

**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 – 31st October 2021

	2020	2021
Regnan Global Equity Impact Fund	11.90%	5.81%
MSCI ACWI IMI NR	8.37%	16.52%

Performance since launch:

	Since launch
Regnan Global Equity Impact Fund	18.40%
MSCI ACWI IMI NR	26.27%

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	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
-	99.23	-	-	-	-	-	Growth/Mid

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Volatility Measurements

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

Investment Style Details

Giant	8.92%
Large	21.83%
Medium	45.24%
Small	17.95%
Micro	2.89%

Top 5 Holdings – 32 Holdings

Evoqua Water Technologies Corp	Industrials	5.16%
Novo Nordisk A/S Class B	Healthcare	4.75%
Duerr AG	Industrials	4.50%
Befesa SA Bearer Shares	Industrials	4.48%
Lonza Group Ltd	Healthcare	4.38%

Top 5 Sectors

Industrials	32.86%
Healthcare	26.72%
Technology	12.81%
Basic Materials	5.49%
Consumer Defensive	5.10%

Top 5 Regions

US	30.96%
France	8.55%
Germany	8.47%
Denmark	8.03%
Spain	6.31%

UPDATE....

The strategy has now been running for twelve months and was launched by the former team at Hermes. During that time the team have been joined by Bertrand Lecourt and Saurabh Sharma, who ran the Fidelity Water and Waste Fund. This provides additional resource and a rich source of information for the team. Additionally, they have added a portfolio specialist and investment director.

The fund invests across themes; these include health and wellbeing (25.1%), energy transition (13.2%), circular economy (20.5%), future mobility (5.7%), food security (1.8%), education (4.9%), financial inclusion (3.3%) and water (9.4%).

The biggest increase in weighting is towards the circular economy, and they expect this to grow as well as water as they take ideas from the new team.

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Examples of what has contributed well to the strategy includes Evoqua (wastewater remediation), Befesa (who have started to roll out steel dust recycle plants in China), Alfen (charging point solutions, energy storage and smart grids), Tomra (reverse vending solutions) and Xylem (water technology company).

They have added two new companies; Home REIT is a small cap company which operates a portfolio of properties which are offered as temporary accommodation to homeless people via homeless charities. The other company is ilika, which spun out of Southampton University and is bringing to market solid state batter technology. They sold Hella as this was purchased by another company, and Brambles due to a change of strategy.

The fund has underperformed in its first year and they explained that they do look at performance over a 3-to-5-year period, but are aware of this underperformance. They have seen this time as a year to sow seeds and add to attractive valuations. In terms of where they haven't done well, this includes regional weightings, and in particular having a lower weighting to the US compared to the index. In the UK they own life sciences businesses which have underperformed, and they have missed out on energy, financials and FANGS / semi-conductors which are areas they often won't hold. In terms of specific stocks this includes:

YDUQS and Afya – these are Brazilian education names which they have recently added, they feel they may have added too early but believe in the long-term outlook for the stocks

Emergent BioSolutions – there was an error in the drug mixing and they sold out within hours of this becoming public knowledge, but it still damaged performance

Valeo – is involved with smart mobility and they have been adding to the holding on the weakness of the share price

Autolus Therapeutics – this is a leader in T cell programming, and again they have been adding to the holding on the weakness of the share price

Siemens Gamesa – rising costs have impacted profitability, especially with the onshore part of the business

In summary, this has had a difficult start, but the focus remains on investing in companies that provide positive impact solutions for the people and planet. Although some stocks have underperformed, they have used this as an opportunity to build on the positions and they remain confident that the portfolio is well positioned to outperform over the next 3 to 5 years. I liked the expression about sowing seeds. Clearly they could walk away but instead they believe in the holdings and have been adding to these at cheap valuations.

We remain of the belief that this is a strong team that are fully committed in this strategy and delivering a positive impact. The additions in personnel will clearly benefit them as well so we continue to view this fund favourably.

The source of information in this note has been provided by Regnan and is correct as of November 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 decide based on these notes we cannot take responsibility for this,

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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.