



SOCIAL IMPACT PORTFOLIO

BECKETT ASSET MANAGEMENT LIMITED

OCT 2019

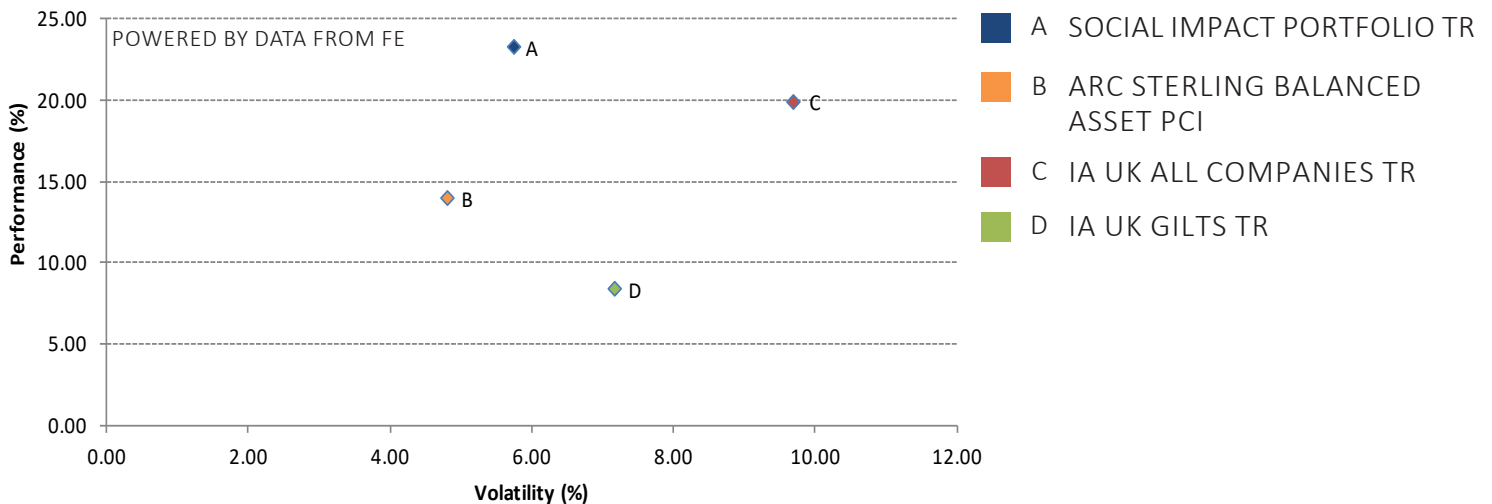
RISK PROFILE 4 | INCEPTION DEC. 2015

SOCIAL IMPACT PORTFOLIO COMMENTARY

The strategy performed positively during the quarter to the end of September. While the noise from presidential tweets on trade wars, or news headlines on Brexit, may legitimise an elevated level of volatility, the portfolio has navigated these fluctuations well, and has performed approximately in line with its benchmark. The cash position in the portfolio, along with the non-equity assets, have proved to be a positive diversifier during the period.

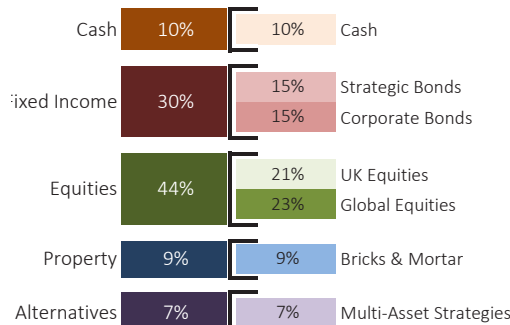
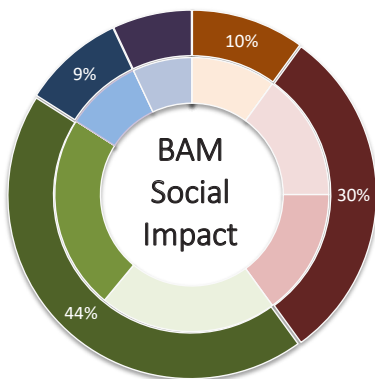
We remain comfortable with our asset allocation, and indeed our fund selection. Looking forward, the remaining months of 2019 are likely to prove to be quite beneficial for equities. As a result, we have reduced our cash holding by 2%. This, along with a 1% slice each from our holdings in the Janus Henderson Global Sustainable Fund and the BMO Responsible Global Equity, have been used to invest in the newly launched Newton Sustainable Global Equity Income Fund.

TOTAL RETURN PERFORMANCE VS VOLATILITY OVER 3 YEARS (30/09/2016- 30/09/2019)



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 OCTOBER 2019. 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.

CHARGES ON WRAP

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% | 21% | - |
| Global Equities | 10% | 40% | 23% | ▲ |
| Property | 5% | 20% | 9% | - |
| Multi Asset Abs Return | 0% | 15% | 7% | - |
| Equity Based Abs Return | 0% | 10% | 0% | - |
| Cash | 0% | 20% | 10% | ▼ |

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 44%.
- 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.

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.

- 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, 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

| FIXED INCOME | | DIFF |
|---|-----|------|
| EdenTree Amity Sterling Bond | 5% | - |
| Royal London Ethical Bond | 10% | - |
| Rathbone Ethical Bond | 10% | - |
| Edentree Short Duration Bond | 5% | - |
| UK EQUITY | | |
| Liontrust UK Ethical | 6% | - |
| Janus Henderson UK Responsible Income | 5% | - |
| Royal London Sustainable Leaders | 5% | - |
| Troy Trojan Ethical Income | 5% | - |
| GLOBAL | | |
| Newton Sustainable Global Income | 4% | * |
| WHEB Sustainability | 4% | - |
| Janus Henderson Global Sustainable Equity | 8% | ▼ |
| BMO Responsible Global Equity | 7% | ▼ |
| PROPERTY | | |
| Kames Property Portfolio | 3% | - |
| L&G Property Feeder | 6% | - |
| ALTERNATIVES | | |
| BNY Mellon Sustainable Real Return | 7% | - |
| CASH | 10% | ▼ |

*represents new funds