



Tesla-driving manager: You can be ethical and still make money

FUND FOCUS

UNTIL this Friday, it is 'good money week' – a few days when the financial services industry gets together and encourages people to think about their finances from an ethical point of view. Everything from green investments, ethical bank accounts and corporate bonds.

Overseen by the UK Sustainable Investment and Finance Association and now in its 11th year, a big theme this time around is on encouraging more women to invest – not just ethically but across the board.

One of the sponsors of the week's events is asset manager Liontrust, a company which is now making a name for itself in 'sustainable investments'. Overseen by Peter Michaelis, the 13-strong 'sustainable' investment team looks after assets in excess of £3 billion across ten investment funds – from corporate bonds through to multi-asset and equity portfolios. To put this into context, Liontrust manages in total £11 billion.

The team's flagship is Liontrust Sustainable Future Managed, an £842 million fund run by Michaelis and colleague Simon Clements. Michaelis, who has solar panels on the roof of his home and drives around in a Tesla electric car, has a long history of investing in

FACTS AT A GLANCE

SIZE AND RETURNS:

£842million. One year, +13%; three years, +48%; five years, +66%.

MANAGERS AND TENURE:

Peter Michaelis, since February 2001 (launch). Simon Clements, since November 2010.

THE BIG RIVALS:

They include funds F&C Responsible Global Equity, Halifax Ethical and Janus Henderson Global Sustainable Equity. Investment trusts include Jupiter Green Investment.

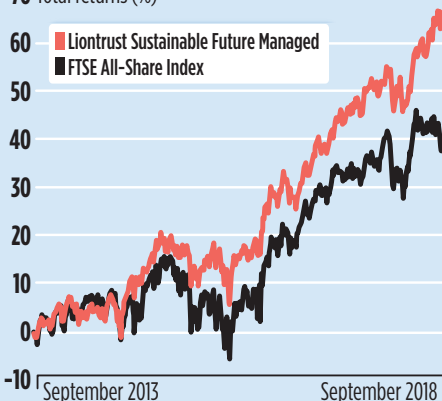
HOW TO INVEST:

The trust is best bought via an online fund supermarket. The ongoing annual charge is 0.85 per cent. An additional platform may also apply.

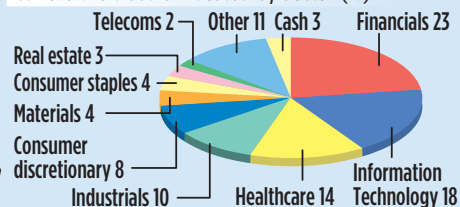
LIONTRUST SUSTAINABLE FUTURE MANAGED

Outperformance from an eco-friendly fund

70 Total returns (%)



Where the trust is invested by sector (%)



... And by geographic breakdown (%)

UK	46	Italy	1
United states	32	Australia	1
Japan	4	Canada	1
Germany	3	Others	7
Norway	2	Cash	3

socially responsible companies, starting with investment house Morley – part of Aviva – and then moving on to Dundee-based Alliance before ending up with Liontrust last year.

He welcomes the profile that good money week gives his team's particular investment bent. Television programmes such as Blue Planet, he says, have also showcased the need to support industries capable of building a sustainable world.

The prime focus of Michaelis's team is to identify those companies it believes will improve people's lives – whether by empowering them financially,

pushing through major medical advancements or ensuring better use of the world's finite resources. The result is a bias towards financial and health stocks.

The Managed fund's biggest sector position is in financials – through stocks such as investment platform Hargreaves Lansdown and insurer Prudential. Michaelis says: 'Hargreaves Lansdown is making investing simpler for people. That is a positive societal force for good. Equally, Prudential's powerful presence in Asia is encouraging millions of people to think for the first time about insurance and long-term saving.'

In healthcare, the fund is target-

ing companies striving to deliver more affordable solutions. A favourite stock is US-based biotech company Thermo Fisher Scientific. Michaelis adds: 'This is a company leading the way in gene sequencing and helping fight the battle against cancer.'

Not everyone is keen on the investment sector that Michaelis is part of. Brian Dennehy, a director of FundExpert, says ticking an ethical investment box 'comes at considerable cost' for investors because it excludes them from the 'vast majority of successful investment funds'.

Michaelis's response is to draw attention to the Managed fund's

performance over the past five years – which is in excess of the FTSE All-Share Index. He says: 'If you look at old pictures of New York's Times Square in the early 1900s they are dominated by horse and carts. Twenty years later, it was the car. Similarly, the days of the combustion engine dominating our roads are drawing to an end. The future is electric.'

Not surprisingly, none of the Managed fund's portfolio is invested in the world's major car manufacturers. Instead, it has holdings in companies such as the German semiconductor manufacturer Infineon. Visit goodmoneyweek.com.

■ Jeff Prestridge

BACKING WEALTH AND HEALTH

TOP EQUITY HOLDINGS (%)

Ecolab (US)	1.9
Kingspan (UK)	1.9
Eli Lilly & Company (US)	1.9
PerkinElmer (US)	1.8
Iqvia Holdings (US)	1.8
GlaxoSmithKline (UK)	1.7
Thermo Fisher Scientific (US)	1.6
Prudential (UK)	1.6

SOURCE: FINANCIAL EXPRESS