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Standard Life Investments Global Equity Impact Fund

Through the Fund, we aim to have a positive social and environmental impact, while still delivering an above-market financial return for our clients

We do so by investing in 35-60 companies whose activities, technologies or products are specifically designed to address the planet's long-term challenges

This includes climate change, rising inequalities, and unsustainable production & consumption

Graphic 1: The global goals



Graphic 2: Impact pillars

UN GLOBAL GOALS	PILLARS	SUB-THEMES
	Circular Economy	Resource efficiency Material recovery and reuse
	Sustainable Energy	Access to energy Clean energy Energy efficiency
	Food & Agriculture	Access to nutrition Food quality Sustainable agriculture
	Water & Sanitation	Access to water & hygiene Clean water Water efficiency
	Health & Social Care	Access to healthcare & social care Enhanced healthcare Drug development
	Financial Inclusion	Access to financial services
	Sustainable Real Estate and Infrastructure	Affordable housing Eco-construction Improved access
	Education & Employment	Access to education and skills development Quality employment and job creation

Invest for a better future

We align our impact approach to the United Nation's Sustainable Development Goals (SDGs). Announced in January 2016, the SDGs are a set of 17 goals, which are a universal call to action to end poverty, protect the planet and ensure all people enjoy peace and prosperity. We have used the SDGs as the foundation for our Fund, creating eight pillars of impact under which a company's activities can be measured. Pillars include Circular Economy, Sustainable Energy, Health & Social Care, Sustainable Real Estate & Infrastructure and more.

Connected for success

We take long-term positions in stocks where we see good financial upside and significant social and/or environmental impact. For example, Safaricom (Financial Inclusion Pillar) is a leading mobile network operator in Kenya. Through its strategy, the company

continues to promote financial inclusion in Kenya using its mobile wallet platform, M-PESA. Through this, the company targets the large 'unbanked' population of Kenya, promoting social inclusion and ending poverty. Investment clearly focuses on improving data coverage through network investment and driving M-PESA adoption through product development.

These products specifically cater to underserved and low-income users, with scrapped charges on small transactions or short-term personal loans and saving schemes. In our view, the market has not fully priced in these continued opportunities and we see further attractive options to grow subscriptions, which will drive performance.

A growing opportunity

Costa Group (Food & Agriculture Pillar) grows and markets fruit and vegetables. These are then sold through supermarkets and independent grocers around the world. The company is fully committed to sustainable practices throughout its value chain – be it through water management, maintaining soil health, energy conservation or reduced chemical usage. Not only is this a key strategy in maximising profitability, but it is also crucial in ensuring resources are used in an environmentally responsible and efficient manner. Active engagement is a cornerstone of our process. We recently met with the company and were encouraged by the progress it is making in meeting its goals. This includes developing and improving its all-important sustainability reporting practices.

In fine health

Another name to highlight is **Clinigen Group** (Health & Social Care Pillar), a global specialty pharmaceuticals business dedicated to serving patients, the medical community and the healthcare industry. Ethical access to medicine is a central tenet of Clinigen's ethos. Its model is built on the idea that pharmaceutical groups are poor at managing the lifecycle of products. The company fills these gaps with medicine provision to clinical trials, unlicensed medicine provision to physicians, supporting the move to licenced products, and taking on manufacturing of mature products to ensure that access is maintained. A key area of growth for Clinigen is Africa and Asia, where the company has 175 specific products designed to address unmet healthcare needs. Thanks to a focused management team, we believe the company is well placed to become a global leader in access medicines, which should allow it to deliver healthy financial returns for our clients.

Powering ahead

Looking at our Sustainable Energy Pillar, we have Infineon Technologies which makes and manufactures semiconductors. The company is focused on producing "more from less", as it seeks to develop new solutions to meet growing demands for renewable energy, electric vehicles and connected cities. Its goal is to "make a good life sustainably affordable for everyone." This is a laudable ambition, and the company's clear vision means it is well positioned to capitalise on today's and tomorrow's industry megatrends.

Final thoughts...

These are just a few of companies that highlight the sheer breadth and quality of businesses dedicated to making the world a better place, while at the same time aiming to ensure investors achieve a financial return. Names like these give us confidence in the outlook for mainstream equity impact investing. And, thanks to our rigorous stock-selection process and industry-leading impact measurement framework, we believe the Fund represents a compelling way for our clients to make a positive difference, while potentially receiving above-market returns.



Dominic Byrne
Fund Manager

“The world faces numerous challenges, from climate change and poverty, to inequality and pollution. Through our Global Equity Impact Fund, we believe we can play a vital role in helping to address these issues.”

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