
POSITIVE CHANGE – INTRODUCTION

Everyone wants to make a difference, and capital thoughtfully and responsibly deployed is a powerful mechanism for change. In seeking out companies whose products and services are providing solutions to global challenges, we believe a proactive investment approach can also be the basis of attractive investment returns. Investment Managers Kate Fox and Lee Qian explain why positive change really matters.

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

This communication was produced and approved in the second quarter of 2019 and has not been updated subsequently. It represents views held at the time of recording and may not reflect current thinking.

Kate Fox (KF): Despite fantastic progress over the decades, we've placed our world on an unsustainable trajectory.

Lee Qian (LQ): Today there are over 7 billion people on this planet that we share as a home. By the middle of this century, it's likely to rise to 10 billion people. That's 10 billion people all striving for a better living or eating more, consuming more and travelling more. That's a great thing that's improving prosperity for all, but it also brings challenges.

KF: And whilst we may be living longer, we're not always necessarily healthier or happier. For example, the number of people suffering from diabetes has more than quadrupled since the 1980s.

LQ: When I was born in China in the 1990s, 90 per cent of the people in the country were living in poverty. Today only 10 per cent of people in China are living in poverty. That is a huge amount of progress in a relatively short period of time, and that was brought about because businesses and capital were allowed to flourish. So for me, positive change really matters because you leverage on the power of businesses and innovation to improve the livelihood for many people around the world.

KF: I think investors play an important role because capital that is thoughtfully and responsibly deployed is a powerful mechanism for change.

Our investment strategy has two objectives of equal importance. By investing in businesses whose products and services are addressing those global challenges we'll see rising demand for those goods and services. They'll make attractive investments.

We're adopting a positive and proactive approach by investing in companies who're providing solutions to global challenges rather than screening out those doing harm. It's a highly concentrated portfolio of around 30 names, which is very different to the index and will experience low portfolio turnover.

LQ: It's incredibly important that we act in a long-term interest. Doing the right thing is a lot easier when we think five or ten years into the future rather than worrying about the profit of a company over the next quarter or the next 12 months.

KF: The companies in the portfolio are exciting because they're providing solutions to global challenges. They also offer exciting growth opportunities, and they're run by people whom we admire—ambitious and committed individuals.

LQ: It's incredibly motivating to work on Positive Change every day.

KF: I'm excited and determined to show that investors can help build a better world.

To find out more.

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.

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