

Q2 2024 GBP

KBI Global Investors

KBIGI Global Resource Solutions Strategy



Summary Details

Assets under Mgmt.	£1.0bn
Inception Date	01 Mar 2015
Benchmark	S&P Global Natural Resources NR Index
Number of Stocks	89
Revenue Alignment SDG Score	80.5%

Risk Characteristics

Beta (5 Yrs)	0.69
Information Ratio (5 Yrs)	0.42
Tracking Error (5 Yrs)	12.31

Portfolio Statistics

	Strategy	Index
Current Dividend Yield	2.3%	3.5%
Price to Earnings (forward)	16.8x	11.4x
Price to Book	1.9x	1.6x
Weighted Avg Market Cap.	\$32.9bn	\$86.7bn

Source: KBI Global Investors as of 30/06/24. The risk characteristics are calculated independently by KBI Global Investors using monthly gross returns of the composite over a 5 year period relative to the Index as at the 30/06/24. Portfolio and Benchmark Statistics are from a representative account managed to the same strategy and the benchmark respectively. KBI Global Investors independently estimate these statistics for both the portfolio and the benchmark. The AUM listed above is Global Resource Solutions Strategy AUM excluding Assets under Advisement from Q1 2022. Weighted Avg. Mkt. Cap figures are in US Dollars. The Revenue Alignment SDG Score measures the portfolio contribution to the achievement of United Nations Sustainable Development Goals. Calculations are based on KBIGI's own methodology and are not independently verified as at 03/31/2024 (quarterly).

Investment Thesis

There are compelling investment opportunities in companies providing solutions to resource scarcity across water, food and energy driven by five long term trends.

- Inadequate supply of water, cleaner energy and arable land for farming
- Increasing demand for resources, driven by population growth, industrialisation and urbanisation
- Increasing regulation and government support
- Increasing investment in infrastructure to address urgent global requirements
- Increasing investment in technology to create solutions and facilitate the more efficient use of resources

Annualised Performance (£)

	3Mths	YTD	1Yr	3Yrs	5Yrs
Fund (Gross)	-0.6	-0.1	3.0	6.4	13.3
Benchmark	-2.0	0.9	7.8	8.8	7.8

Source: KBI Global Investors, Datastream, MSCI as of 30/06/24. KBI calculate both composite returns and benchmark returns. Returns are gross of fees in GBP. Our firm claims GIPS compliance and is annually verified by an independent verification firm to be so. The verification report from our verifier and our GIPS composite presentation are available upon request. The performance record disclosed here is that of the firm's composite for this strategy. The Global Resource Solutions Strategy (GRS) is a long-only global equity strategy investing in securities across a broad range of companies providing value-added solutions to the increasingly challenging provision of vital natural resources. The opportunities are dominated by increasing investment in infrastructure and technological advancement across water, agribusiness and energy. The material risks associated with the composite include market risk and stock-specific event risk. Share prices can decline and there is a risk that the composite may under-perform its benchmark. The S&P Global Natural Resources index includes some of the largest publicly-traded companies in natural resources and commodities businesses that meet specific investability requirements. The benchmark offers a diversified and investable universe across three primary commodities-related sectors: agribusiness, energy, and metals & mining. The benchmark returns include the reinvestment of dividend income from these constituent companies represented in the index. See disclaimers for further information

Portfolio Positioning

Resource	%
Water	37.3
Clean Energy	36.8
Agri	25.9

Geographical Breakdown

Region	%
North America	55.6
Europe	34.2
Emerging Markets	8.4
Japan	1.8

Top 10 Holdings

Stock	Country	%
Veolia Environnement SA	France	2.6
Aecom	US	2.6
United Utilities Group Plc	UK	2.4
Bunge Global SA	US	2.1
ASML Holding NV	Netherlands	2.0
Nutrien Limited	Canada	1.9
DSM-Firmenich AG	Netherlands	1.8
Vestas Wind Systems A/S	Denmark	1.7
IDEX Corp	US	1.7
Essential Utilities Inc	US	1.7

Source of all data: KBI Global Investors. Data as of 30/06/24

Strategy Overview

The KBIGI Global Resource Solutions Strategy (GRS) is a long-only natural resources portfolio investing in securities across a broad range of companies providing value-added solutions to the increasingly challenging provision of vital natural resources. The opportunities are dominated by increasing investment in infrastructure and technological advancement across water, agribusiness and energy.

Our proprietary investment universe for the GRS strategy includes more than 500 stocks, worldwide, ranging across Water, Energy Solutions and Agribusiness. These stocks cover a far greater number of sectors than is typical for a natural resources strategy. GRS's differentiated equity holdings deliver the diversification that investors seek from a natural resource allocation.

GRS brings new sources of alpha to a global equity allocation. Specialist active management is the best way to capture this alpha, carefully qualifying a universe of stocks and then identifying companies with strong fundamentals and attractive valuations.

Investment Process

We seek to precisely define and qualify the companies in our investment universe to assure that the opportunity set for investment is representative of the unique drivers of each of the Water, Agribusiness and Energy Solutions resources.

In order to qualify for inclusion, companies must meet one of the following revenue criteria:

- Pure Plays – Minimum 50% Revenue from the relevant resource
- Market Leaders – Minimum 10% of revenues from resources and a market leader in their sector/market/niche

We then apply specialist active management to add alpha through an interactive process of stock selection grounded in bottom-up fundamentals while taking into account top-down influences on individual companies and sectors. The objective is to identify securities and create a portfolio with a favourable risk/reward profile.

While we consider ourselves high conviction investors we believe strongly that investors benefit greatly from the diversification offered by the Global Resource Solutions strategy; not only by accessing the full breadth of our capabilities in the natural resources space, but also by the variety and balance of individual portfolio exposures within each underlying strategy.

Investment Team

GRS Portfolio Management Team	Role	Industry Experience
Noel O'Halloran	Lead Portfolio Manager	36yrs
Treasa Ni Chonghaile	Co Portfolio Manager	25yrs
Matt Sheldon	Co Portfolio Manager	22yrs
Investment Team	Title	Investment Experience
Andros Florides	Senior Portfolio Manager	29yrs
Martin Conroy	Senior Portfolio Manager	20yrs
Catherine Cahill	Senior Portfolio Manager	24yrs
Colm O'Connor	Head of Portfolio Management NR Team	21yrs
Eoin Fahy	Head of Responsible Investing	36yrs
Ben Cooke	Portfolio Manager	8yrs
Jeanne Chow Collins	ESG & Engagement Analyst	23yrs
Robert Fullam	Investment Analyst	10yrs

Contact Details

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Please see link to the website for the five year composite returns: <https://www.kbiglobalinvestors.com/wp-content/uploads/2024/04/NR-Composite-Annual-returns-USD.pdf>