

# POSITIVE IMPACT PORTFOLIO

This document outlines the funds / investment trusts that we use to make up the Positive Impact Portfolios. We have three options – Cautious, Balanced and Adventurous.

The Balanced Positive Impact Portfolio was launched in July 2014, and the Cautious and Adventurous in July 2020.

Please see the website for the actual holdings within each of these portfolios.

## **Fixed Income / Alternatives**

### *Rathbone Ethical Bond Fund*

This invests in high quality investment grade bonds. Where this is different to many bond funds is the focus on positive impact community investment. Examples of holdings include Chelmer Housing Partnership which focuses on Social Housing, Places for People which is housing association and Dolphin Living which provides social housing. Other examples include Great Rolling Stock Company which finances the provision of new and improved passenger and rolling stock and maintain rail vehicles.

They produce an ethical investment case studies report where investors can engage with the holdings that the fund invests in.

<https://www.rathbonefunds.com/uk/financial-adviser/rathbone-ethical-bond-fund>

### *Aegon Ethical Corporate Bond Fund*

The fund follows a strict ethical mandate and avoids companies whose activities are considered harmful to the environment, society, animals, as well as companies that are involved in armaments, nuclear power, oppressive regimes, political donations, genetic engineering, gambling, tobacco, pornography and banks with exposure to large corporate or third world debt.

<https://www.aegonam.com/en/strategies--funds/fixed-income/ethical-corporate-bond-fund/>

### *BNY Mellon Newton Sustainable Real Return Fund*

This seeks to deliver absolute returns irrespective of market conditions. This is primarily to act as a counterbalance to the fixed income holdings within the portfolio. The fund has strict 'red lines' which means the poorest-performing companies are not eligible for investment such as those which violate the UN Global Compact Principles of sustainable corporate performance, and those that are incompatible with the aim of limiting global warming to two degrees. They also look to avoid those companies with material ESG risks.

<https://www.newtonim.com/uk-institutional/solutions/strategy/sustainable-real-return-strategy/>

## **UK / Europe**

### *Premier Miton UK Ethical Fund*

This is a UK focused multi cap fund investing across the small to large cap space. Their policy is to encourage the positive so companies which produce products and services that aid environmental, sustainability, including mitigation climate change. As well as those companies that produce products and services which have an emphasis on improving individuals' basic standard of living. It actively excludes things like weapons, companies where tobacco turnover is greater than 10%, gambling, pornography, alcohol etc.

<https://www.premierfunds.co.uk/investors/investments/funds/uk-equities/premier-ethical-fund>

### *Royal London Sustainable Leaders Fund*

This is multi cap UK fund but can invest up to 20% overseas. It actively screens out those companies involved with human rights abuses, tobacco and armaments manufacture, products involving animal testing, generation of nuclear power, animal fur products, pornography, irresponsible gambling and work exploitation or exploitative consumer practices. The fund will invest in companies which are leaders in their field with strong management teams and business franchises. Areas of interest include healthcare, cloud computing, AI, social and economic development of emerging markets, urban regeneration and transition to low carbon economy.

<http://www.rlam.co.uk/Home/Intermediaries/our-capabilities/Sustainable-investing/Royal-London-Sustainable-Leaders-Trust/>

### *ASI Europe ex UK Ethical Equity Fund*

This invests in European equities which meet strict ethical criteria. It will actively look to avoid those companies included with animal testing, weaponry, pornography and gambling services. It will actively look to include those companies seen as making a positive contribution in terms of preserving the environment or improving the quality and safety of human life.

<https://www.aberdeenstandard.com/en/uk/adviser/fund-details/asi-europe-ex-uk-ethical-equity-fund/platform-1-acc/gb00b3n24788>

### *Liontrust SF European Growth Fund*

This invests in companies incorporated, domiciled or which conduct significant business in the EEA and Switzerland, and can invest up to 5% in UK-listed stocks. Some of the key themes are better resource efficiency, improved health and greater safety and resilience.

<https://www.liontrust.co.uk/funds/sustainable-future-european-growth-fund>

## US

### *Legg Mason ClearBridge US Equity Sustainability Leaders Fund*

This is a large cap US strategy. The key point of difference is the ESG angle which has been embedded in their processes since 1987. The ESG factors vary between sectors. For example, for retailers the focus is likely to be on labour management and for a wholesaler how products are made. They actively engage with companies who are transitioning so may hold companies with fossil fuels which are transitioning to green energy like wind and solar.

[https://www.leggmason.com/en-gb/products/lm-cb-us-equity-sustainability-leaders.html#shareclass=A%20USD%20DIS%20\(A\)](https://www.leggmason.com/en-gb/products/lm-cb-us-equity-sustainability-leaders.html#shareclass=A%20USD%20DIS%20(A))

### **Global / Specialist**

#### *BMO Responsible Global Equity Fund*

This invests in global companies whose products and practices are considered beneficial to society. It excludes those which are felt to be harming the world, its people or its wildlife. Some of the exclusions include animal welfare, aviation, nuclear, oil and gas, pornography, tobacco and weapons.

<https://www.bmogam.com/gb-en/intermediary/bmo-responsible-global-equity-2-acc/>

#### *Sarasin Responsible Global Equity Fund*

This is a global strategy which has three specific screens at its heart – it excludes investments which are prohibited under international treaties, it includes typical ethical exclusions and excludes climate related companies like tar sands and thermal coal. Effectively they are taking a holistic view of a company and its sustainability as well as its impact on the environment and society.

<https://www.sarasinandpartners.com/investment-professionals/funds-in-focus/sarasin-responsible-global-equity>

#### *Royal London Sustainable World Trust*

This actively screens out those companies involved with human rights abuses, tobacco and armaments manufacture, products involving animal testing, generation of nuclear power, animal fur products, pornography, irresponsible gambling and work exploitation or exploitative consumer practices. The fund will invest in companies which are leaders in their field with strong management teams and business franchises. Areas of interest include healthcare, cloud computing, AI, social and economic development of emerging markets, urban regeneration and transition to low carbon economy.

<http://www.rlam.co.uk/Home/Intermediaries/our-capabilities/Sustainable-investing/Royal-London-Sustainable-World-Trust/>

#### *Sun Portfolio Fund Climate Assets Fund*

This focuses on those global companies which stand to benefit from the convergence of climate changes, population shifts and resource scarcity. The main areas of focus are energy, food, health, resources and water.

<https://www.quiltercheviot.com/uk/financial-adviser/our-investment-solutions/multi-asset-funds/climate-assets/>

### *Renewables Infrastructure Group Limited*

This closed ended structure invests in renewable energy infrastructure assets in the UK and Europe. These assets aim to contribute to a zero-carbon future. Current assets include wind, solar and battery storage.

<https://www.trig-ltd.com/>

### *Civitas Social Housing*

This is a closed ended structure real estate investment dedicated to investing in social care housing. The primary aim is to deliver positive financial returns and large scale measurable social impact through increasing the availability of social housing and improving the quality of social housing.

<https://www.civitassocialhousing.com/>

### *Impax Environmental Markets*

This focuses on companies operating in the fast growing “environmental and resource efficiency markets”. The themes that they focus on include resource scarcity exacerbated by an expanding global population, replacement of aging infrastructure, demand for new infrastructure driven by urbanisation in developing countries, cost constraints in the developed world requiring efficient savings, environment pollution, energy security and climate change adaption and mitigation technologies.

The company produce an Environmental Impact Report to enable investors to understand the positive impact on the environment.

<https://www.impaxenvironmentalmarkets.co.uk/>

### *VT Gravis Clean Energy Income Fund*

The fund will invest in assets where the focus is on the operation, funding construction, generation and supply of clean energy. Areas of focus for the fund are wind, solar, hydro and biomass. The fund aims to deliver a growing income as well preserving and growing capital.

<https://www.graviscapital.com/funds/gravis-clean-energy/about>

### *Baillie Gifford Positive Change Fund*

The fund aims to invest in those companies which can deliver positive social change in four areas; social inclusion and education, environment and resource needs, healthcare and quality of life, and base of the pyramid (addressing the needs of the world’s poorest populations).

<https://www.bailliegifford.com/en/uk/intermediaries/funds/positive-change-fund>

## **Asia / Emerging Markets**

### *Vontobel Matrix Sustainable Emerging Markets Leaders*

The fund invests in emerging markets with six defined categories to describe ESG investments. Impact Investing with a positive impact on the environment or society with a focus on “doing good”. A focus on opportunities related to a single theme or megatrend. A requirement to invest only in those companies with excellent ESG performance relative to others in their sector, often based on external database information. Integration of ESG into the investment process combined with other factors to support investment decisions. Active engagement from proxy voting through to public engagement. And finally excluding undesirable companies or sectors either based on convictions or on international norms like weapons.

<https://am.vontobel.com/en/view/LU0571085686/vontobel-fund-mtx-sustainable-emerging-markets-leaders>

### *Stewart Investors Asia Pacific Sustainable Fund*

The fund invests in Asia looking for those companies which are well positioned to contribute to long-term sustainable development and have a high quality of management, franchise and financials. They aim to build relationships with senior management and encourage them to address material environmental, human rights and social issues. Engagement is a key part of the investment process. Fundamentally they are seeking those companies that will benefit from a shift both in developed and developing countries from a resource intensive, consumption driven, debt dependant model of development towards a more sustainable one.

<https://www.stewartinvestors.com/en-gb/our-funds/our-fund-list/?Sustainable%20Funds%20Group>