

Positive Impact Portfolios

Q1 2020 update

The EQ Positive Impact Portfolios invest in companies that are making a positive impact on society and the environment by providing solutions to real world problems. We use the United Nations Sustainable Development Goals as a way to map the impact of their products and services.

Our quarterly updates feature examples of these companies and funds; here we will focus on three relating to Goals 3 – Good health and well-being; 8 – Decent work and economic growth; and 7 – Affordable and clean energy.



Helping to prevent glaucoma-related blindness

Of the 2.2 billion people that are severely visually impaired or blind, at least half had preventable causes. One of the leading causes of blindness is glaucoma. This is a group of eye diseases in which a person cannot properly control inner eye pressure, leading to elevated pressure.

Over time this results in damage to the optic nerve, which carries information from the eye to the brain. If detected in time, blindness can be prevented using laser treatment. However, there is often an ongoing requirement for daily glaucoma medicines, resulting in a significant ongoing medical burden for the patient. Since laser treatment cannot fix the root cause of the problem (failing eye pressure regulation), there is definite demand for a long-term solution.

FUND IN FOCUS

Baillie Gifford Positive Change



Glaukos has received investment from Baillie Gifford Positive Change fund, which aims to contribute towards a more sustainable and inclusive world through investing in sustainable themes and pushing for change through engagement.

Another company in the fund's 'healthcare and quality of life' theme is Dexcom, which develops glucose monitoring systems for diabetes management.



EXAMPLE HOLDING

Glaukos



Glaukos, a US listed company, develops and manufactures unique breakthrough implant devices tackling the core cause of glaucoma. Their device '[iStent inject](#)' is a [tiny medical implant for the eye](#) – the smallest known to be implanted in the human body. It is designed to restore your eye's natural ability to control inner eye pressure. The micro-invasive glaucoma surgery takes little time, does not need to be repeated, and [completed clinical trials have shown significantly better outcomes for patients compared to traditional medical treatment options](#). Glaukos technologies have already helped patients, with more than 500,000 eyes receiving their implants. Having found their competitive niche in providing solutions to combat blindness, [the company is now expanding their research and development efforts to novel devices like eye biosensors](#).



Providing access to affordable home finance in emerging markets

Demographic changes in India resulting in a general move away from traditionally large to more nuclear families, and growing focus of employment opportunities concentrated in larger cities has resulted in urbanisation patterns that are putting pressure on families to find adequate housing space.

Two thirds of India's population are under 35, and there are many young families that need affordable housing in urban areas. [Government schemes to support urban housing developments have reduced the shortage](#), but families need affordable mortgage plans to access these. [The continued urbanisation trend means that India will need about 25 million more affordable housing units by 2030](#).

FUND IN FOCUS

Stewart Investors Global Emerging Markets Sustainability Fund

Housing Development Finance Corporation (HDFC) has received investment from Stewart Investors Global Emerging Markets Sustainability Fund. This fund invests in companies that are set to benefit from and contribute to sustainable development of emerging market countries. Another company in the fund that is extending access to finance to lower income groups is Kasikorn Bank in Thailand.

EXAMPLE HOLDING



Housing Development Finance Corporation (HDFC)

HDFC is India's largest provider of mortgages. The company supports the development of residential housing stock in the country through the provision of housing finance and promotes home ownership, with the large majority of all mortgages being given out to individuals and family co-owners. [In support of the government's flagship scheme, 'Housing For All'](#), the company increased its efforts towards extending loans to the economically weaker and low income groups.

In 2019, the company already [extended about 37% of all mortgages \(by number\) to these groups](#), significantly contributing to bridging inequality gaps. Additionally, the company [encourages female property ownership by offering more favourable rates](#) in a drive to empower them and give them more starting means to be financially independent.



7 AFFORDABLE AND CLEAN ENERGY



Delivering future-proof energy infrastructure

To meet climate change targets, we need to go through a global energy transition. What this entails is two fold. Firstly, we need to move towards electrification of any currently fuel-dependent technology (e.g. fossil fuel engines, gas home heating) and secondly, we need to produce electricity from renewable, sustainable, non-carbon sources. The latter will be achieved differently across the globe, depending on cost and the abundance of natural resources such as sunshine or wind.

In the UK, offshore wind farms have been the most rapidly growing source of renewable energy, and the [country continues to show the strongest pipeline of new projects \(2019\)](#). However, to green the entire grid investments cannot just focus on windfarms themselves. They need to consider the entire electricity transmission and storage infrastructure that brings it from offshore turbines into our kitchens.

FUND IN FOCUS

Rathbone Ethical Fund

WoDS Transmission plc received investment through the Rathbone Ethical bond fund, which is a UK focused bond fund avoiding any exposure to harmful sectors while also positively selecting issuers that benefit people and planet. The fund also invests in another offshore transmission owner, connecting the Greater Gabbard Offshore Wind Farm to Suffolk's grid.

Rathbones
Look forward

EXAMPLE HOLDING WoDS Transmission

WoDS
TRANSMISSION

WoDS Transmission plc manages and operates the [transmission assets from West of Duddon Sands wind farm](#), which has been operational since 2014. The company is responsible for the safe management of the subsea cables, connectors and electricity converters that reach from the 182 wind turbines all the way to an offshore substation, where it connects to infrastructure owned by the National Grid.

Interestingly, the income to the company is unrelated to the actual generated electricity as [its based on a long-term fixed contract linked to inflation, which is tightly regulated](#). Thus WoDS transmission presents a low-risk fixed income investment opportunity while also playing a vital part in upholding critical infrastructure in bringing green electricity to the UK's grid.



Want to learn more about the UN Goals, and why we use them? Take a look at our annual Impact Report – and calculate the impact of your own portfolio online – at: eqinvestors.co.uk

SUSTAINABLE DEVELOPMENT GOALS



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.