

Annual SRI conference from RSMR in collaboration with SRI Services, Sarasin & Partners and EdenTree

Has COVID-19 provided a global reset button?

Tuesday 29 September: 10:30 – 12:15



Schedule

10:30 - 10:40	Welcome: Geoff Mills	Director, RSMR
10:40 - 11:00	Julia Dreblow	Director, SRI Services
11:00 - 11:20	Alex Bibani	Fund Manager, Sarasin & Partners
11:20 - 11:40	David Katimbo	Fund Manager, EdenTree Investment Management
11:40 - 12:00	Stuart Ryan	Investment Research Manager, RSMR1
12:00 - 12:15	Wrap up and Q&A	
12:15 - 12:30	Close	



RSMR Annual Responsible Investment conference

Julia Dreblow

SRI Services

FundEcoMarket.co.uk

@JuliaDreblow

September 2020

FOR FINANCIAL SERVICES PROFESSIONALS ONLY

**This presentation is for information only. We
are not authorised or regulated and can not
offer financial advice.**



COVID-19: pressing 'reset'?

Has Covid provided a global reset?

- Definitely a shock!
- 'Mass learning' about vulnerability
- **Growing profile – esp 'social' issues**
 - George Floyd's death, Black Lives Matter
 - Boohoo, Sports Direct etc
 - Build Back Better
 - Make My Money Matter
- **Increased industry activity**
 - Increase fund inflows, strong performance
 - Industry initiatives eg IA, PIMFA, TISA
 - FCA, DWP, BoE/PRA

- & Transparency / Greenwash



The Economist (KAL) 26 April 2020



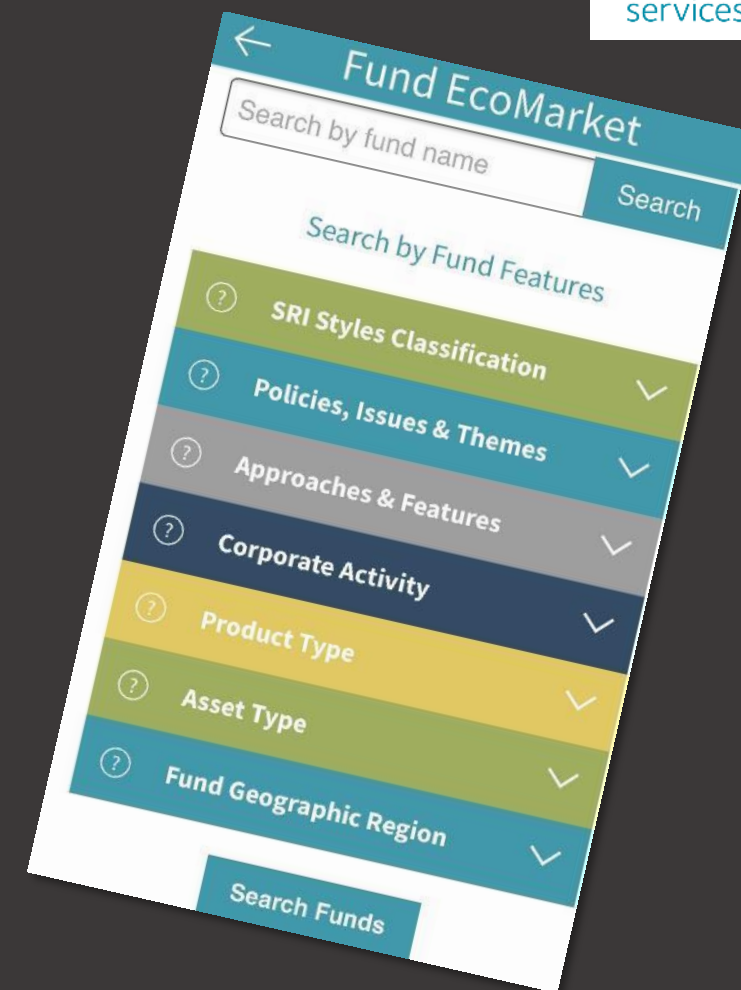
This is +1.1
degree.

Fund EcoMarket: information on Sustainable, Responsible, Ethical Investment & ESG fund strategies



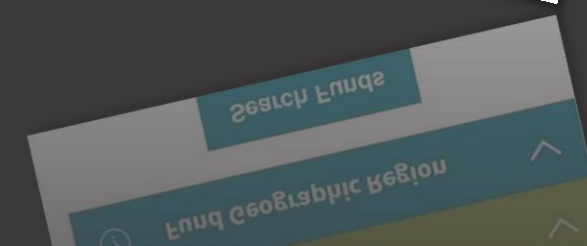
BECAUSE IT MATTERS WHERE WE INVEST

- Helps users understand and compare sustainable investment funds & match to client aims
- 100+ filter options – as opinions and methods vary
- Designed for advisers, open to all, free to use*
- Launched 2010. Evolving constantly.
- Good Money Week 2020 (24- 30 October)



Associated Partners

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RESEARCH & SELECT FUNDS on



from



Fund EcoMarket

SRI Styles Classification

- Sustainability Themed
- Environmentally Themed
- Social Themed
- Ethical - Balanced
- Ethical - Negative
- Faith Based
- ESG Plus
- Sustainability Tilt (NEW - under development)
- Limited Exclusions
- Responsible Ownership (FM company)
- Other
- Unclassified

Policies, Issues & Themes

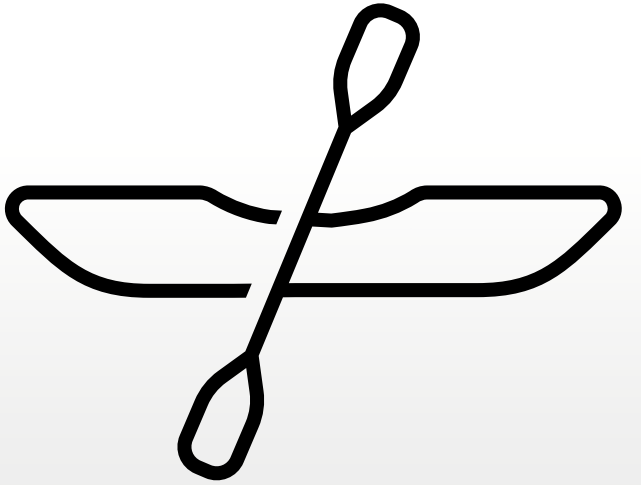
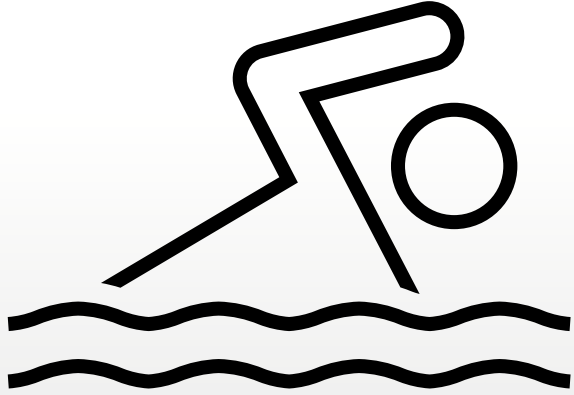
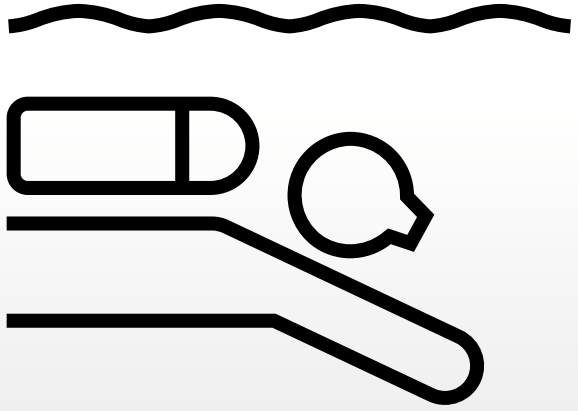
Environmental	Social	Governance	Ethical
<input type="checkbox"/> Environmental policy	<input type="checkbox"/> Social policy	<input type="checkbox"/> Governance policy	<input type="checkbox"/> Ethical policies
<input type="checkbox"/> Coal, oil &/or gas majors excluded	<input type="checkbox"/> Health & wellbeing policies	<input type="checkbox"/> Anti-bribery and corruption policy (new)	<input type="checkbox"/> Animal testing exclusion policy
<input type="checkbox"/> Climate change / GHG policy	<input type="checkbox"/> Human rights	<input type="checkbox"/> Avoids companies with poor governance (new)	<input type="checkbox"/> Animal welfare policy
<input type="checkbox"/> Fracking and tar sands excluded	<input type="checkbox"/> Child labour exclusion	<input type="checkbox"/> Digital/cyber security policy (new)	<input type="checkbox"/> Armaments manufacturers avoided
<input type="checkbox"/> Invests in clean energy/renewables	<input type="checkbox"/> Water / sanitation policy		<input type="checkbox"/> Gambling avoidance policy
<input type="checkbox"/> Limits exposure to	<input type="checkbox"/> Responsible supply		<input type="checkbox"/> Alcohol production

Approaches, Application & Features

Approaches	Impact	Policies in practice	Fund features
<input type="checkbox"/> Balances company 'pros and cons'/best in sector	<input type="checkbox"/> Aims to generate positive impacts	<input type="checkbox"/> Over 50% small/mid cap companies	<input type="checkbox"/> Available via an ISA
<input type="checkbox"/> Strictly screened ethical fund	<input type="checkbox"/> Measures positive impacts	<input type="checkbox"/> Over 50% large cap companies	<input type="checkbox"/> Eurosif transparency
<input type="checkbox"/> Limited/few ethical exclusions*	<input checked="" type="checkbox"/> Positive environmental impact theme	<input type="checkbox"/> Invests in small, mid and large cap companies (new)	<input type="checkbox"/> RSMR Rated
<input checked="" type="checkbox"/> Positive selection bias	<input type="checkbox"/> Positive social impact theme	<input checked="" type="checkbox"/> Favours cleaner, greener companies	<input checked="" type="checkbox"/> Employ external fund oversight or advisory committee
<input type="checkbox"/> Negative selection bias	<input type="checkbox"/> UN Sustainable Development Goals	<input type="checkbox"/> Invests mostly in large cap companies	<input type="checkbox"/> External (fund) committee has veto

Corporate Activity

Resources	Stewardship & Responsible Ownership	Affiliations & Collaboration	Other company features
<input type="checkbox"/> In house responsible ownership/voting expertise	<input type="checkbox"/> ESG/SRI engagement	<input type="checkbox"/> PRI signatory	<input type="checkbox"/> Specialist SRI / positive impact fund management company
<input type="checkbox"/> Employ specialist ESG/SRI/sustainability researchers	<input type="checkbox"/> Publish full voting record	<input type="checkbox"/> UKSIF member	<input type="checkbox"/> Boutique/specialist fund manager
<input type="checkbox"/> Use specialist ESG/SRI/sustainability research companies	<input type="checkbox"/> Responsible ownership / stewardship policy	<input type="checkbox"/> Climate Action 100+ or <small>(included in collaborative net-zero investor initiatives that are encouraging companies to address their own emissions)</small>	<input type="checkbox"/> Integrates ESG factors into all/most fund
	<input type="checkbox"/> Responsible Ownership policy for non SRI funds	<input type="checkbox"/> Fund EcoMarket sponsor/partner	<input type="checkbox"/> <small>In-house carbon/ESG reduction policy</small>
			<input type="checkbox"/> Full SRI policy information on



SARASIN
& PARTNERS

RSMR ESG Seminar

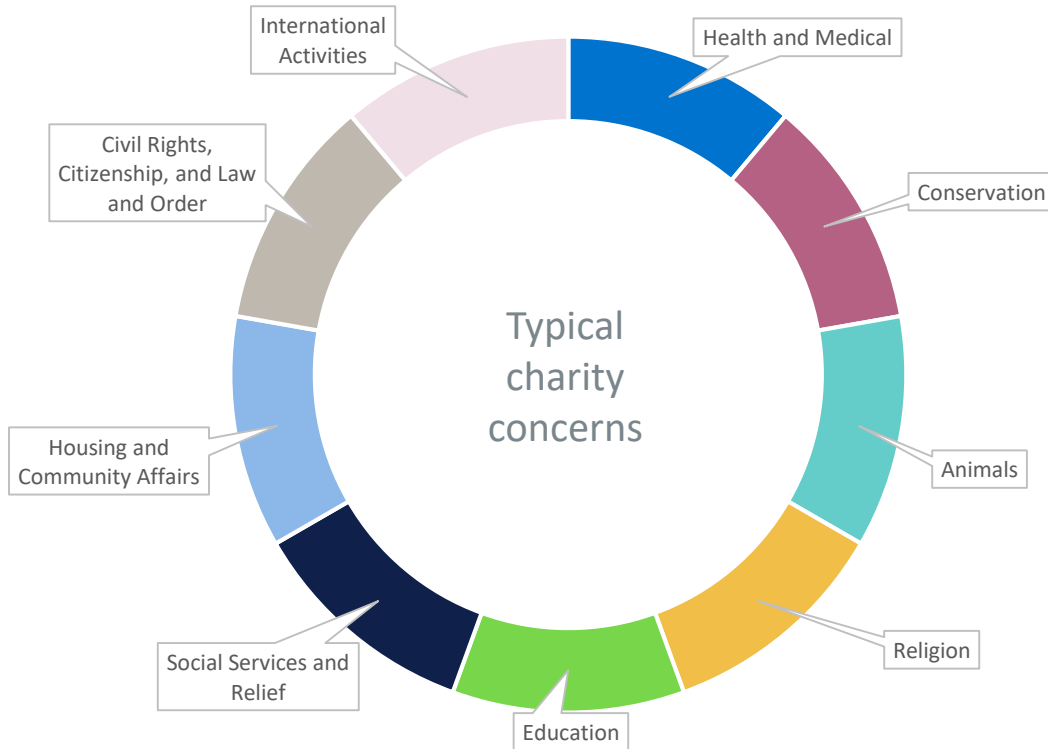
Alex Bibani, Fund Manager- Sarasin & Partners

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About Sarasin & Partners

A heritage of investing for charities – considering a library of non-financial issues



- Long-term investment horizon
- Concern about how returns are generated
- 'Ethical' mindset



- Long-term share ownership requires 'Stewardship'
- An in-house, multi-asset, global investment team
- Sarasin carries out its own ESG risk & impact analysis
- Seeking sustainable outcomes

Investment philosophy



Distinctive thematic approach



We adopt a multi-thematic framework to identify long-term sustainable growth trends and the responsible companies best positioned to benefit



Integrated stewardship



Integrated ESG analysis embedded in stock selection. Our ownership discipline drives our active engagement. Climate impact analysis identifies and reduces climate risk.



Active, long-term mindset

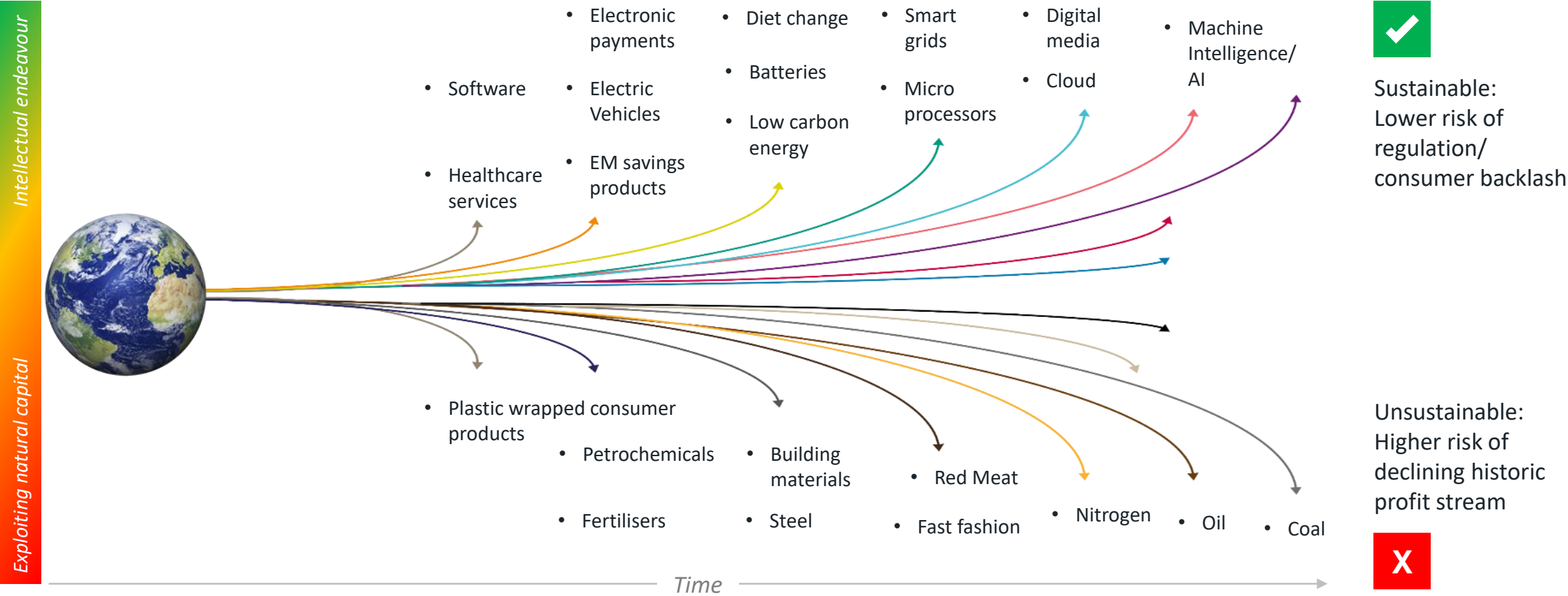


We believe that delivering long-term outperformance is best achieved through a concentrated portfolio of high conviction stocks

Our Thematic strategy identifies many positive and sustainable trends



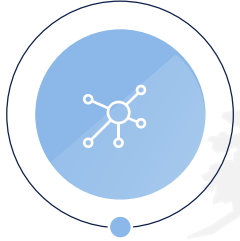
Sarasin forecasts – growth trends



Source: Sarasin & Partners Forecasts and multiple industry sources

Thematic framework

Mega-themes and sub-themes



Digitalisation

- › Analytics
- › Cloud
- › Digital media
- › Digital commerce
- › Connectivity
- › Processing



Ageing

- › The Silver Dollar
- › Health
- › Wealth



Evolving Consumption

- › Health, wellness & diet
- › Disruptive retail
- › The circular economy
- › Emerging consumer
- › Travel & experiences
- › Lifestyle consumer



Automation

- › Food chain technology
- › Safety & security
- › Personal assistance
- › Process efficiency



Climate Change

- › Environmental resources
- › Infrastructure & buildings
- › Low carbon power
- › Resource efficiency
- › Low carbon transport

Investment themes lead to companies with sustainable long-term businesses

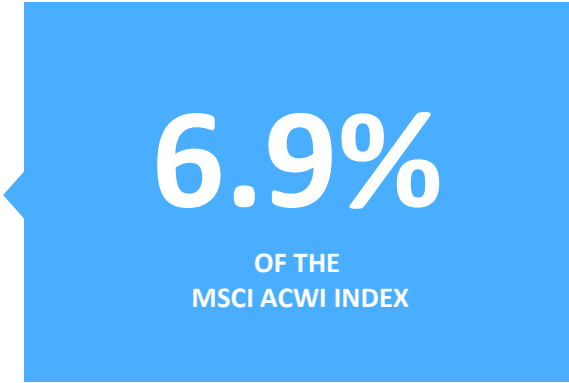
Unsustainable and harmful activities are excluded



QUANTITATIVE

Exclude investment in companies which are materially involved in the production and distribution of **ethically unacceptable products**, including:

- Tobacco (1.1%)
- Alcohol (1.8%)
- Gambling (0.4%)
- Adult Entertainment (0.0%)
- Armaments (2.5%)
- Civilian Firearms (0.4%)
- Extraction of thermal coal (0.4%)
- Production of oil from tar sands (0.3%)



QUALITATIVE

Avoid investing in companies which are **materially** involved in **ethically unacceptable practices**, such as

- Corruption
- Environmental degradation
- Poor labour practices
- Breaches of human rights
- Companies which persistently, knowingly and materially breach international legal standards

Source: MSCI data as at 31.12.2019

Environmental, Social and Governance



E



S



G

Environment - <https://www.youtube.com/watch?v=J16n2PI6AwU>

Social - <https://www.youtube.com/watch?v=f1JUOVumc14>

Governance - <https://www.youtube.com/watch?v=mdhcdJPYxG8>

Identifying threats and opportunities with integrated E, S & G analysis

E
Environmental impacts remain after making a profit

S
The social contract is the core pillar of trust

G
Governance is the foundation on which a company stands

CLIMATE CHANGE



CIRCULAR ECONOMY



LAND



AIR



WATER



SUPPLIERS



EMPLOYEES



CUSTOMERS



BRIBERY & CORRUPTION



COHESIVE SOCIETY



BOARD STRUCTURE



OWNERSHIP RIGHTS



REPORTING & CONTROLS



EXECUTIVE REMUNERATION



BUSINESS ETHICS



Example of a company that is excluded

Coca-Cola

The Coca-Cola Company is the world's largest soft drinks company. Billions of servings of its products are consumed every week

X

Produces 100 billion plastic bottles each year and plans for recycling are too slow (2030) and unlikely to stop environmental impact

Soft drinks are heavy to transport and CO2 emissions are high

High calorie soft drinks made with high fructose corn syrup and sugar are a major contributor to obesity and diabetes

Competition for water, growing of ingredients, corporate purpose, remuneration, accounting for externalities etc. are concerns

CLIMATE CHANGE



CIRCULAR ECONOMY



LAND



AIR



WATER



SUPPLIERS



EMPLOYEES



CUSTOMERS



BRIBERY & CORRUPTION



COHESIVE SOCIETY



BOARD STRUCTURE



OWNERSHIP RIGHTS



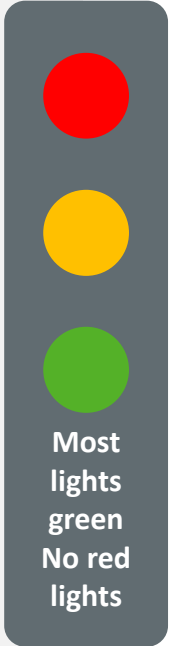
REPORTING & CONTROLS



EXECUTIVE REMUNERATION



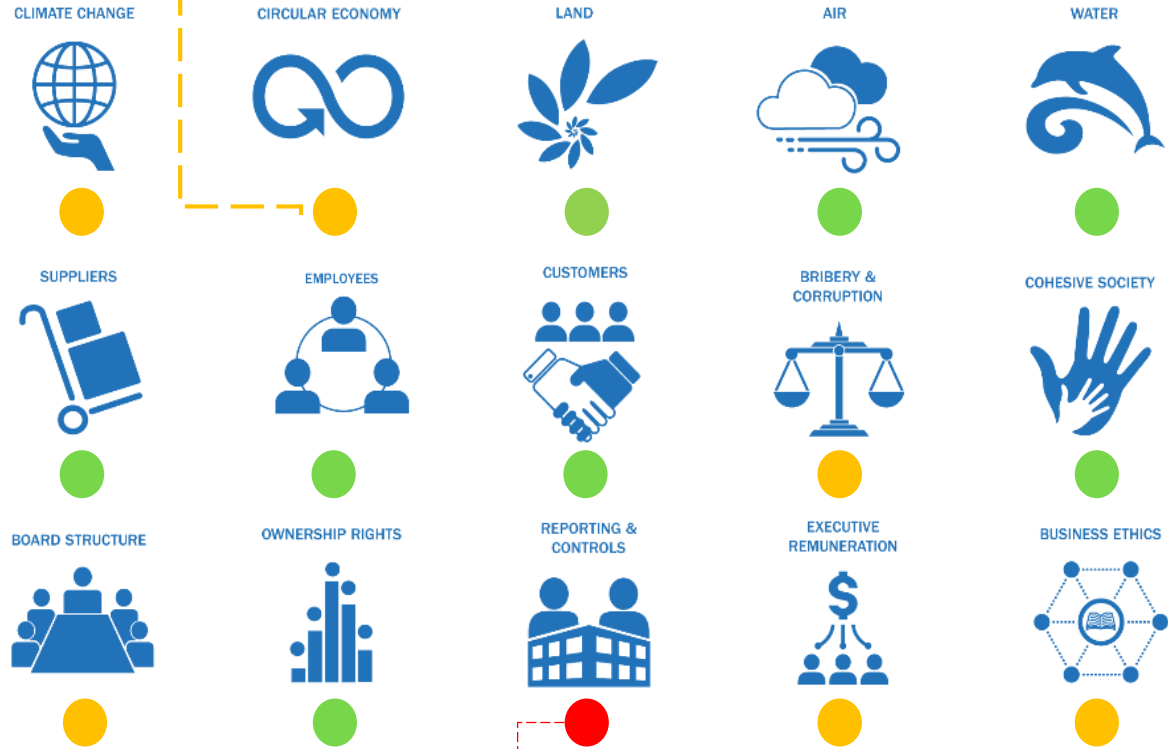
BUSINESS ETHICS



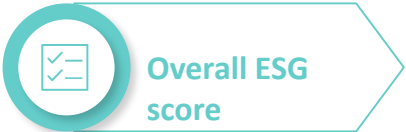
Example of a company that is included



Their own accomplishments and goals in carbon footprint, product lifecycle and use of renewable power could be improved upon.
 Reporting of chemical use is very limited - more disclosure required.
 Underwhelming goals for reducing transportation emissions given this is largely a distribution operation.



The auditors report an "Emphasis of Matter" around revenue recognition, and the inclusion of a non-independent director on the audit committee are concerns. Audit tenure a concern



Integrating ESG into valuation



Schneider Electric SE		History	Explicit forecast period						
Reported currency	EUR m	2019	2020	2021	2022	2023	2024	2025	
Discounted Cash Flow Analysis									
Analyst WACC		8.1%							
Last reported year end		31-Dec-19	Manual inputs as drivers of DCF						
Fade period - active case		Base case							
NOPAT growth		3.5%	Fade period		Base	Bull	Bear		
Non cash costs growth		2.5%	NOPAT growth		3.5%	4.5%	2.0%		
Capex growth		2.5%	Non cash costs growth		2.5%	4.0%	1.5%		
Working capital growth		2.5%	Capex growth		2.5%	4.0%	1.5%		
			Working capital growth		2.5%	4.0%	1.5%		
Terminal period									
Terminal IC growth rate		3.5%	Terminal period						
Tax rate		24.5%	Terminal IC growth rate		3.5%	4.5%	2.5%		

Schneider Electric SE	Bloomberg WACC	Analyst WACC	Analyst adjustment reasoning
Nominal WACC estimation			
Global standardized input			
Developed markets risk free rate	1.3%	1.3%	
Equity risk premium	7.9%	7.9%	
Stock specific input			
Risk free rate premium vs developed markets	0.0%	0.7%	Future expansion into EM increases risk
Long term corporate cost of debt premium vs risk free rate	0.0%	0.7%	As above
Corporate tax rate (for tax relief on debt interest)	24.5%	24.5%	
Beta	1.14	1.08	Lower beta of forward looking business mix
Long term proportion of debt vs total capital	13.7%	25.0%	Cash conversion and WIP allows for higher debt
Calculation of WACC			
Risk free rate relevant to company	1.3%	2.0%	
Cost of debt (pre tax relief)	1.3%	2.7%	
Cost of debt (after tax relief)	0.9%	2.0%	
Cost of equity	10.3%	10.5%	
ESG headwind / (tailwind) adjustment	0.0%	-0.3%	Efficiency product/services suite tailwind
WACC as per CAPM model	9.0%	8.1%	

Equity Value per share: WACC vs. perpetual growth rate						
	119.59	7.1%	7.6%	8.1%	8.6%	9.1%
2.5%		136.45	121.24	108.81	98.47	89.74
3.0%		145.19	127.68	113.67	102.20	92.64
3.5%		156.38	135.71	119.59	106.66	96.07
4.0%		171.23	145.99	126.96	112.10	100.17
4.5%		191.88	159.63	136.41	118.88	105.18

Active ownership



Source: Bloomberg, Schneider Electric share price from 01.08.2017 to 04.03.2020

Active ownership – holding companies to account

Showing the voting records of a selection of well-known fund managers (July 2018 – Jun 2019)



Remuneration

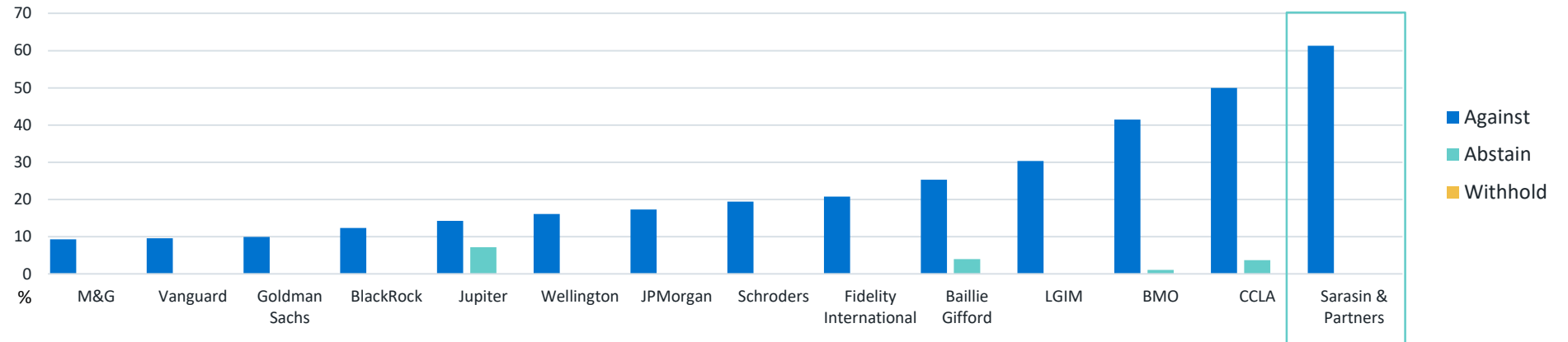
Common reasons for us to vote against:

- > Less than 4x shareholding requirement
- > Don't have post-departure holding requirement

Source: Sarasin & Partners, Proxy Insight, Jun 2019



Remuneration



Auditor

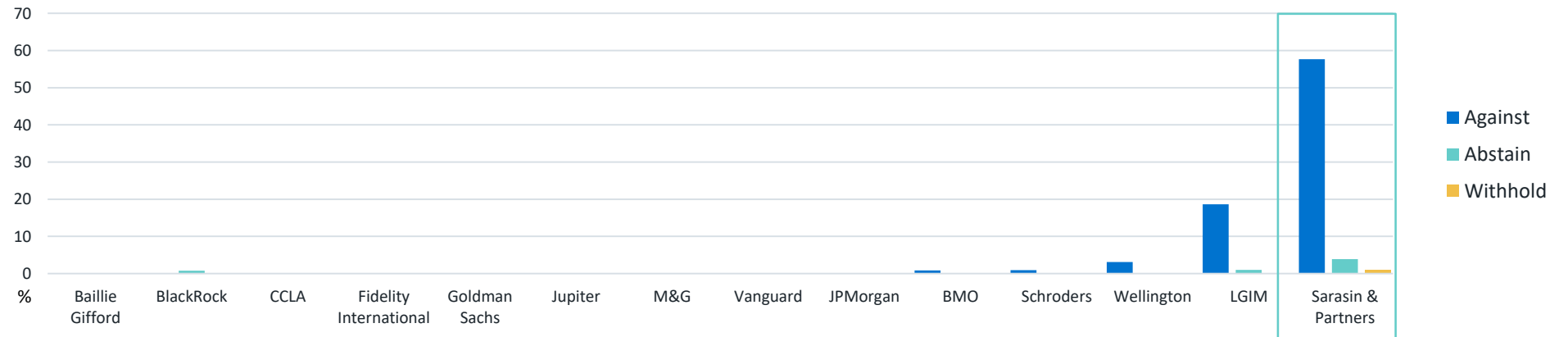
Common reasons for us to vote against:

- > Non-audit fees > 25% of audit fees
- > Tenure > 15 years

Source: Sarasin & Partners, Proxy Insight, Jun 2019



Auditor

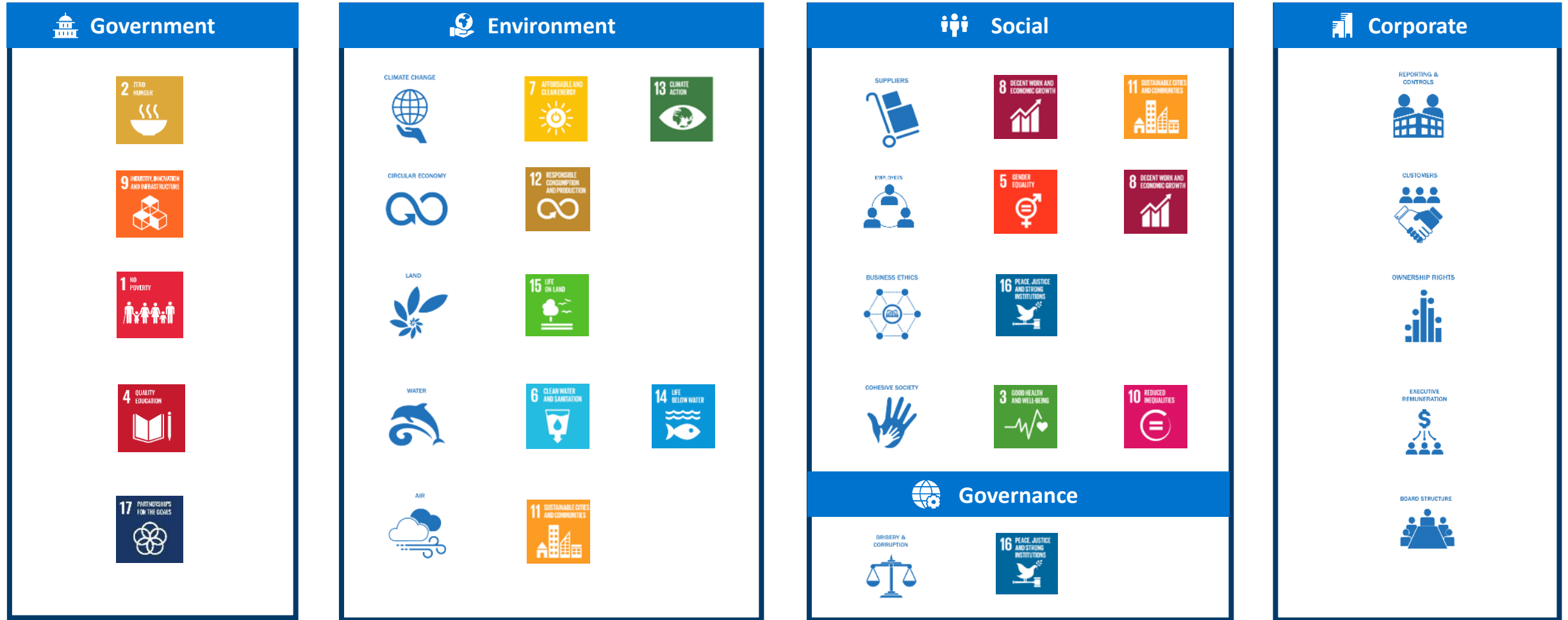


We contribute to a wide range of initiatives, collaborations and policies under each of the ESG categories

<div data-bbox="282 386 377 479" data-label="Text"> <p>E</p> </div>	<div data-bbox="639 272 894 301" data-label="Section-Header"> <p>CLIMATE CHANGE</p> </div> <div data-bbox="741 311 800 391" data-label="Image"> </div> <ul style="list-style-type: none"> • Task Force on Climate-related Financial Disclosures (TCFD) • Institutional Investors Group on Climate Change (IIGCC) • Signatory of the Paris Pledge for Action • Climate Risk Reporting with ClientEarth • Sarasin Climate Active Expert Advisory Panel • Sarasin Climate Pledge & Climate Action 100+ (CA100+) • The Climate Disclosure Project (CDP) 	<div data-bbox="1156 272 1454 301" data-label="Section-Header"> <p>CIRCULAR ECONOMY</p> </div> <div data-bbox="1258 319 1365 386" data-label="Image"> </div> <ul style="list-style-type: none"> • Fair Animal Investment Risk & Return (FAIRR) • Plastic Solutions Investor Alliance (PSIA) • Ellen MacArthur Foundation Plastics Initiative 		<div data-bbox="1574 272 1658 301" data-label="Section-Header"> <p>LAND</p> </div> <div data-bbox="1574 311 1666 396" data-label="Image"> </div>	<div data-bbox="1837 272 1895 301" data-label="Section-Header"> <p>AIR</p> </div> <div data-bbox="1811 311 1913 405" data-label="Image"> </div>	<div data-bbox="2028 272 2137 301" data-label="Section-Header"> <p>WATER</p> </div> <div data-bbox="2028 311 2137 396" data-label="Image"> </div>
	<div data-bbox="282 715 377 808" data-label="Text"> <p>S</p> </div>	<div data-bbox="563 634 715 662" data-label="Section-Header"> <p>SUPPLIER</p> </div> <div data-bbox="588 672 680 766" data-label="Image"> </div> <ul style="list-style-type: none"> • 30% Group Investor Initiative • Workforce Disclosure Initiative (WDI) • Collaboration with ShareAction • Sarasin Modern Slavery Statement 	<div data-bbox="919 634 1090 662" data-label="Section-Header"> <p>EMPLOYEE</p> </div> <div data-bbox="945 672 1054 766" data-label="Image"> </div>	<div data-bbox="1268 634 1472 662" data-label="Section-Header"> <p>CUSTOMERS</p> </div> <div data-bbox="1309 672 1393 766" data-label="Image"> </div> <ul style="list-style-type: none"> • Interfaith Center on Corporate Responsibility (ICCR) • The Local Authority Pension Fund Forum (LAPFF) • Sarasin Anti-Bribery and Corruption Statement • Social investment exclusions: tobacco, pornography, armaments, gambling, alcohol 	<div data-bbox="1564 634 1964 662" data-label="Section-Header"> <p>BRIBERY & CORRUPTION</p> </div> <div data-bbox="1727 672 1829 766" data-label="Image"> </div>	<div data-bbox="2015 634 2186 705" data-label="Section-Header"> <p>COHESIVE SOCIETY</p> </div> <div data-bbox="2066 715 2142 795" data-label="Image"> </div>
<div data-bbox="282 1058 377 1150" data-label="Text"> <p>G</p> </div>		<div data-bbox="486 933 810 962" data-label="Section-Header"> <p>BOARD STRUCTURE</p> </div> <div data-bbox="580 972 690 1052" data-label="Image"> </div> <ul style="list-style-type: none"> • International Corporate Governance Network (ICGN) • Asian Corporate Governance Association (AGCA) • Council of Institutional Investors (CII) • Australian Council of Superannuation Investors (ACSI) • Sarasin Independent Voting Policy • UK Corporate Governance Code • Show of Hands Initiative on Shareholder Voting 	<div data-bbox="868 933 1200 962" data-label="Section-Header"> <p>OWNERSHIP RIGHTS</p> </div> <div data-bbox="996 972 1065 1066" data-label="Image"> </div>	<div data-bbox="1327 933 1549 1005" data-label="Section-Header"> <p>REPORTING & CONTROLS</p> </div> <div data-bbox="1386 1025 1480 1105" data-label="Image"> </div> <ul style="list-style-type: none"> • Investors Coalition on Audit & UK Stewardship Code • Oxford Martin School Investment and Engagement Principles • Investors coalition on International Financial Reporting Standards (IFRS) • Corporate Reporting and Auditing Group, convened by the Investment Association • Investor Advisory Group of the Financial Reporting Council (FRC) • Signatory of the UN Principles for Responsible Investment (PRI) 	<div data-bbox="1640 933 1913 1005" data-label="Section-Header"> <p>EXECUTIVE REMUNERATION</p> </div> <div data-bbox="1735 1015 1819 1105" data-label="Image"> </div>	<div data-bbox="2028 933 2186 1005" data-label="Section-Header"> <p>BUSINESS ETHICS</p> </div> <div data-bbox="2058 1015 2150 1105" data-label="Image"> </div>

Aligning our process with the UN Sustainable Development Goals

The UN 2030 Agenda for Sustainable Development provides a shared blueprint for peace and prosperity for people and the planet



Some SDGs are issues for governments. Some ESG issues apply only to companies

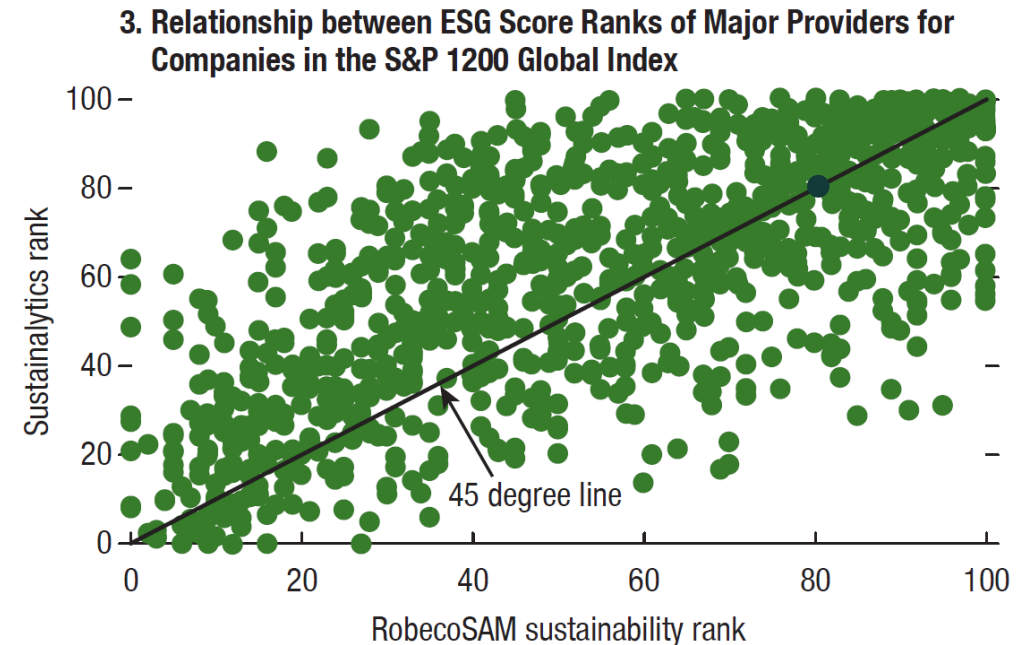
ESG analysis takes hard work – it is part of core stock analysis

Most ready-made ESG ‘scores’ vary so much they are not useful

- In a recent analysis, the IMF concluded that there is uncertainty when it comes to measuring ESG impact
- They compared ESG scores from major providers and found little agreement
- Passive investing is not conducive to sustainable investing, given the need for greater engagement with issuers and higher analytical burden and cost
- Sarasin carries out its own ESG risk & impact analysis



IMF chart: if Sustainalytics and RobecoSAM ESG scores agreed, each point would sit on the 45 degree line



Source: IMF Global Financial Stability Report October 2019
Bloomberg Finance L.P.; Refinitiv Datastream; RobecoSAM; Sustainalytics; and IMF staff calculations.

A strong track record in managing responsible and sustainable equities

Sarasin Responsible Global Equity Fund as at 31 August 2020

Global Equities



Annual and cumulative performance	1 Year	3 Year	3 Year Ann.	5 Year	5 Year Ann.	Since Launch*	Since Launch Ann.
Sarasin Responsible Global Equity P Acc	11.65	37.90	11.31	93.14	14.07	160.49	13.22
Sector: IA Global	6.42	23.89	7.40	76.69	12.06	126.91	11.21
Net Outperformance	+5.23	+14.01	+3.91	+16.45	+2.01	+33.58	+2.00

Discrete performance	01.06.2019 – 31.08.2020	01.06.2018 - 31.08.2019	01.06.2017 - 31.08.2018	01.06.2016 - 31.08.2017	01.06.2015 - 31.08.2016
Sarasin Responsible Global Equity P Acc	11.65	9.78	12.51	17.84	18.86
Sector: IA Global	6.42	5.26	10.60	17.65	21.22
Net Outperformance	+5.23	+4.52	+1.91	+0.19	-2.36

Performance is provided net of fees. Past performance is not a reliable guide to future performance.

Performance is provided net of fees. Past performance is not a reliable guide to future performance. Performance is calculated in GBP on the basis of net asset values (NAV) and net dividends reinvested. *P share class launched 15.10.2012. Source: Sarasin & Partners LLP and Morningstar as at 31.08.20.

Benchmark: IA Global (Sector). The index data referenced is the property of the third party fund providers and has been licensed for use by us. Our third party providers accept no liability in connection with its use. See our website for a full copy of our Index Disclaimers: www.sarasinandpartners.com/docs/default-source/regulatory-and-policies/index-disclaimers.pdf

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Investing to meet the needs of the present
without compromising the ability of future
generations to meet their own needs

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Responsible Income

Presented by

David Katimbo-Mugwanya, CFA – Fund Manager

September 2020

PROFIT WITH PRINCIPLES



A leader in responsible and sustainable investing



- EdenTree is ultimately owned by a charity – 4th largest corporate donor in the UK
- Launched 1st Responsible Investment (RI) fund in 1988, a pioneer in UK retail RI funds
- In-house integrated RI expertise, with PRI* 2019 Assessment Report scores of A+ or A across our major asset classes and European RI Transparency Code compliant
- Won the Moneyfacts Best Ethical Investment Provider Award eleven years running
- Won Investment Week's Best ESG Fund Management Group 2018
- Committed to RI : Comprehensive screening + Active engagement + Informed voting



Responsible & Sustainable Investment Process



EdenTree publishes thought leading research in the form of regular Amity Insights and RI Expert Briefings to help inform our RI process.

EdenTree apply negative screening based on absence of harm, plus positive screening across nine pillars to identify responsible and sustainable companies.

EdenTree engages with companies to understand material ESG risks, to encourage best practice and to catalyse positive change.

EdenTree, as responsible stewards, vote at all meetings across all international markets except where these are share-blocked

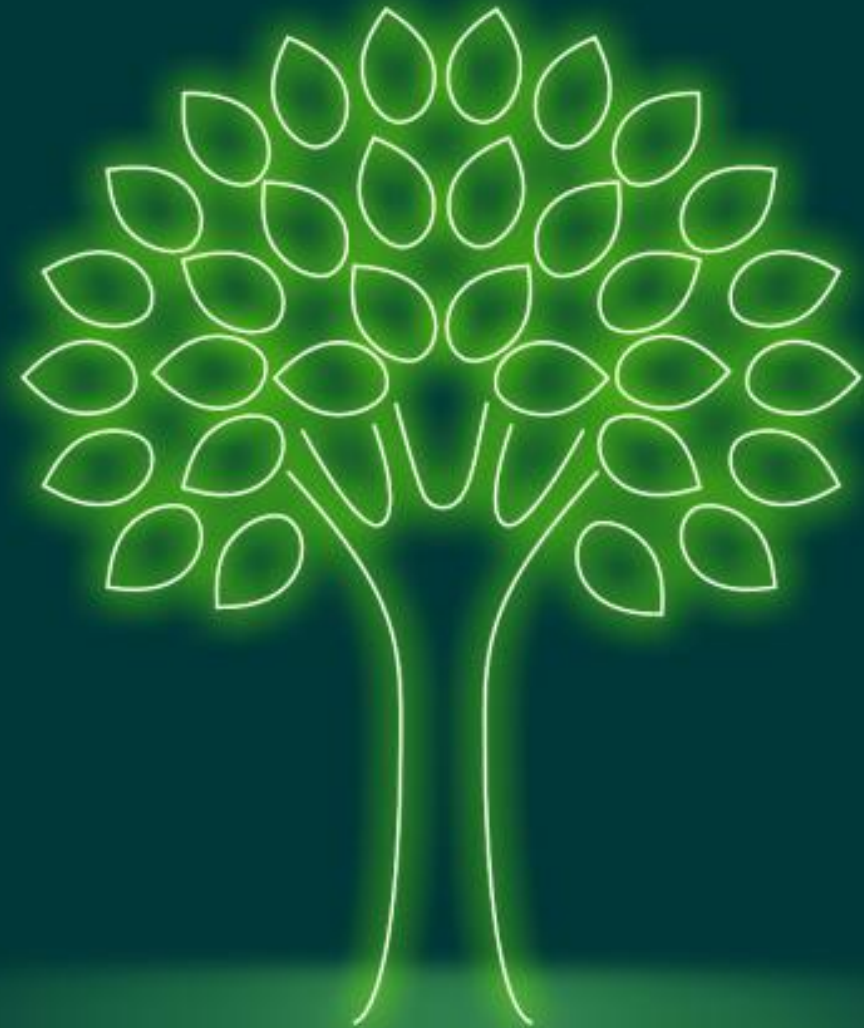
Responsible & Sustainable Investment Screening





Amity Sterling Bond Fund

PROFIT WITH PRINCIPLES



Amity Sterling Bond Fund summary



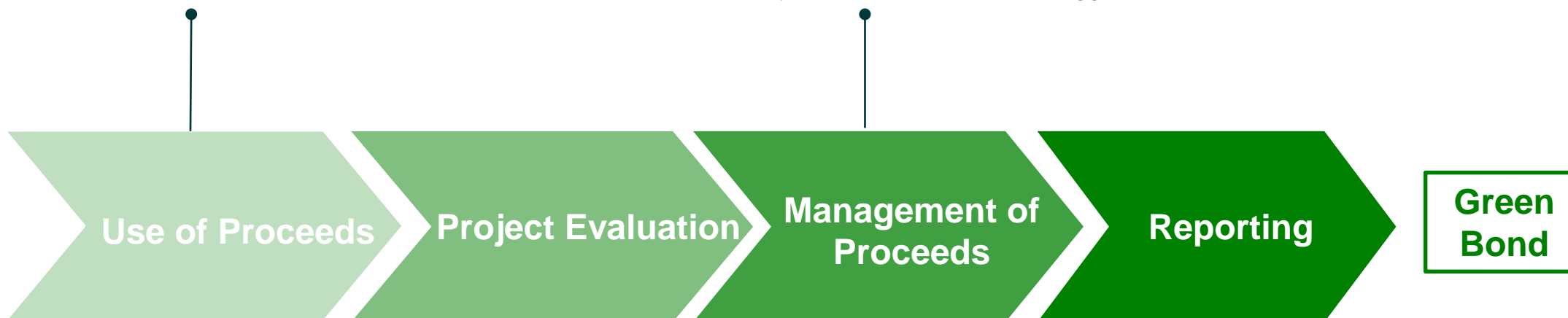
- Portfolio consists of good quality fixed interest securities
- Integrates Amity responsible & sustainable criteria
- Chris Hiorns has managed the fund since inception
- David Katimbo became co-manager in September 2016
- Aims to provide an attractive level of income
- Distribution yield of 3.76%*



Green Bonds - Framework

Designated projects should provide **clear environmental benefits** e.g. renewable energy, pollution prevention, clean transport, sustainable water management

Issuer should **ring-fence net proceeds** in sub-account and **track allocations to eligible projects**. High level of transparency, unallocated proceeds flagged



Issuer should **state eligibility criteria** and environmental sustainability objectives, **external review recommended**

Information on **use of proceeds** e.g. list of projects, amounts allocated should be readily available.. Specific **KPIs measuring impact encouraged** such as emissions reduced, where feasible, are encouraged



Scottish Hydro Electric (SSE) 2.25% 2035



Price: £1.093

Sector: Utilities, UK

Size: £350m issue

Type: Green bond



Building infrastructure to accommodate 10 million EVs (Source: SSE)



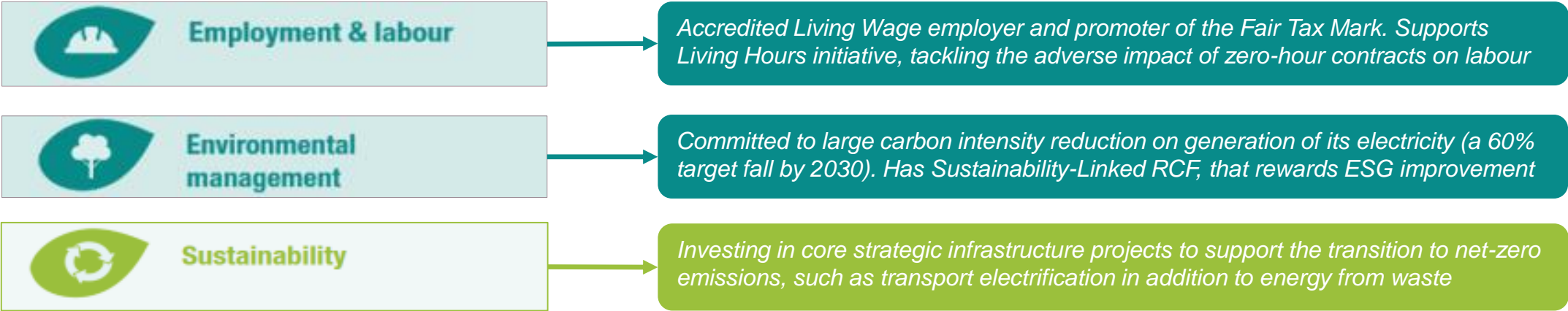
Co-owns Beatrice offshore windfarm, Scotland's largest (Source: SSE)



Developing Transmission network infrastructure (Source: Company)

Scottish and Southern Electric Transmission (SSE) is a leading renewable energy generator in UK & Ireland. It develops, owns and operates low-carbon infrastructure to aid the transition to zero carbon.

ESG Case



Retail Charity Bonds



Bonds issued via the Retail Charity Bonds platform whose proceeds enable UK-based charitable organisations raise unsecured debt that is listed and also trades on the London Stock Exchange



Golden Lane Housing
working in partnership with 



Dolphin Living



Alnwick Garden Trust 5% 2030



Price: £1.024

Sector: **Consumer, Non-cyclical UK**

Size: £18m issue

Type: **Retail Charity Bond**



Gardens established in 2002 (Source: Company)



World's Largest Tree House (Source: Company)



Lilidorei Project (Source: Company)

The Alnwick Garden Trust manages the 67-acre garden, a popular attraction in Northumberland, with income generated from the garden enabling the delivery of a range of community-targeted initiatives.

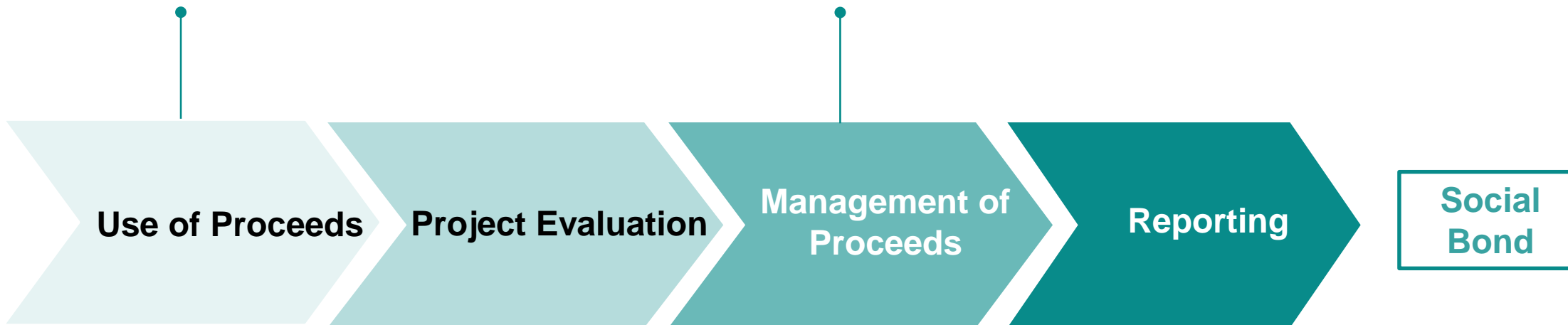
ESG Case



Social Bonds – Framework

Designated projects should tackle **specific societal issues** e.g. health, education, social housing **and or target populations** such as elderly or those with disabilities

Issuer should **ring-fence net proceeds** in sub-account and **track allocations to eligible projects**. High level of transparency, unallocated proceeds flagged



Issuer should state **social objectives, project eligibility process** as well as any **exclusion criteria**

Information on **use of proceeds** e.g. list of projects, amounts allocated should be readily available.. Specific qualitative and quantitative **KPIs measuring impact encouraged** where possible e.g number of beneficiaries



World Bank 0.5% 2023



Price: £1.0108
Bond

Sector: **Supranational**

Size: £1.5bn issue

Type: **Sustainable Development**



COVID-19 RELIEF FUNDS



The World Bank avails loans and assistance primarily to middle income countries with the ultimate goal of reducing poverty as well as increasing shared prosperity and promoting sustainable development globally.

Already had health projects moving forward in 65 countries. Co-ordinated emergency operations to fight COVID-19 now span over 100 developing countries – home to 70% of the world’s population.

ESG Case



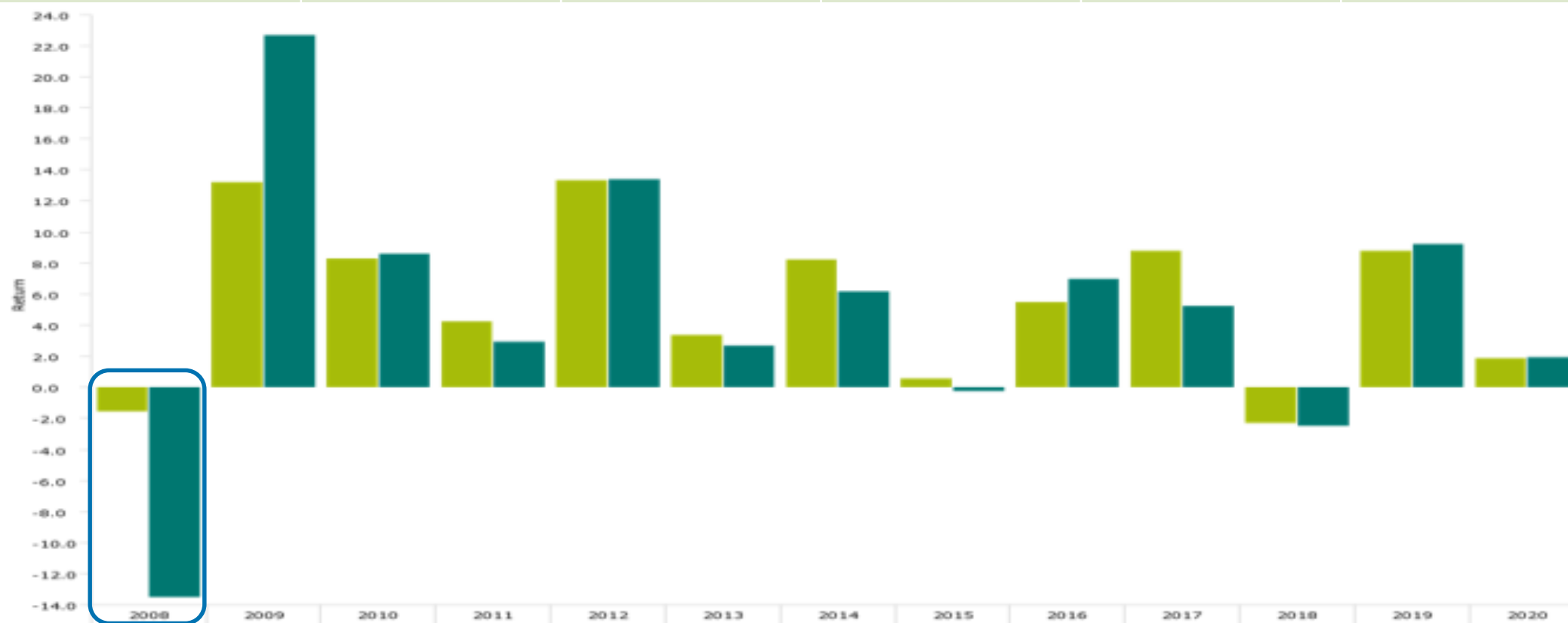
Strengthening developing nations’ ability to respond to the ongoing COVID19 pandemic, in-line with SDG 3 – tackling the Health & Wellbeing



Cumulative and Discrete Performance



	6 months	1 year	3 years	5 years	Inception
Fund	1.68	4.29	10.96	24.39	99.71
Benchmark*	1.48	3.33	11.98	26.39	95.96
IA £ Strategic Bond	1.03	3.15	9.49	21.74	82.24

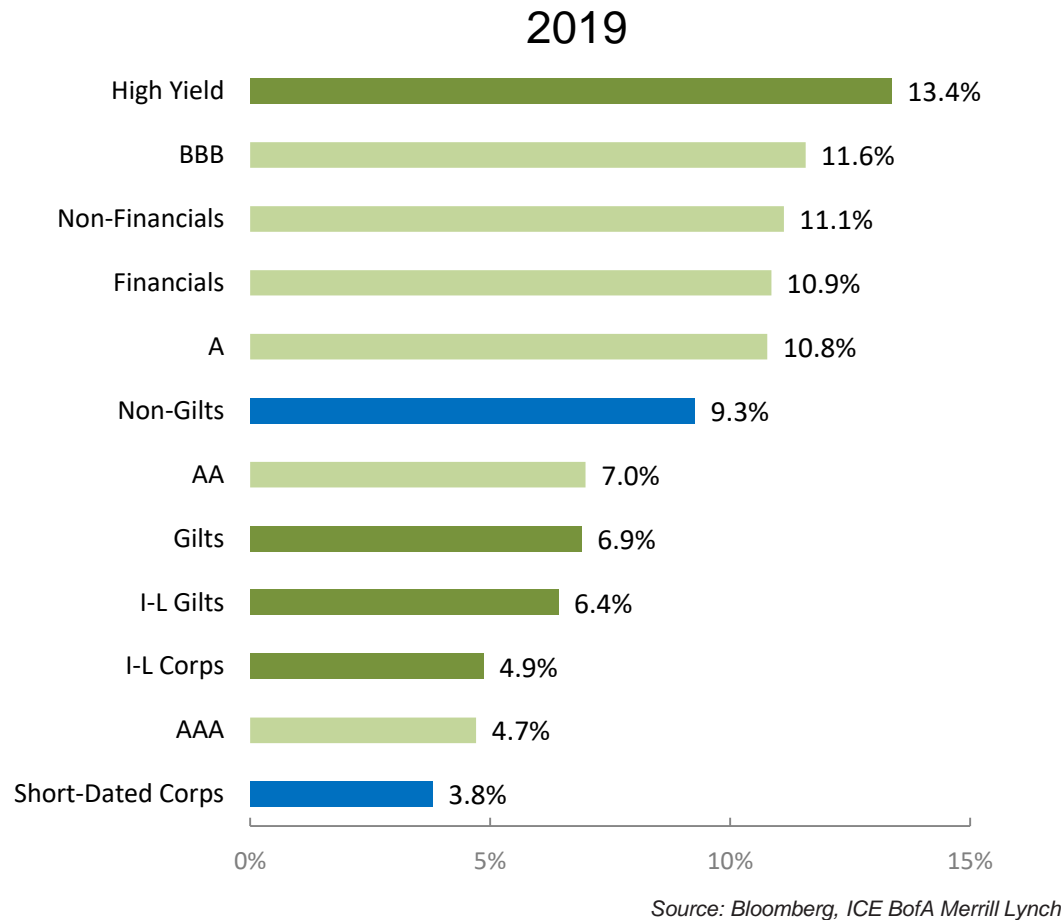


EdenTree Amity Sterling Bond Fund B Inc
IA £ Strategic Bond Sector

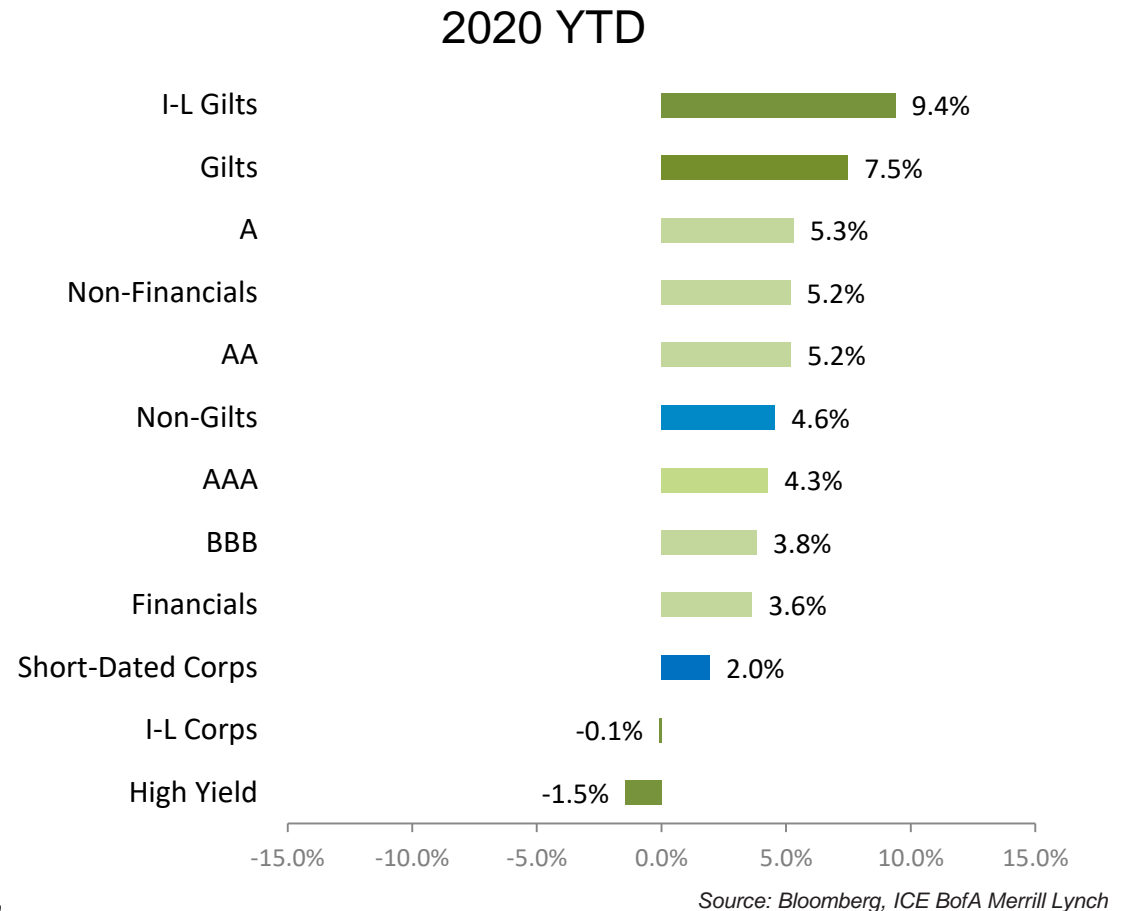
Source: Morningstar, bid to bid with net income reinvested, as at 31/08/20

*FTSE Act UK Conventional Gilts All Stocks TR GBP,
changed to iBoxx £ Non-Gilt Index as of 01/07/2019

Sterling Fixed Income: Risk-off Q1 2020, QE-inspired rally



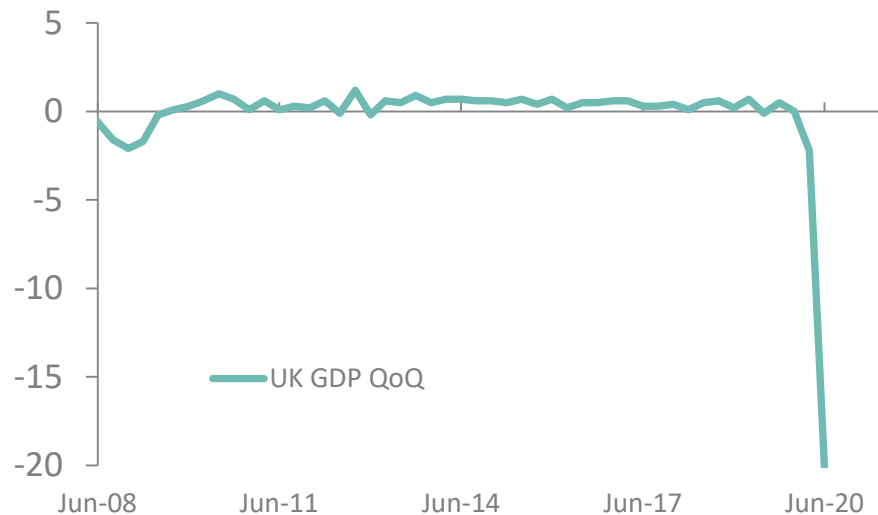
Credit performed strongly in 2019



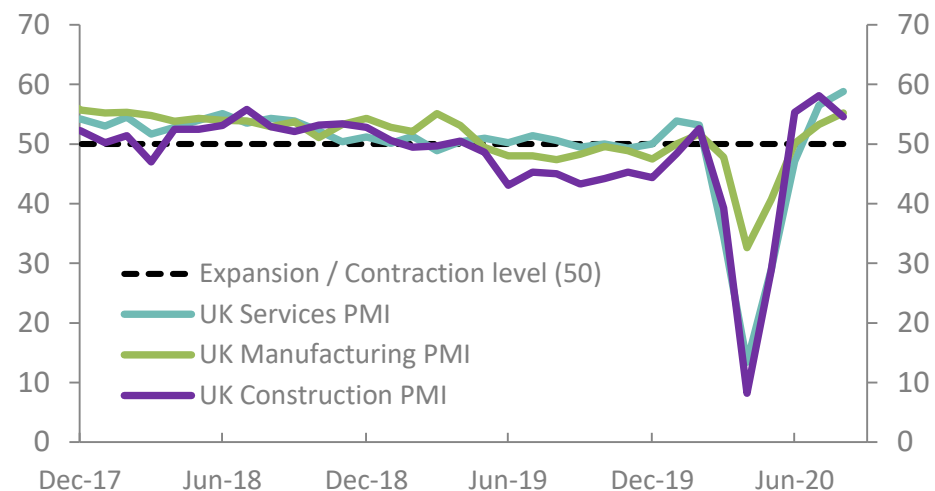
...but has underperformed thus far on poor outlook, notably in lower-rated debt such as High Yield

Macroeconomic Outlook

GDP AT 2008 LEVELS, LIKELY TO STAY LOW....



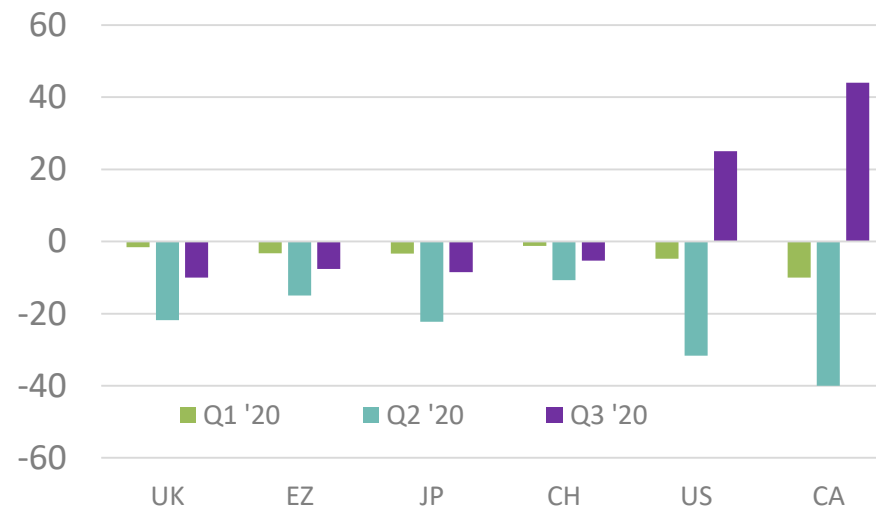
...EVEN WHILE PMIs SIGNAL ACTIVITY BOUNCE



CONSUMER CONFIDENCE ALSO DEPRESSED



GLOBAL Q2 GDP WORST HIT, Q3 UNCERTAIN



EdenTree Fixed Income Funds



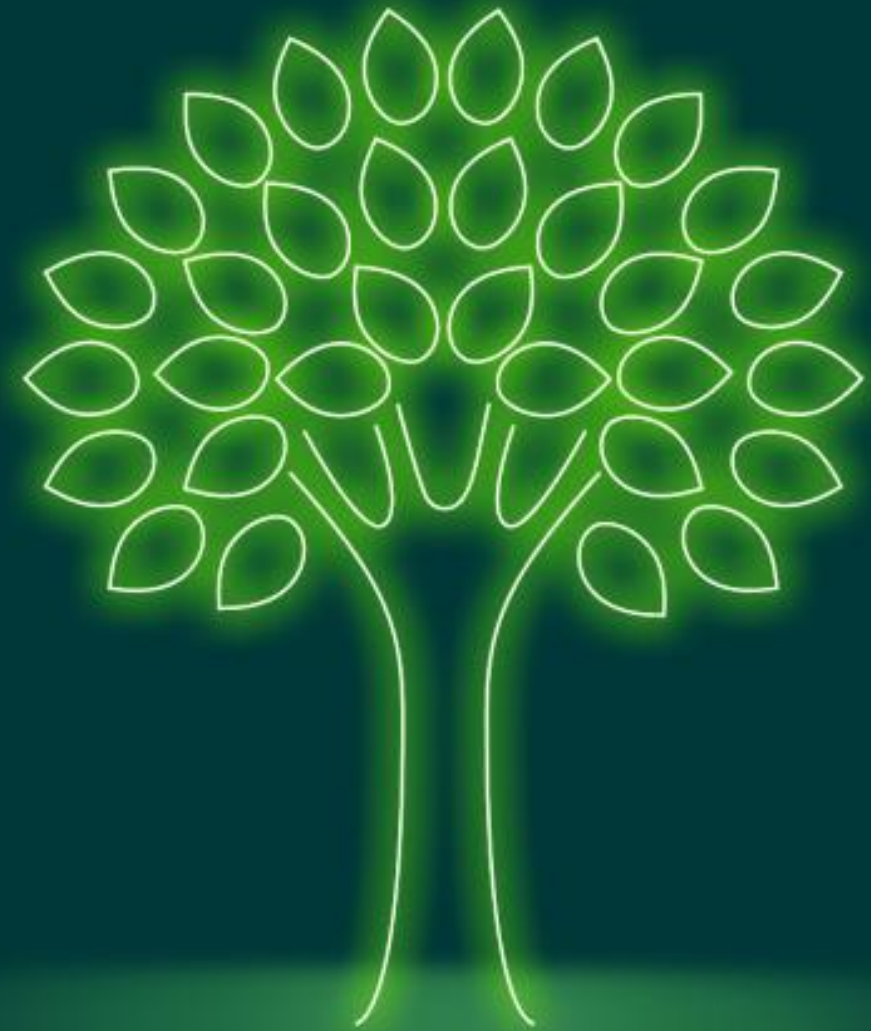
	Amity Short-Dated Bond Fund	Amity Sterling Bond Fund
Headline	Cash +	Income
Investment Objective	The Fund aims to preserve capital and generate a regular income payable quarterly.	The Fund aims to generate a regular level of income payable quarterly.
Summary Portfolio	High quality short dated bonds (90% Fund exposure to debt rated Single-A or above).	Flexible & diversified mix of Corporate Bonds, PIBs and Preference Shares
Distribution Yield*	1.62%	3.76%
Income Frequency	Quarterly	Quarterly
Duration (years)*	2.3	5.4
Average Credit Rating	A+	BBB+
Ongoing charge*	0.41%	0.59%



* Data as at 31st July 2020



Appendix



PROFIT WITH PRINCIPLES

Wholesale & Retail Distribution



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Retail Distribution*

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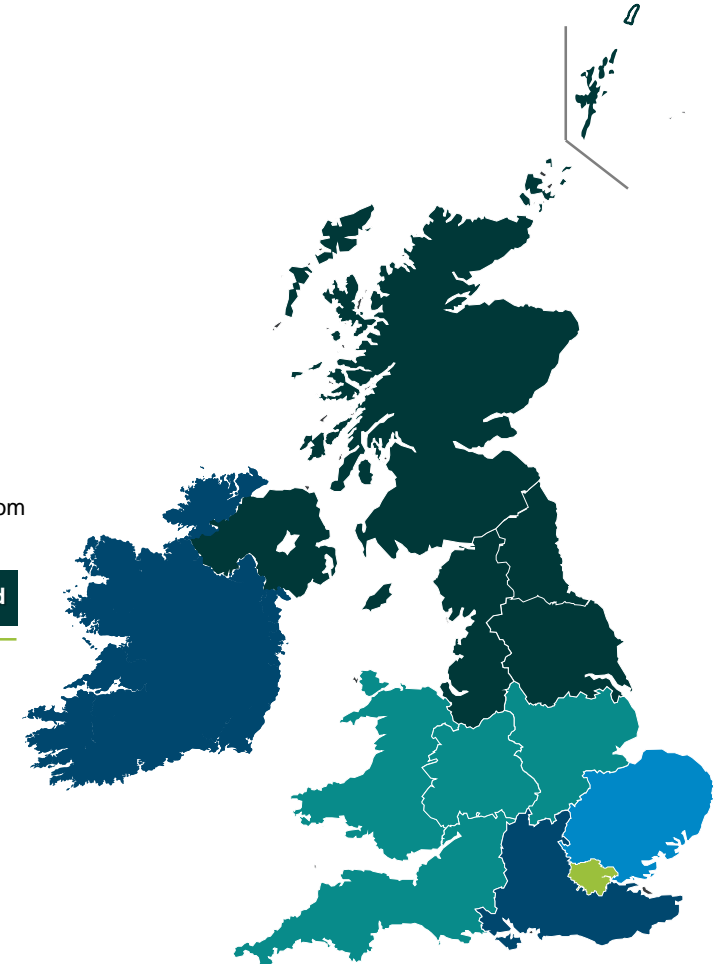
Wholesale & Retail Distribution Sales Support



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*Business Development
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Wholesale & Retail Distribution Development



Disclaimer



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Our research. Your success.

A man in a white shirt is seen from behind, standing on a balcony with a metal railing. He is looking out over a city skyline with several tall buildings. The scene is brightly lit, suggesting a sunny day. The text is overlaid on the image.

6th Annual SRI Conference
29th September 2020

Stuart Ryan

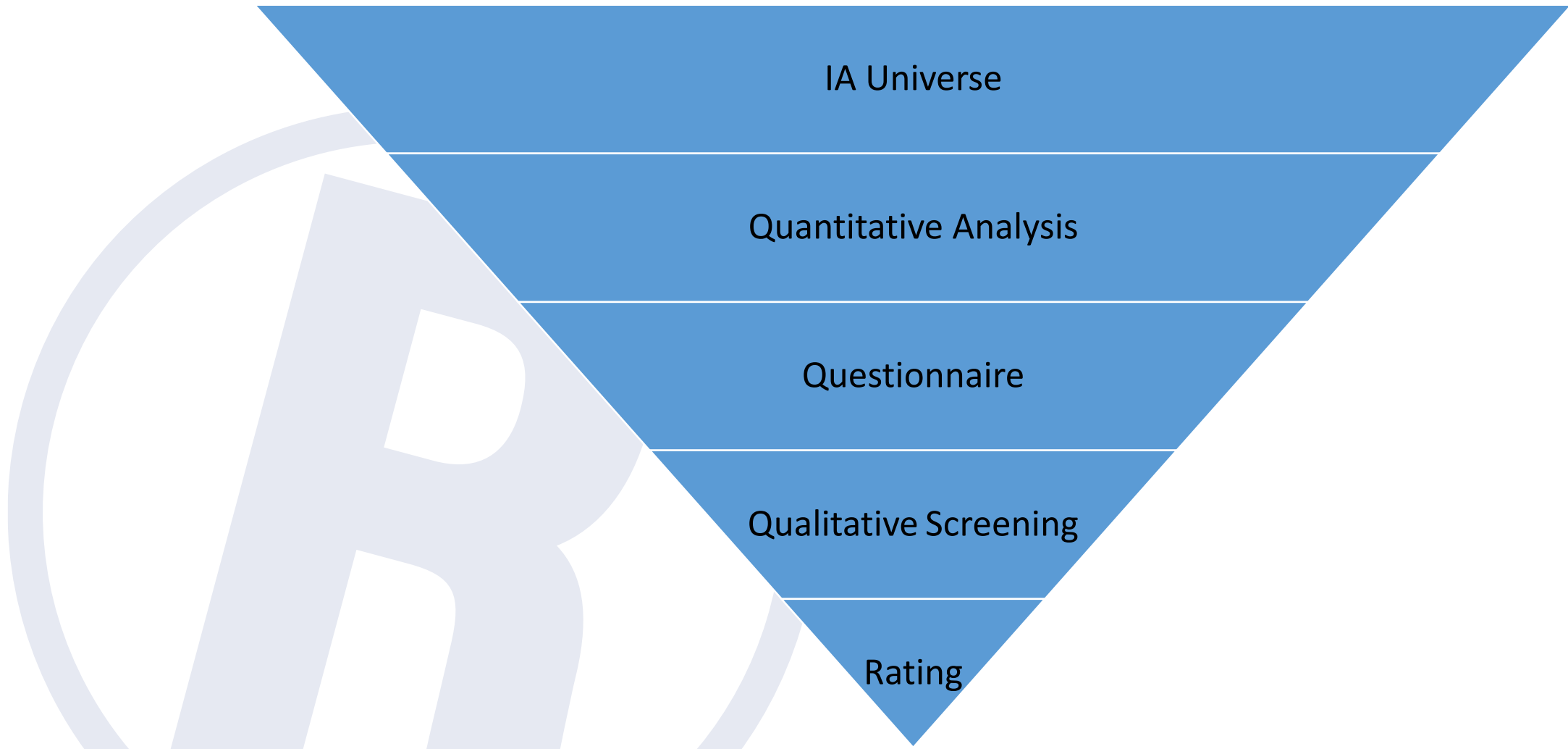
- SRI Rating renamed Responsible



- Introduction of four Responsible fund categories:
 - Sustainable
 - Impact
 - Thematic
 - Ethical

Research Process

- **Quantitative Analysis**
 - Performance, risk, OCF, fund size
- **Bespoke Questionnaire**
 - Fund technical data, team structure, decision making processes, risk monitoring, fund differentiators, ESG integration
- **Qualitative Analysis**
 - Fund manager/management team background, manager resources, fund philosophy, fund management processes
- **Review and Monitor**
 - Monthly sector meetings



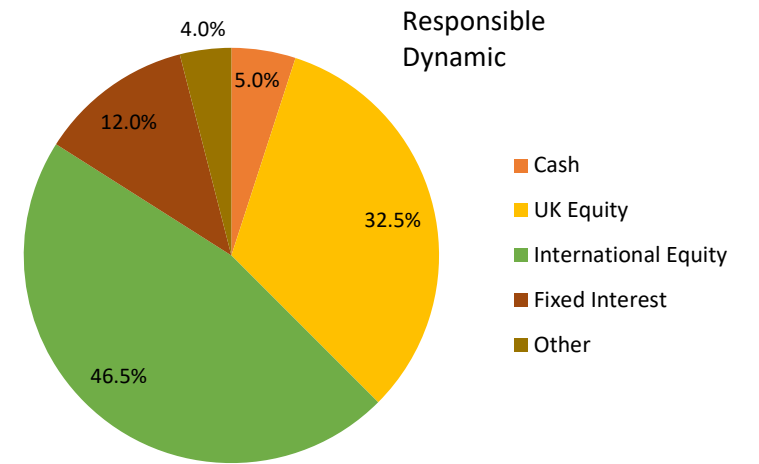
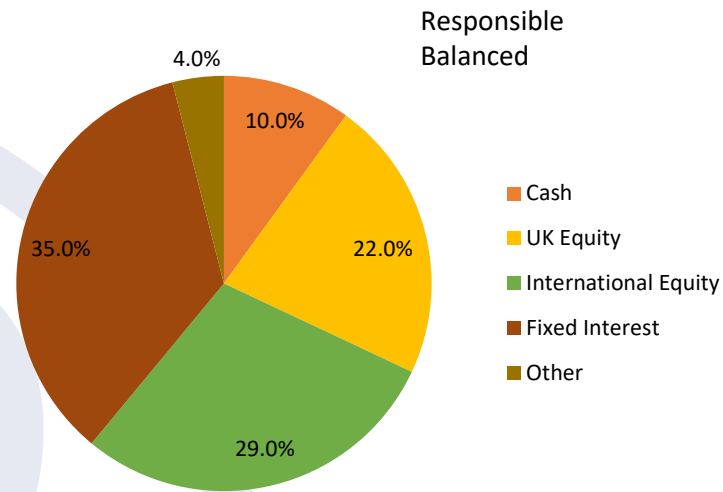
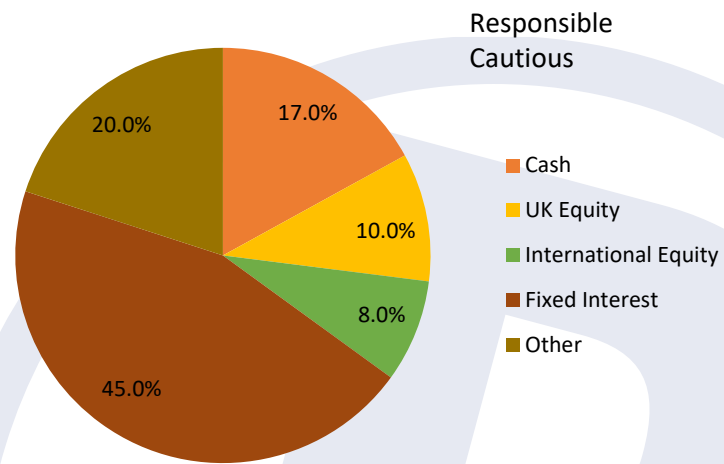
Responsible Rating

Sustainable, Impact, Thematic,
Ethical

SRI Services
Style

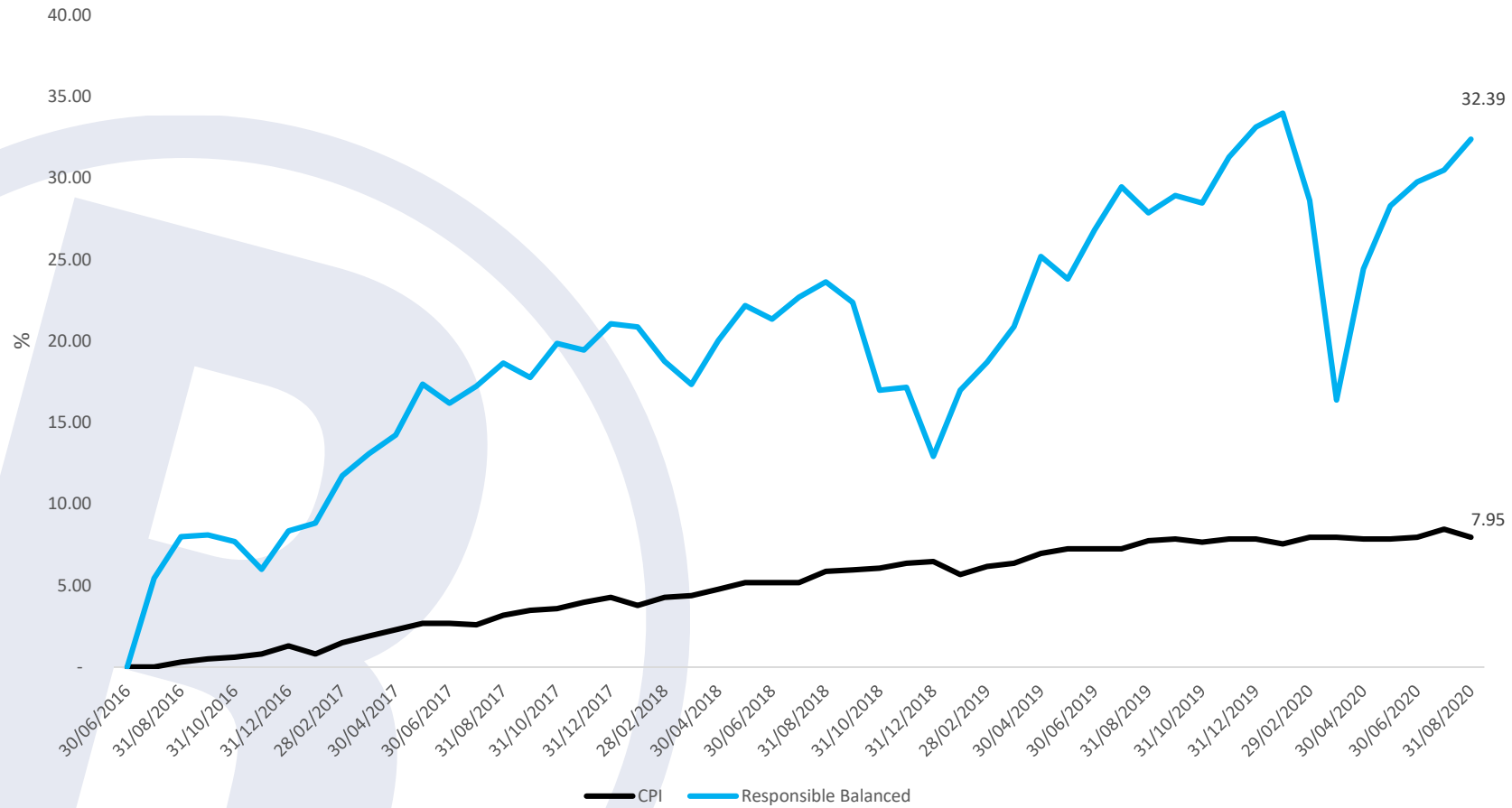
Responsible Portfolios

- Responsible Balanced launched June 2016 as an Advisory Portfolio
- Discretionary MPS Solution Launched March 2018
- Three Portfolio Managers
 - Stewart Smith
 - Robin Ghosh
 - Stuart Ryan
- Three Risk Levels
 - Cautious
 - Balanced
 - Dynamic
- Proprietary Asset Allocation
 - Quarterly Asset Allocation Meeting



Source: RSMR August 2020

Responsible Balanced Portfolio (July 2016 - August 2020)

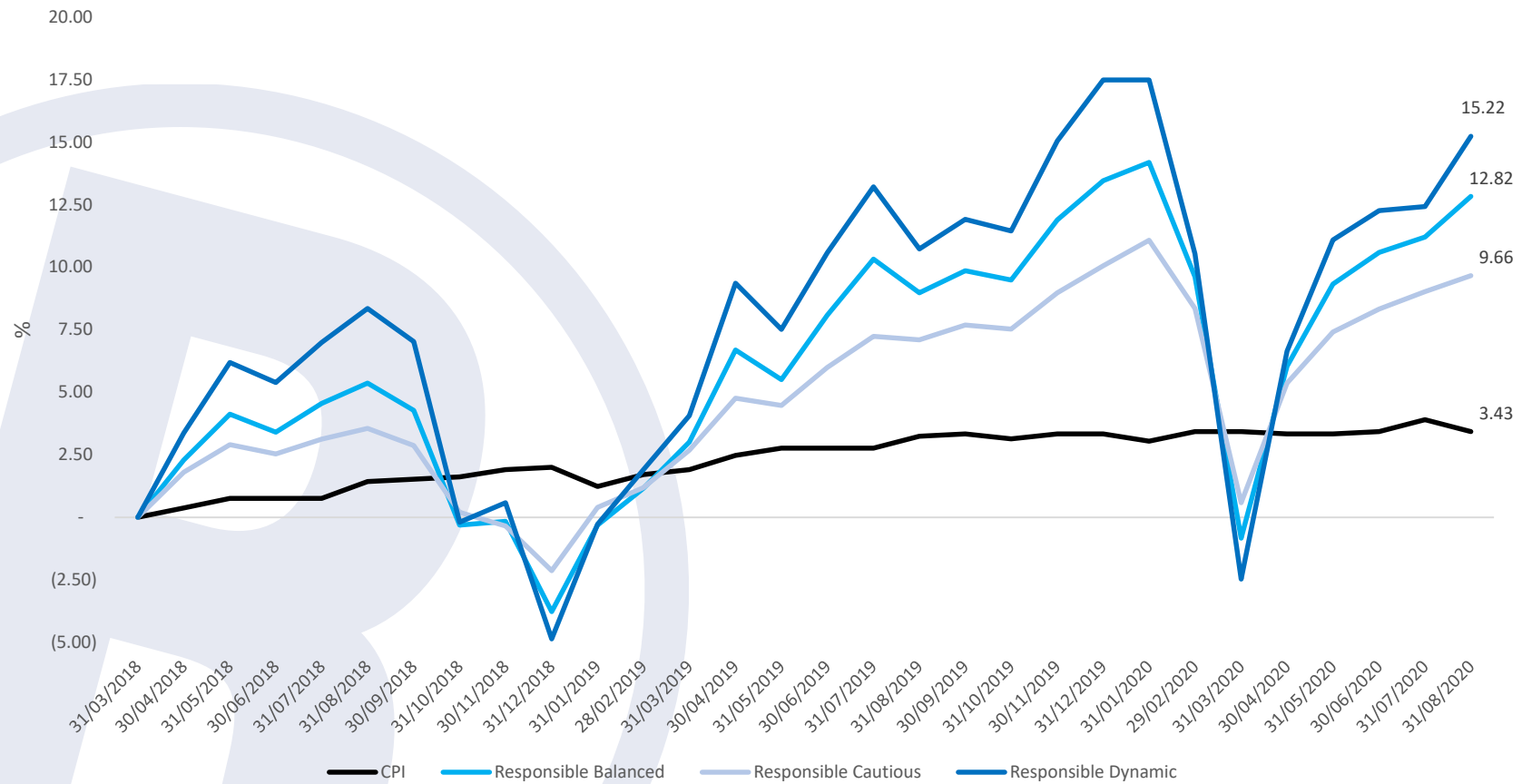


Source: RSMR, Morningstar & ONS

Performance figures gross of RSMR fees

RSMR Portfolio Services

Responsible Portfolios
(March 2018 - August 2020)



Source: RSMR, Morningstar & ONS

Performance figures gross of RSMR fees

Important Notice

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