

A responsible approach to investing



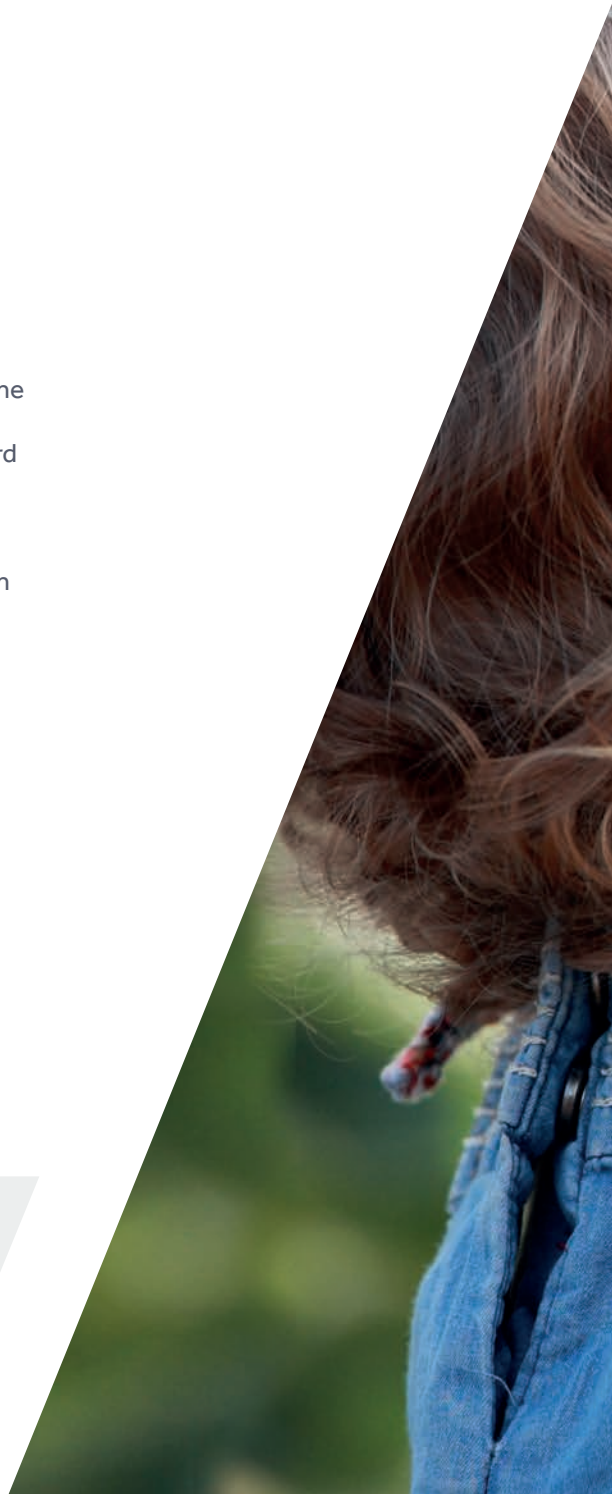
Introducing our ESG Portfolio Service

An opportunity to invest consciously while still aiming for positive returns

Many of our clients are concerned about the nature of their investments and the environmental or ethical record of the companies involved. Many also want to invest in companies helping to solve the world's challenges but they can't afford to compromise on returns.

If this reflects your views, we can help with our ESG (environmental, social and governance) Portfolio Service which lets you take a more responsible approach to investing. It helps you invest in funds that work towards making the world a better place, while also doing your best for your long-term financial security.

Investment involves risk. The value of investments and the income from them can go down as well as up and you may not get back the amount originally invested.





What is ESG?

Conscientious investors are increasingly considering ESG issues alongside traditional financial factors, to create a more sustainable portfolio.



Environmental criteria look at how a company performs in relation to the natural environment – for example, it might be evaluated according to its energy use, sustainability policies, carbon emissions or resource conservation.



Social criteria examine a company's relationships with its employees and the communities in which it operates – does it care about employee welfare and workplace safety? Does it make a positive contribution to the community?



Governance factors concern a company's leadership, executive pay, audits, internal controls, independence, shareholder rights and transparency.

Looking at these aspects allows investors to assess a company's social and economic impact and think about how this might affect a business model over time. Businesses working in a more sustainable way, with robust policies and procedures around ESG issues, may also be attractive from a risk and return perspective.

Why ESG funds are likely to be good investments

When choosing investments for our ESG Portfolio Service, we look for funds investing in businesses that generate a measurable social or environmental benefit alongside an investment return.

The companies in the funds we select are thinking about the bigger picture and doing their best to give something back. We believe this will ultimately make them more sustainable, which is good for your investment portfolio.

We believe that companies that meet high ESG standards are likely to outperform those that don't, sometimes by a significant margin. That's why we are choosing to invest in the technology of the future, and in companies with sustainable business practices – as we believe these are likely to offer long-term investment value for our clients.

We have also seen cases where the opposite is true. Many companies have suffered catastrophic repercussions (both ethically and commercially) for acting irresponsibly. There is increasing evidence that companies that do not take environmental and social risks seriously are increasingly precarious investments. Over the years, businesses that have caused significant environmental damage, dealt in chemical weapons or cheated over emissions tests have all seen their share prices fall.

An investment opportunity for charities

Our ESG Portfolio Service may be relevant for charities, foundations and trusts with specific ESG or exclusionary restrictions on their range of investments. We understand your needs and will work with you to arrange an appropriate portfolio.





How we create our ESG Portfolio Service

Our ESG Portfolio Service offers you impact investing with a thematic approach.

We choose our themes by thinking about the impact they will have on both **planet** and **people**, ensuring a holistic and well-rounded approach that brings exciting investment opportunities.



Impact investing means:

- Choosing companies that we believe will have a demonstrable impact for good on the planet and the people within it
- Engaging in positive inclusion, which naturally excludes exposure to undesired sectors
- Investing where we see the potential for a positive contribution.

Our thematic approach

Identifying specific sustainable themes allows for a more specialised investment approach which enables us to pay attention to all opportunities associated with an identified, investible theme.

Our ESG themes (detailed opposite) span multiple regions, sectors, and business ecosystems. Looking for consistent exposure to a particular theme ensures the portfolio is focused on high growth and long-term economic value creation.

In terms of **environmental** (planet) themes, we see very attractive investment opportunities in themes related to climate transition, such as clean energy, electric vehicles and food.

On the **people** side, we also see attractive opportunities in themes as diverse as oncology, genomics, education and cyber security.

We believe that these themes, while having a positive impact on both planet and people, are also likely to provide favourable long-term investment returns, as sustainable practices become more and more integral to daily life – and business performance.

Long-term, structural growth themes

Our ESG themes span multiple regions, sectors and business ecosystems.



Sustainable themes

The human race is facing an existential crisis, caused by overpopulation and overconsumption putting insurmountable pressure on the planet and its resources.

That's why we select all our underlying thematic ideas, and their corresponding funds, with reference to the 17 United Nations (UN) Sustainable Development Goals. These are 17 goals that the UN has set out for its member states to achieve by 2030 for peace and prosperity for both planet and people. In adhering to these goals, we can ensure that our investments are solving genuine sustainability challenges rather than engaging in 'greenwashing'*

4 QUALITY EDUCATION



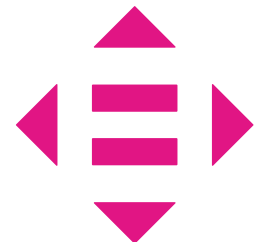
8 DECENT WORK AND ECONOMIC GROWTH



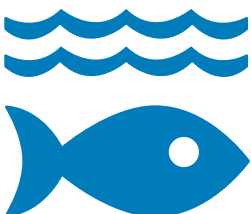
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



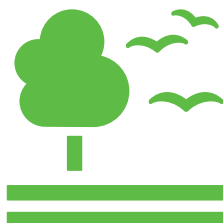
10 REDUCED INEQUALITIES



14 LIFE BELOW WATER



15 LIFE ON LAND



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



* 'Greenwashing' is the process of conveying a false impression or providing misleading information to deceive consumers into believing that a company's products or services are environmentally friendly.

1 NO
POVERTY



2 ZERO
HUNGER



3 GOOD HEALTH
AND WELL-BEING



5 GENDER
EQUALITY



6 CLEAN WATER
AND SANITATION



7 AFFORDABLE AND
CLEAN ENERGY



11 SUSTAINABLE CITIES
AND COMMUNITIES



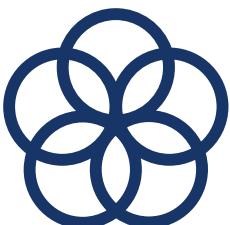
12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



17 PARTNERSHIPS
FOR THE GOALS



SUSTAINABLE
DEVELOPMENT **GOALS**

**Your
ESG model
portfolio**

**ESG
enhancements**

Investing in funds
with a measurable
sustainable impact

**Basic model
portfolio**

Including funds that don't
meet your ethical criteria

**Chief
investment
office (CIO)
process**

Performance returns
balanced with risk
and diversification

How the ESG Portfolio Service works for you

With this service, you invest in a 'managed portfolio', based on one of our standard Managed Portfolio Service (MPS) portfolios, which we run on your behalf. This allows you to benefit from our breadth of investment expertise, which includes our 'inflation+' investment strategy and protection on the downside.

Our ESG portfolio is built with the same philosophy in mind: we use this inflation+ investment expertise as a base, and then invest in thematic investment funds that meet your ethical criteria. Each portfolio aims to protect and grow assets in real terms by targeting a return above inflation net of charges, over the medium to long term.

The diagram on the left shows how we use our chief investment office (CIO) process to select a combination of investment funds, according to your individual preference for a balance between risk and returns. These funds form the basis of the model portfolio. We then use our impact investing criteria to find new, interesting companies and sectors for investment.

Importantly, we also look for funds that have a long and successful track record of outperforming their competitors. We aim to achieve your dual objective: generating performance while benefiting society.



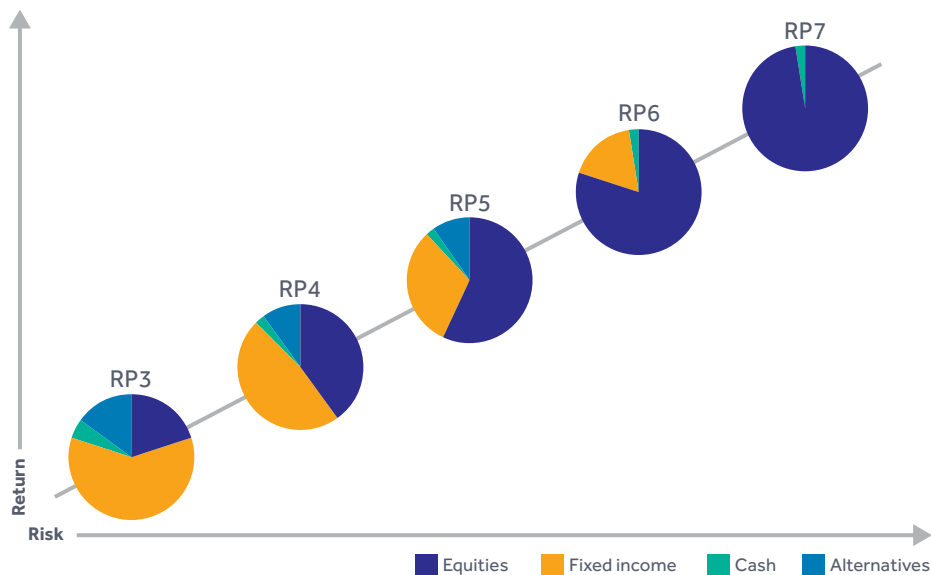
Our ESG portfolios

We offer ESG portfolios with different levels of risk to suit each investor's situation. Your adviser will help you choose the one that's right for you, based on your objectives and attitude to investment risk.

Each portfolio offers you a sensible mix of different investment styles. They invest in various collectives (funds) and exchange-traded funds (ETFs), and give you access to our organisation-wide expertise, global research and resources. The portfolios are not affected by the opinions of individual fund managers, so they represent the delivery and execution of our rigorous investment process, which includes meticulous in-depth research and continuous monitoring.

ESG portfolios risk vs return

We offer five different Risk Profile (RP) strategies, so you can invest sustainably with your preferred level of risk. These strategies, all of which target a return above inflation, are invested across four key asset classes:



Each portfolio aims to offer you an optimal allocation of the most appropriate ESG funds according to our analysis and research. We diversify the investments within each portfolio and, by taking an 'open architecture' approach, we can identify and select appropriate investments from the entire marketplace, which manages and reduces investment risk.

N.B. This is for illustration purposes only, to reflect our long-term asset allocation. Data as at August 2022. Actual asset allocation changes are made depending on market conditions.

Our ESG portfolios in detail

Our ESG portfolios are all multi-manager portfolios.

We use funds containing global equities and fixed interest and cash-type investments to provide diversification, focusing on the themes we consider likely to perform in the prevailing economic environment. We may also use funds with alternative asset classes (such as commodities, currencies and hedge funds) to balance the risk during unfavourable market conditions and produce returns uncorrelated to the general equity market.

Our portfolios are designed to work over a typical investment cycle of seven to ten years, so we recommend you stay invested for at least seven years.

Our ESG portfolios – all about the benefits

Our ESG portfolios enable you to take a more forward-looking, responsible approach to ESG issues. Whichever portfolio you select, it will:

- Aim to deliver consistent, inflation-adjusted real returns
- Give you access to our global investment ideas and research
- Offer you flexibility so you can choose the parameters of your ESG portfolio to suit your needs and preferences
- Be supported and protected by our robust and disciplined investment process
- Be managed by an accessible and dedicated CGWM team.

Dynamic asset allocation

Our ESG portfolios benefit from 'dynamic asset allocation' – which means we'll adapt your investments as funds improve their ESG credentials and ambitions. This ensures your investment will stay in line with your objectives.

We'll also make changes to reflect our current views of the investment market and economic outlook. This can result in a larger weighting in alternative investments (like commodities, currencies and absolute return funds). These alternatives help to reduce volatility, as they generally don't move in line with equities and bonds.

Your investments will benefit from the best of Canaccord Genuity Wealth Management's thinking and long-term experience. We monitor and manage your portfolio to ensure your investment risk is kept at a level that suits you through true diversification.



Signatory of:





Discover our can-do approach

To find out more about how we go above and beyond to help you invest responsibly, or if you represent a charity with restrictions on the companies you can invest in, get in touch. We'll be delighted to answer your questions and provide more details of our ESG Portfolio Service.

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Important information

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The investments discussed in this document may not be suitable for all investors. Past performance is not a reliable indicator of future performance.

The tax treatment of all investments depends upon individual circumstances and may be subject to change. Investors should discuss their financial arrangements with their own tax adviser as the value of any tax reliefs available is subject to individual circumstances. Levels and bases of taxation may change.

Where investment is made in currencies other than the investor's base currency, the value of those investments, and any income from them, will be affected by movements in exchange rates. This effect may be unfavourable as well as favourable.

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