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Volatility Measurements

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

Investment Style Details

Giant	0.00%
Large	27.68%
Medium	21.84%
Small	30.88%
Micro	5.20%

Top 5 Holdings – 31 holdings

UPM-Kymmene	Sustainable Food, Land and Forestry	4.72%
Trane Technologies	Water, Waste & The Circular Economy	4.67%
Stantec	Water, Waste & The Circular Economy	4.57%
Owens Corning	Water, Waste & The Circular Economy	3.66%
EDPR	Sustainable Energy	3.64%

Top 5 Sectors

Real Estate	30.11%
Industrials	28.89%
Basic Materials	16.48%
Utilities	10.79%
Technology	5.53%

Top 5 Regions

United States	60.28%
Australia	10.99%
Finland	5.51%
Canada	5.34%
Denmark	5.06%

Fund Benchmark	FTSE All World TR GBP
Fund size (Mil)	GBP 0.92
Ongoing Charge	0.85%
Active share	99.51%

Bull (pros)	Bear (cons)
<ul style="list-style-type: none"> Looking to invest in those companies that innovate to reflect a rapidly changing society and economies Different to other sustainable funds by prioritizing double materiality – considers not only the company’s operational footprint but also the environmental and social impacts of the products and services that the company provides 	<ul style="list-style-type: none"> The main concern is the lack of performance track record There are also concerns that this is the first global fund they launched (tend to focus on specialist funds)

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| <ul style="list-style-type: none">• Unlikely to hold the likes of Alphabet, Microsoft, Adobe, Apple and Nvidia• Looks five key themes – sustainable energy, sustainable food, land and agricultural, waste, water and the circular economy, health and education and digital world | |
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UPDATE....

This is a new fund launch from Foresight. Foresight are specialists in sustainable investing and this is the latest addition to their suite of funds. It is the first global fund they have launched. The thought behind this is to “tap” into a theme that will be multi decade.

Climate change is a risk to global economic structures and there is no silver bullet to enable change to happen. Greenhouse gas emissions come from every aspect of our daily lives. The key areas are:

Electricity Production – 25%

Food, Agriculture, and Land Use – 24%

Industry – 21%

Transportation – 14%

Other Energy-related Emissions – 10%

Buildings – 6%

The team looks to provide capital to companies at the core of sustainable development:

Sustainable Energy – energy generation, distribution and storage, energy efficiency, electrification, carbon capture, utilisation and storage and the energy supply chain

Sustainable land, food, and forestry – sustainable farming and food production, sustainable forest management and environmental restoration

Waste, water, and the circular economy – sustainable building materials, resource renewal, electronic recycling, sustainable water practices and municipal recycling

Health and education – access to quality healthcare, access to quality education, early learning, and distance learning

Digital world – digital infrastructure, digital finance, building automation and connected devices

Where this is perhaps different to other sustainable funds is the priority on double materiality, and this approach seems to place this closer to an impact strategy. Looking across sustainable strategies they tend to focus on a company’s operational footprint. This leads to holdings such as Alphabet, Microsoft, Adobe, Apple and Nvidia. With this strategy they add an additional layer which assesses the environmental and social impact of the products and services that the company provides. In doing this it then excludes some of the common names that tend to be in strategies of this nature.

This means that the holdings are different to that of other sustainable funds. Some examples of holdings include:

Stantec – they are an international professional company in the design and consulting industry with a focus on sustainability. They want a world where infrastructure gives back, water is protected, natural systems are valued, biodiversity is prioritized, economies are circular, nothing gets wasted, development is responsive, everyone can access renewable energy and society is just.

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SMS Metal Management – they are a leading metal recycler covering buying, processing, and selling of ferrous and non-ferrous recycled metal across the world. This is part of the circular economy and helping to create a world without waste.

Vital Farms – their aim is to bring ethical food to the table. They aim to improve the lives of people, animals, and the planet, through food.

To some extent this feels more like an impact strategy but with a sustainable badge. This might provide an edge as it sits between the two. It focuses on 30 to 40 companies that are defined by their innovative products and services that seek to address the climate imperative whilst their sustainable operations are embedded into long-term strategies. We can see this in some of the holdings we have mentioned above. This is also a diversified portfolio. Taking the three mentioned above they cover consultancy, recycling, and food. The ability to focus on one overarching theme but invest across different aspects should provide more stability of returns.

The sustainable investment process covers:

- Sustainable Investment Pillar Alignment
- UN Global Compact Alignment
- UN SDG Alignment
- Revenue Alignment
- Qualitative Assessment

As a company, Foresight are one of the leaders in sustainable investing. However, they tend to focus on specialist investments. This is the first time they have launched a global fund. It is therefore difficult to see how successful this will be as they don't have a track record to back this up. However, the team are involved in the other strategies, and this should provide comfort to investors.

In summary, we like Foresight as a group, and we like their other strategies. We can see a place for this fund but the lack of experience with a global fund, and performance track record would mean we would need to tread carefully. This may mean having it on our watchlist for a period to see the performance and management overtime.

The source of information in this note has been provided by Foresight and is correct as of September 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 decide based on these notes we cannot take responsibility for this, and you should carry out your own research before deciding. We would also recommend that you receive advice before following up on any decision.