

Heartwood Investment Management launches four sustainable multi asset funds

Heartwood Investment Management (“Heartwood”), the asset management arm of Handelsbanken in the UK, today announces the launch of four sustainable multi asset funds designed to make sustainable investing accessible to everyone, regardless of portfolio size and risk tolerance, without compromising performance.

The funds – **Defensive Sustainable**, **Cautious Sustainable**, **Balanced Sustainable**, and **Growth Sustainable** will be actively managed with the same investment process as Heartwood’s core total return funds. Each of the funds has a clear target return benchmark and aims to deliver a positive real return over a five-year period.

Co-managed by Ben Matthews and Matt Toms with the support of a wider investment team, Heartwood’s sustainable investment process is built around three pillars:

1. **Exclusions** – negatively screen out businesses with significant revenue exposure to tobacco, alcohol, weapons, adult entertainment or gambling.
2. Strong **Environmental, Social & Governance (ESG)** integration – invest to incentivise corporates and governments to improve their environmental, social and governance impact.
3. **Impact investing** – investments which contribute to solving environmental and social problems and align with the United Nations Sustainable Development Goals, for example, social housing or renewable energy generation.

Heartwood began its research into developing a rich multi asset sustainable proposition in 2013 and created four global multi asset sustainable strategies across the risk spectrum – Defensive, Cautious, Balanced and Growth. It has successfully run portfolios since March 2016 for Balanced and Growth, and October 2017 for Defensive and Cautious. Since inception, the Balanced Sustainable strategy has achieved a total return of 24.2% compared to 21.4% for the core Balanced strategy (as at 31 August 2019) over the same period.

Noland Carter, Head of Heartwood Investment Management and Chief Investment Officer said: “Our range of sustainable funds offer investors a different approach. Unlike other strategies, our funds are truly multi asset, not just equities or bonds, and we provide solutions across the entire risk spectrum. We’re targeting positive outcomes across the whole of ESG – not just one theme – and by including ESG-integrated and impact investments rather than relying on negative screening, we can access a much broader investment universe.”

Ben Matthews said: “Having successfully trialled these strategies for over three years, we’ve seen significant growth in demand across our entire investor base, and we expect this trend to continue. Our trial period revealed that our sustainable strategies achieved similar returns to our core strategies and so we are confident that investing sustainably does not compromise performance.”

Matt Toms added, “Alongside the financial targets, our sustainable funds look to achieve two sustainable goals: to incentivise corporates and governments to improve their environmental, social and governance impact, and to make investments that contribute to solving ESG problems and align with the United Nations Sustainable Development Goals. A positive impact with a positive return.”

Heartwood Investment Management is owned by Handelsbanken, which is a sustainably focused bank with €28bn under management in sustainable funds.

Heartwood is a global multi asset investment manager that offers a range of multi asset investment strategies intended to suit various risk appetites. Its straightforward investment proposition is designed to optimise the expertise of a high calibre, experienced team of professionals to benefit clients with portfolios of all sizes.

For further information on Heartwood Investment Management, please visit:

www.heartwoodgroup.co.uk

For further information, please contact:

Aramide Debo-Aina or Patrick Evans

Citigate Dewe Rogerson

Tel no: 020 7025 6406

Email: aramide.debo-aina@citigatedr.co.uk or patrick.evans@citigatedr.co.uk

Notes to Editors – Important information

Heartwood Investment Management (Heartwood) is a trading name of Heartwood Wealth Management Ltd which is authorised and regulated by the Financial Conduct Authority (FCA) in the conduct of investment business, and is a wholly owned subsidiary of Handelsbanken plc.

Heartwood Investment Management provides investment management services for individuals, financial advisers and charities. Heartwood currently has £3.8 billion of assets under management and administration as at 30 June 2019. Nothing in this press release constitutes advice to undertake a transaction and professional advice should be taken before investing.

The new funds, which were launched on 8 July 2019, are:

- LF Heartwood Defensive Sustainable Multi Asset Fund
- LF Heartwood Cautious Sustainable Multi Asset Fund
- LF Heartwood Balanced Sustainable Multi Asset Fund
- LF Heartwood Growth Sustainable Multi Asset Fund

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Past performance should not be seen as a reliable indicator of future results. The value of investments may fall as well as rise, so you may not realise the amount originally invested