

**SHINING A LIGHT ON THE.....  
JPM Climate Change Solutions Fund**

**AT A GLANCE**

<b>Investment Objective</b>	
To achieve a return through investing at least 80% of the Fund's assets in equity securities of companies with exposure to the theme of climate change solutions. At least 80% of assets invested in equities of companies that have been identified by the Investment Manager as best positioned to develop solutions to address climate change. Companies are selected in relation to key subthemes of climate change solutions, which may change from time to time, such as sustainable transport, sustainable construction, sustainable food & water, renewable energy and recycling and re-use.	
<b>Inception Date</b>	30 June 2021
<b>Fund Factsheet Link</b>	<a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000016XR2">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000016XR2</a>

<b>Management</b>	
<b>Manager Name</b>	<b>Start Date</b>
Francesco Conte	30 June 2021
Yazann Romahi	30 June 2021
Sara Bellenda	30 June 2021

**FUND PERFORMANCE**

Performance from 30<sup>th</sup> June 2021 to 31<sup>st</sup> January 2022:

	<b>2021</b>	<b>2022</b>
<b>JPM Climate Change Solutions Fund</b>	11.10%	-13.39%
<b>MSCI ACWI NR</b>	7.56%	-4.00%

Performance since launch:

	<b>Since Launch</b>
<b>JPM Climate Change Solutions Fund</b>	-3.78%
<b>MSCI ACWI NR</b>	3.26%

*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.*

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Tracking Error	Information Ratio	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
-	-	96.68	-	-	-	-	-	Growth /Large

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

Investment Style Details	
Giant	18.52%
Large	39.61%
Medium	31.85%
Small	5.44%
Micro	2.98%

Top 5 Holdings – 69 Equity Holdings		
Schneider Electric SE	Industrials	3.36%
Xylem Inc	Industrials	3.27%
Trane Technologies PLC Class A	Industrials	3.24%
Eaton Corp PLC	Industrials	3.13%
Johnson Controls International PLC	Industrials	3.05%

Top 5 Sectors	
Industrials	60.98%
Basic Materials	10.41%
Technology	9.60%
Consumer Cyclical	8.28%
Utilities	7.56%

Top 5 Regions	
North America	49.53%
Europe Developed	36.82%
Asia Emerging	4.31%
Japan	4.13%
Asia Developed	3.05%

### UPDATE....

In my previous reviews I have expressed our concerns around the strategy and the team. That concern remains, but the more I speak to the team the less the concern is. If we see this as a separate franchise to the JPM Group, then it may be a better way to view this.

The fund started well in terms of performance but has been caught in the general pullback of growth stocks. In the short term performance this year has been weak. However this is invested in a part of the market that has strong tailwinds in terms of a changing landscape and regulation, which is impacting the way we invest.

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Climate change is something that is happening now and is a global problem that cannot be solved by one single country. There is a lot of work to be done by corporates and governments and the fund looks to capture these opportunities.

In terms of global energy, this is still positioned towards oil, coal, and gas and this needs to transition to renewables. We know the journey will not be smooth but the investment into clean energy will be huge in order to achieve this.

It is not just about corporates and governments: consumers are also showing that they are willing to pay for more sustainable products. There is also confusion around the opportunity set. Energy is not the only opportunity, it also includes transport, buildings, wastewater, chemicals, and agriculture.

The team believe to find the best companies needs active management. They want to invest in those companies that are truly making a difference and those that have massive growth opportunities. To get the take up in electric vehicles you need to invest in the grid, and you need to invest in electrification. ABB as an example is looking at technology which can charge 100km in 3 minutes. This will transform the speed at which electric cars can charge. Other areas of interest include using geo-thermal energy and the use of high voltage cables to transfer this energy.

In the US the cost of air conditioning is the same as the whole energy costs in the UK. Trane, as an example, is a specialist in heating, ventilation, air conditioning and building management systems.

Ultimately this portfolio is all about solutions and every single stock should benefit the planet. Although this is skewed towards industrials it covers many sectors and geographies.

In summary, the more we talk to the team the more we do believe that they are passionate about what they are doing. To some extent I think investors need to see this as a separate franchise within JP Morgan, although they can lean on the wider group for research and ideas. Performance has been strong although it has pulled back this year. The tailwinds are in their favour. We continue to watch and monitor the strategy.

*The source of information in this note has been provided by JPM and is correct as of January 2022. 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.*