



# Global Environment Strategy

Investing for a world of change

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

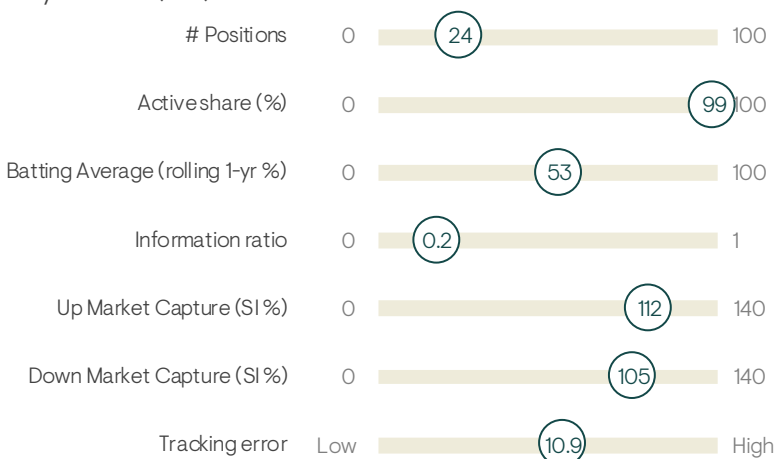
<b>Portfolio Managers</b>	Deirdre Cooper, Graeme Baker
<b>Strategy inception</b>	September 2018
<b>AUM</b>	US\$ 4.4 billion as at 30 September 2024
<b>Investment objectives</b>	
Target return	Outperform the performance comparison index (net of fees) over a full market cycle <sup>1</sup>
Impact	Have a 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

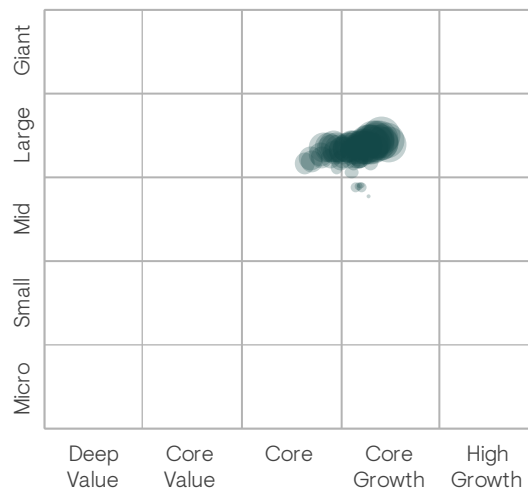
<p><b>Combines impact with financial returns</b></p> <p>High conviction portfolio providing access to long term structural growth opportunities from sustainable decarbonisation</p>	<p><b>Diversifies equity exposure</b></p> <p>Style complements core equity approaches while its alpha stream has been lowly 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 (net) and statistics



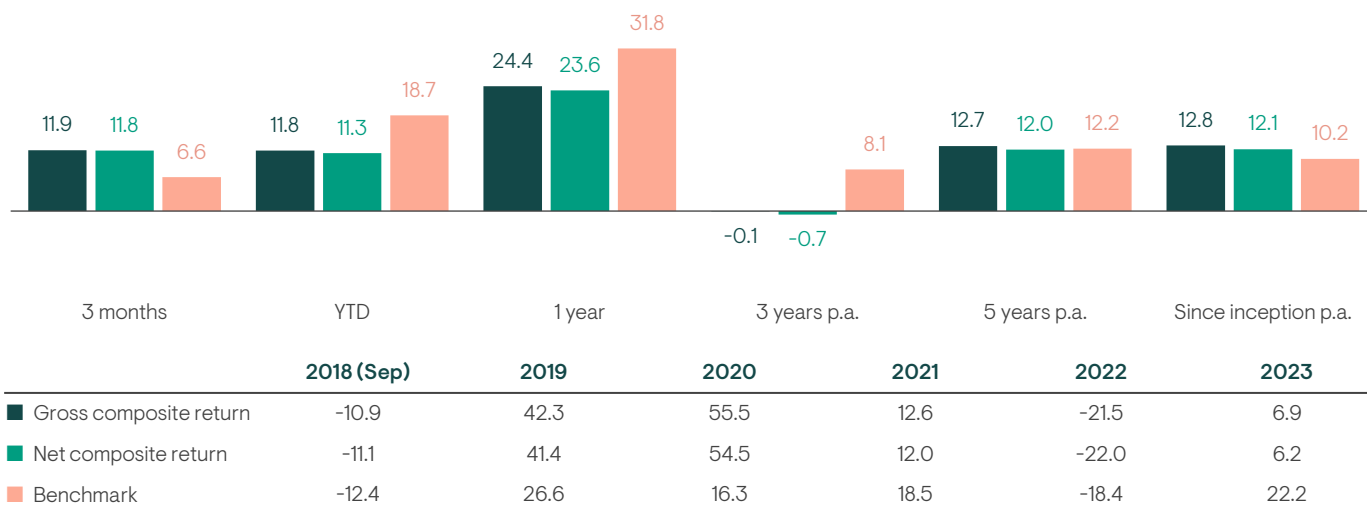
## Investment styles (SI)<sup>2</sup>



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.

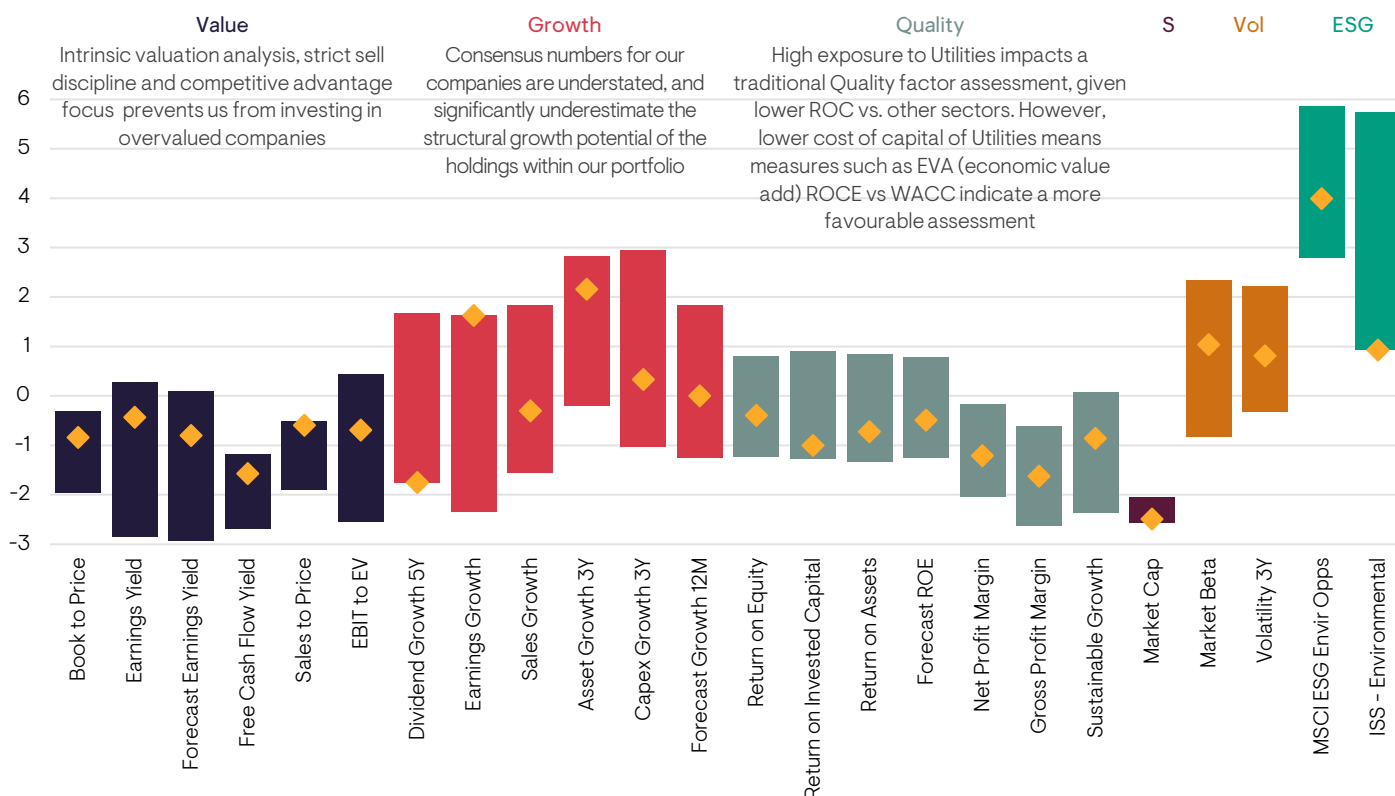
## Track record

Annualised performance (%) since inception in USD



## 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.

Where performance is gross of fees, returns will be reduced by management fees and other expenses. Net performance is net of the highest institutional segregated portfolio management fee. Both gross and net returns are in USD, shown net of all trading expenses. Income is reinvested. Composite description: 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.

\*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.

## 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

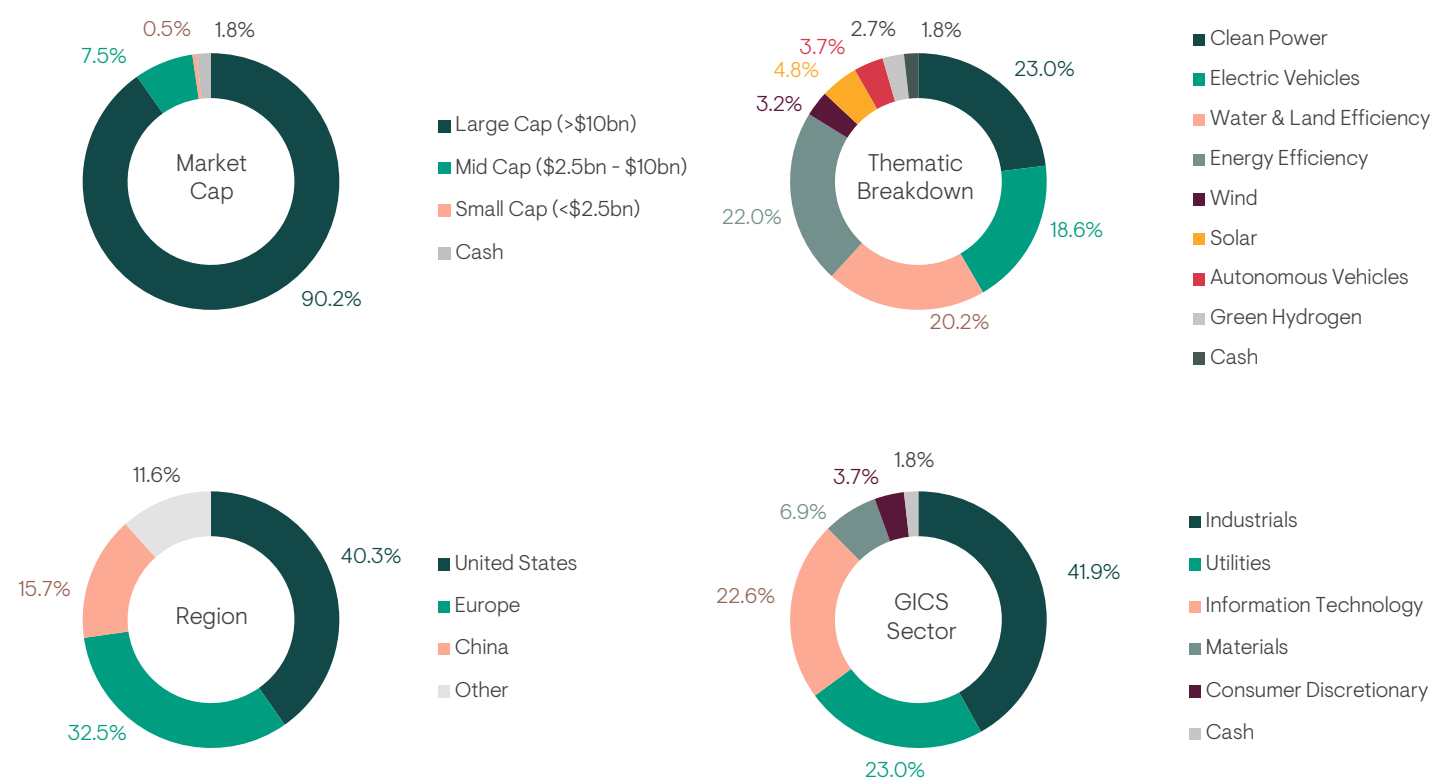


<sup>1</sup>These internal parameters are subject to change not necessarily with prior notification. For further information on the investment process, please see the Important Information section

## 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
Novonosis 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.

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### Investment Team

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### Targeted or projected performance returns

These are based on Manager's good faith estimate of the likelihood of the performance of

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### Investment Process

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### Specific Portfolio Names

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