

# OpenWorld Global Climate Change

## KEY FUND FACTS



**Money manager:** Impax Asset Management Ltd ("Impax")

**Fund objective\*:** Generate returns over the long term by employing a specialist climate change manager which takes high conviction positions

**Benchmark:** Russell Global Index (Net)

**Fund inception:** 4th August 2009

**Bank custodian:** State Street Custodial Services (Ireland) Limited

**Notification period :** Orders must be sent before 14:00 (Irish time) on the dealing day

**Valuation:** Daily forward pricing; NAV published at T+1 at 10:00 (Irish time)

**Settlement :** T+3

**Expected currencies available:** USD, EUR, GBP, JPY

### Base fee:

Share class	P**	I
Fee	75 bp	90 bp
ISIN	IE00B4T42K41	IE00B4MGBF51
Bloomberg	RUSOPWP	RUSOPWI ID

**Performance fee:** 20% of the excess performance above the benchmark and hurdle

**Fund type:** UCITS Fund

\* Please read the Investment Objective and Investment Strategies as set out in the fund's prospectus before investing in this product

\*\* Minimum relationship of \$300m across OpenWorld® platform

## Why this fund?

The fund aims to provide significant excess returns above global equity markets by investing in a manager that takes high conviction active positions in companies that are affected by climate change. This is a relatively new area of investing, therefore this fund enables investors to add an innovative and differentiated return stream to their portfolios.

Given the infancy of this strategy and the manager teams running such strategies, Russell OpenWorld® provides access to a compelling manager not widely known or available. In addition, investors in the fund benefit from Russell's robust investment and operational due diligence on money managers, and ongoing monitoring and replacement when necessary in order to preserve the value proposition.

## Why Impax Asset Management?



**William Pearce, ASIP**  
Manager Research,  
Global Equities,  
Russell Investments

**"Impax brings a level of experience and commitment to the listed environmental equity space that is hard to rival"**

- **Impax is one of the largest dedicated teams in this space.** The 10 strong team consists of highly skilful individuals, with experience in the environmental space and the broader financial markets. This diverse and complimentary experience leaves Impax well placed to generate excess returns.
- **Compelling mix of in-depth bottom up analysis, valuation sensitivity and broad macro awareness.** The manager's process is very much valuation focused in a niche area of the market. It aims to add value through its unique sector focus, in which it has been advising for 14 years and investing for 10. Impax's broad macro awareness is key to its analysis process.
- **Particular expertise in understanding fundamental aspects across key environmental markets.** The firm seeks stocks with strong competitive positions in their environmental niche offering a material advantage over rivals. However, its key edge is in its core understanding of energy, water and waste markets.

## Key fund benefits

**Opportunity to invest in a strategy which provides differentiation within an investor's portfolio**

**Provides access to a manager with solid experience and strong resources in this relatively new area of investing**

**High alpha proposition resulting from high conviction portfolios**

## KEY MANAGER FACTS

**Money manager:** Impax Asset Management Ltd ("Impax")

**Background:** Impax was founded in 1994 as a specialist finance house focusing on markets for cleaner or more efficient delivery of basic services of energy, water and waste ('the Sector'). Impax originally focused on corporate finance advisory assignments, debt/equity raising and M&A transactions within the Sector. The investment management business was formed in 1998.

### Key Individuals:



**Bruce Jenkyn-Jones** joined Impax in 1999, where he worked initially on venture capital investments before developing the listed equity business. Prior to Impax, he worked as a utilities analyst at Bankers Trust and as an environmental consultant for ERM.



**Simon Gottelier** is involved in portfolio and sector research for the product. Simon joined Impax from Veolia Environment where he was a business analyst. Prior to this, he began his career at

NM Rothschild and subsequently moved to Deutsche Bank where he provided strategic, M&A and financing advice across a range of industrial sub-sectors.

**Ownership:** Parent company is Impax Asset Management Group Plc. Ownership is concentrated amongst a few shareholders, including the Impax Group Employee Benefit Trust.

**Location:** London

**AUM:** \$2.2bn as at September 2009

**Founded:** 1994

**Mandate inception:** 20th November 2009

## CONTACT US

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## The investment team

Bruce Jenkyn-Jones and Simon Gottelier manage the portfolio on a day-to-day basis with Bruce having the final say on the portfolio. Impax has a further 7 investment professionals in addition to Ian Simm, CEO, who brings valuable perspective on broader environmental trends. Impax also has an additional 9 professionals in private equity, who are able to add value by taking advantage of their sector expertise and strong environmental backgrounds.

## Philosophy and investment process

### The PMs seek stocks with strong competitive positions with good prospects for earnings growth and reasonable valuations

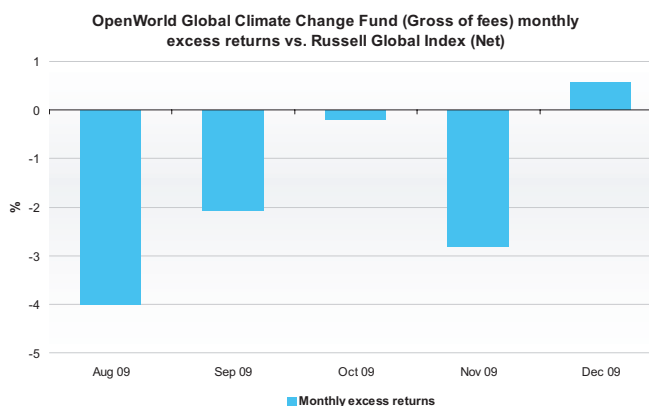
The strategy aims to benefit from rapid and sustained growth that is anticipated in the market for cleaner or more efficient delivery of basic services of energy, water and waste.

Opportunities are identified from a large and diversified custom global equity universe of over 1300 stocks, of which 750 are liquid. The main criterion for universe inclusion is that at least 20% of the company's revenues, earnings or capital employed must be attributable to one of the custom sub-sectors. These include renewable & alternative energy, energy efficiency, water infrastructure & technologies and waste management & technologies. The team evaluate companies on a fundamental basis, emphasising competitive position, earnings growth prospects and valuation. They also consider the relative attractiveness and outlook of their sub-sectors, assessing key risks and trends. Decisions are ultimately made by the co-PM's although the team regularly debate new stock ideas and the impact of the evolving policy and regulatory environment.

## Portfolio characteristics

Impax uses a bottom-up process to construct a concentrated portfolio of between 50-70 stocks. It is not constrained by a benchmark, however, each holding is typically between 1%-3% with adjustments to reflect short-term catalysts and liquidity. The portfolio is diversified across the manager's custom sub-sectors and across geographies. Although this is an all-cap strategy, the portfolio has a small- to mid-cap bias. Turnover is not high, with the investment horizon being approximately 2 years.

## Manager performance



Since inception in August 2009, the Fund has underperformed the Russell Global Index (Net) by -9.0%.

This chart shows the performance of the OW Global Climate Change Fund, in USD gross of fees (source: Confluence). Prior to 19th November 2009, performance was of a different manager. Performance has been that of Impax Asset Management post 19th November 2009. Data as at 31 December 2009. This past performance is for illustrative purposes only and is not necessarily a guide to future performance.

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