

LWM FUND SPOTLIGHT
NINETY ONE GLOBAL ENVIRONMENT FUND

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	2 nd December 2019
FUND FACTSHEET	https://www.trustnet.com/factsheets/O/qggl/ninety-one-global-environment/

MANAGEMENT

Manager Name	Start Date
Deirdre Cooper	2 nd December 2019
Graeme Baker	2 nd December 2019

RATIO DATA (3-years)

Alpha	Beta	Max Drawdown	Max Gain	Max Loss	Negative Periods	Positive Periods	Tracking Error
-0.41	1.15	-21.43	23.24	-17.06	71	85	10.51

OTHER DATA

Benchmark	MSCI AC World
Fund Size	£1,996.5 million
Fees	0.85% (I Share Class)

Ninety One Global Environment Fund – September 2023

BULL POINTS (PRO)	BEAR POINTS (CONS)
<ul style="list-style-type: none"> Higher price to earnings ratio compared to index but strong cash flow, earnings growth, sales growth, and book-value growth. Aimed at the part of the market likely to have the strongest growth over the next few decades. Concentrated on best-in-class stocks. High active share and so very different to the index. 	<ul style="list-style-type: none"> Recent performance. Skewed to higher growth stocks which have been out of favour.

FUND PERFORMANCE



Cumulative Performance (GBX)

	3 Months	6 Months	1 Year	3 Years	5 Years
Fund	-6.10%	-9.90%	-11.15%	20.37%	
Sector	1.33%	3.19%	2.28%	20.78%	37.95%
Relative to Sector	-7.34%	-12.69%	-13.13%	-0.34%	
Rank in Sector	351 / 361	353 / 357	341 / 346	146 / 280	
Fund Quartile	4	4	4	3	N/A

Performance by Calendar Year in (GBX)

	YTD	2022	2021	2020	2019
Fund	-4.31%	-12.36%	12.86%	47.76%	
Sector	7.05%	-11.37%	16.90%	13.80%	21.20%
Relative to Sector	-10.61%	-1.12%	-3.45%	29.84%	
Rank in Sector	346 / 355	202 / 327	225 / 297	8 / 261	
Fund Quartile	4	3	4	1	N/A

Discrete Annual Performance to Last Quarter End (GBX)

	0-12m	12m-24m	24m-36m	36m-48m	48m-60m
Fund	10.84%	-9.34%	45.01%		
Sector	9.81%	-9.00%	24.91%	4.97%	6.74%
Relative to Sector	0.93%	-0.38%	16.09%		
Rank in Sector	149 / 345	181 / 314	7 / 278		
Fund Quartile	2	3	1	N/A	N/A

Fund Price Movement (GBX)

12 Month High	163.88 (Pence)	12 Month Low	140.99 (Pence)
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Annualised Ratios Over 36 Months

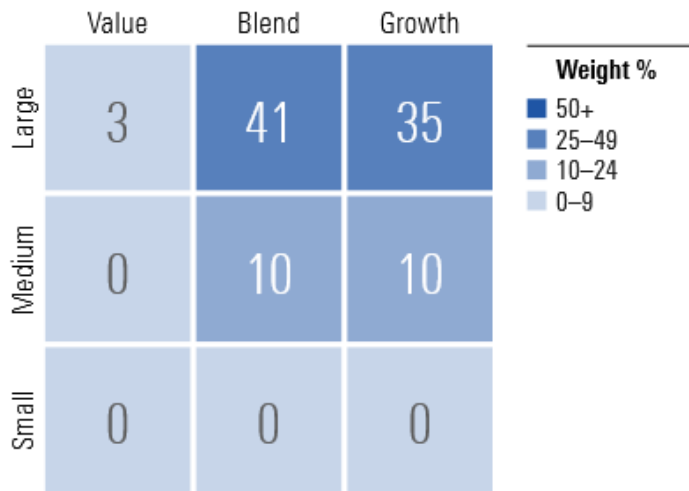
	Alpha	Beta	Sharpe	r ²	Volatility
Fund	12.94	-3.63	0.24	0.01	17.16
Fund Quartile	1	4	3	2	4

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.

Ninety One Global Environment Fund – September 2023

Stock Style

Map **Weight** Historical



Style Measures

Measures **Market Cap**

Avg Market Cap

25.39 Bil

Category Avg Market Cap

32.85 Bil

Index Avg Market Cap

113.15 Bil

Size	Investment %	Cat. Average %	Index %
Giant	18.89	22.26	47.85
Large	60.03	35.21	36.09
Mid	19.94	32.25	15.82
Small	0.00	6.98	0.14
Micro	0.00	0.53	0.00

GBP | Investment as of 31 Jul 2023 | Category: Sector Equity Ecology as of 31 Jul 2023 | Index: Morningstar Gbl TME GR USD as of 31 Aug 2023 | Data is based on the long position of the equity holdings.

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Style Measures

Measures

Market Cap

Value & Growth Measures	Investment	Cat. Average	Index
Price/Earnings	22.64	20.50	16.78
Price/Book	3.72	2.83	2.40
Price/Sales	2.58	1.60	1.67
Price/Cash Flow	15.66	11.53	10.58
Dividend Yield %	2.32	1.98	2.39
Long-Term Earnings %	12.10	10.76	10.99
Historical Earnings %	15.09	16.24	14.63
Sales Growth %	16.96	10.65	11.02
Cash-Flow Growth %	0.12	-1.31	8.62
Book-Value Growth %	11.86	10.63	6.58

Investment as of 31 Jul 2023 | Category: Sector Equity Ecology as of 31 Jul 2023 | Index: Morningstar Gbl TME GR USD as of 31 Aug 2023 | Data is based on the long position of the equity holdings.

Ninety One Global Environment Fund – September 2023

Holdings

Current Portfolio Date	Equity Holdings	Bond Holdings	Other Holdings	% Assets in Top 10 Holdings	Reported Turnover %
31 Jul 2023	25	0	23	52	—

Active Share ⁱ

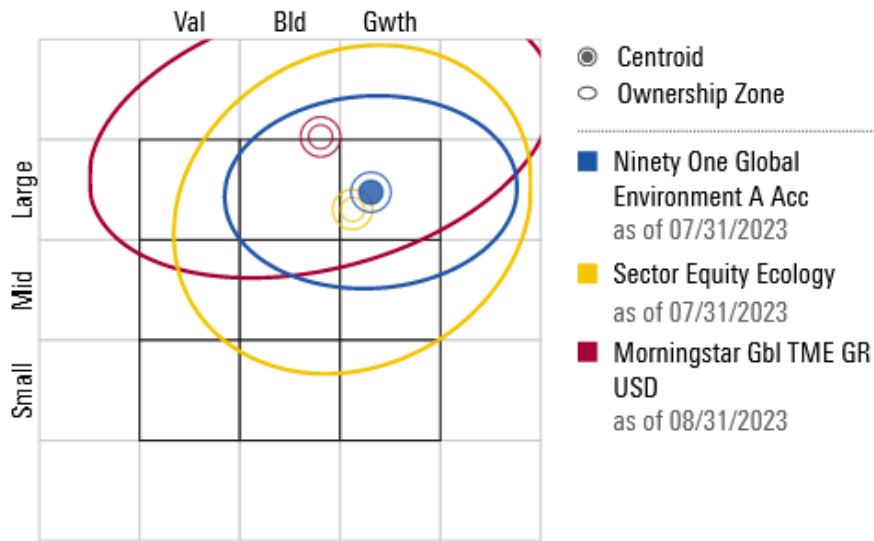
98.85

Holdings	% Portfolio Weight	First Bought	Market Value GBP as of 31 Jul 2023
Waste Management Inc	6.36	29 Feb 2020	137,916,234
TE Connectivity Ltd	5.76	29 Feb 2020	124,868,809
Iberdrola SA	5.45	29 Feb 2020	118,248,636
NextEra Energy Inc	5.23	29 Feb 2020	113,411,476
Trane Technologies PLC Class A	5.09	31 Jan 2021	110,512,996
Wuxi Lead Intelligent Equipment Co Ltd Class A	5.00	29 Feb 2020	108,466,661
Ansys Inc	4.97	31 Jan 2021	107,737,637
Xinyi Solar Holdings Ltd	4.89	29 Feb 2020	105,995,758
Autodesk Inc	4.81	31 Oct 2021	104,339,644
Aptiv PLC	4.55	29 Feb 2020	98,687,707

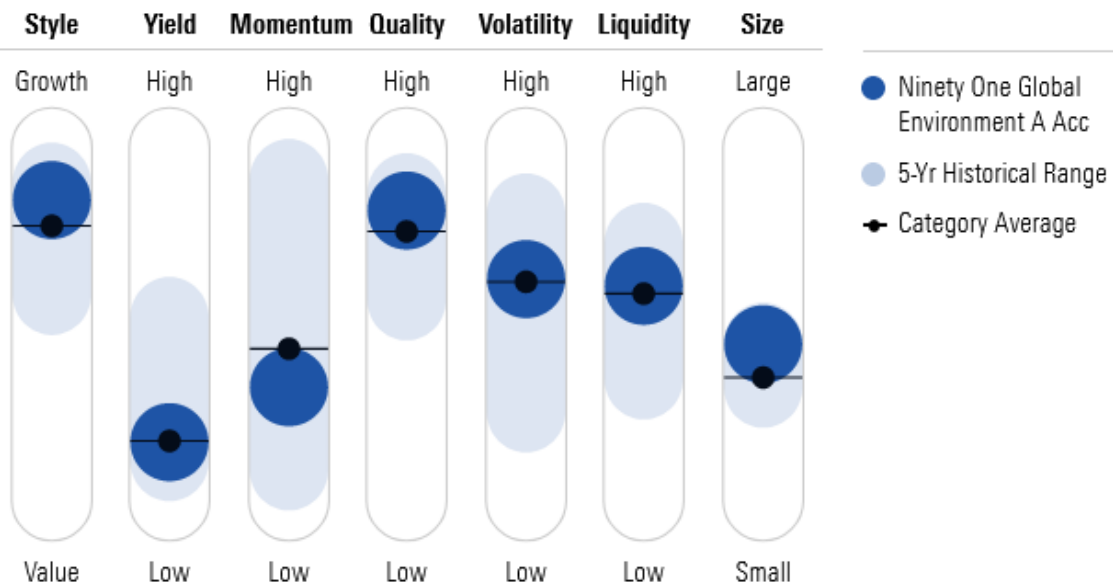
Holdings as of 31 Jul 2023 | The top 10 largest holdings are available for display across Equity, Bond and Other. Active Share as of 31 Aug 2023. Active Share index: iShares MSCI ACWI ETF

Ninety One Global Environment Fund – September 2023

Stock Style **Map** Weight Historical



Factor Profile **1-Yr** **3-Yr** **5-Yr** vs. Category



Investment as of 30 Jun 2023 | Category: Sector Equity Ecology as of 30 Jun 2023

Ninety One Global Environment Fund – September 2023

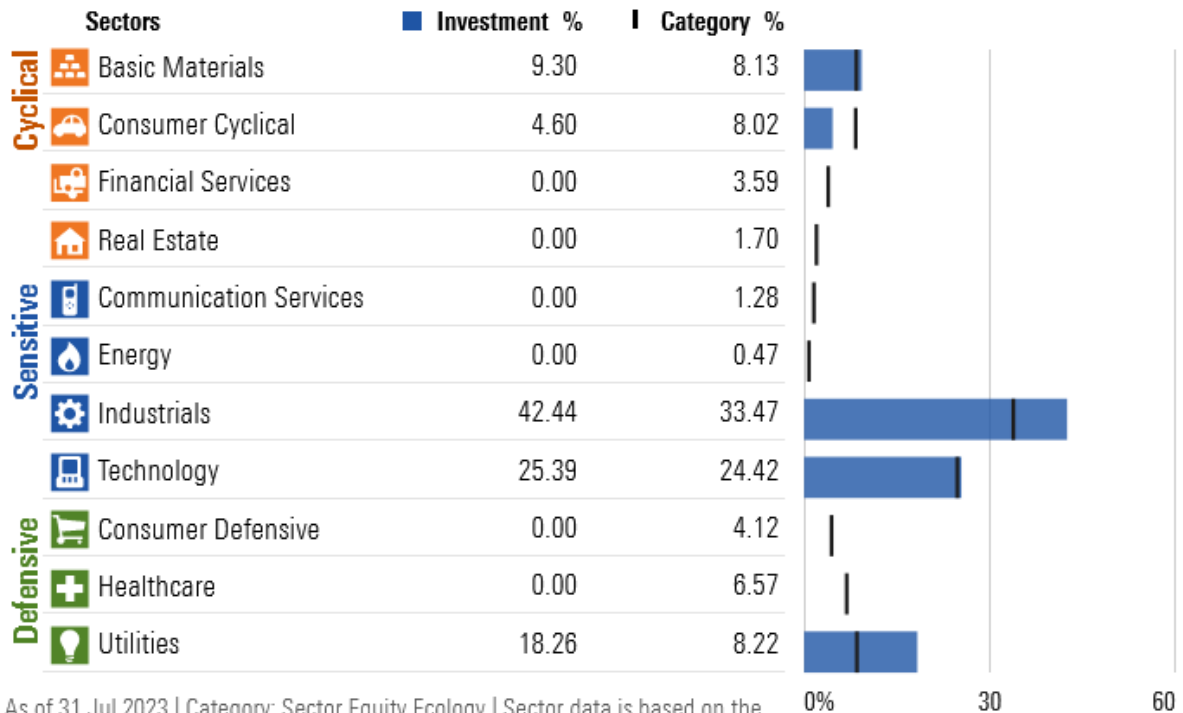
Exposure

Sector

Region

Country

vs. Category ▾



As of 31 Jul 2023 | Category: Sector Equity Ecology | Sector data is based on the rescaled long position of the equity holdings. | Source: Holdings-based calculations.

Exposure

Sector

Region

Country

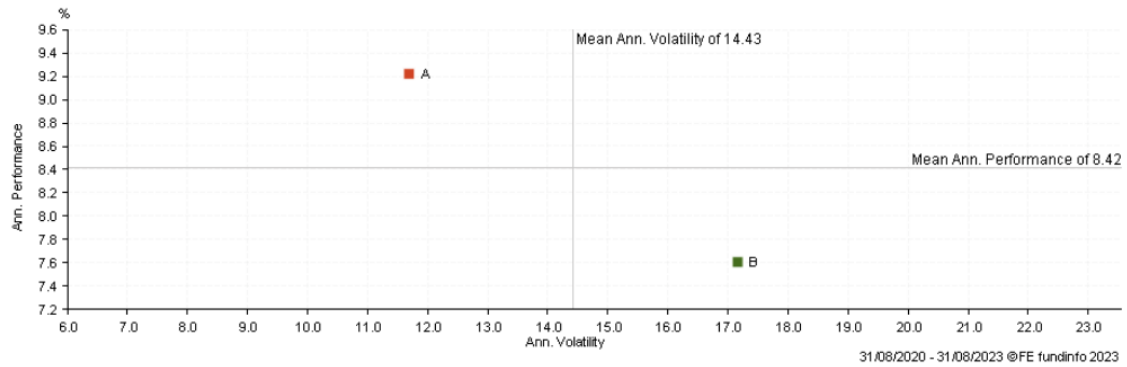
vs. Category ▾

Country	■ Investment %	▮ Category %
United States	43.24	47.80
China	19.88	2.61
Denmark	11.50	3.30
Spain	5.51	2.30
United Kingdom	4.35	4.72
Germany	3.86	4.99
France	3.75	8.50
India	3.48	0.63
Taiwan	3.41	1.61
Italy	1.00	1.23

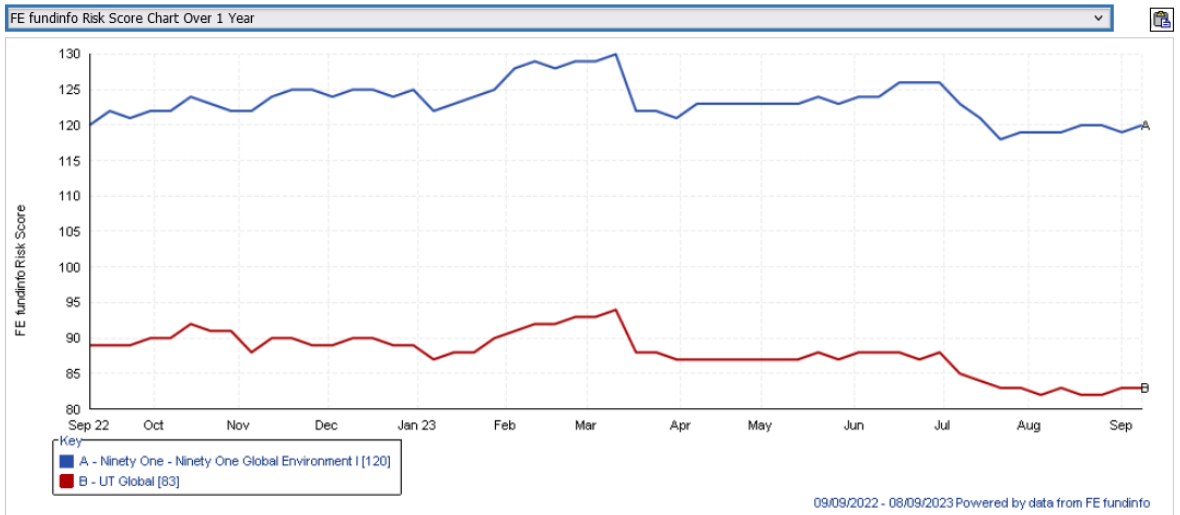
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Volatility

Pricing Spread: Bid-Bid • Currency: Pounds Sterling



Key	Name	Annualised Performance	Annualised Volatility
A	MSCI ACWI TR in GB	9.22	11.69
B	Ninety One - Global Environment I in GB	7.61	17.16



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LWM FUND ANALYSIS

This fund was launched in 2019 and really was at the forefront of a new wave of impact investing. Up to 31 December 2021, the fund performed very strongly.

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



02/12/2019 - 31/12/2021 Data from FE fundinfo2023

More recently that performance has drifted.

Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



31/12/2021 - 31/08/2023 Data from FE fundinfo2023

Some of the reasons for the underperformance this year was not holding weightings in large US technology businesses which lifted the index. There were also specific stock detractors:

Wuxi Lead Intelligent Equipment – this was impacted in the short-term by concerns over EV demand in China.

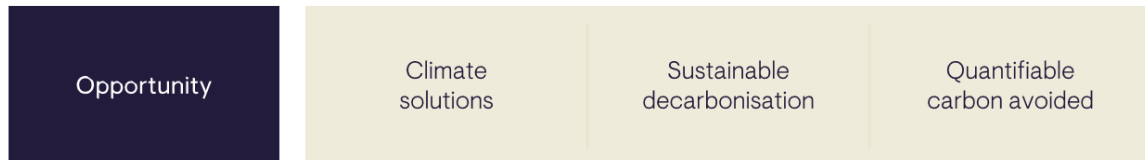
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Aptiv – reported lower than expected growth.

Croda International – revision of profit.

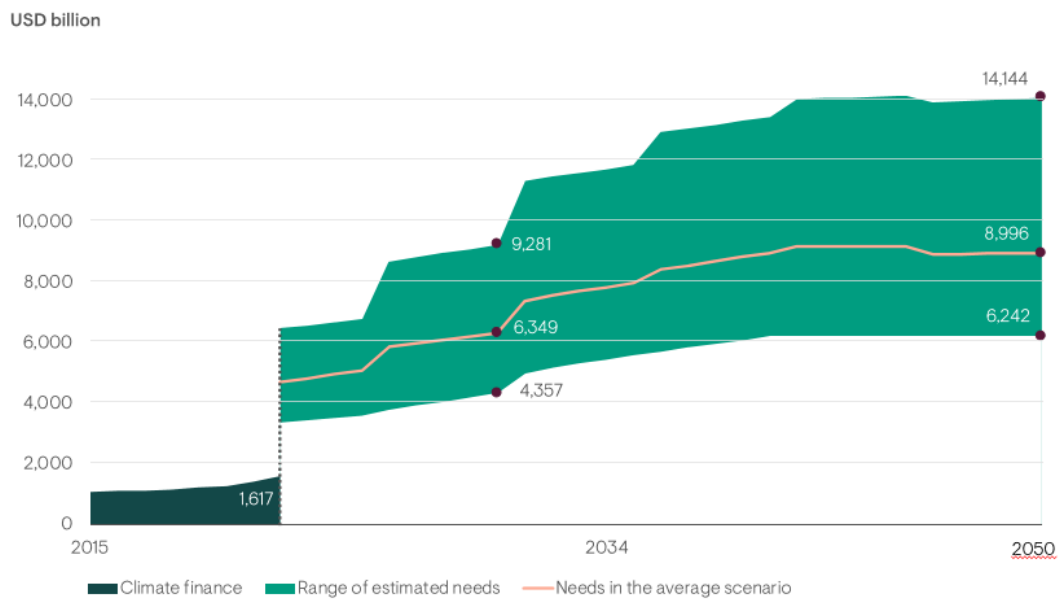
Novozymes – mixed results and macro concerns.

The holdings will have very little commonality with the index, and this is because of where it invests:



This fund is aimed at those who believe in the long-term opportunities within climate solutions. The chart below shows the current investment and the estimates for future investments.

Current investment levels are not enough to limit global warming to 1.5°C



The investment process is best shown below:

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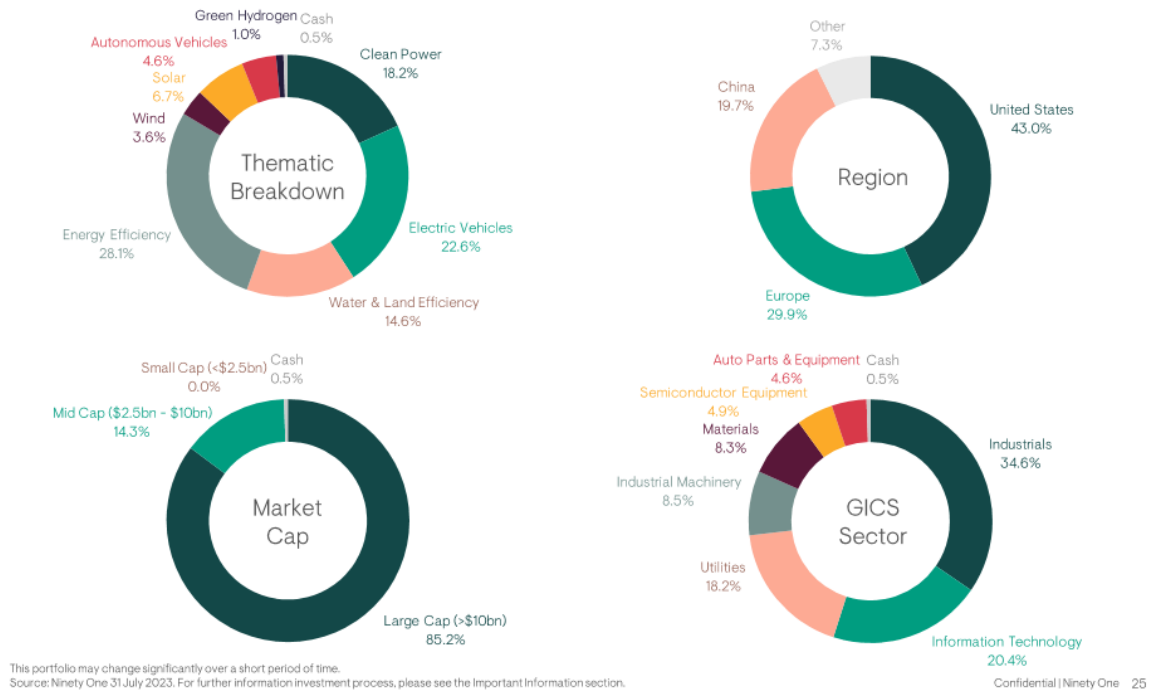
Universe screen	Screen on Environmental Revenues and Quantified Carbon Avoided	c.1700 Companies
Idea generation	Financial, Sustainability and Competitive Advantage Directs analysts on where to spend time	100-150 Researched
Fundamental analysis	Company analysis Proprietary model, management meetings, externalities assessment, channel checks and industry analysis	50-70 Actively covered
Portfolio construction	Bottom up stock selection Risk analysis and portfolio optimisation	20-40 In portfolio
Engagement and monitoring	Regular engagement with company management Annual Impact Reporting	20-40 In portfolio

The types of companies they work with are:



And from this the portfolio looks like this:

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The team also actively engage with companies and produce an engagement report for investors.

Examples include:

Analog Devices

Engagement progress

We had several engagements, including meeting the new sustainability officer in June 2022. Our main engagement targets were: 1) resumption of full disclosure of carbon emissions; 2) more comprehensive carbon avoided estimates; and 3) improving water disclosure. These discussions are ongoing.

Proxy voting

We added the position after the 2022 AGM.

2023 engagement goals

- Scope 3 emissions disclosure
- Disclosure of carbon avoided
- Board diversity
- Defence-exposure traceability
- Improving water disclosure

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Aptiv

Engagement progress

We engaged on SBTi progress, carbon avoided, and culture, diversity and inclusion. Aptiv applied to the SBTi approximately two years ago and has told us it expects approval in October 2023, given the backlogs at SBTi. It now reports a carbon avoided figure and intends to provide further detail in its next sustainability report. We conducted multiple culture calls to assess workplace practices. We are seeing good progress on employee engagement and will continue to monitor the company's transition from a pure engineering/auto-hardware culture to a more software-focused culture.

Proxy voting

We supported all items in 2022.

2023 engagement goals

- SBTi progress
- Water and biodiversity reporting
- Diversity and inclusion

Vestas

Engagement progress

We engaged with Vestas on biodiversity, addressing: 1) publishing a biodiversity policy and accompanying strategy with targets for managing risks and opportunities; 2) publishing information regarding other frameworks used by the company to identify biodiversity risks across the project-development cycle and to determine appropriate mitigation measures; and 3) reporting progress annually within its sustainability report vs. related targets, including relevant and consistent biodiversity data, while considering the limitations of emerging datasets. We also engaged on Vestas' auditor; we would like to see a change given PWC's long tenure with Vestas (since 1998) and given the high non-audit fees as a percentage of total fees. The company confirmed that the existing auditor must be rotated at the 2024 annual general meeting due to legal requirements.

Proxy voting

We voted abstain for 'ratify PricewaterhouseCoopers as Auditor' for the reasons given in the 'Engagement progress' section.

2023 engagement goals

- Monitoring progress on the Science-Based Target initiative
- Disclosure of gender pay gap
- Monitor gender diversity targets
- Progress on initiating a biodiversity policy
- Health & safety improvements in manufacturing

Examples of some of the holdings include:

Waste Management - the leading environmental services provider in North America, providing waste collection, disposal and recycling to 20m customers.

Lead – leading Chinese automated battery equipment supplier.

XYS – one of the largest producers of solar glass in the world.

The team run a high conviction, concentrated portfolio of currently 25 names. Despite the run of poor performance, they believe the thesis for the strategy and the holdings they have remains, and that the market is underestimating the potential for growth.

They have been active over the past year. They have sold Nippon Ceramic, Beyond Meat and Brambles. They have added CATL, Power Grid India and Industrie De Nora.

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Although the universe they invest in is narrow, they believe there are a range of opportunities, and this is reflected within the holdings they have. The top ten includes resource efficiency, electrification, and renewable energy.

In summary, performance since launch has been strong but has dropped back over the last 18 months. One of the clear differences to other funds that have underperformed during this period is that this strategy is investing at the forefront of change that is a multi-decade investment opportunity. Once markets stabilise the focus on high quality companies at the forefront of change is likely to benefit the returns for the strategy.

The source of information in this note has been provided by Ninety One and is correct as of September 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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