



# SOCIAL IMPACT PORTFOLIO

## BECKETT ASSET MANAGEMENT LIMITED

July 2020

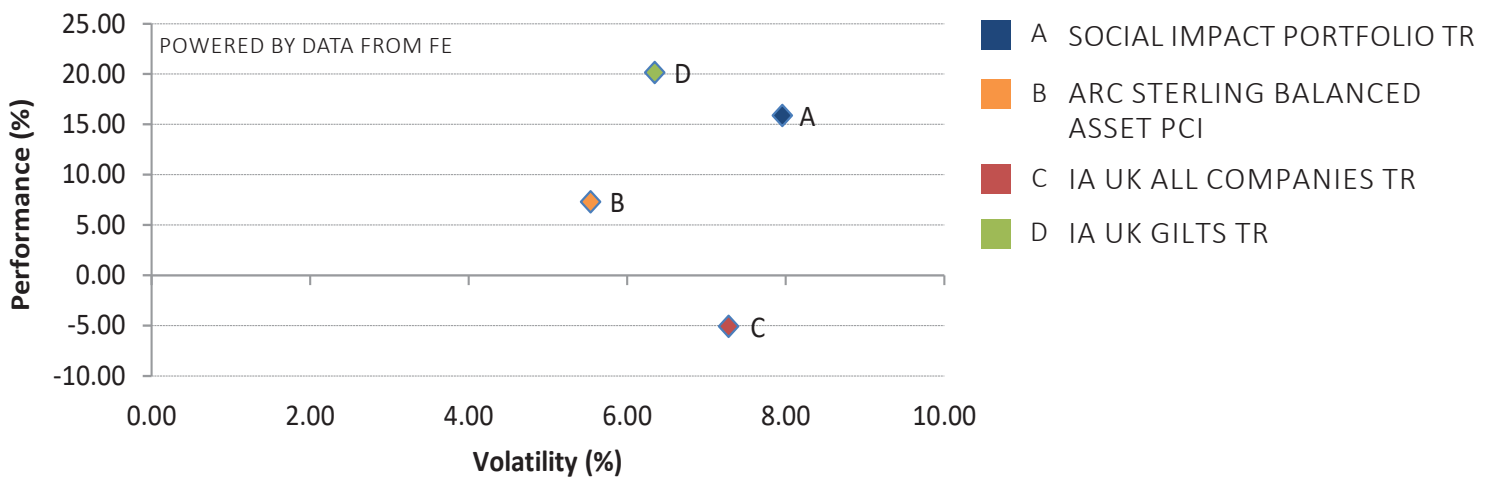
RISK PROFILE 4 | INCEPTION DEC. 2015

### SOCIAL IMPACT PORTFOLIO COMMENTARY

Global equity markets reached the current year's low at the end of last quarter (23 March to be precise), and then had their best recovery in the second quarter since 1987. Part of this retracement can be put down to the fact that Q1 market sell off was akin to throwing the baby out with bathwater and is also thanks to the swift reactions of the policy makers. The model, therefore, delivered a positive return in Q2.

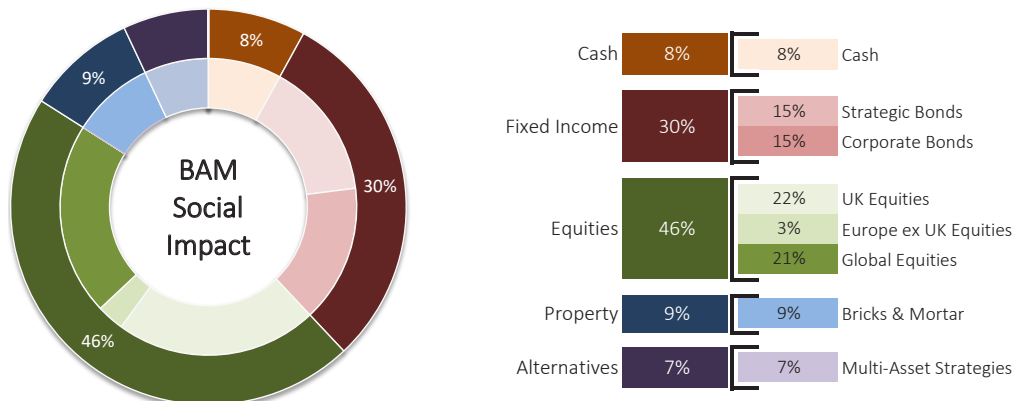
In line with our asset allocation views of becoming more optimistic about European equities, we will be introducing a new 3% holding of Liontrust Sustainable Future European Growth to the portfolio by reducing our exposure to UK by 1% partial sales of Janus Henderson UK Responsible Income, Liontrust UK Ethical and 1% of Royal London Sustainable Leaders. We like the approach of the Liontrust Sustainable team: they have a propriety sustainability Matrix at the core of the process and the team is very experienced.

### TOTAL RETURN PERFORMANCE VS VOLATILITY OVER 3 YEARS (30/6/2017- 30/6/2020)



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.

### PORTFOLIO COMPOSITION



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

## STRATEGY DESCRIPTION

This strategy is composed of collective investments and is particularly suited to those investors seeking a more Ethical approach to investing. Investors should be prepared to accept a cautious to medium level of investment risk.

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 and there may be limited ability to take positions in certain regions or asset classes, for example Absolute Return. Although it may not always be the case, investors should note that this restricted universe can have an impact on performance.

## INCOME YIELD

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

## STRATEGY BENCHMARK

The performance of the strategy 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.

## ONGOING FUND CHARGES (OCF)

In the region of 0.69% but subject to change depending on the underlying funds and platform. 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 STRATEGY CHARACTERISTICS

Country/Asset Class	Minimum Exposure	Maximum Exposure	Current Exposure	Diff
Fixed Income	25%	60%	30%	-
UK Equities	10%	40%	22%	▼
Global Equities	5%	40%	23%	▲
Property	0%	20%	9%	-
Multi Asset Abs Return	0%	15%	7%	-
Equity Based Abs Return	0%	10%	0%	-
Cash	0%	20%	8%	-

## GENERAL

- The strategy will always have a minimum and a maximum exposure as defined below. The maximum equity exposure restricted to 60% of the Fund and is currently 46%.
- At least 30% of the fund must be in fixed income investments (for example, corporate and Government bonds) and/or "cash" investments "Cash" can include investments such as current account cash, short-term fixed income investments and certificates of deposit.

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.

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- This strategy is limited in the amount it 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 strategy will hold a minimum of 10 different fund holdings and a maximum of 20.
- No individual holding will account for more than 17% of the strategy.
- No investment house will have more than 3 funds represented within the strategy.
- The policy of the strategy is to be managed on a "fully invested" basis.
- In addition to mainstream Unit Trust / OEIC funds, the strategies may also invest, where appropriate, in: Boutique investment house funds, Alternative investment funds (FAIFS), Investment Trusts, Structured Products, Tracker-type investments and ETFs.

## ETHICAL

- 70% of our equity and bond holdings will avoid investment in companies with Human Rights issues, Environmental abuse and Animal Testing issues and Arms exposure, and the remaining holdings will be classified as Ethical by Financial Express.
- Only property funds awarded a Green Star by the Global Real Estate Sustainability Benchmark (or GRESB for short) would be eligible.

## SOCIAL IMPACT PORTFOLIO CONSTITUENTS

		DIFF
<b>FIXED INCOME</b>		
EdenTree Amity Sterling Bond	5%	-
Royal London Ethical Bond	10%	-
Rathbone Ethical Bond	10%	-
Edentree Short Duration Bond	5%	-
<b>UK EQUITY</b>		
Liontrust UK Ethical	5%	▼
Janus Henderson UK Responsible Income	5%	▼
Royal London Sustainable Leaders	7%	▼
Troy Trojan Ethical Income	5%	-
<b>EUROPEAN EQUITY</b>		
Liontrust Sustainable Future European Growth	3%	*
<b>GLOBAL EQUITY</b>		
BNY Mellon Sustainable Global Income	6%	-
Janus Henderson Global Sustainable Equity	8%	-
BMO Responsible Global Equity	7%	-
<b>PROPERTY</b>		
Kames Property Portfolio	3%	-
L&G Property Feeder	6%	-
<b>ALTERNATIVES</b>		
BNY Mellon Sustainable Real Return	7%	-
<b>CASH</b>		
	8%	-

\*represents new funds