

SHINING A LIGHT ON THE..... Artemis Positive Future Fund

AT A GLANCE

Investment Objective
To grow capital over a five-year period by investing in companies which meet the managers' criteria for positive environmental and/or social impact.

Inception Date	March 2021 (TBC)
Fund Factsheet Link	-

Management	
Manager Name	Start Date
Craig Bonthron	
Neil Goddin	
Jonathan Parsons	
Ryan Smith	

UPDATE....

This is a brand-new fund set to be launched in March 2021, although this date is yet to be confirmed. The team previously managed the Aegon Global Sustainable Equity Fund. Through this strategy they were able to outperform the wider market by investing in innovative companies that have a transformational positive impact.

The fund will look to invest in between 35 to 45 names with around 99% active share class. They moved so they could purely focus on this product and become leaders in impact investing.

They believe they can do this by:

- Investing at the intersection of disruptive innovation and the unsustainable status quo
- Identifying companies that create transformational – rather than incremental – change
- Finding companies that can grow through disruption, and that are driving change in their industries and in wider society

The areas that they are looking at are intentional positive impact, material positive impact, disruptive innovation, engagement, emerging growth, transparency, and engagement. What this turns to is an unconstrained fund with a long-term view and a high conviction portfolio of between 35 and 45 names.

They also believe the market has changed and many typical strategies are stuck in the past. Therefore this is unlikely to have names like Orsted, VISA, Roche, Microsoft and Unilver, but rather companies like Badger, Alfen, Icon, Solar Edge, Plug Power and Kornit Digital.

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They believe a focus on innovation is vital to success because the challenges are growing in intensity and companies are not moving quickly enough to address these. As a team they want to find and invest in those companies which can capture value from the challenges and changes that are happening. This means asking questions like, what is the purpose of the company, are the management authentic, what is the scale of the positive impact and can it grow and disrupt and then how radical is that solution?

This is fundamentally a bottom-up stock picking fund looking at all the factors from leadership to the impact and whether they can make a return. At the same time, they are aware of top down changes which include societal frictions and scarcity, emerging tech and solutions and shifts in the basis of competition.

It leads to a likely portfolio which has more IT and healthcare focus and has more US based companies. At the same time, it is likely to have a small and mid-cap bias and fundamentally will contain what they see as companies of the future. Each year they will report on what they are doing and the impact of the holdings.

In summary it is hard to review a new fund as there is no track record, no real holdings and everything is hypothetical. Investing to make a meaningful positive impact is a growing trend and it is clear that this also makes investment sense. There are however other companies to consider like Montanaro, Hermes and Regnan who are all offering similar strategies. From our side we would want to watch and wait to see how the portfolio develops.

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