

# CLIMATE ASSETS FUND - 'B' SHARE CLASS

## FACTSHEET

MARCH 2020



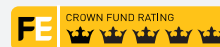
QUILTER CHEVIOT

### 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 29 February 2020	YTD	1yr	3yr	5yr	Since Inception
CLIMATE ASSETS FUND - 'B' SHARE CLASS	-3.85	10.30	19.34	43.75	124.73
IA Mixed Investment 40-85% Shares	-4.94	5.06	10.58	26.38	82.43
Bank Of England Base Rate	0.12	0.75	1.73	2.61	5.20

Discrete performance (%) to 29 February each year	2020	2019	2018	2017	2016
CLIMATE ASSETS FUND - 'B' SHARE CLASS	10.30	3.44	4.60	22.54	-1.70
IA Mixed Investment 40-85% Shares	5.06	-0.10	5.36	18.59	-3.63
Bank Of England Base Rate	0.75	0.64	0.33	0.36	0.50

● Past performance is not a guide to future performance and future returns are not guaranteed. Source: Financial Express 29/02/2020. 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
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	0.44	-0.77	1.32	1.25	21.40
2020	0.62	-4.44	-	-	-	-	-	-	-	-	-	-	-3.85

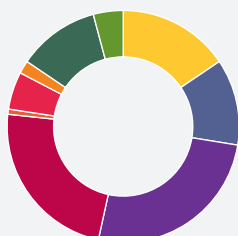
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### ASSET ALLOCATION

	%
Fixed Interest	15.54
Equity	68.92
Alternative Investments	11.39
Cash	4.15

### ASSET CLASS/GEOGRAPHICAL ALLOCATION

As at 29 February 2020



Fixed Interest	15.54%
United Kingdom	12.03%
North America	25.87%
Europe (ex UK)	23.25%
Asia Pacific (ex Japan)	0.72%
Japan	5.24%
Emerging Markets	1.81%
Alternative Investments	11.39%
Cash	4.15%

### TOP 10 HOLDINGS

	%
Waste Management	3.25
Thermo Fisher	3.14
Xylem	2.93
American Water Works	2.87
Kononklijke Philips	2.72
Ecolab	2.65
Halma	2.61
iShares Physical Gold	2.41
The Renewables Infrastructure Group	2.40
Physical Gold ETF	2.36
<b>Total Top 10</b>	<b>27.34%</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	202.40p Acc, 186.00p Inc
Fund Size	£91,659,782.40
ISAs/SIPPs/SSAs/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	2.48%
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, B5QHRL3 Inc

\* This includes the Annual Management Charge

## MARKET COMMENTARY

Global stock markets reached all-time highs in early February before suffering a sharp and widespread sell-off as it became clear that the coronavirus had not been contained within China. While it will likely reach most countries, not all will be affected to the same extent, with some better prepared and equipped to handle any outbreak than others. A surge of sell orders saw most major stock markets end the month with negative returns of between 8-9%. Despite a heavy weighting towards the energy and resources sectors, the FTSE 100 reached its lowest level since July 2016.

The economic impact is unknown in magnitude or duration, partly because there is no precedent in such a globalised world where supply chains stretch across national borders. Financial markets are pricing only a temporary impact, with a fairly swift recovery to normality on the basis that broad financial conditions remain supportive. Investors are hoping that economies receive an additional boost from government spending and tax cuts, as well as a monetary boost from lower interest rates, with the Federal Reserve cutting interest rates by 0.5% at the beginning of March.

Global GDP estimates have been downgraded to 2.5% from 2.7% at the start of the year – potentially the weakest annual rate since the financial crisis – with the most impact on China, Hong Kong, and emerging and commodity dependent economies. Current assumptions are that developed economies will be less affected, excluding Japan. Having said this, China ranks fourth in the world for automotive good inputs and so those with substantial dependence on consumer spending will face disruption from significant quarantine measures in China.

With China at the more advanced stages of the epidemic, it will be interesting to see how their recovery develops. New cases are reducing, recovery rates improving and numbers under medical supervision receding. All this suggests a turning point. Chinese officials are now prioritising industrial production and expect a near full return to work in state-owned enterprises by the end of February. We expect private enterprises to experience a much slower recovery however. Generally, Chinese business surveys for February painted a fairly bleak picture, with the private industrial manufacturing and non-manufacturing PMI plummeting to record lows. However, extensive stimulus measures should trigger a rebound in the second half of the year.

The trade sensitive economies of Japan and Germany will be more impacted than most. Japanese growth has been worse than expected and corporate earnings are highly correlated with weakening exports. While there is some talk of further fiscal and monetary measures, these are unlikely to have a material impact. The EU is also on track to continue its weak growth trajectory, especially the German auto sector. The latter's changing political landscape may lead to further government spending in due course. Meanwhile, the European Central Bank appears to be hoping that steady domestic consumption will prevent a slide into recession.

While UK GDP numbers for the fourth quarter stalled, the most recent manufacturing and services surveys have shown a mild uptick since the election. Housing market data, retail sales, and consumer confidence numbers also support this picture. The economy should gradually pick-up as pent-up demand is released, although to what extent will be determined by the ongoing negotiations with the EU.

## INVESTMENT THEMES

**Energy (19.39%)** - 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 (5.83%)** - 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.

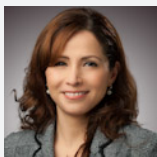
**Health (19.22%)** - The fund invests in companies providing products and solutions to these problems, such as those involved in medical supply and devices, vaccines and products for infectious diseases, minimal invasive surgery, and medical analysis and testing.

**Resources (37.46%)** - 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 (13.95%)** - 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.

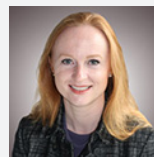
**References to specific securities are not recommendations to buy or sell those securities**

## 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

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## CONTACT DETAILS

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