

SHINING A LIGHT ON THE..... Liontrust GF Global Water and Agriculture Fund

AT A GLANCE

Investment Objective	
The investment objective of the Fund is to achieve long term capital growth by investing in global equities with an emphasis on water, agriculture, food, energy and environment related businesses.	

Inception Date	27 January 2016
Fund Factsheet Link	http://www.morningstarfunds.ie/ie/funds/snapshot/snapshot.aspx?id=F00000WLGL

Management	
Manager Name	Start Date
Hugo Rogers	27 January 2016
Kristof Bulkai	27 January 2016

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	0.00%
Large	33.02%
Medium	57.94%
Small	9.04%
Micro	0.00%

Top 10 Holdings		
Total number of holdings	37	
Assets in Top 10 Holdings	44.15%	
Name		% of Assets
Smith Corp		6.93
Thermo Fisher Scientific		6.14
Mueller Water Products		4.19
Monsanto		4.18
Tehtronic Industries		4.00
Whirlpool Corp		3.92
Masco Corp		3.88
Marine Harvest		3.71
Trimble Navigation Ltd		3.62
Electrolux		3.58

Volatility Measurements	
3-Yr Std Dev (volatility)	N/A
3-Yr Mean Return (average)	N/A

FUND PERFORMANCE

Performance from launch (27 January (launch) to 31 August 2016)

	2012	2013	2014	2015	2016
Liontrust GF Global Water and Agriculture Fund	N/A	N/A	N/A	N/A	17.32%
iShares MSCI World Dist ETF	7.46%	21.87%	10.53%	1.85%	23.03%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

The fund was established in 2016 and has a fairly short track record which may discourage investors. However, the management team came from Thames River where they managed the same strategy from 2009. So this could be a consideration for those interested in the fund.

The aim of the fund is to be different from other pure agriculture or water funds in that it can be overweight agriculture or water, depending on the conviction of the team.

One of the challenges with thematic funds like this is that they are volatile and struggle to outperform global funds. In fact, investors can have access to agriculture (or water) through global funds. The aim of this fund is to outperform the global index and this may make it a good blend with other global funds.

In the meeting with Hugo we discussed the opportunities within this space. He explained that there is a natural correlation between water and agriculture. More demand for food needs more water. But rather than directly investing in commodity prices, it is about finding the best companies which can take advantage of these opportunities; for example fish farms like Marine Harvest and water infrastructure firms.

It does hold Monsanto but more because they see consolidation in the sector which will benefit the stock.

Other areas they like are water testing; Thermo Fisher Scientific Group provides environmental test solutions. Another example would be water utility companies like Shanks and AWK. Currently the fund is around 40% in agriculture and 60% water.

In the conversation it was clear that this is a stock picking fund with a high conviction on the types of stocks they like (and hence a concentrated portfolio). It is therefore clear that this is not your normal agriculture or water fund. If you look at some of the other holdings you have investments in navigation system companies which identify the best place to plant seeds, you have investments in dairy machine companies and water infrastructure.

This is an area that they know well and have therefore focused their fund on the part of the market on which they believe they can make money for investors, vs the global index. It is globally diversified

and at the moment it is around 60% in the US but this has been lower. The fund has a mid-cap bias which reflects the types of companies they are looking for.

In conclusion it is difficult to comment on performance, and just because they have done well in one company doesn't guarantee success in another. Having said that the whole team has come across and the process remains in place. If they can deliver performance above global equities, then this could act as a natural blend with other global funds.

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