

Regnan Global Equity Impact Solutions Fund

Class R

Factsheet | As at 31 October 2023

ARSN: 645 981 853

About the Fund

Aims to generate long-term outperformance by investing in mission-driven companies that create value for investors by providing solutions for the growing unmet sustainability needs of society and the environment, using the United Nations Sustainable Development Goals (SDGs) as an investment lens.

Underpinned by the Regnan SDG taxonomy, the team has built a comprehensive proprietary framework to identify companies that provide solutions to the environmental and societal challenges facing the world.

A high conviction, diversified, global multi-cap portfolio with low portfolio turnover and a strong emphasis on driving impact through engagement.

Investment Objective

The Fund aims to provide a return (after fees but before costs and taxes) that exceeds the MSCI ACWI IMI Index in AUD over rolling 5 year periods.

Description of Fund

This Fund is designed for investors who are seeking an investment in global shares with an investment timeframe of 5 years or greater and are prepared to accept higher variability of returns.

The Fund will invest in shares of companies which we believe aim to generate positive, measurable social and environmental impact, alongside a financial return. The Fund will generally have less than 50 stocks and is benchmark agnostic.

The Fund will not invest in companies which directly:

- extract or explore for fossil fuels (specifically, coal, oil and natural gas); or
- produce tobacco (including e-cigarettes and inhalers); or
- manufacture controversial weapons (including cluster munitions, landmines, biological or chemical weapons, nuclear weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments).

The Fund will also not invest in companies which derive 10% or more of their gross revenue directly from:

- fossil fuel-based power generation, or fossil fuel distribution or refinement (coal, oil and natural gas)*;
- the production of alcoholic beverages;
- manufacture, ownership or operation of gambling facilities, gaming services or other forms of wagering;
- manufacture of non-controversial weapons or armaments;
- manufacture or distribution of pornography; and
- uranium mining for the purpose of nuclear power generation.

For more information on how these exclusions are applied, refer to section 5 'How we invest your money' of the Fund's Product Disclosure Statement at www.pendalgroup.com/RegnanGlobalEquityImpactSolutionsFundClassR-PDS

Performance

(%)	Total Returns		Benchmark
	(post-fee)	(pre-fee)	Return
1 month	-6.40	-6.33	-1.46
3 months	-14.00	-13.81	-4.28
6 months	-7.59	-7.17	1.91
1 year	-2.80	-1.93	10.51
2 years (p.a)	-9.44	-8.62	1.77
Since Inception (p.a)	-2.92	-2.05	7.84

Source: Pental as at 31 October 2023.

"Post-fee" returns assume reinvestment of distributions and is calculated using exit prices. "Pre-fee" returns exclude the effects of management costs and any taxes. Returns for periods greater than one year are annualised. Fund inception: November 2020.

Past performance is not a reliable indicator of future performance.

About Regnan

Regnan is a specialist business unit within Pental and a responsible investment leader with a long and proud heritage providing our investment teams with insight and advice on important themes relating to environmental, social and governance (ESG) issues, including impact investment, engagement and advocacy.

Regnan's pioneering analysis has changed the way investors and businesses think about value creation and their wider responsibilities to society. Regnan remains committed to undertaking engagement that contributes to growing the market for impact investments.

To learn more about what we do, our journey, investment process, impact investment and bespoke insights please visit regnan.com



The Regnan Global Equity Impact Solutions Fund has been certified by the Responsible Investment Association Australasia according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsiblereturns.com.au for details.

The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

* Companies with a climate transition plan may be exempted from this exclusion, provided that they have in place a Paris Agreement aligned transition plan and produce climate-related financial disclosures annually, which in both cases we consider credible.

Fees and Costs

You should refer to the latest Product Disclosure Statement for full details of the ongoing fees and costs that you may be charged.

Management fee ¹	0.90%
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¹ This is the fee we charge for managing the assets and overseeing the operations of the Fund. The management fee is deducted from the Fund's assets and reflected in its unit price.

Other Information

Fund size (as at 31 October 2023)	\$154 million
Date of inception	30 November 2020
Minimum investment	\$25,000
Buy-sell spread ² For the Fund's current buy-sell spread information, visit www.pendalgroup.com	
Distribution frequency	Annually
APIR code	PDL4608AU

² The buy-sell spread represents a contribution to the transaction costs incurred by the Fund, when the Fund is purchasing and selling assets. The buy-sell spread is generally incurred whenever you invest or withdraw funds, and may vary from time to time without notice.

Portfolio analysis

Country breakdown (as at 31 October 2023)

	Absolute
Austria	0.9%
Belgium	0.9%
Denmark	6.7%
France	2.7%
Germany	13.9%
Italy	4.6%
Netherlands	1.7%
Norway	1.0%
Sweden	4.6%
Switzerland	4.2%
United Kingdom	8.4%
Japan	5.0%
Other Asia	4.7%
Canada	3.1%
USA	23.4%
Latin America	9.6%
Cash	4.6%

Source: Pandal

Sector breakdown (as at 31 October 2023)

	Absolute
Energy	0.0%
Materials	7.2%
Industrials	18.6%
Consumer Discretionary	11.1%
Consumer Staples	0.0%
Health Care	32.4%
Information Technology	19.2%
Telecommunication Services	0.0%
Utilities	1.2%
Financials ex Property Trusts	5.8%
Property Trusts	0.0%
Other	0.0%
Cash	4.6%

Source: Pandal

Active bets (as at 31 October 2023)

Top 5	Relative
Abcam PLC Sponsored ADR	5.2%
ECOLAB	5.1%
XYLEM	5.1%
NOVO NORDISK B	5.0%
Afya Limited Class A	5.0%

Bottom 5	Relative
APPLE	-4.1%
MICROSOFT CORP	-3.6%
Alphabet	-2.1%
AMAZON.COM	-1.9%
NVIDIA	-1.5%

Source: Pandal

Portfolio analysis

Top 10 Holdings (as at 31 October 2023)

Stock	Impact Solution	Absolute
Novo Nordisk	Today 26m of the 425m diabetic patient globally are treated with Novo Nordisk's products across the treatment cascade. As prevalence increases above 10% today (from 8% a decade prior), the diabetes patient population is expected to grow 50% to 700m by 2045. The cost of diabetes is expected to reach US\$2.5th by 2030. Novo Nordisk is also one of the few companies with obesity medicine.	5.5%
Abcam	Biomedical research, which seeks to understand the biology of a range of diseases, from cancer to autoimmune diseases, suffers from a reproducibility crisis. Abcam helps solve this challenge by providing highly validated antibody solutions, developed on its leading proprietary technology platforms. Its highly validated antibodies ensure that antibodies perform as expected and significantly reduce batch-to-batch variability, one of the main causes of irreproducibility.	5.3%
Ecolab Inc	Ecolab is a leader in integrated solutions to improve water and energy efficiency, while at the same time improve sanitation. In 2019, Ecolab helped its customers save 206 billion gallons of water, equivalent to the annual drinking water needs of 712 million people, save 28 trillion Btu of energy and avoid 1.5 million metric tonnes of greenhouse gas emissions.	5.2%
Xylem	Xylem is a leading provider of water equipment and solutions that enable water reuse and conservation to mitigate water scarcity, reduce water losses and optimize water system assets to improve water affordability. Freshwater and wastewater systems in developed countries have suffered decades of underinvestment, with as much as half of water leaking in many cities. In developing countries, improved sanitation means new infrastructure. As well as being a leader in water equipment, Xylem is notably providing innovative digital solutions to enable smart management of water systems	5.1%
Afya Ltd	Afya is the leading provider of undergraduate medical courses in Brazil (c10% market share). Brazil has amongst the lowest level of medical density at (2.1 physicians per 1000 inhabitants, which reduces to 1.3 excluding the capitals versus an OECD average of 3.4). While the population of Brazil is rapidly ageing the pressure on medical services will only increase. Afya is helping to address this unmet need through its plans to grow in this space with the addition of new medical seats, supported by the government's Mais Medicos (More doctors) program. There is exceptionally strong demand for medical seats with 5 applications for each seat, and occupancy rates in medical schools are therefore at or close to 100%.	5.0%
Horiba Ltd	Horiba has an 80% market share in emission measurement systems. Its automotive test division (c. 40% of sales) is expected to be a significant beneficiary of the introduction of the worldwide harmonized light vehicle test procedure and real driving emissions. Horiba also provides instruments and systems for applications outside of autos, including process and environmental monitoring, in-vitro medical diagnostics, semiconductor manufacturing and metrology.	5.0%
AIXTRON SE	Aixtron's deposition equipment is enabling the move towards next generation compound 5,4 semiconductors including Gallium Nitride (GaN) and Silicon Carbide (SiC). Both materials allow for a significant reduction in conduction and switching losses, which in turn translates to more power-efficient transistors which deliver superior performance in terms of energy saving, less heat, lighter weight and lower system cost. For example, Navitas, a leading provider of GaN on silicon power semiconductors, estimates that every GaN-on-Si power chip saves 4kg of CO2 emissions, and lowers lifetime CO2 footprint of charging devices by 28%.	4.8%
QIAGEN	Molecular diagnostics is the fastest-growing segment of the in-vitro diagnostics industry. It enables earlier diagnosis, allows monitoring of disease progression and better guidance for therapeutic decision-making. Qiagen's 'Sample to Insight' product philosophy is designed to facilitate uptake of molecular diagnostics. By empowering users without sophisticated molecular biology expertise to use molecular diagnostic technologies, taking them straight from the biological sample to actionable insight, Qiagen expands the adoption of molecular diagnostics, improving patient outcomes.	4.7%
PTC Inc	Productivity growth across OECD countries was lower in the decade leading up to 2016 than it was in any other decade from 1950 (UN). While technological progress and innovation has continued, the adoption of Industry 4.0 solutions with potential to deliver significant productivity improvements remains low, particularly from small and medium sized enterprises where the costs of upgrading can be prohibitive. PTC's solutions drive digital transformation, which reduces waste and scrap in the products they design, creates efficiencies in their manufacturing processes, and optimizes the operations of their customers' processes. PTC provides global leading software solutions across the life cycle of products through computer aided design, product life cycle management, industrial IoT and augmented reality. PTC solutions increase productivity and efficiency of R&D by reducing design time by up to 30%, make manufacturing more efficient and less wasteful with up to 30% reduction in prototypes, thereby reducing costs and raw material use, and reduce the time to market by up to 57%. PTC is also improving access to Industry 4.0 solutions for smaller enterprises through the recent addition of multi-tenant SaaS based CAD (Onshape) and PLM (Arena).	4.7%
Bank Rakyat Indonesia Persero Tbk PT	Over 200 million Indonesians live on less than \$4.50 per day, without salaries or collateral, these individuals are considered too risky for loans or live in locations too remote for the reach of traditional financial services providers. Despite this, over 56 million Micro Small Medium Enterprises (MSME) contributed greater than 50% GDP. In Indonesia in particular, only about 25% of SME's have access to lending. Bank Rakyat is helping fill this gap in the Indonesian market.	4.7%
Total		50.0%

Investment process with a purpose



Meet the Regnan Global Equity Impact Solutions team



Tim Crockford
Senior Fund Manager



Mohsin Ahmad, CFA
Fund Manager



Maxime Le Floch, CFA
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For more information



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Risks

An investment in the Fund involves risk, including:

- **Market risk:** The risk associated with factors that can influence the direction and volatility of an overall market, as opposed to security-specific risks. These factors can affect one country or a number of countries.
- **Security specific risk:** The risk associated with an individual security.
- **International investment risk:** The risk arising from political and economic uncertainties, interest rate movements and differences in regulatory supervision associated with international investments.
- **Emerging markets risk:** The Fund may make investments that provide exposure to emerging markets. Emerging markets are generally considered riskier than developed markets due to factors such as lower liquidity, the potential for political unrest, the increased likelihood of sovereign intervention (including default and currency intervention), currency volatility and increased legal risk. Emerging market investments therefore may experience increased asset price volatility and face higher currency, default and liquidity risk.
- **Concentrated portfolio risk:** The Fund's investment strategy of seeking to generate high returns by investing in a concentrated portfolio of global shares may make the Fund more volatile than a diversified global share fund with a larger number of shares. This means there is a greater risk of negative returns, particularly over the short to medium term.
- **Currency risk:** Currency exchange rate fluctuation risk arising from investing across multiple countries.
- **Class risk:** The Fund has been established as a separate class of units in the Scheme. As the assets are held on trust for all investors, there is a risk that investors of one class, may be exposed to liabilities of another class of units and they could lose some or all of their investment in the Fund. There is also a risk that in the event of an insolvency, the assets of the Fund could be made available to creditors of another class of units of the Scheme.

Please read the Fund's Product Disclosure Statement (**PDS**) for a detailed explanation of each of these risks available on the Pental's website.

This factsheet has been prepared by Pental Fund Services Limited (**PFSL**) ABN 13 161 249 332, AFSL No 431426 and the information contained within is current as at the date of this factsheet. It is not to be published, or otherwise made available to any person other than the party to whom it is provided.

PFSL is the responsible entity of, and issuer of units in, the Fund offered in this factsheet. A product disclosure statement (**PDS**) is available for the Fund and can be obtained by calling 1300 346 821 or visiting www.pentalgroup.com. The Target Market Determination (**TMD**) for the Fund is available at www.pentalgroup.com/ddo. You should obtain and consider the PDS and TMD before deciding whether to acquire, continue to hold or dispose of units in the Fund. An investment in the Fund is subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested.

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Performance figures are calculated in accordance with the Financial Services Council (**FSC**) standards. Where performance returns are quoted "Post fees" then this assumes reinvestment of distributions and is calculated using exit prices which take into account management costs but not tax you may pay as an investor. Where performance returns are quoted "Pre fees and tax", they exclude the effects of management costs and any taxes. Past performance is not a reliable indicator of future performance.

If market movements, cash flows or changes in the nature of an investment (e.g. a change in credit rating) cause the Fund to exceed any of the investment ranges or limits specified, this will be rectified by PFSL as soon as reasonably practicable after becoming aware of it. If PFSL does so, it will have no other obligations in relation to these circumstances. The procedures, investment ranges, benchmarks and limits specified are accurate as at the date of this factsheet and PFSL reserves the right to vary these from time to time.