

# ACUMEN ESG Protection Portfolio



**PORTFOLIO  
FACTSHEET (GBP)**  
June 2022

**ACUMEN  
ESG PROTECTION  
PORTFOLIO**

MINIMUM MSCI ESG RATING: **A \***

30/06/22  
NAV

**94.61**

Highest  
Ever NAV

**104.80**

Protected  
NAV

**94.32**

## TITAN ASSET MANAGEMENT COMMENTARY:

Global stock markets sold-off in June, with the MSCI World equity index falling -8.63% and the MSCI Emerging Markets index declining -6.63%, as scorching consumer price inflation - running at 8.6% in the US - prompted the US Federal Reserve and other global central banks to tighten monetary policy. Risk assets were headed for greater losses but weakening economic data throughout the month shifted investor perception towards the rising prospect of moderating inflation and a less aggressive rate hike cycle, which provided some month-end relief. Investors are now increasingly focused on earnings and the extent to which excess savings accumulated during the coronavirus can offset rising recessionary fears.

China appears a potential bright spot in the global economy. The country recently loosened some Covid-19 restrictions with state media announcing that public transport and restaurants would reopen in Beijing. It came as Beijing looked set to ease some of the regulatory headwinds it has imposed over the last year by lifting a ban on ride-hailing app Didi. The CSI 300 index rose 10.43% in local currency while the Shanghai Composite Index rose 7.50%.

The US Federal Reserve began the process of quantitative tightening this month, by allowing some of its existing bonds to mature without replacing them. Bond yields rose across the curve with the US 2-year Treasury note 40bp higher and the 20-year long bond up 18bp to 3.43%, down slightly from an intra-month high above 3.70%. Germany's 10-year bond yield rose 21bp against widely held expectations that the European Central Bank will begin raising interest rates in July. In credit, spreads widened as fears over slowing growth dented risk sentiment.

Commodities delivered negative returns with the S&P Goldman Sachs spot index down -9.82%, driven by industrial metals. Oil prices initially rallied, following an EU agreement banning 90% of oil imports by year end, before also drifting into negative territory. In currency markets, the UK pound ended the month lower, falling from 1.26 to 1.22 versus the US dollar.

## ESG UPDATE

Narrative is an important part of our ESG proposition because it brings the effects of our ESG policy to life. During the first half of 2022 we explored various ways in which we can improve this narrative. Consequently, we have some updates to share. The factsheets for the ESG proposition have been updated to include a selection of material ESG data, for example carbon risk. We published the first iteration of a new quarterly ESG report, which is filled with commentaries, case studies and charts. Most recently, Titan Asset Management signed up to the UN Principles for Responsible Investment. Alongside our sponsorship of the LSE Green Finance Society (something we have been doing for 2 years now), we believe these updates serve to complete the foundation of our ESG proposition. Looking forward, we are excited to begin to build on this strong foundation by adding unique features to set our proposition apart from competitors.

## INVESTMENT PORTFOLIO EXPOSURE

Cash

**9.00%**

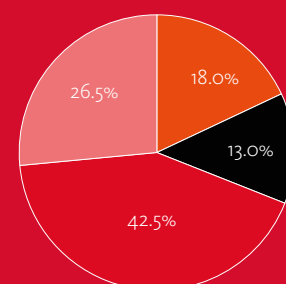
Asset Portfolio

**91.00%**

At times the portfolio may not be fully exposed to the underlying risk assets (Investment Portfolio), and may increase its exposure to cash. In addition, a proportion of the portfolio is invested in a put option, which is used to provide the 90% protection level. Depending on market performance this put option may reduce exposure to the Investment Portfolio. The above graphic shows the current exposure.

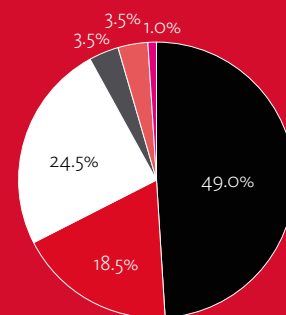
## INVESTMENT PORTFOLIO ALLOCATIONS

- Corporate
- Equities
- Currency
- Government



## REGION ALLOCATION

- North America
- United Kingdom
- Europe excl. UK
- Asia excl Japan
- Japan
- Rest of World



Date of data: 30/06/2022

The pie charts above show the asset allocation of the ACUMEN ESG Protection Portfolio (AEPP). The portfolio has a long-term volatility tolerance (fluctuations in the price of the portfolio) of 5% to 7%. In order to meet the volatility target, if markets become unsettled, the portfolio may reduce exposure to higher risk investments and increase exposure to lower risk investments such as cash and bonds. In addition, a proportion of the portfolio invests in a put option, which is used to provide the 90% protection level. The percentage invested in the put option will vary depending on market performance.

\*The investment policy seeks to ensure that the holdings within the portfolio, in aggregate, exceed a specific ESG score, and each holding meets a specific ESG criteria, each calculated using an ESG scoring methodology provided by MSCI. The MSCI ESG ratings methodology is a methodology developed by MSCI in order to attribute an ESG rating to a fund or an index, measuring specifically the Environmental, Social and Governance (ESG) characteristics of portfolio holdings. Details of the MSCI ESG scoring methodology is publicly available at: <https://www.msci.com/esg-ratings>.

The ACUMEN ESG Protection Portfolio launched on the 05/12/2019. The value of an investment in the ACUMEN ESG Protection Portfolio may fall as well as rise. Past performance should not be seen as an indication of future performance. Source of data: Titan Asset Management, Thomson Reuters and Lipper for Investment Management unless otherwise stated.

## INVESTMENT OBJECTIVE

The ACUMEN ESG Protection Portfolio is a UCITS fund which aims to provide investors with long-term capital growth from a multi-asset portfolio comprised of holdings, which adhere to the Fund's environmental, social and governance (ESG) investment policy. It also seeks to deliver a level of capital protection determined by reference to 90% of the highest net asset value achieved by the Class A GBP share class.

## INVESTMENT POLICY

The portfolio will typically have indirect exposure to the following global asset classes: bonds (effectively loans to governments or companies), shares in companies, currencies and alternative assets and will be determined by Titan Asset Management based on the MSCI ESG rating methodology described below. The portfolio allocations are subject to a maximum allocation of 100% of exposure to bonds and a maximum allocation of 60% of exposure to shares in companies. The portfolio has a long-term volatility tolerance (fluctuations in the price of the portfolio) of 5% to 7%.

The portfolio must achieve an aggregate minimum MSCI ESG rating of A. MSCI rate companies on a scale according to their exposure to ESG risks and how well they manage those risks relative to peers. Details of the MSCI ESG scoring methodology is publicly available at: <https://www.msci.com/esg-ratings>.

Additionally, certain holdings will not qualify for inclusion within the portfolio, based on data provided by MSCI, if 15% or more of their revenue is derived from the following sectors: Adult Entertainment, Alcohol, Civilian Firearms, Conventional Military Weapons, Gambling, Genetically Modified Organisms, Nuclear Power and Tobacco.

Investment strategy managed by: Constructed by Titan primarily investing in: With protection provided by:

## INVESTMENT MANAGER

The Investment Manager is FundLogic SAS, a member of the Morgan Stanley group. The Sub-Investment Manager is Titan Asset Management. John Leiper, CFA, CFTe, is the Chief Investment Officer of Titan Asset Management and carries direct responsibility for all discretionary investments at the firm. Together with the portfolio management team, they manage the risk progressive range of ACUMEN Portfolios (UCITS funds).

## SHARE CLASS

Class A Shares  
Annual Management Charge - 1.00%  
Ongoing Charges Figure - 1.19% (Estimated - inclusive of the AMC)  
Transaction Costs - 0.125% (Estimated)  
Sedol Code - GBP: (BKBNV5)  
ISIN Code - GBP: (IE00BKBNV56)

## KEY RESPONSIBILITIES

Investment Manager - FundLogic SAS  
Sub-Investment Manager - Titan Asset Management  
Protection Provider - Morgan Stanley & Co. International Plc  
Fund Company - FundLogic Alternatives plc  
Depositary - Northern Trust Fiduciary Services (Ireland) Limited  
Sub-Custodian - Morgan Stanley & Co. International Plc  
Administrator and Transfer Agent - Northern Trust International  
Fund Administration Services (Ireland) Limited  
Auditor - Ernst & Young

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**The value of investments held in the ACUMEN ESG Protection Portfolio may fall as well as rise. Past performance should not be seen as an indication of future performance. There is no assurance that the portfolio will achieve its investment objectives. The risk factors set out in the Key Investor Information Document (KIID), the Prospectus and the marketing brochure apply. The KIID and Prospectus can be found at [www.tavistockam.com](http://www.tavistockam.com). The marketing brochure can be found at [www.tavistockam.com](http://www.tavistockam.com). At times the portfolio may not be fully invested in the underlying risk assets. The phrase "lock-in upside" relates to a protection level which is 90% of the highest value ever achieved by the portfolio. If the portfolio value increases above the previous portfolio high then 90% of any such upside is protected. The phrase "limit downside" relates to at least 90% of an initial investment being protected by Morgan Stanley. Throughout this factsheet, when we refer to the term portfolio we mean the ACUMEN ESG Protection Fund.**

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