

## Natural Capital born from ex-pats' epiphany

Back from Britain, Angus Forbes and Marcus Burns are keen to help advance local sustainable investment growth.

Profile by SAMANTHA ELLEY

### Natural Capital Global Equity Fund

Objective	>3% return above MSC!
Minimum investment	\$100,000
Additional minimum amounts	\$50,000
Fees	No entry, contribution or withdrawal fees. Monthly management fee – 1.28% Professional fee on positive performance after fees and expenses – 10.25%
Distributions	Annually



Marcus Burns (left) and Angus Forbes, Natural Capital Fund Management

**A mixture of personal and professional reasons brought Angus Forbes and Marcus Burns home from the frenetic life of London. After a recalibration of their careers and time with family both men agreed that they wanted to do more than simply make money.**

"I didn't see a lot of purpose in what I was doing," Burns says. "I wanted to do something with more meaning."

With a growing passion for the environment and a need to make a difference in the area they know best, Forbes and Burns agreed to set up a fund that would not just contain quality companies in its portfolio but only those which proved they had a growing commitment to running a sustainable and environmentally aware business.

Thus the Natural Capital Global Equity Fund was developed and launched on 6 August.

"We hope to encourage sustainable awareness in Australia," says Forbes. "And with 46 years of investment experience between us it's the very best we can offer."

"When we marry our fiduciary requirements of returns with our human requirements of sustainability we must deliver the very best product."

Both Forbes and Burns are quick to point out that the fund is not a traditional 'green' fund where they would only invest in cleantech stocks or filter out 'sin' stocks.

"We invest in any sector, but it will only be in companies where management has a commitment to sustainability either through their key performance indicators or other goals and that commitment is obvious and consistent," Burns says.

The investment process used by

Natural Capital involves not only screening on financial indicators, growth and management, but also a sustainability commitment test, a specific operations test – gauging how active the company is in pursuing sustainable practices – and a quantitative test.

Performed by UK-based research firm Trucost, the quantitative test involves measuring a potential stock's greenhouse gas emissions, water and energy uses and costing them relative to turnover to compare them to their sector peers. Those stocks with the smallest environmental footprint in their industry are considered to be in the 'lighter half' of the equation and therefore viewed as a potential investment.

*"When we marry our fiduciary requirements of returns with our human requirements of sustainability we must deliver the very best product" Angus Forbes*

"As an example, BMW has the lightest footprint out of all the European car manufacturers," Forbes says. Despite the fact that BMW may still have a heavy environmental footprint, Natural Capital would then consider the commitment by the company to become more sustainable in their car-making practices.

"We hope that all 67 sectors in the MSCI, which we index against, will continue to get 'lighter,'" Forbes says.

"We have a 30-year view and companies are starting to realise that to retain their customer base they need to include environmental transparency in their processes and avoid the taxing and regulations that governments are bringing in against poor environmental practices." ei