Sustainable, Responsible and Impact Mutual Fund and ETF Chart

Fund Profile:
Mirova Global Sustainable Equity Fund - Class Y

General Fund Information

Ticker: ESGYX

Assets under management (AUM): $178.15M (in US$ millions)

General Fund Type: International, Global, Foreign

Specific Sizes or Types of Investments: The strategy’s investment universe consists mainly of Global listed equities, including emerging countries excluding controversies.

Financial Objective: Seeks long-term capital appreciation.

Specific ESG Focus: Invests in companies whose businesses include activities related to sustainable investment themes. As a responsible investor, we look for sustainable, long term returns. Aiming at generating long term outperformance, we combine traditional financial analysis with Environmental, Social and Governance (ESG) analysis. For the latter, we focus both on opportunities (idea generation) and risks. We ask ourselves two questions. What does a company do (i.e. does it provide solutions for the long term sustainable development of our economy) and how does a company do its business (with enough respect for ESG criteria). To answer the first question (what?), ESG research helps the investment team identifying opportunities across all aspects of the economy, which have been broken down into 8 themes: Energy, Resources, Consumption, Information and Communication Technologies, Health, Buildings & Cities, Mobility, and Finance. ESG analysis helps to better understand the challenges and opportunities caused by the long term megatrends on each of those themes. It also allows the investment team to identify the solutions needed to face those challenges and to harvest the opportunities. Finally, ESG research allows us to better identify the companies offering those solutions, a group that should outperform the broad market over the next decade. The answer to the second question (how?) allows Mirova to better manage risks. Firstly, it allows us to better avoid black swan events. Non-compliance with ESG criteria, can lead to quick and strong underperformance. Secondly, it may allow us to avoid exposure to long term underperforming or even dying business models (for instance the steam engine was replaced by diesel, the typewriter was replaced by the PC, and currently, we strongly believe that coal fired electricity generation will be largely replaced by renewables and efficient energy storage). Lastly, ESG research also allows us to better manage reputational and image risks.

To invest, call: (800) 862-4863

Fund Institution Information

Institution Name: Mirova

Contact info:
Web: https://www.im.natixis.com/us/esg-investing

Account Minimums

Minimum Account: $100,000
Minimum IRA: $100,000

Methodology

Screening Venue: In-house

Screening Party: Responsible Investment Research is conducted by a team comprised of 13 analysts fully dedicated to ESG issues.

Screening Database Used: The Responsible Investment Research has developed a proprietary internal research methodology. To implement this method, the team employs a large number of diverse and complementary resources. To begin with, they engage in direct discussion with company management. The team also relies on external sources of information: extra-financial rating agencies; brokers, and our partners at Cambridge University (Cambridge Programme For Sustainability Leadership). The Research team is in charge of rating the issuers.

Screening Process: The ESG Research team has developed a proprietary internal research methodology. The ESG assessment is obtained by combining the thematic opinion with a review of ESG risks and any human rights alerts. This process seeks to favor companies that best correspond to the theme and those with the best ESG risk management systems. ESG global recommendations are then used by portfolio managers in the strategy management process. Only companies with an engaged, positive or neutral opinion are included in the eligible universe. SRI research is based on a three-stage process: 1. A standardized grid of major sustainable development themes (including climate change, biodiversity, and human development in respect for human rights) and corporate governance issues is used to assess and compare all the companies under coverage. 2. In-depth sector studies establish the key issues per sector and an assessment of the exposure to environmental themes, social and societal themes and multi-sector governance criteria. 3. Intensive monitoring of companies with significant exposure to environmental and social / societal issues is undertaken. For each issuer under coverage, a recommendation per E, S and G pillar is assessed together with a global recommendation, paying special attention to the dominant issues for the related sector. These recommendations are translated into an overall evaluation in that leads to a relative ranking of companies within their sector. ESG global recommendations are then used by portfolio managers in the fund management process. Only companies with an engaged, positive or neutral opinion are included in the portfolio.

Proxy Voting Information

Proxy Voting Guidelines or Policies: Proxy Voting Policy is available upon request.

Proxy Voting Records: Open external link in new window

Specific Screening Information by Category

Environment

- Climate / Clean Technology: Positive Investment - Invests in companies whose businesses include activities related to sustainable investment themes. We focus both on opportunities (idea generation) and risks.
- Pollution / Toxics: Restricted/Exclusionary Investment - Invests in companies whose businesses include activities related to sustainable investment themes. We focus both on opportunities (idea generation) and risks.
- Other Environmental: Combination of Positive and Restricted/Exclusionary Strategies - Invests in companies whose businesses include activities related to sustainable investment themes. We focus both on opportunities (idea generation) and risks.

Social

- Community Development: Combination of Positive and Restricted/Exclusionary Strategies - Invests in companies whose businesses include activities related to sustainable investment themes. We focus both on opportunities (idea generation) and risks.
- Diversity & Equal Employment Opportunity: Positive Investment - Invests in companies whose businesses include activities related to sustainable investment themes. We focus both on opportunities (idea generation) and risks.
• **Labor Relations**: Combination of Positive and Restricted/Exclusionary Strategies - Invests in companies whose businesses include activities related to sustainable investment themes. We focus both on opportunities (idea generation) and risks.

**Governance**

• **Board Issues**: Combination of Positive and Restricted/Exclusionary Strategies - Invests in companies whose businesses include activities related to sustainable investment themes. We focus both on opportunities (idea generation) and risks.

• **Executive Pay**: Combination of Positive and Restricted/Exclusionary Strategies - Invests in companies whose businesses include activities related to sustainable investment themes. We focus both on opportunities (idea generation) and risks.

**Products**

• **Alcohol**: Restricted/Exclusionary Investment - Invests in companies whose businesses include activities related to sustainable investment themes. We focus both on opportunities (idea generation) and risks.

• **Defense/Weapons**: Restricted/Exclusionary Investment - Invests in companies whose businesses include activities related to sustainable investment themes. We focus both on opportunities (idea generation) and risks.

• **Gambling**: Combination of Positive and Restricted/Exclusionary Strategies - Mirova’s ESG analysis methodology focuses on key risks linked to each company’s activities, high expectations are set in order to be eligible to our funds.

• **Tobacco**: Restricted/Exclusionary Investment - In line with WHO analyses, we have rated all the actors in the tobacco industry Negative. It should be remembered that according to the WHO, tobacco is the second largest cause of death in the world. Moreover, its high cost to society entails an international consensus on the necessity of limiting and preventing its health risks.

**Other**

• **Shareholder Engagement - Shareholder Resolutions**: Filed or co-filed with companies on environmental, social or governance issues

• **Shareholder Engagement - Private Dialogue**: Conducted with companies on environmental, social or governance issues

**Performance Data**

Data provided by: Bloomberg - Information current as of March 31, 2020

- **Year-to-date rate of return**: -13.54%
- **1-year rate of return**: -0.14%
- **3-year rate of return**: 8.85%
- **5-year rate of return**: --
- **10-year rate of return**: --
- **Previous year rate of return**: 33%
- **Management fee**: 0.8%
- **Expense ratio**: 1.04%
- **Standard deviation**: 16.23%

**Disclaimer**: Equity securities are volatile and can decline significantly in response to broad market and economic conditions. Foreign and emerging market securities may be subject to greater political, economic, environmental, credit, currency and information risks. Foreign securities may be subject to higher volatility than U.S. securities, due to varying degrees of regulation and limited liquidity. These risks are magnified in emerging markets. Investments in small and midsize companies can be more volatile than those of larger companies. Sustainable investing focuses on investments in...
companies that relate to certain sustainable development themes and demonstrate adherence to environmental, social and governance (ESG) practices; therefore the Fund’s universe of investments may be reduced. It may sell a security when it could be disadvantageous to do so or forgo opportunities in certain companies, industries, sectors or countries. This could have a negative impact on performance depending on whether such investments are in or out of favor. Currency exchange rates between the U.S. dollar and foreign currencies may cause the value of the fund’s investments to decline.