



# SOCIAL IMPACT PORTFOLIO

## BECKETT ASSET MANAGEMENT LIMITED

### RISK PROFILE 4

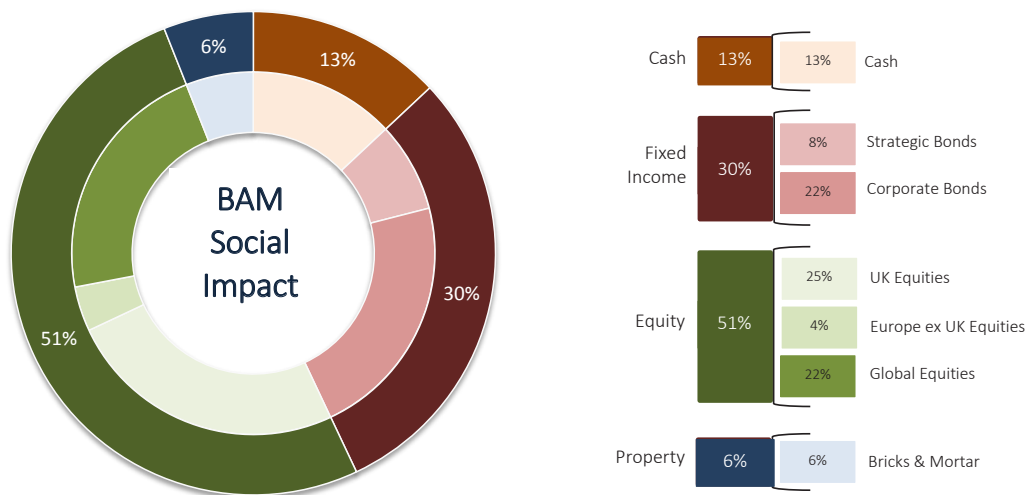
#### SOCIAL IMPACT PORTFOLIO COMMENTARY

The strategy made a strong gain over the third quarter of 2016. The quarter overall saw strong performance by both equity and bond markets but saw bonds begin to tail off over the end of the quarter after yields had fallen substantially post the EU Referendum result.

The significant depreciation of Sterling was a key factor in the stellar performance of assets denominated in overseas currencies and also the FTSE 100, as a majority of the earnings of the FTSE 100 constituents are from overseas.

We expect there to be more volatility in Quarter 4 this year, particularly around the major political events of the US Presidential Election and the Italian Constitutional Reform Referendum. However, we have not made any changes to the strategy for the coming quarter as we are happy with how we are positioned and the funds we have used to construct the portfolio.

#### PORTFOLIO COMPOSITION



PORTFOLIO COMPOSITION SHOWN IS AS OCTOBER 2016. PLEASE NOTE THAT 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 IA Mixed Investment 20-60% shares, over a rolling three-year period.

#### CHARGES ON WRAP

OCF for underlying funds 0.66%

This does not include the advisor or platform charge.

## RISK CONTROLS AND INVESTMENT STRATEGY CHARACTERISTICS

### ETHICAL

- 70% of our equity and bond holdings will avoid investment in companies with Human Rights, 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.

### 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 51%.

Country/Asset Class	Minimum Exposure	Maximum Exposure	Current Exposure
UK Equities	15%	60%	25%
Global Equities	10%	30%	22%
Europe	0%	10%	4%
Fixed Interest	30%	60%	30%
Property	5%	20%	6%
Others	0%	15%	0%
Cash	0%	15%	13%

- 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.
- Minimum 60% investment in established market currencies (US Dollar, Sterling & Euro) of which 30% must be Sterling.
- 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.

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.

- 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.

## SOCIAL IMPACT PORTFOLIO CONSTITUENTS (N)

### FIXED INTEREST

EdenTree Amity Sterling Bond	7%
Kames Ethical Corporate Bond	8%
Rathbone Ethical Bond	8%
Standard Life Ethical Corporate Bond	7%

### UK EQUITY

Alliance Trust UK Ethical	7%
Henderson Global Care UK Income	6%
Kames Ethical Equity	6%
Standard Life UK Ethical	6%

### PROPERTY

L&G Property Feeder	6%
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### INTERNATIONAL EQUITY

Henderson Global Care Growth	9%
F&C Responsible Global Equity	8%
Jupiter Ecology	5%

### EUROPEAN EQUITY

Alliance Trust Sustainable Future European Growth	4%
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### CASH

13%

