

August 16, 2018

How can you make money and have a positive impact?

Standard Life Ireland launches the first fund of its kind available to individual investors in the high growth area of impact investing called the Global Equity Impact Fund.

Impact investing is a relatively recent growth area in investment management (c 10 years) but is expected to grow from its current global \$114bn* asset under management to about a \$1 trillion by 2020, according to JP Morgan #.

It involves directing capital into large, listed companies that deliver strongly above average financial returns but also incorporate a long term vision of measurably helping to solve global environmental and social problems such as climate change, rising inequalities in addition to unsustainable production and consumption.

Aberdeen Standard Investments (ASI) uses the universally accepted 17 United Nation's Sustainable Development Goals (SDGs) to assess and measure a company's ability to affect positive change in the world. These 17 goals have been condensed further by ASI into eight pillars:

- **Sustainable Energy** : Increasing renewables and decreasing emissions
- **Circular Economy**: Doing more, doing it better, with less
- **Food and Agriculture**: Producing quality food and preventing land degradation
- **Water and Sanitation**: Ensuring access to clean water and sustainable facilities
- **Financial Inclusion**: Enabling the underserved to participate in the economy
- **Education and Employment**: providing opportunities for the vulnerable or marginalised
- **Sustainable Real Estate and Infrastructure**: eco-friendly buildings and connectivity
- **Health and Social Care**: Giving access to essential care and enhancing healthcare.

The fund is co-managed by Sarah Norris and Dominic Byrne of Aberdeen Standard Investments.

"It's not enough for a company to make sizable charitable donations or have a SDG bolted on as a sideline strategy," said Norris. "We're only interested in companies with a detailed impact strategy that can demonstrate their impact intentions, their implementation, measure the results and importantly combine this with excellent underlying financials - impact investing does not mean sacrificing strong returns," she said.

The Fund has a concentrated portfolio of 35-60 stocks and its performance will be measured against the MSCI All Country World Index.

The fund is suitable for people:

- Seeking long term capital appreciation
- Interested in investing in companies aiming to have a positive impact on the world.
- With an investment horizon of at least five years
- Who can take risk with their capital

The minimum saving/investments amounts are:

€25 per month via a pension retirement saving account (PRSA) , €125 per month via a regular investment saving account or a lumpsum amount of €10,000.

“Impact investing is not just about rewarding those already making a difference, but about shifting the might of people’s capital to change the world for the better whilst delivering above market returns. The world faces multiple challenges, from climate change and poverty, to inequality and pollution. As asset managers, Aberdeen Standard Investments believes it can play a vital role in helping address these issues,” said Norris.

Ends

Notes for editors:

*The Global Impact Investing Network says some €114bn is currently under management.

<https://thegiin.org/research/publication/annualsurvey2017>

#Research from JP Morgan suggests asset under management to about a \$1 trillion# by 2020.

<https://thegiin.org/news/impact-investing-could-reach-1-trillion-in-10-years-jp-morgan-report>

The annual management charge is 1.35%. This is an actively managed fund which is essential for successful impact investing. Close engagement with management is necessary for both impact analysis and to encourage better behaviours.

The top ten holdings in the fund include: Umicore, the only company in the world with the technology to recycle electric vehicle batteries. Mastercard which aims to reach 500 million people previously excluded from financial services by 2020.

<https://newsroom.mastercard.com/news-briefs/financial-inclusion-commitment-reach-500-million-people-by-2020/>

Safaricom (financial inclusion), Infineon Technologies (Sustainable energies) Clinigen (Health and social care).

