

# Tortoise QuickTake Water Podcast



August 15, 2019

**Welcome to the Tortoise QuickTake podcast. Thank you for joining us. Today, Tortoise provides a timely update on trending topics in the market.**

Welcome to the Tortoise podcast series on the water sector. Thanks for listening today. I am Nick Holmes, one of the portfolio managers of Tortoise's actively-managed water strategies.

I am excited to talk today about what we have been doing in the water sector from a research and investment product standpoint. Over the last five years, Tortoise has been researching and investing in listed water and water-related companies. We are excited to announce a new product offering we have in our actively managed water strategies. Earlier this month, Tortoise launched a publicly-traded UCITs, the Tortoise Sustainable Global Water Fund.

From a high level, The Tortoise Sustainable Global Water (TSGW) strategy seeks to invest in companies across the globe and throughout the water value chain that are in a position to benefit from the pursuit of solving the water supply and demand imbalance.

The investable universe includes water and waste water utilities as well as equipment and services companies operating in all aspects of the water value chain including water treatment companies, filtration systems, water reuse and desalination technology providers, just to mention a few.

I want to spend a few minutes on the issues we see in the world today as it relates to water. At Tortoise we believe the world has a significant water supply and demand imbalance problem. Currently, approximately 30% of the global population, or approximately two billion people live in areas affected by water scarcity. Some estimate that number to grow to nearly 50% over the next decade as water demand is projected to exceed water supply by 40% in 2030. Water scarcity issues are expected to be exacerbated by population growth, urbanization, aging infrastructure and climate change over the next decade. Water shortages across the globe are having an impact on economic growth, social stability and increasingly playing a role in geopolitics.

In our view, investment in water infrastructure and technology is needed today to help solve the pending global water crisis. The investment opportunity is extremely compelling as estimates state \$14 trillion is needed globally for water infrastructure and water-related equipment and services over the next 10-12 years. Infrastructure investment will be focused on improving infrastructure in developed markets and building out new infrastructure in emerging markets. We also believe water-related equipment and services will be directed at technology investments to provide innovative solutions that aim to improve the sustainability of clean water supply and demand efficiency. We also see the growing trend for private investment to play a key role in bridging the funding gap in the water sector going forward

Turning back to the fund, the Tortoise Sustainable Global Water Fund is a long-only, actively-managed strategy, focused on providing investors differentiated exposure to the growing global water sector through a proven investment process and value chain research approach.

We believe, our fund provides best in class exposure to pure-play water companies and water technology companies. Additionally, the fund's investments are focused on three key themes that we believe will improve the supply and demand imbalance:

- **Maximizing water supply** through water loss prevention technologies, water reuse and desalination
- **Improving water efficiency** through advanced irrigation methods, growth in process control systems and advances in household water technology
- **Water infrastructure** upgrades to existing infrastructure in developed countries and building out new infrastructure in emerging markets

Last but not least, we believe our fund and the companies owned within our portfolio are making a positive impact on the world today through their operations in the water sector. Currently, the fund's portfolio companies service approximately one billion people across the globe and are anticipated to spend over \$12 billion this year for water infrastructure and water-related activities

Additionally, we continue to integrate ESG principles into our investment process to mitigate risk and enhance long-term performance. For the water fund, ESG considerations are included in the qualitative risk model such that company-specific ESG ratings will contribute to position sizing, limiting risk within the portfolio.

At Tortoise we have made great strides over the last several years integrating ESG considerations into our investment strategies and are excited about not only the water fund's contributions to that, but also the direction of the overall firm in improving our process as it relates to ESG and recently becoming a signatory of the United Nations-supported Principles for Responsible Investment (UN-PRI).

With that, I will wrap up today. Thank you for joining us and I hope you found today's podcast informative and share in our excitement for the new water fund!

**Thank you for joining us. And stay tuned for our next cast. Have topics you want covered or other feedback to share? Write us at [info@tortoiseadvisors.com](mailto:info@tortoiseadvisors.com).**

#### ***IMPORTANT NOTICE***

**Investments in the Tortoise Sustainable Global Water UCITS Fund ("Fund") should only be made following receipt of a copy of the full Prospectus, current Fund Supplement and relevant KIID which may be obtained by contacting the Fund's Management Company, Lemanik Asset Management S.A or the Fund's local agent in the countries in which the Fund is passported/authorised.**

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