

## SHINING A LIGHT ON THE..... Ninety One Global Environment Fund

### AT A GLANCE

Investment Objective
The Fund aims to grow the value of your investment and provide income over at least 5 year periods, after allowing for fees. The Fund invests primarily (at least two-thirds and typically substantially more) in the shares of companies which the Investment Manager believes contribute to positive environmental change through sustainable decarbonisation (the process of reducing carbon dioxide emissions).

Inception Date	
Fund Factsheet Link	<a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000014GA1">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000014GA1</a>

Management	
Manager Name	Start Date
Deidre Cooper	25 <sup>th</sup> February 2019
Graeme Baker	25 <sup>th</sup> February 2019

### FUND PERFORMANCE

Performance from since launch to 30 September 2020:

	2020
Ninety One Global Environment Fund	20.85%
MSCI ACWI NR	3.87%

Performance since launch:

	Since launch
Ninety One Global Environment Fund	40.35%
MSCI ACWI NR	16.90%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

Tracking Error	Active Share Class	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
-	99%	-	-	-	-	-	Blend/Large

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Volatility Measurements	
3-Yr Std Dev (volatility)	-
3-Yr Mean Return (average)	-

Investment Style Details	
Giant	16.03%
Large	51.40%
Medium	25.89%
Small	4.84%
Micro	0.00%

Top 5 Holdings		
Vestas Wind Systems A/S	Industrials	7.05%
NextEra Energy Inc	Utilities	6.62%
Waste Management Inc	Industrials	6.16%
Xinyi Solar Holdings Ltd	Technology	6.06%
Schneider Electric SE	Industrials	5.36%

Top 5 Sectors	
Industrials	40.90%
Technology	28.18%
Utilities	20.21%
Basic Materials	5.96%
Consumer Cyclical	4.75%

Top 5 Regions	
US	31.41%
China	17.76%
Denmark	14.28%
France	5.47%
Japan	5.24%

## UPDATE....

**These updates have been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.**

In an environment where governments and individuals are demanding change, it is no surprise that we are seeing more strategies coming out which aim to invest to deliver something positive. This strategy is a high conviction play, focusing on the carbon avoidance universe. It has 99% active share which means it has very little similarity with other global funds.

This is a growing market. To achieve the 1.5-degree world, between \$1.6 and £3.8 trillion needs to be invested each year. Currently this is just \$500 billion. This fund will look to invest in those companies whose products and services avoid carbon and have a strong competitive advantage. The key themes are clean power, EV, water and land efficiency, energy efficiency, wind, solar, autonomous vehicles, and smart grids / networks.

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Expanding further, 9% of electricity globally came from wind and solar in 2019. The aim is to move this to 85%. EV sales were 2.6% globally in 2019. This needs to move to 100%. There is a long way to go. There are big drivers for change, including the European Green Deal, China's aim to have 60% of new cars sold by 2035 as EVs, 9 US states have announced 100% clean and carbon free energy goals by 2050, 77 countries and 100 plus cities have committed to net zero targets between 2030 and 2050, and 100 plus cities / regions have committed to 100% renewable targets.

Technology is driving down costs, with the cost of renewables coming down by about 20% a year and battery technology by about 18%.

Examples of companies they invest in include NEXtera Energy (renewable energy), Infineon and LEAD (electrification) and WM Waste Management and Voltronic Power (resource efficiency).

This is a pure stock picking fund working from a universe of undiscovered companies. They are looking to invest in companies that have strong structural growth, sustainable returns and a competitive advantage. They have regular engagement with company management and turnover is low. In March, the fund went down but recovered strongly. They removed one business which was connected to the hospitality sector.

In summary, this is part of a growing number of funds which act as a diversifier to traditional global strategies. It is also investing in a theme is being driven by regulation and consumer demand. From an investor view they can actively invest for positive change, and have the potential to be rewarded for doing so.

*The source of information in this note has been provided by Ninty One and is correct as at October 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*