



OUR RESPONSIBLE INVESTMENT POLICY

PortfolioMetrix

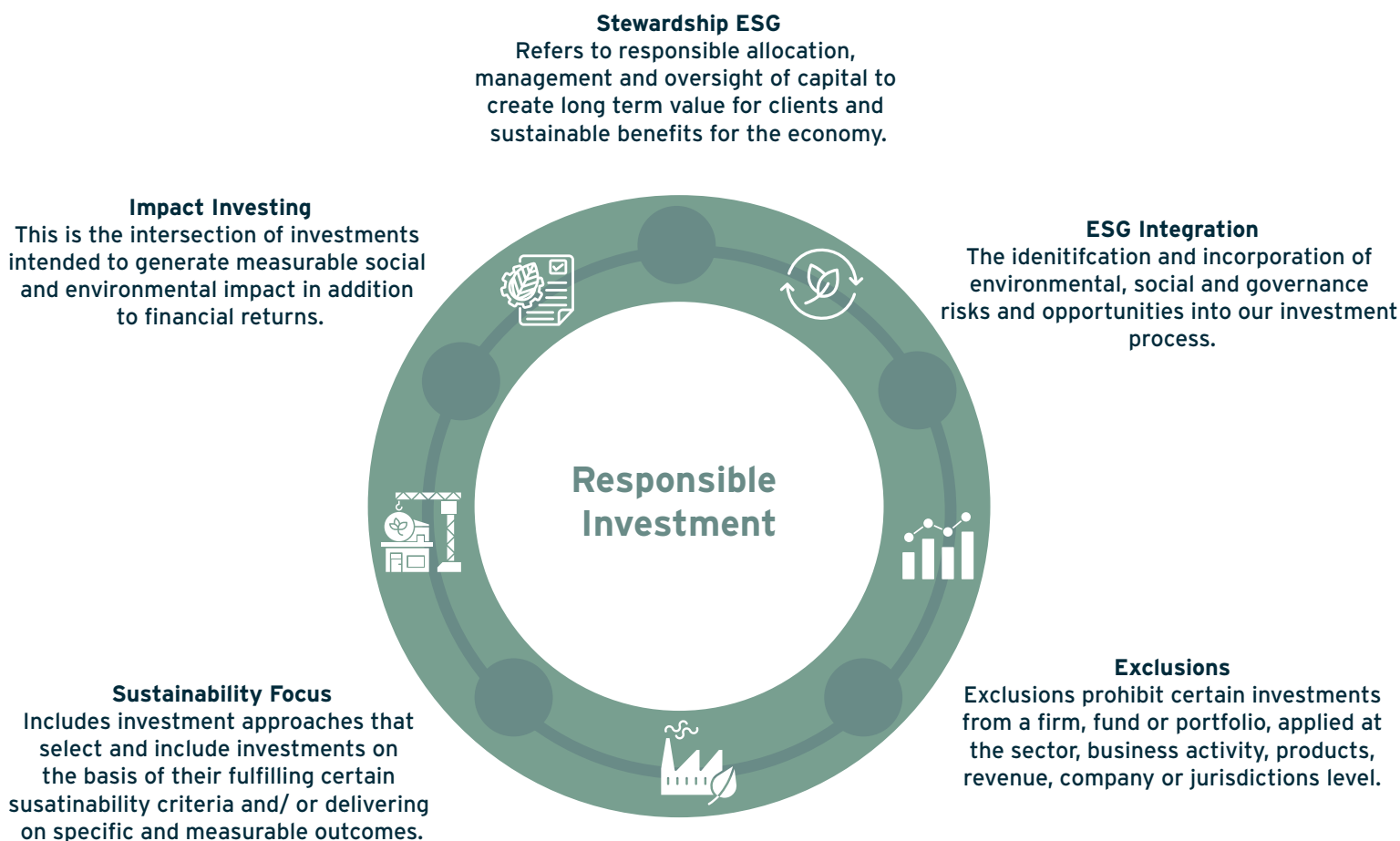
At PortfolioMetrix, we believe in putting our clients at the centre of all we do. Our investment goal is to achieve the best long-term, risk-adjusted, after-all-costs returns for clients subject to their unique needs, constraints, and preferences.

Maximising after-cost returns is essential because it is the key to helping our clients meet their financial goals. At the same time, adhering to individual client circumstances is crucial to assisting clients to maintain composure over time, so that they can stick to their financial plans during difficult market environments.

Working for the benefit of our clients cannot, however, be viewed solely through the lens of financial returns. Client benefit must be considered in the context of the society in which clients live, and the world they inhabit. Social and environmental awareness is thus not only an important component of risk management when it comes to choosing and blending investments, but also a moral imperative in serving our clients, their families and the wider community

Our Policy Overview

The UK's Investment Association (IA), in their "2019 IA Responsible Investment Framework Final Report"¹, uses the term Responsible Investment to encompass the five components below.



PortfolioMetrix believes in, and adheres to, the principles of Stewardship. And although we don't practice any firm-wide exclusions, we do seek to integrate ESG (Environmental, Social and Governance) considerations into our investment process.

Issues with passive funds:

One point to be aware of is that PortfolioMetrix as a firm does use passive (index) funds. This is particularly the case for clients who have, in conjunction with their adviser, mandated us to tilt towards more passive exposure in their portfolios. Passive funds are not intrinsically 'irresponsible'. But whilst passive funds can demonstrate a good level of stewardship (for example by speaking to the index constituents they passively invest in and by voting in their shares responsibly at company meetings), it is harder for them to demonstrate truly outstanding stewardship characteristics than for active managers. Amongst other reasons, this is because indices usually contain a lot of companies, too many for passive managers to monitor closely.

Sustainable World Approach

The Sustainable World portfolios aim to meet clients' financial goals whilst also explicitly helping drive positive social and environmental change. Very simply, it expands on the responsible investment strength of our Core portfolios by incorporating where possible funds that:

- Focus on companies that deliver a clear positive net benefit to society and the environment.
- Focus on the sustainability of products, services and operations when selecting companies to invest in.
- Seek to improve the behaviour of the companies they invest in.
- Exclude industries and specific companies with negative social or environmental impacts

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Fuelling the success of top financial advisers.



ABOUT PORTFOLIOMETRIX

PortfolioMetrix is a £4bn discretionary investment manager that partners with top quality financial advisers to deliver the best possible outcomes for their clients. As investment engineers, we build precise investment solutions with a risk-based process to deliver predictable outcomes.

We pride ourselves on our understanding of advisers and only build partnerships with a small number of IFAs to ensure a highly personalised and responsive service.

portfoliometrix.com

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