

Redwheel Next Generation Emerging Markets Equity Fund

- June 2023

LWM FUND SPOTLIGHT

REDWHEEL NEXT GENERATION EMERGING MARKETS EQUITY FUND

INVESTMENT OBJECTIVE

To provide long term capital appreciation by investing primarily in smaller emerging markets and frontier equity markets on a global basis. The Fund will primarily invest its assets (excluding cash and cash equivalents) in smaller emerging markets and frontier markets. The Investment Manager will seek to identify growing companies with strong sustainable cash flows at attractive valuations. The Fund will invest primarily in the securities of companies in smaller emerging markets and frontier markets, which will include companies listed or headquartered in other locations but with substantial connections to smaller emerging markets or frontier markets (such as significant operations in, or revenue derived from, smaller emerging markets or frontier market countries).

INCEPTION DATE	24 th April 2019
FUND FACTSHEET	https://www.trustnet.com/factsheets/b/q7k2/red-wheel-next-generation-emerging-markets-equity

MANAGEMENT

Manager Name	Start Date
James Johnstone	24 th April 2019

RATIO DATA (3-years)

Alpha	Beta	Max Drawdown	Max Gain	Max Loss	Negative Periods	Positive Periods	Tracking Error
29.44	0.72	-15.01	22.90	-12.98	59	97	13.68

OTHER DATA

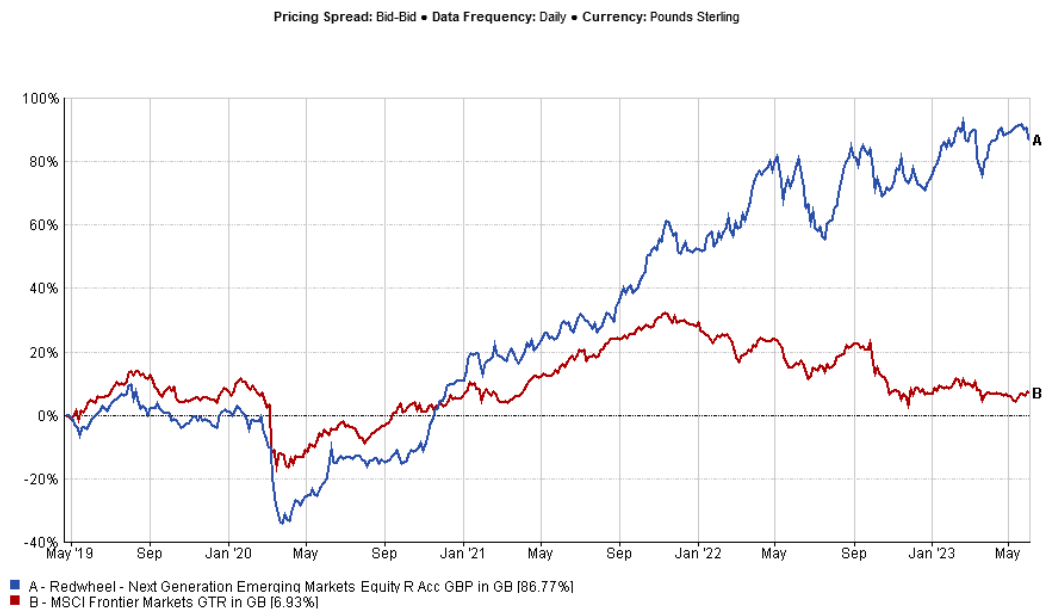
Benchmark	MSCI Frontier Markets NR USD
Fund Size	\$239.8 million
Fees	1.40%

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BULL POINTS (PRO)	BEAR POINTS (CONS)
<ul style="list-style-type: none"> • Very different emerging market strategy, focusing on regions where they see future growth coming from • No exposure to larger markets such as China and India • Focus on old world as they transition to the new world so themes are around commodities, travel and tourism and new factories of the world • Long growth trajectories in terms of populations, the rise of the middle class and products and services they offer 	<ul style="list-style-type: none"> • Small / mid cap focus so underperforms in periods of extreme market volatility • Likely to perform differently to other emerging market funds and might lag when countries such as China and India are in favour <p style="margin-left: 20px;">High charges</p>

FUND PERFORMANCE

Performance from 24th April 2019 – 31st May 2023



24/04/2019 - 31/05/2023 Data from FE fundinfo 2023

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Cumulative Performance (GBP)

	3 Months	6 Months	1 Year	3 Years	5 Years
Fund	6.83%	12.71%	16.80%	123.20%	
Sector	2.74%	2.83%	1.23%	7.05%	8.32%
Relative to Sector	3.99%	9.61%	15.38%	108.50%	
Rank in Sector	22 / 309	5 / 302	5 / 292	1 / 246	
Fund Quartile	1	1	1	1	N/A

Performance by Calendar Year in (GBP)

	YTD	2022	2021	2020	2019
Fund	9.46%	15.91%	36.88%	9.82%	
Sector	2.03%	-12.46%	0.58%	13.51%	14.22%
Relative to Sector	7.28%	32.40%	36.09%	-3.25%	
Rank in Sector	10 / 302	1 / 282	4 / 263	169 / 239	
Fund Quartile	1	1	1	3	N/A

Discrete Annual Performance to Last Quarter End (GBP)

	0-12m	12m-24m	24m-36m	36m-48m	48m-60m
Fund	7.70%	48.39%	76.51%		
Sector	-4.53%	-7.84%	45.55%	-15.69%	-2.30%
Relative to Sector	12.81%	61.01%	21.28%		
Rank in Sector	7 / 285	1 / 268	5 / 241		
Fund Quartile	1	1	1	N/A	N/A

Fund Price Movement (GBP)

12 Month High	195.06 (Pounds Sterling)	12 Month Low	154.29 (Pounds Sterling)
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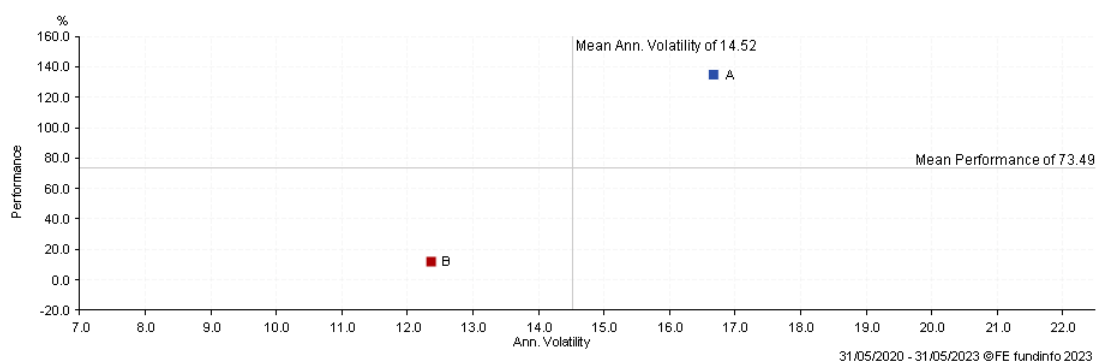
Annualised Ratios Over 36 Months

	Alpha	Beta	Sharpe	r ²	Volatility
Fund	30.58	0.61	1.77	0.31	16.67
Fund Quartile	1	4	1	4	2

Please 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.

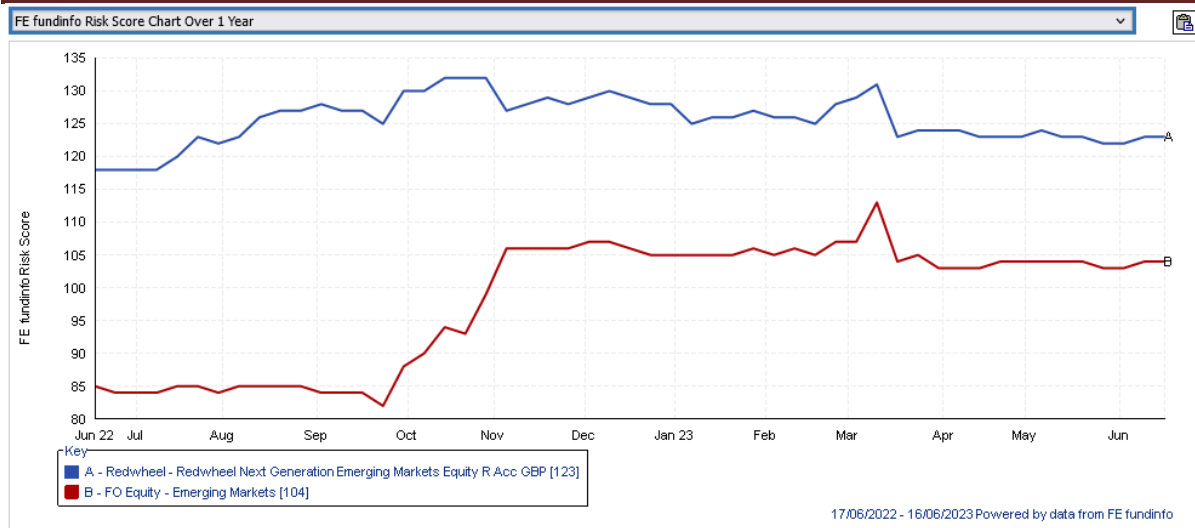
VOLATILITY / RISK SCORE

Pricing Spread: Bid-Bid • Currency: Pounds Sterling



Key	Name	Performance	Annualised Volatility
■ A	Redwheel - Next Generation Emerging Markets Equity R Acc GBP in GB	134.89	16.67
■ B	MSCI Frontier Markets GTR in GB	12.09	12.36

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MARKET CAP

Style Measures

Measures

Market Cap

Avg Market Cap
4.59 Bil

Category Avg Market Cap
4.06 Bil

Index Avg Market Cap
3.61 Bil

Size	Investment %	Cat. Average %	Index %
Giant	6.69	3.52	2.64
Large	30.78	31.17	26.03
Mid	37.55	33.18	36.17
Small	21.07	20.09	29.88
Micro	2.66	4.23	0.27

USD | As of 31 May 2023 | Category: Global Frontier Markets Equity | Index: MSCI Frontier Markets NR USD | Data is based on the long position of the equity holdings.

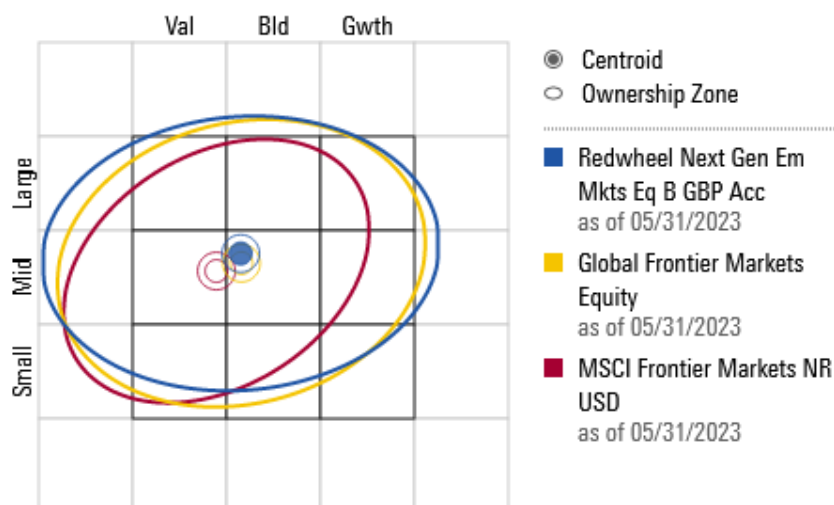
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Stock Style

Map

Weight

Historical



STYLE MEASURES

Style Measures

Measures

Market Cap

Value & Growth Measures	Investment	Cat. Average	Index
Price/Earnings	8.30	8.03	8.19
Price/Book	1.18	1.26	1.32
Price/Sales	1.16	1.25	1.21
Price/Cash Flow	4.13	5.29	4.09
Dividend Yield %	3.82	4.44	5.81
Long-Term Earnings %	11.62	12.58	13.04
Historical Earnings %	11.96	23.42	20.30
Sales Growth %	-6.11	4.36	18.11
Cash-Flow Growth %	34.81	40.06	25.18
Book-Value Growth %	-25.72	-17.22	11.63

As of 31 May 2023 | Category: Global Frontier Markets Equity | Index: MSCI Frontier Markets NR USD | Data is based on the long position of the equity holdings.

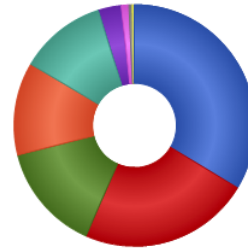
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SECTOR WEIGHTING

Sector Weightings as at April 30, 2023

Rank	Change	Name	%
1	▶	FINANCIALS	33.64
2	▶	BASIC MATERIALS	22.96
3	▶	CONSUMER PRODUCTS	14.46
4	▶	INDUSTRIALS	12.43
5	▶	REAL ESTATE	11.65
6	▶	TELECOM, MEDIA & TECHNOLOGY	3.11
7	▶	UTILITIES	1.03
8	▶	HEALTH CARE	0.44
9	▶	MONEY MARKET	0.28

▼ Faller ▲ Riser ▶ No Change ■ New Entry



GEOGRAPHIC WEIGHTING

Country	■ Investment %	■ Category %
Indonesia	10.33	4.52
United Kingdom	10.27	5.32
Philippines	9.81	6.82
Canada	6.02	0.47
Vietnam	5.75	19.62
Chile	5.17	1.17
Greece	5.07	2.28
Mexico	4.83	0.67
Thailand	4.13	1.42
Singapore	2.62	0.24

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As of 31 May 2023 | Category: Global Frontier Markets Equity | Country data is based on the rescaled long position of the equity holdings | Source: Holdings-based calculations.

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HOLDINGS

Top 10 Holdings as at April 30, 2023



Rank	Change	Name	%
1	▲	FIRST QUANTUM MINERALS LTD.	3.74
2	▼	ENERGEAN PLC	3.66
3	■	BANCO SANTANDER CHILE	2.49
4	■	BDO UNIBANK INC	2.40
5	▼	TRIMEGAH BANGUN (IJ*)	2.32
6	■	EMAAR DEVELOPMENT PJSC	2.28
7	■	HALYK SAVINGS BANK OF KAZAKHSTAN (JSC)	2.24
8	▼	CREDICORP	2.07
9	■	ISLANDSBANKI HF	1.99
10	▼	SEATRIUM LIMITED	1.96
Top 10 total percentage weighting			25.15

▼ Faller ▲ Riser ► No Change ■ New Entry



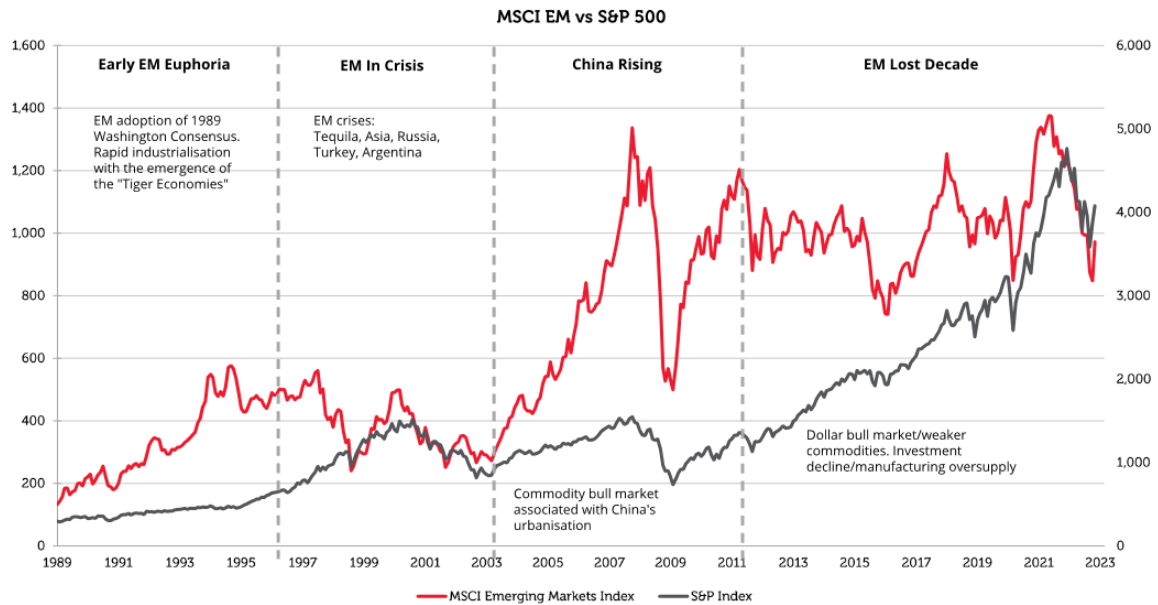
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LWM FUND ANALYSIS

The greatest opportunity for long term growth comes from emerging markets. However, the last decade has been a lost decade for returns for investors.

Redwheel Next Generation Emerging Markets Equity Fund Super cycle phases for EM versus the US over the past 30 years

May 2023



Source: Redwheel, Haver and Bloomberg as at March 2023. Based on the latest information available. Past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. The information shown above is for illustrative purposes only and is not intended to be, and should not be interpreted as, recommendations or advice. This is a marketing communication. Please refer to the Fund's Prospectus and KID/KIID before making any investment decisions.

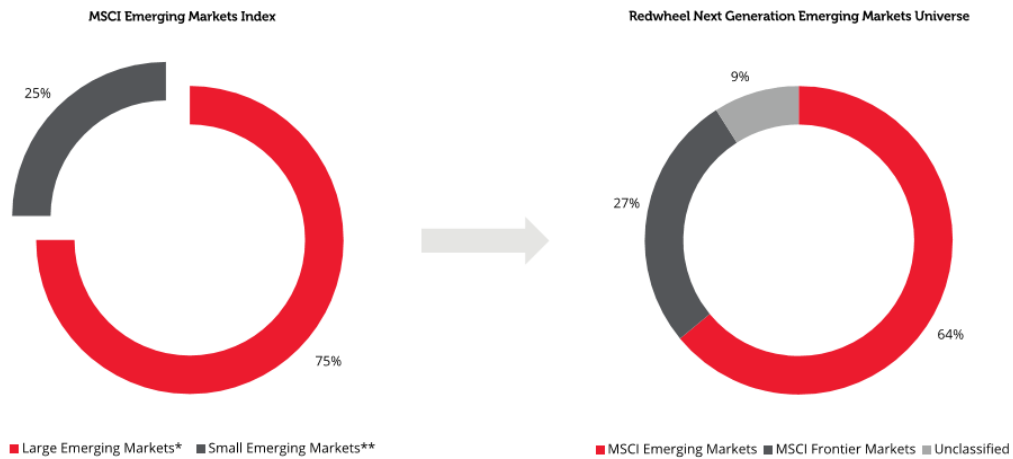
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China dominates global manufacturing, with both Tesla and Apple using it as a base. Over 70% of what Walmart sells comes from China. But that dominance is changing. Morocco produces more cars than France, as an example. If China gives up some of that dominance there will be plenty of countries that benefit.

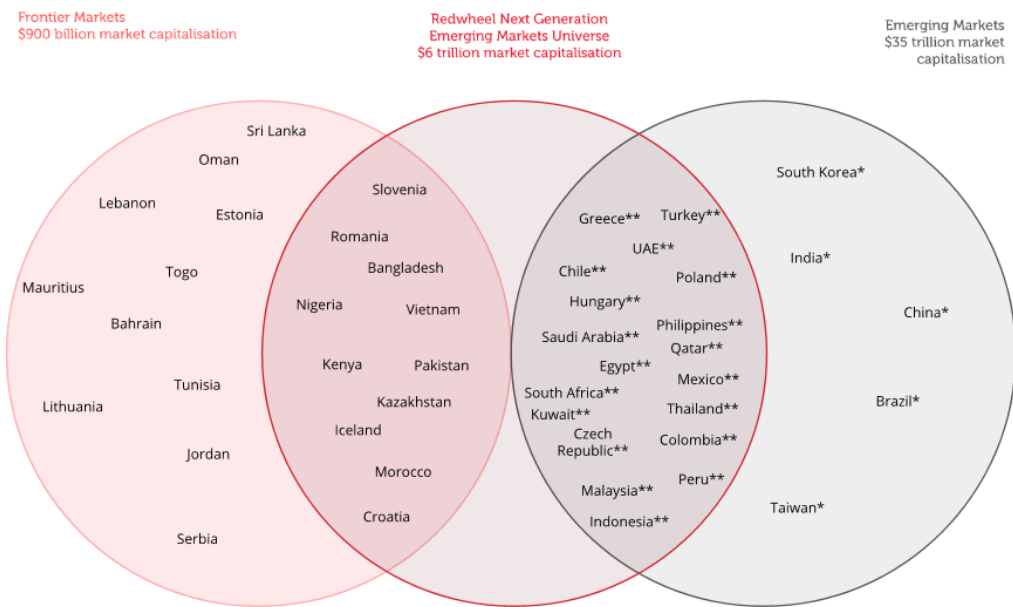
Another reason for a shift is that the last decade has been about digital assets and that isn't going to disappear. However, we are moving towards a period where real assets matter. To achieve success in the war on climate change we need real assets.

Most of these innovative and changing economies are smaller or frontier. The chart below shows how the index is positioned vs the universe of the fund.

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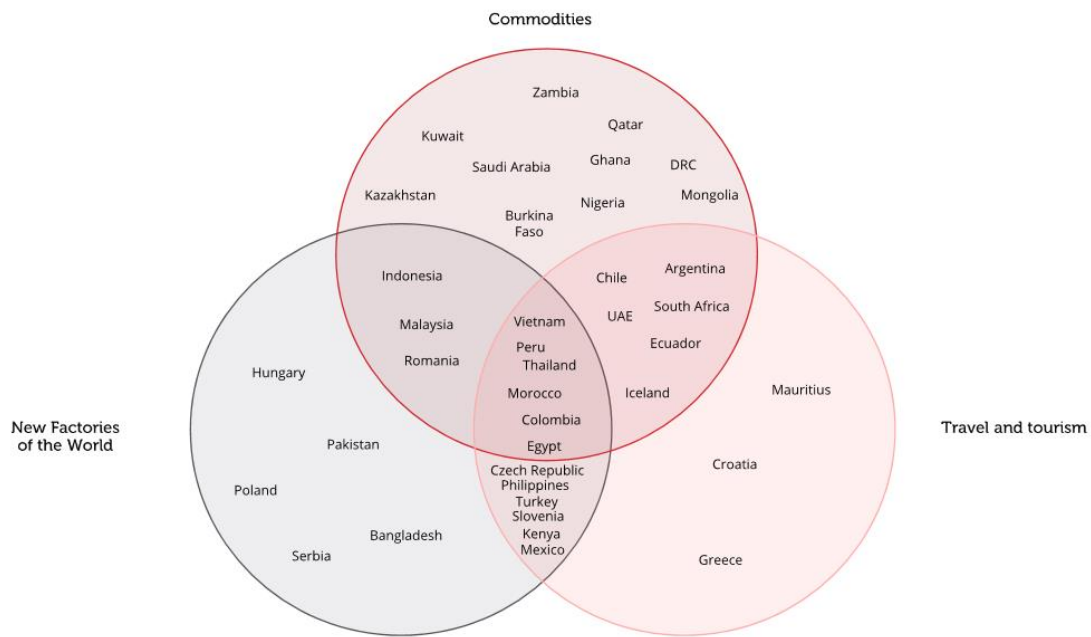


What you won't find in this fund is China, Brazil, and India. It is looking to invest in the sweet spot between frontier and emerging markets.

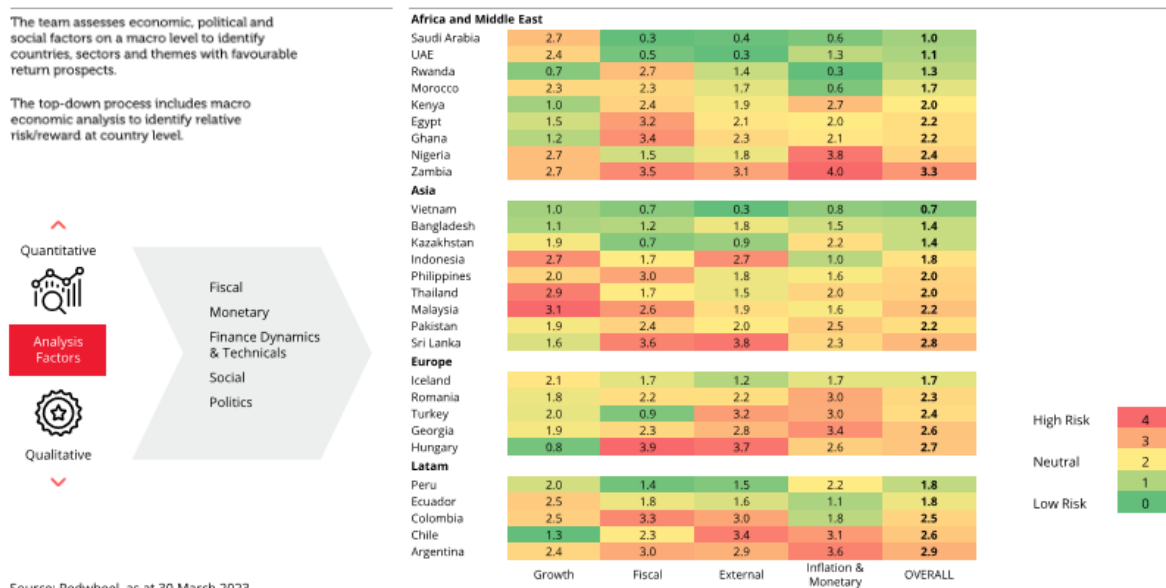


The three areas of growth are commodities, travel and tourism, and new factories of the world. Travel and tourism are the smallest component of the strategy.

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They understand the risks and have produced a heat map which looks across different elements, from growth to inflation.

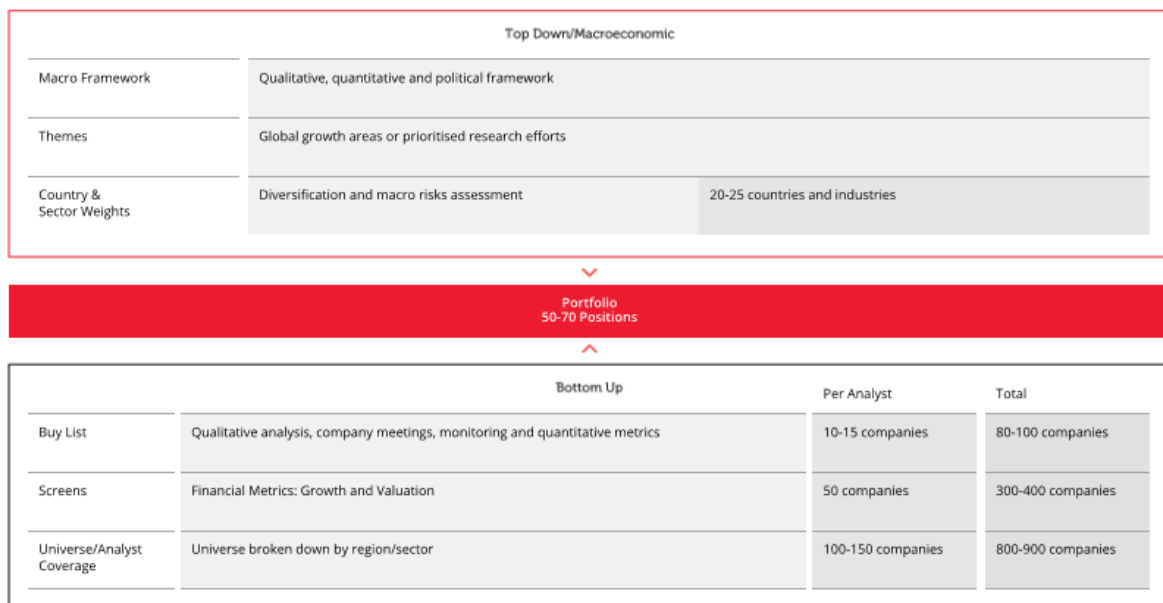


One of the key elements of the process is governance. They want to know the companies. They see themselves as active rather than activists. They used the example of one company where an offer was made which they didn't think was a fair value. Other institutional investors sold out, but they campaigned for a higher offer which was eventually paid.

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Constructing the portfolio uses a mix of top down and bottom-up analysis.



They are long term holders and there has been little turnover within the top 20. Having said that, they are active and they will rotate when markets become frothy. For investors this provides a different blend with other emerging market funds. It also reduces the exposure to some of the larger economies such as China, India and Brazil, which are normally well covered across a range of funds.

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In summary, the team are clearly passionate about the strategy they have built. It is different to others. If we believe in the global transition in terms of climate change and that shift to expand supply chains, then the chart below shows how emerging markets could be moving to the next stage of growth. This fund has done well since launch and the team are active where they need to be. We see this as a perfect blend with emerging market strategies because it is so different.



The source of information in this note has been provided by Redwheel and is correct as of June 2023. 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.

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