

SUSTAINABLE MANAGED PORTFOLIO SERVICE

Investing in a sustainable future

FOR PROFESSIONAL ADVISERS AND THEIR CLIENTS

evelyn
PARTNERS



About Evelyn Partners

At Evelyn Partners our mission is 'to place the power of good advice into more hands'. We believe that more people and businesses should have access to good advice, regardless of their size or wealth and we are committed to raising the standards of good advice and to extending its reach.

As experts in wealth management since 1836, we look after our global clients from offices across the UK, Republic of Ireland and Channel Islands.

We're proud that many financial advisers choose us to manage their clients' wealth. That's because our advice is delivered by people who care, who go further to understand the adviser's needs and those of the client, ensuring that we provide investment solutions that are right for you.

That is the power of good advice.

A long history of ethical beliefs and charitable giving

When you invest with Evelyn Partners, you are investing with an organisation that is itself committed to developing a more sustainable environment and recognises the importance of taking a proactive stewardship role.

As firm believers in the importance of responsible investment, we are signatories to the UN PRI and the UK Stewardship Code. We seek to invest in businesses that operate in a responsible manner. In practice this means that we incorporate Environmental, Social and Governance (ESG) factors as well as financial considerations when building a portfolio, and we use stewardship (active ownership including voting) to encourage firms to improve their strategic thinking and ESG reporting. This is a complex and evolving area. It has significant potential benefits for all parties, as well as risks, and is most effective when applied holistically rather than mechanically. The tailored nature of our service means that we don't impose our own values on our clients' portfolios – rather, we can take time to understand yours.

We are a formal supporter of the Task Force on Climate related Financial Disclosures (TCFD), joining more than 3,000 organisations across the globe in demonstrating a commitment to building a more resilient financial system and safeguarding against climate risk through better disclosures.

We enable our clients to invest responsibly, and we adopt the same approach to supporting our local communities. We are keen to get involved in community projects, helping them to achieve their goals and helping us to build and develop our teams.

We have a corporate charitable giving partnership with Impetus, an organization which is transforming the lives of young people from disadvantaged backgrounds and we also support Impetus through pro bono work and volunteering.

“ ESG and Responsible Investing is not siloed, it is ingrained in our investment process and is a focus of all analysts. ”

Key risks

- The value of investments, and the income derived from them, can go down as well as up and you can get back less than you originally invested. This is not advice to invest, or to use any of our services.
- Past performance is not a guide to future performance.
- Please note that some ethical funds may, by definition, have a limited investment universe; this may affect performance.

Investing in a sustainable future

As consumers, how we think and how we act all point towards a greener, cleaner more transparent environment.

Whether it is reducing our plastic waste, considering our daily carbon footprint or questioning the diversity of company boards, the themes of sustainability are becoming mainstream.

The United Nations' (UN) 17 Sustainable Development Goals for 2030, which cover a wide range of issues such as the climate, environment and global poverty, set a clear blueprint for how we achieve a better and more sustainable future for all. It provides businesses and consumers with a useful framework against which to consider their current activities and future plans.

As resources continue to become scarce and more companies consider the impact of their daily practices, with the support of governments and other global initiatives, we believe this sector will only continue to grow.

One misconception of investing in this sector is that it's a trade-off between value and 'values' – that you have to compromise investment returns to align your investment morals. At Evelyn Partners we believe that is a myth and companies that demonstrate sustainable business operations and have high ethical standards can make positive long-term investments. But remember, as with all investments, the value can go down as well as up and some ethical funds may, by definition, have a limited investment universe which could affect performance.



Source: UN.org

Ethical and sustainable investment expertise

Evelyn Partners has a track record over 10 years of ethical and sustainable investment, and we were one of the first to introduce a Sustainable Managed Portfolio Service.

Our Sustainable Managed Portfolio Service (SMPS) offers clients a range of risk-rated, diversified managed portfolios.

Our investment criteria

The aim of each portfolio is to achieve, over the long term, an investment return of capital growth via a multi-asset portfolio of investments, demonstrating Environmental, Social and Governance (ESG) and sustainable credentials. We also spend significant time and resource avoiding certain areas of the investible universe – the main criteria are outlined below.

The portfolios **will focus** on funds which invest in companies that operate in areas such as:

- ✓ The conservation of energy or natural resources and resource efficiency
- ✓ Sustainable transport and infrastructure
- ✓ High-quality products and services of long-term benefit to society such as healthcare and affordable housing
- ✓ Sustainable food and water management
- ✓ Companies supportive of the United Nations' Sustainable Development Goals through practices such as strong equality and human rights policies, good employee relations, training and education of staff, and a commitment to community involvement

The portfolios **will aim to limit** their exposure to investments involved in:

- ✗ The production of weapons and weapons systems
- ✗ Casinos or gambling businesses
- ✗ Producing and distributing pornographic material
- ✗ Contributing or benefitting from the violation of human and workers' rights
- ✗ Avoidable environmental damage, unsustainable resource depletion, water and air pollution and land contamination
- ✗ Producing alcohol for human consumption
- ✗ Growing tobacco or the manufacture of tobacco products

Combining our sustainable criteria with the Evelyn Partners investment philosophy

Fund research

To build the portfolios we invest in a range of external funds. The fund selection process combines our proprietary research framework with additional screening techniques and due diligence that analyses ESG policies to identify funds that meet our sustainable criteria. The funds we invest in must meet both conditions.

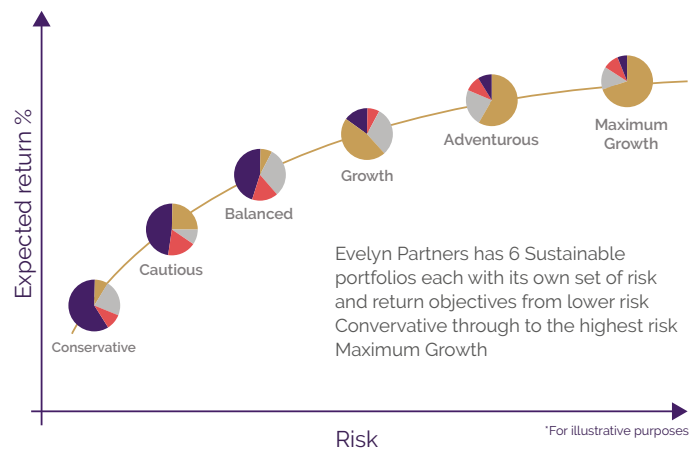
Investment process

Our investment process incorporates ESG analysis and responsible investing objectives across a variety of investment opportunities. These include:

- Identifying 'best in class' fund strategies that incorporate an ESG Framework
- Thematic investment strategies that prioritise a positive impact goal
- Direct company analysis on ESG factors
- Due diligence on ESG strategies across asset classes

Evelyn Partners Sustainable Managed Portfolios

The output is six Sustainable Managed Portfolios that meet our strict risk and target return criteria.



There can be no assurance that any portfolio will achieve its investment objective

The Sustainable range is diversified by investing into asset classes such as bonds, equities, cash and alternative assets. To manage risk further, these asset classes will then be populated using carefully selected external managed funds and other collective investment schemes. Each portfolio will also benefit from investing globally to incorporate a wider range of economic benefits and the best sustainable ideas around the globe.

Our Sustainable MPS Managers



Genevra Banszky von Ambroz
Lead Portfolio Manager

Genevra is Lead Manager of the Sustainable Central Investment Propositions (Sustainable Evelyn Active Portfolios and Sustainable Managed Portfolio Service), and co-manager of the Active Managed Portfolio Service and Defensive Growth Fund. She holds a BA (Hons) degree in Politics from Durham University, is a CAIA Charter holder, a Chartered Fellow of the CISI, and has passed both the CFA Certificate in ESG Investing and the CFA Certificate in Climate and Investing.



Kate Capocci
Deputy Portfolio Manager

Kate joined Evelyn Partners in 2015. She is Responsible Investment Lead and Deputy Fund Manager for the Evelyn Sustainable Active Portfolios and Sustainable Managed Portfolio Service, as well as manager for bespoke sustainable investment portfolios.

Kate is co-founder and member of the Evelyn Partners Stewardship & Responsible Investment Group, as well as a member of the Investment Process Committee, Direct Investment Group and Collectives Group. She has a key role in the integration of ESG factors into the group investment process and spearheads Evelyn Partner's growing capabilities in responsible investment.

Kate is a chartered member of the Chartered Institute for Securities & Investment and a certified member of the Chartered Bankers Institute. She holds the Chartered Wealth Management Qualification, the CFA ESG Certificate and the CBI Certificate in Climate Risk.



David Merriam
Deputy Portfolio Manager

David leads the research coverage for Evelyn Partners on Infrastructure, Renewables and Specialist Credit alongside Genevra Banszky von Ambroz, and is the sector research lead for Utilities direct equities. David joined the firm in 2015 and previously worked for Accenture in financial services consultancy. David has a degree in History from the University of Birmingham. He holds the Chartered Financial Analyst (CFA) certification, as well as the CFA Certificate in ESG Investing and the CISI Masters in Wealth Management.

Further information

To find out more about our Sustainable Managed Portfolio Service, please contact your adviser.



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Important information

By necessity, this guide can only provide a short overview and it is essential to seek professional advice before applying the contents. It does not constitute advice nor a recommendation relating to the acquisition or disposal of investments. No responsibility can be taken for any loss arising from action taken or refrained from on the basis of this publication.



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