

## SHINING A LIGHT ON THE..... Alquity Global Impact Fund

### AT A GLANCE

<b>Investment Objective</b>
<p>The Alquity Global Equities Impact Fund aims to deliver sustainable long-term returns by prioritising companies committed to producing quality products and services that have a positive societal and environmental impact and contribute towards the UN Sustainable Development Goals (UNSDGs)</p> <p>The Fund invests in companies with strong ESG credentials that position themselves for long term financial returns by balancing the interests of all stakeholders. The Fund targets superior risk-adjusted returns; outperforming relevant global stock indices whilst delivering a positive impact in areas such as carbon intensity, gender equality, human rights and responsible consumption.</p> <p>Donations generated by the fund revenues will be employed to promoting social mobility and opportunity creation in line with Alquity's mission to build a fairer, more sustainable world.</p>

<b>Launch date</b>	January 2021
<b>Fund Factsheet Link</b>	-

<b>Management</b>	
<b>Manager Name</b>	<b>Start Date</b>
Marnie Aragon-Uy	January 2021
Cynthia Cano	January 2021

### UPDATE....

This is a brand-new strategy and therefore at this stage we do not have details on holdings, performance etc. Alquity as a group are pure ESG and impact fund manager with over a decade of experience. This is their first strategy away from emerging markets. They donate 10% of their revenues to their Transforming Lives Foundation which looks to invest to help some of the poorest people in the world. They see their approach as "holistic ESG investing" which covers attractive returns, responsible investing and transforming lives.

There are three key aspects to the strategy:

1. They operate a proprietary quantitative model targeting consistent returns with clear impact measurements
2. They target higher returns through companies that provide solutions to the UNSDGS
3. They aim to have significantly lower environmental impact and better social outcomes than the Global Index

The team is headed up Marnie Aragon-Uy with Cynthia Cano acting as the Associate Portfolio Manager and data scientist. Additionally, Geregely Urmosy acts as the global macro and portfolio strategist. They also leverage information from across the other parts of the Alquity group.

The fund sector exclusions include alcohol, tobacco, gambling, adult entertainment, soft drinks, fossil fuels, armaments, construction materials and non-renewable utilities. It invests between 75 and 95%

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in developed markets, and between 10 and 25% in emerging markets. With developed markets they use sustainalytics and MSCI to identify the top companies, and for emerging markets they use their own gold standard system which they have developed. This leaves them with around 700 companies which they overlay ESG credentials and sustainability metrics to arrive at a portfolio of between 75 and 125 names. 63% of the fund is in ESG leaders compared to 25% in the index.

The fund also has a lower environmental footprint than the index – 8% of the portfolio is invested in environmental solutions and 79% of their holdings have implemented initiatives to reduce the waste generated from their operations. It also has a positive social impact with 30% average representation of women on boards, 9% of the portfolio is invested in healthcare solutions and 78% of directors are independent across all companies.

Some of the holdings will include Microsoft, TSMC, Tencent, Gilead Sciences, Amgen, East Japan Railway, Johnson Matthey, and Visa.

They believe this stands out from the crowd due to the data driven approach to incorporate ESG and the impact as a portfolio outcome. In turn this leads to significantly lower environmental impact and better social outcomes.

In summary, we know Alquity well, and their process, and feel therefore they have the credentials to launch this strategy. However, the impact fund market is becoming crowded, and we would certainly want to see the holdings and performance before considering investing. This may mean waiting 3 years to see how the strategy performs.

*The source of information in this note has been provided by Alquity and is correct as at March 2021. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*