



# Global Environment Strategy

Investing for a world of change

Invests in companies enabling the transition to a low-carbon world

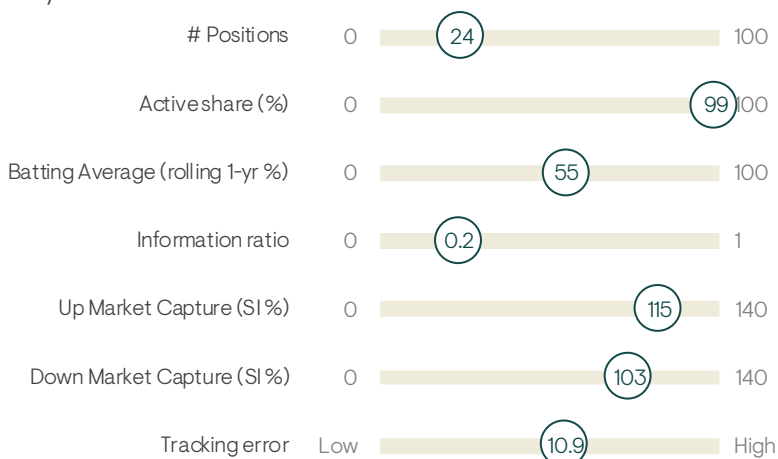
<b>Portfolio Managers</b>	Deirdre Cooper, Graeme Baker
<b>Strategy inception</b>	September 2018
<b>AUM</b>	GBP 3.3 billion as at 30 September 2024
<b>Investment objectives</b>	
Target return	Outperform the performance comparison index (net of fees) over a full market cycle <sup>1</sup>
Impact	Have a quantifiable carbon saving impact
<b>Sustainability approach</b>	
Investment opportunity	Capturing the decarbonisation, disruption and innovation opportunity
Differentiated global universe	c.US\$18 trillion market cap, c.1,700 companies, only 28% overlap with ACWI, 18% by weight
Net zero alignment	Investing to help drive a net zero world

## The role the strategy can play in portfolios

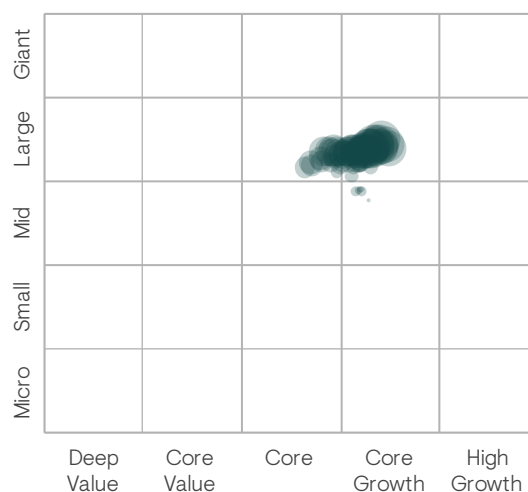
<p><b>Combines impact with financial returns</b></p> <p>High conviction portfolio providing access to long term structural growth opportunities from sustainable decarbonisation</p>	<p><b>Diversifies equity exposure</b></p> <p>Style complements core equity approaches while its alpha stream has been lowly correlated to equity factors</p>	<p><b>Provides carbon risk hedge</b></p> <p>May offer a hedge to your portfolio's existing carbon risk</p>	<p><b>Helps journey to decarbonisation</b></p> <p>Quantifiable carbon saving enables clients to have a positive impact on real world decarbonisation</p>
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## Portfolio positioning

Key metrics and statistics



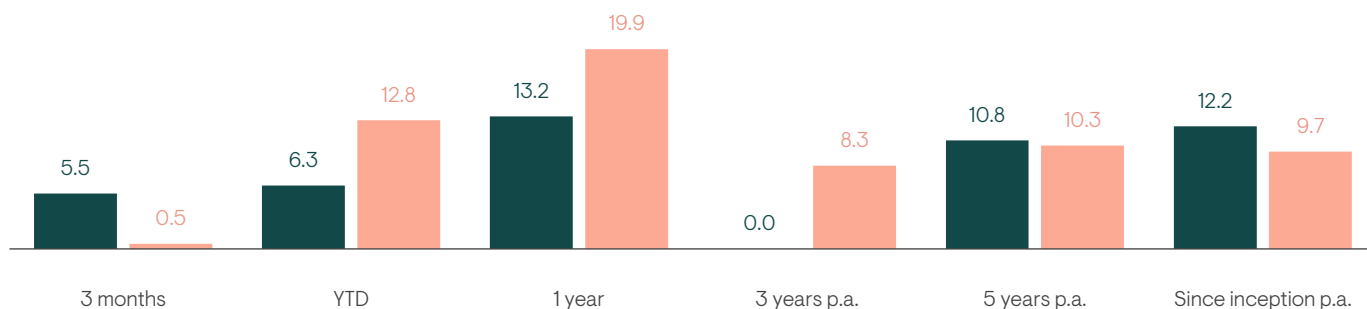
## Investment styles (SI)<sup>2</sup>



Source: Ninety One, eVestment, 30 September 2024. <sup>1</sup>Global Environment performance comparison: MSCI AC World (Net Return). <sup>2</sup>As at 30 June 2024. The portfolio may change significantly over a short space of time. For further information on indices, please see the Important information section. This document is being provided for informational purposes for discussion with professional investors and financial advisors only. Circulation must be restricted accordingly. Nothing herein should be construed as an offer to enter into any contract, investment advice, a recommendation of any kind, a solicitation of clients, or an offer to invest in any particular fund, product, investment vehicle or derivative.

## Track record

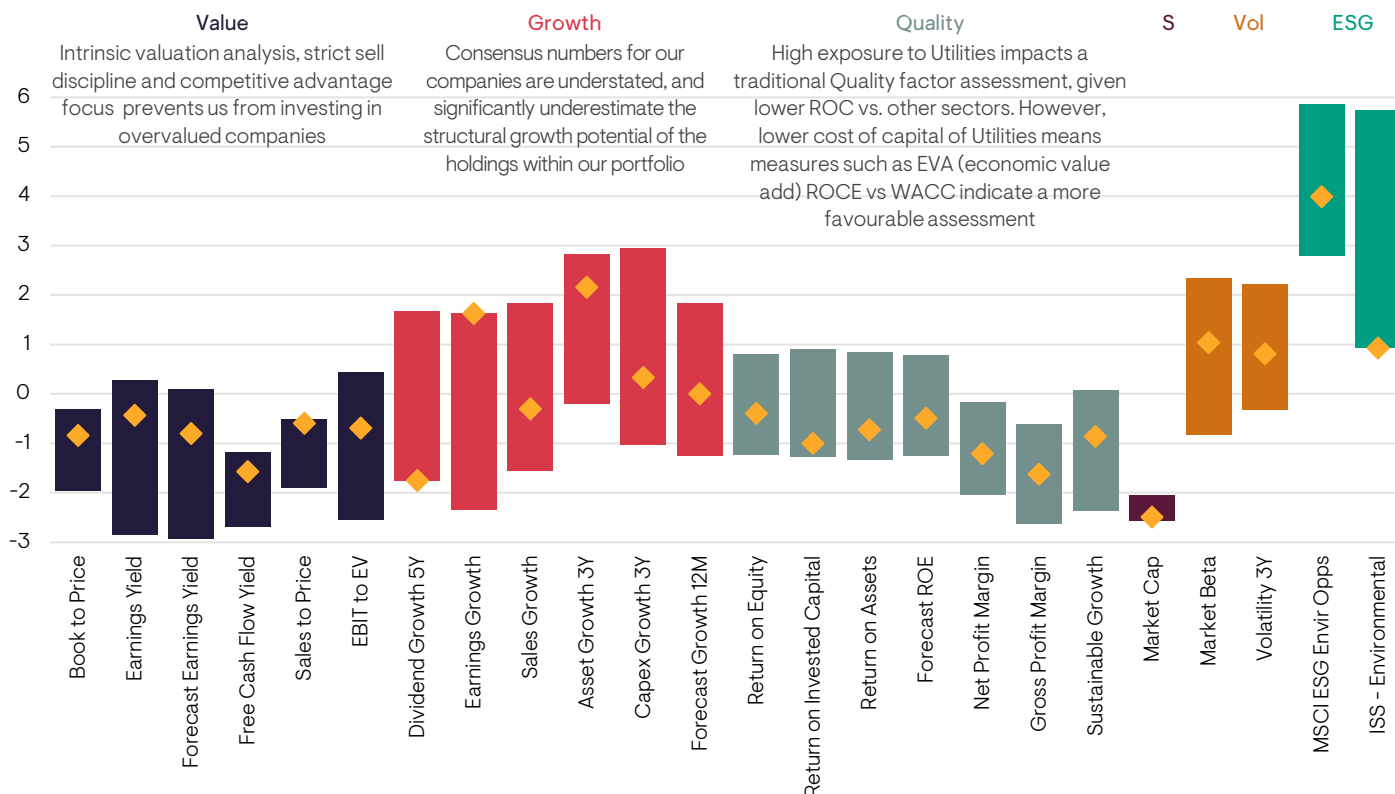
Annualised performance (%) since inception in GBP



	2018 (Sep)	2019	2020	2021	2022	2023
Composite	-9.1	36.8	50.7	13.7	-11.6	0.8
Benchmark	-10.6	21.7	12.7	19.6	-8.1	15.3

## Complementary style

No strong bias, ESG is clear



Past performance is not a reliable indicator of future results, losses may be made

Source: Ninety One, as at 30 September 2024. Gross performance (returns will be reduced by management fees and other expenses incurred), income is reinvested in GBP. \*Composite inception date: 1 September 2018 returns of less than one year are not annualised.

\*\* Performance comparison index: MSCI AC World (Net Return).

Style chart: StatPro Composites and eVestment, as at 30 September 2024. eVestment collects information directly from investment management firms and other sources believed to be reliable. eVestment does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and are not responsible for any errors or omissions. All categories not necessarily included.

For further information on indices, please see the Important information section.

Global Environmental equities with exposure to the process of decarbonisation. The strategy will seek to invest in companies which are considered by the Investment Manager as contributing to or benefiting from positive environmental change. The strategy will favour companies operating across the entire value chain, in services, infrastructures, technologies and resources related to environmental sustainability.

## Investment philosophy

- 1 Positive and negative externalities** will increasingly be priced by the market
- 2** Companies benefitting from new **structural growth** themes offer the potential to compound returns at above average rates over protracted periods of time
- 3** Market participants systematically underestimate the **quantum and persistence of returns** in cases where businesses have sustainable long-term competitive advantages, resulting in exploitable inefficiencies
- 4** The developing environmental sector is complex and our **specialist knowledge** and proprietary research helps us to identify the most attractive opportunities
- 5** We believe that an **unconstrained, focused** approach to identifying the best quality companies in the sector, combined with a long-term investment horizon and active engagement, results in superior outcomes

## Investment process

The Strategy employs a bespoke bottom-up investment process designed specifically to invest in decarbonisation. We begin by identifying companies generating revenues from areas linked to decarbonisation, and quantify the carbon avoided by using their products and services instead of an alternative. This generates a universe of ~1700 decarbonisation companies, spanning industries and market capitalisations.

Through deep research, analysis and company engagement, we identify leaders within this universe across three themes: **renewable energy, resource efficiency and electrification**. We then build a high-conviction portfolio comprising 20-40 stocks<sup>1</sup>. We engage regularly with management teams, monitor and measure impact, and set ESG targets for each portfolio company.

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

## Transparent reporting

As well as being an investor in impact areas, we are committed to being an impactful investor

- Annual strategy impact report with stock by stock analysis**

  - Full portfolio disclosure
  - ESG engagement targets for each company
  - Engagement activity report
  - Scope 1, 2 and 3 carbon foot printing
- Appraisal against the EU taxonomy**

  - Our approach to assessing taxonomy alignment
  - Overview of results
  - Stock-by-stock analysis

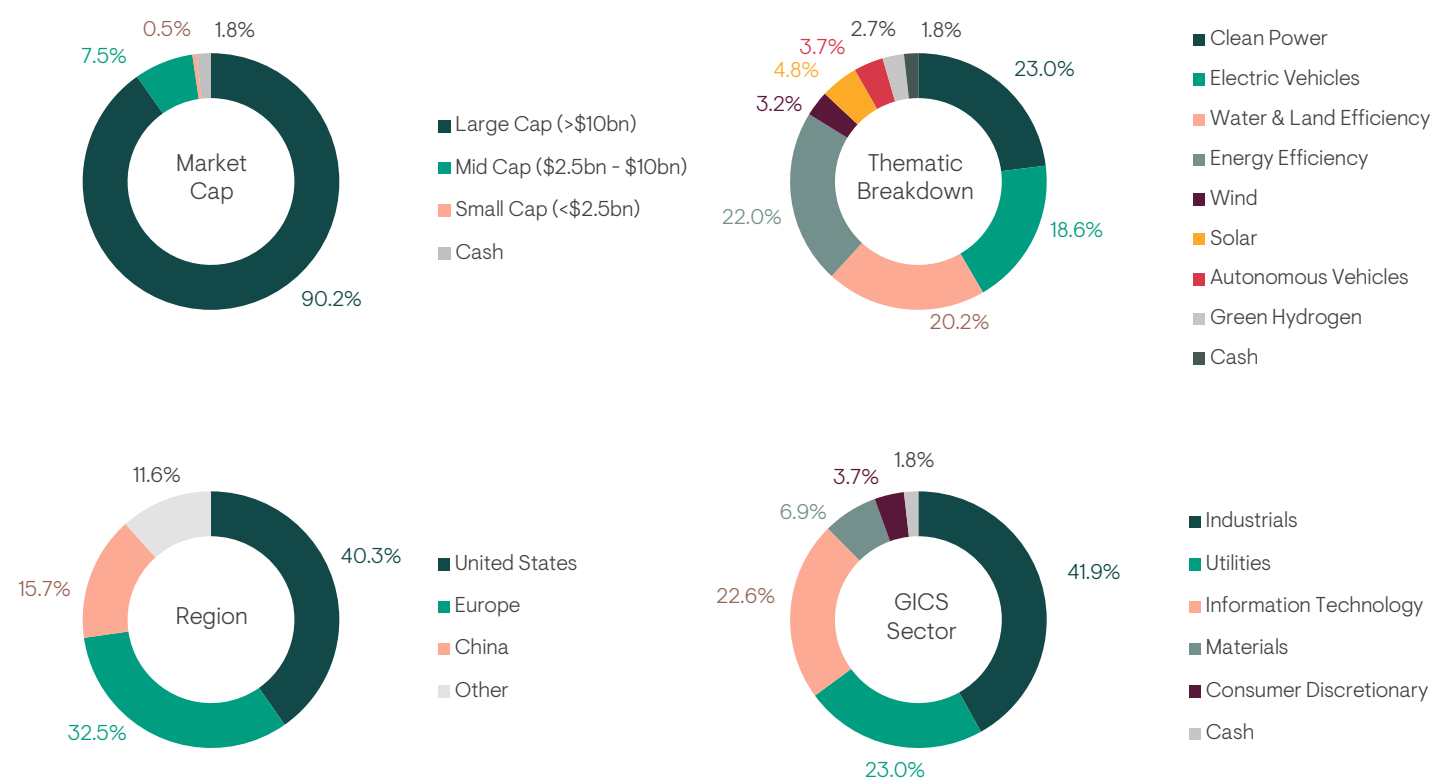


<sup>1</sup>These internal parameters are subject to change not necessarily with prior notification. For further information on the investment process, please see the Important Information section

## Portfolio characteristics

Diversified by sub-sector, technology and geography

	Global Environment	Investable universe	MSCI ACWI
Number of companies	25	1,714	2,888
Overlap with ACWI (number of companies)	22	450	2,888
Overlap with ACWI (% weight)	1%	28%	100%



Top 10 holdings	Opportunity	%
Iberdrola Sa	Renewable Energy	6.9
NextEra Energy, Inc.	Renewable Energy	6.7
Contemporary Amperex Technology Co., Ltd. Class A	Electrification	6.3
Waste Management, Inc.	Resource Efficiency	5.9
Orsted	Renewable Energy	5.7
Novonesis A/S Class B	Resource Efficiency	4.9
ANSYS, Inc.	Resource Efficiency	4.8
Sungrow Power Supply Co., Ltd. Class A	Renewable Energy	4.8
Zhejiang Sanhua Intelligent Controls Co., Ltd. Class A	Resource Efficiency	4.7
Autodesk, Inc.	Resource Efficiency	4.5

Source: Ninety One, 30 September 2024. Based on a related portfolio with substantially similar objectives as those of the services being offered. The portfolio may change significantly over a short space of time. This is not a buy, sell or hold recommendation for any particular security.

Note: Universe table data as at 31 March 2024.

For further information on specific portfolio names, please see the Important Information section.

## Investment team



**Deirdre Cooper**  
Head of Sustainable Equity  
Portfolio Manager  
Joined the industry in 1997



**Graeme Baker**  
Portfolio Manager  
Joined the industry in 2006

The portfolio managers are supported the wider Sustainable Equity team.

For further information on the investment team, please see the Important Information section.

## Why Ninety One for Global Environment

1

Managed by a team with decades of experience investing in the environmental sector

2

Supported by an investment company which has sustainability at its core

3

Uses a proprietary method of identifying companies enabling decarbonisation and a comprehensive way of quantifying carbon risk and carbon avoided

## Why Ninety One

Ninety One is a global investment manager with emerging market roots and a commitment to developing specialist investment teams organically. Our heritage and approach let us bring a different perspective to active and sustainable investing. As active and responsible investors, we manage our clients' money to meet their long-term financial objectives.

Our investment expertise spans the equity, fixed income, multi-asset and alternative asset classes. Our specialist investment teams invest actively across global, emerging and frontier markets.

Established in South Africa in 1991, as Investec Asset Management, we started offering domestic investments in an emerging market. In 2020, almost three decades of organic growth later, we demerged from Investec Group and became Ninety One.

The firm seeks to create profitable partnerships between clients, shareholders and employees. Our aim is to exceed our clients' and service expectations and to manage their money to the highest possible standard.

**General risks:** The value of investments, and any income generated from them, can fall as well as rise. Costs and charges will reduce the current and future value of investments. Past performance does not predict future returns. Investment objectives may not necessarily be achieved; losses may be made. Target returns are hypothetical returns and do not represent actual performance. Actual returns may differ significantly. Environmental, social or governance related risk events or factors, if they occur, could cause a negative impact on the value of investments.

**Specific Risks: Currency exchange:** Changes in the relative values of different currencies may adversely affect the value of investments and any related income. **Derivatives:** The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.

**Equity investment:** The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. insolvency), the owners of their equity rank last in terms of any financial payment from that company. **Concentrated portfolio:** The portfolio invests in a relatively small number of individual holdings. This may mean wider fluctuations in value than more broadly invested portfolios. **Emerging market (inc. China):** These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems. **Sustainable Strategies:** Sustainable, impact or other sustainability-focused portfolios consider specific factors related to their strategies in assessing and selecting investments. As a result, they will exclude certain industries and companies that do not meet their criteria. This may result in their portfolios being substantially different from broader benchmarks or investment universes, which could in turn result in relative investment performance deviating significantly from the performance of the broader market.

## Ninety One contact details

### United Kingdom

UK: +44 (0)20 7597 1800  
enquiries@ninetyone.com

### www.ninetyone.com

Telephone calls may be recorded for training, monitoring and regulatory purposes and to confirm investors' instructions

## Important information

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Although we believe any information obtained from external sources to be reliable, we have not independently verified it, and we cannot guarantee its accuracy or completeness (ESG-related data is still at an early stage with considerable variation in estimates and disclosure across companies. Double counting is inherent in all aggregate carbon data). Ninety One's internal data may not be audited. Ninety One does not provide legal or tax advice. Prospective investors should consult their tax advisors before making tax-related investment decisions. Nothing herein should be construed as an offer to enter into any contract, investment advice, a recommendation of any kind, a solicitation of clients, or an offer to invest in any particular fund, product, investment vehicle or derivative. Investment involves risks. Past performance is not indicative of future performance. Any decision to invest in strategies described herein should be made after reviewing the offering document and conducting such investigation as an investor deems necessary and consulting its own legal, accounting and tax advisors in order to make an independent determination of suitability and consequences of such an investment. This material does not purport to be a complete summary of all the risks associated with this Strategy. A description of risks associated with this Strategy can be found in the offering or other disclosure documents. Copies of such documents are available upon request.

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Additional information on our investment strategies can be provided on request.

### Investment Team

There is no assurance that the persons referenced herein will continue to be involved with investing for this Strategy, or that other persons not identified herein will become involved with investing assets for the Manager or assets of the Strategy at any time without notice. References to specific and periodic team meetings are not guaranteed to be held or fully attended due to reasonable priority driven circumstances and holidays.

### Investment Process

Any description or information regarding investment process or strategies is provided for illustrative purposes only, may not be fully indicative of any present or future investments and may be changed at the discretion of the manager without notice.

References to specific investments, strategies or investment vehicles are for illustrative purposes only and should not be relied upon as a recommendation to purchase or sell such investments or to engage in any particular Strategy.

Portfolio data is expected to change and there is no assurance that the actual portfolio will remain as described herein. There is no assurance that the investments presented will be available in the future at the levels presented, with the same characteristics or be available at all.

Past performance is no guarantee of future results and has no bearing upon the ability of Manager to construct the illustrative portfolio and implement its investment strategy or investment objective.

### Performance Target

The target is based on Manager's good faith estimate of the likelihood of the performance of the asset class under current market conditions. There can be no assurances that any Strategy or Fund will generate such returns, that any client or investor will achieve comparable results or that the manager will be able to implement its investment strategy. Actual performance of Fund investments and the Fund overall may be adversely affected by a variety of factors, beyond the manager's control, such as, political and socio-economic events, adverse changes in the interest rate environment, changes to investment expenses, and a lack of suitable investment opportunities. Accordingly, target returns may be expected to change over time and may differ from previous reports.

### Specific Portfolio Names

References to particular investments or strategies are for illustrative purposes only and should not be seen as a buy, sell or hold recommendation. Unless stated otherwise, the specific companies listed or discussed are included as representative of the Strategy or Strategies. Such references are not a complete list and other positions, strategies, or vehicles may experience results which differ, perhaps materially, from those presented herein due to different investment objectives, guidelines or market conditions. The securities or investment products mentioned in this document may not have been registered in any jurisdiction. More information is available upon request.

### Indices

Indices are shown for illustrative purposes only, are unmanaged and do not take into account market conditions or the costs associated with investing. Further, the manager's strategy may deploy investment techniques and instruments not used to generate Index performance. For this reason, the performance of the manager and the Indices are not directly comparable.