

# Sustainable Investments in Global Equities

The **HSC Blue Oceans Capital Wholesale Strategy** targets companies with rapidly-growing revenues and scalable business-models, that have high performance across sustainability and financials.

We recognise that companies delivering **positive-disruption** can benefit from the transition to a more sustainable economy, necessary for long-term financial performance.

## The Future of Investing is Sustainable

We aim to identify companies that will not only benefit from the sustainable development of our economies, but those who are also contributing to it.

We integrate ESG issues into all of our investment decision making, but we go further. Sustainable Investing is about identifying the companies that have a long-term vision for how we can make the world a better place through **positive disruption**.

Blue Oceans has been certified by RIAA, and we're a member of the PRI.

### WHY BLUE OCEANS?

- Concentrated fund targeting **alpha generation** through deep analysis and bespoke modelling
- Sustainability assessment identifies high-growth companies driving **positive-disruption**
- The fund contributes **50% of management-fee profits** to the **Ocean Impact** program: funding innovative projects and research into ocean health and decarbonisation.



Signatory of:



## Profit with Purpose

Blue Oceans Capital drives positive impact by focussing on two core objectives:

1. **Maximising long-term returns for investors across a high-conviction portfolio of sustainable companies**
2. Protecting the oceans; we provide financial support to leading research projects that are rehabilitating ocean ecosystems and fighting climate change. **We divert 50% of our management fee profits to ocean regeneration projects.**

### OCEAN IMPACT FUNDING BENEFICIARIES:

#### CLIMATE FOUNDATION

Fighting climate change through producing seaweed on an industrial scale, and driving large-scale carbon drawdown.

#### GREENWAVE

Developing regenerative ocean farming practices for seaweed and shellfish, while also sequestering carbon, rebuilding reef ecosystems and reducing catch pressure on wild species.

#### UNIVERSITY OF TASMANIA

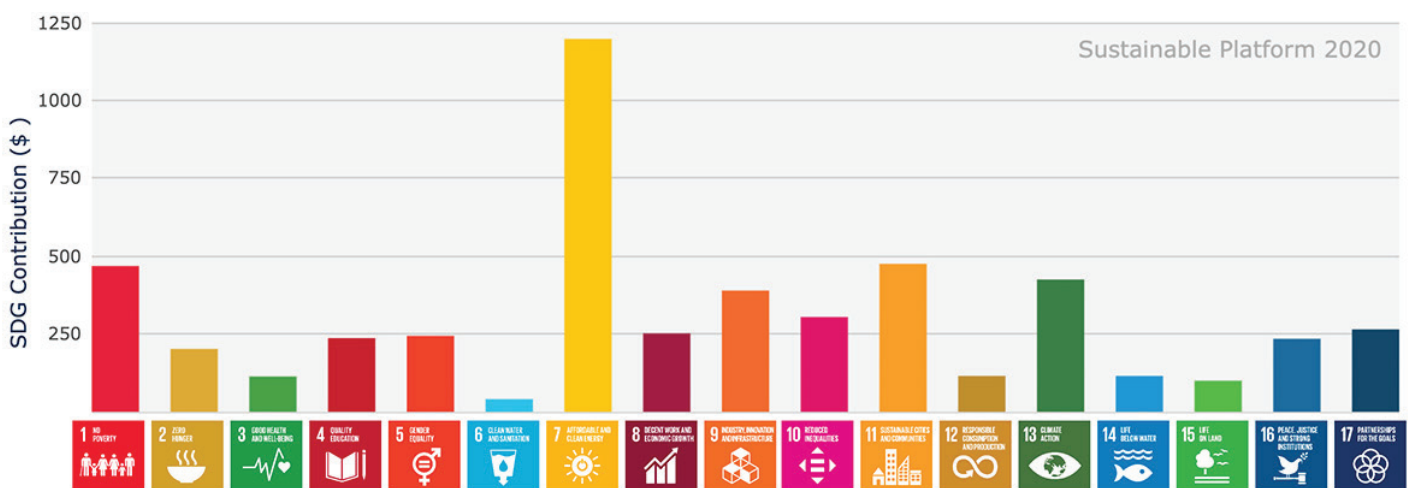
Recognised as a world leader in ocean sustainability research, and pioneering new climate change solutions.

### LOW EMISSIONS BY DESIGN:

The strategy targets low-emissions companies. In terms of energy usage, we apply a fossil-fuel exposure threshold of 3%. This ensures we only invest in companies whose spending on fossil fuels, across the value chain, is less than 3% of total revenues. And, we ensure our portfolio remains aligned with the Paris Agreement target by screening-out any companies whose exposure to fossil-fuels is above the 1.5 degrees threshold.

### CONTRIBUTING TO THE SDG's:

We also measure the positive impacts our investments are having on the world. We see The Sustainable Development Goals (SDGs) as an ideal framework with which to assess the positive outcomes flowing from the products and operations of a company.



**Total Contribution: \$5174 from a \$10k portfolio**

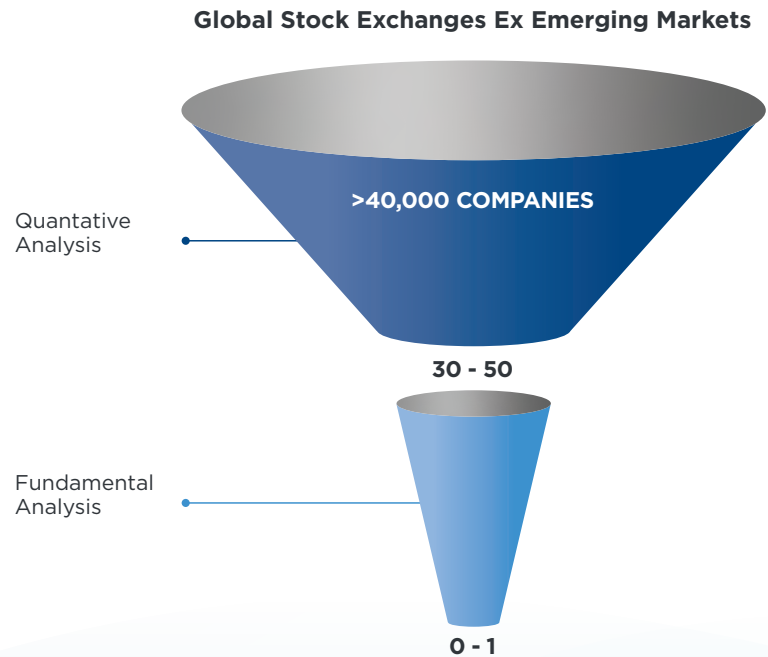
Portfolio as at 11/12/20

## Our Investment Process:

Knowing more reduces risk and captures value. We uncover opportunities others don't see, through our proprietary four stage process.

### STAGE 1 - UNIVERSAL SCANNING

Regular scanning of every company in our investable universe, coupled with our concentrated portfolio, allows us to hold only the best opportunities available. We cover over 40,000 stocks every few months through our proprietary filter, this delivers ~30 - 50 companies which we analyse individually.



### STAGE 2 - SUSTAINABILITY WITH STRONG FINANCIALS

Each business model is analysed, one-by-one, looking for those creating positive change, backed by strong financials. This process can eliminate all companies shortlisted in stage 1, or provide a single company for deep analysis.

#### Sustainability

We search for businesses creating positive change.

Business we look for:

- Healthcare
- Renewable Energy
- Financial Inclusion
- Resource use efficiency.

Businesses we avoid:

- Fossil fuels
- Ocean exploitation
- Animal Cruelty
- Deforestation.

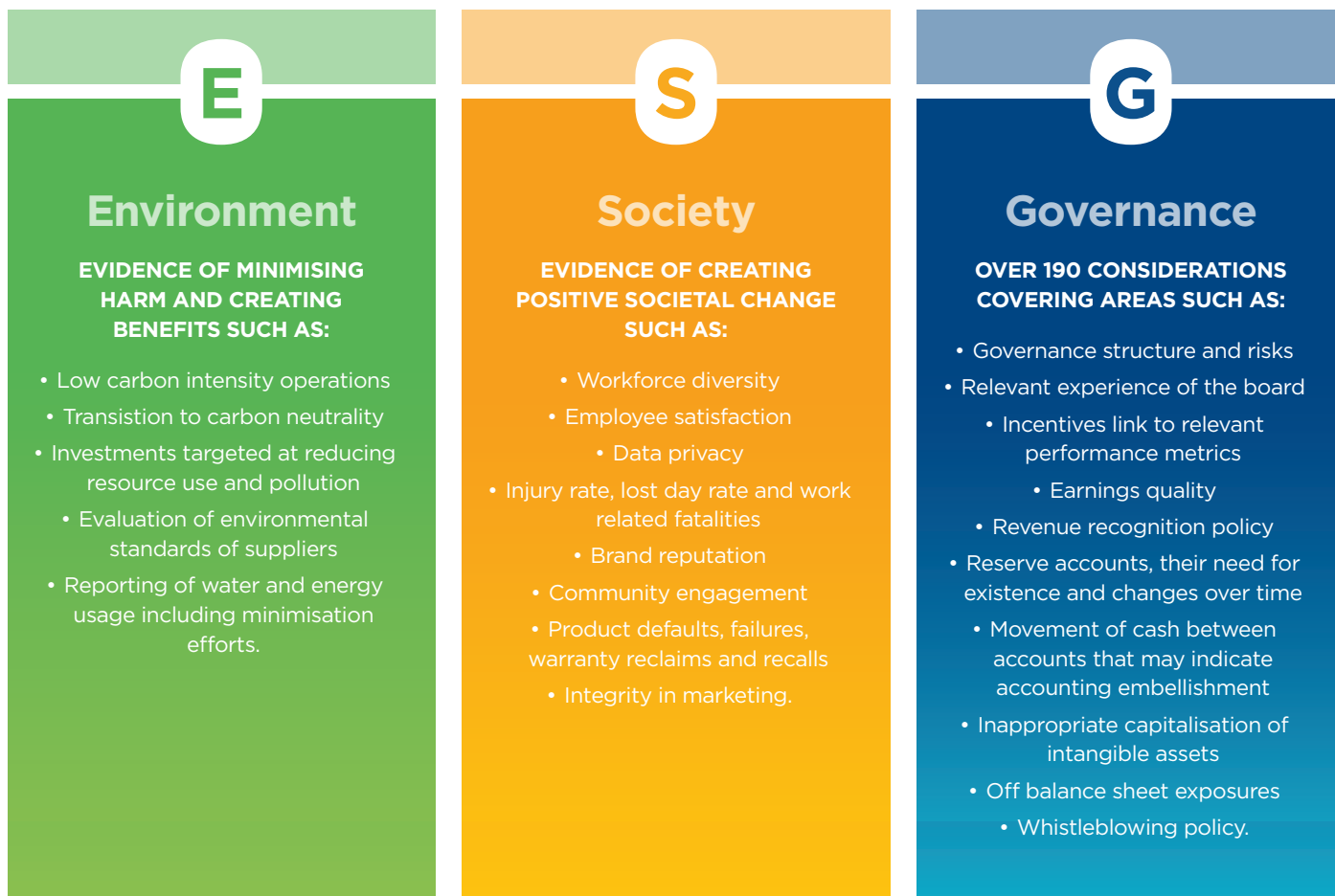
#### Strong Financials

Our companies have strong financials backed by:

- High growth in organic revenues
- Positive cash flows from operations
- Responsible control of expenses
- Balance sheets with little or no debt
- Scale business models that can maintain profitable margins
- High return on invested capital.

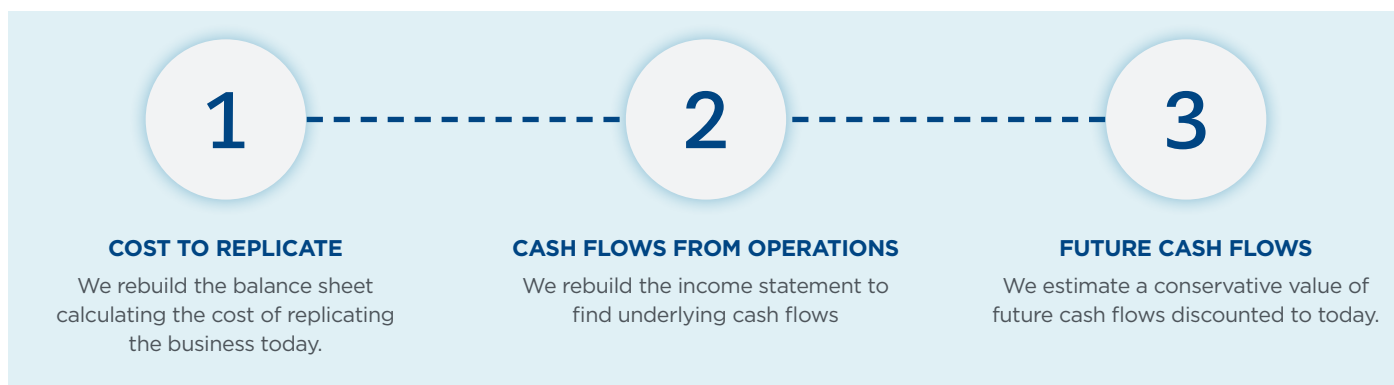
## STAGE 3 - IN-DEPTH ESG ANALYSIS

We also assess a range of environmental, social and governance (ESG) factors to give us a complete picture of the risks and opportunities surrounding a company.



## STAGE 4 - DISCIPLINE IN VALUATION

Having completed analysis we are now in a position to value the business having the necessary data to assign a future growth rate. We take a detailed approach to rebuilding financial statements, which allows us to uncover opportunities others don't see.



### Valuations in three parts:

We only make investments where we can purchase an asset for less than its intrinsic worth and where insights gained through analysis uncover a compelling investment opportunity.

## FUND FACTS

**Minimum Investment:** \$50,000 AUD

**Investor type:** Wholesale/sophisticated

**Inception:** 2016

## FEES

**Management fee:** 1.25%

**Performance fee:** 12% of returns above 10%

## How to invest:

**STEP 1.** Register your interest by contacting us directly, or completing the online form.

**STEP 2.** We will send you application forms and disclosure documents to sign and return.

**STEP 3.** Transfer your investment into your account.

### Invest in the Future & Make Positive Change

## Contact Us:

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