

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. In order to achieve the investment objective, the fund will invest at least 80% of the portfolio in shares of companies quoted and/or traded on Regulated Markets worldwide and which aim to generate (a) positive, measurable social and environmental impact when measured against the taxonomy developed by the Investment Manager relating to sustainable development goals (the "Regnan Taxonomy"), further details of which are set out below; and (b) financial returns. It is anticipated that the fund's portfolio will comprise fewer than fifty holdings.

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 27th October 2020 – 30 April 2021

	2020	2021
Regnan Global Equity Impact Fund	11.90%	-1.79%
MSCI ACWI IMI NR	8.37%	8.30%

Performance since launch:

	Since launch
Regnan Global Equity Impact Fund	9.90%
MSCI ACWI IMI NR	17.37%

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
-	99.33	-	-	-	-	Growth/Mid

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Volatility Measurements

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

Investment Style Details

Giant	10.98%
Large	25.19%
Medium	46.17%
Small	13.24%
Micro	0.47%

Top 5 Holdings – 31 Holdings

Evoqua Water Technologies Corp	Industrials	5.16%
Sartorius Stedim Biotech SA	Healthcare	4.81%
Befesa SA Bearer Shares	Industrials	4.75%
Horiba Ltd	Technology	4.69%
Umicore SA	Industrials	4.61%

Top 5 Sectors

Industrials	35.10%
Healthcare	22.52%
Consumer Cyclical	8.55%
Technology	7.90%
Basic Materials	6.61%

Top 5 Regions

US	26.08%
Germany	14.40%
France	9.29%
Spain	7.85%
Denmark	6.77%

UPDATE....

This strategy has been running for six months and was launched by the team who previously worked together at Hermes. They are looking to invest in those companies which aim to solve the major environmental challenges facing the world. They are long term holders and look across health and wellbeing, energy transition, circular economy, future mobility, food security, education, financial inclusion, and water. They have reduced exposure to energy transition and future mobility as they feel these are crowded trades.

They have 28 stocks in what they class as core holdings, and then 3 in the risk adjusted bucket. The later tend to be waiting for companies to scale up. These tend to be less liquid and more volatile. These are companies that they engage with on a regular basis. The position sizes in the core holdings tend to be fairly consistent with equal conviction.

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In terms of performance and positioning, the fund is overweight Europe ex UK and underweight the US, and this has impacted performance. To some extent as a global strategy the underperformance is more driven by what they do not own.

Some of the new holdings include YDUQS, AFYA Education Technology Healthcare (this is a play on the need for more doctors in Brazil. The company is a leading player in building out medical schools and built across three pillars - education, healthcare and technology), Lenzing (an Austrian business who have developed a material called Tencel (created from wood pulp) and used by companies like GAP, and H&M to provide more sustainable clothing).

Other examples include Befesa (exposure to zinc prices), evoQUA (water technologies who will likely benefit from Biden reforms and cleaning up water supplies in the US) and Hoffmann Green Cement Technologies.

Hoffmann make low-carbon 0% clinker cements and are in the risk adjusted bucket, are very small, and although they have revenues, they have no profits as they scale up.

In terms of selling, they have sold Illumina which they held at Hermes and then in this fund. They have just purchased a business which is unproven and therefore they have moved to their watch list. CSL is another business they held at Hermes and then in this fund. The business failed a quality standard test when developing the J & J vaccine and therefore they have sold out.

In summary, for those investors looking for an alternative global strategy that is investing in companies that have a direct impact on the world around us then this might be something to consider. It is worth testing this against the likes of Hermes, Baillie Gifford, Ninety-One and Montanaro.

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