



ACCELERATING THE ADVANCEMENT OF SOCIAL EQUITY THROUGH IMPACT INVESTING

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INVESTING TO IMPROVE LIVES™

FOR INSTITUTIONAL, PROFESSIONAL AND WHOLESALE
INVESTORS ONLY.



OUR IMPACT EQUITY TEAM



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Head of Impact Equities

Climate Change, EAFE, Healthcare
17 years' experience



John Gilmore

Portfolio Manager, Impact Equities
Global, Sustainable
19 years' experience



Eoghan McGrath

Investment Analyst
2 years' experience



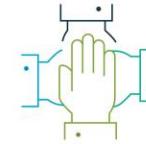
**Direct Experience in
managing Sustainable
Mandates**

Templeton Global
Climate Change Strategy
Glenfinlas Global
Healthcare Strategy



**Significant Experience
in Global/International
Investing**

Martin Currie
FT Global Equity Group
Edinburgh Partners
Baillie Gifford



**Different backgrounds
for diverse insights**

Biology and Ecological
Economics

BNYM Sustainable US
Equity Strategy
Martin Currie
Newton Investment
Management
Aegon Asset Management
Alliance Trust

International Relations

Martin Currie

Actuarial Studies

SOCIETAL IMPERATIVE FOR SOCIAL IMPACT INVESTING

Problem

Inequalities of income and opportunity have broadened since the 2008 Global Financial Crisis



Government indebtedness and lack of policy interventions.



Private debt and project finance are yet to deliver impact at scale

Funding gap

Annual funding gap to achieve SDGs

US\$4 trillion
in developing countries

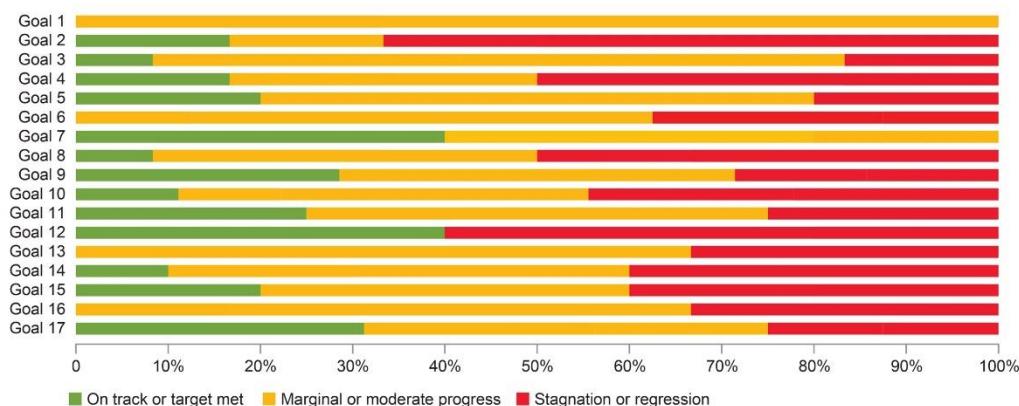
Progress assessment for the 17 Goals based on assessed targets with trend data, by Goal, 2024 or the latest data



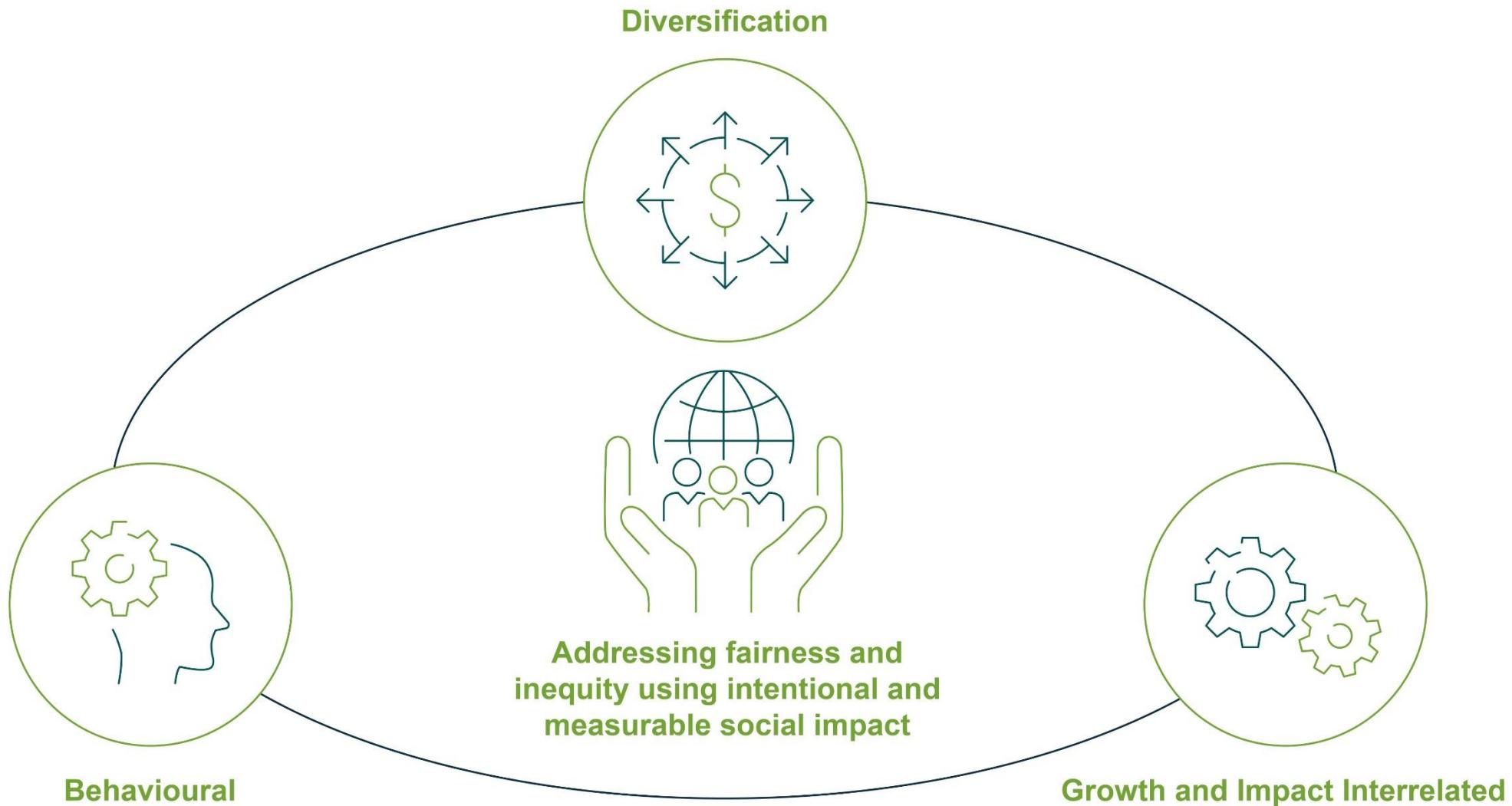
the SDGs are behind the desired progress trajectory



have stagnated or gone backwards

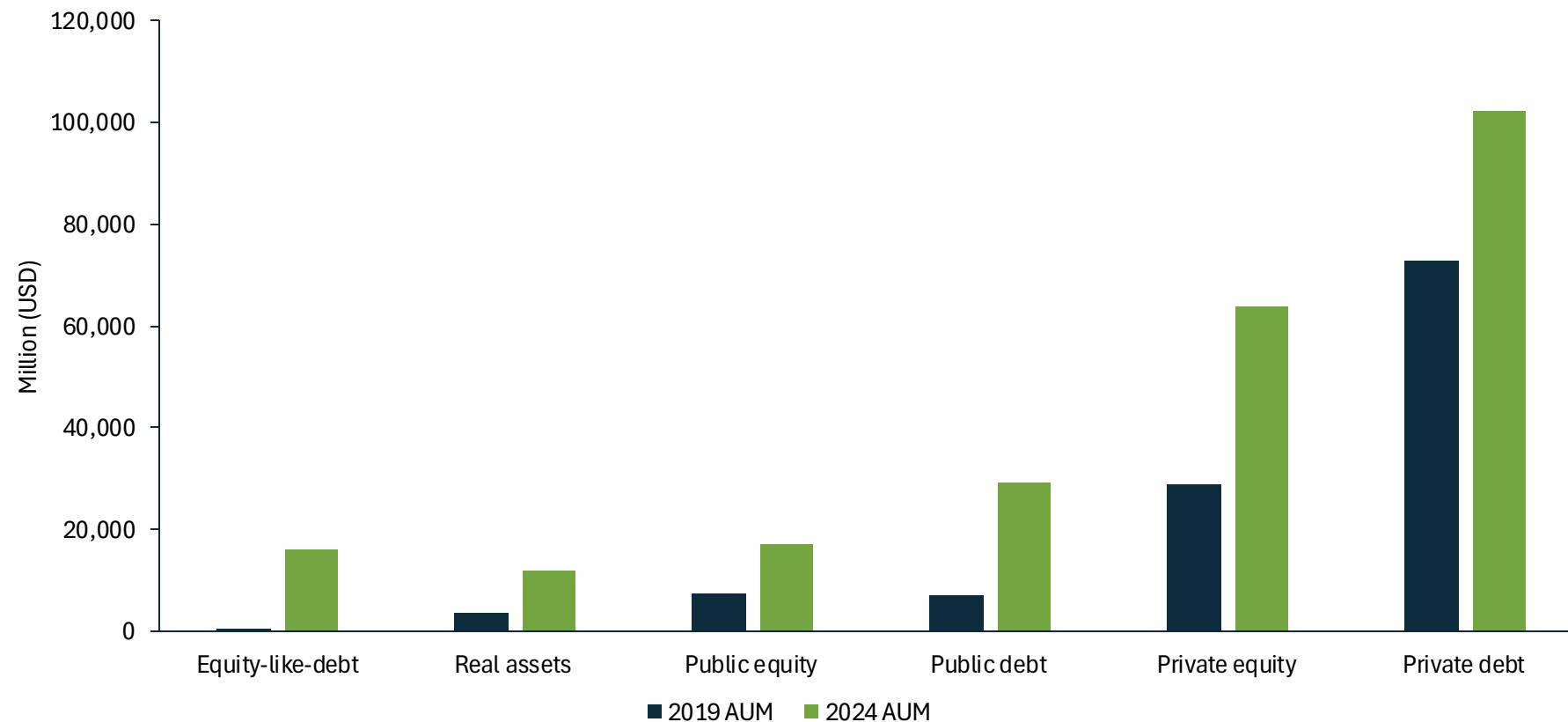


INVESTMENT IMPERATIVE OF A FOCUS ON SOCIAL IMPACT



IMPACT MARKET NEEDS GREATER BREADTH AND SCALE TO DELIVER THIS

Asset class growth (2019-24) m



A financial ecosystem that only includes private markets is incomplete and public markets are an important part of the life cycle of companies that aspire to reach a certain scale.

GIIN guidance for pursuing impact in listed equities 2023

HOW DO PUBLIC EQUITIES UNLOCK IMPACT: OUR THEORY OF CHANGE

1

The additional impact of investee companies

- Businesses whose products and services provide a meaningful, additive and measurable contribution to identified societal challenges

2

The additional impact from our actions as investors

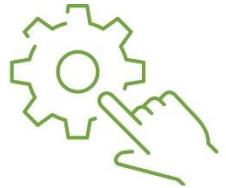
- Supportive, long term capital provision
- Engagement to drive measurable impact outcomes

3

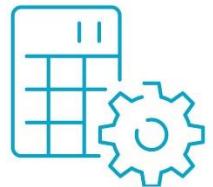
The additional systemic impact from impact investing in public equities

- Public equities provide market for scale and growth of impactful businesses
- System impact of rewarding value of companies creating impact

What makes an Impact Investment?



Intentionality



Evidence and impact data in investment design



Management of impact performance



Contribution to growth of impact investing

IDENTIFICATION OF IMPACT

Providing investors with exposure to SDGs identified as contributing to **improving social equity**



Company research organised through seven socially focused SDGs and not traditional sectors

Identify specific SDG target contribution and activity through proprietary taxonomy

IMPACT FRAMEWORK

We measure the impact a company is creating using the Impact Frontiers' '**Five Dimensions of Impact**', which focusses on five key areas:



What: is the mechanism for creating impact?



Who: is impacted?



How Much: impact is created?



Contribution: Is the impact additional? What would have happened if the impact weren't generated?

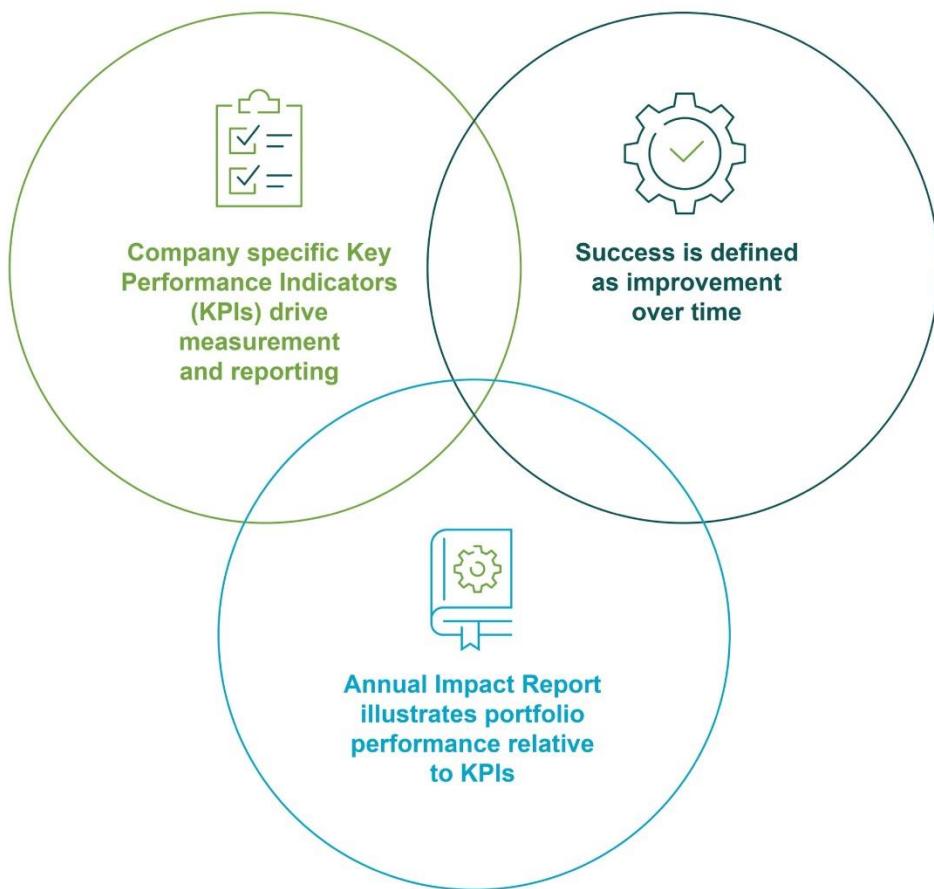


Risk: What are the risks associated with the generation of impact?



IMPACT MEASUREMENT:

Think of the portfolio as an ‘anthology of short stories’ on impact:

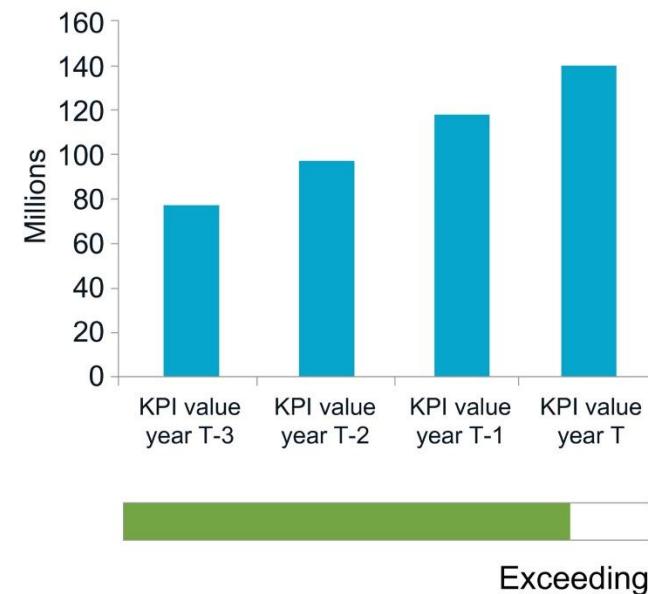


Impact KPIs:



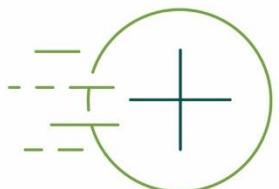
Number of registered learners

The growth of the ‘top of funnel’ is an important metric in considering the reach of the company.



ENGAGEMENT TO ACCELERATE IMPACT

A need for structured engagement focussed on **two key areas**:



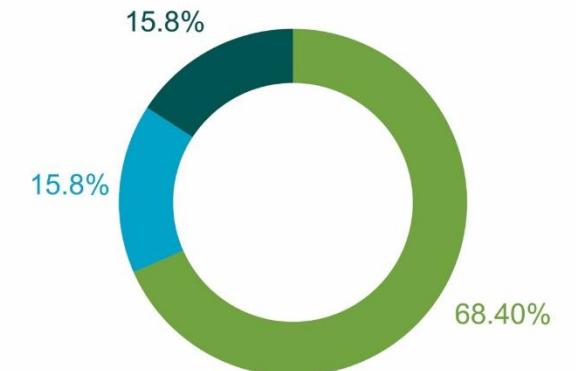
Accelerating the positive impact a company is having

- Clearly defined objective with ability to measure success
- Monitoring of progress – tracking the progress of each engagement from initial contact to issue being resolved
- Engagement informs portfolio construction by feeding into conviction levels



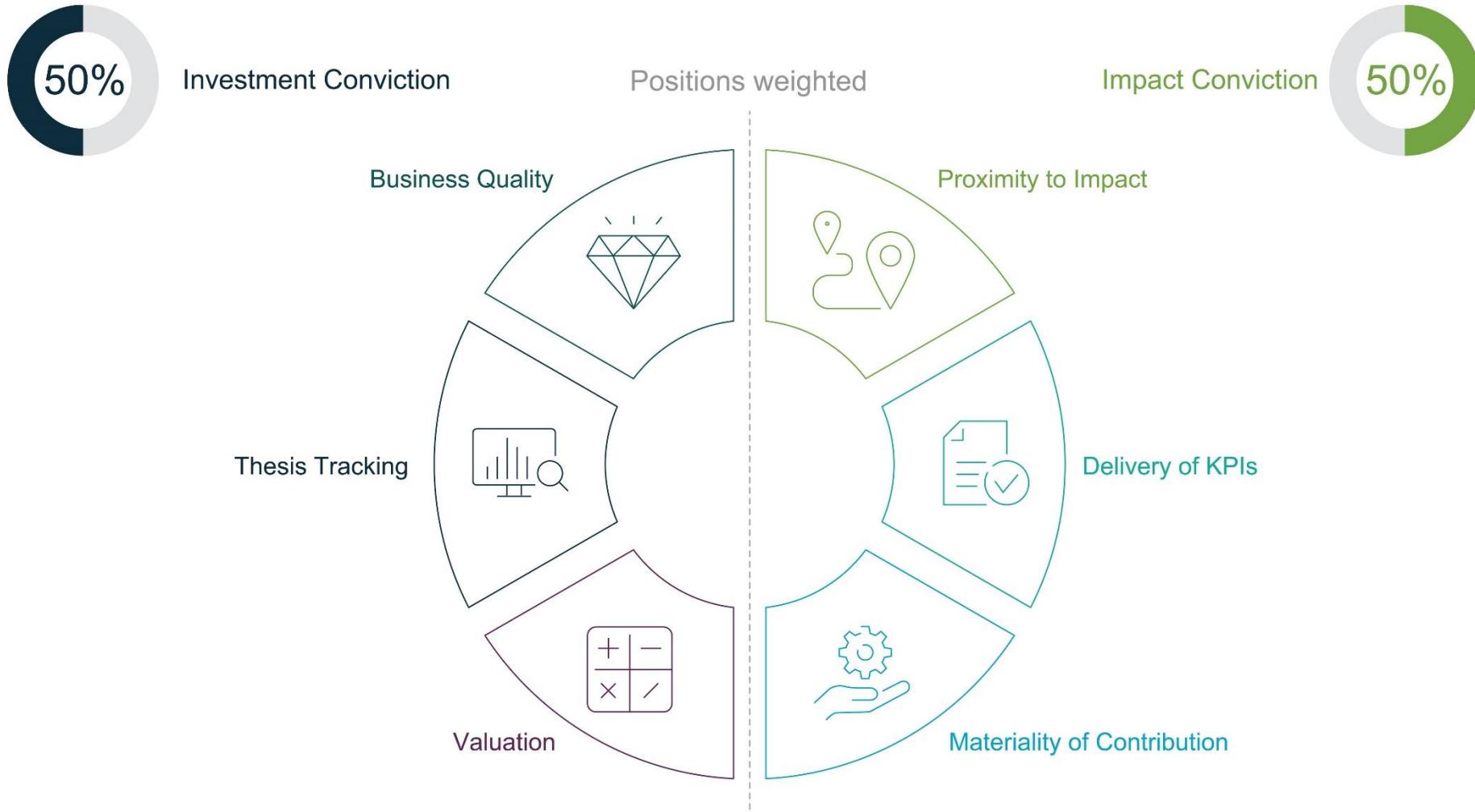
Improving sustainability-related corporate behaviour

Breakdown of impact-focused engagement work



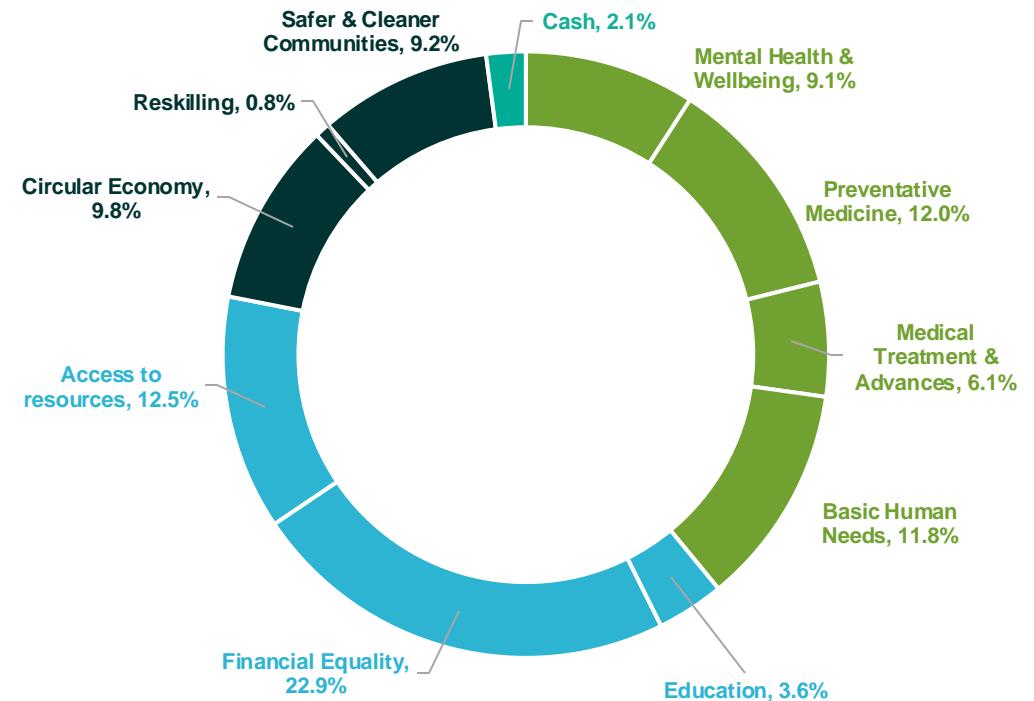
■ Disclosure ■ Access ■ Acceleration

IMPACT IN PORTFOLIO CONSTRUCTION



BROAD BASED IMPACT

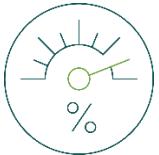
Impact Pillar	Number of companies with exposure to theme	
	Improving Wellbeing	10
	Improving Inclusion	12
	Supporting Just Transition	7



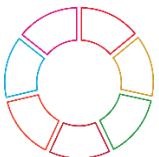
Source: Martin Currie, as of 30 September 2024. Data presented is for the representative Martin Currie Improving Society account. Human Equity is the acknowledgement of the various hindrances and advantages people have and taking steps to ensure there is fair treatment, access, opportunity, and advancement for all people.



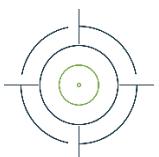
GROW THE IMPACT MARKET: DOING SOMETHING DIFFERENT



Intentional and measurable social impact to address fairness and inequity



Unmet societal need and investment opportunity from social impact



Impact credibility and diversification advantages from differentiated process and focus



Contribution to growth of impact investing

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- Smaller companies may be riskier and their shares may be less liquid than larger companies, meaning that their share price may be more volatile.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. Accordingly, investment in emerging markets is generally characterised by higher levels of risk than investment in fully developed markets.

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