



# SOCIAL IMPACT PORTFOLIO

## BECKETT ASSET MANAGEMENT LIMITED

### RISK PROFILE 4

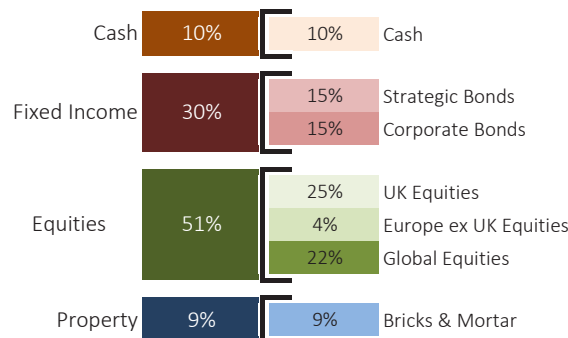
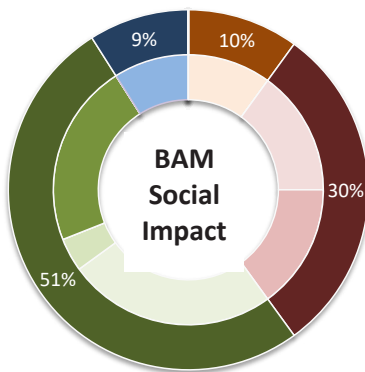
#### SOCIAL IMPACT PORTFOLIO COMMENTARY

The model delivered a positive performance and outperformed the benchmark in the first quarter of the year. After just over a year since the launch of the model with no changes at the fund level, we have decided to make some alterations to the model composition.

We took the decision to switch the 3% holding in the M&G Property fund to the Kames Property Income fund. We made this change as since the liquidity stress issues we saw in Property funds last year we decided to look to smaller more niche property funds as a way to mitigate the problems we saw last year, which the larger, more widely held funds appear to suffer more keenly from.

The final change we decided to make was switching our 6% holding in the Standard Life UK Ethical fund to Royal London Sustainable Leaders. This change was driven by our appreciation for the investment process the Royal London team utilise, which has driven exemplary results, but also this change should remove some of the sensitivity to the Brexit negotiations given the more mid-cap domestic focus of the Standard Life fund.

#### PORTFOLIO COMPOSITION



PORTFOLIO COMPOSITION SHOWN IS AS AT APRIL 2017. 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 0.68%

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	Diff
UK Equities	10%	40%	25%	-
Global Equities	10%	40%	22%	-
Fixed Interest	25%	60%	30%	-
Property	5%	20%	9%	-
Multi Asset Abs Return	0%	15%	0%	-
Equity Based Abs Return	0%	10%	0%	-
Cash	0%	20%	10%	-

- 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.

- 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

FIXED INTEREST		Diff
EdenTree Amity Sterling Bond	7%	-
Kames Ethical Corporate Bond	8%	-
Rathbone Ethical Bond	8%	-
Standard Life Ethical Corporate Bond	7%	-
UK EQUITY		
Liontrust UK Ethical	7%	-
Henderson Global Care UK Income	6%	-
Kames Ethical Equity	6%	-
Royal London Sustainable Leaders	6%	*
PROPERTY		
Kames Property Portfolio	3%	*
L&G Property Feeder	6%	-
INTERNATIONAL EQUITY		
Henderson Global Care Growth	9%	-
F&C Responsible Global Equity	8%	-
Jupiter Ecology	5%	-
EUROPEAN EQUITY		
Liontrust Sustainable Future European Growth	4%	-
CASH	10%	-

\* represents new funds



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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