

All-in-One: Sustainable Multi-Asset Funds

Stockholm (HedgeNordic) – Heartwood Investment Management, the asset management arm of Swedish bank Handelsbanken in the United Kingdom, has launched four sustainable multi-asset funds with different risk-return profiles. The four funds are actively managed using the same investment process used to run Heartwood's core total return funds, which invest in a diverse range of asset classes such as equities, bonds, property and alternatives.

Each of the four funds – Defensive Sustainable, Cautious Sustainable, Balanced Sustainable and Growth Sustainable – has a clear target return benchmark and aims to generate a positive real return over a five-year period. The launch of this suite of sustainable multi-asset funds is designed to make sustainable investing accessible to all investors regardless of portfolio size and risk tolerance without compromising performance.

The new range of sustainable funds is co-managed by Ben Matthews and Matt Toms with the support of a larger investment team. Heartwood's sustainable investment process relies on three pillars: exclusions; Environmental, Social & Governance (ESG) integration; and impact investing.

Heartwood started its research on multi-asset sustainable prepositions in 2013 and has run portfolios for Balanced and Growth since March 2016 and for Defensive and Cautions since October 2017. The Balanced Sustainable strategy, for instance, delivered a total return of 24.2 percent since inception through the end of August, compared to the 21.4 percent provided by Heartwood's core Balanced strategy over the same period. Heartwood's core strategies invest across various asset classes, including equities, bonds and alternatives such as commodities, hedge funds, real estate and infrastructure.

"Our range of sustainable funds offer investors a different approach," said Noland Carter, Head of Heartwood Investment Management and Chief Investment Officer, in a press release. "Unlike other strategies, our funds are truly multi asset, not just equities or bonds, and we provide solutions across the entire risk spectrum," he added. "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."

Heartwood Investment Management is owned by Handelsbanken, which acquired the multi-asset boutique investment manager in 2013. Handelsbanken oversees €28 billion under management in sustainable funds.

Photo by twinsfisch on Unsplash