

# Ecofin Sustainable Global Water UCITS Fund (ESGWF)

As of 31 October 2022

MSCI  
ESG RATINGS



CCC B BB BBB A AA AAA

Represents the aggregate rating of ESGWF holdings as of 30 September 2022. Certain information ©2022 MSCI ESG Research LLC. Reproduced by permission; no further distribution permitted. See last page of the factsheet for additional information on the rating.

Signatory of:



The Ecofin Sustainable Global Water UCITS Fund invests in companies across the globe and throughout the water value chain that we believe are in a position to benefit from the pursuit to solve the water supply/demand imbalance. Through our in-house research coverage of companies across the entire water value chain, Ecofin's investment process uses a bottom-up, fundamentals-based approach.

## Fund differentiators

- Direct water exposure with 81% of revenue coming from water companies
- Leading exposure to secular growth in water technology
- Proven investment process, skill and history enable us to evaluate investment risk and reward intelligently. Launched strategy in 2015 as a SMA
- Differentiated impact reporting with portfolio holdings serving over 2.5 billion people, treating and distributing over 16 trillion gallons of water and wastewater, and investing \$6.5B in water infrastructure and technology
- Proprietary risk, financial and valuation models

## Investment Committee

Matt Breidert - 28 years experience

Jean-Hugues de Lamaze - 32 years experience

James Mick, CFA - 22 years experience

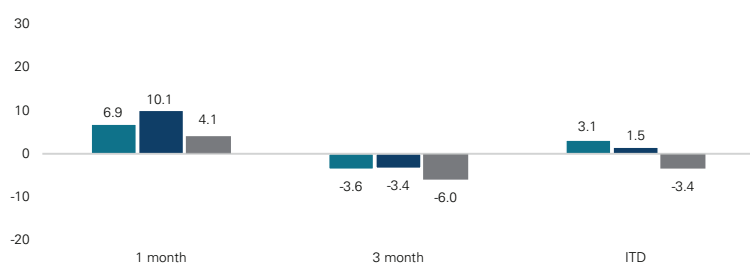
Brent Newcomb - 18 years experience

## ESGWF monthly performance (% , Class D, NAV, net of fees)<sup>6</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022					-0.4*	-4.4	12.4	-3.4	-6.6	6.9			3.1*

\*Date of inception 4 May 2022

## ESGWF fund Performance NAV (%)<sup>6</sup>



● ESGWF NAV ● S&P Global Water (EUR) Net Total Return Index ● S&P Global Infrastructure (EUR) Net Total Return Index

**IMPORTANT DISCLOSURE** The Irish domiciled Ecofin Sustainable Global Water UCITS Fund ("ESGWF") is a newly-launched fund which does not have a full year of performance.

A UCITS fund with the same strategy and investment management team as ESGWF was previously launched under Luxembourg domiciliation in August 2019 ("Lux Fund"); which is now closed for new subscriptions and is in the process of liquidation.

For strategy information purposes, performance information for Lux Fund from its inception on 6 August 2019 to 31 May 2022 is provided below. Although both ESGWF and Lux Fund were managed to the same strategy, Lux Fund's performance information DOES NOT constitute ESGWF's performance as it is provided for background information purposes only.

## Performance of Lux Fund from inception to 31 May 2022 (total returns)<sup>6</sup>

	2019*	2020	2021	2022*
Lux Fund NAV	12.4%	8.9%	37.2%	-15.5%
S&P Global Water (EUR) Net Total Return Index	12.3%	6.5%	41.8%	-15.8%
S&P Global Infrastructure (EUR) Net Total Return Index	6.3%	-14.2%	19.5%	14.0%

\* 2019 performance data from inception date to 31 December. 2022 performance data to 31 May as fund closed in early June 2022.

<sup>4</sup>Portfolio constituents. <sup>5</sup>3 years forward (est.); growth rate per annum assuming flat market multiple. <sup>6</sup>NAV performance in EUR for the Founder share class. Performance data quoted represents past performance of Lux Fund, not ESGWF; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Returns may increase or decrease due to currency fluctuations. Performance includes the effect of costs (including the management fee) which are capped at 1.35% per annum for the Founder investors.

## ESGWF fund information

Launch date	4 May 2022
Firm AUM	\$9.6B
Strategy AUM	\$26.4M
Fund AUM	€15.3M
Ecofin Water Assets	\$85.6M
Base currency	EUR
Share class currencies	EUR/USD/GBP/SEK/CHF
Investment management fee Class D (Founder) <sup>1</sup>	0.60%
Investment management fee Class A (Inst.)	0.85%
Distribution type <sup>3</sup>	Accumulating and Distributing
Strategy	Long-only
ISIN (EUR Founder)	IE00009LMXF4
ISIN (GBP Founder)	IE000SU69JL3
ISIN (EUR Inst.)	IE000D7WQVU3
Legal structure	UCITS
Subscriptions/redemptions	Daily
Redemption settlement	Within 5 business days
Administrator	Société Générale Securities Services, Sgss (Ireland) Limited

<sup>1</sup>Founder share classes, per annum, on the net asset value of the fund. Total expenses do not exceed 1.35% for the Founder share classes.

<sup>2</sup>Non-Founder institutional share classes, per annum, on the net asset value of the fund. Total expenses do not exceed 1.6% for these institutional share classes.

<sup>3</sup>For distributing shares, dividends will be declared and distributed quarterly.

## ESGWF fund data

NAV	€103.1
Number of holdings	31
Portfolio yield <sup>4</sup>	1.6%
Earnings growth <sup>5</sup>	8-10%

**About Us**

Ecofin is a sustainable investment firm with roots dating to the 1990s and a global footprint with offices in the U.S. and UK. Our core belief is we can deliver strong risk-adjusted returns and create a healthier planet and society. Our strategies offer global solutions in private and public securities that address global challenges in climate action, water and social impact. Through these strategies we seek to achieve positive impacts that align with UN Sustainable Development Goals and are accessible through a variety of vehicles.

**Impact of Sustainable Global Water strategy**

<b>&gt;2.5</b> BILLION people served by water and wastewater services	<b>&gt;16</b> TRILLION gallons of water and wastewater treated and distributed
<b>\$6.5</b> BILLION invested in water infrastructure and technology	<b>&gt;2.6</b> TRILLION gallons of water saved or reused (equivalent to 7 New York Cities)

Source: company filings and Water.org

This strategy seeks to achieve positive impacts that align with the following UN Sustainable Development Goals

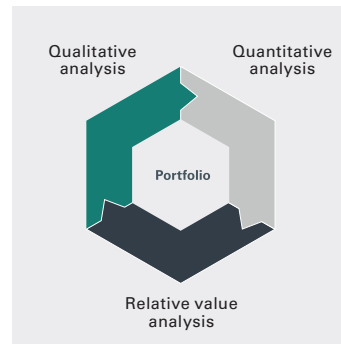
**Primary:**



**Secondary:**



**Portfolio construction process**



**Proprietary risk models**

- Management strength rating
- Quality of cash flows
- Asset footprint
- ESG assessment

**Proprietary financial models**

- Historical and projected operational and financial data
- Organic project/acquisition profile
- Liquidity analysis and credit sensitivities
- Sensitivity analysis to various key drivers

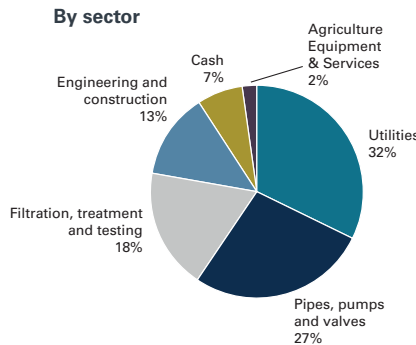
**Proprietary valuation models**

- Discounted cash flow model
- Comparable company multiples
- Relative value

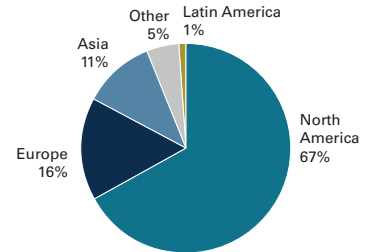
**Ten largest holdings (% of NAV)**

1. American Water Works Co Inc	9.0%
2. Essential Utilities Inc	8.0%
3. Xylem Inc/NY	7.5%
4. Danaher Corp	6.8%
5. Veolia Environnement SA	6.6%
6. AECOM	4.6%
7. IDEX Corp	4.2%
8. Advanced Drainage Systems Inc	4.1%
9. Tetra Tech Inc	3.7%
10. SJW Group	3.5%
<b>Ten largest holdings</b>	<b>58.0%</b>

**Portfolio exposure (% of NAV)**



**By geography**



**Contact information**



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The Ecofin Sustainable Global Water UCITS Fund performance includes the effect of ongoing costs (including the management fee) which are capped at 1.6% per annum for institutional investors and 1.35% for Founder investors, whereas the S&P Global Water (Euro) Net Total Return Index (which provides liquid and tradeable exposure to 50 companies from around the world that are involved in water related businesses) and the S&P Global Infrastructure (Euro) Net Total Return Index (which is designed to track 75 companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability) do not apply a corresponding deduction for ongoing costs of a fund. (The performance of an index is generally presented on a total return basis, i.e., assuming reinvestment of dividends net of withholding taxes using the tax rates applicable to non-resident institutional investors.)

Neither the S&P Global Water (Euro) Net Total Return Index or the S&P Global Infrastructure (Euro) Net Total Return Index are specifically referred to in the Prospectus of the fund, and shall not be considered as a benchmark in the sense of the Benchmarks Regulation, and Ecofin does not give any representation or warranty with its fitness for a particular purpose in comparative performance.

**IMPORTANT NOTICE**

**Investments in the Ecofin Sustainable Global Water UCITS Fund ("Fund") should only be made following receipt of a copy of the Prospectus, the Supplement and relevant KIID, which may be obtained by contacting the Fund's Management Company, Equity Trustees Fund Services (Ireland) Limited or on the Ecofin website.**

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## Disclosures

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The MSCI ESG Fund Ratings is designed to assess the resilience of a fund's aggregate holdings to long term ESG risks. Highly rated funds consist of issuers with leading or improving management of key ESG risks.

- AAA, AA: Leader- The companies that the fund invests in tend to show strong and/or improving management of financially relevant environmental, social and governance issues. These companies may be more resilient to disruptions arising from ESG events.
- A, BB, BB: Average- The fund invests in companies that tend to show average management of ESG issues, or in a mix of companies with both above-average and below-average ESG risk management.
- B, CCC: Laggard- The fund is exposed to companies that do not demonstrate adequate management of the ESG risks that they face or show worsening management of these issues. These companies may be more vulnerable to disruptions arising from ESG events.

The Fund ESG Rating is calculated as a direct mapping of "Fund ESG Quality Score" to letter rating categories.

- 8.6- 10: AAA
- 7.1- 8.6: AA
- 5.7- 7.1: A
- 4.3- 5.7: BBB
- 2.9- 4.3: BB
- 1.4- 2.9: B
- 0.0- 1.4: CCC

The "Fund ESG Quality Score" assesses the resilience of a fund's aggregate holdings to long term ESG risks. Highly rated funds consist of issuers with leading or improving management of key ESG risks, based on a granular breakdown of each issuer's business: its core product or business segments, the locations of its assets or revenues, and other relevant measures such as outsourced production. The "Fund ESG Quality Score" is provided on a 0-10 score, with 0 and 10 being the respective lowest and highest possible fund scores.

The "Fund ESG Quality Score" is assessed using the underlying holding's "Overall ESG Scores", "Overall ESG Ratings", and "Overall ESG Rating Trends". It is calculated in a series of 3 steps.

Step 1: Calculate the "Fund Weighted Average ESG Score" of the underlying holding's "Overall ESG Scores". The Overall ESG Scores represent either the ESG Ratings Final Industry-Adjusted Score or Government Adjusted ESG Score of the issuer. Methodology for the issuer level scores are available in the MSCI ESG Ratings Methodology document.

Step 2: Calculate adjustment % based on fund exposure to "Fund ESG Laggards (%)", "Fund ESG Trend Negative (%)", and "Fund ESG Trend Positive (%)".

Step 3: Multiply the "Fund Weighted Average ESG Score" by (1 + Adjustment %).

For more information please visit <https://www.msci.com/esg-fund-ratings>