

AMITY INSIGHT

# HEALTHCARE:

Life ethics explored



# AMITY INSIGHT: HEALTHCARE

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By **Ketan Patel** CFA (EdenTree)  
and **Hazel Goedhart** (Sustainalytics)

Healthcare is one of our 9 positive Environmental, Social and Governance (ESG) pillars at EdenTree Investment Management. We seek out companies in the industry that are not only profitable, but also have a positive impact on the environment and the communities in which they operate, through improving access to medicine and delivering affordable healthcare. This Insight is an update on the healthcare industry, which we last reviewed over 5 years ago.

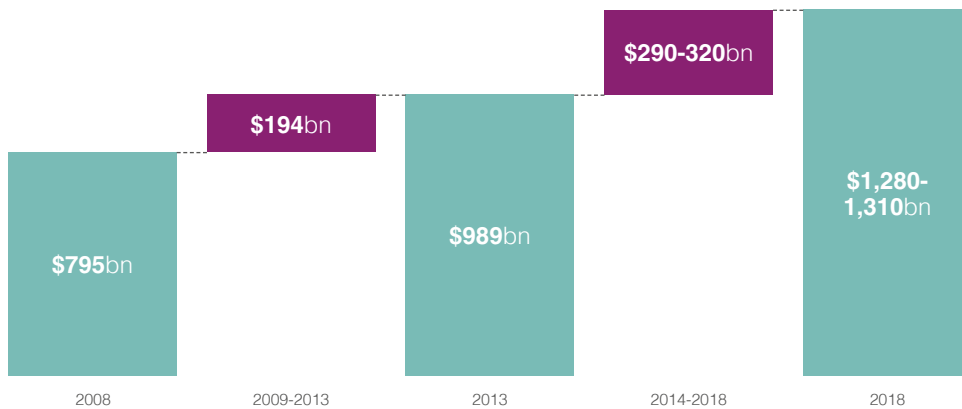
The pharmaceutical sector was then going through a difficult period with poor returns from R&D, a tougher regulatory environment, national healthcare budgets under pressure, patent expirations and increasing competition from generic companies. The sector and the wider industry have undergone a renaissance in recent years with a return to R&D productivity, a receding patent cliff and a return to growth in both developed and emerging markets via favourable demographics and rising incomes.

This Insight, produced in conjunction with Sustainalytics, our ESG data provider, reviews the direction of travel for the industry and also examines the salient issues for responsible investors, in particular life ethics – abortifacients, contraception and stem cells. The legitimate concerns over data privacy are also examined. The opinions, both in terms of policy and investments, expressed are those of EdenTree Investment Management. Whilst from an investment perspective, there is no material involvement in most life ethics issues for the largest pharmaceutical companies, we are cognisant that certain aspects of life ethics remain controversial and sensitive for many investors. In addition, some of these issues are in the very early stages of development and we therefore remain committed to engage with companies and the wider industry.

# GLOBAL PHARMACEUTICAL MARKET

The market for global spending on medicines is forecast to reach \$1.3 trillion by 2018, a 30% increase on 2013. The US continues to lead developed markets, followed by the 21 pharmerging countries, which are forecast to account for nearly 50% of absolute growth in 2018. China will cement its position as the second largest pharmaceutical market with spending expected to reach \$155-185bn in 2018.<sup>1</sup> In terms of per capita, the dominance of North America, Japan and Europe will go unchallenged. In developing markets, over 80% of growth will be underpinned by generic medicines, whilst developed markets will be dominated by speciality medicines, primarily in oncology, autoimmune, respiratory, anti-virals and immunosuppressants.

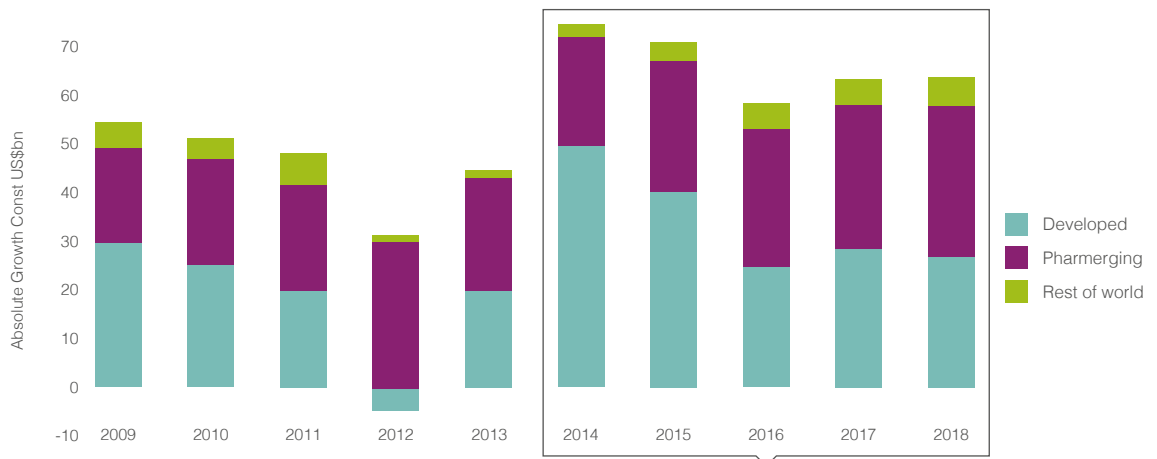
## GLOBAL SPENDING AND GROWTH, 2008-2018



Source: IMS Market Prognosis, September 2014.

### 2009-13 GROWTH \$219BN

### 2014-18 GROWTH \$305-335BN



Source: IMS Market Prognosis, September 2014.

Developed: U.S., Japan, Germany, France, Italy, Spain, U.K., Canada, South Korea.  
 Pharmerging: China, Brazil, Russia, India, Algeria, Argentina, Colombia, Egypt, Indonesia, Mexico, Nigeria, Pakistan, Poland, Romania, Saudi Arabia, South Africa, Thailand, Turkey, Ukraine, Venezuela, Vietnam.

1. IMS Institute, November 2014.



# POTENTIAL FOR GROWTH

## LONG-TERM DRIVERS

The long-term growth of the market is driven by demographics, economic development and major health issues:

### Demographics

- Population growth
- Ageing population

### Economic development in developing world

- Strong correlation between healthcare spending and GDP
- Growing middle class
- Rapid urbanisation
- Increased access to healthcare systems – 95% of the population in China is now covered by public health insurance plans

### Major health issues<sup>1</sup>

- Increase in lifestyle disorders – obesity, diabetes and cardiovascular diseases. 80% of people with diabetes globally reside in low and middle income countries
- Air pollution and smoking contributing to the growth of cancer and respiratory diseases
- HIV, hepatitis and tuberculosis. Spending on oncology and HCV forecast to rise to \$100bn by 2018

## YIELD, GROWTH AND VALUATION

The pharmaceutical sector which dominates healthcare is attractively positioned, with companies offering rising dividend yields and good growth prospects, all on undemanding valuations.

### Financial strength

- Free cash flow yields of 5%
- Dividend yields of 3-5%
- Robust balance sheets
- Undemanding valuations

### Favour European companies

- Greater diversification
- Receding patent cliff
- Increased presence in emerging markets
- Relatively inexpensive valuations
- Clear ESG leaders

### Japan – structural laggard

- Constrained by regulatory environment – price cuts every 2 years
- Anaemic R&D output
- Relatively expensive valuation



1. IMS Institute, November 2014. 2. 2014 ATM Index, [www.accessmedicineindex.org](http://www.accessmedicineindex.org)

# AMITY PILLAR – HEALTHCARE

**Healthcare is one of the 9 positive pillars of the Amity Fund Range. We look to invest in healthcare companies, across the whole value chain, that are assisting in delivering Affordable Healthcare and improving Access to Medicine – especially to the developing world.**

## AFFORDABLE HEALTHCARE

We look for companies that are helping to bring affordable healthcare through:

- Reducing the prices of patented medicines in less developed countries
- Preferential pricing of vital drugs through licensing and technology transfer deals with generic companies
- Community investment and philanthropy programmes
- Partnerships to tackle neglected diseases e.g. malaria and ebola
- R&D investment in diseases of importance for the developing world

## ACCESS TO MEDICINE

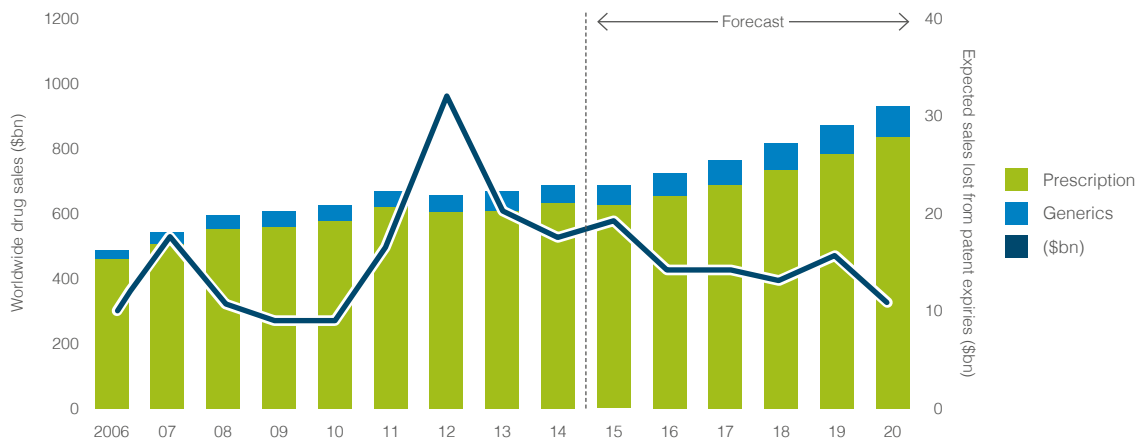
EdenTree Investment Management are signatories to the 'Access to Medicine Index' – a biennial index, built collaboratively with ESG data provider Sustainalytics, which ranks the largest global pharmaceutical companies across 7 technical and 4 strategic pillars. Based on the index's best-in-class approach, GlaxoSmithKline scored at the top of the list for the fourth consecutive time in 2014.<sup>2</sup> A separate SRI Expert Briefing is available on the EdenTree website looking at the 2014 index results in greater detail. Examples of how pharmaceutical companies have committed to improve access to medicine include:

- Patient assistance programmes
- Patient education
- Target 8e of the UN Millennium Development Goals:
  - Provide access to affordable essential drugs in developing countries
- Innovative pricing:
  - Reducing taxes, tariffs and margins and developing pricing policies
- R&D for rare and neglected diseases
- Strengthening healthcare systems

# SECTOR ON THE MEND

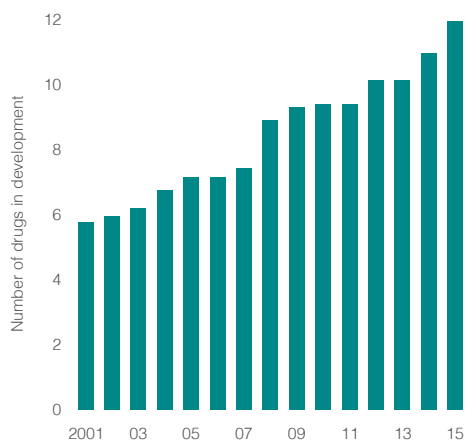
The golden age of innovation for the pharmaceutical sector was in the 1990s, which was followed by a barren period from 2000. However, the sector is very much on the mend on two fronts – a receding patent cliff and greater returns from R&D. The patent cliff, which peaked in 2012 has receded, removing a large overhang – \$37bn of sales were lost to generic competition in 2012, but this is forecast to drop to \$12bn in 2020. The industry has leveraged the sequencing of the human genome 15 years ago to develop a greater understanding of disease diagnosis and treatment. A record 61 drugs launched in 2014, compared to the annual average of 34 in the previous decade. 11 blockbuster drugs (sales of \$1bn+) are expected to launch in 2015 (up from 3 in 2014).<sup>1</sup>

## FEWER DRUG PATENTS COMING TO END OF LIFE



Source: FT 13.07.15.

## GLOBAL R&D PIPELINE



Source: FT 13.07.15.

## NEW GLOBAL DRUG LAUNCHES



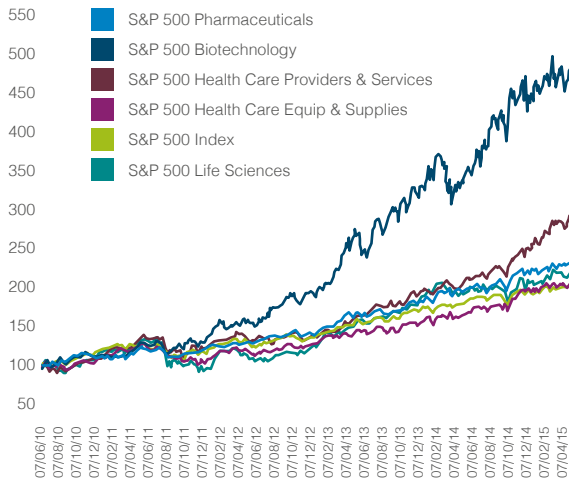
Source: FT 13.07.15.

1. FT, 13.07.15.

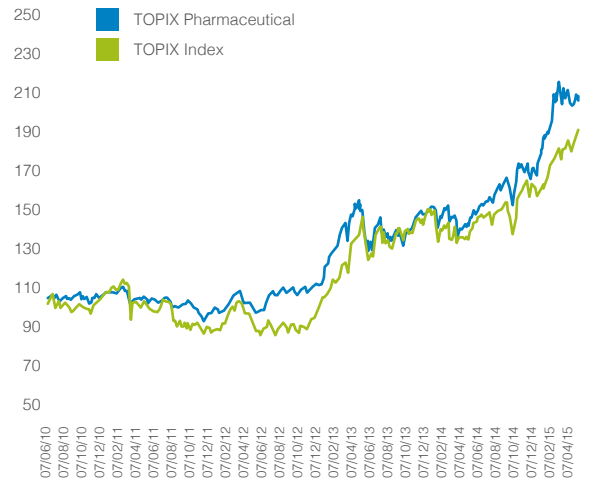
Long-term investors in the healthcare sector have enjoyed stellar returns over the past 5 years, with US biotech companies leading the way. The US market has traditionally been the deepest and widest in terms of investment choice, but there has been a renaissance in UK healthcare, especially in the small and mid cap space. EdenTree Investment Management Funds have taken part in several IPOs and capital raises by listed companies in the wider healthcare sector. We continue to see good opportunities across all parts of the value chain in the UK and further afield.

## DELIVERING LONG-TERM PERFORMANCE GLOBALLY

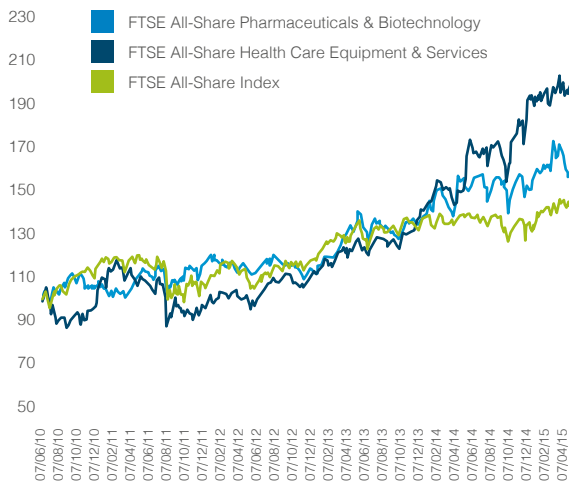
### US



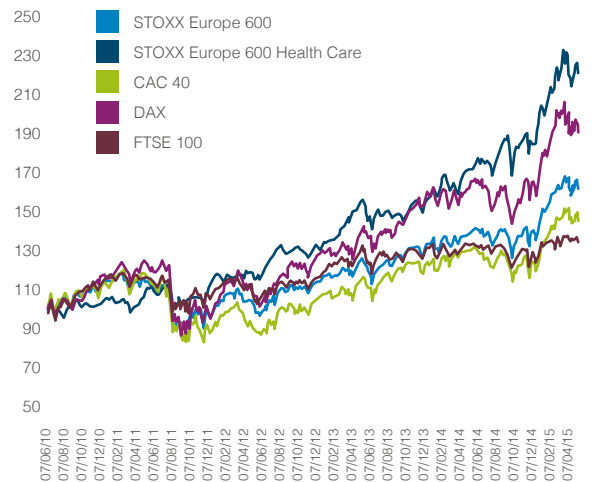
### JAPAN



### UK



### EUROPE



Source: Bloomberg.



# RESPONSIBLE INVESTOR ISSUES

**The healthcare sector throws up several salient issues for the responsible investor encompassing business practices, labour relations, environmental management and community relations.**

There are a large number of sub-issues to be considered:

## **Business practices**

Animal testing, ethical conduct in clinical trials, product quality & safety, ethical conduct in sales & marketing, lobbying and anti-competitive behaviour and data privacy

## **Labour relations**

Health & safety and human capital

## **Environmental management**

Emissions, effluents and waste and water management

## **Healthcare**

Access to medicines and affordable healthcare

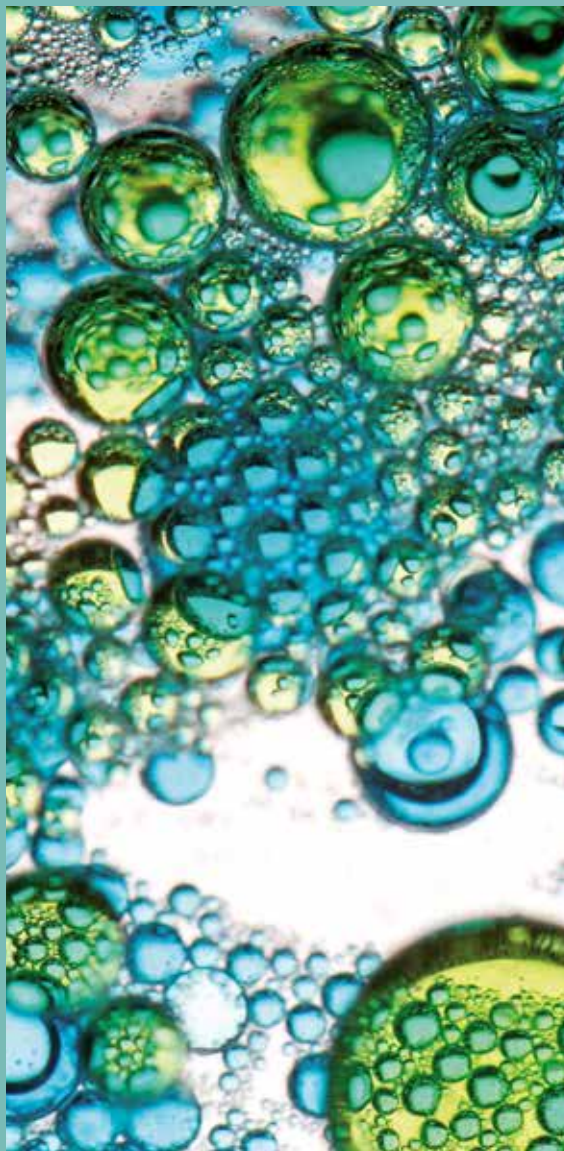
## **Community relations**

Product donations and philanthropic activities

The sector has endured a torrid time in the last decade, dealing with global scandals across several fronts – bribery & corruption, unethical marketing & sales practices, poor data transparency, failed products endangering patients and accusations of profiteering. Whilst there is much to be critical of, companies across the whole value chain have made great strides to embrace corporate responsibility. The industry remains uniquely positioned in being not only dedicated to saving lives, but also responsible for delivering strong returns to shareholders, the economy and society.

The industry faces several challenges in the form of tougher regulation, complex markets in the developing world and new disruptive technologies. Companies which embed ESG at the core of their business models will be best placed not only to remain profitable, thereby delivering long-term sustainable returns to shareholders, but also to fulfil their obligations to society more widely. At EdenTree, we believe that via effective engagement, we can monitor direction of travel of companies, to ensure that the interests of all stakeholders – patients, healthcare systems, companies and investors – are fully considered.

We have already examined two key areas for responsible investors in this and previous Amity Insights – Affordable Healthcare and Access to Medicines. The focus of this Amity Insight is on two key areas. Firstly, life ethics examining contraception, abortifacients and stems cells and finally looking at the challenges and opportunities companies are facing when managing data privacy and security.





# LIFE ETHICS ISSUES

## CONTRACEPTION

The World Health Organisation (WHO) estimates the population with an unmet need for contraception is 225m women in the developing world.<sup>1</sup> Contraception has a vital role in helping to deliver on three of the eight targets set by the UN Millennium Development Goals – improve maternal health, combat HIV/AIDS and reduce child mortality. Access to effective contraception empowers women not only to plan families, but also to improve their education, employment and life chances.

There is still an important unmet need for contraception, especially in sub-Saharan Africa and Oceania, where only 28% and 39% of women respectively use at least one method of contraception.<sup>2</sup>

New HIV infections fell by approximately 40% between 2000 and 2013, from an estimated 3.5 million cases to 2.1 million.<sup>3</sup>

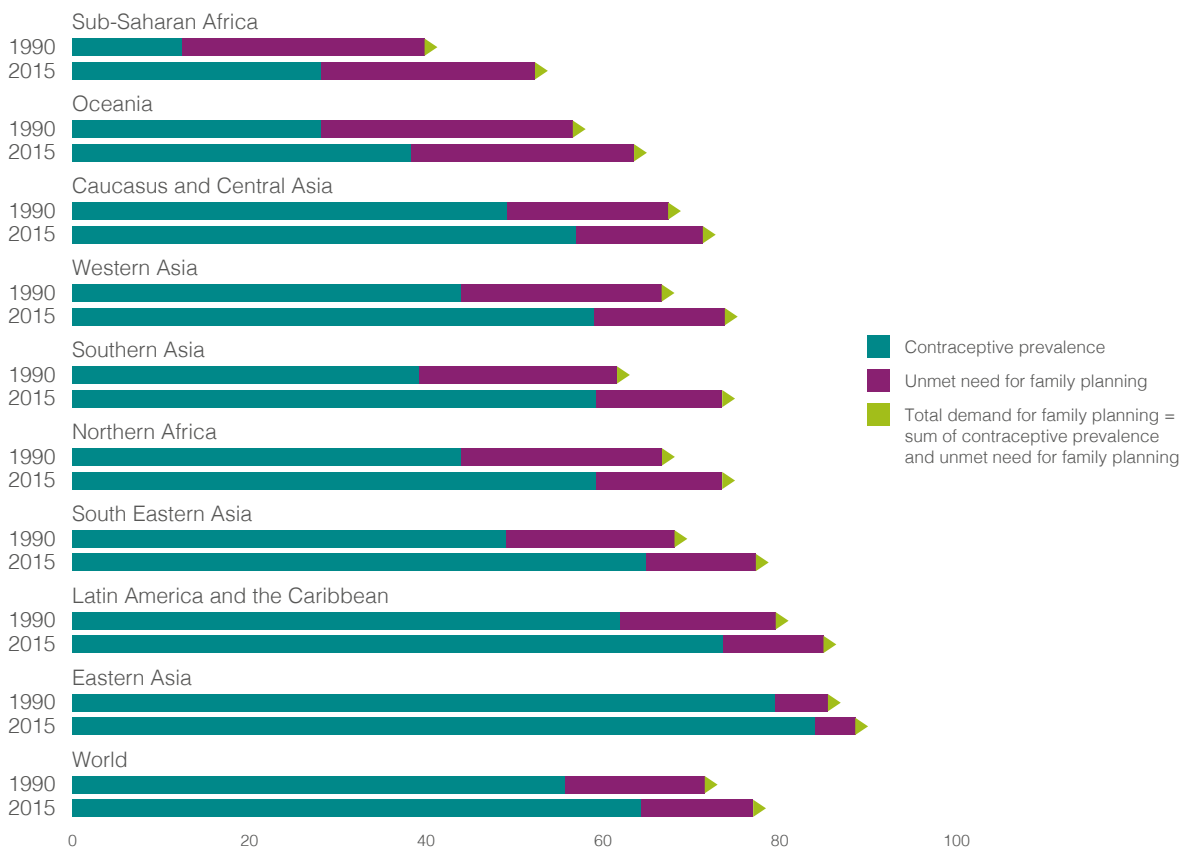
Worldwide, the birth rate among adolescent girls aged 15 to 19 has declined from 59 births per 1,000 girls in 1990 to 51 births in 2015.<sup>4</sup>

## COMPANY INVOLVEMENT

The largest pharmaceutical companies have a very modest exposure to contraceptives, with the space being increasingly dominated by generic manufacturers and consumer health companies.

## THE NEED FOR FAMILY PLANNING

Women aged 15-49 worldwide

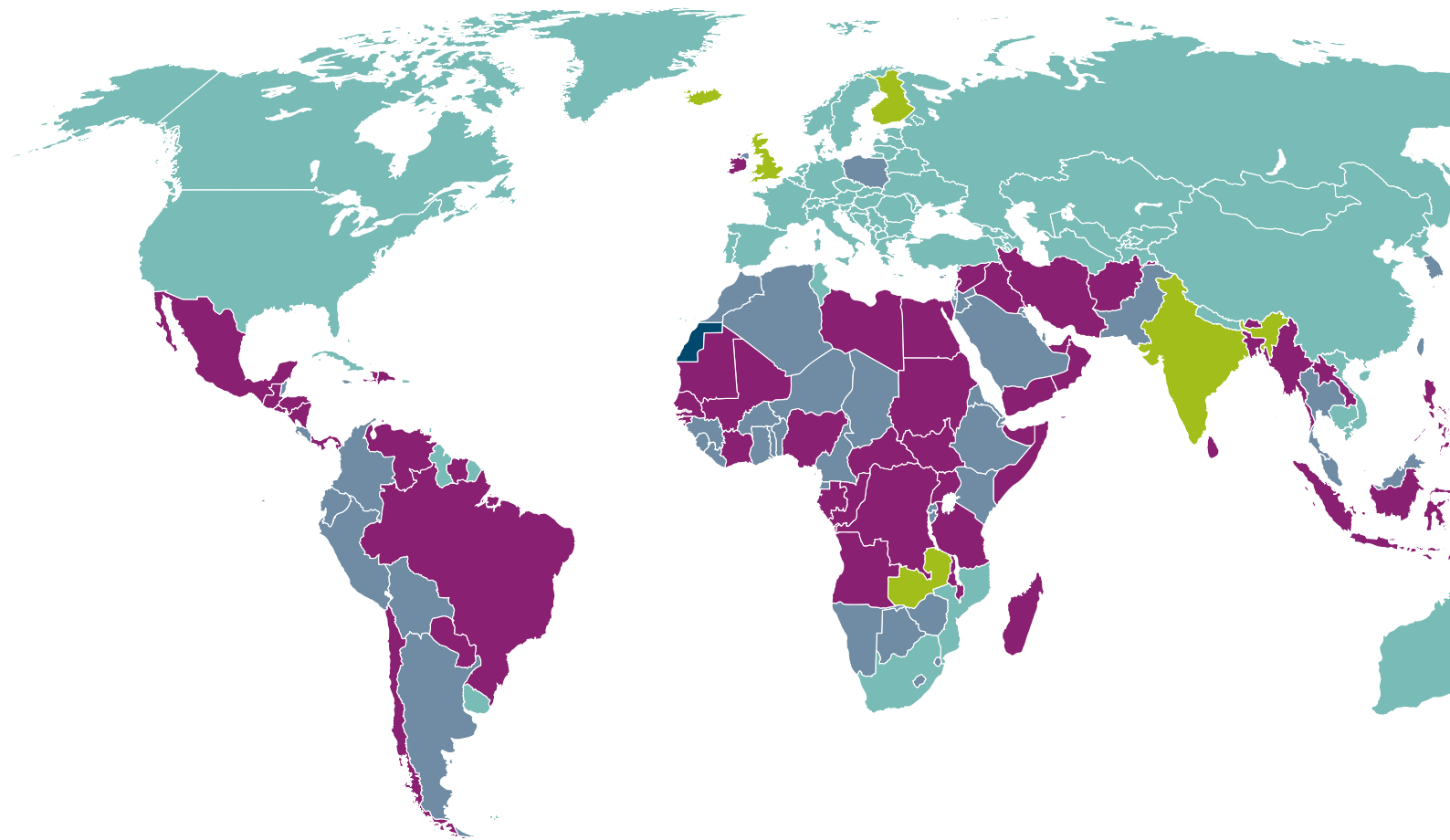


1. [www.who.int/mediacentre/factsheets/fs351/en/](http://www.who.int/mediacentre/factsheets/fs351/en/) 2. The Millennium Development Goals Report 2015. 3. Ibid. 4. Ibid.

## ABORTIFICIENTS

An estimated 208 million pregnancies occur in the world annually, more than 80% of which happen in the developing world. However, more than a third of all pregnancies are unintended or even unwanted.<sup>1</sup> Unsafe abortions are more likely to occur in countries where abortion is illegal, with 68,000 women globally dying from complications.<sup>2</sup> However, abortion rights vary across the world as countries apply different legislation ranging from complete freedom to a total ban or only allowed in the case of life-threatening situations.

74 countries currently permit abortion without restriction as to reason.<sup>3</sup> 25% of the world's population live in countries where abortion is either specifically prohibited or allowed only if the woman's life is in danger. Six countries in Europe and Latin America ban the procedure under any circumstances. A further 13 countries have such tight controls upon abortion that for many it is an impossibility.<sup>4</sup>



- To save the woman's life or prohibited altogether
- To preserve health
- Socioeconomic grounds
- Without restriction as to reason
- Unavailable

Source: <http://worldabortionlaws.com>

1. The Guttmacher Institute, [www.guttmacher.org](http://www.guttmacher.org) 2. [www.ohchr.org/Documents/Publications/NHRIHandbook.pdf](http://www.ohchr.org/Documents/Publications/NHRIHandbook.pdf) 3. [www.worldabortionlaws.com](http://www.worldabortionlaws.com) 4. UN data, quoted Independent 6 May 2015. 5. Amnesty International

## COMPANY INVOLVEMENT

Abortifacients are a class of approved drugs that can be used either singly or in combination to terminate a pregnancy via a medical abortion through 49 days of pregnancy.

DRUG	TREATMENTS (VARIOUS)	THERAPEUTIC CLASSIFICATION
<b>Mifepristone</b>	Ending pregnancy – 7 weeks or less	Anti-progesterone
	Hyperglycemia	
	Endogenous Cushing's syndrome	
<b>Methotrexate</b>	Severe psoriasis	Anti-rheumatics
	Oncology – breast, skin, head, neck and lung	
	Rheumatoid arthritis	
<b>Misoprostol</b>	Start labour	Anti-ulcers
	Induce abortions (with Mifepristone or Methotrexate)	
	Stomach ulcers	
	Postpartum bleeding	

The drugs listed above are used to treat a variety of other medical conditions – hyperglycemia, Cushing's, psoriasis, cancer, rheumatoid arthritis, ulcers and postpartum bleeding. From an investment perspective, the largest pharmaceutical companies have little or no direct exposure to this very specific area, with private and generic companies dominating a very niche market.

## LETHAL INJECTION

A further consideration for responsible investors arises in jurisdictions where the death penalty forms part of the judicial system and is carried out via lethal injection. Since the 1980s lethal injection has increasingly replaced more violent methods of state execution such as shooting and hanging, with Texas becoming the first state in the US to employ the method in 1982.

Until 2009 most states in the US employed a 3-drug combination for lethal injections: an anaesthetic (usually sodium thiopental, until pentobarbital was introduced at the end of 2010), pancuronium bromide (a paralytic agent, also called Pavulon), and potassium chloride (which stops the heart and causes death). However, controversies surrounding the use of lethal injection and doubts about its humane efficacy (between 1982 and 2010 7% of executions by means of lethal injection were 'botched')<sup>5</sup>, led the EU to apply strict protocols around the export of lethal injection drugs in 2011 under the EU Torture Regulation. From that time, companies wishing to export to the US had to ensure consignments could not be used in executions. The ban has led to drug shortages, requiring US states to adopt new lethal injection

methods, mostly a single-drug protocol (comprising a lethal anaesthetic or a single lethal dose of pentobarbital).

Whilst the US is the principal user of the lethal injection method, it has begun to replace existing methods elsewhere in the world. China, Taiwan, Vietnam and the Philippines are four jurisdictions where the method is now favoured.

Given the EU sanction regime, companies which might legitimately manufacture medicinal drugs otherwise used in capital punishment have strict protocols over their export lest they be used in contravention of the ban. Many companies have made public statements deploring the use of their manufactured products being used in executions, or have ceased their manufacture altogether. Companies typically tend to be smaller manufacturers rather than global listed pharmaceutical giants. EIM as part of its routine due diligence would expect companies to abide by the EU sanctions regime, and would not seek to invest in companies that deliberately exported drugs destined to be used in the carrying out of capital sentences.



# STEM CELLS

The use of stem cells, especially embryonic, in research, remains a highly sensitive subject. The development of technology that allows embryonic stem cell extraction without destroying an embryo will help to mitigate one of the central arguments for many against the use of embryonic stem cells. Stem cells have been in use for decades in the treatment of cancers such as leukaemia via bone marrow transplants. There is, however, a need to develop a viable framework which allows for good science best practices to help develop future treatments in a wide range of therapeutic areas – Parkinson’s disease, stroke, spinal cord injuries, retinal diseases, Alzheimer’s and Type 1 diabetes.

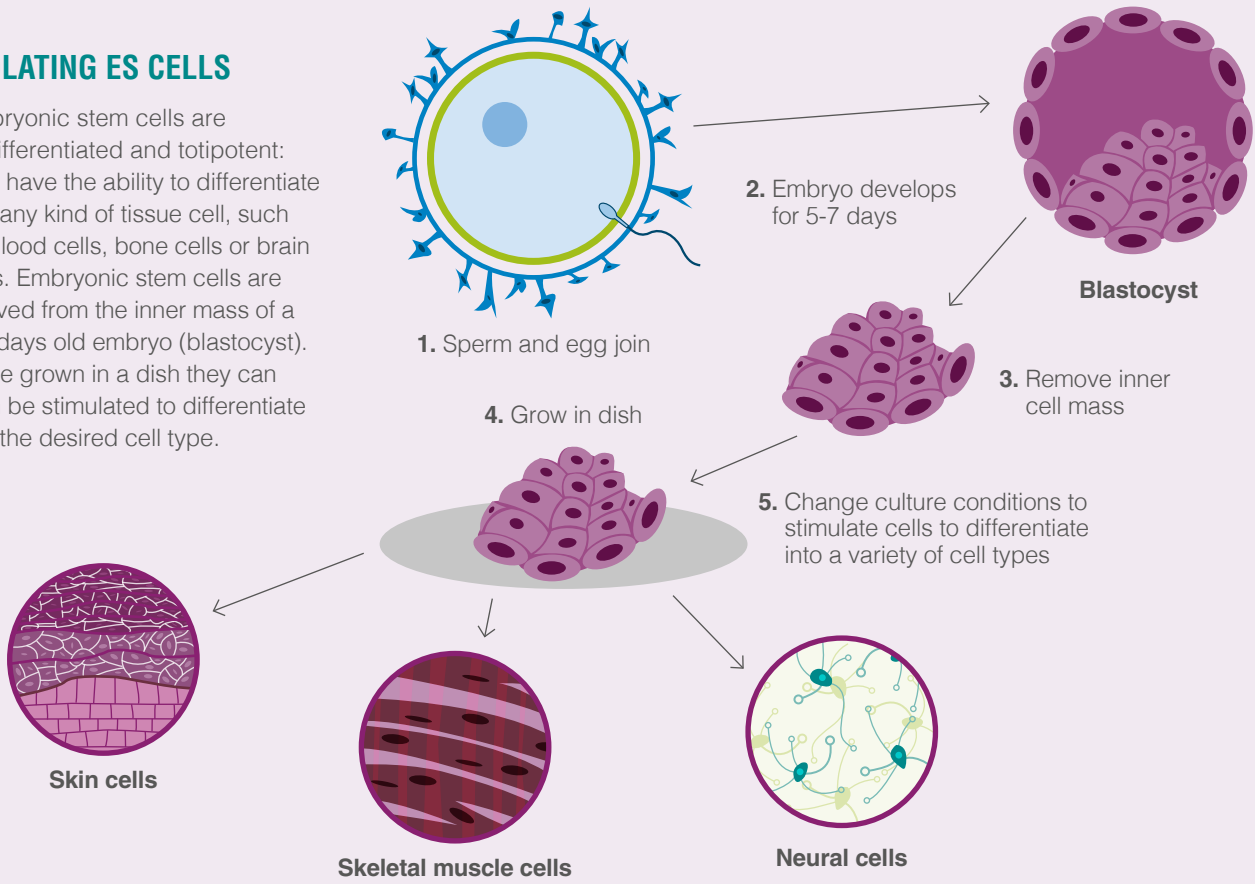
## WHAT ARE STEM CELLS?

Stem cells are unspecialised cells that can proliferate or self-renew for extended periods by dividing. Embryonic stem cells can develop into any kind of tissue and adult (somatic) stem cells can develop into specific tissue cells. The potency of stem cells can be separated into several categories:

	TISSUE GENERATION	CELL TYPE
<b>TOTIPOTENT</b>	<ul style="list-style-type: none"><li>• Tissue of the embryo</li><li>• Support tissue such as placenta</li></ul>	Early embryos (features are lost after a few days)
<b>PLURIPOTENT</b>	<ul style="list-style-type: none"><li>• All specialised cell types and organs</li></ul>	Embryonic stem cells
<b>MULTIPOTENT</b>	<ul style="list-style-type: none"><li>• Closely related family of cells</li></ul>	Adult stem cells

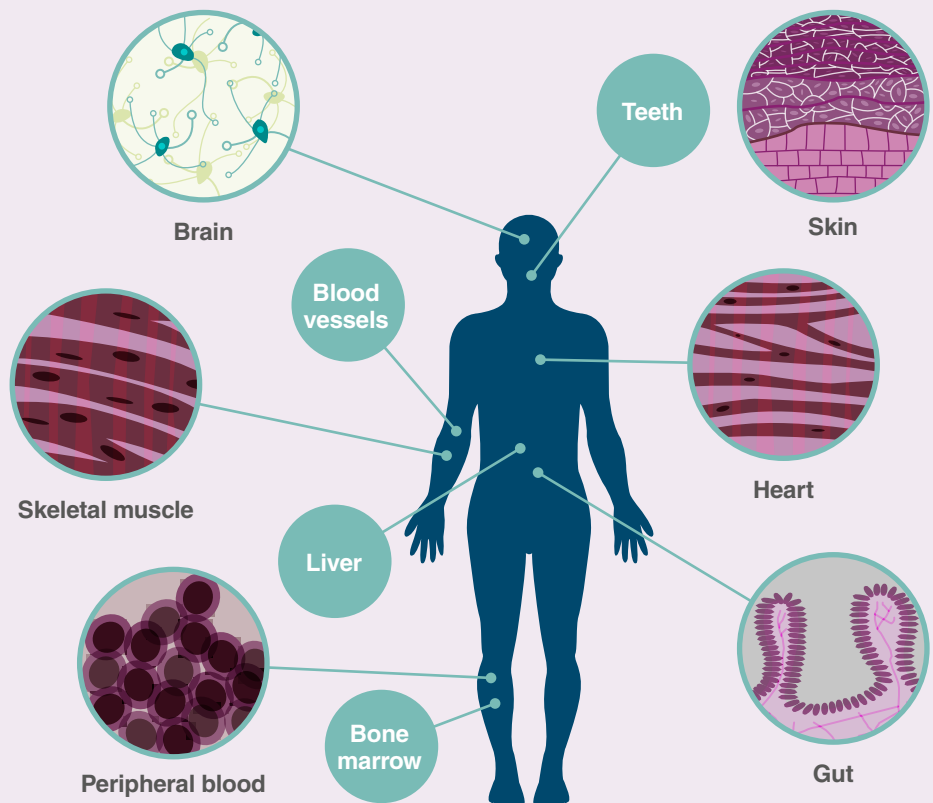
## ISOLATING ES CELLS

Embryonic stem cells are undifferentiated and totipotent: they have the ability to differentiate into any kind of tissue cell, such as blood cells, bone cells or brain cells. Embryonic stem cells are derived from the inner mass of a 5-7 days old embryo (blastocyst). Once grown in a dish they can then be stimulated to differentiate into the desired cell type.



## LOCATIONS OF SOMATIC STEM CELLS IN THE BODY

Adult stem cells are differentiated and multipotent: they have already developed specific characteristics. They are derived from regenerative tissue and can differentiate into other similar cells and contribute to the renewal of damaged or dying cells in the human body. For example blood stem cells can only differentiate into other blood cells.



## HOW ARE STEM CELLS DERIVED?

### Animal stem cells:

- Derived from mice, sheep, pigs and other animals; research conducted on mice since 1981

### Adult/somatic stem cells:

- Derived from regenerative tissue, e.g. blood, skin, gut
- Most information comes from haematopoietic (blood forming) cells found in bone marrow and blood

### Cord blood stem cells:

- Derived from umbilical cord blood
- Contains haematopoietic stem cells (HSC) rare cells found in bone marrow

### Foetal stem cells:

- Derived from aborted or miscarried fetuses
- Current foetal stem cell lines are mostly derived from tissue derived in the 1960s and 80s; these cell lines can continuously replicate, so no new sourcing of fetuses is necessary

### Human embryonic stem cells:

- Derived from the inner cell mass of a 5-7 day old embryo (blastocyst)
- Fertilized egg derived typically from in vitro fertilization

## REGULATORY ENVIRONMENT

The regulatory environment has reached international consensus on reproductive cloning (banned) and the use of adult stem cells (approved).

COUNTRY/REGION	ADULT STEM CELLS	EMBRYONIC STEM CELLS	THERAPEUTIC CLONING	REPRODUCTIVE CLONING
United States	Approved	Limited funding support	Neutral	Banned
Canada	Approved	No embryos created for research only	Banned	Banned
EU	Approved	No funding	Neutral	Banned
Germany, Austria & Italy	Approved	Prohibited or highly restricted	Banned	Banned
UK, Sweden, Belgium & Spain	Approved	Approved	Approved	Banned
Switzerland	Approved	No embryos created for research only	Approved	Banned
South Korea	Approved	Approved	Approved	Banned
Australia	Approved	Approved	Approved	Banned
China	Approved	Approved	Approved	Banned
Japan	Approved	Approved	Approved	Banned

Approved    Neutral    Banned

Source: Sustainalytics

## COMPANY INVOLVEMENT

There are currently no approved products derived from embryonic stem cells or stem cell products on the market. Any current involvement is very much in the realm of early-stage research and we continue to monitor how companies are developing their research programmes, both in-house and partnership-based via academic and research institutions.



## DATA PRIVACY

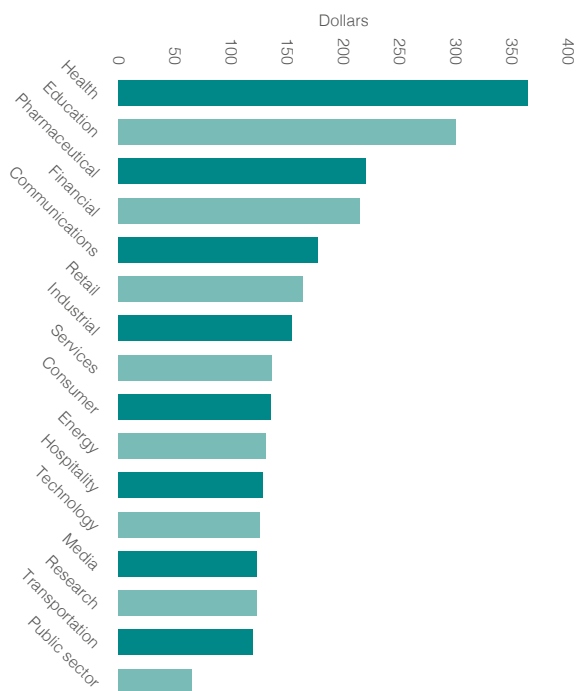
Our recent Amity Insight ‘Digital Planet’ outlined the impact of digital technology on the healthcare sector. The rapid uptake of digital tools such as telehealth, electronic medical records (EMR) and remote patient monitoring is helping to deliver not only better care, but also higher quality care in a more efficient manner. Despite the benefits, there are also risks related to increased data availability. The healthcare sector is under increased scrutiny over data confidentiality and transfers of electronic medical records. In 2014 alone, data breach incidents in the medical and healthcare sector represented 42.5% of the 783 reported data breaches in the US.<sup>1</sup> Data breaches are increasingly costly. The total average cost for a company is now US \$3.8m, up from \$3.5m a year ago, and the loss of a healthcare record (\$363) is twice the average of all sectors (\$154).<sup>2</sup>

## HEALTHCARE LEADS ON A COST PER DATA BREACH PER SECTOR

Both the US and the European Commission are encouraging and promoting the use of electronic medical records. Companies will have to invest in technology and training in order to develop efficient risk management systems. In both regions companies must inform individuals about data breaches and individuals are respectively protected under the Health Insurance Portability and Accountability Act and the EU Framework on the Protection of Personal Data. Despite the risks, the digitization of healthcare offers opportunities in disease diagnosis, treatment and management. In addition, healthcare systems, which are already under considerable financial pressure, will be beneficiaries from a higher return on investment.

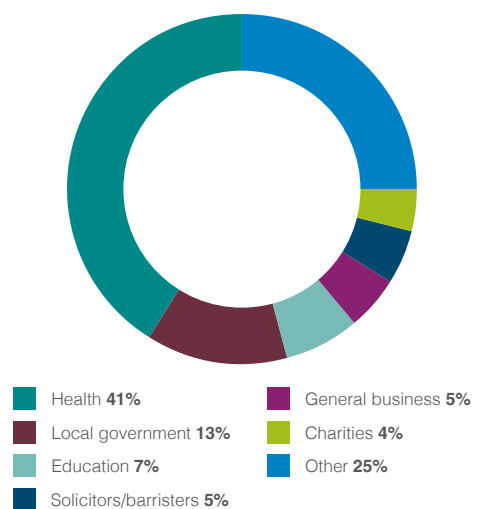
## PER CAPITA COST OF BREACHES BY INDUSTRY

Consolidated view (n=350), measured in US\$



Source: Ponemon Institute, 2015 Cost of Data Breach Study: Global Analysis

## HEALTHCARE LEADS ON DATA BREACHES BY SECTOR IN THE UK (APR 2014 TO MAR 2015)



1. Identity Theft Resource Center Breach Report 2014. 2. Reuters, May 2015.

# INVESTMENT VALUE CHAIN

At a sector level, the value chain for healthcare is the most diverse, in terms of both breadth and depth, allowing investors to build a well-diversified exposure. EdenTree Investment Management continues to maintain an overweight position in healthcare, with extensive holdings in companies in the small, mid and large-cap arena.



# VIEW FROM THE TOP

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**Our earlier Amity Insights, on Healthcare and the Pharmaceutical industry, set out our investment views and discussed some key issues for responsible investors. In this new Insight, we revisit and update our thinking. We remain positive on the sector as one of our 9 positive screening pillars, and the funds are well represented across the investment value chain. The sector is unique as it exists exclusively to support human – and animal – wellness.**

Key to understanding the sector is its commitment to good science, biological and chemical, in the development of new medical treatments. This Insight considers some of the very sensitive life ethics issues that concern many investors, sometimes touching as they do on the origins of life itself and the ethical treatment of the unborn. Stem cells, in particular, hold out the prospect of significant therapeutic breakthrough in the treatment of chronic conditions, such as Parkinson's disease, stroke, spinal cord injuries, retinal diseases, Alzheimer's and Type 1 Diabetes, but as we show, there is far from universal political consensus on how this should be conducted.

We have sought to show that for the major pharmaceutical companies there is little or no direct exposure to the very specific area of birth-affecting treatments, with private and generic companies dominating, what is, a very niche market. We consider each company case by case, but would not seek investment where these treatments are judged to be a material or significant part of the product portfolio.

Stem cell research remains largely cloistered in academic institutions, tightly regulated at national and EU level, and broadly theoretical in terms of outcomes. Whilst the major pharmaceutical companies are conducting human embryonic stem cell research, this is mostly early stage, very highly regulated and with no designated products as yet. As with our general approach to new technology, we remain strongly in favour of good science and transparent peer review. We are encouraging of breakthroughs that may over time, alleviate acute suffering in previously untreatable or incurable conditions. Stem cells hold out the very real prospect of enhancing individual well-being and life expectations, although we remain deeply cognisant that the use of embryonic or foetal material as part of this research remains painfully challenging. We consider each company case by case, but currently there are no products near market stage, and all research remains pre-clinical.

We hope you have enjoyed reading this Amity Insight, and as ever invite comment and feedback.

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**Neville White**  
Head of SRI Policy and Research



# WHY EDENTREE?

- Over 25 years of experience of socially responsible investing (SRI)
- Funds that are both positively and negatively screened
- An investment team with a wealth of experience spanning many years
- A comprehensive in-house SRI research function
- An independent panel that reviews investment decisions
- A robust socially responsible investment process
- A pride in our independent analysis. We're not afraid to adopt contrarian positions and are in favour of long-term investment horizons
- A consideration of the preservation of capital as our primary responsibility, preferring absolute returns over relative performance
- Fund Managers at EdenTree are unconstrained by rigid stock lists, permitting more flexibility to take advantage of good-value opportunities as they present themselves
- Decision-making for the long term, as frequent trading increases costs and decreases returns
- Avoidance of companies materially involved in alcohol production, gambling operations, pornographic and violent material, tobacco production, testing animals for cosmetic or household products, supporting oppressive regimes or strategic weapon production
- Actively seeking out companies with a record of involvement and good performance in terms of business practices, community relations, corporate governance, education, environmental management, healthcare, human rights, labour relations and urban regeneration



# SUSTAINALYTICS



For more than 20 years, investors like EdenTree have used Sustainalytics' ESG and corporate governance research, ratings and analysis to fulfil their responsible investment objectives. Headquartered in Amsterdam, Sustainalytics is an independent provider of ESG and corporate governance research, ratings and analytics, serving investors around the world with the development and implementation of responsible investment strategies. The firm has over 200 staff members, including more than 120 analysts with varied multidisciplinary expertise across 40+ industries. The firm partners with institutional investors, pension plans, and asset managers and for the past three years, Sustainalytics was voted best independent responsible investment research firm in Extel's IRRRI survey. For more information, [www.sustainalytics.com](http://www.sustainalytics.com).

# OUR PEOPLE



**Sue Round**  
**Director of Group Investments  
and Senior Fund Manager**

Sue is the UK's longest-serving retail SRI Fund Manager. She launched the Amity UK Fund 27 years ago – pioneering our Profit with Principles investment approach. She is also AA rated by Citywire as of November 2015.



**Neville White**  
**Head of SRI Policy and Research**

Neville is in charge of our Socially Responsible Investing team. His extensive experience includes being responsible for managing global corporate governance proxy voting for CCLA Investment Management.



**Rob Hepworth**  
**Chief Investment Officer  
and Senior Fund Manager**

Rob has previously been voted Investment Week's Fund Manager of the Year and has been recognised as one of Citywire's top 10 Fund Managers of the past decade. This places him in the top 10% of all UK Unit Trust and OEIC Managers.



**Ketan Patel CFA**  
**Associate Fund Manager**

Ketan began his career on the equity derivatives trading desk at JP Morgan, before moving to Insight Investment as a Global Healthcare Analyst. Ketan leads the team's company research, supporting the Fund Managers' investment decision-making. He has been a CFA Charterholder since 2009.



**Chris Hiorns CFA**  
**Fund Manager**

Chris has worked at EdenTree since 1996. He started as a Graduate Trainee and worked as an Investment Analyst before being appointed as the Fund Manager for the Amity European Fund in 2007 and the Amity Sterling Bond Fund in 2008.



**Phil Harris**  
**Fund Manager**

With over 25 years' experience in UK small and mid-cap company sectors, Phil joined EdenTree in 2015 to run the UK Equity Growth Fund. He focuses on growth small-caps and previously specialised in corporate activism.



**Peter Cameron CFA**  
**Associate Fund Manager**

Peter is an experienced Equity Analyst, having worked in both the Quant solutions and SRI performance and portfolio risk teams at Aviva. He holds a Master's degree in Corporate Governance, and is a CFA Charterholder.



**Esmé van Herwijnen**  
**SRI Analyst**

Esmé holds a Master's degree in Sustainable Business from Toulouse Business School and gained experience in ESG research from Sustainalytics and PIRC. She supports our SRI team with company screening, proxy voting and engagement.

## How to contact us

We hope you have found this Amity Insight interesting and useful. If you have any questions, or would like to know more about our responsible investment, in-house research and analysis, please get in touch.

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