



Wealth
Management

Health and wellbeing

Safeguarding and enriching society



| Forward-looking
| for generations

Contents

- 4 Our four pillars of sustainable investment
- 5 Pillar two: Health and wellbeing
- 6 Investment theme: Medical diagnostics and genomics
- 8 Investment theme: The food revolution
- 10 Investment theme: Social housing and social care



Cover image
Bauer brothers, Hortus Botanicus, detail from
"Lilium candidum L.", c. 1778.
© LIECHTENSTEIN. The Princely Collections, Vaduz-Vienna

Our four pillars of sustainable investment

Building a more sustainable economic system

Our sustainable investment framework takes our overarching mission of investing for sustainable value creation and translates it into investable opportunities.

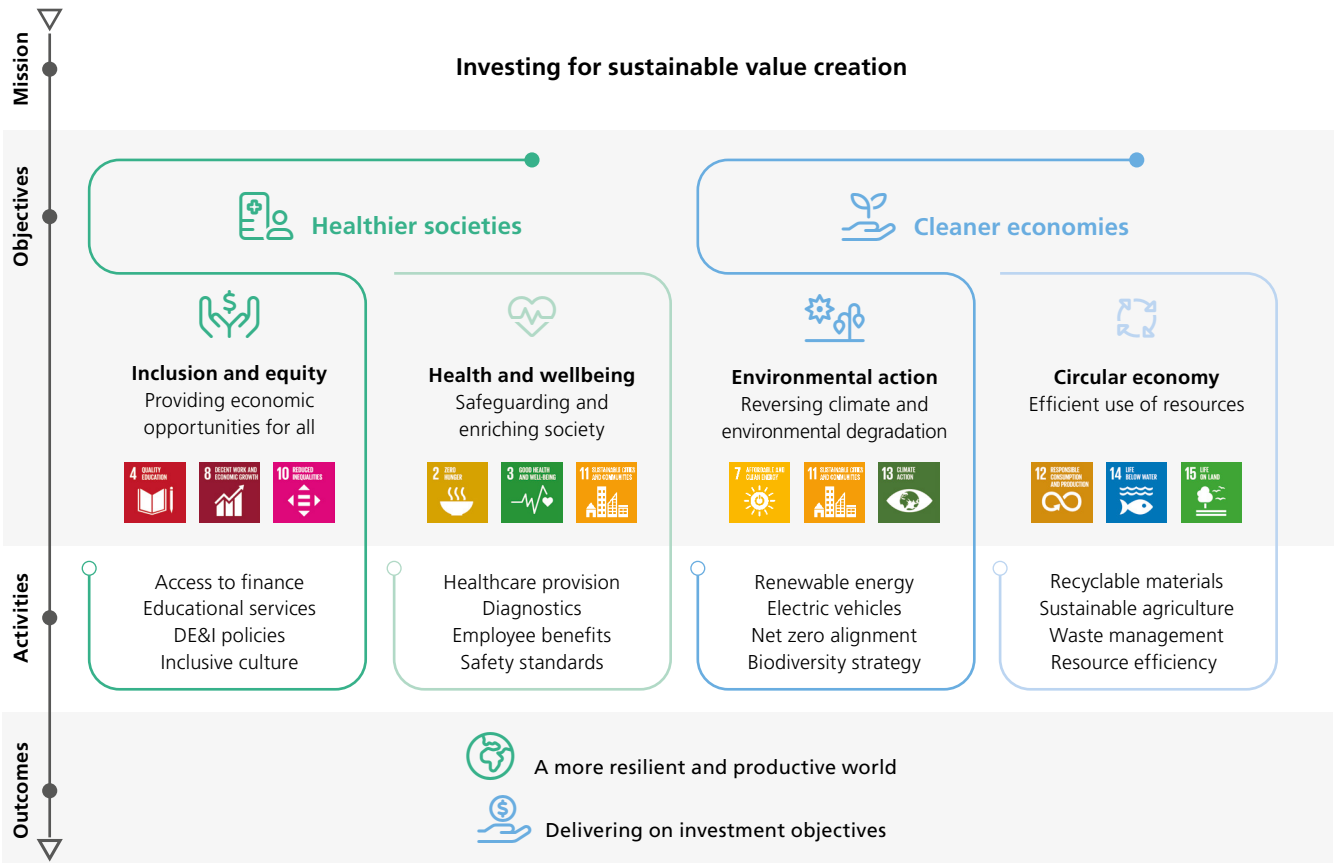
We focus on two structural mega-trends that we believe are paramount in delivering a transition to a more sustainable global system: 'Healthier societies' and 'Cleaner economies'. Beneath these two mega-trends, we have identified four investment pillars. These help us to identify the attractive attributes of potential investments when considering both 'what' they do and 'how' they do it. To help create a healthier society we focus on 'Inclusion and equity' and 'Health and wellbeing', and to build a Cleaner econ-

omy we have identified 'Environmental action' and 'Circular economy' as the two key drivers. Through utilising this framework we aim to build portfolios of investments that are helping to contribute to a more resilient and productive world, whilst delivering strong investment returns.

Aligned with the United Nations Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) are a global framework designed to influence positive economic development and improve the world by encouraging collaboration and innovation. Whilst we do not use the SDGs as our primary framework, we do believe that our investment pillars are closely aligned to several of the SDGs.

UN SDGs in action: our sustainable investment framework



Pillar two: Health and wellbeing

Health and wellbeing is the second pillar within our sustainable investment framework. This pillar incorporates UN SDGs two, three and eleven.



UN definition: End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Achieving goal two requires improved access to food for disadvantaged populations. Sustainable agriculture can be achieved by promoting access to land, technology, markets, sustainable food production systems and agricultural practices.



UN definition: Ensure healthy lives and promote well-being for all at all ages.

Goal three can be achieved by creating affordable and accessible healthcare. This includes vaccinations, preventing child deaths, and promoting wellbeing through financing and supporting a healthy workforce, particularly for low and middle-income countries.



UN definition: Make cities and human settlements inclusive, safe, resilient and sustainable.

The world is becoming increasingly urban, with 60% of the world's population expected to live in cities by 2030 according to UN data. Goal eleven looks to ensure access to adequate, safe and affordable housing, especially for people living in vulnerable situations.

Investment theme: Medical diagnostics and genomics

A study of ten countries found that only 2% of healthcare facilities had the eight diagnostic tests defined by The World Health Organisation as essential for basic service readiness.¹

Better medical diagnostics

Better medical diagnostics sits at the heart of a more efficient and effective healthcare system. Enhancing diagnostic capabilities will create greater value for patients, and improve the economic sustainability and overall culture of healthcare providers. The overarching aim of healthcare is to be able to intercept diseases early and ultimately prevent them from occurring at all. It is important to grasp the opportunities presented by advances in digital technology; utilising data to detect patterns of diseases, reducing operating costs, and raising productivity by adopting practices such as remote diagnosis.

Accurate and pre-emptive diagnosis can significantly affect healthcare outcomes, helping patients to live longer, healthier lives. Diagnostic capabilities - such as pathology, imaging, ultrasound or radiology - play a vital role in identifying health issues and enabling medical intervention.

However, diagnosis can be difficult and complex, requiring specialist laboratories and skilled technicians, resulting in inaccessibility for many communities around the world. For example, pathology service coverage in sub-Saharan Africa is approximately one-tenth of those in high-income countries.²

Genomics

Genomics strives to determine complete DNA sequences and perform genetic mapping to improve understanding of diseases. Genomics is transforming life sciences, including biomedicine and agriculture. The impact of factors such as climate change and urbanisation are hard to predict, making the development of diagnostic methods derived from genomic tools vital.

Genomic technologies can be translated into improved diagnosis, treatments, and prevention of human diseases through immunotherapy and targeted, efficient vaccine production.



“
By improving diagnostic capabilities and investing in genomic technologies, we can meaningfully contribute towards a healthier, more informed and equitable future for all.

Ben Palmer, Senior Portfolio Manager

¹ KPMG, The healthcare diagnostics value game: The challenges of delivering and demonstrating value in under-pressure markets

² The Lancet, 'High-quality health systems in the Sustainable Development Goals era: time for a revolution' 2018-



Investment opportunities



Royal Philips

Sector: Health tech, specialising in diagnostic medical equipment

Headquarters: Amsterdam

Royal Philips is a global leader in delivering diagnosis, treatment and connected care solutions to patients. One of the company's diagnostic specialities is diagnostic electrocardiography (ECG). The ECG has been one of the most important examination methods in internal medicine since the beginning of the 20th century, providing vital information about the heart. By interpreting the chronological sequence of the electrical excitation, a wide variety of heart diseases can be identified at an early stage.



Tecan Group

Sector: Laboratory instruments and software

Headquarters: Switzerland

Tecan is a global leader in manufacturing laboratory automation devices and software. The majority of end-users come from the diagnostics market, accounting for around 60% of the company's total sales. Tecan supports both research applications and processes in routine laboratories, and helps researchers discover novel medicines. The company's products and technology enable greater levels of automation in laboratories, reduces the risk of errors and increases productivity of potential discovery.



Illumina

Sector: Gene sequencing technology

Headquarters: San Diego, US

Illumina's gene sequencing technology has helped diagnose rare diseases and is used by researchers across life sciences, oncology and reproductive health. The company's technological advancements have helped reduce the cost of sequencing a human genome from USD 1 million in 2007 to less than USD 1000 today, and they are pushing to reduce this to USD 100 per person. The technology makes it possible to track the transmission of contagious diseases, and develop therapies and vaccines to improve global health and safety.



Oxford BioMedica

Sector: Gene therapy

Headquarters: Oxford, United Kingdom

Oxford BioMedica was spun out of Oxford University in 1996 and was listed on the London Stock Exchange 20 years ago. It specialises in cell and gene therapy. At the heart of the business is its innovative LentiVektor system, which aims to increase access to gene therapy by bringing down the amount and costs of the vectors required. Reducing the cost of the vector allows BioMedica's customers to bring next generation treatments for serious diseases to market.

Investment theme: The food revolution

By 2050 the global food industry will have to feed more than nine billion people on earth. This is occurring simultaneously with resource scarcity and climate change, both of which present significant challenges to the sustainability of the global food production process.

Eradicating hunger and malnutrition requires a significant increase in agricultural investment, in order to promote the availability of food and prevent resource degradation. Increased efficacy will be required, along with the optimised use of resources and the management of waste. From farm to fork, every part of the food value chain will need to be addressed to ensure that malnutrition is managed, productivity maintained and health care costs reduced.

Some progress has been made to reduce world hunger following a period of steady decline, however levels are deteriorating again with 821 million reported to be undernourished.³ Malnutrition is often a direct result of drought, loss of biodiversity and en-

vironmental degradation and has been exacerbated by the COVID-19 pandemic.⁴ Additionally, over 90 million children under the age of five are dangerously underweight and one in four people in Africa do not have sufficient access to food.⁵

The consumption of red meat is a significant contributor to carbon emissions. The decarbonisation pathway for the food industry will involve a more prominent role for plant-based and cellular meat alternatives. This provides an exciting opportunity and access to a fast-growing investable trend.



Global food composition

75%

of the world's food is produced from



12

Plants

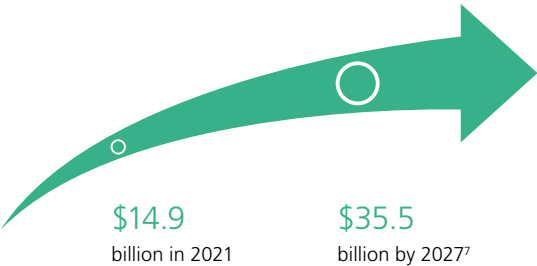


5

Animal species

There are 300 000 edible plants and species⁶

Forecast growth of global plant-based meat market worldwide



³ United Nations

⁴ WHO

⁵ United Nations

⁶ Unlocking the potential of genomics to accelerate sustainable development by Ren Wang, IFPRI Guest Blog

⁷ Global meat substitutes market revenue 2016-2027, Statista



Investment opportunities



Chr. Hansen

Sector: Nutrition, sustainable agricultural practices
Headquarters: Denmark

Chr. Hansen is a leading manufacturer of natural ingredients for the food, nutritional, pharmaceutical and agricultural industries. Chr. Hansen's cultures and enzymes are used predominantly in dairy production, but can also be used to improve the yield, taste, nutritional value and shelf life of a wide range of foods. They also offer probiotics for dietary supplements, infant formula, animal feed, as well as microbes to naturally improve plant and soil health. This enables farmers to eliminate their use of pesticides and antibiotics helping protect the environment, communities and animal welfare.



Royal DSM

Sector: Nutritional products, reduced carbon emitting feed products
Headquarters: The Netherlands

Royal DSM delivers innovative health, nutrition and sustainable living solutions across the globe. They address specific nutritional requirements for a variety of the world's most vulnerable populations. One of these solutions is a micronutrient powder for children over six months, which can be mixed directly into semi-solid food to prevent issues with cognitive and physical development. Royal DSM has also developed a food additive given to cows that decreases their methane output by a third.

⁸ Statista



Vitasoy

Sector: Plant-based food and drink producer
Headquarters: Hong Kong

Vitasoy was created in 1940 to alleviate the malnutrition afflicting refugees who came to Hong Kong from China. By the 1960s, Vitasoy was the second largest drinks company next to Coca-Cola. They now produce a range of plant-based food and drink products and have sustainable initiatives; such as carton-collecting in schools and boosting glass bottle recycling rates above 90%. The plant-based meat market of the Asia-Pacific region is predicted to have the largest compound annual growth rate of all world regions between 2018 and 2026, at approximately 15.9 percent.⁸



Novozymes

Sector: Biotech
Headquarters: Copenhagen

Novozymes produces enzymes and microbes which act as catalysts to start biological processes. These are key ingredients for plant-based, cellular meat and dairy alternatives. Novozymes enzymes and microbes are used by companies such as Vitasoy, Beyond Meat and Impossible Foods.

Investment theme: Social housing and social care

Housing plays a key role in the quality of human life. Disadvantaged and vulnerable communities often lack access to affordable and adequate housing, face physical barriers, and related discrimination and exclusion.

One of the primary goals of the UN, through SDG eleven, is to ensure access to adequate, safe and affordable housing. This is a problem affecting all parts of the world - developing and developed countries.

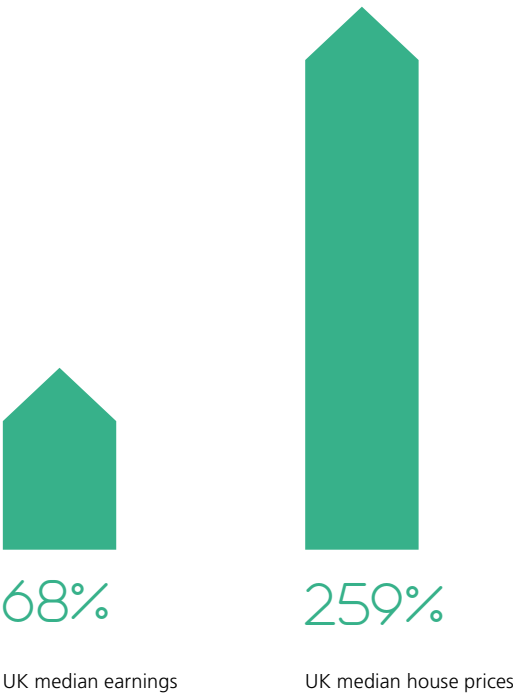
Lack of quality affordable housing remains a major social challenge for the UK. Between 1997 and 2017, median house prices increased by 259%, while median earnings only increased 68%.⁸ The UK government has estimated that 300 000 homes need to be built each year by the mid-2020s in order to tackle the major social housing needs. If the UK is struggling under the pressure to provide sufficient delivery of

housing, this will present a far greater challenge for many other, less developed countries around the world.

Housing provides access to basic services, contributes towards inclusive growth and supports the development of a sustainable future. The provision of housing in this context impacts profoundly on the health and wellbeing of low-income households. Better quality accommodation can enhance the performance of school children and, through housing, individuals are able to access water and sanitation services.



UK earnings versus house prices, 1997-2017



⁸ Office for National Statistics

“ Investing in social housing and care isn't just about shelter; it's a commitment to cultivating a resilient society, where individuals thrive collectively..

Ben Palmer, Senior Portfolio Manager



Investment opportunities



The Guinness Partnership

Sector: Social Housing
Headquarters: UK
The Guinness Partnership operates in 155 local authorities across the UK, supplying rented housing and affordable home ownership options, as well as home and care services for elderly people. By 2024 the organisation aims to complete 5 500 new homes, of which 5,000 will be affordable. The organisation's goal is to build 12,500 homes over the next ten years.



Pigeon

Sector: Infant, mother and elderly care products and child-care services
Headquarters: Tokyo
Pigeon's products and advice services help support mothers and babies to successfully breastfeed. They have also developed specialised feeding products for low-birth-weight babies and for those with special needs. The products includes nipples for babies with weak suckling strength and bottles for babies with cleft lips and palates. Through the company's provision of baby and childcare offerings, Pigeon operates one of Japan's largest child care businesses.

“
Our sustainable investment
pillars help us to identify which
investments are contributing to
building a more sustainable
global system.

Phoebe Stone, Partner and Head of Sustainable Investing

Imprint

Image credits

Cover: LIECHTENSTEIN. The Princely Collections, Vaduz–Vienna, www.sciencephoto.com/offset.com

Page 2: Gorodenkoff/shutterstock.com

Page 7: New Africa/shutterstock.com

Page 9: GRSI/shutterstock.com

Page 11: I Wei Huang/shutterstock.com

Media relations

Esther Clark

Phone +44 (0)203 207 8007, esther.clark@lgt.com

Important information

LGT Wealth Management UK LLP is authorised and regulated by the Financial Conduct Authority Registered in England and Wales: OC329392. Registered office: 14 Cornhill, London, EC3V 3NR.

LGT Wealth Management Limited is authorised and regulated by the Financial Conduct Authority. Registered in Scotland number SC317950 at Capital Square, 58 Morrison Street, Edinburgh, EH3 8BP.

LGT Wealth Management Jersey Limited is incorporated in Jersey and is regulated by the Jersey Financial Services Commission in the conduct of Investment Business and Funds Service Business: 102243. Registered office: Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey JE2 3QB.

LGT Wealth Management (CI) Limited is registered in Jersey and is regulated by the Jersey Financial Services Commission: 5769. Registered Office: at IFC1, The Esplanade, St Helier, Jersey, JE1 4BP.

LGT Wealth Management US Limited is authorised and regulated by the Financial Conduct Authority and is a Registered Investment Adviser with the US Securities & Exchange Commission ("SEC"). Registered in England and Wales: 06455240. Registered Office: 14 Cornhill, London, EC3V 3NR.

This publication is marketing material. It is for information purposes only. Certain services described herein are not available to retail clients as defined by the FCA or the JFSC, as applicable; please speak to your investment adviser for further clarification in this regard. All services are subject to status and where local regulations permit. The wording contained in this document is not to be construed as an offer, advice, invitation or solicitation to enter into any financial obligation, activity or promotion of any kind. You are recommended to seek advice concerning suitability from your investment adviser. Any information herein is given in good faith, but is subject to change without notice and may not be accurate and complete for your purposes. This document is not intended for distribution to, or use by, any individual or entities in any jurisdiction where such distribution would be contrary to the laws of that jurisdiction or subject any LGT Wealth Management entity to any registration requirements. When we provide investment advice it is on the basis of a restricted approach that is to say, whilst we review and advise on retail investment products from the whole of the investment market.

Investors should be aware that past performance is not an indication of future performance, the value of investments and the income derived from them may fluctuate and you may not receive back the amount you originally invested.

LGT Wealth Management

14 Cornhill, London EC3V 3NR

Phone +44(0)20 3207 8000, info-uk@lgt.com

www.lgtwm.com