

**SHINING A LIGHT ON THE.....
Regnan Global Equity Impact Solutions Fund**

AT A GLANCE

Investment Objective
The fund aims to achieve capital growth in excess of the MSCI ACWI IMI Index (net of fees) over rolling 5 year periods and to generate a positive impact by investing in companies that have the potential to address the world's major social and environmental challenges.

Inception Date	
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000015YIK

Management	
Manager Name	Start Date
Tim Crockford	27 th October 2020
Mohsin Ahmad	27 th October 2020

FUND PERFORMANCE

Performance from 21st December 2017 to 4th December 2019. The performance below is based on the previous fund they managed between 21st December 2017 and 4th December 2019. The process and team is the same, and the fund was one that they developed and launched.

	2017	2018	2019
Federated Hermes Impact Portfolios Fund	-0.72%	1.64%	22.94%
MSCI ACWI IMI NR	-0.16%	-4.49%	17.81%

Performance over 12 months, and since launch to leaving:

	1 year	Since launch
Federated Hermes Impact Portfolios Fund	11.63%	24.05%
MSCI ACWI IMI NR	10.23%	12.34%

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	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
-	98.99	-	-	-	-	-

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Volatility Measurements

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

Investment Style Details

Giant	9.85%
Large	28.89%
Medium	34.69%
Small	19.07%
Micro	0.69%

Top 5 Holdings – 31 Holdings

Sartorius Stedim Biotech SA	Healthcare	4.53%
Duerr AG	Industrials	4.21%
YDUQS Participacoes SA	Consumer Defensive	4.21%
Qiagen NV	Healthcare	4.19%
Evoqua Water Technologies Corp	Industrials	4.15%

Top 5 Sectors

Healthcare	36.01%
Industrials	31.70%
Consumer Cyclical	8.66%
Technology	7.14%
Financial Services	4.68%

Top 5 Regions

US	34.09%
Germany	17.37%
France	9.08%
Denmark	4.56%
Brazil	4.52%

UPDATE....

This is a new strategy launched by the former team from Hermes. Where this is different to other strategies is that it is a genuine impact solution fund, looking to identify those companies which provide solutions that have a positive impact on people and the planet. The fund is highly concentrated, with 29 core holdings and 2 smaller holdings. The smaller holdings are where they have strong conviction in the solution but cannot forecast the revenue growth.

Each core holding is a conviction name and will be an initial weighting of 3 to 3.5%. They are aware that each holding will grow and outperform at different stages, so they actively monitor each holding and trim down so the risk of the portfolio is not dominated by a few holdings. When trimming, this can be used to add to an existing stock or purchase a new holding.

Some of the new investments include Alfen, Befesa, YDUQS and eVOQUA. The holdings are like those at Hermes, but they are conscious of price and therefore it is not an exact replication.

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In terms of the new of new holdings a couple of examples are:

Alfen – this is a Dutch based company that has been around for many years and manages the distribution of power which is really import for supporting the growing EV market

Befesa is a stock they have followed for a few years. They take steel dust and recycle into zinc oxide, which is then recycled into zinc and used for strengthening steel. They are mainly based in Europe but have expanded into Turkey and Korea and more recently China

The whole team moved from Hermes to access the Regnan platform which will help them identify problems and then look for solutions. This is a unique proposition and they do expect the holdings to increase over time as the opportunity set grows.

Since launch the fund has \$171 million and now has over 20 underlying clients within the strategy. They have also added an additional member to the team. They currently look across 8 investment themes and these are set to grow. The themes include health and wellbeing, energy transition, circular economy, future mobility, food security, education, financial inclusion, and water.

We expect to see several new launches and we are looking for managers who believe in what they are doing rather than strategies developed to fit into a growing market. There is no doubt that this team are passionate about looking at the problem and then looking for the solutions. It is not just about investment but also impact measurement, engagement, and monitoring.

In summary, in the past it was felt that to invest in a positive way meant sacrificing returns. This is all changing. This is a unique proposition that looks to tackle environmental and societal challenges through investing in solutions. These companies are global, and many are leaders in their field. When comparing to other global funds this will look very different and hence its active share is nearly 100%. The one thing that might discourage investors is the lack of performance other than when they were at Hermes. This may mean waiting until this is built up. From our research this certainly would be a fund we would monitor alongside the likes of Ninety-One and Montanaro.

The source of information in this note has been provided by Regnan and is correct as at February 2021. 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.