



PPM

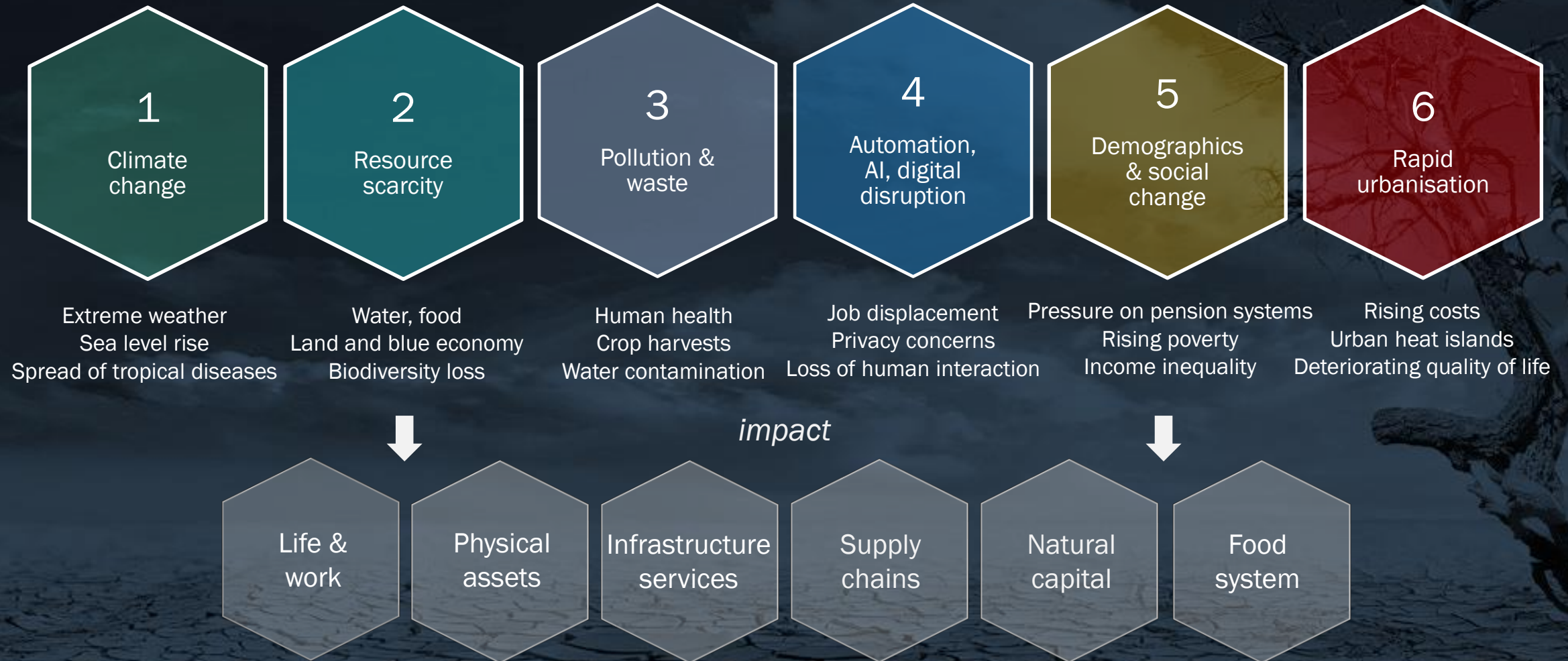
— WEALTH —

GLOBAL EXPERTS, LOCAL PARTNERS
INVESTED IN YOUR FUTURE

RESPONSIBLE INVESTING

ENVIRONMENTAL & SOCIAL CHALLENGES

We identified the megatrends that are most material to the world economy, and therefore, more likely to affect clients' portfolios.



PPM VIEW OF RESPONSIBLE INVESTING – THE SPECTRUM OF CAPITAL

While there is no standard set of criteria for identifying responsible investment, at PPM Wealth we see it as an umbrella term for the various ways in which we can consider ESG within security selection and portfolio construction¹.

Types of Investing	Traditional Investing	Responsible Investing						Philanthropy	
	Exclusion/Ethical		ESG Integration		Sustainability Focus		Impact		
	Negative	Norm-based			Best-in-class	Sustainable Themes	Market Rate	Concessionary Rate	
Focus	Emphasis on profit maximisation without regard for ESG factors	The exclusion from a fund or portfolio of certain sectors, companies or practices based on specific ESG criteria	Screening of investments against minimum standards of business practice based on international norms	Systematic and explicit inclusion of material ESG factors into investment analysis and investment decisions. The fund can invest in any business, sector or geography as long as the ESG risks of such investments are identified and taken into account	Includes investments based on certain sustainability criteria to focus exposure on sector-leading companies	Investment in themes or assets specifically related to sustainability	Investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return	Investments made with the intention to generate positive, measurable social and environmental impact and deliver below market rate returns	Financial returns are disregarded in favour of environmental and/or social solutions
Target	Agnostic	Avoid harm		Avoid harm				Contribute to solutions	
Examples	Range of traditional investments	Tobacco, gambling, alcohol, weapons	UN Universal Declaration of Human Rights	Water and waste management, GHG emissions, labour relations, business ethics, gender equality	Most energy efficient energy producers	Climate change, clean-tech, sustainable agriculture	Social Bond Fund SDGs Impact Funds		Donations, grants, seed capital (Venture)

¹ To build our view, we gathered and adopted widely accepted definitions from the Investment Association (IA) Responsible Investing Framework, Principles for Responsible Investment (PRI), Global Impact Investing Network (GIIN) and Financial Reporting Council (FRC).

PPM RESPONSIBLE INVESTMENT PHILOSOPHY & PRINCIPLES

Finding people's right space

We share the experts view (Johan Rockström and Kate Raworth's)¹ which suggests that between the social foundation of human wellbeing and the environmental ceiling of planetary pressure lies the safe and just space for humanity.

Contributing to positive change

We want that our clients have the opportunity to move a step forward to a better world without sacrificing returns. Our aim is to drive positive change by providing responsible investment solutions that are able to meet clients' responsible needs, whether through an exclusionary/ethical, ESG integrated, thematic or impact approach to responsibility.

Thinking long-term

We believe that long-term strategies are more ESG friendly than short-term ones. Short-term approaches tend to exclude patient capital or projects that need multiple years to develop.

Delivering effective stewardship

We believe that effective stewardship results in better overall value, so we build a clear understanding of what to expect from our fund managers in regards of stewardship and engagement and assess if their activities are in line with our own view and expectations.

Targeting the UN SDGs²

We believe that investing responsibly can achieve the objectives as set out in the UN SDGs.

Avoiding "greenwashing"³

We aim to always invest into funds classified as Article 8 or 9 under EU SFDR⁴. In addition, our responsible portfolios must always maintain an AA or AAA rating as by our proprietary Responsibility Rating System.

The Safe & Just Space For Humanity – The UN SDGs



¹ Source: Rockström et al, "A safe operating space for humanity" (2009); Raworth, "Doughnut Economics" (2017); PPM Wealth.

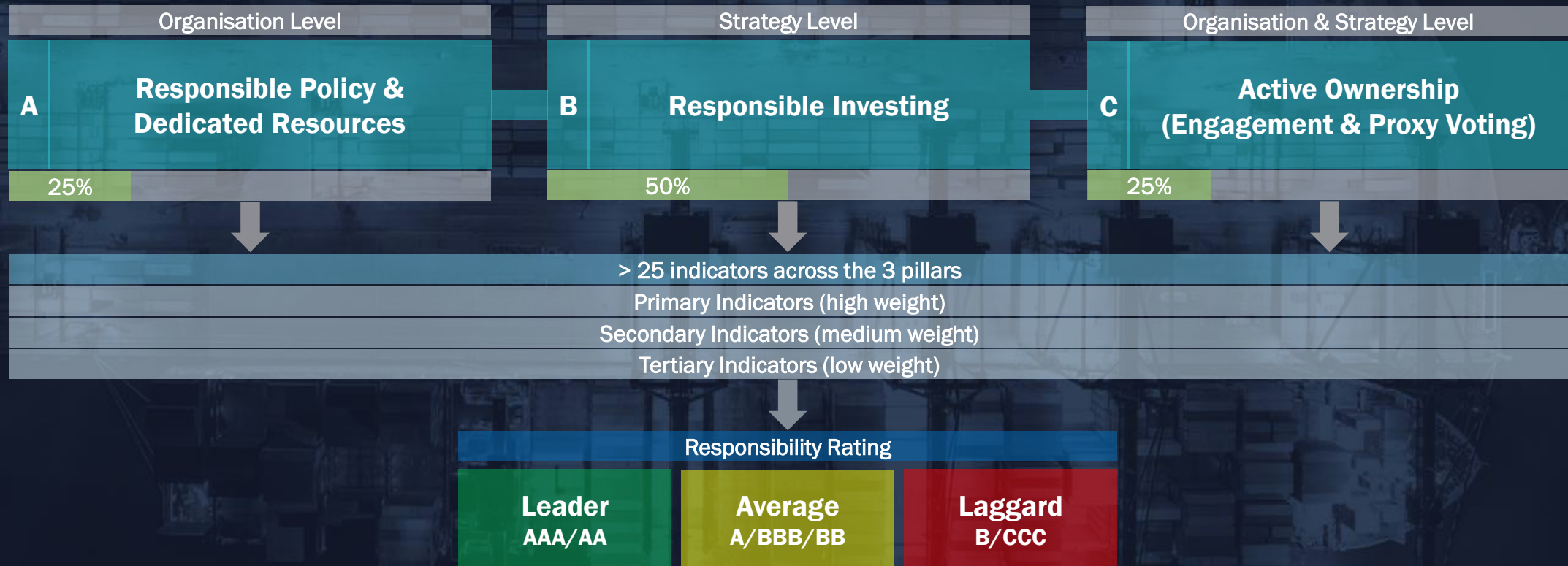
² Sustainable Development Goals: a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030. Please find the description of each goal at the end of the presentation.

³ Greenwashing is the practice of trying to make the public believe that a company is doing more to adopt sustainability than it really is.

⁴ The EU Sustainable Finance Disclosure Regulation is a set of EU rules which aim to make the sustainable profile of funds more comparable and better understood by end-investors.

PPM RESPONSIBILITY RATING SYSTEM (RRS)

PPM Wealth proprietary Responsible Rating System involves close working relationships with each portfolio's underlying asset managers in order to understand the investment process and assess the degree to which ESG criteria are being factored into the investment decisions^{1,2}.







¹ We source the information from the answers to PPM Responsibility Questionnaire provided by the asset managers.

² We start the security selection from a universe of responsible funds. Please get in touch to know more about the screening phase of our security selection process.

PPM RESPONSIBLE THEMES & UN SDGs TAXONOMY

The UN SDGs are the blueprint to achieve a better and more sustainable future for all. To help translate the Goals into the PPM Wealth Portfolios we have aggregated them into our four Responsible Themes¹.

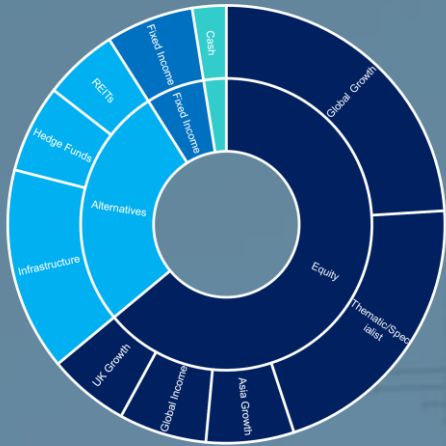
PPM Wealth Theme	Definition	Examples of Sub-Theme Activities	UN SDG Alignment
1 Environment & Ecology	Protecting the environment and the living organisms is an essential precondition for social justice and economic development	Reducing greenhouse gases (reducing methane and other GHGs) Promoting healthy ecosystems (air quality, freshwater and oceans, land use)	
2 Equality & Well-being	Promoting social justice and better interactions between members of a community ensure everyone thrives	Enabling social equity (access to education, reducing discrimination, meeting basic needs, reducing poverty) Improving health and quality of life Making cities inclusive, safe, resilient and sustainable	
3 Enterprise & Infrastructure	Building a sustainable economic and physical infrastructure is crucial to deliver the goals	Promoting sustainable economic growth Building sustainable industry and infrastructure (i.e., transport, IT, energy) Encouraging circular economies (recycling, waste, efficient consumption) Reducing income inequality	
4 Partnerships for the Goals	Enhancing the global partnership for sustainable development	This theme tends to be un-investible, but we still consider it as a pillar for the achievement of the SDGs	

¹ Even if the previous theme is a precondition to the next one, our portfolio will not have any intentional bias. However, since Theme 2 cover more SDGs, expect to see an higher allocation to it.

PORTFOLIO CONSTRUCTION

Asset Allocation

SAA & TAA¹

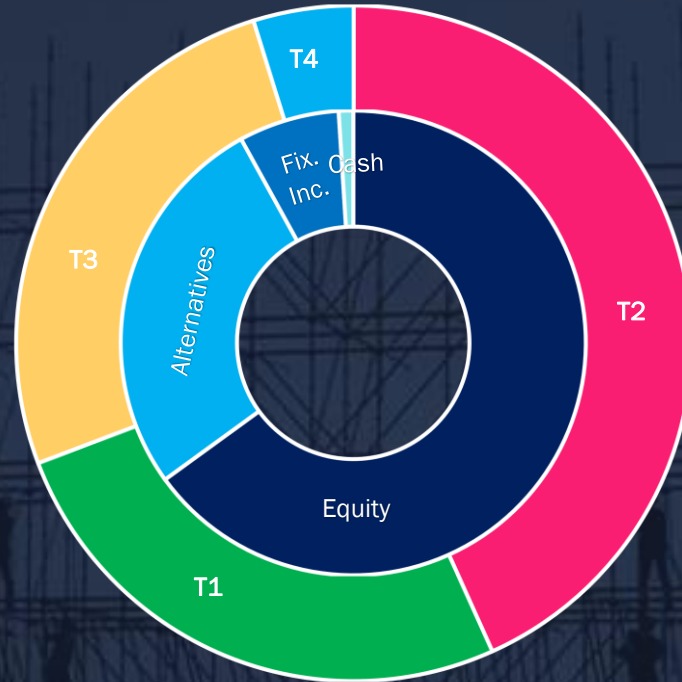


A portfolio with the optimal blend of equities, fixed income and alternatives derived from our expertise and a proprietary asset allocation model²

ESG Megatrends

A portfolio that is resilient to material changes

PPM Wealth AA-Rated Responsible Portfolio



Responsible Allocation

Responsibility Rating
A portfolio of "Leaders"



SDGs Taxonomy
A portfolio aligned with the SDGs



¹ Strategic Asset Allocation & Tactical Asset Allocation.

² Please get in touch to know more about our underlying general asset allocation framework.

- Equity
- Fixed Income
- Theme 1 - Environment & Ecology
- Theme 2 - Equality & Well-being
- Alternatives
- Cash
- Theme 3 - Economic Growth & Infrastructure
- Theme 4 - Partnerships for the Goals

THE 17 GOALS



1

End poverty in all its forms everywhere



2

End hunger, achieve food security and improved nutrition and promote sustainable agriculture



3

Ensure healthy lives and promote well-being for all at all ages



4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



5

Achieve gender equality and empower all women and girls



6

Ensure availability and sustainable management of water and sanitation for all



7

Ensure access to affordable, reliable, sustainable and modern energy for all



8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



9

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



10

Reduce inequality within and among countries



11

Make cities and human settlements inclusive, safe, resilient and sustainable



12

Ensure sustainable consumption and production patterns



13

Take urgent action to combat climate change and its impacts



14

Conserve and sustainably use the oceans, seas and marine resources for sustainable development



15

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss



16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



17

Strengthen the means of implementation and revitalize the global partnership for sustainable development



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