

Fund Investment Report



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Fund information

Investment objective

The Investment objective of the Fund is to achieve long-term capital appreciation.

Investment policy

The companies held in the fund will have the potential to provide innovative solutions to societal needs delivering positive social and environmental impact. This will be achieved by investing globally in a diversified portfolio of companies of any size.

Approach to ESG integration and stewardship

ESG integration and stewardship are integral to delivering sustainable returns. Through quantitative data and fundamental bottom-up research, we assess the absolute and change in ESG performance of companies. Engagement allows us to understand the effectiveness of their approach, the management of strategic issues and to exert positive influence.

Fund information

Fund inception date	21 December 2017
Fund value	USD244.76m
Benchmark	MSCI All Country World IMI Index
Lead Fund Manager	Tim Crockford
Base currency	US Dollar

Market and Performance Review

The MSCI All-Country World IMI Index returned 0.30% with North America outperforming the rest of the World and Europe in particular. The Fund underperformed the benchmark index in the period as contributions from stock selection in the Asia Pacific and Latin America were more than offset by detractions in North America and Europe. From a sector viewpoint, selection in Utilities, Materials and Consumer Discretionary was successful, but outweighed by detractions from selection in Industrials and Health Care, while the overweight position in the latter sector also a headwind.

The largest individual contributors were Kroton Educacional, Carl Zeiss Meditec and Orsted. Kroton increased alongside the broader Brazilian market, although there was little specific news on the company. Carl Zeiss increased after reporting strong results and an upgrade to its guidance. This was driven by strong growth in Asia and supported by a recovery in its US business and a better-than-expected margin improvement. Orsted increased after New York State awarded a contract to supply 850MW of capacity as part of the biggest-ever deal for offshore wind power in US history.

Illumina, Abcam and Siemens Gamesa were the largest detractors. Illumina fell after reporting disappointing results due to a delay in a large order, ongoing consumer weakness and lower-than-expected sales of sequencing systems and consumables, which led the company to cut guidance for financial year 2019. Abcam declined after its trading update, which saw revenues that were slightly lower than expectations, although margins and guidance matched consensus. Siemens Gamesa reported disappointing results, reducing its margin guidance due to pricing pressure and logistical issues in Northern Europe and India.

Outlook

The trade dispute between the US and China continues to be the single biggest headwind to global growth and despite a recent thawing of the tensions, any deal appears to be far from imminent. This has undoubtedly led to a more dovish stance from the central banks, but whether this action will have much of an impact, beyond providing some support for equity markets, is unclear.

Against this uncertain backdrop our investment approach remains unchanged. We continue to look for new companies that we believe will benefit from the emerging growth opportunities arising from countries' need to meet the 2030 Sustainable Development Goals. Such firms should be less exposed to geopolitical and macroeconomic risks over the longer-term. If growth expectations recede, they should attract a premium valuation as they are less reliant on the cycle. If growth picks up, however, the markets' failure to correctly price in these emerging growth opportunities should help them deliver earnings ahead of expectations. We believe this will help the Fund achieve positive relative returns over time, regardless of the prevailing style preferences or the macroeconomic backdrop.

Fund breakdown

Top 10 relative Fund positions

	Country	Fund weight (%)	Benchmark weight (%)	Relative weight (%)
Bank Rakyat Indonesia	Indonesia	4.79	0.03	4.75
Orsted	Denmark	4.33	0.03	4.30
Novo Nordisk	Denmark	4.33	0.16	4.17
ANSYS	United States	4.17	0.03	4.14
Hannon Armstrong	United States	4.05	0.00	4.05
Lonza Group	Switzerland	4.08	0.05	4.03
Xylem	United States	4.02	0.03	4.00
Horiba	Japan	3.86	0.00	3.85
Brambles	Australia	3.85	0.03	3.82
Carl Zeiss Meditec	Germany	3.83	0.01	3.82

Top 10 absolute Fund positions

	Country	Fund weight (%)	Benchmark weight (%)	Relative weight (%)
Bank Rakyat Indonesia	Indonesia	4.79	0.03	4.75
Orsted	Denmark	4.33	0.03	4.30
Novo Nordisk	Denmark	4.33	0.16	4.17
ANSYS	United States	4.17	0.03	4.14
Lonza Group	Switzerland	4.08	0.05	4.03
Hannon Armstrong	United States	4.05	0.00	4.05
Xylem	United States	4.02	0.03	4.00
Ecolab	United States	3.91	0.10	3.82
CSL	Australia	3.91	0.13	3.78
Horiba	Japan	3.86	0.00	3.85

Performance attribution - 1 month

Top 10 contributors to relative return

Holding	Country	Fund weight (%)	Benchmark weight (%)	Fund perf (%)	Total effect (%)
Kroton Educacional	Brazil	2.94	0.01	16.60	0.41
Carl Zeiss Meditec	Germany	3.83	0.01	11.90	0.41
Orsted	Denmark	4.33	0.03	6.09	0.24
LivaNova	United States	3.10	0.01	6.96	0.19
Horiba	Japan	3.86	0.00	4.89	0.18
CSL	Australia	3.91	0.13	4.89	0.17
Bank Rakyat Indonesia	Indonesia	4.79	0.03	3.55	0.15
Syncona	United Kingdom	1.08	-	10.07	0.10
Lonza Group	Switzerland	4.08	0.05	2.03	0.07
Ecolab	United States	3.91	0.10	2.17	0.07

Top 10 detractors to relative return

Holding	Country	Fund weight (%)	Benchmark weight (%)	Fund perf (%)	Total effect (%)
Illumina	United States	3.71	0.08	-18.68	-0.85
Abcam	United Kingdom	3.42	0.01	-14.63	-0.59
Siemens Gamesa	Spain	3.04	0.01	-15.24	-0.55
Tomra Systems	Norway	3.41	0.01	-9.36	-0.36
Emergent BioSolutions	United States	3.63	0.00	-8.63	-0.35
Duerr	Germany	2.02	0.00	-11.49	-0.27
Agilent Technologies	United States	3.48	0.04	-6.87	-0.27
Novo Nordisk	Denmark	4.33	0.16	-5.34	-0.25
Qiagen	Germany	3.70	0.02	-5.55	-0.23
Xylem	United States	4.02	0.03	-4.01	-0.18

Top 10 absolute returns

Holding	Country	Fund weight (%)	Benchmark weight (%)	Fund perf (%)	Total effect (%)
Kroton Educacional	Brazil	2.94	0.01	16.60	0.41
Carl Zeiss Meditec	Germany	3.83	0.01	11.90	0.41
Syncona	United Kingdom	1.08	-	10.07	0.10
LivaNova	United States	3.10	0.01	6.96	0.19
Orsted	Denmark	4.33	0.03	6.09	0.24
Horiba	Japan	3.86	0.00	4.89	0.18
CSL	Australia	3.91	0.13	4.89	0.17
Bank Rakyat Indonesia	Indonesia	4.79	0.03	3.55	0.15
Ecolab	United States	3.91	0.10	2.17	0.07
Lonza Group	Switzerland	4.08	0.05	2.03	0.07

Bottom 10 absolute returns

Holding	Country	Fund weight (%)	Benchmark weight (%)	Fund perf (%)	Total effect (%)
Illumina	United States	3.71	0.08	-18.68	-0.85
Siemens Gamesa	Spain	3.04	0.01	-15.24	-0.55
Abcam	United Kingdom	3.42	0.01	-14.63	-0.59
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Tomra Systems	Norway	3.41	0.01	-9.36	-0.36
Emergent BioSolutions	United States	3.63	0.00	-8.63	-0.35
Agilent Technologies	United States	3.48	0.04	-6.87	-0.27
Curro Holdings	South Africa	0.76	0.00	-6.67	-0.06
Qiagen	Germany	3.70	0.02	-5.55	-0.23
Novo Nordisk	Denmark	4.33	0.16	-5.34	-0.25

Performance attribution - 1 month

Sector level

	Fund weight (%)	B'mark weight (%)	Relative weight (%)	Relative Return (%)	Currency effect (%)	Allocation effect (%)	Selection effect (%)	Total effect (%)
Utilities	4.33	3.27	1.06	6.35	-0.07	-0.01	0.34	0.26
Financials	4.96	16.38	-11.43	3.45	0.08	0.04	0.10	0.21
Energy	-	5.41	-5.41	-	0.01	0.16	-	0.18
Materials	6.20	5.13	1.07	3.24	0.01	-0.02	0.19	0.17
Consumer Discretionary	8.54	11.00	-2.46	2.03	-0.01	-0.01	0.19	0.17
Consumer Staples	-	7.90	-7.90	-	0.02	-0.10	-	-0.08
Real Estate	4.05	4.20	-0.15	-2.13	0.02	0.00	-0.11	-0.09
Communication Services	-	8.25	-8.25	-	-0.02	-0.13	-	-0.15
Information Technology	8.03	16.00	-7.97	-0.87	-0.03	-0.19	-0.06	-0.28
Industrials	16.34	11.21	5.12	-6.85	-0.17	-0.05	-1.04	-1.26
Health Care	41.30	11.22	30.07	-2.94	-0.38	-0.39	-0.83	-1.59
Foreign Exchange	0.00	-	0.00	-	-	-	-	-
Cash	5.17	-	5.17	-	0.03	-0.02	-	0.01

Regional level

	Fund weight (%)	B'mark weight (%)	Relative weight (%)	Relative Return (%)	Currency effect (%)	Allocation effect (%)	Selection effect (%)	Total effect (%)
AC Asia Pacific	16.40	19.53	-3.12	4.09	-0.01	0.04	0.66	0.69
EM Latin America	2.94	1.46	1.48	15.87	0.04	-0.02	0.39	0.41
EM EMEA	0.76	1.75	-1.00	-6.25	0.00	0.01	-0.05	-0.04
Europe and Middle East	44.66	18.72	25.94	-1.47	-0.45	-0.07	-0.74	-1.25
North America	30.07	58.54	-28.47	-5.96	-0.16	-0.13	-1.87	-2.16
Foreign Exchange	0.00	-	0.00	-	-	-	-	-
Cash	5.17	-	5.17	-	0.03	-0.02	-	0.01

Country level

	Fund weight (%)	B'mark weight (%)	Relative weight (%)	Relative return (%)	Currency effect (%)	Allocation effect (%)	Selection effect (%)	Total effect (%)
Brazil	2.94	0.93	2.01	12.90	0.05	0.00	0.34	0.39
Japan	3.86	7.50	-3.64	4.54	0.00	-0.01	0.18	0.17
Australia	7.76	2.22	5.54	1.39	-0.06	0.10	0.11	0.15
Indonesia	4.79	0.25	4.53	2.13	0.06	-0.01	0.10	0.15
Korea	-	1.38	-1.38	-	0.03	0.08	-	0.10
Switzerland	4.08	2.61	1.47	2.85	-0.01	0.00	0.11	0.10
India	-	1.05	-1.05	-	-0.01	0.08	-	0.07
Hong Kong	-	1.09	-1.09	-	-0.01	0.05	-	0.04
Sweden	-	0.91	-0.91	-	0.02	0.01	-	0.04
China	-	3.37	-3.37	-	-0.02	0.05	-	0.03
France	1.57	3.05	-1.48	-0.68	0.03	0.02	-0.01	0.03
Canada	-	3.07	-3.07	-	0.00	0.02	-	0.02
Italy	-	0.74	-0.74	-	0.01	0.00	-	0.01
Mexico	-	0.29	-0.29	-	-0.01	0.02	-	0.01
Thailand	-	0.37	-0.37	-	0.00	0.01	-	0.01
Finland	-	0.31	-0.31	-	0.01	0.00	-	0.01
Poland	-	0.12	-0.12	-	0.00	0.00	-	0.01
Chile	-	0.11	-0.11	-	0.00	0.00	-	0.01
Singapore	-	0.42	-0.42	-	0.00	0.00	-	0.01
Malaysia	-	0.26	-0.26	-	0.00	0.01	-	0.01
Ireland	-	0.16	-0.16	-	0.00	0.00	-	0.00
Peru	-	0.04	-0.04	-	0.00	0.00	-	0.00
Austria	-	0.10	-0.10	-	0.00	0.00	-	0.00
Portugal	-	0.05	-0.05	-	0.00	0.00	-	0.00
Saudi Arabia	-	0.16	-0.16	-	0.00	0.00	-	0.00
Colombia	-	0.05	-0.05	-	0.00	0.00	-	0.00
Egypt	-	0.02	-0.02	-	0.00	0.00	-	0.00
Argentina	-	0.05	-0.05	-	0.00	0.00	-	0.00
Czech Republic	-	0.02	-0.02	-	0.00	0.00	-	0.00
Pakistan	-	0.01	-0.01	-	0.00	0.00	-	0.00
Hungary	-	0.03	-0.03	-	0.00	0.00	-	0.00
Russia	-	0.42	-0.42	-	0.00	0.00	-	0.00
Philippines	-	0.13	-0.13	-	0.00	0.00	-	0.00
Greece	-	0.04	-0.04	-	0.00	0.00	-	0.00
Qatar	-	0.12	-0.12	-	0.00	0.00	-	0.00
New Zealand	-	0.11	-0.11	-	0.00	0.00	-	0.00
Netherlands	-	1.07	-1.07	-	0.01	-0.02	-	0.00
Israel	-	0.23	-0.23	-	0.00	0.00	-	-0.01
Turkey	-	0.07	-0.07	-	0.00	0.00	-	-0.01
United Arab Emirates	-	0.09	-0.09	-	0.00	-0.01	-	-0.01
Denmark	8.66	0.51	8.14	2.80	-0.14	-0.12	0.25	-0.01
South Africa	0.76	0.66	0.09	-4.28	0.00	0.00	-0.03	-0.04
Taiwan	-	1.38	-1.38	-	-0.01	-0.03	-	-0.04
Belgium	2.29	0.37	1.92	-6.72	-0.03	0.13	-0.15	-0.06
Germany	16.71	2.48	14.23	2.48	-0.23	-0.28	0.41	-0.10
Norway	3.41	0.26	3.15	-5.88	-0.08	-0.06	-0.22	-0.35
United Kingdom	4.91	5.04	-0.13	-7.57	0.00	0.00	-0.40	-0.40
Spain	3.04	0.83	2.21	-11.53	-0.04	-0.09	-0.39	-0.52
United States	30.07	55.48	-25.41	-6.04	-0.16	-0.13	-1.89	-2.18
Foreign Exchange	0.00	-	0.00	-	-	-	-	-
Cash	5.17	-	5.17	-	0.03	-0.02	-	0.01

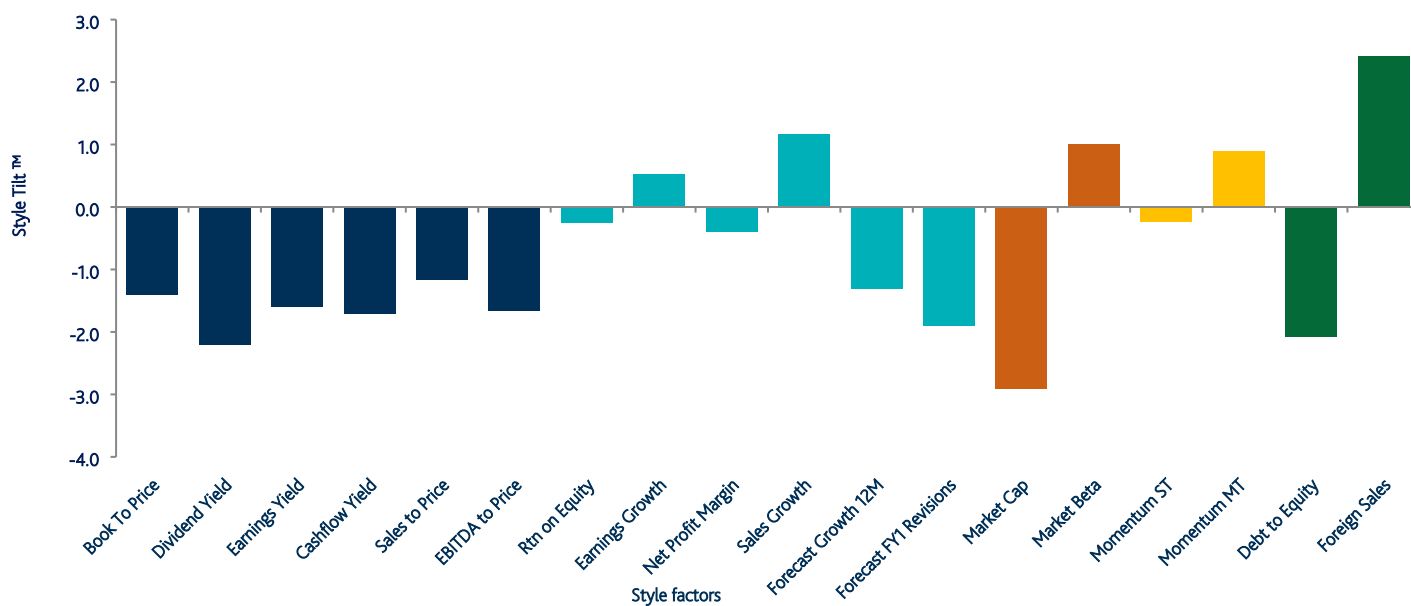
Market capitalisation

	Fund weight (%)	B'mark weight (%)	Relative weight (%)	Relative return (%)	Currency effect (%)	Allocation effect (%)	Selection effect (%)	Total effect (%)
0 - 1B	1.34	2.08	-0.74	-4.15	-0.01	0.01	-0.05	-0.05
1 - 5B	26.42	10.56	15.87	-2.88	-0.09	-0.07	-0.66	-0.82
5 - 10B	18.37	9.07	9.30	0.27	-0.28	-0.02	0.32	0.02
10 - 20B	15.08	11.71	3.37	-4.87	-0.04	0.00	-0.74	-0.77
20B+	32.53	66.47	-33.94	-2.33	-0.12	-0.06	-0.68	-0.85
Common Stock Funds	1.08	-	1.08	-	-0.03	0.13	-	0.10
Unclassified	-	0.11	-0.11	-	0.00	0.00	-	0.00
Foreign Exchange	0.00	-	0.00	-	-	-	-	-
Cash & Synthetic Cash	5.17	-	5.17	-	0.03	-0.02	-	0.01

Fund characteristics

Top 10 concentration (%)*	Active share (%)**	Dividend yield (%)***	Market cap (millions)***	Earnings yield (%)***
41.44	99.22	1.44	21,395.34	4.84

Fund Style Skyline™



Source: *Northern Trust. ** Barra. ***Style Research, Market Cap is the Portfolio Weighted Average.

Risk analysis

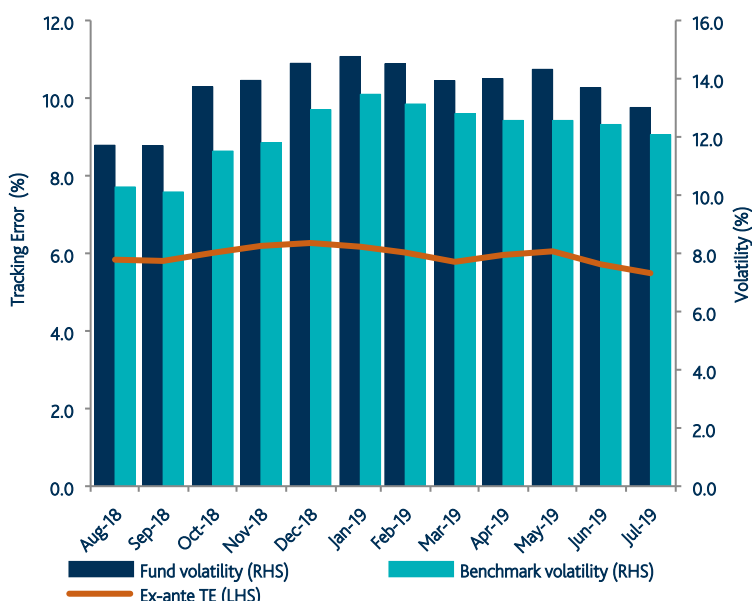
Top 10 contributors to risk (ex-ante)

	Country of incorporation	Tracking error (%)
Abcam	United Kingdom	7.52
Carl Zeiss Meditec	Germany	7.25
Sartorius	Germany	6.35
Emergent BioSolutions	United States	6.31
Novo Nordisk	Denmark	6.10
CSL	Australia	5.82
Orsted	Denmark	5.59
Bank Rakyat Indonesia	Indonesia	5.55
Lonza Group	Switzerland	5.41
Qiagen	United States	5.01

Risk attribution

	Tracking error (%)	Fund beta	Fund volatility (%)	Benchmark volatility (%)	Information ratio	Sharpe ratio
Ex-ante	5.49	0.98	13.01	12.08	-	-

Tracking error (TE) and volatility history (ex-ante)



Fund statistics

Number of stocks (Fund)	30
Number of stocks (Benchmark)	8736

Contact us

If you have any general questions concerning your investment, or specifically related to the content of this Fund investment report, please let us know using the contact details below.

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