ESG Investing Awards 2023, Best ESG Emerging Markets Fund – Driehaus Emerging Markets Sustainable Equity Fund

The Driehaus Emerging Markets Sustainable Equities Fund has a differentiated all capitalization approach to investing in Emerging Markets equities by exploiting market inefficiencies and focusing on companies with **strong or improving ESG attributes** and growth opportunities tied to **social & environmental solutions**.The high conviction portfolio consists of 80-140 stocks, integrating **fundamental, bottom up, behavioral and macro analysis** in its portfolio construction and has a consistently **high active share of 81%** on a 3 year average. The strategy maintains its ability to preserve nimbleness and invest in small/mid cap stocks compared to some of the other well established Emerging Market managers. The Fund excludes investment in companies involved in adult entertainment, coal production, gambling, tobacco and weapons production. In addition, Driehaus has a sustainable-focused proxy voting policy and **engages with company management** on potential ESG issues.

Fund ESG highlights:

* Driehaus & Heptagon are PRI signatories
* Four Morningstar Sustainability Globes
* MSCI ESG Fund Rating: A

Driehaus believes that second derivative changes are extremely important in the market for all things, and this holds true for sustainability at the corporate level.  We believe this is an exciting time to be a sustainability-focused investor in emerging markets because the door is open to positive change at many companies. Across countries we are seeing companies that are just now integrating sustainability principles into their business practices and communication for the first time. Additionally, emerging market corporates have a uniquely strong position as it pertains to the global push toward renewable energy. With Chinese companies being market leaders in solar production and China and Korea dominating the new battery supply chain globally, there are ample opportunities for sustainability-minded, growth investors. Driehaus is optimistic that policy momentum across the world in support of renewables infrastructure and believes it will benefit emerging markets significantly.

Web link:

Driehaus Emerging Markets Sustainable Equity Fund – Meet the Manager, Richard Thies, PM

<https://www.youtube.com/watch?v=F9x7id7HkNQ&t=1s>