

*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: renewable energy, social change and health & safety.*

### 1 INVESTING IN RENEWABLES Wind: the energy of the future

The Paris Agreement – the UN’s latest agreement on climate change – has now been ratified by 81 countries and takes effect on 4 November 2016.<sup>1</sup> Its goal is to limit the rise in global average temperature to less than 2°C above pre-industrial levels, pushing its signatories to decarbonise their economies as quickly as possible. In the UK, the government of Theresa May has already approved the controversial nuclear project at Hinkley Point.<sup>2</sup> However, more than 50% of the UK’s current energy mix still come from fossil fuel sources.<sup>3</sup> The focus now needs to be on further developing our renewables capacity, particularly onshore and offshore wind.

#### EXAMPLE HOLDING: Vestas Wind Systems



Vestas, a Danish company founded in 1945, is now the second largest manufacturer of wind turbines in the world.<sup>4</sup> Since launching their first turbine in 1979, Vestas have increased the power output of onshore wind turbines over 100-fold<sup>5</sup> – a single turbine can now power over 1,500 EU households.<sup>6</sup> Over the same timeframe the wind industry has brought down the cost of wind energy by more than 20 times,<sup>7</sup> making onshore wind competitive on cost with both nuclear and coal.<sup>8</sup>

Vestas itself demonstrates leadership by sourcing 100% of its own electricity consumption from renewable sources.<sup>9</sup> In 2016, Vestas launched a new recycling initiative to reduce product waste by over 75%.<sup>10</sup>

#### FUND IN FOCUS: Jupiter Ecology



Vestas Wind Systems A/S received investments from the Jupiter Ecology fund which favours companies providing solutions to the challenges of climate change. As renewable energies tend to be a relatively volatile sector and still partly dependent on government subsidies, fund managers tend to select the few companies which would emerge as the leaders of the future. Vestas is seen as one of them helping to make this technology available at a sustainable cost.

Find out more about Jupiter Ecology 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/)



## 2 SOCIAL CHANGE How to get the necessary funding?

The closure of charity Kids Company in August 2015 made national news and sparked a debate about the sustainability of charity financing in the UK.<sup>11</sup> Meanwhile the government has been actively promoting social investment as a means to improve the way public services are delivered, launching new initiatives such as Big Society Capital in 2012 and Social Investment Tax Relief in 2014.<sup>12</sup> As the government seeks to cut spending across the board, charities have a huge opportunity to provide innovative alternatives to traditional public services – provided they can demonstrate added value and a good investment case.

### EXAMPLE HOLDING:

#### Charities Aid Foundation

# CAF

The Charities Aid Foundation (CAF)<sup>13</sup> has been helping people and businesses to support social causes for 90 years by connecting them with charities. By providing simple day-to-day banking and fundraising services, CAF helps charities concentrate on the real work of making a difference on society. The foundation recently raised some money to enhance their technology and services for donors and charities with the aim at increasing the amount raised.<sup>14</sup> The bond proceeds will enable the foundation to increase its lending to more than £45 million, helping social housing, faith, heritage and healthcare charities, and more.<sup>15</sup>

## FUND IN FOCUS: Rathbone Ethical Bond

# Rathbones

Look forward

The Charities Aid Foundation received investments from the Rathbone Ethical Bond fund which invests in organisations helping to tackle social and environmental issues, predominantly in the UK. Social change is one of their main themes where for example they look to provide financing to charities as well as helping ex-offenders to find jobs.

Find out more about Rathbone Ethical Bond and see where it fits into the Positive Impact Portfolios at:

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

### NOTES

1. [https://en.wikipedia.org/wiki/Paris\\_Agreement](https://en.wikipedia.org/wiki/Paris_Agreement)
2. <http://eqinvestors.co.uk/blog-post/hinkley-point-a-risky-bet-on-nuclear-energy/>
3. Department of Energy & Climate Change, UK Energy Statistics, 2015 & Q4 2015, 31 March 2016
4. <https://www.statista.com/statistics/271031/market-share-of-the-largest-wind-turbine-manufacturers-in-the-world/>
5. Vestas, Annual Report 2015, [https://www.vestas.com/~media/vestas/investor/investor%20pdf/financial%20reports/2015/fy/2015\\_annualreport.pdf](https://www.vestas.com/~media/vestas/investor/investor%20pdf/financial%20reports/2015/fy/2015_annualreport.pdf)
6. Wind Europe, <http://www.ewea.org/wind-energy-basics/faq/>
7. Solar and Wind Plunging Below Fossil Fuel Prices, Ramez Naam, 5 October 2014
8. Vestas, Annual Report 2015, [https://www.vestas.com/~media/vestas/investor/investor%20pdf/financial%20reports/2015/fy/2015\\_annualreport.pdf](https://www.vestas.com/~media/vestas/investor/investor%20pdf/financial%20reports/2015/fy/2015_annualreport.pdf)





### 3 HEALTH & SAFETY Responding to chemical disasters

The disastrous explosions at the Chinese seaport of Tianjin in August 2015 killed over 165 people and injured some 800 more.<sup>16</sup> According to an official Chinese report, it was one of the most serious work safety accidents on record. Over 300 buildings and more than 12,000 vehicles were damaged.<sup>17</sup> The accident happened in a warehouse where a large quantity of the explosive chemical ammonium nitrate was being stored (illegally) alongside other dangerous and volatile chemicals.

#### EXAMPLE HOLDING:

**Thermo Fisher Scientific**



Thermo Fisher Scientific Inc is the world leader in serving science and enable its clients to make the world healthier, safer and cleaner. The company has developed an expertise in air quality monitoring and offers handheld analysers which enabled first responders to safely, accurately and quickly test thousands of samples for chemical contamination in Tianjin.<sup>18</sup> By doing so, the local population could be informed about the concentration level of major air pollutants, and whether or not the air was safe to breathe.<sup>19</sup>

Beyond the products it offers, Thermo Fisher Scientific has partnered with non-profit organisations to promote STEM education to inspire the next generation of scientists and engineers. The company is also willing to support researchers in developing countries by donating advanced instrumentation through in-kind contributions.<sup>20</sup>

### FUND IN FOCUS: FP WHEB Sustainability



Thermo Fisher Scientific received investments from the WHEB Sustainability fund which favours companies providing solutions to the challenges of sustainability. Security is one of WHEB's main themes and the fund also invests in other companies, like Halma and Intertek, which provide testing services to protect assets and people.

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

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

#### NOTES (CONT.)

9. <http://www.vestas.com/en/about/sustainability#!renewable-energy>
10. <http://www.vestas.com/en/about/sustainability#!managing-sustainability>
11. <http://www.bbc.co.uk/news/magazine-34676281>
12. Social investment: a force for social change – 2016 strategy, HM Government, 2016
13. <https://www.cafonline.org>
14. <https://www.cafonline.org/about-us/media-office/launch-of-retail-charity-bond>
15. Ben Russell, CAF Online, October 2016
16. <http://www.bbc.co.uk/news/world-asia-china-35506311>
17. Tianjin Official Investigation Report (the 'Official Report'), PRC State Administration of Work Safety, 5 February 2016
18. Corporate Social Responsibility 2015 Report, Thermo Fisher Scientific
19. [http://www.chinadaily.com.cn/china/2015-08/13/content\\_21588576.htm](http://www.chinadaily.com.cn/china/2015-08/13/content_21588576.htm)
20. Ibid., Thermo Fisher Scientific



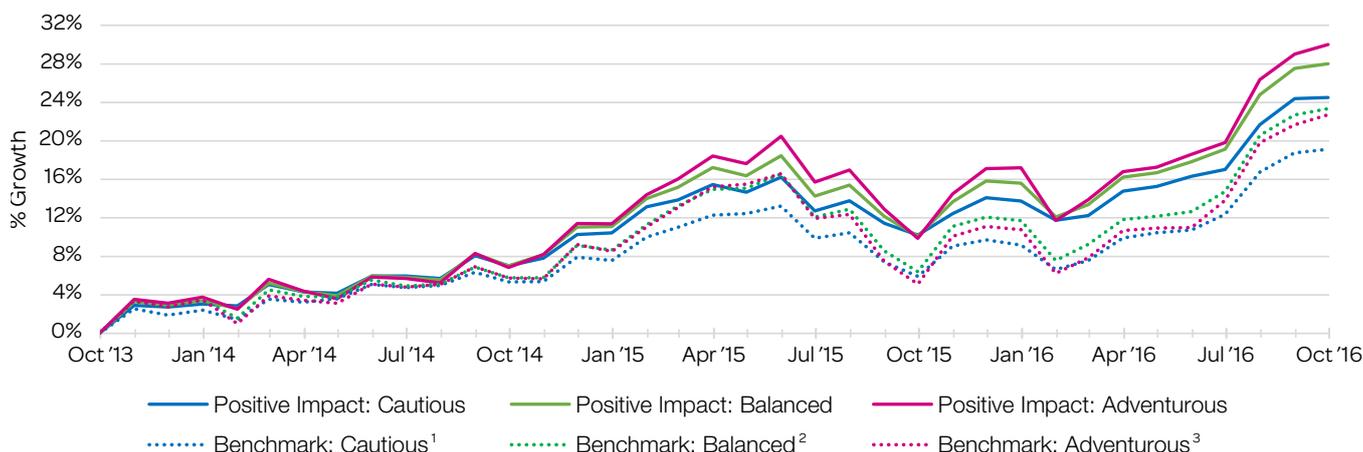
Aiming to be the best, not the biggest.

### 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)
-  **020 7488 7110**
-  [positiveimpact@eqinvestors.co.uk](mailto:positiveimpact@eqinvestors.co.uk)

Cumulative performance since inception 01/10/2013 to 30/09/2016



Annual performance	Oct 13 - Sep 14	Oct 14 - Sep 15	Oct 15 - Sep 16
Positive Impact Cautious	7.01%	2.98%	12.97%
<sup>1</sup> IA Mixed Investment 20-60% Shares	5.35%	0.52%	12.48%
Positive Impact Balanced	7.01%	2.89%	16.26%
<sup>2</sup> IA Mixed Investment 40-85% Shares	5.78%	0.60%	15.91%
Positive Impact Adventurous	6.84%	2.85%	18.32%
<sup>3</sup> IA Flexible Investment	5.74%	-0.59%	16.76%

**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.

 **020 7488 7110**
 [enquiries@eqinvestors.co.uk](mailto:enquiries@eqinvestors.co.uk)
 [@eqinvestors](https://twitter.com/eqinvestors)
 [EQ Investors](https://www.linkedin.com/company/eq-investors)

**EQ Investors Limited, Centennium House, 100 Lower Thames Street, London EC3R 6DL.**

EQ Investors Limited is authorised and regulated by the Financial Conduct Authority. Registered in England & Wales at 6th Floor, 60 Gracechurch Street, London EC3V 0HR. Company Number 07223330.

This communication has been drafted solely to keep investors informed. It does not constitute a personal recommendation in any way whatsoever. Example holdings and funds included in the Positive Impact Portfolios on 30/09/2016. Model performance is shown in sterling, gross of management fees with all income reinvested; actual returns may vary. You should contact EQ Investors Limited ("EQ") for individual advice to establish the suitability of any subjects mentioned in connection with your own circumstances. This document should not be relied upon: it may contain opinions that represent our assessment and interpretation of information with which we have been provided. No representation or warranty, expressed or implied, is given as to its accuracy or completeness.

EQI/1016/236