



# SOCIAL IMPACT PORTFOLIO

## BECKETT ASSET MANAGEMENT LIMITED

Jan 2021

RISK PROFILE 4 | INCEPTION DEC. 2015

### DESCRIPTION

This portfolio seeks to achieve long-term capital growth through investments in the Blenheim Ethical Opportunities fund.

The Ethical Opportunities fund invests in assets across multiple asset classes which are considered by the Investment Manager to be ethical investment choices.

The portfolio is managed on a discretionary basis.

Investors should be prepared to accept a cautious to medium level of investment risk. (5 years plus). There are the typical risks you would experience by investing in any risk asset. However, by having this ethical overlay, the investment universe is narrowed when compared to a standard portfolio. Although it may not always be the case, investors should note that this restricted universe can have an impact on performance.

### MANAGEMENT

The portfolio is managed by Beckett Asset Management's team of investment professionals.

As well as deciding on the Asset Allocation, the team also manages the underlying building blocks for the portfolio with all assets having been carefully analysed to identify fund managers who can sustain enhanced returns while diversifying risk.

### BENCHMARK

The performance of the portfolio will be measured against the ARC Sterling Balanced Asset PCI over the medium to long term.

This benchmark has a targeted standard volatility band of 40% - 60% relative risk to world equities.

### INCOME YIELD

The Income yield of this strategy is not targeted and any income received will be reinvested.

### ONGOING CHARGES FIGURE (OCF)

Projected OCF of 0.72%. OCF does not include any further transactional costs incurred by the funds held or any performance fee that may be levied by them.

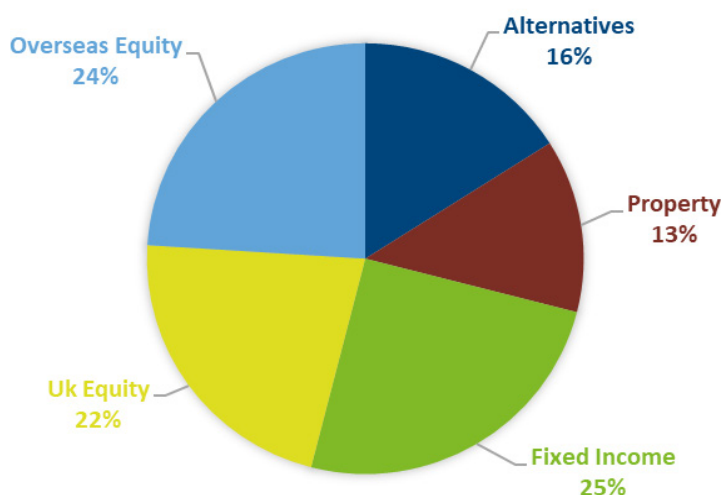
### RISK CONTROLS AND INVESTMENT PORTFOLIO CHARACTERISTICS

To be eligible for investment:

- collective investment schemes must have a stated environmental, social or governance (ESG) objective and policy or a stated socially responsible investment (SRI) objective and policy; or

- collective investment schemes focussing on property must have an independent accreditation for their ESG or SRI credentials. For example, a Green Star by the Global Real Estate Sustainability Benchmark; or
- direct investments must align to one or more of the UN Sustainable goals, as measured by the Investment Manager's assessment of the business model.
- The Investment Manager will check at the point of investment and at least annually that a minimum of 70% of the collective investment schemes focussing on shares and bonds, avoid companies that derive any revenue from any of the following: Human rights abuses, Environmental abuse, Animal testing for cosmetics, Armaments.
- A minimum of 70% of the portfolio will be invested in collective investment schemes and overall exposure to equities will be a minimum of 20% and a maximum of 60%.
- This portfolio can invest in overseas assets which can be positively or negatively impacted by changes in the relative valuation of currencies if the currency is not hedged.
- The policy of the portfolio is to be managed on a "fully invested" basis.

### PORTFOLIO COMPOSITION



PLEASE NOTE: PORTFOLIO COMPOSITION SHOWN IS AS DECEMBER 2020. ASSET ALLOCATIONS MAY CHANGE OVER TIME.

### PORTFOLIO CONSTITUENTS

Blenheim Ethical Opportunities	100%
--------------------------------	------

## MANAGER COMMENTARY

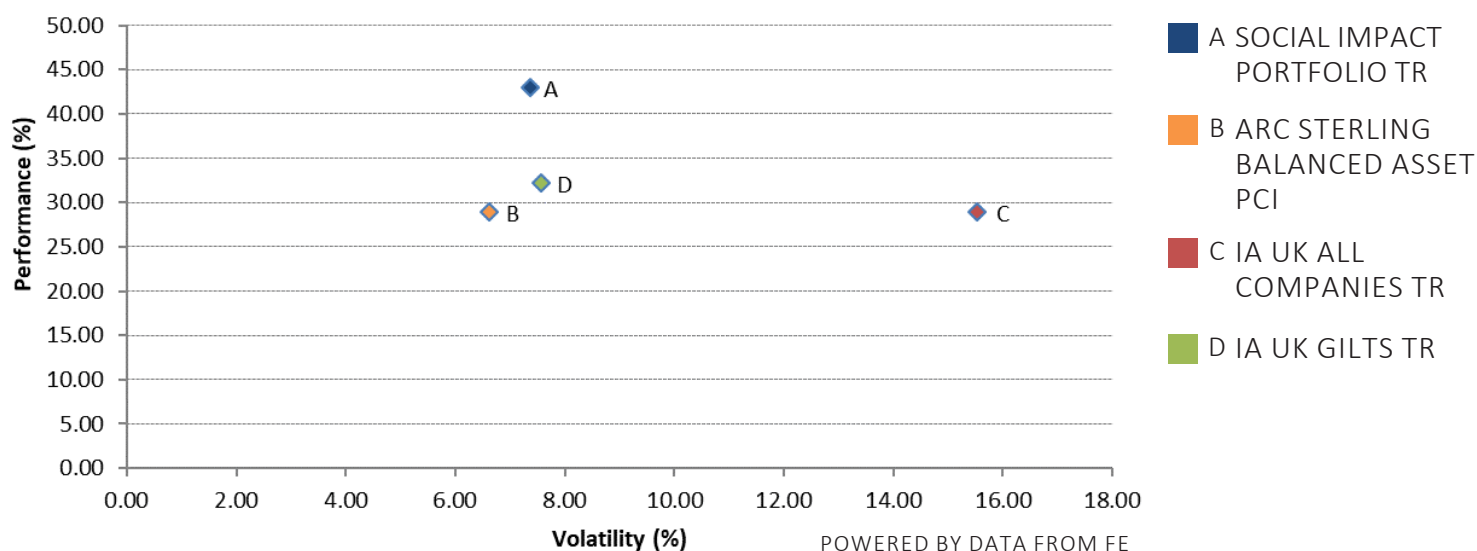
The bulk of portfolio gains for the calendar year were made in the last few weeks of 2020, post the Pfizer vaccine announcement on 9th Nov 2020, yet our home market still finished the year firmly in the red. Therefore, we are thrilled to be able to report positive returns for this strategy for the calendar year 2020.

We now have Multiple Covid vaccines, a resolution of US election despite the shocking images from Capitol Hill, strong corporate earnings and a robust Chinese rebound. China appears to again be firing on all cylinders which in turns supports the rest of Asia and boosted commodity prices.

One could argue valuations and sentiment both remain quite high, but the prospects of a near term correction look limited as business cycle indicators look positive for risk assets. While interest rates remain on the floor as Central banks around the globe remain committed to providing support and Fixed Income valuations still look high, all else being equal, it justifies paying a higher price for equity. We are cognisant though, and the portfolio positioning reflects this, that economic growth could disappoint causing markets to cough and splutter. Known factors that could contribute to this include the virus could mutating or vaccination rates disappointing and global trade tensions could flare up again under the new US presidency.

We will be incorporating the new Blenheim funds at the next rebalance. These funds have been constructed to give all investors access to our best ideas and benefit from economies of scale. We have blended these funds to deliver the risk and reward objectives of this strategy. The weighting to each of these funds can be found in the table overleaf. A factsheet showing all of the underlying holdings of each Blenheim fund is also available.

## RETURN AND VOLATILITY 5 YEARS TO 31/12/2020



PLEASE NOTE: PAST PERFORMANCE IS NO INDICATOR OF FUTURE PERFORMANCE. PERFORMANCE IS GROSS OF ANY WEALTH MANAGEMENT AND PLATFORM FEES. IT IS PROVIDED FOR INFORMATION PURPOSES TO INDICATE HISTORICAL PERFORMANCE.

THE INVESTMENTS MENTIONED IN THIS REPORT ARE INTENDED AS LONG-TERM INVESTMENTS. SOME OF THEM MAY GO DOWN AS WELL AS UP AND YOU THEREFORE MAY NOT GET BACK THE FULL AMOUNT INVESTED. WHERE INVESTMENTS ARE DENOMINATED IN FOREIGN CURRENCIES, CHANGES IN THE RATE OF EXCHANGE MAY HAVE AN ADVERSE EFFECT ON THE VALUE OR PRICE OF THE INVESTMENT IN STERLING TERMS. PAST PERFORMANCE IS NOT NECESSARILY A GUIDE TO FUTURE PERFORMANCE. THIS DOCUMENT SHOULD NOT BE CONSTRUED AS AN OFFER DOCUMENT OR SOLICITATION AND IS CIRCULATED BECAUSE THE CONTENTS MAY BE OF INCIDENTAL INTEREST. THE OPINIONS STATED ARE THOSE OF BECKETT ASSET MANAGEMENT LTD, WHICH IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.