



# OurWorld**Tomorrow**

Socially Responsible Investing at O-IM

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See how  
**O-IM**

can help make sure that your investment portfolio is focused on companies that are seeking  
**to make our world a better place.**

# Letter from our CIO



The world we live in has changed dramatically over the past 100 years. We have seen incredible progress in engineering, technology, pharmaceuticals and many other industries around the world. These advancements have helped improve our quality of life and the opportunities afforded to humankind have grown exponentially.

However, this growth has taken its toll on our planet. Our oceans are polluted, our climate is warming, and our future is at greater risk of extreme weather which could have a material impact on the lives of the most vulnerable.

Across the world we have seen education systems improve, the rights of women advance, and the opportunities for ethnic minorities progress. We benefit from high ethical standards in many walks of life and a greater sense of peace in our communities. Despite this progress, arms manufacturing creates a daily risk in many people's lives, animals remain test subjects in pursuit of vanity and families are destroyed by the impact of addiction.

Large and well-established companies are changing their business model to reduce their negative impact on our world by enhancing their processes, policies, supporting their workforce and improving their governance.

The financial markets provide key support to companies that are actively tackling the challenges that exist today and those that lay ahead of us.

At O-IM we believe that the companies that drive change are not just doing the right thing for our collective good but they represent significant opportunities for investors. Our Socially Responsible Investing (SRI) approach to our portfolios brings Environmental, Social and Governance (ESG) factors to the heart of our investment philosophy.

We are confident that our SRI portfolios combine our investment expertise with ESG considerations and provide your portfolio with a compelling investment opportunity.

**Lewis Hamm**

Co-founder & Chief Investment Officer



 **ur**  
**Approach**



# ESG Investing

## Environmental, Social and Governance Investing at

**O-IM** is designed for clients who want their investments to have a greater ethical effect as well as seeking a return. Our portfolios actively invest in companies that aim to change the world for the better.



## O-IM offers three types of ESG portfolios.



**The World Change Portfolio** contains companies that are driving a significant change in our world. This portfolio is focused on some of the most pressing topics that face us today – Climate Action, Sustainable Sustenance, Health & Well-being, and Efficient Systems.



**The Thinking Forward Portfolio** contains companies that are changing their business model to improve their Environmental impact, Social impact and standards and improve their corporate Governance. These companies may be established firms that have demonstrated a strong commitment to improving various elements of their ESG practices.



**The Improving Tomorrow Together Portfolio** will look at the most pressing topics that drive positive change in our world. This portfolio will offer exposure by investing in funds which have investment objectives that are aligned with our key ESG principles or are driven by specific future trends.

# O-IM Environmental, Social & Governance Policy



Our Environmental, Social & Governance Policy helps us to identify suitable companies by guiding us towards truly sustainable investment opportunities and dynamically check for ESG controversy from our investment universe. By analysing specific environmental and social themes, we choose companies that have a strong commitment to ESG principles as part of their business model. We look for a companies' management to incorporate ethical practices in their long-term business strategy, with the aim to encourage a positive contribution to society. Engaging with companies can aid the highest-quality equity selection and risk evaluation at O-IM.

**There are several areas where we exclude businesses from the portfolio. We exclude companies where their main business involves:**

- ✔ Weapon manufacturing
- ✔ Animal testing (unless required by law for healthcare-related companies)
- ✔ Tobacco
- ✔ Adult entertainment
- ✔ Alcohol
- ✔ Gambling
- ✔ Fossil fuels



# World Change



# The World Change Portfolio

O-IM invests globally in companies whose products or services make a positive impact by helping to solve some of the world's greatest challenges in support of the UN Sustainable Development Goals. Companies within the World Change Portfolio are aligned to four themes, which have evolved from these goals:



Climate  
Action



Sustainable  
Sustenance



Health  
& Well-Being  
for All



Efficient  
Systems





# Climate Action

## Theme

There is an ever-increasing need for carbon capture and emissions reduction to reach the UN goal "to preserve a liveable climate, greenhouse-gas emissions must be reduced to net-zero by 2050"<sup>2</sup>.

<https://climate.nasa.gov/evidence/>

2. Nations, U. (2021). Act Now | United Nations. Retrieved 11 September 2021, from <https://www.un.org/en/actnow>

## Action

At O-IM, we actively invest in companies that are helping accelerate the development of renewable energy and are addressing climate change in our world. This can include companies that focus on generating and storing renewable energy, decarbonisation and carbon sequestration companies. We value the adoption of Net Zero Carbon strategies by businesses in which we invest.



# Sustainable Sustenance

## Theme

The United Nations forecasts that the global population is likely to reach 9.7 billion people in 2050<sup>3</sup>. This means we, as a species, are faced with a significant challenge of sufficiently increasing food production with our finite resources and global warming challenges.

3. <https://www.un.org/development/desa/en/news/population/world-population-prospects-2019.html>

## Action

At O-IM, we will invest in companies that improve food efficiency by reducing the carbon footprint, water consumption and reduce plastic consumption in farming and the food supply chain. In addition, we seek out companies which aim to improve animal welfare and ethics, as well as companies that help us transition towards a plant-based diet.



# Health & Well-Being for All

## Theme

Our society faces many challenges given the rapid growth of the global population and an ageing population. The wealth gap is increasing, racial health disparity still exists and access to high quality healthcare is not available to all. Access to life opportunities for all social classes, races, gender and sexuality remains a global issue.

## Action

O-IM seeks to invest in welfare and healthcare systems that focus on social issues through topics such as charity care policies, aim to improve access and quality of care, tackle the challenges associated with an ageing population and care disparity. We may invest in companies which have a clear female inclusion and development policy. Our goal is global access to healthcare, education, equal opportunities, and well-being for all.



# Efficient Systems

## Theme

As our world continues evolving, the demand placed on infrastructure presents significant challenges. As consumer behaviours change and governments around the world make commitments to effective long-term infrastructure the world must protect its biodiversity.

## Action

Green networks, corridors and linkages are widely seen as a key mechanism for reversing the effects of fragmentation on biodiversity and improving valuable recreational opportunities for communities.

At O-IM, we believe in investing in companies that develop sustainable infrastructure and applications for the Environmental, Social and Governance economy. We seek companies that have innovation embedded in their strategy.

This includes businesses whose purpose may include environmentally sustainable and accessible infrastructure systems, networks, and applications, such as housing, transport networks and financial systems, to name a few.

We invest in technology that allows for greener data, such as underwater data centres and more efficient, accessible and fair technological systems, such as government and financial systems.

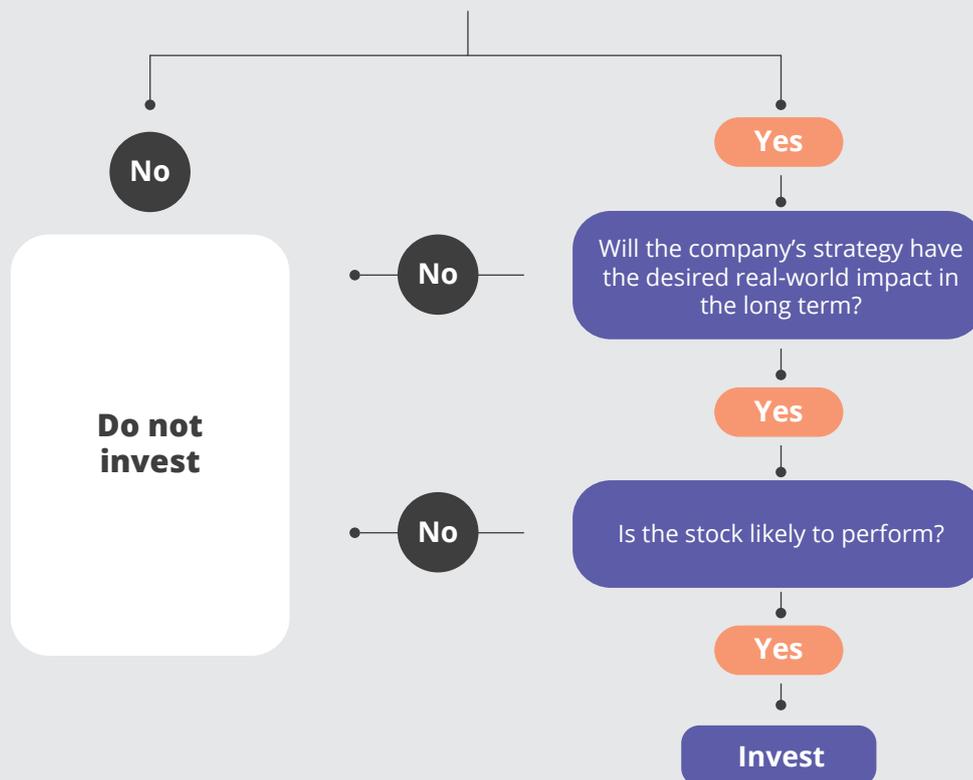


# Investment Approach for the World Change Portfolio



## Selection

Does the business align with our ESG framework?



# Thinking F<sup>TM</sup>orward



# The Thinking Forward Portfolio

The Thinking Forward portfolio invests in companies that are changing their business model to improve their Environmental impact, Social impact and standards and improve their corporate Governance. These companies can be established firms that have demonstrated a strong commitment to improving various elements of their ESG practices. The portfolio will use reported data and exclude companies that fail to meet minimum ESG thresholds set out by O-IM.

## Stage 1 Screening

At O-IM, we believe that companies should prioritise the welfare of their workforce and the impact that their products or services have on wider society and the environment. That is why we only consider companies for the Thinking Forward portfolio who have made commitments to ensuring safety and diversity within their workforce, becoming more efficient in their use of the world's resources (such as water) and protect the human rights of the people working for the company and their suppliers.

**Necessary policies:** Diversity & Opportunity, Employee Health and Safety, Human Rights, Energy Efficiency and Water Efficiency

## Stage 2 Screening

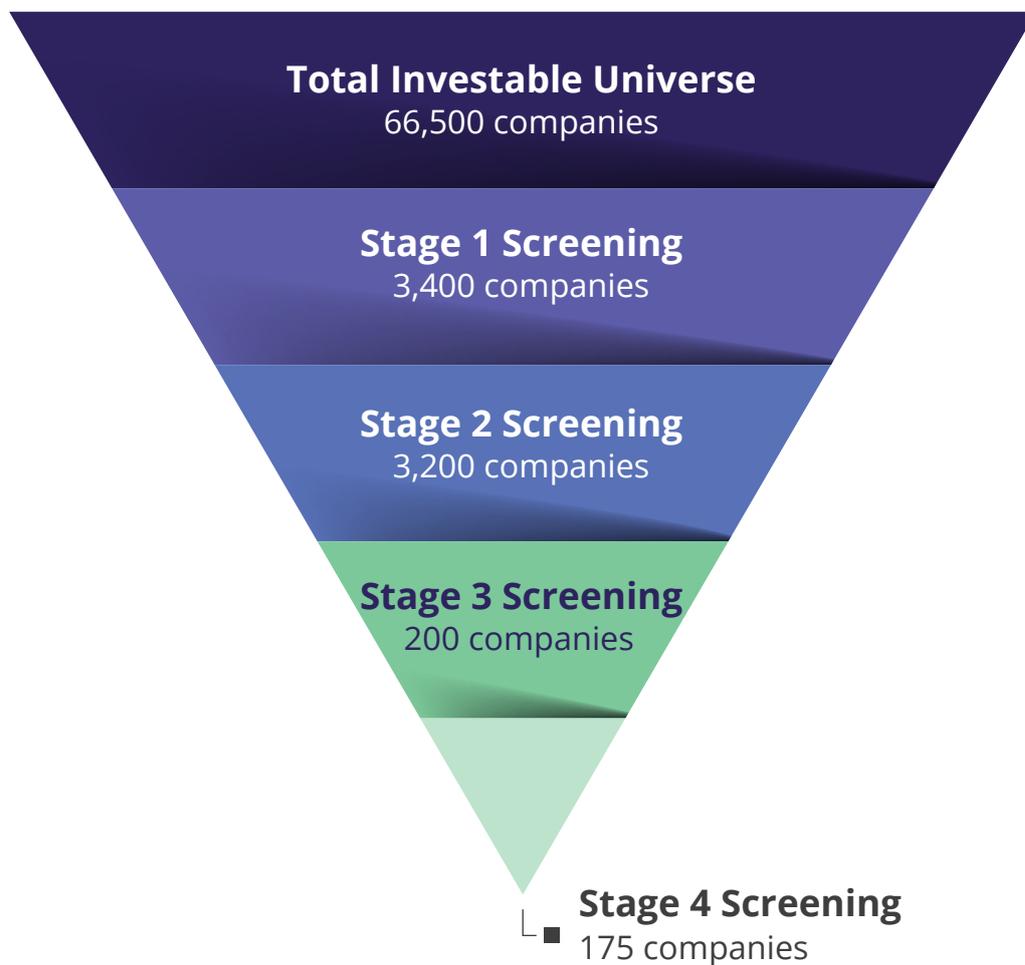
O-IM exclude companies from selection who engage in practises or sell products that have been shown to cause harm to the user, those around them or animals. This is in line with our ESG policy.

## Stage 3 Screening

We believe that how employees view the company they work for is a key indicator of how the company acts internally and how employees are really treated, which is why we require that any company has at least a 60% employee satisfaction rate. We feel that this level of satisfaction represents companies who can be proven to provide their employees with high quality working conditions and support. In addition, we feel strongly that gender representation amongst staff and especially at mid and upper-level management is necessary for companies, so we will only include companies where at least 30% of managers are female.

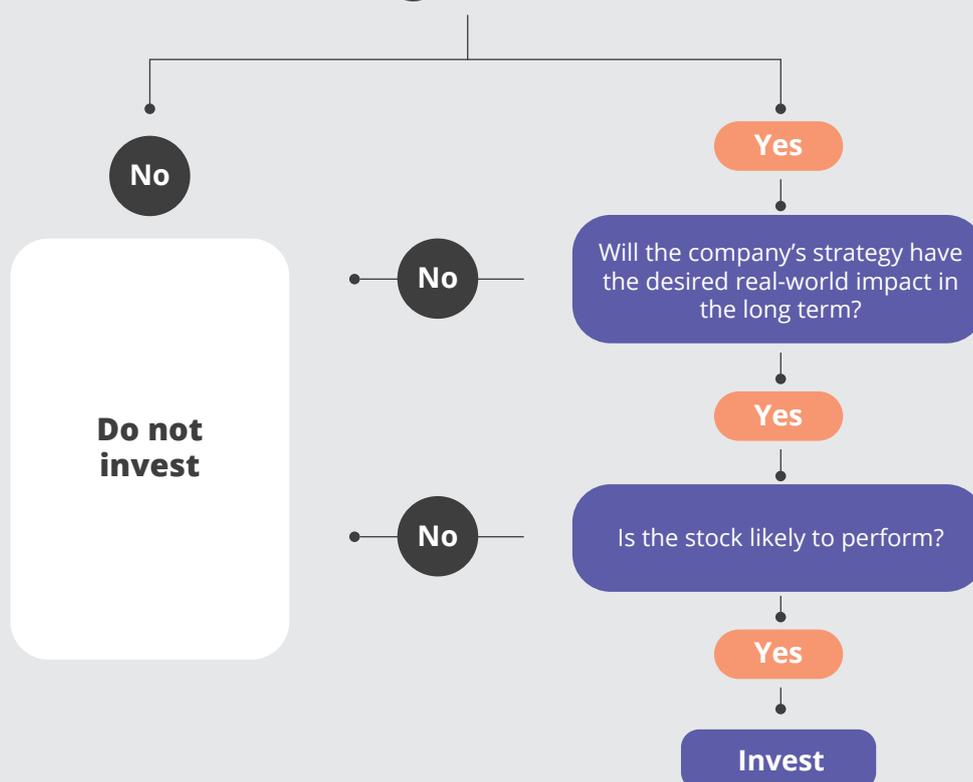
## Stage 4 Screening

Here we exclude companies from selection for this portfolio that are based in certain regions or countries that O-IM feel have inadequate legal protection for workers, weak corporate governance procedures, high levels of corruption and significant shareholder rights issues. (Turkey, South Africa, Saudi Arabia, Russia, Mexico, Indonesia, India, China, Brazil, Argentina)



## Selection

### Does the business align with our ESG framework?



# Improving Tomorrow Together

# The Improving Tomorrow Together Portfolio



The Improving Tomorrow Together Portfolio considers the themes that drive positive change in our world. This portfolio will offer exposure by investing in funds which have investment objectives that are aligned with our key ESG principles or are driven by specific future trends. The Asset Management industry has developed various collective investments that provide diversified exposure to ESG and we identify managers who provide the exposure we want by understanding how they screen and consider ESG in their investment process.

This portfolio may be suitable for investors who have a lower risk profile as it provides a greater degree of diversification in comparison to our other portfolios. We aim to ensure that your investment portfolio is still invested for positive change. This portfolio will not invest directly into individual equities and will instead only use high-quality funds, selected by the O-IM investment team.

Our investment team will look carefully at the fund management team, fees, historical performance as well as ensuring the fund's strategy clearly fits O-IM's ESG principles





## Our Value

- ✔ Our SRI portfolios are a passion for the team at O-IM and we dedicate significant time and resource to ensure that the ESG factors we consider are being met by the companies we select. We often must collate information from various sources and synthesise that data to be able to draw a conclusion. The Investment Management fee varies for each portfolio considering the availability of data, complexity of its holdings and validation of the principles we are applying.
- ✔ It is important to note that other fees, such as Custody and Administration, will still be applicable.



## Investment Management Fee

- ✔ World Change = 0.85%
- ✔ Thinking Forward = 0.75%
- ✔ Improving Tomorrow Together = 0.45%
  - This portfolio will also attract underlying fund charges and will be managed to ensure they do not exceed 0.95%



## Positive Profits

- ✔ We provide you with the option to donate to our designated charity a portion of your profits if the portfolio you are invested in exceeds the performance of the benchmark it is measured against. This is set at 10% of any returns in excess of the stated benchmark.

# Important Disclosures



We include all relevant information regarding our services in your Client Agreement and the O-IM Glossary and, before commencement of any service with O-IM, you represent that you have read, had the chance to ask questions and understood the content of those documents.

## Risk Disclosures

Your capital is at risk, and you may not get back the amount originally invested. Investors should remember that past performance is not a guarantee of future results. Investment in any strategy involves a risk of loss which may partly be due to exchange rate fluctuations.

Any gross of fees performance does not include fees and charges and these can have a material detrimental effect on the performance of an investment.

Any target performance aims are not a guarantee and may not be achieved. Portfolios and assets which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected.

Portfolio holdings are subject to change, for information only and are not investment recommendations.

## Specific Investment Risk

**Money Market Instruments** - Investments in money market instruments may be affected by credit risk, market liquidity and volatility, amongst other factors. The speed and volume of money market transactions may also give rise to additional interest and market risks.

**Collective Investments** - Investments in collective investment schemes may be affected by credit risk, market liquidity and volatility, amongst other factors. Investors in a collective investment scheme will be exposed to the risks associated with any investment made by the manager, although exposure to any single type of risk may be reduced by the fact that each investor's investments may be diversified.



Equity - The value of an equity security may go up or down based on the economic performance of the issuer. Equity securities could be exposed to volatility in the market or sector in which the issuer operates as well as the volatility of the general economy. In the event of company failure you will likely lose all capital invested in that company.

Fixed Income (Bonds) - In the event that the issuer of the debt securities enters into insolvency or other similar proceedings, there is a risk that the holders of the debt securities will receive less than their original investment or will receive nothing.

Real Estate and Commodities – Real estate and some commodities are inherently less liquid and more difficult to sell than other assets. The valuation of physical property is a matter of the valuer's judgement rather than fact.

## **Additional Disclosures**

Some information contained in this document may come from external sources which O-IM believes to be reliable. A list of sources is available on request.

Tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. O-IM does not provide tax or legal advice to its clients and all investors are strongly urged to seek professional advice on these matters.

This information must not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or otherwise not permitted. This document should not be duplicated, amended or forwarded to a third party without consent from O-IM.

For a full list of applicable risks, and before investing, investors should refer to the Client Agreement and O-IM Glossary.

Unless otherwise stated, the source of information and any views and opinions are those of O-IM.





O-IM is the trading name of Opulence Investment Management Limited, a company authorised and regulated by the Financial Conduct Authority (reference number 941150) and registered in England and Wales with company registration number 13012247.

Registered Office: Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX

Contact Numbers: +44 1202 129703 / +44 2031 371813