

CLIMATE ASSETS FUND - 'B' SHARE CLASS

FACTSHEET

FEBRUARY 2019



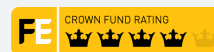
QUILTER CHEVIOT

OBJECTIVE

The Climate Assets Fund seeks to achieve long term capital appreciation and provide income by multi-asset allocation and multi-thematic investment. The fund invests around the world with a focus on investment opportunities arising from the convergence of climate change, resource scarcity and population shifts.

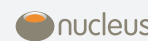


The share price performance graphic uses an extended track record based on the Climate Assets A-Acc (donor share) up until the 24th June 2012. The Climate Assets B-Acc (primary share) was first issued on 25th June 2012. The AMC (Annual Management Charge) for the A share-Acc is 1.5%, while the AMC for the B share-Acc is 1%.



INVESTMENT PARTNERS

You can also invest in this fund via one of our wide range of Investment Partners.



| Cumulative performance (%) to 31 January 2019 | YTD | 1yr | 3yr | 5yr | Since Inception |
|---|------|-------|-------|-------|-----------------|
| CLIMATE ASSETS FUND - 'B' SHARE CLASS | 4.33 | 0.44 | 35.91 | 46.68 | 100.85 |
| IA Mixed Investment 40-85% Shares | 3.32 | -3.07 | 25.13 | 32.04 | 71.25 |
| Bank Of England Base Rate | 0.06 | 0.62 | 1.32 | 2.33 | 4.35 |

| Discrete performance (%) to 31 January each year | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-------|------|-------|-------|-------|
| CLIMATE ASSETS FUND - 'B' SHARE CLASS | 0.44 | 8.17 | 25.09 | -4.24 | 12.71 |
| IA Mixed Investment 40-85% Shares | -3.07 | 9.42 | 17.98 | -3.55 | 9.40 |
| Bank Of England Base Rate | 0.62 | 0.31 | 0.38 | 0.50 | 0.50 |

Past performance is not a guide to future performance and future returns are not guaranteed. Source: Financial Express 31/01/2019. B Accumulation share class performance, inclusive of charges, in GBP with net income reinvested. The performance of other share classes may differ. The share price performance data uses an extended track record based on the Climate Assets A-Acc (donor share) up until 24th June 2012.

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|-------|-------|-------|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2014 | -2.21 | 3.54 | -0.39 | 0.00 | 1.02 | -0.16 | -0.78 | 2.04 | -0.38 | 0.31 | 4.39 | 0.22 | 7.68 |
| 2015 | 2.36 | 1.29 | 2.34 | -2.64 | 1.64 | -4.77 | 0.66 | -2.41 | -2.02 | 3.21 | 2.00 | -1.09 | 0.22 |
| 2016 | -2.20 | 3.98 | 3.03 | 0.56 | 0.21 | 5.15 | 5.43 | 1.26 | 0.56 | 1.23 | -2.01 | 1.86 | 20.43 |
| 2017 | 1.59 | 1.86 | 0.88 | 0.82 | 2.26 | -1.42 | 0.00 | 2.24 | -0.84 | 2.21 | -0.50 | 1.12 | 10.62 |
| 2018 | -0.66 | -1.50 | -3.10 | 2.56 | 2.78 | -0.72 | 2.22 | 1.31 | -0.48 | -3.51 | 0.89 | -3.93 | -4.36 |
| 2019 | 4.33 | - | - | - | - | - | - | - | - | - | - | - | 4.33 |

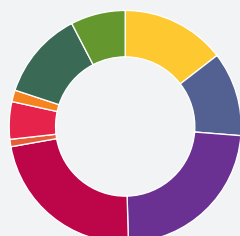
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ASSET ALLOCATION

| | % |
|-------------------------|-------|
| Fixed Interest | 14.52 |
| Equity | 65.55 |
| Alternative Investments | 12.31 |
| Cash | 7.62 |

ASSET CLASS/GEOGRAPHICAL ALLOCATION

As at 31 January 2019



| | |
|-------------------------|--------|
| Fixed Interest | 14.52% |
| United Kingdom | 11.74% |
| North America | 23.30% |
| Europe (ex UK) | 22.65% |
| Asia Pacific (ex Japan) | 1.02% |
| Japan | 5.22% |
| Emerging Markets | 1.62% |
| Alternative Investments | 12.31% |
| Cash | 7.62% |

TOP 10 HOLDINGS

| | % |
|----------------------------------|---------------|
| Waste Management | 2.89 |
| Union Pacific | 2.89 |
| Thermo Fisher | 2.75 |
| American Water | 2.71 |
| Xylem | 2.61 |
| UK Treasury Gilt 1.5% 22/01/2021 | 2.48 |
| Koninklijke Philips | 2.18 |
| Halma | 2.17 |
| Waters Corp | 2.16 |
| ETFS Physical Gold | 2.13 |
| Total Top 10 | 24.97% |

IMPORTANT: The value of investments and the income from them can go down as well as up. You may not recover what you invest.



FUND DATA - 'B' SHARE CLASS

| | |
|---------------------------------|--------------------------|
| Issue Date | 25 June 2012 |
| Launch Price | 100.00p |
| Current Price | 180.90p Acc, 171.10p Inc |
| Fund Size | £59,655,700.00 |
| ISAs/SIPPs/SSASs/Offshore Bonds | Eligible |
| Base Currency | GBP |
| Minimum Lump Sum Investment | £1,000 |
| Minimum Regular Savings | £100 a month |
| Dealing Schedule | Daily at 12:00pm |

| | |
|--------------------------|--------------------------|
| Historic Yield | 2.12% |
| Annual Management Charge | 1.00% |
| Initial Fee | 0.00% |
| Ongoing Charges* | 1.22% |
| Ex Dividend Dates | 1 Feb & 1 Aug |
| Dividend Pay Dates | 31 Mar & 30 Sept |
| Sedol Number | B3K3HX1 Acc, B5QHRL3 Inc |

* This includes the Annual Management Charge

MARKET COMMENTARY

Risk assets produced positive returns in January, recovering strongly from their Christmas lows. US equity markets clearly led the global market rebound with other markets following, to a lesser extent. It is worth noting that sentiment indicators remained relatively depressed, suggesting a degree of scepticism about the sustainability of the rally.

Assuming no further deterioration in global trade conditions, 2019 will likely see a small moderation in global GDP growth to 3% from 3.2% last year. Most regions will slow except Japan and the UK, both of which are starting from a low base. Shipment data and business surveys suggest the manufacturing slowdown has further to go, but some of this represents the normalisation of inventories after frontloading ahead of raised US tariffs. For consumers, labour markets are strong and rising wages mean expenditure is well supported even if overall confidence has waned. Financial conditions will continue to tighten, although real interest rates and credit availability remain accommodative and targeted fiscal policy is being used to provide relief.

Progress on US-China trade talks is critical to a sustainable market upturn but the timetable is tight given the 1 March deadline and Chinese New Year in the interim. Both leaders now have the motivation to negotiate: the economic impact on China has been greater than expected and a confidence boost would improve the effectiveness of its policy stimulus. China has shown itself willing to make concessions on agricultural products but not yet on industrial policies, intellectual property protection, and cyber-theft. Thus, national security concerns around the technology sector are likely to remain.

It has been a volatile time for financial markets, and with the investment cycle maturing, monetary policy tightening, and profit growth slowing or reverting to normal, volatility is likely to continue. Historically, significant equity market declines have occurred without a recession (as we saw in 1987 and 2018) as markets de-rate on fears that slowing growth might turn into no growth. Such declines are usually temporary and followed by a rebound, since the cycle doesn't sustainably reverse without a recession, of which we see very few signs.

Absent a geopolitical meltdown we believe that lower GDP and profit forecasts are already reflected in valuations to a large extent. Since last summer estimated global profit growth has fallen to 6% from 10% – one of the steepest declines on record – placing equities on a 14x forward price earnings multiple, slightly below the long-term average. We expect the market to continue to reward relatively capex-lite companies which generate strong surplus cash to support dividends or share buybacks after their required capital expenditure. Nothing we have heard from companies in the latest results season suggests profits are in serious danger, so we maintain our exposure to risk assets amidst a more widely diversified portfolio.

During the month, we locked in the profits we made on our tactical position in US Treasuries, by selling the holding in the Barclays US Treasury Bond ETF.

INVESTMENT THEMES

Energy (18.04%) - The fund invests in companies providing solutions to the problems of using fossil fuels and energy scarcity and security, such as those involved in renewable energy generation, green transport, products and technologies for green building design and construction and energy efficiency.

Food (7.03%) - The fund invests in companies providing solutions to the food supply/demand imbalance problem, such as those involved in grain production and harvesting, food testing, food processing, measurement and control, and high-tech agriculture supplies.

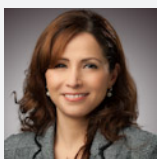
Health (19.99%) - The fund invests in companies providing products and solutions to these problems, such as those involved in medical supply and devices, vaccines and products for infectious diseases, minimal invasive surgery, and medical analysis and testing.

Resources (31.62%) - The fund invests in companies providing solutions to the problems of resource scarcity, such as those involved in waste management, production and processing of environmentally friendly materials, waste-to-energy, coastal protection, productivity and efficiency gains, and process control.

Water (15.70%) - The fund invests in companies providing solutions to the water scarcity problem, such as those involved in water supply and distribution, water analysis, monitoring and purification, water metering, and efficient methods for crop irrigation.

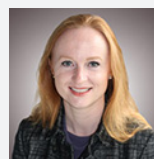
References to specific securities are not recommendations to buy or sell those securities

FUND MANAGERS



Claudia Quiroz - Fund Manager

Claudia is the Lead Fund Manager of the Libero Balanced and Climate Assets Funds. She also manages segregated portfolios on behalf of private clients, pensions and charities. Claudia holds an MBA from Cass Business School in London and joined Quilter Cheviot from Henderson Global Investors in 2009. She has over 18 years' experience and is a Chartered member of the Chartered Institute for Securities & Investment. Claudia sits on the International Equities Stock Selection Committee at Quilter Cheviot.



Caroline Langley - Fund Manager

Caroline first trained as a Chartered Accountant at PricewaterhouseCoopers before spending two years as a consultant in their Sustainable Business Solutions team. She then began her private client career at J O Hambro before joining the company in 2006. Caroline graduated in Human Sciences from Oxford University in 1997 and also holds a Masters degree in Environmental Technology (specialising in Global Environmental Change and Policy) from Imperial College.

HOW TO INVEST

e: Climateassetsfund@quiltercheviot.com
 Thesis Unit Trust Management Ltd
 t: 0870 8708434

CONTACT DETAILS

Quilter Cheviot
 One Kingsway
 London WC2B 6AN

**INVESTMENT
 WEEK
 SPECIALIST INVESTMENT
 AWARDS 2018
 FINALIST**

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