



QUILTER CHEVIOT

# CLIMATE ASSETS FUND - 'B' SHARE CLASS

## FACTSHEET

SEPTEMBER 2019

### 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%. Past performance is not a guide to future performance and returns are not guaranteed. Source: Financial Express



### INVESTMENT PARTNERS

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



| Cumulative performance (%) to 31 August 2019 | YTD   | 1yr   | 3yr   | 5yr   | Since Inception |
|--|-------|-------|-------|-------|-----------------|
| CLIMATE ASSETS FUND - 'B' SHARE CLASS        | 18.74 | 10.52 | 27.65 | 58.51 | 128.61          |
| IA Mixed Investment 40-85% Shares            | 12.13 | 2.85  | 19.25 | 36.30 | 85.84           |
| Bank Of England Base Rate                    | 0.50  | 0.75  | 1.48  | 2.48  | 4.81            |

| Discrete performance (%) to 31 August each year | 2019  | 2018 | 2017  | 2016  | 2015 |
|---|-------|------|-------|-------|------|
| CLIMATE ASSETS FUND - 'B' SHARE CLASS           | 10.52 | 4.78 | 10.23 | 20.91 | 2.69 |
| IA Mixed Investment 40-85% Shares               | 2.85  | 4.81 | 10.62 | 12.56 | 1.54 |
| Bank Of England Base Rate                       | 0.75  | 0.48 | 0.25  | 0.49  | 0.50 |

Past performance is not a guide to future performance and future returns are not guaranteed. Source: Financial Express 31/08/2019. 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  | 1.44  | 2.40  | 3.67  | -1.03 | 4.82  | 3.07  | -1.15 | -     | -     | -     | -     | 18.74 |

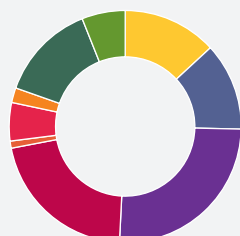
Past performance is not a guide to future performance and future returns are not guaranteed. Source: Financial Express 31/08/2019. B Accumulation share class performance, inclusive of charges, in GBP with net income reinvested. The performance of other share classes may differ. The share price performance data uses an extended track record based on the Climate Assets A-Acc (donor share) up until 24th June 2012.

### ASSET ALLOCATION

|                         | %     |
|-------------------------|-------|
| Fixed Interest          | 13.13 |
| Equity                  | 67.26 |
| Alternative Investments | 13.57 |
| Cash                    | 6.04  |

### ASSET CLASS/GEOGRAPHICAL ALLOCATION

As at 31 August 2019



|                         |        |
|-------------------------|--------|
| Fixed Interest          | 13.13% |
| United Kingdom          | 12.23% |
| North America           | 25.43% |
| Europe (ex UK)          | 21.21% |
| Asia Pacific (ex Japan) | 0.99%  |
| Japan                   | 5.34%  |
| Emerging Markets        | 2.06%  |
| Alternative Investments | 13.57% |
| Cash                    | 6.04%  |

### TOP 10 HOLDINGS

|                          | %             |
|--------------------------|---------------|
| Halma                    | 3.00          |
| Waters Corp              | 2.98          |
| Waste Management         | 2.93          |
| American Water           | 2.93          |
| Xylem                    | 2.77          |
| Kingspan                 | 2.68          |
| Union Pacific            | 2.68          |
| ETFS Physical Gold       | 2.66          |
| Thermo Fisher Scientific | 2.61          |
| Koninklijke Philips      | 2.54          |
| <b>Total Top 10</b>      | <b>27.78%</b> |

**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                   | 205.90p Acc, 190.50p Inc |
| Fund Size                       | £79,075,635.00           |
| 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           | 2.28%                    |
| Annual Management Charge | 1.00%                    |
| Initial Fee              | 0.00%                    |
| Ongoing Charges*         | 1.20%                    |
| Ex Dividend Dates        | 1 Feb & 1 Aug            |
| Dividend Pay Dates       | 31 Mar & 30 Sept         |
| Sedol Number             | B3K3HX1 Acc, B5QHLR3 Inc |

\* This includes the Annual Management Charge

## MARKET COMMENTARY

Financial markets have been dominated by trade tensions, prospects for global growth and expectations for short-term interest rate cuts. Over the month, risk aversion saw global bond yields lower, in particular in Germany, where all Bunds now have a negative yield. Equity market volatility rose on the prospect of a deceleration in corporate earnings and trade uncertainty. Increased geopolitical risks in Hong Kong and the UK combined with falling real interest rates to boost gold by c.7%. Brent crude fell 6% to \$60 per barrel on global growth fears.

The world economy continues to slow with trade tensions likely to eventually lead to recession. An increasing number of central banks across the world are taking action to prolong the cycle. The challenge central banks face is that monetary policy is losing its effectiveness.

With the UK fast approaching a 'no-deal' Brexit there is more interest in estimating the potential economic impact. The absence of pre-agreed transition arrangements means the EU and UK would no longer automatically recognise licences to do cross-border business with the result that new customs and regulatory borders would be re-introduced overnight. The assumption is that trade with the EU would default to World Trade Organisation rules and tariffs. Given the EU accounts for around 40% of UK exports of goods and services, the cost of Brexit disruption is likely to be meaningful for the next few years, at least. With that in mind, UK GDP could be 2-3% lower over the next two years than it otherwise would be.

Preparing a portfolio of financial assets for a no-deal Brexit has not been straightforward given potential binary outcomes and the increasing likelihood of an early general election. The UK has a very 'open' economy with significant international activities and a high proportion of GDP dependent on global trade, more so than the US for example. For risk assets such as equities this has shaped our preference for international rather than domestic companies, which should prove reasonably robust in a no-deal scenario. We have a broad exposure to a wide range of sectors, avoid companies which we believe are structurally challenged and seek out those which generate strong free cash flow. Gold offers insurance against another extreme, global geo-political risk. Perhaps the biggest challenge is sterling. Our security positioning already has a bias away from sterling, partly deliberate, but we are conscious that speculators have already pushed the currency towards the lower end of its real effective valuation range such that a 'less bad' outcome could see the currency appreciate as speculators close-out their positions.

## INVESTMENT THEMES

**Energy (17.61%)** - 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 (6.50%)** - 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.

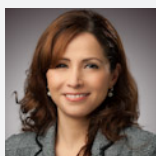
**Health (19.53%)** - The fund invests in companies providing products and solutions to these problems, such as those involved in medical supply and devices, vaccines and products for infectious diseases, minimal invasive surgery, and medical analysis and testing.

**Resources (36.10%)** - 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.

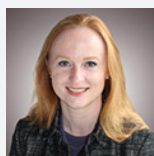
**Water (14.22%)** - The fund invests in companies providing solutions to the water scarcity problem, such as those involved in water supply and distribution, water analysis, monitoring and purification, water metering, and efficient methods for crop irrigation.

**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 our award winning sustainable investment strategy, the Climate Assets Fund. She also manages the Quilter Investor Ethical Fund and segregated portfolios on behalf of private clients, pensions and charities with a focus on sustainable investment. Claudia holds an MBA from Cass Business School in London and joined Quilter Cheviot from Henderson Global Investors in 2009. She has over 17 years' experience in Sustainable, Ethical & Responsible Investment and is a chartered member of the Chartered Institute for Securities & Investment.

**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](mailto:Climateassetsfund@quiltercheviot.com)  
 Thesis Unit Trust Management Ltd  
 t: 0333 300 0375

## CONTACT DETAILS

Quilter Cheviot  
 One Kingsway  
 London WC2B 6AN

INVESTMENT  
 WEEK  
 SPECIALIST INVESTMENT  
 AWARDS 2018  
 FINALIST

**Risk Warning: Past performance is not an indication of future performance. The value of investments and the income from them can go down as well as up. You may not recover what you invest. There are risks involved with this type of investment. Please refer to the Prospectus & Key Investor Information documents for further details, available free of charge from the Authorised Corporate Director ('ACD') Thesis Unit Trust Management Ltd, Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP. These documents are only available in English. Important Information:** This document is for general information purposes only and does not take into account the specific investment objectives, financial situation or individual requirements of any particular person. It is not a personal recommendation and it should not be regarded as a solicitation or an offer to buy or sell any securities or instruments mentioned in it. Quilter Cheviot recommends that potential investors independently evaluate investments, and encourages investors to seek the advice of a financial advisor. Currency movements may also affect the value of investments. The Climate Assets Fund is a sub-fund of the SunPortfolio Fund which is an open ended investment company authorised and regulated by the Financial Conduct Authority. Quilter Cheviot Limited is registered in England with number 01923571, registered office at One Kingsway, London WC2B 6AN. Quilter Cheviot Limited is a member of the London Stock Exchange and authorised and regulated by the UK Financial Conduct Authority.