

Regnan Global Equity Impact Solutions Fund

Regnan

Brought to you by J O Hambro Capital Management

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Authorised corporate director (ACD) JOHCM Funds (UK) Limited. Delegated investment manager: J O Hambro Investment Management Limited.
Fund identifier: LEI: 2138006KZCUVGHMB21. ISIN codes are available in the Fund's [factsheet](#).











Sustainability labels are designed to ensure that investors are in a position to make more informed decisions about which products meet their sustainability objectives. The **Sustainability Impact** label indicates that a fund invests mainly in solutions to sustainability problems, with the aim of achieving a positive impact for people and/or the planet.

SDR – sustainability-related disclosure for consumers

Sustainability Goal

The aim of the Fund is to achieve capital growth in excess of the MSCI ACWI IMI Index (net of fees) over rolling 5-year periods, and to deliver positive impacts, by investing in companies with high revenue growth potential that address the world's major social and environmental challenges through products and/or services that contribute to the following impact investment themes:

 Circular Economy Enhanced resource efficiency, reusability and recyclability, minimising the amount of waste produced and resources consumed to reduce the impact on nature	 Education Increase access to education by improving learning opportunities and education rates, upskilling the global workforce and improving social mobility	 Financial Inclusion Providing financial services for populations without access, encouraging more equal economic development and helping to close wealth gaps and reduce poverty	 Energy Transition Delivering a more resilient, low-carbon energy system to limit the threat from climate change
 Water Preservation of, and access to, water by increasing the provision of safe drinking water, sanitation and hygiene, delivering better health outcomes and enabling sustainable growth	 Food Security Increasing access to food in a sustainable way that limits environmental damage and reduces the risk from climate change	 Future Mobility Lowering emissions from transportation, limiting the threat from climate change and reducing the associated harm to human health	 Health & Wellbeing Improving health and wellbeing by delivering innovative new treatments to reduce disease and/or provide greater access to treatments

Note: certain investments may have a material negative environmental and/or social outcome over which we have no control; they may include:

- health and safety
 - human rights
 - pricing affordability
 - animal testing
 - business ethics
 - biodiversity
 - pollution
 - human capital management
 - governance
 - diversity and inclusion
- Further details can be found in the [Prospectus](#).

Risk and return

The Fund's focus on impact investment themes may lead to a higher concentration in specific industries or sectors compared to a broader market index. This can increase the effect of positive or negative developments, potentially leading to greater volatility compared to strategies without a focus on impact.

Sustainability Approach

✓ What the Fund invests in

The Fund will invest **at least 80%** of its assets in companies which aim to generate both financial returns and positive, measurable social and/or environmental impact. The remaining 20% of assets will not conflict with the sustainability goal.

The investment strategy is built on the belief that companies dedicated to addressing

environmental and societal challenges have a strong growth outlook. This growth potential is particularly pronounced for challenges that are not yet adequately addressed, creating a high demand for unique or innovative solutions. Companies that offer such solutions are expected to experience significant structural revenue growth over the long term, thereby delivering financial returns to investors.

Many of the products and services offered by companies within the Fund's portfolio are at the early stages of market adoption, meaning there

is often a lack of market understanding for their growth potential. As a result, these companies are undervalued; we aim to identify these valuation inefficiencies in order to capitalise on anticipated growth as these companies' solutions gain recognition in the market.

We pursue a **three-stage approach** when seeking to identify investment opportunities for the Fund, and a company must pass all three stages to be eligible.

1 Regnan Taxonomy

The Regnan Taxonomy is a proprietary tool designed to identify products and/or services that address environmental and/or social challenges, aligned with the eight investment themes outlined in the Sustainability Goal. This taxonomy draws on the targets underlying the **17 United Nations Sustainable Development Goals** ('UN SDGs'). More information on the 17 UN SDGs can be found [here](#). Applying the Regnan Taxonomy results in the formulation of an individual **Theory of Change**¹ for each company considered for inclusion in the Fund. This Theory of Change outlines how the company's solution aligns with the Fund's overall Sustainability Goal. Further details on the Fund's Theory of Change can be found in the [Prospectus](#).

2 Revenue Threshold

We will only invest in companies which have a **minimum of 30% of revenue** generated from products or services in one of the eight identified investment themes. For earlier stage companies, or early-stage products or services which are in development, where significant revenues are not yet being generated, **at least 30% of the company's capital expenditure or research and development** must be directed towards initiatives that address one of the investment themes.

Although the 30% threshold serves as a benchmark for evaluating the growth of impact-related revenues within the portfolio, the majority of the investments in the portfolio generate 80% or more of their revenues through impact-related activities. As a result, across the Fund as a whole, **80-100% of position-weighted revenues are typically aligned to the investment themes**.

3

Impact Assessment

We assess the social and environmental impacts of potential investment opportunities and test the individual Theory of Change developed by the application of the Regnan Taxonomy across **five areas** that consider whether a company's solution:

- is helping to mitigate an environmental and/or social challenge
- is at the centre of the company's mission and therefore driving appropriate resource allocation by the company
- is innovative and/or difficult to replicate, such that the company is a critical part of the value chain for that solution
- provides positive impacts balanced against any potential negative outcomes delivered by the solution
- is not acting in a way that would reduce any of the above attributes at some stage in the future.

Corporate governance practices are also scrutinised to assess a company's willingness to work with us to mitigate negative impacts. Each of these considerations is drawn together to give an overall assessment of the potential impact of the solution.

Investments are made primarily in companies where the anticipated positive sustainability impact significantly outweighs any negative environmental and/or social consequence.

Our approach to stewardship

We are a signatory to the Stewardship Code 2020 and actively engage with the companies in which the Fund invests to ensure that they are maintaining or, where necessary, improving their sustainability attributes and delivering sustainability outcomes that support the scale and duration of the impact being sought. This active stewardship approach includes voting, dialogue, engagement and advocacy. It is led by the investment team and supported by the capabilities of the **Regnan Centre**, an internal resource which

provides additional experience and expertise in analysing environmental and social impacts (both positive and negative) and driving change through informed engagement.

We will engage with all investee companies during the holding period in accordance with the company-specific engagement objectives set on acquisition. By working collaboratively with the management teams of investment companies, we aim to accelerate the positive impact delivered through the solution and to reduce the unintended negative impacts that result from either the product or service itself or the production or

operation of that product or service. Ultimately, the engagement aim is to contribute towards improvement of each company's overall net sustainability impact.

We will ultimately divest from investments which we no longer believe are delivering a meaningful, positive contribution towards the Fund's sustainability goal.

Stewardship activity and engagement progress are regularly monitored and, with the inclusion of voting records, are reported on via an Annual Impact Report.

Sustainability Metrics

We evaluate the Fund's ongoing adherence to its sustainability goal through the use of specific key performance indicators (KPIs) to demonstrate the impact achieved over time. Separate KPIs are used to determine the company's contribution and our contribution. They are assessed on a regular basis through a process of quarterly review and published in the Annual Impact Report.

These KPIs are set out in the table below:

Circular Economy	Education	Energy Transition	Financial Inclusion	Food Security	Future Mobility	Health & Wellbeing	Water
Conventional production material avoided 25,197 metric tonnes	Students enrolled 1,409	Renewable energy produced 36,270 MWh	Gross loan value outstanding of customers previously excluded from financial services 1,548,909,897 \$ USD	Food waste avoided 0 metric tonnes	CO ₂ emissions avoided 1,406,547 metric tonnes	Patients treated 34,686	Water treated 158,864,823 m ³
CO ₂ emissions avoided 1,406,547 metric tonnes	Increase in economic position of students 649,438,089 \$ USD	CO ₂ emissions avoided 1,406,547 metric tonnes		Water saved 52,424,823 m ³	NOx emissions avoided 421 metric tonnes	R&D investment 126,254,841 \$ USD	Water saved 52,424,823 m ³

Source: KPI data provided by NetPurpose as at 28 January 2025. KPI values are weighted by portfolio holdings to calculate the reported figures.

1 A Theory of Change demonstrates the linkage between one of the eight underlying investment themes of the sustainability goal, the company's solution, its measurable contribution to achieving the specific environmental or social target underlying a UN SDG, and the Investment Manager's contribution supporting the company's delivery of its solution.

Further information

The Fund's Prospectus and key investor information document (KIID) are available [here](#).

For more information on the Financial Conduct Authority's sustainability disclosure and labelling regime, please see: <https://www.fca.org.uk/firms/climate-change-and-sustainable-finance/sustainability-disclosure-and-labelling-regime>

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