The Osmosis Resource Efficient Core Equity Fund

ISIN: IE00BF0D3F98

Celebrating 7 years of Sustainable Risk-Adjusted Returns
May 2017 – May 2024

Osmosis
INVESTMENT MANAGEMENT

All data as of May 2024

0.44%
ANNUALISED EXCESS RETURN VS MSCI 7 YEARS

0.50
INFORMATION RATIO

RATING
MORNINGSTAR
★★★★★

1.78°C CURRENT PORTFOLIO TEMPERATURE SCORE

0.88%
TRACKING ERROR

PRI Principles for Responsible Investment
OSMOSIS ACHIEVED TOP SCORES IN THE LATEST ASSESSMENT

Environmental Finance
Sustainable Investment Awards
2021 Winner
Environmental fund of the year, listed equity

ESG Investing
WINNER AWARDS 2023
Best Global Equity Fund

7 years of environmentally focused investing

-53%
LESS CARBON THAN MSCI

-66%
LESS WATER THAN MSCI

-60%
LESS WASTE THAN MSCI

Source: Osmosis IM, Bloomberg, Barra, LLC's analytics and data were used in the preparation of this report. Data is given as an average since inception to 31 May 2024. Osmosis Resource Efficient Core Equity strategy is a systematic investment strategy. Returns represent the actual returns for the Core Equity Fund, Class A. Such returns are net of fees, costs and dividend withholding tax. A client's returns will be reduced by the advisory fee and other expenses incurred in the management of its account. Please see the performance calculation disclosure language. Past performance is not an indication of future performance. The MSCI World Index captures large and midcap representation across 23 Developed Markets countries. With 1,645 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The Osmosis Resource Efficient Core Equity Fund is not available for US Investors. Separate accounts are available for US investors using the same model and investment objective of the Fund. The Environmental Finance Sustainable Investment Awards and the ESG investing Awards are free to applicants and open to all organisations globally. These awards were given in June 2021 and February 2023 and relate to the annual period May 20 – May 21 and Dec 21 – Dec 22 respectively. The Morning Star 5-star rating is based on 3-year and 5-year data to 30 April 2024, no compensation was provided for this rating. Osmosis received top ratings in the Principles of Responsible Investing (PRI) 2023 Assessment Report given on 22 December 2023 and corresponds to the annual reporting period of 1/1/2022 to 31/12/2022. This assessment is free for all PRI signatory members, however, all signatories are required to pay an annual membership fee.

Celebrating another Fund Milestone

The award-winning Resource Efficient Core Equity Fund has consistently delivered financial and environmental outperformance relative to the benchmark since its inception in May 2017.

The Fund was developed as a core replacement product which would target better risk-adjusted returns while significantly reducing the environmental impact of an investor's passive exposure. All portfolios targeting a sustainable outcome will naturally bring in active risk relative to a market cap-weighted benchmark. The Osmosis program is unique in that the active risk is controlled and targeted towards an uncorrelated sustainable alpha signal: the proprietary factor of Resource Efficiency.

"Osmosis is proving that you don't need to charge a premium to provide an ESG product; quite the opposite in fact as they have kept fees spectacularly low whilst delivering best quartile long-term performance when compared to 'vanilla' active equity products"

Dr Chris Sier, ClearGlass Analytics

"When we developed the strategy, we wanted to ensure that the risk budget allocated by our clients to reduce the environmental footprint of the portfolio was not left unrewarded. The performance of the Fund from both a financial and environmental perspective has evidenced that investing sustainably and delivering a better risk-adjusted return is feasible, even during challenging market environments."

Robbie Parker, CFA, CIO, Osmosis

7 years of environmentally focused investing

In House Proprietary Research

Osmosis specialises in collecting, cleaning and standardising environmental data. Our team of dedicated researchers understand its significance at a granular level allowing us to apply a focused and robust quantitative approach. In house research ensures we avoid well known issues of third-party data vendors such as low transparency, lack of consistency and subjective interpretation which is known to erode the statistical significance of the data.

A sustainable Investment Factor

The Osmosis Resource Efficiency Factor is derived from a proprietary and objectively driven research program that measures on a sector relative basis the environmental efficiency of the constituents of the MSCI World. Independent and in house research has evidenced that Resource Efficiency is a return signal independent from traditional country, sector, size and style factors.

A Broad Economy Solution

Addressing supply is only meaningful in the context of addressing demand. The Fund was developed to appeal to investors from institutions to individuals who share this conviction. The Fund is a well-diversified global portfolio, targeting overweight and underweight positions to environmentally efficient and inefficient companies on a sector relative basis across the broader economy. This approach has resulted in improved portfolio returns and environmental reductions in each sector with a Resource Efficiency score.

The Environment is not just a Carbon Issue

Responsible companies are focusing on their environmental balance sheets to address those aspects of consumption and pollution that are most relevant to their business model. This will often include the mitigation of resources in addition to Carbon. Osmosis' research demonstrates that a three-factor approach which addresses **Carbon**, **Water** and **Waste** also delivers a more reliable investment signal.

The environmental footprint of the portfolio shows a reduction in Carbon (53%), Water (66%) and Waste (60%) (as of 31 May) relative to the benchmark, with carbon reductions aligning to 2030 Paris environmental targets.

A Blue-Chip Client Base

Government Pension Funds, State Pension Funds, Insurance Companies, Foundations, Endowments, Family Offices and Banks, are amongst our core equity client roster which spans North and South America, Europe, Nordics and the UK. The Fund's AUM is now over $1.1bn USD and the strategy's AUM in excess of $15bn USD (as of end May 2024).

Positioned for the Future

Against a backdrop of soaring commodity prices, rising interest rates and inflationary pressures, the era of cheap money is coming to an end. In tandem, regulators continue to push forward with green regulations and legislation. Risk management will be key at the corporate level. We believe that companies that are more efficient than their same sector peers are best positioned to weather this volatility and should continue to outperform their peers going forward.

For further information on the Fund contact anthony.chisnall@osmosisim.com or susan.hunnisett@osmosisim.com
Our funds are also available at AJ Bell Investcentre, Ascentric, M&G, Nucleus and the All Funds platform.

Important information

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Net Performance
Net returns are net of fees and in USD unless indicated otherwise. Net returns are net of fees, costs and dividend withholding tax. Different fees may apply to a client's account and a client's returns may be further reduced by the advisory fee and other expenses incurred in the management of its account. Please see the specific performance disclosure under each slide for additional details. Our fees are fully disclosed in our Part 2A of Form ADV and may be updated from time to time.

Past performance may not be indicative of future results
Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy will be profitable. No current or prospective client should assume that future performance will be profitable, equal the performance results reflected, or equal any corresponding historical benchmark index. For reasons including variances in fees, differing client investment objectives and/or risk tolerance, market fluctuation, the date on which a client engaged Osmosis's services, and any account contributions or withdrawals, the performance of a specific client's account may have varied substantially from the referenced performance results. In the event that there has been a change in a client's investment objectives or financial situation, the client is encouraged to advise us immediately. It is important to remember that the value of investments, and the income from them, can go down as well as up and is not guaranteed and that you, the investor, may not get back the amount originally invested. Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. Osmosis accepts no liability for any failure to meet such forecast, projection or target. Past performance is not an indication of future performance.

Information pertaining to Osmosis's advisory operations, services, and fees is set forth in Osmosis's current disclosure statement (Form ADV Part 2A), a copy of which is available from Osmosis upon request and from the SEC at http://www.adviserinfo.sec.gov. Information regarding OHL is available from us upon request.

For each fund with at least a five-year history, Morningstar calculated a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a Fund's monthly performance (including the effects of sales charges, load, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Overall Morningstar Rating for a Fund is derived from a weighted-average of the performance figures associated with its 3, 5 and 10-year (if applicable) Morningstar Ratings metrics. Ratings are for the Fund A Share Class; other classes may have different performance characteristics. For the 5-year period ended 05/31/24, the fund received 5 stars and was rated among 2493 global blend equity funds. Past performance is no guarantee of future results.

This Fund is not available to US investors. Separate accounts are available for US investors using the same model and investment objective of the Fund.

The foot-printing metrics above have been calculated using a Total Metrics approach, apportioning carbon emissions, water consumption and waste generation to the investor based on an equity ownership perspective. Calculating the "owned" emissions, water and waste from each position in the portfolio and benchmark, and adding those metrics yields the total impacts for the portfolio. The calculations have been based on metrics recorded in the MoRE DataBase where available, and industry averages have been used to estimate any gaps in the data coverage. Taking the savings of each of the individual long-only funds, we then create a weighted average using the fund AUM.

The temperature score is based on the Cambridge university model, set out in the report "understanding the Climate Performance of Investment Funds' (Cambridge Institute for Sustainable Leadership July 2021) and has been calculated by independent ESG data firm Integrum ESG. The UN Paris Agreement binds its signatories to a goal of limiting global warming to well below 2 degrees celcius, preferably to 1.5 degrees celcius, compared to --pre-industrial temperatures. Integrum ESG label a temperature score between 1.5 and 2.0 as 'approaching Paris Aligned".

The information ratio is a measurement of portfolio returns above the returns of a benchmark, to the volatility of those returns

Benchmarks
The historical index performance results for all benchmark indexes do not reflect the deduction of transaction, custodial, or management fees, the incurrence of which would have the effect of decreasing indicated historical performance results. Indexes are unmanaged and are not available for direct investment. The historical performance results for all indices are provided exclusively for comparison purposes only and may or may not be an appropriate measure to provide general comparative information to assist an individual client or prospective client in determining whether Osmosis performance meets, or continues to meet, his/her investment objective(s). The referenced benchmarks may or may not be appropriate benchmarks against which an observer should compare our returns.

The MSCI World Index captures large and midcap representation across 23 Developed Markets countries. With 1,645 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

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ESG Criteria
Environmental, Social, and Governance ("ESG") criteria are incorporated into the portfolio construction of all Osmosis's products. Utilising ESG as an investment factor has risks including that it may not encompass all environmental, social, or governance issues, and as with all investment approaches, there are no guarantees that it will lead to greater portfolio performance. For more information on the Osmosis approach to ESG, please see our separate ESG disclosures.

For more information please contact our investor relations team at
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