

**Global Macro Commentary:** Following the Covid-19 outbreak it is likely that global economic activity troughed in late April/early May. The recovery in activity and jobs growth was swift through late Q2 as European & US lockdown measures were eased. Income protection measures, such as CARES act in US, supports domestic consumption but will need to be extended to the end of 2020. The undercurrents of this initial recovery necessitate caution: ongoing corporate defaults and capex recession, and payroll retrenchment. Bond yields are likely to remain very low due to extraordinary forward guidance, QE and the disinflationary impulse in the COVID-19 aftermath. Fiscal deficits will remain high through 2021 to support the recovery. Low bond yields do not challenge this (yet) owing to central bank inflation credibility and the implicit coordination of global fiscal policies.

**Portfolio Commentary:**

During the quarter spread volatility remained high and widespread, detracting from returns. The fund was positioned for a fall in yields in the US and Canada. A short position in Eurozone & Australian rates, exposure to rates options strategies in the UK, and modest exposure to Japanese credit all detracted from returns. FX options contributed positively in the fund.

**Global Macro Outlook:** We expect the US dollar to depreciate as we approach the Presidential election. We prefer exposure to the euro and Norwegian krone in this regard. We believe that expectations, as implied by swaps, are too high in the UK. Yield curves should steepen if the ongoing extraordinary unemployment income support measures are extended to end of 2020. Shorter-dated yields will remain low into 2021 owing to central bank forward guidance.

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## Global Fixed Income ESG Fund Q2 2020 Factsheet

**The Objective** of the Cameron Hume Global Fixed Income ESG Fund (“the Fund”) is to deliver a total return from income and long-term capital appreciation.

**ESG Screening:** The Fund will invest in corporates and sovereigns that manage their Environmental, Social and Governance (“ESG”) exposures better than their peers. The peer group is the Bloomberg Barclays Global Aggregate Index (“BBGA”), which is a broad-based measure of the global fixed income markets. We believe that issuers that have taken the greatest steps to consider and mitigate their ESG exposures will have an advantage over those that have failed to do so. We demonstrate the effect of this approach by using data from MSCI’s ESG service to compare the ESG characteristics of the portfolio to those of the Bloomberg Barclays Global Aggregate Index. The Fund excludes issuers involved in the production of controversial weapons and countries that are subject to UN or European Union sanctions.

**Investment Process:** We create a portfolio that seeks active returns from a global opportunity set encompassing interest rates, currency, inflation and credit markets in developed and emerging economies. The Fund therefore consists of specific positions where our fundamental views suggest that current market pricing is at odds with our expectations of how these factors are likely to evolve. For example, we believe that global rates and inflation markets can be inefficient and that the response of implied forward rates to economic developments will differ across markets and by their position within the term structure. The Fund therefore has forward positions where our fundamental macroeconomic views suggest there are specific opportunities.

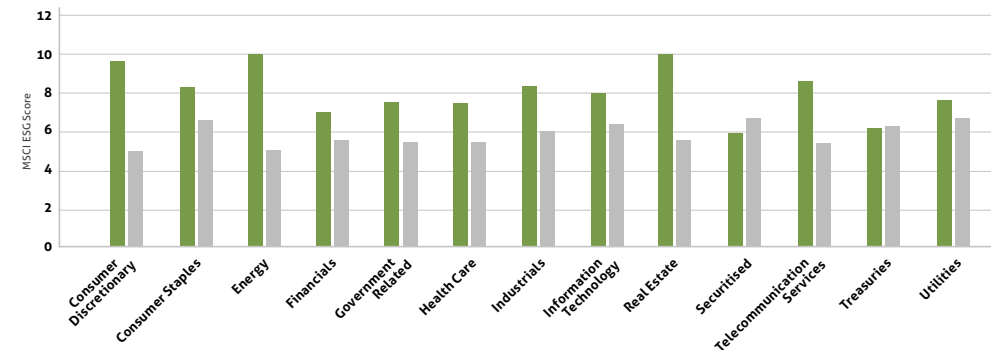
### Investment Team

Guy Cameron (CIO); Dr Kevin Kidney, CFA; Jin Wong, CFA; Caspar Cook, CFA; Josef Svoboda, CFA; Alex Everett.

### Fund Characteristics

#### ESG Score Comparison

This is an ESG score comparison between our ESG fund and the Bloomberg Barclays Global Aggregate Index.



Source: Cameron Hume, MSCI ESG Ratings

■ Cameron Hume Global Fixed Income ESG Fund ■ Bloomberg Barclays Global Aggregate

ISIN	IE00BG105F03
SEDOL	BG105F0
ISIN	IE00BG105G10
SEDOL	BG105G1
AUM	USD275.6m
1 year TER (AMC)*	30bp (15bp)*
Credit Quality	A
Modified Duration	7.15 years
WAM	9.83 years
YTM	1.12%
# Instruments	285

\* Founding Share Class

Performance (ending Jun 2020)	Cumulative return		
	ESG Fund (%)	BBGA hedged (%)	Excess (%)
1 Month	+0.47	+0.50	-0.03
Q2 2020	+1.99	+2.42	-0.42
1 Year	+5.79	+6.07	-0.28
Since Inception 24 Jul 2018	+13.22	+14.30	-1.09

#### Total Return



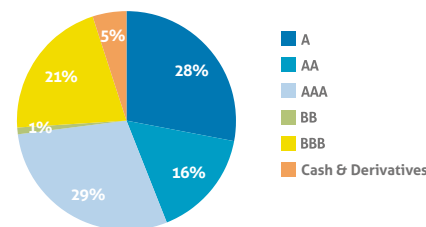
Source: Cameron Hume, Northern Trust

#### Portfolio Volatility (Ex Ante)



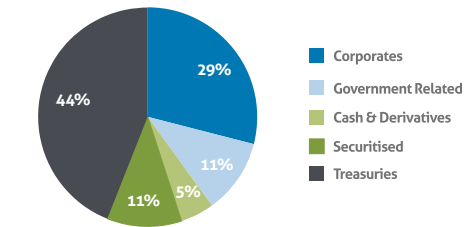
Source: Cameron Hume, MSCI BarraOne

#### Credit Quality Allocation



Source: Cameron Hume

#### Sector Allocation



Source: Cameron Hume

**ESG Commentary:** During the quarter we improved the credit quality of longer-dated US dollar corporate holdings through the addition of Apple (A ESG-rated) 30y corporate bonds. Growth company outlooks should remain supported by low interest rates and demand-side fiscal stimulus for consumers.

We also added back exposure to European periphery financials, through Banco Bilbao (AAA ESG-rated) 7y bonds. Further monetary support from the ECB and the developing EU-sponsored recovery fund should support future growth in the European periphery, as economies recover from the COVID-19 outbreak.