Clerical Medical Ethical

Fund Aim
To achieve capital growth by investing in an international portfolio of companies whose activities are considered ethical, both in terms of their primary activities as well as in the means of achieving them. These companies are selected according to broad range of negative ethical screening criteria. ‘Negative screening’ means using a fund’s agreed screening criteria to exclude undesirable investments, such as shares in companies which sell weapons or tobacco.

Basic Fund Information
Fund Launch Date 31/10/2000
Fund Size £76.1m
Sector ABI Global Equities
ISIN GB0002273604
MEX ID CMEP
SEDOL 0227360
Manager Name Global Equity Team, Stephen Docherty
Manager Since 09/06/2014, 09/06/2014

Top Ten Holdings (as at 29/12/2017)
- TAIWAN SEMICONDUCT TWD10 3.6%
- M & T BANK CORP COM USD0.5 3.3%
- VISA INC USD0.0001 3.3%
- WHITBREAD ORD GBP0.76797385 2.8%
- AIA GROUP LTD USD1.00 2.8%
- DAITO TRUST CONSTR NPV 2.7%
- SAMSONITE INTERNATIONAL SA COMMON STOCK HKD 2.7%
- EOG RESOURCES INC COM STK USD0.01 2.6%
- ORACLE CORP COM STK US$0.01 2.6%
- EXPERIAN PLC SPONS ADR COMMON STOCK GBP 2.6%
TOTAL % OF FUND 29.0%

The composition of asset mix and asset allocation may change at any time and exclude cash unless otherwise stated.
Past Performance

Performance figures are in £ Sterling on a single pricing basis, with income (where applicable) reinvested net of UK tax and net of total annual fund charges. These figures do not include any initial charge or other product charge(s) that may be applicable.

Cumulative Performance

Information is shown as unavailable if prior to the launch of fund.

Quarterly Fund Manager Review

UK equities rose in the fourth quarter, buoyed by sterling weakness and resilient economic data. Third-quarter GDP expanded by faster than expected, underpinned by consumption, which was squeezed by a lack of real wage growth and higher inflation. Consumer prices accelerated to 3.1% in November, their highest level in five years. Although these price pressures were fuelled by the weak pound and not economic overheating, the central bank hiked interest rates for the first time in a decade. In Brexit talks, the UK and the European Union completed the first stage of the agreement, paving the way to trade negotiations. For the quarter to end-December, the portfolio rose by 5.15% in sterling terms, outperforming the benchmark’s rise of 4.96%. Positive stock selection outweighed negative asset allocation. At the stock level, contributors to relative return included an underweight to GlaxoSmithKline, which saw its shares fall on the back of broker downgrades, with fears over margin erosion from generic competition, as well as the prospects for the HIV franchise, coming to the fore. Also benefiting the fund was BBA Aviation’s shares performed well due to positive organic growth trends, along with a strengthening balance sheet. Another contributor to relative return was Millennium & Copthorne, as its shares rallied on the back of a privatisation offer by City Developments. Conversely, key detractors included an overweight to Dignity which detracted from year-to-date performance due to investor concerns over heightened market competition. Also costing the fund was Bunzl and RPC, as their shares were dampened by negative sentiment over their modest organic growth during the quarter. In the UK, economic resilience despite the pall of uncertainty from Brexit talks is likely to continue surprising investors. Inflation remains a bugbear and the central bank’s first rate hike in a decade may appear somewhat imprudent, with sterling weakness the real source of price pressures and not an overheating economy. However, with energy prices climbing recently, the BoE’s decision may start to look prescient in the months ahead.

Global Equity Team, Stephen Docherty 31/12/2017

The views, opinions and forecasts expressed in this document are those of the fund management house. Investment markets and conditions can change rapidly and as such the views expressed should not be taken as statements of fact, nor should reliance be placed on these views when making investment decisions.