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# *POSITIVE CHANGE – EXPLORING THE FOUR THEMES*

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There are many ways in which businesses can support the transition to a more sustainable world for current and future generations, so to make it easier for us to think about and articulate how companies are addressing global challenges, we have created four impact themes. Meet the members of the Positive Change investment strategy as they introduce the four themes.

*The value of an investment in Positive Change can rise as well as fall and investors may not get back the amount invested.*

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**Kate Fox (KF):** Positive Change has two objectives of equal importance.

**Lee Qian (LQ):** Positive Change aims to deliver attractive investment returns over the long run and also to deliver a positive change on society by contributing towards a more sustainable future.

**KF:** Positive change is a very broad and subjective topic, so we've identified four impact themes which helps us think about and articulate how companies are addressing global challenges.

**Kieran Murray (KM):** The challenge is that income and wealth inequality have risen, with approximately 260 million children worldwide having no access to education. We believe the solution is investing in companies that build a more inclusive society. One that improves quality and accessibility of information.

An example company that we invest in is Alphabet that is an exciting growth company that through its search platform, Google, provides free access to information to billions of people across the world.

**Michelle O'Keefe (MO):** The challenge is that human activities can have a detrimental impact on the environment, such as climate change, which can limit global development. The solution is to invest in companies that can reduce environmental impact of economic activities and increase resource efficiency. We invest in renewable energy, which is a big growth area, through offshore wind producer Ørsted.

**Julia Angeles (JA):** The major challenge of the modern healthcare system is that it remains reactive rather than proactive. What it means for patients is that they get too sick to be cured when they reach the doctor. Human biology is complex. We need to have tools that allow us to interrogate human biology, and also, tools that help us to address the underlying causes of disease.

One of the companies that actually helps us to unravel the human biology is Illumina. They provide genomic sequencing tools. What that allows us to do is to actually understand what we are built from and what leads to diseases, and that leads to better diagnostic tools and also, treatments.

**Will Sutcliffe (WS):** The base of the pyramid refers to the challenges faced by the world's least affluent people; in particular, the four billion or so people living around the world on annual incomes of less than

\$3,000 per capita. What we're looking for are companies that are addressing the unmet needs of people at the base of the pyramid.

So, that might be companies providing basic goods, like food or healthcare, in an affordable or efficient manner, or it might be companies providing services that are helping these people to transition from low income to middle income status. An example we invest in would be Bank Rakyat in Indonesia.

Now, access to basic financial services is one of the most powerful ways of kick starting financial inclusion, which in turn, helps to promote income growth and raise standards of living.

**LQ:** The four themes are intentionally broad. They aim to capture a wide range of challenges our society is facing, both social and environmental in nature.

**KF:** Once we've analysed and discussed a company and decided to take a holding, that's the point at which we decide which theme they fit. And of course, companies can address more than one theme. The four themes help us identify ways in which we can help savers contribute to a more sustainable world for current and future generations.

**LQ:** And also build profitable businesses that rewards shareholders over the long term.

If you are interested to find out more about how we invest or how we measure the impact of our portfolio, take a look at some of the other videos and information on our website [www.bailliegifford.com](http://www.bailliegifford.com).

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