

Ravenscroft Global Solutions

Investing for a better world

A photograph of a man with dark hair and a beard, wearing a light blue patterned shirt and blue jeans, kneeling on a wooden deck. He is adjusting the chin strap of a red bicycle helmet with white floral patterns on a young girl. The girl is wearing a white t-shirt, light blue denim overalls, and pink and black elbow pads. She is looking towards the man with a slight smile. The background shows the wooden planks of the deck.

Overview

Context

Ravenscroft has a long history of thematic investing. We believe investing in funds that are exposed to long-term structural trends can lead to faster growth compared to the broader market.

Global Solutions

Long-term global trends such as changing demographics, accelerating innovation and increasing wealth are shaping the world around us. As these trends continue to evolve, the demand grows for energy, water, healthcare, food and materials, which creates challenges and opportunities.

We recognise that the coming decades will see significant changes. As a society we will need to alter the way we build cities, generate energy, travel, grow food and clothe ourselves.

The result is an exciting investment opportunity, Ravenscroft Global Solutions Fund, which invests in companies that are working towards solving the most pressing challenges we face today.



Environmental Solutions

With three billion more people expected by 2030, pressure on the world's finite natural resources will intensify, leading to scarcity challenges. Protecting the environment is now a priority for consumers, companies and governments. Their converging interests, driven by increased global awareness, technological advances and health concerns, are underpinning a global drive to safeguard the world's natural resources. There is an opportunity for companies that recognise this trend and can offer innovative solutions.

We believe companies with products and services that maximise resource efficiency and help diminish pollution have the ability to offer long-term sustainable returns and superior growth rates.

We own four funds in this space currently.

Ninety One Global Environment

The fund is focused on the decades-long trend towards a decarbonised economy. It invests in companies that have a long-term structural growth bias with strong competitive advantages in the clean economy space.

The team select companies by analysing the levels of carbon dioxide that will be avoided by using one company over an alternative - going right through the business' products and services, supply chain and areas of activity. As well as avoiding creating carbon emissions, companies will also have to have at least 50% of their revenues from three sectors: renewable energy; efficient use of resources, and electrification. Due to the dynamic nature of global markets, this means that the investment universe is regularly updated and the team constantly looks to improve the carbon footprint of its final portfolio.

It is a high conviction concentrated portfolio of best ideas, managed to a long-term investment horizon of 5-10 years.

Pictet Global Environment Opportunities

The fund focuses on sustainability and scarcity of resources, essentially companies that are active throughout the environmental value chain. The fund favours companies operating in services, infrastructures, technologies and resources related to environmental sustainability.

The fund managers believe companies seeking to solve environmental challenges through innovation technology and intelligent use of natural resources will experience above-average growth. With over 20 years of experience in thematic investing, they have developed a distinctive investment approach to identify long-term, high-growth winners.

KBI Global Sustainable Infrastructure

The fund team believes there are compelling investment opportunities in infrastructure companies providing solutions to resource scarcity across water, food and energy driven by five long-term trends:

- Inadequate supply of water, cleaner energy and arable land for farming;
- Increasing demand for resources, driven by population growth, industrialisation and urbanisation;
- Increasing regulation and government support;
- Increasing investment in infrastructure to address urgent global requirements; and
- Increasing investment in technology to create solutions and facilitate the more efficient use of resources.

They invest in two types of businesses:

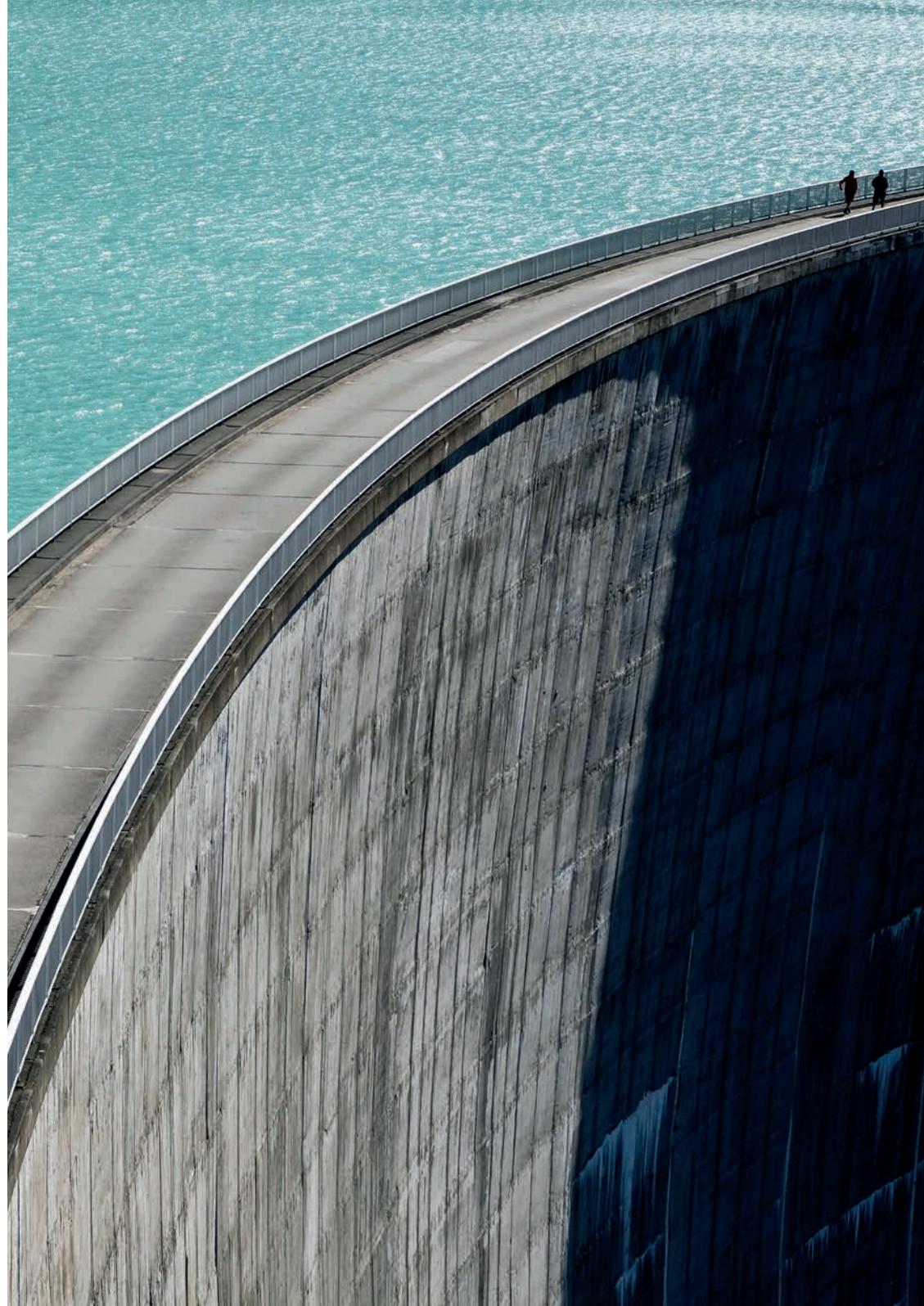
- Firstly, owners and operators of infrastructure assets which have predictive cash flow, long term contracts and high barriers to entry e.g. utilities, toll roads etc.
- Secondly, they invest in the beneficiaries of infrastructure investment. These companies tend to be the providers of leading and disruptive technologies.

Montanaro Better World

This fund invests for long-term capital growth by investing in companies that make a positive impact on the world. The fund has a small and mid-cap bias. The fund will seek to invest in high quality companies whose products, services or behaviours are deemed to make a positive impact on society and which emphasise sound environmental, social and governance (ESG) practices.

They have six impactful themes: environmental protection, green economy, healthcare, innovative technologies, nutrition and well-being.

As long-term investors they believe that sustainable investment returns come from the highest quality businesses. Through active ownership and constructive engagement, they get to know the businesses in which they invest and support them on their journey.





Basic Needs

The global population is expected to grow from 7.7 billion to 10.9 billion by the end of the century. More people will need more food, water, materials and energy from an already resource strained planet.

We believe that everyone should have access to clean water, education, nutrition, healthcare and an efficient waste management system.

As the world population grows the demand for these basic needs will increase. Investment is needed in these areas in order to meet this growing demand.

We own five funds in this space currently.

Pictet Nutrition

The Pictet Nutrition team believes that food systems are the biggest lever we have available to address both our most pressing environmental and social challenges simultaneously.

The nutrition theme is driven by several long-term trends: demographic development, sustainability, technological development, a focus on health and globalisation.

Growing food is the largest use of critical resources such as water, land and energy. Sustainability in food requires for it to be produced, packaged, transported, distributed, and consumed in ways that provide social benefits, contribute to a thriving economy, and protect natural resources and the environment.

The fund invests in companies that are developing solutions to help secure the world's future food supply. These solutions include innovations to improve productivity in farming, increase efficiency in food transportation and processing, and maximise the nutritional content of the food we eat.

Schroder Global Sustainable Food & Water

The fund is a global equity portfolio that aims to deliver long-term capital growth by investing in companies driving the transition to make our food and water system more sustainable.

Food and water account for 26% of global green house gas emissions. It is estimated that around \$30 trillion of investment will need to be made by 2050 to sustainably provide food and water to a growing global population and to limit global warming to below two degrees - the target set in the Paris accord. The team believe companies whose products and services are facilitating this movement will be in great demand and can exhibit strong long-term growth potential.

Three structural changes and drivers enabling the transition are:

- Higher agricultural yield;
- A change in global diet and eating; and
- Major reduction in waste.

Candriam Oncology

The world is getting older and with age, unfortunately, comes the increased risk of ill health.

The fund provides us with an opportunity to invest in the fight against cancer, which is the number two cause of death worldwide. Using well-researched investments in a global range of companies, the fund strives for a broad advance in diagnosis and treatment of all cancer types.

The basic philosophy of the strategy is to invest in companies that make a difference to cancer patients. The strategy will invest in companies of all sizes that strive for improvements in the research, diagnosis, profiling, and treatment of all cancers.

The fund invests in listed companies that develop and/or market products and services for the treatment of cancer and its investment universe includes companies whose products make a difference to patients, in terms of cancer diagnosis profiling and treatment. This includes companies that innovate in the field of surgery, irradiation and oncology drugs and includes both large and small companies.

Polar Healthcare Discovery

The fund invests in global small and mid-cap healthcare stocks and it benefits from extensive experience within the investment team.

Built on the following investment themes, the fund managers think it is these that will drive the market over the next 5-10 years.

- Healthcare delivery disruptions (telehealth, robotics);
- Innovation (new devices and technologies);
- Consolidation (complimentary technologies);
- Prevention (diagnostics, vaccines);
- Outsourcing (in manufacturing and real-world data); and
- Emerging markets (accelerating investment).

Regnan Waste & Water

The fund team believes that there is no economy without water, and no sustainable economy without waste management.

The world must improve its management of water resources and physical waste if the economy is to grow sustainably. The team invests across the water and waste value chains, including into companies developing new technologies to meet the ever-growing demand for solutions to these challenges.

As consumers become wealthier and the population increases, we will use more water, putting more pressure on this natural resource, which will require better efficiencies to maintain supply. Waste is expected to double over the next decade and we have to think of innovative ways to reduce or reuse materials .



Emerging Equality

Emerging equality covers all the basic needs themes that impact us in the developed world, but these investments focus on addressing these issues specifically in the emerging markets.

Many in emerging markets are looking for efficient, affordable and accessible energy, food, water and waste management in order to improve their lives.

In addition, emerging market regions are particularly vulnerable to climate change and lack the financial power to prevent or adequately respond to the impacts of this.

We own three funds in this space currently.

UBAM Emerging Impact

The fund invests in emerging market companies with products and/or services that aim to deliver positive social and environmental impact alongside financial return.

The team believes that companies that help to solve the world's most pressing problems in terms of people and planet should experience faster growth, fewer regulatory problems and superior profitability.

The fund targets superior financial returns by investing in those companies deemed to be making a significant effort to address, and therefore be well positioned to capitalise upon, the global commitment to achieving the United Nations' 17 Sustainable Development Goals (SDGs).

Aikya Global Emerging Markets

The fund seeks to generate healthy long-term returns with strong downside protection. This is achieved through investing in high-quality companies in emerging markets, when they are available at sensible valuations. They invest primarily in consumer staples and healthcare businesses, which focus on improving lives in emerging markets.

They believe that the quality of stewardship is seldom priced correctly by the market. Most analysts are obsessed with near-term financial results and fail to see the linkages between good stewardship and franchise strength.

Besides evaluating traditional financial metrics, they also perform extensive due diligence to establish how companies treat various stakeholders. They require investee companies to meet high standards of governance, and to take their environmental and social responsibilities seriously.

They are focused on investing in people. If they really like a management team they will follow them to their next venture. They are disciplined and have strong track records of investing in emerging markets. They also make the most of a strong network built over decades of investing.

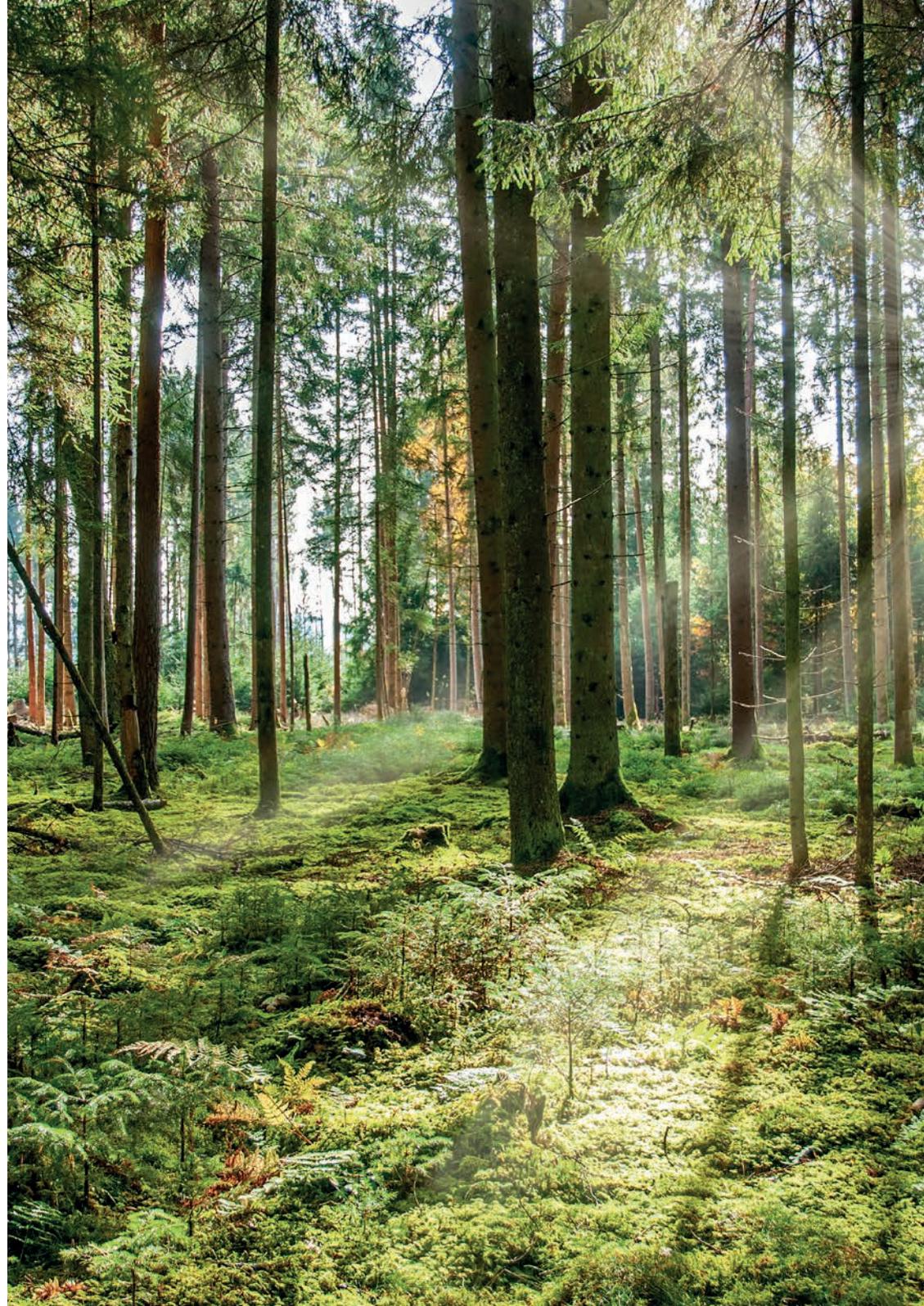
Impax Asian Environmental Markets

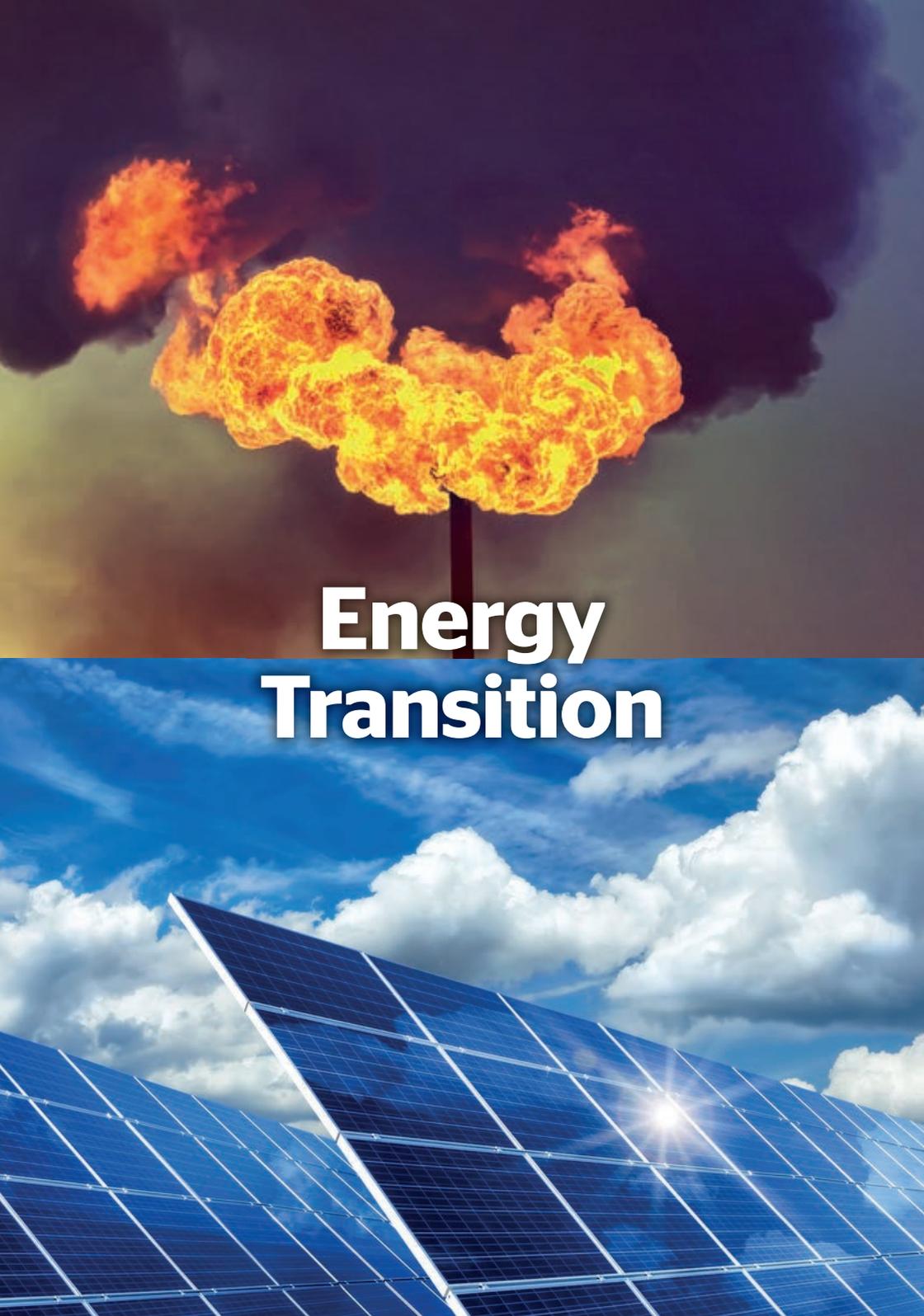
The fund seeks to achieve sustainable, above market returns over the longer term by investing regionally in Asia-Pacific companies that are developing innovative solutions to resource challenges in environmental markets.

These markets address a number of long term macro-economic themes: growing populations, rising living standards, increasing urbanisation, rising consumption, and the depletion of limited natural resources.

Investments are made in companies that have more than 20 percent of their underlying revenue generated by sales of products and services in environmental markets.

Companies in these markets are generally characterised by high levels of corporate activity, lower levels of sell-side coverage, rapid technological innovation, and regulatory momentum. This means that the areas in which the fund invests are complex to understand and challenging to navigate, leading to mispricing that Impax seeks to exploit for its clients through a specialist focus and expert team.





Energy Transition

Getting from today's carbon-heavy economy to a potentially carbon-free future will take decades and is one of the greatest challenges of the 21st century.

The transition is imperative to achieve our net zero goals in order to keep global warming in check.

We need to reduce CO₂ emissions in order to limit the impact of climate change and global warming.

This change will require massive investment across the value chain by 2050 if we are to achieve our climate targets.

We own three funds in this space currently.

Brookfield Global Renewables

The Brookfield team believe now is the time for renewables. There is an opportunity for disruption as the world transitions to cleaner, cheaper and more efficient sources of power generation.

The companies fall into two overarching categories 'infrastructure-like' or 'broader value chain'.

The renewables have exhibited stable and growing cash flows, while continuing to invest in growth with what they believe will be opportunities for accelerated capital deployment in the coming years

Polar Smart Energy

The fund seeks to achieve its objective by investing in a portfolio of companies worldwide that provide technological solutions and services targeting the decarbonisation of the global energy sector.

Their view is that decarbonisation will be achieved via both clean power and energy efficiency.

The fund is founded on the belief that; with the world facing an urgent need to decarbonise, demand for smart energy solutions will rise exponentially. This has the potential to deliver significant opportunities over the long-term as innovative companies enable this transition to a decarbonised future.



Schroder Global Energy Transition

The fund aims to provide capital growth by investing in companies that the manager believes are associated with the global transition towards lower-carbon sources of energy.

The focus will be on the energy system and the associated technologies needed to enable its change.

This means the fund will only invest in companies involved in the production and distribution of clean energy, the management of energy consumption, or the production of materials and technologies required to facilitate these activities.



Resource Scarcity

Resource scarcity occurs when demand for a natural resource is greater than the available supply - leading to a decline in the amount of available resources. This can lead to unsustainable growth and a rise in inequality as prices rise, making the resource less affordable for those who are least well-off.

We believe this theme is all about getting more out of less in a resource strained world with a growing population.

Robeco Smart Materials

The fund invests in technologies, products or services relating to the extraction, transformation or efficient processing of innovative materials, technologies enabling more automation and efficiency in industrial manufacturing as well as the recycling and reuse of materials.

The fund invests in companies that will continue to enable sustainable economic growth going forward. They look at the world through their clusters:

- Advanced Materials** Focuses on functional materials, as well as strategic and specialty metals that are vital to modern technology and industry, and offer greater value added than cyclical commodity producers.
- Transformational Materials** Focuses on paradigm shifting materials such as biomaterials, lightweight composite materials, energy storage and efficient lighting and displays, all of which improve the performance specifications of a product, pioneer new applications or prolong product life.
- Process Technologies** Invests in companies that provide analytical instruments, industrial gases, and recycling and reuse, which deliver efficiency gains and cleaner solutions in the extraction, processing, and usage of resources/materials.
- Smart Manufacturing** Includes automation and process control, robotics, laser and software companies that help make manufacturing processes more efficient, safe, and less polluting.

Details

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| Launched: | 31st March 2022 |
| Dealing: | Daily, Cut-off 5pm, Settlement T+5 |
| Minimum Investment: | £5,000 initial investment amount, thereafter suitable for regular contributions |
| Classes: | Accumulation Classes only |
| Fees: | Retail: 0.75% p.a. annual management fee |

Important Information

The price and value of the investments referred to in this material and the income from them may go down as well as up and investors may realise losses on any investments. Past performance is not a guide to future performance and may not be repeated. Future returns are not guaranteed and a loss of principal may occur. If you wish to know if the fund covered in this material is suitable for you, or your clients, please contact a member of the Ravenscroft team or another qualified financial adviser.

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