

# VT Cantab Sustainable Global Equity Fund 'A' Class



Factsheet - February 2020  
All data as at 31 January 2020



## Mark Wynne-Jones

Fund Manager

Mark is a CFA Charterholder who has 25 years' experience in global equity and multi-asset investing, with much of this time spent at Investec Asset Management.



## David Saunderson

Chief Executive

David read engineering at Downing College, Cambridge and then qualified as a Chartered Accountant with Price Waterhouse.



## Dr Jeremy Davis

Managing Director

Jeremy is a Chartered Wealth Manager. He read Natural Sciences at Magdalene College, Cambridge, and holds a Ph.D in Genetics and Plant Breeding.

### Fund Information

<b>Benchmark</b>	IA Global
<b>No. of holdings</b>	27
<b>Fund Size</b>	£2.6m
<b>Fund Structure</b>	Open-Ended Investment Company

### Share Class Information

<b>Share Class</b>	Accumulation, Income
<b>Annual Yield</b>	n/a
<b>Initial Charge</b>	0.00%
<b>AMC</b>	0.75%
<b>Ongoing Charges Figure (OCF)</b>	0.96% <sup>1</sup>
<b>Dividend XD Dates</b>	31 January, 31 July
<b>Payment Dates</b>	31 March, 30 September
<b>Annual Volatility</b>	n/a
<b>ISIN</b>	GB00BK5XL008 (Acc) GB00BK5XKZ82 (Inc)
<b>SEDOL</b>	BK5XL00 (Acc), BK5XKZ8 (Inc)
<b>Bloomberg Ticker</b>	VTSGEAG LN (Acc), VTSGEFA LN (Inc)
<b>ISA Eligible</b>	Yes

### Investment Objective

The investment objective of the Fund is to provide income and capital growth over the long term by gaining exposure to a diversified portfolio of global equities.

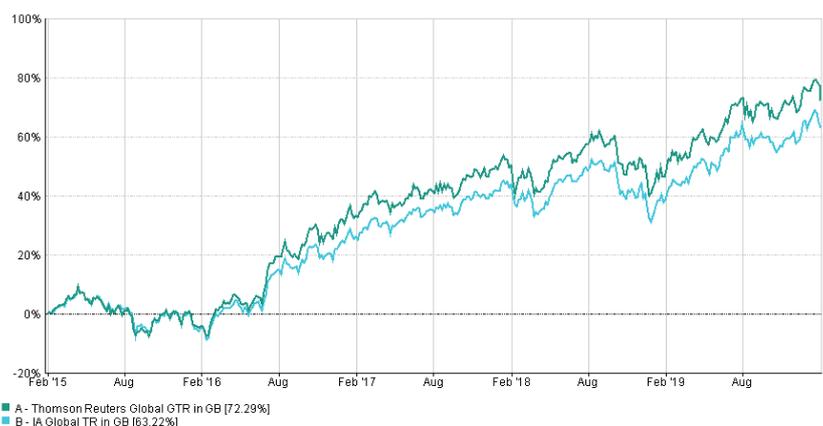
### Investment Policy

The Fund may also invest in other transferable securities, collective investment schemes (including those managed or operated by the ACD), money market instruments, deposits, cash and near cash. Derivatives (that is sophisticated investments linked to the rise and fall of one or more underlying assets) may be used for efficient portfolio management purposes. It is expected that the portfolio will be relatively concentrated.

A key element in portfolio construction is an assessment of investee companies' approach to environmental, social and governance (ESG) issues (e.g. whether they pay due attention and consideration to ESG concerns and demonstrate this through ESG policies and practice). Investments will only be made in companies which the Investment Manager considers make a positive contribution to environmental, social and/or governance matters and so help in the development of a sustainable global economy. Companies involved in industries such as the production of fossil fuels, alcohol and tobacco, gambling or controversial weapons are automatically excluded from the investment universe.

Save as noted above, the Fund has no particular emphasis on any geographical areas or any industrial or economic sector.

Cumulative Performance (%) <sup>2</sup>	3m	6m	1yr	3yr	5yr
VT Cantab Sustainable Global Equity Fund	n/a	n/a	n/a	n/a	n/a
IA Global	4.3	-0.1	16.8	29.6	63.2
Thomson Reuters Global	2.7	-0.2	15.5	30.4	72.3



30/01/2015 - 31/01/2020 Data from FE fundinfo2020

Discrete Performance (%) <sup>2</sup>	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
VT Cantab Sustainable Global Equity Fund	0.7	n/a										
IA Global	0.3	21.9	-5.7	14.0	23.3	2.8	7.1	21.7	9.4	-9.3	15.8	23.0
Thomson Reuters Global	-0.8	21.4	-4.0	13.8	29.4	3.6	10.9	19.8	8.2	-8.2	16.0	21.1

<sup>1</sup>The OCF shown here is an estimate of the charges and may vary from year to years. <sup>2</sup>Total return, GBP

## Market Commentary

Global equity markets pulled back at the end of January, following the outbreak of the coronavirus in Wuhan, China. The virus has since spread to 24 other countries and, at the time of writing, has infected 28,292 people and claimed 565 lives. Markets are concerned by the impact on global supply chains and China's economic growth, which currently comprises 35% of global growth. During the month, there was also a deterioration in US-Iran relations. The episode led to a temporary spike in the Brent crude oil price but following a de-escalation in tensions and concerns around oil demand following the virus outbreak, the Brent crude oil index ended the month down -11.9%. Once again, safe haven assets rallied on uncertainty, with government bonds in positive territory.

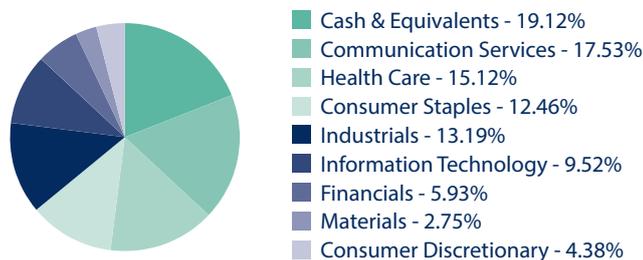
The MSCI Emerging Markets index was unsurprisingly the hardest hit equity market, down -4.19% in January. Since the outbreak of the virus, parallels, both human and economic, have been drawn with the SARS outbreak of 2003. The coronavirus has spread more quickly, not helped by the timing of the Chinese Lunar New year, the largest annual human migration in the world. The virus has been less virulent, with a mortality rate of 2% to date compared to 10% for the SARS virus. However, commentators have predicted that the virus could have a greater impact on China's growth due to the country's enlarged service sector, now at 53% of economic activity compared to 42% in 2003. Policy response efforts by global organisations like the WHO, as well as Chinese authorities have been better this time around and the Chinese government have made efforts to cushion the short term downside on the economy with the injection of \$174 billion. Until the outbreak, December data suggested that the Chinese economy was beginning to show signs of stabilisation; both industrial production and retail sales were above market expectations and grew at 6.9% and 8%, respectively. In India, the recent budget failed to deliver the bold reforms that many investors had hoped for. The budget lacked initiatives to reinvigorate the struggling real estate and financial sector. However, the announcement of a cut in income taxes for the middle class should help to stimulate consumer spending.

The US equity market was the only major market to end the month in positive territory, with the MSCI USA up +0.66%. The boost to markets from the phase one trade deal and tariff cuts seen earlier in the month just about outweighed the coronavirus sell-off seen at the end of the month. Preliminary data for Q4 2019 GDP growth matched consensus forecasts, at an annualised +2.1%. More than half of US companies have now released their Q4 earnings, and thus far, they have been better than expected, with earnings year on year up 1.6%. Indeed, the Federal Reserve continues to see the economy 'in a good place', again electing to leave the Federal funds rate at a range of 1.5% to 1.75%.

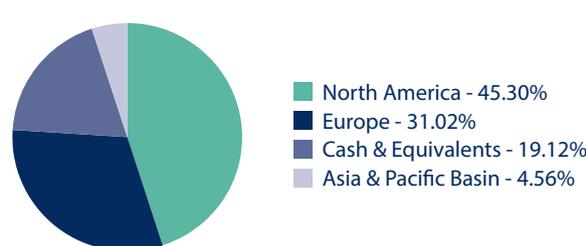
UK markets eased off after a strong finish to 2019, with the MSCI United Kingdom down -3.31%. Stock market returns however did not reflect PMI data which saw a notable improvement. At 53.9, services PMI data signaled the fastest expansion since September 2018 while the manufacturing PMI pointed to a departure from sector contraction for the first time since April 2019. The data is an early sign of the diminishing headwind of political uncertainty on business activity and consumer spending. However, the UK's official exit from the EU on 31 January only signals the beginning of an 11-month transition period in which an EU trade agreement will be sought by the EU and the UK. Inflation in December disappointed, falling to 1.3%, the lowest reading since November 2016. Nevertheless, in Mark Carney's final meeting as Governor of the Bank of England, the committee again voted to hold interest rates at 0.75%.

For the full market commentary article, please email [judith.purton@cantabam.com](mailto:judith.purton@cantabam.com) or call the office at 01223 52 2000.

## Sector Allocation



## Regional Allocation



## Platform Availability



## Important Information

Risks: As with all equity-based investments, the value and the income therefrom can fall as well as rise and you may not get back all the money that you invested. The value of overseas securities will be influenced by the rate of exchange which is used to convert these to sterling. This should therefore be viewed as a long-term investment. Past performance is not a guide to the future. Please be aware that if you decide to cancel, and in the meantime the value of your investment has fallen, you may not receive back the full amount you invested.

While recommended investment transactions remain pending, investment markets may rise or fall so there is potential for loss of income or growth. Further, if you cancel your application during a cooling off period, you will receive back the lesser of your application amount and its market value.

[cantabam.com](http://cantabam.com)

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