

QUILTER CHEVIOT GLOBAL INCOME & GROWTH FUND FOR CHARITIES

FACTSHEET - Q4 2020



QUILTER CHEVIOT
INVESTMENT MANAGEMENT

SERVICE DETAILS

Launch date	8 January 2020
Size of fund	£74,410,734
Benchmark	CPI +3.5%*
Fund type	CAIF
Base currency	GBP
Number of holdings	96
Anticipated yield	3%
OCF	0.73%**
MiFID II cost & charges	1.04%***
Ex-dividend dates	31 January, 30 April, 31 July, 31 October
Dividend pay dates	28 February, 31 May, 31 August, 30 November
Sedol number	BGKG3L1
Reporting	Quarterly

*UK Consumer Price Index plus 3.5%

** The Ongoing Charge Figure (OCF) includes the charges for the underlying open ended funds held in the Fund and the Fund's management fees. This is a point in time estimated calculation, so changes to holdings within the Fund may result in higher or lower ongoing charges.

*** The MiFID II cost and charges figure includes the charges for the underlying open and close ended funds held in the Fund, transaction costs, and all the Fund's management fees. This is a point in time estimated calculation, so changes to holdings within the Fund may result in higher or lower ongoing charges.

INVESTMENT OBJECTIVES & POLICY

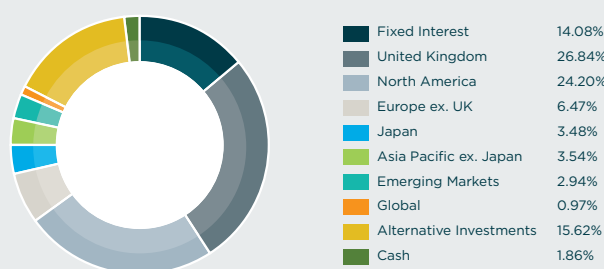
- Grow both the capital value and provide income over the long-term.
- Deliver an annualised total return of 3.5% above the UK Consumer Price Index over the medium term through exposure to a diversified range of asset classes.
- Aims to provide a minimum income yield of 3% per annum.
- The Fund invests in a mix of direct equities (UK, US and Europe primarily) and bonds, and uses third party funds to gain exposure to specialist areas such as property, infrastructure and also to equities in other geographic areas.

We do not invest in companies whose primary business is producing or manufacturing tobacco; and as a company we do not invest in businesses which make controversial weapons. Please visit www.quiltercheviot.com to see our controversial weapons policy.

PERFORMANCE

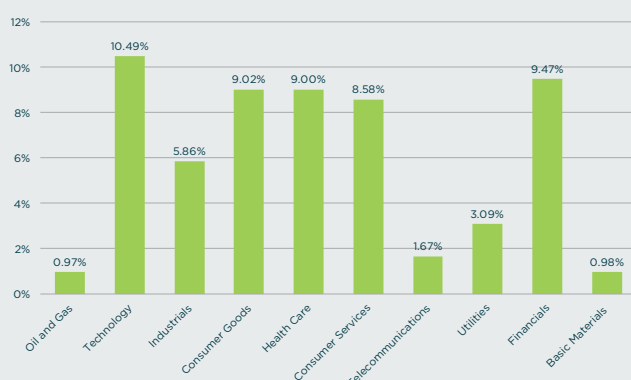
Performance will be shown once the Quilter Cheviot Global Income & Growth Fund has been running for a full year. The Fund's inception date is 8 January 2020.

ASSET ALLOCATION



As at 31 December 2020

PORTFOLIO POSITIONING*



* Shown as percentage of total fund value. As at 31 December 2020.

TOP 20 HOLDINGS %

Royal London Unit Trust Managers Sterling Credit	3.88
Baillie Gifford & Co Japanese Income Growth	3.48
Pimco Global Investment Grade Credit Fund Hedged	3.03
United Kingdom (Government Of) 4.5% Snr Bds 07/12/2042	2.31
HICL Infrastructure	1.78
International Public Partnerships	1.78
Microsoft	1.78
Amazon	1.57
Apple	1.54
Legal & General	1.49
United Kingdom (Government Of) 0.125% I/L Gilt Bds 22/11/2036	1.49
Foresight Solar Fund	1.48
BMO Property Growth and Income	1.48
M&G	1.42
Tesco	1.37
Astrazeneca	1.34
Unilever	1.32
Intuit	1.27
Wells Fargo Emerging Markets Equity Income	1.26
The Renewables Infrastructure	1.24

As at 31 December 2020

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

COMMENTARY

2020: in summary, a year for the most part we would like to forget. The embracement of technology and demise of the traditional high street were trends previously identified, but certainly turbo boosted by events. Current consensus and global industry surveys suggest that there is much pent up demand caused by lockdowns and now waiting to be unleashed – save for the increased inequality, in many forms, also witnessed.

This economic recovery is priced into global equity markets for the second half of 2021 and, therefore provides some wiggle room for short-term delays in vaccination programs into the second quarter. The hospitality and leisure sectors, or certainly that which of it survives, should prosper come summertime; at present, the winter months remain dark and uncertain. The unprecedented global support from Governments and central banks will come at a cost with the domestic budget in March likely to provide some unwelcome tax takebacks but also perhaps some 'levelling up'.

Over the quarter, the Fund returned 6.8% versus the performance comparator return of 8.3%; since inception (8 January 2020) the Fund has returned 9.7% versus 2.5%. The Fund lagged the comparator over the quarter as we saw significant market rotation from early November, with previously unloved sectors and companies (and even the UK market) rebounding significantly. We are mindful of the characteristics of different holdings within the Fund and continue to manage our positions on an active basis.

In terms of income, we have generated 2.029 pence per unit since inception, our aim of a 3% yield on an annualised basis, has perhaps been over-optimistic in the scenario where we saw income drop in the light of Covid-19. The final distribution relating to the first year of the Fund will be made at the end of February.

The crowded optimism experienced in the final quarter, after the successful vaccine trial announcements, is also perhaps a cause for some caution. The UK has made a solid start in the vaccination program. The 1.3 million vaccinated by early January, stood in contrast

to less than 500 in France and the vaccine is still yet to arrive in Spain. The European and North America vaccination programs – and those in most of the rest of world, will prove challenging, regardless of the administration in place. Rather like last year and the hunt for PPE, this time a global shortage of glass vials, used to package the vaccine, may prove to be the wrong sort of bottle neck.

This was a lacklustre period for fixed interest markets; the Gilt Index moved ahead by 0.6% as concerns regarding Brexit offset "risk on" appetites fuelled by the aforementioned vaccines, as well as the seemingly decisive outcome of the US presidential election. For the first period in some time, the UK stock market outperformed the majority of international indices, recording an overall return of 12.6%. This very much reflects the "rotation" alluded to above, as companies and sectors that had been marked down heavily due to the lockdown measures imposed because of the pandemic, rebounded on the positive news surrounding the vaccines and an expectation (hope) that the global economy can return to something approaching normality in the second half of 2021.

2020 closed with positive news regarding the trading relationship between the UK and the EU, as a trade deal was agreed which avoided tariffs on a wide range of goods. In the United States, a coronavirus relief package was also finally agreed. Sadly, the emergence of a more virulent type of Covid-19 in the UK, resulted in tighter restrictions being put in place for Christmas and the New Year and has of course led to the re-instatement of a national lock down in the early days of 2021.

Despite such a tumultuous year, the FTSE World Index closed 2020 at an all time high, led by the US stock market and fuelled by optimism around the prospect of mass vaccinations. If these are successfully deployed in the first half of 2021 most economies should be able to function at something approaching normal by the second half of the year. This, coupled with the continued action of central banks in keeping interest rates low, suggests that stock markets should still be able to deliver a good return in 2021.

CO-LEAD MANAGERS



Howard Jenner - Executive Director

Howard studied English and Psychology at Southampton University before joining Laing & Cruickshank in 2001, which was acquired by UBS in 2004. In 2006, he moved with the majority of his former colleagues to Cheviot Investment Management, which subsequently merged with Quilter. He is a Chartered Fellow of the Chartered Institute of Securities and Investment (CISI) and chairs the Charity Asset Allocation Sub-Committee. Howard is a member of the international equity,

alternatives and fixed interest committees. Amongst his charitable commitments, he is a member of the Royal College of Arts' investment committee.



Gemma Woodward - Executive Director

Gemma joined Quilter Cheviot in 2015. She is responsible for managing charity portfolios, as well as leading the company-wide approach to responsible investment. She has over twenty years industry experience and has spent the majority of that time focussed on the charity sector and specifically clients with complex ethical and socially responsible investment requirements. Gemma started her career at Lloyds Bank; she joined Newton in 2002, following the acquisition of

the Henderson private client and charity business; and latterly was at Kleinwort Benson. She graduated from Durham University with a degree in history in 1994, is a Chartered Fellow of the Chartered Institute of Securities and Investment (CISI) as well as holding the Chartered Wealth Manager designation. Gemma is a member of the Investment Oversight Committee and the Charity Asset Allocation Sub-Committee. She is a trustee of two charities as well as being on the investment committee of an additional charity.

The Quilter Cheviot Global Income and Growth Fund for Charities is for UK charities only.

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Risk Warning: 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 and Key Investor Information for further details visit: <https://www.quiltercheviot.com/uk/charities/caif/>.

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