

LWM Consultants Ltd

Volatility Measurements

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

Investment Style Details

Giant	0.00%
Large	18.32%
Medium	55.86%
Small	21.41%
Micro	1.40%

Top 5 Holdings – 46 Equity Holdings

Republic Services Inc	Industrials	3.97%
Waste Management Inc	Industrials	3.96%
Clean Harbors Inc	Industrials	3.70%
Waste Connections Inc	Industrials	3.69%
American Water Works Co Inc	Utilities	3.45%

Top 5 Sectors

Industrials	66.92%
Utilities	18.47%
Consumer Cyclical	10.08%
Healthcare	3.09%
Basic Materials	1.44%

Top 5 Regions

United States	65.14%
Asia – Emerging	6.09%
Eurozone	6.07%
United Kingdom	5.30%
Japan	4.81%

UPDATE....

The fund passes its 12-month anniversary on 13th September. The fund was established by a team who previously worked at Fidelity and follows the same process and style. Before Fidelity they ran the strategy at Polar Capital and Aquilys.

It focuses around 5 drivers – urbanization, consumption, infrastructure pressure, regulations and health and resource and scarcity. They believe that looking for good companies is about understanding what makes the world work. In their view, water and waste is the story of civilisation.

The main characteristics of companies they invest in are quality with good earnings and the ability to compound earnings over time. This naturally leads to companies with strong balance sheets.

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The fund is more about the story. Water is used in everything we do, and everything becomes waste. As the “middle classes” increase, especially in the emerging markets, so consumption increases, and a natural by-product is waste. The fund is therefore looking to capitalise on companies which operate in the water and waste space. There are around 350 companies which they can focus on. They want the very best companies.

Because there are few players it means that many of these companies have high barriers to entry and persistent earnings growth. Price is important as although they want to gain as much as possible on the upside, they still need to protect on the downside.

With the downturn in markets this has opened value in the holdings they have, and they believe this is positive for returns when markets turn. They also feel that this offers something different to other global strategies and so is a good diversifier within portfolios. It has also held up well against the index since it was launched.

In summary, one of our concerns would be the focus on one segment of the market. The team have been doing this for many years and delivered strong returns. We are happy to add this to our watchlist but would want to follow performance for a longer period.

The source of information in this note has been provided by Regnan 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.