



SOCIAL IMPACT PORTFOLIO

BECKETT ASSET MANAGEMENT LIMITED

RISK PROFILE 4

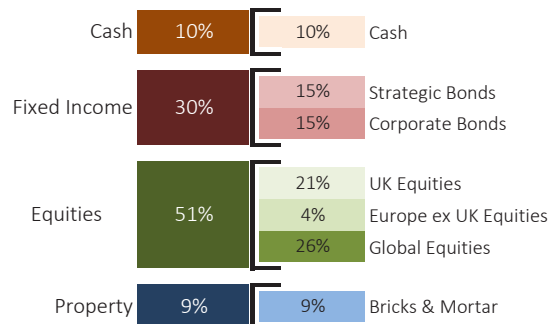
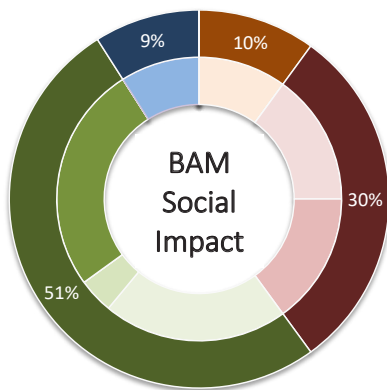
SOCIAL IMPACT PORTFOLIO COMMENTARY

With market volatility making a return in the first quarter of 2018 the Social Impact Portfolio benefitted from diversification to provide protection on the downside relative to equity markets and experienced a drawdown broadly commensurate with the risk taken. We have decided not to make any changes to the model in the upcoming rebalance.

After a stellar 2017 the fund continued to outperform the benchmark in the first quarter of 2018. We continue to believe that returns on investment and having a focus on ethical issues in your investment are not mutually exclusive.

We noted in our last commentary that we were continuing to see signs that many asset managers across the industry are launching or planning to launch ethical or sustainable focused funds. This quarter continued this trend with a few new fund launches brought to our attention, with some focusing on very specific themes such as UK employment.

PORTFOLIO COMPOSITION



PORTFOLIO COMPOSITION SHOWN IS AS APRIL 2018. 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

In the region of 0.69%, but subject to change depending on the underlying funds.

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
Fixed Income	25%	60%	30%
UK Equities	10%	40%	21%
Global Equities	10%	40%	26%
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.
- 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 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.

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

