

## Holden & Partners' Guide to Sustainable Investment

A small seedling with two green leaves and a dark seed pod is shown in a green rounded rectangular callout box.

How do I align my investments with my values?

A seedling with two green leaves and a dark seed pod is shown in a brown rounded rectangular callout box.

What good does sustainable investing do?

A seedling with two green leaves and a dark seed pod is shown in a green rounded rectangular callout box.

Can I avoid harmful industries through my investments?

A seedling with two green leaves and a dark seed pod is shown in a green rounded rectangular callout box.

Will sustainable investments perform as well as traditional ones?

Every day we make decisions about our impact on the environment, from the car we drive to whether we bring our own cup for that takeaway coffee, to the origins of the food we buy.

One of the biggest impacts many of us can make, on both our personal future and that of the planet, is how we invest, whether that's in a pension, or through other investments.

**If you're interested in investing for your family's financial future and you want to look after the planet for generations to come, then this guide is for you.**

## Welcome to our guide to sustainable investing



Since opening our doors in 2003, Holden & Partners has been proud to be at the forefront of ethical and sustainable investing.

For us, it has always made sense to offer clients the opportunity to invest their money in a way which avoids areas such as tobacco and oil, but also supports new environmentally sensitive technologies in exciting areas such as renewable energy and recycling.

In the last few years, we have witnessed a rapid transformation of this type of investing, such that it has gone from being something of an outlier to a fully fledged mainstream area.

In the past, it may have been considered unconventional or unusual to have offered sustainable investment options, now that perception has been turned on its head completely.

We are happy to share our experience, expertise and insights into this rapidly changing area with you.

**Steven Pyne**  
Managing Partner

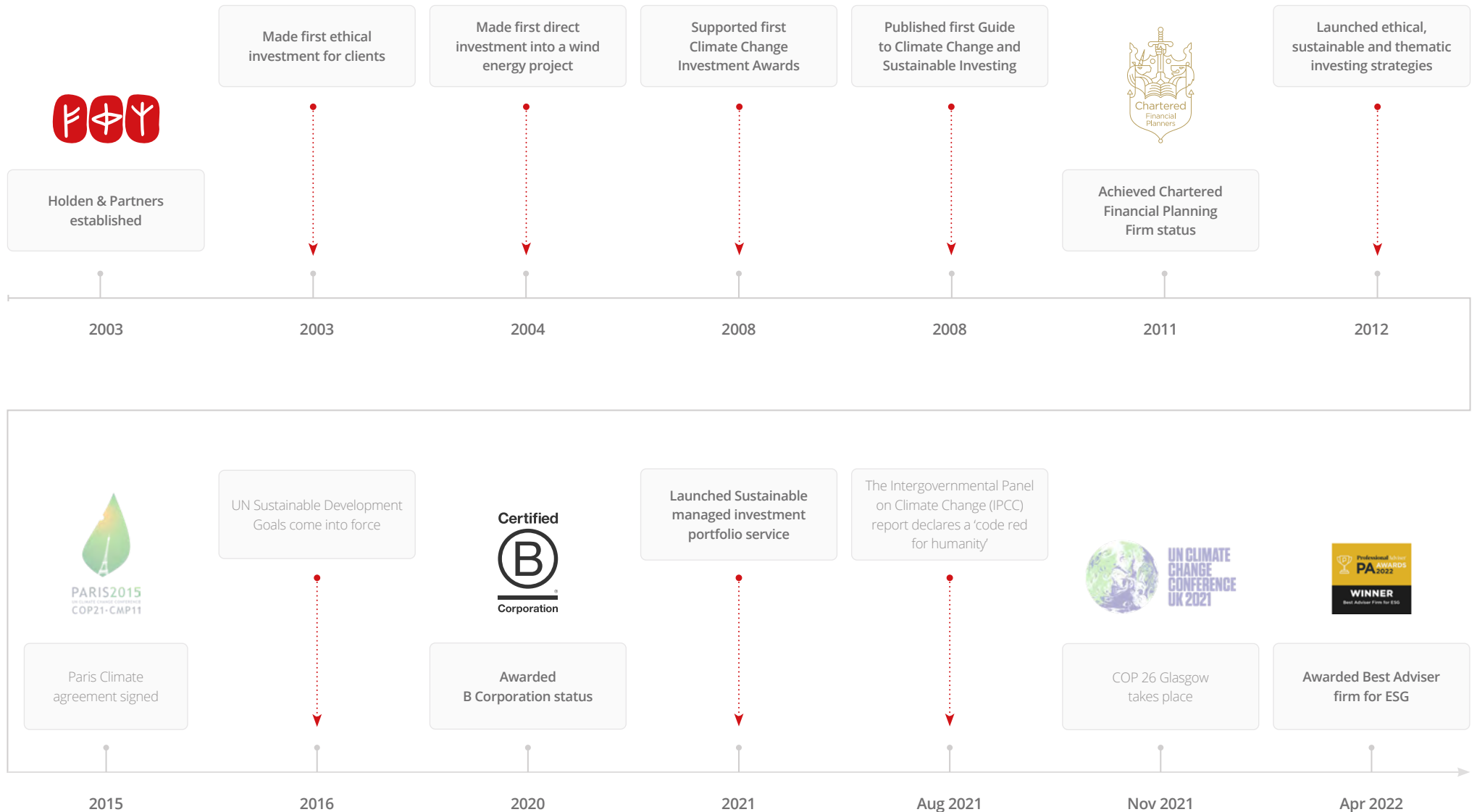


*Holden & Partners were named Best ESG Adviser in the Professional Adviser Awards 2022*

# A journey through ethical and sustainable investment



Since we established Holden & Partners in 2003, the world of sustainable investing has accelerated, and our services have evolved at the forefront of the industry.



# The time is now – There has never been a greater need for sustainable investing

The climate is already changing, and it will continue to do so even as we reduce emissions, with devastating effects for people and habitats.

The United Nations has set out a plan for a safer and more prosperous planet by 2030. A significant part of the United Nations 2030 Agenda consists of 17 Sustainable Development Goals (SDGs), which are an urgent call for action on the most pressing challenges facing people and planet today.

**The world’s estimated financial needs for achieving the SDGs are between \$5 trillion and \$7 trillion a year. Current contributions are not meeting this target.**

Private capital is needed to bridge the funding gap and accelerate change. By investing sustainably, your money is helping to support the firms invested in and this allows them to expand and improve the sustainable products or services they produce. Additionally, by investing in these companies, fund managers can engage with them to try to accelerate positive change on a corporate and wider business level.

Consumer behaviour is changing. More people want to purchase services and goods from sustainably focused companies, and seek to ensure their money is invested responsibly and has a positive impact on the world.

Governments around the world are making historic commitments on environmental issues such as climate change, carbon emissions and single use plastic. Just recently the US Congress announced a \$369 billion spending package to be focused on clean energy and climate change. At last, sustainability is mainstream.



# Strong performance and sustainability can go hand in hand



Whilst we, and many investors, are driven by a passion for a greener, healthier and fairer world, it would be unrealistic for most people to do this at the expense of sound financial choices. However, you do not need to compromise performance and investment returns for sustainability.

The urgency around climate change and the work of figures such as David Attenborough, Greta Thunberg, the COP summits, and initiatives like the Earthshot Prize led by HRH Prince William, have led to a more intense focus on the issues. This scrutiny is turning up the heat and the resulting shareholder and social pressure is forcing companies to change for the better.

This progression has expanded the sustainable investment universe significantly, and means that now investors can choose from a vast range of funds across a diverse range of sectors.

You can make profits and invest with principles. This graph shows how socially responsible equities have outperformed traditional global equities over the last 5 years.

## Global Equities vs Global Socially Responsible Equities



● A - MSCI ACWI SRI TR in GB [64.88%] ● B - MSCI ACWI TR in GB [50.04%]

MSCI ACWI is the all countries world index, it represents the performance of large and mid cap stocks across global equity markets.

The MSCI ACWI SRI is an index methodology that employs a 'best in class' selection approach to target the top 25% of companies in each sector, according to their MSCI ESG ratings.

They also exclude companies involved in harmful industries such as tobacco, alcohol, gambling, civilian firearms, military weapons, fossil fuel reserve ownership & extraction, thermal coal power, nuclear power, adult entertainment and GMOs.

# Reducing your carbon footprint through investment



We find that making figures tangible is one of the best ways of explaining the impact of sustainable investment to our clients. Our investment partner AJ Bell has highlighted the difference that investing in our sustainable balanced portfolio can make when you look at your carbon footprint.

## £20,000

A £20,000 investment is equivalent to recycling 100 bags of rubbish.



## £40,000

A £40,000 investment is equivalent to 5 acres of forests.



## £50,000

A £50,000 investment is equivalent to taking your car off the road.



## £80,000

An £80,000 investment is equivalent to going vegan for 5 years.



# The Holden & Partners' approach



At Holden & Partners, we have created investment strategies that seek to both maximise financial returns and positive sustainable outcomes.

We work with a variety of different companies and institutions to ensure our portfolios are best positioned to take advantage of future opportunities and mitigate risks.

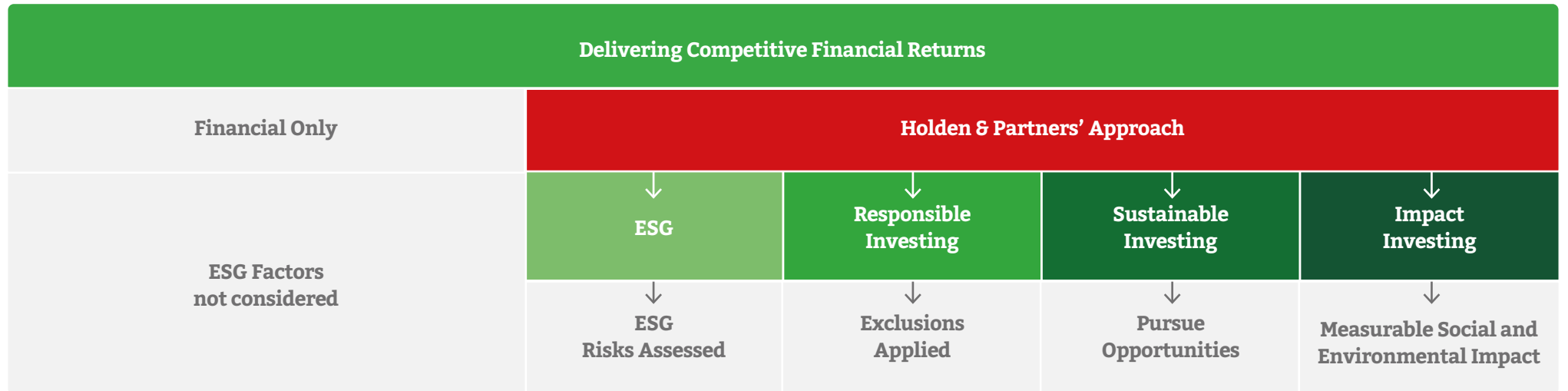
Our objective is to create sustainable investment models that incorporate a diverse range of responsible investment strategies, from environmental, social, governance (ESG) integration to impact funds.

## ESG Explained

### What Are Environmental, Social, and Governance (ESG) Criteria?

Environmental, social and governance (ESG) investing provides criteria for ensuring all aspects of sustainability are considered.

Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

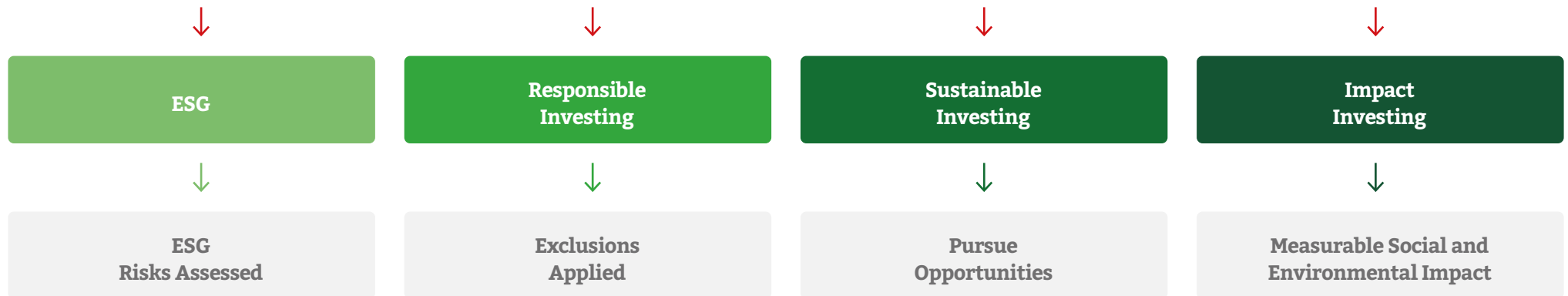


# Understanding the sustainable investing landscape



Here we look at the four concepts that make up Holden & Partners' approach.

## Holden & Partners' Approach



### ESG

Investments which integrate ESG factors consider environmental, social and governance risks which might impact a company's risk and return profile.

At its core, ESG integration acknowledges that long term sustainable returns are dependent on the future prosperity of social, environmental and economic systems.

### Responsible Investing

We screen to exclude companies that do not comply with specific values or predetermined social or environmental criteria.

For example, you may wish to avoid investing in armaments, tobacco, fossil fuels, gambling, pornography, alcohol, cluster munitions and landmines.

### Sustainable Investing

Sustainable investing identifies assets that contribute in some way to a sustainable economy, meeting the financial needs of investors without compromising the ability of future generations to meet their needs.

The products and services which are invested in at this level often contribute to the solution of a sustainable challenge, for example, investing in renewable energy infrastructure or healthcare solutions.

### Impact Investing

Impact investments are made with the intent of generating positive, measurable social and environmental impact alongside financial returns.

This makes it the 'greenest' level of responsible investing, as it fully quantifies the impact of the capital invested and maximises transparency. This style of investing delivers capital to companies and projects that tackle the world's most pressing challenges.

Visit our website [holden-partners.co.uk](https://holden-partners.co.uk) or follow us on LinkedIn for regular updates on these topics.





**‘Most clients I speak to want to know not just that their investments do no harm, but that they are contributing to positive change. We take this guiding principle into the sustainable portfolios we build.’**

**Paul Dennis,  
Investment Director**



# Sustainable investment in action



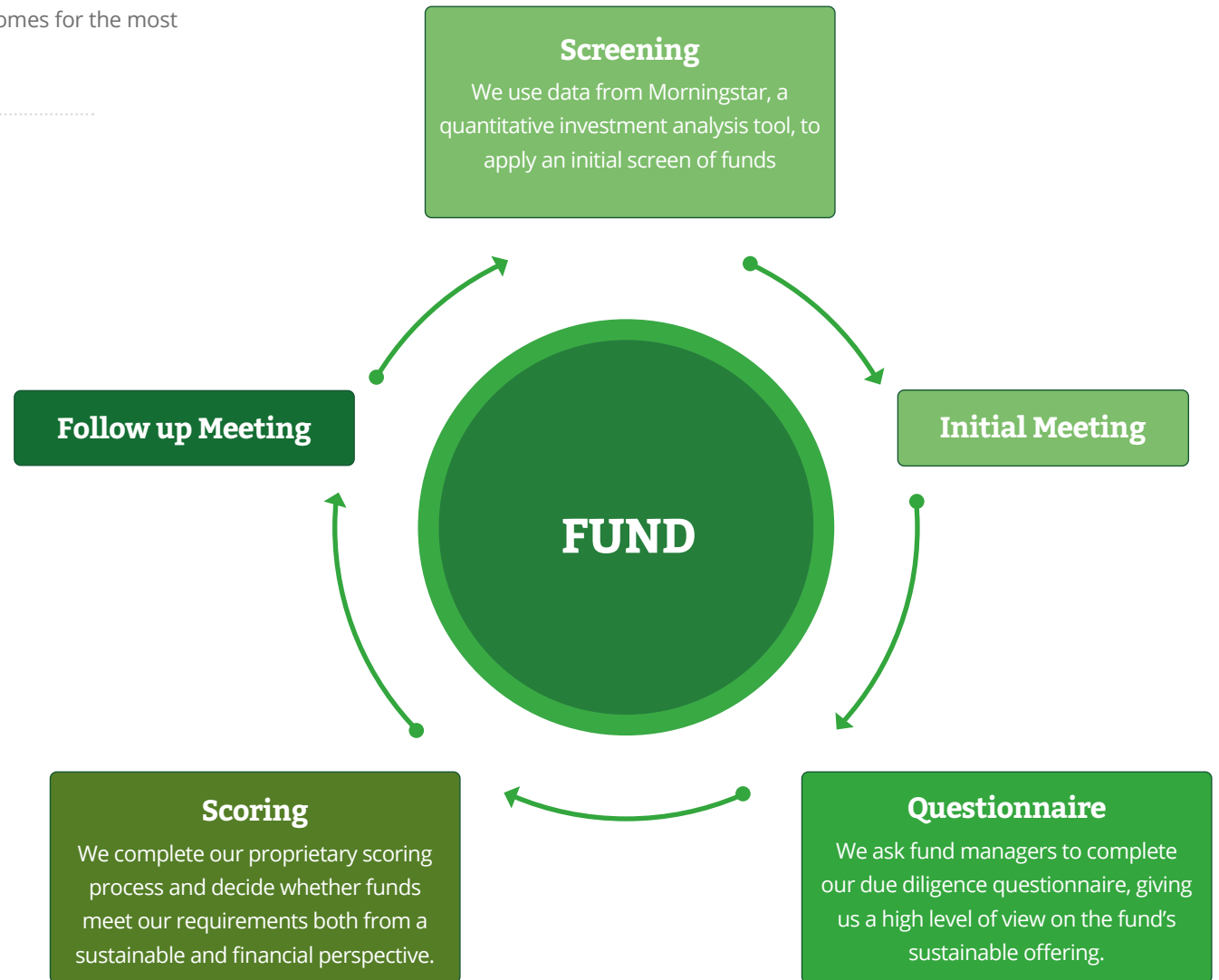
Understanding the theory is one thing, but most investors we speak to are eager to know how their investments will contribute to positive outcomes for the most pressing global issues.

## How we select our funds

To bring our sustainable investing philosophy to life, our Investment Team uses a thorough quantitative and qualitative selection process for all funds held in our sustainable portfolios.

## Sustainable investment in action

Over the next few pages, we outline some of the funds that we invest in, and some of the companies that are in their portfolios to show their real-world impact.



## Sustainable investment in action

**Ninety One's Global Environment Fund** features in many of our investment portfolios, investing in companies that will benefit from sustainable decarbonisation.

All companies invested in generate at least 50% of revenues from environmental means and actively avoid carbon based on a classification system. The fund focusses on SDG 7, affordable and clean energy, and SDG 13, climate action.



### Spotlight on investment holding

**Iberdrola** is the number one producer of wind power and one of the world's biggest electricity utilities in Spain, the US, the UK and South America, having embarked on the mission to tackle climate change 20 years ago.

They invest in renewable energy, smart grids, large-scale energy storage and digital transformation, supplying clean energy to almost 100 million people. (Source: Iberdrola.com)



## Sustainable investment in action

Stewart Investors Asia Pacific Leaders Sustainability embeds sustainability factors into every part of its analysis, with a focus on companies that are positive to the social and economic aspect of the country in which they operate.

The fund looks to invest in quality companies which are particularly well positioned to benefit from and contribute to sustainable development.



### Spotlight on investment holding

CSL is an Australian healthcare company that develops and manufactures vaccines and plasma protein biotherapies.

The company is a quality global franchise that rose to prominence almost 100 years ago when it developed an influenza vaccine during the Spanish Flu pandemic.

CSL has a dominant market position in blood plasma derivatives, for which there are no alternatives. It operates one of the world's largest plasma collection networks and is the chosen national plasma fractionator in several Asian countries. It is also one of the largest global providers of influenza vaccines and plasma derived products.



# Sustainable investment in action

The **Renewables Infrastructure Group (TRIG)** aims to generate sustainable returns from investing in renewable infrastructure that contributes towards a zero-carbon future.

Their dedicated sourcing team look to purchase mostly solar and wind assets in the UK and Europe. Annually, the portfolio is capable of powering over 1.3 million homes and saving 1.6 million tonnes of CO<sub>2</sub>, directly contributing to SDGs 7 and 13.



## Spotlight on investment holding

**East Anglia One** is a newly constructed UK offshore wind farm. The wind farm is located 50km off the Suffolk Coast and generates enough electricity to meet the demands of 630,000 homes.

This holding furthers TRIG's ESG goals underpinning the Company's contribution to supporting the United Nations Sustainability Goals.



## Sustainable investment in action

UBAM Positive Impact Emerging Equity focuses on companies which have products and processes which aim to deliver social or environmental benefits, and excludes companies which contribute to the world's societal or environmental challenges.



### Spotlight on investment holding

**Safaricom** is a Kenyan mobile network operator headquartered in Nairobi.

The company is pioneering mobile money to alleviate poverty.

The mobile money plan has potential to be hugely beneficial and the additional infrastructure developed by Safaricom has broader positive economic impact on Kenyan society. As a consequence, the business is helping to provide basic needs through financial inclusion and hence meets the positive impact criteria that the fund uses to select holdings.





**‘I am proud of the work I do with my clients because we are helping to shape a more sustainable world for today and for future generations.’**

**Stefani Williams,  
Financial Planner & Partner**



## We are a B Corp company and Chartered Financial Planners



B Corporation accreditation brings scrutiny to all areas of the business, and helps consumers make confident choices towards a more sustainable future.



We are a signatory of the United Nations-supported Principles for Responsible Investment.



Chartered status represents the pinnacle for financial planning firms, demonstrating that we have met the high standards required for best practice and customer service.

## We play an active role in building a more sustainable economy



The Green Alliance; a UK think tank that aims to make the environment a central political issue for policy makers



The UK Sustainable Investment and Finance

Association (UKSIF) which promotes responsible investment and other forms of finance that support sustainable economic development, enhance quality of life and safeguard the environment.







At Holden & Partners we deliver long term value to clients without compromise, we work together to build a sustainable future for you, your family, society and our planet.

## Planning and investing with Holden & Partners gives you



- **Access to leading funds** with investments that are finding solutions to **social and environmental challenges** such as climate change and pollution



- **Portfolios that are regularly rebalanced** to ensure consistent risk management to deliver value over the long term



- **Experienced in-house investment managers** who engage with fund managers on key issues to make sure they continue to improve



- **Peace of mind** that your investments actively avoid exposure to harmful and controversial sectors



- **A range of globally diversified portfolio strategies** which invest across different geographies, sectors and investment styles



- **Independent advice** not limited to specific products or investments



- **Enhanced buying power** to bring you the highest quality investment fund managers at a lower cost



# Do you have questions?

Get in touch to talk to one of our advisers today...

✉ [info@holden-partners.co.uk](mailto:info@holden-partners.co.uk)





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