

SHINING A LIGHT ON THE..... Ninety-One Global Environment Fund

AT A GLANCE

Investment Objective
The Fund aims to grow the value of your investment and provide income over at least 5 year periods, after allowing for fees. The Fund invests primarily (at least two-thirds and typically substantially more) in the shares of companies which the Investment Manager believes contribute to positive environmental change through sustainable decarbonisation (the process of reducing carbon dioxide emissions).

Inception Date	
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000014GA1

Management	
Manager Name	Start Date
Deidre Cooper	25 th February 2019
Graeme Baker	25 th February 2019

FUND PERFORMANCE

Performance from since launch to 31 January 2022:

	2019	2020	2021	2022
Ninety-One Global Environment Fund	16.13%	48.00%	13.08%	-14.02%
MSCI ACWI NR	13.85%	14.15%	19.63%	-4.00%

Performance over 12 months and since launch:

	12 months	Since launch
Ninety-One Global Environment Fund	-1.70%	67.11%
MSCI ACWI NR	15.89%	45.61%

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 Class	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
-	98.82%	-	-	-	-	-	Growth/Large

LWM Consultants Ltd

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

Investment Style Details	
Giant	9.64%
Large	77.03%
Medium	6.51%
Small	5.20%
Micro	0.00%

Top 5 Holdings (24 holdings)		
NextEra Energy Inc	Utilities	7.07%
Waste Management Inc	Industrials	6.12%
Iberdrola SA	Utilities	5.47%
Zhejiang Sanhua Intelligent Cont...	Industrials	5.28%
Novozymes A/S B	Basic Materials	5.18%

Top 5 Sectors	
Industrials	37.60%
Technology	24.72%
Utilities	21.46%
Basic Materials	10.53%
Consumer Cyclical	4.00%

Top 5 Regions	
US	42.48%
China	13.26%
Denmark	12.83%
Spain	5.56%
United Kingdom	5.26%

UPDATE....

This is a strategy we have followed since it was launched. It is a highly focused strategy looking to capture decarbonisation opportunities by investing in best-in-class companies. They invest across renewable energy, electrification, and resource efficiency.

There is often a view that these are new companies and that this is the dot.com bubble repeating itself. The reality is that the companies they invest in have structural growth, sustainable returns and a competitive advantage.

They believe this sector has strong tailwinds, with trillions of dollars needing to be invested to achieve the targets set. The universe they can select from is 1200 companies and they look to hold a maximum of 25, so getting into the fund is hard.

2020 was good for the fund and this reflected an optimism that change would come. However, 2021 saw much of the enthusiasm drop back, especially with a disappointing COP26.

LWM Consultants Ltd

The main drivers of performance include Croda, Waste Management and Wuxi. Some of the underperformers include Orsted and Vestas. Some of the new holdings include Ansys, Trane, Beyond Meat, Autodesk, and Rockwell Automation. They sold IPG and Goldwind Science on sustainability concerns, and IPG, NXP Semiconductors, Nidec and China Everbright were sold due to valuations.

They are looking at opportunities in China, and they were asked about NextEra. NextEra has suffered a fair amount of volatility since the CEO left, however, this has been planned for some time and the volatility has opened opportunities to add to this on the weakness.

In summary, although the performance has dropped back the long-term story remains intact. This is about investing in an area with massive growth potential and the feeling is that those companies that do a better job for the environment will do better in the future. This strategy remains on our watchlist.

The source of information in this note has been provided by Ninety-One 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.