took a trip. But never one for the traditional, he didn't buy a plane ticket and seek out some sun. He bought a boat and sailed to the Arctic. For a year.

And while he didn't quite have the epiphany he was hoping for – "I thought I'd discover lots of wisdom and the next phase of my life would become clear" – it ultimately led the 55-year-old to his next mission in life: environmental conservation.

We find out how he got started, how he thinks others can make a difference, and how he set up Europe's first sustainable scallop farm.

Q **What did you see on your trip that led to your passion for protecting the planet?**

A Vessels in the Canadian Arctic can go 50 miles from their village. So up to 50 miles away you see no sea life – they've killed everything for food or raw materials. But you go 60 miles out and you see whales, seals and lots of other creatures.

It really made me realise that man basically hunts everything. If it can move, man kills it. That, along with a love of nature I've had since growing up in the country, inspired me to do something for what I see as the real victim of what we're doing to the planet – wildlife.

When I returned home I thought, 'I've learnt a lot in business, perhaps I can put all that to some use for conservation?'

Q **What did you do next?**

A At first I worked for various charities on an ad hoc basis, bringing my business experience to bear to try and help them work out their strategy, their tactics, their USP and so on.

Then I founded the Pig Shed Trust when we finally sold Wiggle in 2012. We work mainly in marine conservation but also with the Hampshire and Isle of Wight Wildlife Trust on various conservation projects. I put a chunk of money into it, and I wanted to be hands on and absolutely sure it was going to do some good. I didn't mind at all giving my money away, but I'd be damned if I was going to throw it away.

The philanthropy team at Coutts was brilliant. They were very effective in putting me in touch with the right people who were important in terms of getting things off the ground. They really picked up the baton for me and are still running with it.

Q **What's your advice to people who want to do more for the environment?**

A If you want to save life on Earth, get yourself a piece of the earth and save the life on it. That's the most effective investment you can make in sustainability.

We can afford to put some land aside for wildlife. There is not one single person on this planet who's hungry because there is a lack of food. There is plenty to eat, but somewhere, somebody has decided not to distribute it fairly.


Sustainability

That means we don't have to farm every square inch of land. The situation will not improve if we add more food, just if we add more equality. The biodiversity crisis will not correct itself unless we take active measures – measures that might hurt our wealth, but that's a moral choice.

Q Should people do more?

A Well, yes, of course. But you've got to ask, 'what is it reasonable to expect people to do?'

The environmental movement appears to constantly expect relatively unengaged people to be experts in this stuff. If you're buying, say, cod from your local supermarket, there are many, many different kinds and they're all caught in many different ways, some sustainable, some less so. And you're supposed to have an opinion on this when you're deciding what to buy.

More broadly, you shouldn't wait to do something 'perfect' – that's impossible. You can't do everything, but you should do something. That something might involve compromises, but if it's focused on achieving something beneficial that's got to be a good thing.

Q How is your scallop farm making a difference?

A The action of ploughing the seabed to gather scallops is destroying the underwater environment. And scallop dredging is going on all around the coast of Britain because it's extremely lucrative.

We thought, 'what if we created a fishery for scallops, where we could grow and harvest them without having to dredge the seabed?' It would at least go some way to easing the destruction.

So we set up the scallop farm in Torbay with nets to contain them, but ensured that plankton, which they eat, could still flow through, and that other creatures could exist there. It's a fully functional eco-system with dolphins and sharks dropping by for lunch.

It's going to take time to develop further, but it could transform the industry.

Q What do you think about responsible investing?

A What Coutts is doing is good because it's carrying out the research into the companies they invest in for their clients, and taking out the worst of the market through exclusions.

It's a bit like the fish in the supermarket. Investors can't be expected to be experts in the ethics of every single business they put their money into. And it's not unreasonable for people to invest in something that's legally listed on the stock exchange. But if banks like Coutts are doing the heavy lifting on their behalf, that helps.

It's worth remembering though that ethical investing is a great place to start but a terrible place to stop. While it's important to invest for change, it's not the be all and end all.

THE SKULL OF A WILD COW THAT BECAME EXTINCT IN THE 17TH CENTURY, WHICH HANGS IN HARVEY'S HOUSE. THESE ANCESTORS OF DOMESTICATED CATTLE USED TO CREATE OPEN SPACES THAT BENEFITTED MANY OTHER CREATURES.

INVESTMENT PERFORMANCE

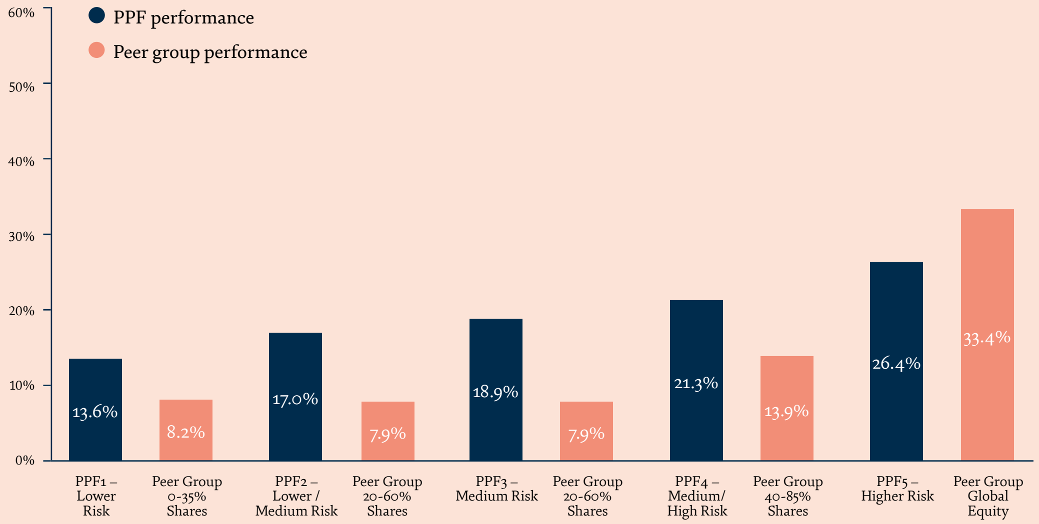
NAVIGATING THE CORONAVIRUS ECONOMY

After starting 2020 on a high, the coronavirus pandemic gave markets a big shock. Our investment philosophy, robust research and active management provided a degree of shelter – as we focused on diversification and high quality, sustainable companies. We also reduced our equity exposure and added to cash reserves to cushion portfolios and funds from the worst of the falls. As a result, we achieved better outcomes than markets in general.

COUTTS INVEST - PERFORMANCE SINCE INCEPTION (JUNE 2016)

Coutts Invest is based on our five Personal Portfolio Funds, designed to match different risk appetites. These funds invest in the Coutts investment view through passive index funds, and provide cost-effective and simple exposure to our investment expertise.

The minimum investment in the PPF funds is £500 without advice or from £250,000 on an advisory basis.

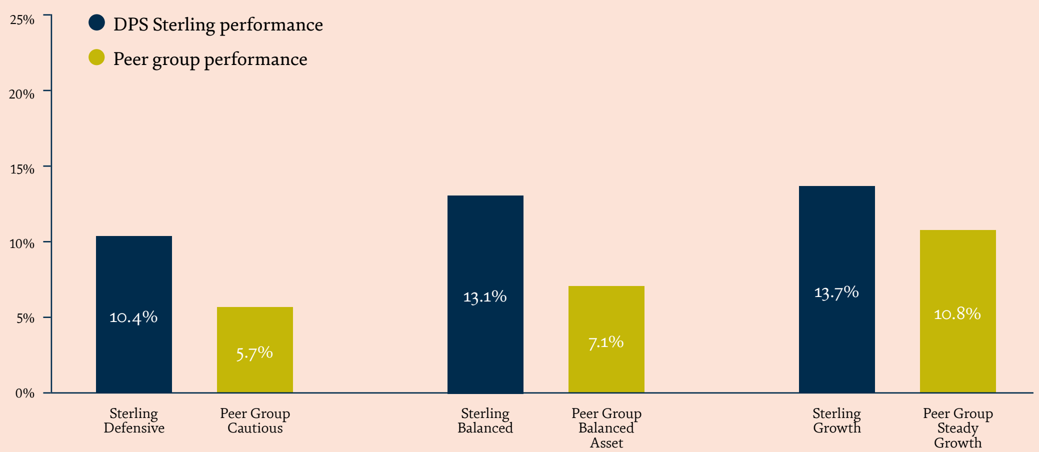


Cumulative returns from 1 June 2016 to end of March 2020 calculated on sterling basis, including income compared to relevant Investment Association peer group sector. This graph shows a very isolated period of past performance. For further context of historic performance, please refer to the rolling 12-month performance presented on page 38. Source: Eikon/ Datastream, Morningstar, Coutts & Co.

DISCRETIONARY PORTFOLIO SERVICE (DPS) - FIVE-YEAR PERFORMANCE

Our portfolio service aims to deliver attractive long-term returns through investing in a broad range of assets including bonds, active and passive funds, direct equities and alternative assets.

DPS is an advised service with a minimum investment amount of £1m.



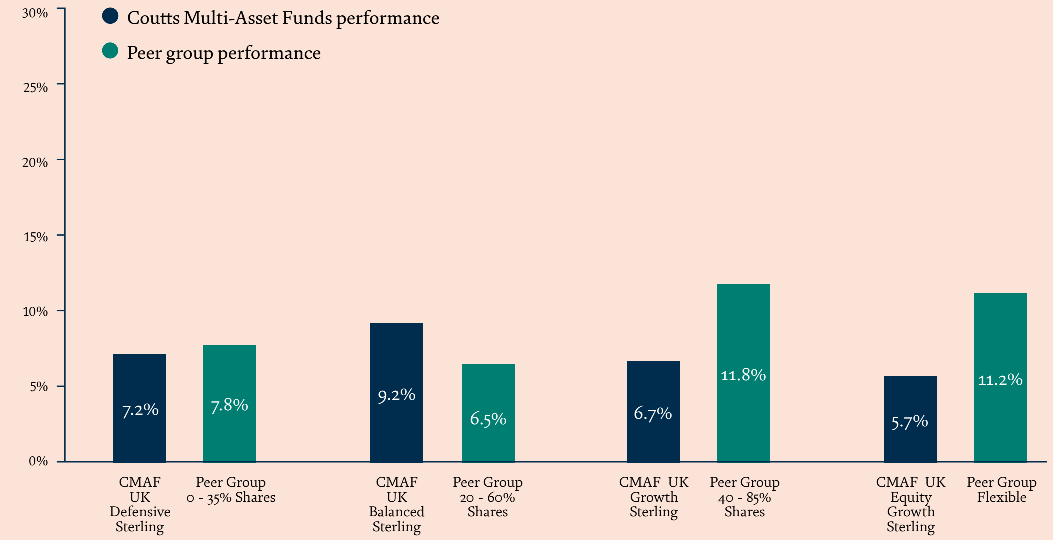
Cumulative returns over five years to end of March 2020, calculated on a sterling basis, including fees and income. Performance figures are composite returns from the actual portfolios of all clients. For the composite performance calculation, individual portfolio monthly returns are asset-weighted based on their respective asset values at the beginning of the month. ARC peer group data represents consolidated performance of similar investment strategies sourced from over 50 discretionary private client portfolio managers. This graph shows a very isolated period of past performance. For further context of historic performance over the last five years, please refer to the rolling 12-month performance presented on page 38. Source: Asset Risk Consultants, Coutts & Co.

COUTTS MULTI-ASSET FUNDS (CMAF) – FIVE-YEAR PERFORMANCE

A range of unitised funds that invest in the Coutts investment view through a mix of passive and actively managed third-party funds and individual securities.

The minimum investment in CMAF is £10,000 without advice and from £250,000 on an advisory basis.

Sterling funds



Cumulative returns over five years to end of March 2020, including income. Sterling CMAF compared to relevant Investment Association peer group sector. This graph shows a very isolated period of past performance. For further context of historic performance over the last five years, please refer to the rolling 12-month performance presented on page 38. Source: Eikon/Datastream, Morningstar, Coutts & Co.

Past performance should not be taken as a guide to future performance. The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your original investment.

Coutts UK Multi-Asset Funds	March 2015 to 2016	March 2016 to 2017	March 2017 to 2018	March 2018 to 2019	March 2019 to 2020	Three year 2017 to 2020	Five year 2015 to 2020
Defensive	-4.0%	11.3%	1.0%	1.6%	-2.2%	0.3%	7.2%
Balanced	-5.9%	16.3%	1.9%	2.8%	-4.8%	-0.2%	9.2%
Growth	-6.7%	20.2%	2.0%	3.2%	-9.7%	-4.9%	6.7%
Equity Growth	-7.4%	23.5%	1.9%	4.7%	-13.3%	-7.5%	5.7%

Discretionary Portfolio Service	March 2015 to 2016	March 2016 to 2017	March 2017 to 2018	March 2018 to 2019	March 2019 to 2020	Three year 2017 to 2020	Five year 2015 to 2020
Defensive Strategy Composite	-0.7%	9.2%	1.8%	1.7%	-1.6%	1.9%	10.4%
Balanced Strategy Composite	-2.6%	15.3%	2.7%	2.8%	-4.6%	0.7%	13.1%
Growth Strategy Composite	-4.2%	21.4%	3.3%	4.1%	-9.0%	-2.2%	13.7%

Coutts Invest (Personal Portfolio Funds)	March 2015 to 2016	March 2016 to 2017	March 2017 to 2018	March 2018 to 2019	March 2019 to 2020	Three year 2017 to 2020	Five year 2015 to 2020
PPF 1 Lower Risk	n/a	n/a	0.2%	3.6%	-0.1%	3.7%	-
PPF 2 Lower / Medium Risk	n/a	n/a	0.8%	4.7%	-2.6%	2.9%	-
PPF 3 Medium Risk	n/a	n/a	1.4%	5.4%	-5.3%	1.2%	-
PPF 4 Medium / Higher Risk	n/a	n/a	2.0%	6.3%	-8.3%	-0.5%	-
PPF 5 Higher Risk	n/a	n/a	2.7%	7.4%	-10.4%	-1.1%	-

Note: All returns are net of fees and charges
Source: Coutts & Co., Thomson Datastream
Personal Portfolio Fund 5-year performance not available as the funds launched 1 June 2016

Past performance should not be taken as a guide to future performance. The value of investments, and the income from them, can go down as well as up, and you may not recover the amount of your original investment.

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