

Our quarterly update focuses on specific investments made by the funds within the Positive Impact Portfolios. As well as avoiding harmful investments, we continually seek to find funds which aim to make a positive contribution to society or the environment, alongside an attractive financial return.

We assess every fund in the portfolio against 41 criteria for impact. This update will concentrate on three of them; financial inclusion, medical research and promoting healthy lifestyles.

### 1 FINANCIAL INCLUSION

#### Developing adult numeracy

According to the Office of National Statistics, over a quarter of individuals in the UK live in households with negative net financial wealth meaning that their debt on credit cards or overdrafts are higher than their savings.<sup>1</sup> This also has a knock-on effect on their ability to climb the housing ladder and get a mortgage. Part of this situation can be explained by poor numeracy skills: the UK Government's Skills for Life survey (2011) showed that almost half of the working-age population in the UK have numeracy skills no better than expected of primary school leavers.<sup>2</sup>



### FUND IN FOCUS:

#### Columbia Threadneedle UK Social Bond



The Columbia Threadneedle UK Social Bond fund has a unique positioning as it invests in companies or institutions helping to tackle social issues mainly in the UK. Financial inclusion is one their main themes, and they specifically look to invest in companies providing access to affordable and appropriate financial services.

Find out more about Columbia Threadneedle UK Social Bond and see where it fits into the Positive Impact Portfolios in the Rated Funds section of our website:

[eqinvestors.co.uk/eq-rated-funds/](http://eqinvestors.co.uk/eq-rated-funds/)

### EXAMPLE HOLDING:

#### Nationwide



Nationwide Building Society is a British mutual financial institution and a large building society which receives investment from Columbia Threadneedle UK Social Bond. They frame their social impact in terms of 'Citizenship', and launched a 5 year citizenship strategy in 2012 which they report on annually.<sup>3</sup>

Nationwide partners with the charity National Numeracy to help tackle low levels of adult numeracy in the UK.<sup>4</sup> In 2014 they launched an online challenge as a call for everyone to improve their everyday number skills by instilling the belief that maths is valuable in everyday life.<sup>5</sup>

They are also working with teachers and partner organisations to make numeracy relevant and fun for young people and boost their confidence and skills.<sup>6</sup>

## 2 MEDICAL RESEARCH: Treatments for obesity and diabetes

Obesity is defined as excessive fat accumulation that presents a risk to health.<sup>7</sup> It can lead to a number of serious conditions including type 2 diabetes, coronary heart disease, breast cancer, bowel cancer and stroke.<sup>8</sup>

One in four adults in the UK is obese – the highest rate in Europe.<sup>9</sup> These rates are even higher for children, prompting fears that in England 70% of adults could be obese by 2034.<sup>10</sup> The National Health Service is already spending 5% of its budget to treat direct costs of conditions related to being overweight or obese.<sup>11</sup>

### FUND IN FOCUS:

#### FP WHEB Sustainability



FP WHEB Sustainability favours companies providing solutions to the challenges of sustainability. Health is one of WHEB's main themes and the fund invests in Novo Nordisk as well as two other companies involved with the treatment of type 2 diabetes, Fresenius and Davita.

Find out more about FP WHEB Sustainability and see where it fits into the Positive Impact Portfolios at:

[eqinvestors.co.uk/eq-rated-funds/](http://eqinvestors.co.uk/eq-rated-funds/)

### EXAMPLE HOLDING:

#### Novo Nordisk



Novo Nordisk is a Danish healthcare company which has a leading position in diabetes care and has been one of the pioneers of insulin production. The company is currently doing a lot of research around weight loss, as obesity is one of the primary causes of diabetes. This includes drug research as part of a holistic programme for tackling diabetes alongside diabetes education and cross-sector collaboration.<sup>12</sup>

In 2014 the company launched liraglutide, a new drug for treating obese patients with type 2 diabetes.<sup>13</sup> It works by helping to reduce the body's energy intake. Whilst weight loss has been relatively limited by using this drug it is still higher than other drug treatments.<sup>14</sup>

Novo Nordisk is investing significantly in research to develop new molecules that could either reduce energy intake or increase energy expenditure and as a result help to tackle a number of diseases related to obesity.<sup>15</sup> They produce an integrated annual report covering their financial, social and environmental performance.<sup>16</sup>

### NOTES

1. Office for National Statistics 2015, [http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/dcp171776\\_428683.pdf](http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/dcp171776_428683.pdf)
2. Department for Business Innovation & Skills 2012, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/36000/12-p168-2011-skills-for-life-survey.pdf#page=293](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/36000/12-p168-2011-skills-for-life-survey.pdf#page=293)
3. Nationwide Citizenship Report 2015, <http://your.nationwide.co.uk/PublishingImages/pdfs/Citizenship%20Report%202015%20FINAL.pdf>
4. <http://your.nationwide.co.uk/your-news/articles/Pages/strength-in-numbers.aspx>
5. [https://www.nnchallenge.org.uk/home/index.html?partner\\_code=nw15](https://www.nnchallenge.org.uk/home/index.html?partner_code=nw15)
6. <http://your.nationwide.co.uk/Documents/CitizenshipReport2015.pdf#page=16>
7. World Health Organisation, <http://www.who.int/topics/obesity/en/>
8. <http://www.nhs.uk/conditions/Obesity/Pages/Introduction.aspx>
9. UN Food and Agriculture Organisation, *The State of Food and Agriculture 2013*, <http://www.fao.org/docrep/018/i3300e/i3300e.pdf>
10. Public Health England, *National mapping of weight management services 2015*, p.10, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/484115/Final\\_Weight\\_Management\\_Mapping\\_Report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/484115/Final_Weight_Management_Mapping_Report.pdf)
11. McKinsey Global Institute 2015, <http://www.consultancy.uk/news/1278/mckinsey-obesity-costs-uk-society-73-billion-per-year>
12. <http://www.novonordisk.co.uk/about-novo-nordisk-in-uk/changing-diabetes-new.html>





## NOTES (CONT.)

13. Marketed as Saxenda in the US and Victoza in the UK: <https://en.wikipedia.org/wiki/Liraglutide>
14. Novo Nordisk 2015, *Obesity market update and Saxenda performance*, p.19 [https://www.novonordisk.com/content/dam/Denmark/HQ/investors/irmaterial/cmd/2015/20151119\\_CMD2015\\_08\\_Obesity.pdf](https://www.novonordisk.com/content/dam/Denmark/HQ/investors/irmaterial/cmd/2015/20151119_CMD2015_08_Obesity.pdf)
15. <http://www.novonordisk.com/about-novo-nordisk/novo-nordisk-in-brief/stories/innovation/a-new-approach-to-obesity-treatment.html>
16. *Novo Nordisk Annual Report 2015*, <http://www.novonordisk.co.uk/content/dam/UK/AFFILIATE/www-novonordisk-co-uk/Home/About%20Novo%20Nordisk/Documents/Novo-Nordisk-Annual-Report-2015.pdf>
17. <http://ajcn.nutrition.org/content/early/2015/01/14/ajcn.114.100065.full.pdf>
18. <https://www.gov.uk/government/publications/uk-physical-activity-guidelines>
19. <http://www.bristol.ac.uk/policybristol/news/2013/37.html>
20. *Amer Sports Corporate Responsibility Report 2015*, <http://www.amersports.com/docs/default-source/Corporate-Responsibility-reports/amer-sports-corporate-responsibility-report-2015.pdf>
21. <https://www.globalreporting.org/standards/g4/Pages/default.aspx>
22. <https://liike.fi/en/liike/development-cooperation-projects/>
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## 3 HEALTHY LIFESTYLES: Promoting physical activity through sport

Usually, an unhealthy lifestyle is characterised by poor eating habits and a lack of exercise. 7% of deaths in Europe can be explained by physical inactivity, which increases the risk of heart disease, cancers, mental illness. A recent study by Cambridge University showed that not only can obese people markedly reduce their risks of death by engaging in physical activity, but that physical activity has a stronger effect on reducing mortality rates than simply losing weight.<sup>17</sup>

UK Government recommendations suggest that adult activity should “add up to at least 150 minutes (2½ hours) of moderate intensity activity in bouts of 10 minutes or more”.<sup>18</sup> A study by the University of Bristol revealed in 2013 that 80% of adults in the UK are failing to meet these targets.<sup>19</sup>

### FUND IN FOCUS:

#### F&C Responsible Global Equity



The F&C Responsible Global Equity fund favours companies providing solutions to the challenges of sustainability. Health is a key theme of the fund and F&C invests in companies involved in activities across the sector such as medical research, drug and medical appliances manufacturing, health care providers and healthy lifestyles.

Find out more about F&C Responsible Global Equity and see where it fits into the Positive Impact Portfolios:

[eqinvestors.co.uk/eq-rated-funds/](http://eqinvestors.co.uk/eq-rated-funds/)

### EXAMPLE HOLDING:

#### Amer Sports



Amer Sports is a Finnish sporting goods company with internationally recognised brands such as Salomon, Wilson or Atomic. The company provides technically advanced sports equipment, footwear, apparel and accessories that enable users to improve their performance and increase the enjoyment of sports and outdoor activities. They also produce an annual Corporate Responsibility Report,<sup>20</sup> which assesses their impact in line with the Global Reporting Initiative’s sustainability reporting guidelines.<sup>21</sup>

Beyond the products it offers, Amer Sports supports programs to promote sports, especially with children and young people. They partner with a Finnish Non-Governmental Organisation, Liike, to improve the lives of children and youth living in developing countries through sport and health education.<sup>22</sup> Over the last 5 years, they have donated thousands of soccer balls, volleyballs and basketballs in Tanzania to 1,600 schools which have been used by more than 500,000 children with also a goal to increase attendance through sports.<sup>23</sup>



Aiming to be the best, not the biggest.

### Next steps:

You can download a Positive Impact Portfolio brochure, view factsheets and invest online via the EQ website. Please get in touch for further information:



[eqinvestors.co.uk](http://eqinvestors.co.uk)

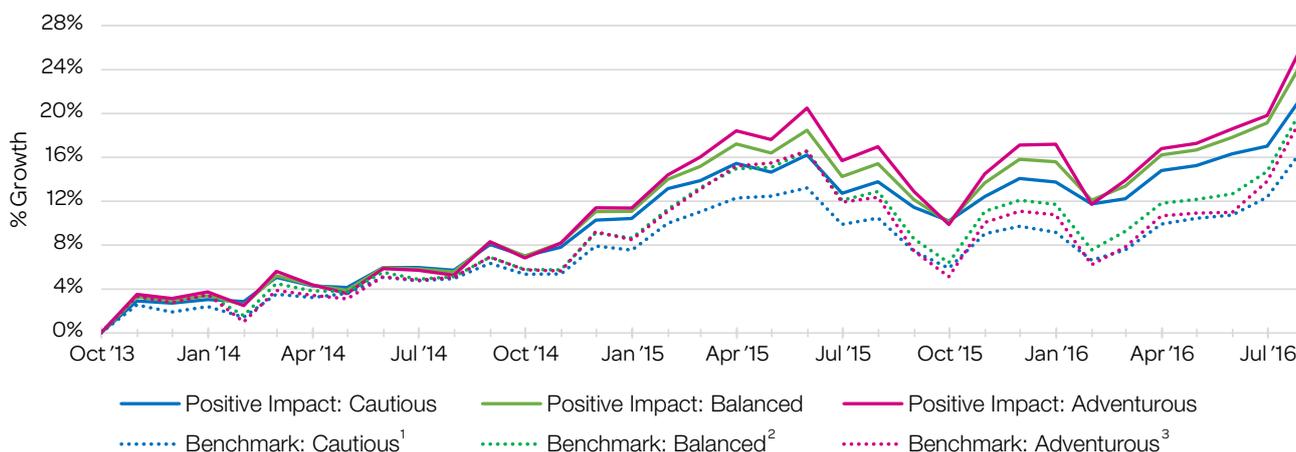


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Cumulative performance since inception (30/09/2013) to 31/07/2016



Annual performance	01/08/2014 – 31/07/2015	01/08/2015 – 31/07/2016
Positive Impact: Cautious	7.64%	6.93%
<sup>1</sup> IA Mixed Investment 20-40% Shares	5.24%	5.71%
Positive Impact: Balanced	9.34%	8.13%
<sup>2</sup> IA Mixed Investment 40-80% Shares	7.39%	6.80%
Positive Impact: Adventurous	11.13%	8.02%
<sup>3</sup> IA Flexible Investment Benchmark	6.93%	6.63%

**Risk warning**  
**Past performance is not a guide to future performance.** The value of investments and the income derived from them may go down as well as up and investors may get back less than they originally invested. The Positive Impact Portfolios are available in **seven** different risk profiles, of which **three** are shown here. Inception dates may vary: please see factsheets for full details.

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