

# GUIDE TO SUSTAINABLE FUNDS

JANUARY 2016

2ND EDITION



**blue & green**  
tomorrow

# PUBLISHER'S LETTER

"Man has lost the capacity to foresee and to forestall. He will end by destroying the earth."  
 Albert Schweitzer, theologian, organist, philosopher and physician, from the opening of Rachel Carson's *Silent Spring*

**D**o you want your investments to have a positive impact on people and our planet? Are you tired of being sold unsustainable, irresponsible and unethical investment? Do you worry about the future you are creating for your family by what you invest in?

If you want to invest in a sustainable, responsible, impact or ethical fund, but don't know the full range of what's on offer, you are definitely reading the right guide.

Blue & Green Tomorrow's Guide to Sustainable Funds 2016 looks at 146 investment funds that purport to offer wider benefits – either to society, the environment or both – as well as generating a healthy financial return for you, the investor.

This time we rank them, so you know, who are the stars, and who are rather liberal in their use of greenwash.

Dinosaur investment, fund managers, advisers and investors – those who invest in fossils – are facing extinction

We confidently predict divestment from fossil fuels will become a rout due to unburnable carbon. We know the regulatory and political environment becomes harder for the energy intensive. We know the world is demanding more energy, more water and more food. It needs to be clean, efficient and sustainable, or *'we're all doomed.'* There has never been a better time to investigate and invest in sustainable options.

Rising tides lift all boats – the inexorable rise of sustainable investment.

As the post-Silent Spring (1962) generation really comes of investment age, as they accumulate their own wealth or inherit their parents' wealth, as they use the power of social media and digital communications to understand and influence – they are demanding ever more from the advisers who advise them, the asset managers who run their money and the companies they invest in. More transparency, more corporate responsibility, more humanity, more sustainability.

Sustainable, responsible or ethical is on the rise. Excellent financial return statistics bust the age-old myth of underperformance by such funds.

Whether it's a themed fund – investing in clean energy, agriculture, forestry, water and so on; a negatively screened fund – avoiding harmful or unethical industries; or simply a fund that seeks to tackle key sustainability challenges, the Blue & Green/3D Investing list has something to match your criteria.



Simon Leadbetter  
 Publisher, Blue & Green Tomorrow



Every week thousands of people like you read our e-newsletter to catch up with the stories they may have missed, the trends they need to understand and the knowledge that allows them to create a more sustainable investment portfolio and lifestyle.

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Want to know more about  
sustainable investing?

[Download](#) Blue & Green's essential  
guide to sustainable investment



# 3D INVESTING STAR RATINGS EXPLAINED

**W**hat's the question that everyone wants to know? In my experience, it's which funds are the best? Clearly, the answer depends on an investor's personal circumstances, risk profile and so on, but it is possible to give a generic view based on objective, reasoned criteria. The 3D Star rating is our way of answering this question.

Without going into the minutiae of the rating methodology (which you can read at [www.3dinvesting.com](http://www.3dinvesting.com)) we combine our assessment of social impact, exposure to ethical controversies, SRI capability, financial returns and transparency to come up with an overall score. This is represented by a star rating of 1-5.

## 3D Investing One Star



One Star funds are ones to avoid – funds that are so tiny they are in danger of being wound up; or funds containing stocks that totally undermine our confidence in the ethical integrity of the fund; or serial underperformers

## 3D Investing Two Star



Two Star funds may be worth considering, although they may have a poor financial track

record, contain stocks that are likely to be of ethical concern or else have a low social impact.

## 3D Investing Three Star



Three star funds are definitely worth looking at. They may well rate as best in their sector, have a high SRI capability, or a relatively high social impact, but will also have weaknesses.

## 3D Investing Four Star



Four star funds are amongst the best 3D funds. They are likely to have a high social impact with limited ethical concerns. Thematic funds are well represented.

## 3D Investing Five Star



Five star funds are the real pioneers in the industry. They are required to demonstrate at least a fair financial performance, excellent transparency, a high social impact and a lack of exposure to ethically controversial companies. 🌱

# 3D INVESTING RATINGS OF ETHICAL AND ENVIRONMENTAL FUNDS

Ethical & Environmental Funds	3D star rating	3D Portfolio?
Threadneedle UK Social Bond	★★★★★	YES
Triodos Sustainable Pioneer	★★★★★	YES
WHEB Sustainability	★★★★★	YES
Alliance Trust Investors SF Absolute Growth	★★★★	YES
Alliance Trust Investors SF Global Growth	★★★★	YES
Alliance Trust Investors SF Managed	★★★★	YES
Impax Asian Environmental	★★★★	YES
Impax Environmental Markets Fund	★★★★	YES
Impax Environmental Markets PLC	★★★★	YES
ishares Global Water UCITS ETF	★★★★	YES
ishares US Medical Devices	★★★★	YES
JSS Sustainable Water	★★★★	YES
Jupiter Ecology	★★★★	YES
Old Mutual Ethical	★★★★	YES
Pictet Water	★★★★	YES
Robeco SAM Sustainable Water	★★★★	YES
Triodos Sustainable Equity	★★★★	YES
Vontobel Clean Technology	★★★★	YES
Alliance Trust Investors SF Cautious Managed	★★★	YES
Alliance Trust Investors SF Corporate Bond	★★★	YES
Alliance Trust Investors SF Defensive Managed	★★★	YES
Alliance Trust Investors SF European Growth	★★★	YES
Alliance Trust Investors SF UK Growth	★★★	YES
Alliance Trust Investors UK Ethical	★★★	YES
BMO F&C Responsible Global Equity	★★★	NO
Edentree Amity UK	★★★	NO
Guinness Asset Management Alternative Energy	★★★	NO
Henderson Global Care Growth	★★★	YES
Henderson Global Care Managed	★★★	NO

<b>Ethical &amp; Environmental Funds</b>	<b>3D star rating</b>	<b>3D Portfolio?</b>
Henderson Global Care UK Income	★ ★ ★	YES
ishares Global Clean Energy UCITS ETF	★ ★ ★	NO
ishares Global Timber & Forestry UCITS ETF	★ ★ ★	NO
Jupiter Green	★ ★ ★	YES
Kames Capital Ethical Corporate Bond	★ ★ ★	YES
Lyxor ETF World Water	★ ★ ★	NO
Market Vectors Global Alternative Energy	★ ★ ★	NO
Market Vectors Solar Energy ETF	★ ★ ★	NO
Menhaden	★ ★ ★	NO
Pacific Assets Trust	★ ★ ★	YES
Powershares Global Water UCITS ETF	★ ★ ★	NO
Quilter Cheviot Climate Assets	★ ★ ★	YES
Rathbone Ethical Corporate Bond	★ ★ ★	YES
Royal London Sustainable Diversified	★ ★ ★	YES
Royal London Sustainable Managed Growth	★ ★ ★	YES
Royal London Sustainable Managed Income	★ ★ ★	NO
Stewart Investors Asia Pacific Sustainability	★ ★ ★	YES
Stewart Investors Global Emerging Markets Sustainability	★ ★ ★	YES
Stewart Investors Worldwide Sustainability	★ ★ ★	YES
7im Sustainable Balanced	★ ★	NO
Aberdeen Multimanager Ethical	★ ★	NO
Alquity Asia	★ ★	NO
Alquity Future World	★ ★	NO
Alquity Indian Subcontinent	★ ★	NO
Alquity Latin America	★ ★	NO
AXA IM Ethical Distribution	★ ★	NO
BGF New Energy	★ ★	NO
BMO F&C Responsible Sterling Bond	★ ★	NO
BMO F&C Responsible UK Equity Growth	★ ★	NO
BMO F&C Responsible UK Income	★ ★	NO
Candriam Equities Sustainable Emerging Markets	★ ★	NO
Conbrio Best Income	★ ★	NO



<b>Ethical &amp; Environmental Funds</b>	<b>3D star rating</b>	<b>3D Portfolio?</b>
Eden Tree Amity European	★★★	NO
Edentree Amity Sterling Bond	★★★	NO
Jupiter Responsible Income	★★★	NO
Kames Capital Ethical Cautious Managed	★★★	NO
Kames Capital Ethical Equity	★★★	NO
L&G Global Environmental Enterprises	★★★	NO
Leaf Clean Energy	★★★	NO
MAN GLG Global Sustainability Equity	★★★	NO
Pictet Clean Energy	★★★	NO
Pictet Environmental Megatrend	★★★	NO
Pictet European Sustainable Equities	★★★	NO
Pictet Timber	★★★	NO
Powershares Global Clean Energy UCITS ETF	★★★	NO
Robeco SAM Smart Energy	★★★	NO
Royal London Ethical Bond	★★★	NO
Royal London Sustainable Leaders	★★★	NO
Royal London Sustainable World	★★★	NO
Sarasin Equisar Socially Responsible	★★★	NO
Sarasin Sustainable Equity - Real Estate Global	★★★	NO
Standard Life Ethical Corporate Bond	★★★	NO
Standard Life European Ethical	★★★	NO
Standard Life UK Ethical	★★★	NO
UBS MSCI Pacific Socially Responsible UCITS ETF	★★★	NO
UBS ETF (LU) MSCI Europe&Middle East S. R. UCITS ETF	★★★	NO
UBS ETF (LU) MSCI World Socially Responsible UCITS ETF	★★★	NO
Vontobel Sustainable Asian Leaders	★★★	NO
Vontobel Sustainable Global Leaders	★★★	NO
Aberdeen Ethical World	★★	NO
Aberdeen Responsible UK Equity	★★	NO
Alquity Africa	★★	NO
Candriam Equities Sustainable North America	★★	NO
Candriam Equities Sustainable World	★★	NO

<b>Ethical &amp; Environmental Funds</b>	<b>3D star rating</b>	<b>3D Portfolio?</b>
Dimensional Global Sustainability Core Equity	★	NO
Eden SRI	★	NO
Edentree Amity International	★	NO
Family Charities Ethical	★	NO
Goldman Sachs Global Responsible Equity Portfolio	★	NO
Halifax Ethical	★	NO
iShares Dow Jones Europe Sustainability Screened ETF	★	NO
iShares Dow Jones Global Sustainability Screened ETF	★	NO
JSS Sustainable Equity New Power	★	NO
L&G Ethical	★	NO
Ludgate Environmental	★	NO
Market Vectors Environmental Services ETF	★	NO
Pictet Emerging Markets Sustainable Equities	★	NO
Premier Ethical	★	NO
Robeco SAM Smart Materials	★	NO
Royal London UK Equity Ethical	★	NO
Schroder Climate Change Equity	★	NO
Scottish Widows Environmental	★	NO
Scottish Widows Ethical	★	NO
Socially Responsible Investment Fund PCC	★	NO
Sparinvest Ethical Global Value	★	NO
St James Place Ethical	★	NO
SVM All Europe SRI	★	NO
UBS ETF (LU) MSCI North America S. R. UCITS ETF	★	NO
UBS MSCI Emerging Markets Socially Responsible UCITS ETF	★	NO
UBS MSCI UK IMI Socially Responsible UCITS ETF	★	NO
Unicorn Ethical Income	★	NO
Vanguard SRI European Stock	★	NO
Vanguard SRI Global Stock	★	NO
Virgin Climate change	★	NO
Vontobel New Power	★	NO
Way Green Portfolio	★	NO

# 3D INVESTING RATINGS OF SOCIAL AND ENVIRONMENTAL INFRASTRUCTURE

Social & Environmental Infrastructure	3d rating	3D Portfolio?
Assura	★★★★	YES
Bluefield Solar	★★★★	YES
Brookfield Renewable Power	★★★★	YES
Foresight Solar	★★★★	YES
GCP Infrastructure	★★★★	YES
Greencoat Wind	★★★★	YES
Hannon Armstrong Sustainable Infrastructure	★★★★	YES
Innergex	★★★★	YES
John Laing Environmental Assets	★★★★	YES
LTC Properties	★★★★	YES
NextEnergy Solar Fund	★★★★	YES
Primary Healthcare Properties	★★★★	YES
Empiric Student Accommodation	★★★	YES
GCP Student Living	★★★	YES
HICL	★★★	YES
International Public Partnerships	★★★	YES
Medical Properties Trust	★★★	YES
MedicX	★★★	YES
Target Healthcare	★★★	YES
The Renewable Investment Group	★★★	YES
Ventas	★★★	YES

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**W**hether anonymously, under a pseudonym, or with your name published loud and clear.

Journalism is changing rapidly through a digital and social media revolution. It is no longer the preserve of press barons and elite groups; journalism is now democratic and everyone has a voice.

And though that means there's a lot of noise and rubbish out there, there's a lot of great stuff too.

The role of media has changed. We still write stories every day about the amazing people and organisations that make a positive difference to the world in which we live, but we also promote and publish the most relevant blogs, tweets and articles from our readers.

We want to report on the diverse voices of our audience and beyond—regular people writing as travellers, investors and consumers.

So, if you blog, tweet or write about sustainability we want to hear from you. You don't need to be an experienced or aspiring writer or worry about article length, spelling or grammar—we'll tidy that up for you.

We can't publish everything, but if it's likely to resonate with our readers or challenge them in some way, you'll fly to the top of our list.

Join us today by emailing [editor@blueandgreentomorrow.com](mailto:editor@blueandgreentomorrow.com) with your thoughts and contributions.



Dear reader,

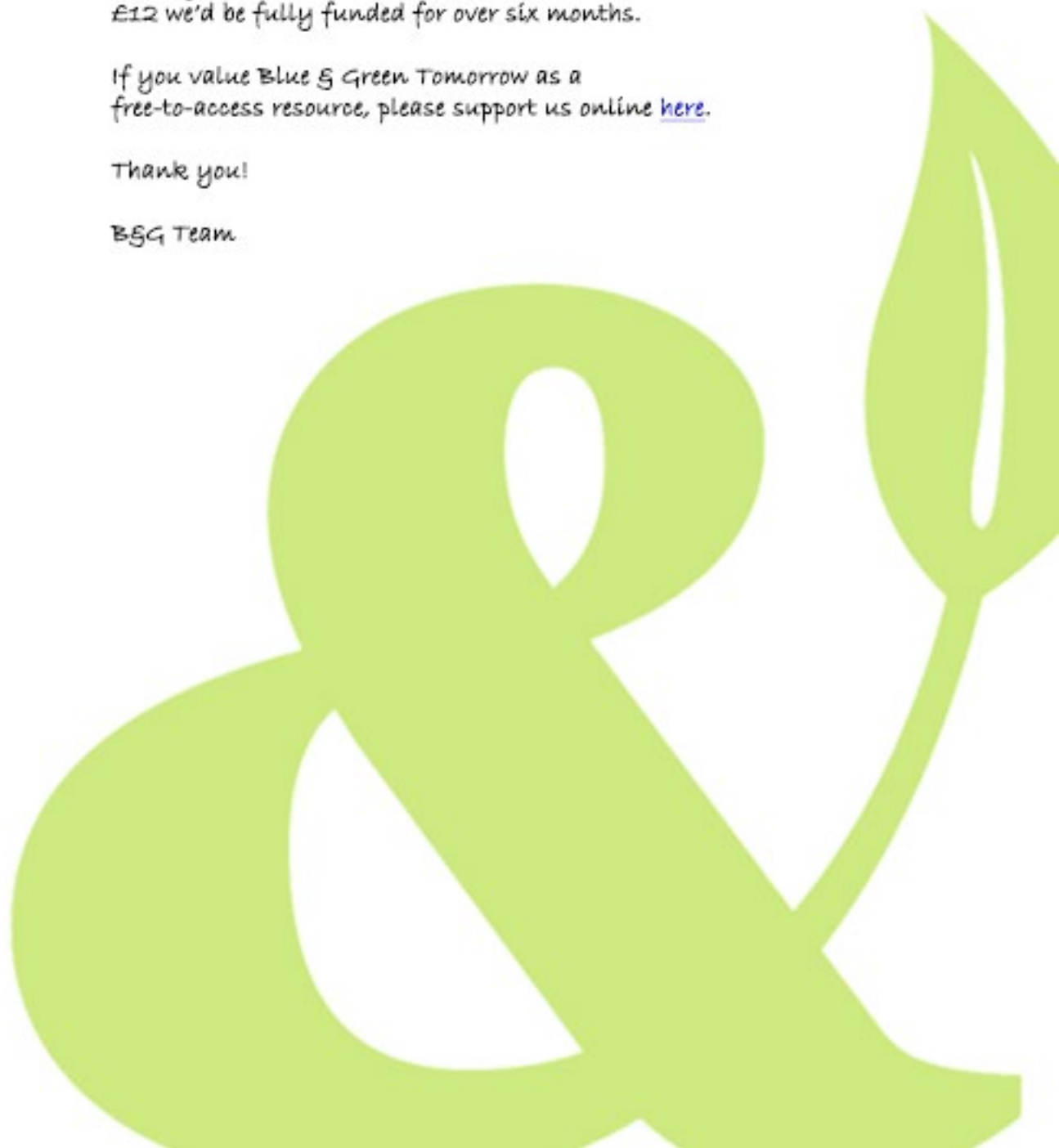
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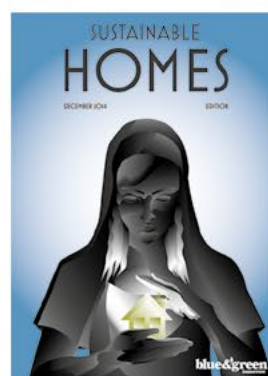
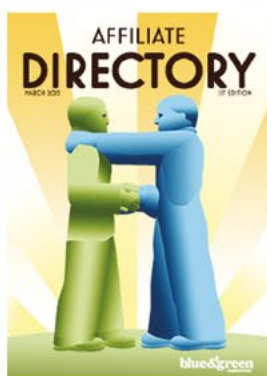
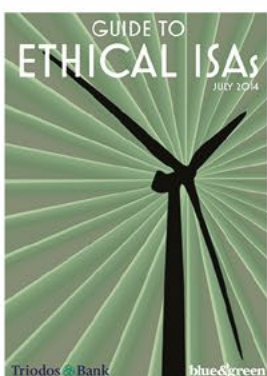
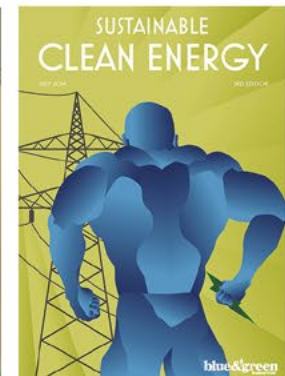
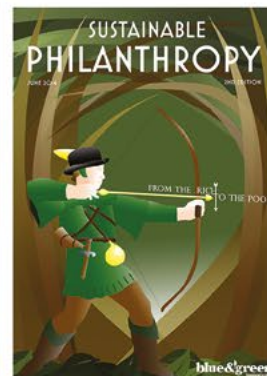
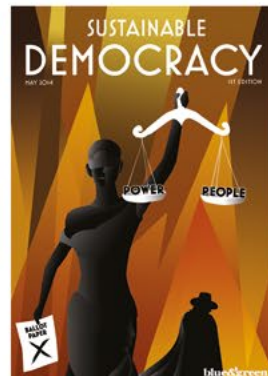
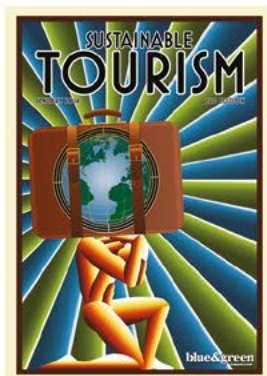
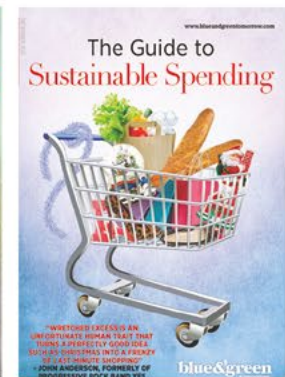
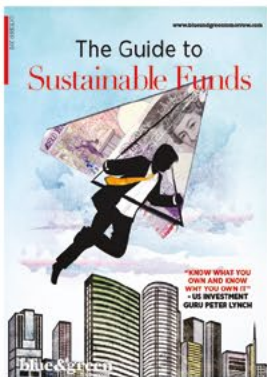
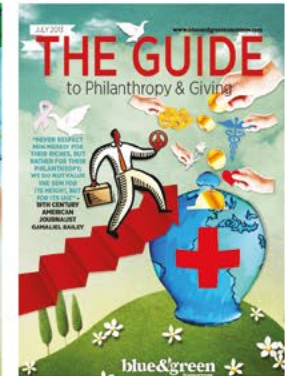
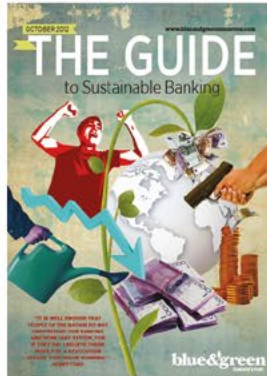
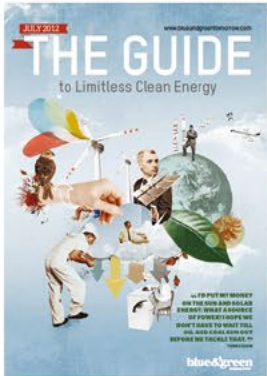
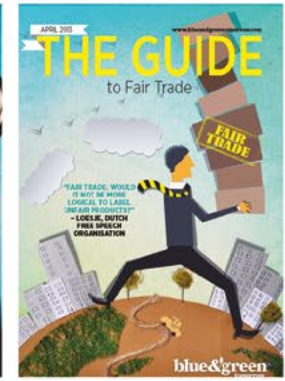
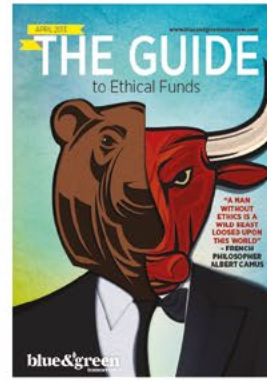
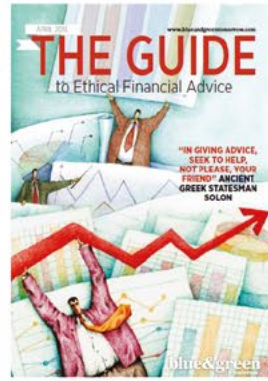
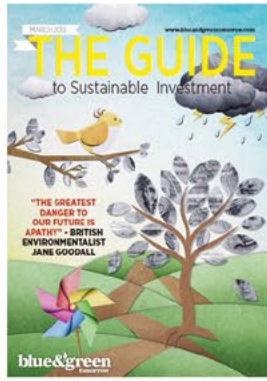
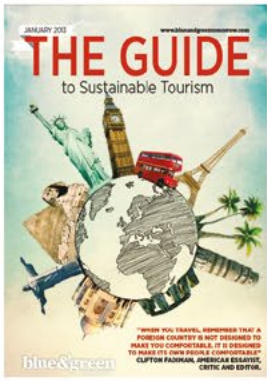
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