CAMERON HUME

Global Fixed Income ESG Fund

Q4 2020 Factsheet

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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 it 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.

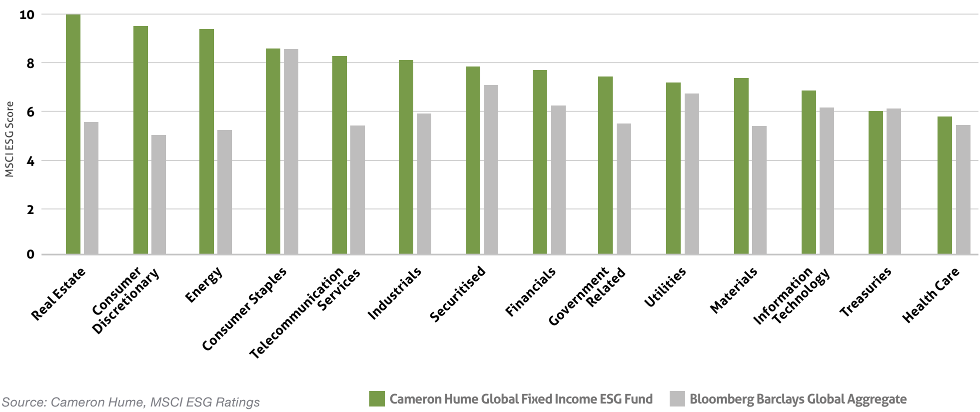
Investment Team

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

Fund Characteristics

ESG Comparison Chart

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



Source: Cameron Hume, MSCI ESG Ratings

ISIN	IE00BG105F03*
SEDOL	BG105F0*
AUM	USD305m
Ongoing Charge Figure (OCF)†	0.35%
Credit Quality	A
Modified Duration	7.29 years
WAM	13.46 years
YTM	1.66%
# Instruments	259

Performance (ending Dec 2020)	Cumulative return		
	ESG Fund (%)	BBGA hedged (%)	Excess (%)
1 Month	+0.31	+0.30	+0.01
Q4 2020	+1.31	+0.88	+0.43
2 Years	+16.39	+14.25	+2.13
Since Inception 24 Jul 2018	+16.03	+16.17	-0.14

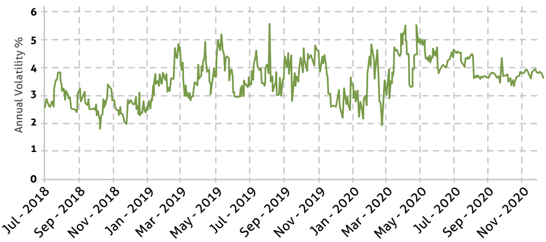
Founding US dollar Share Class

† The Ongoing Charge Figure is the overall cost shown as a percentage of the value of assets of the fund. It is made up of the Annual Management Charge (AMC) and other charges. It does not include any initial charges or the cost of buying and selling for the fund. The OCF can help compare the annual operating expenses of different funds.

Total Return

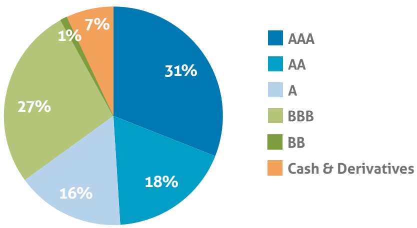
Source: Cameron Hume, Northern Trust

Portfolio Volatility (Ex Ante)



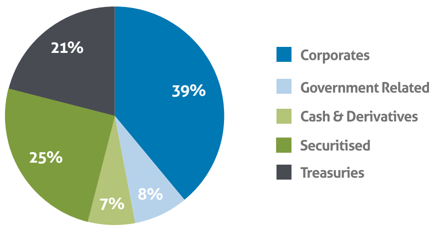
Source: Cameron Hume, MSCI BarraOne

Credit Quality Allocation



Source: Cameron Hume

Sector Allocation



Source: Cameron Hume

ESG Commentary: During the quarter we added the inaugural Green bond from Kirin Holdings, who have an A-rating for ESG. Proceeds from this 5-year, Japanese yen-denominated bond will be used for furthering the company's environmentally friendly operations and additional capital investment. We also added to the fund the newly issued 10y Social bond from the EU SURE instrument. This is the new programme designed to protect jobs across the EU and keep people in work during the recovery from the COVID-19 pandemic. The EU has an A-rating for ESG practices, reflecting strong financial and political governance across the economic region.

Global Macro Commentary: The global economic recovery continues although at varying speeds across China, Europe and the US. The US Presidential election and Brexit trade deal removed significant political risk from the year ahead. Additional lockdowns across Europe will likely push the euro area and UK close to a double-dip recession. The Federal Reserve confirmed that the policy rate will remain at 0.1% until 2024, despite an upgrade to their economic outlook. The ECB extended their quantitative easing programme through early 2022, should this monetary support be required. Bond yields are likely to remain very low due to extraordinary forward guidance and QE support through 2021.

Portfolio Commentary:
During the quarter, fund performance benefited from a narrowing of European semi-core spreads, expressed through a long position in Spain forwards versus euro rates forwards. A long position in shorter-dated Australia forwards detracted modestly from returns. Exposure to Japanese yen and euro investment-grade credit also contributed to positive returns. Within active FX exposures, long Norwegian krone contributed to positive returns. A short position in UK RPI swaps also contributed positively within the fund.

Global Macro Outlook: US Treasury yields are being pressured higher by the likelihood of further fiscal stimulus from the Biden administration, following the Georgia Senate run-off flipping both seats in favour of the Democratic party. We expect additional stimulus cheques to be distributed to all American households and families by early Spring, as well as an unemployment insurance extension through the remainder of the fiscal year. The new administration is also likely to outline their plans for a structural green investment programme through the Presidential term. The likelihood of this material fiscal support and the ongoing global vaccine roll-out is supportive for investment grade credit spreads, especially where underlying government bond yields are negative. Yield curves are likely to remain under steepening pressure in the early stages of this economic cycle and as the recovery broadens.

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