

ACORN

Capital Advisers

PURPOSEFUL WEALTH

OUR PURPOSE

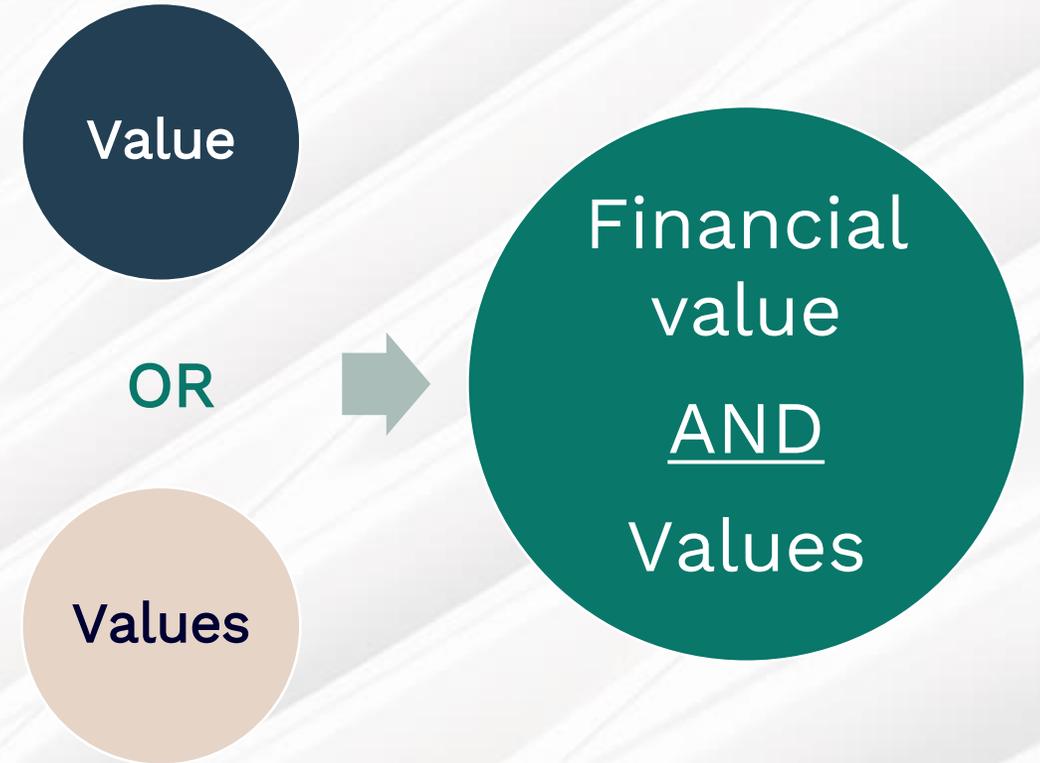
We work with clients to achieve impact with their wealth.

We untangle complexity, providing independent, expert advice that helps clients develop a holistic strategy, with impact at its core.

ACHIEVING IMPACT WITH YOUR WEALTH

The World Bank projects that global poverty will increase significantly for the first time in 20 years due to the impact of the Covid-19 pandemic, the growing climate emergency and increasing debt.

More than ever, social impact is playing a central role in family wealth strategies. Forward thinking clients are moving away from a siloed approach, motivated by the opportunity to have greater purpose - without necessarily sacrificing returns.



AN ACCELERATING FIELD

Impact, previously confined to philanthropy, is now being considered across businesses and financial assets with sustainable practices and impact investing gradually becoming mainstream.

It is a very broad field in terms of social issues with growing momentum and a real sense of urgency around climate change and inequalities (poverty, health, education), both issues high on public and political agendas.

It is an accelerating field, with innovations in tech helping scale impact and deliver returns. The transition to net zero emissions, for example, will create unparalleled investment opportunities.

“The market is a critical part of the solutions to many of humanity’s greatest challenges.

We won’t achieve the Sustainable Development Goals without growth; and we won’t get to net zero without innovation, investment, purpose and profit.”

Mark Carney
Former Governor of the
Bank of England

TRANSFORMATIONAL CHANGE

The sense of urgency is changing attitudes and increasing appetites for transformation and collaboration.

- **Young entrepreneurs** are energised to innovate and improve environmental and social well-being for their generation and beyond
- **Companies** are pivoting using technology and digitalisation to democratise services and reduce global inequalities
- **Regulatory change** is fostering sustainable disclosure and governance as well as creativity in designing social and green financial instruments
- There is **collaboration** at every level – from supra national to hyper-local; amongst peers and competitors – working together to solve societal challenges
- We're also seeing **fresh thinking about open resources** and a willingness to share IP to improve impact measurement techniques and encourage impact investing

‘A transformative time of change for our industry, we need to change everything from front to back - a different tool kit, a different set of skills.’

Peter Harrison
CEO Schroders' Group

THE OPPORTUNITY

The pace of change is exciting for anyone seeking to achieve impact with their wealth:

Join a forward-thinking movement of 'net givers'

Re-balance wealth to give back following strong performance

Fast track impact from a liquidity event with a disruptive approach

Take big bets with venture philanthropy and catalytic capital

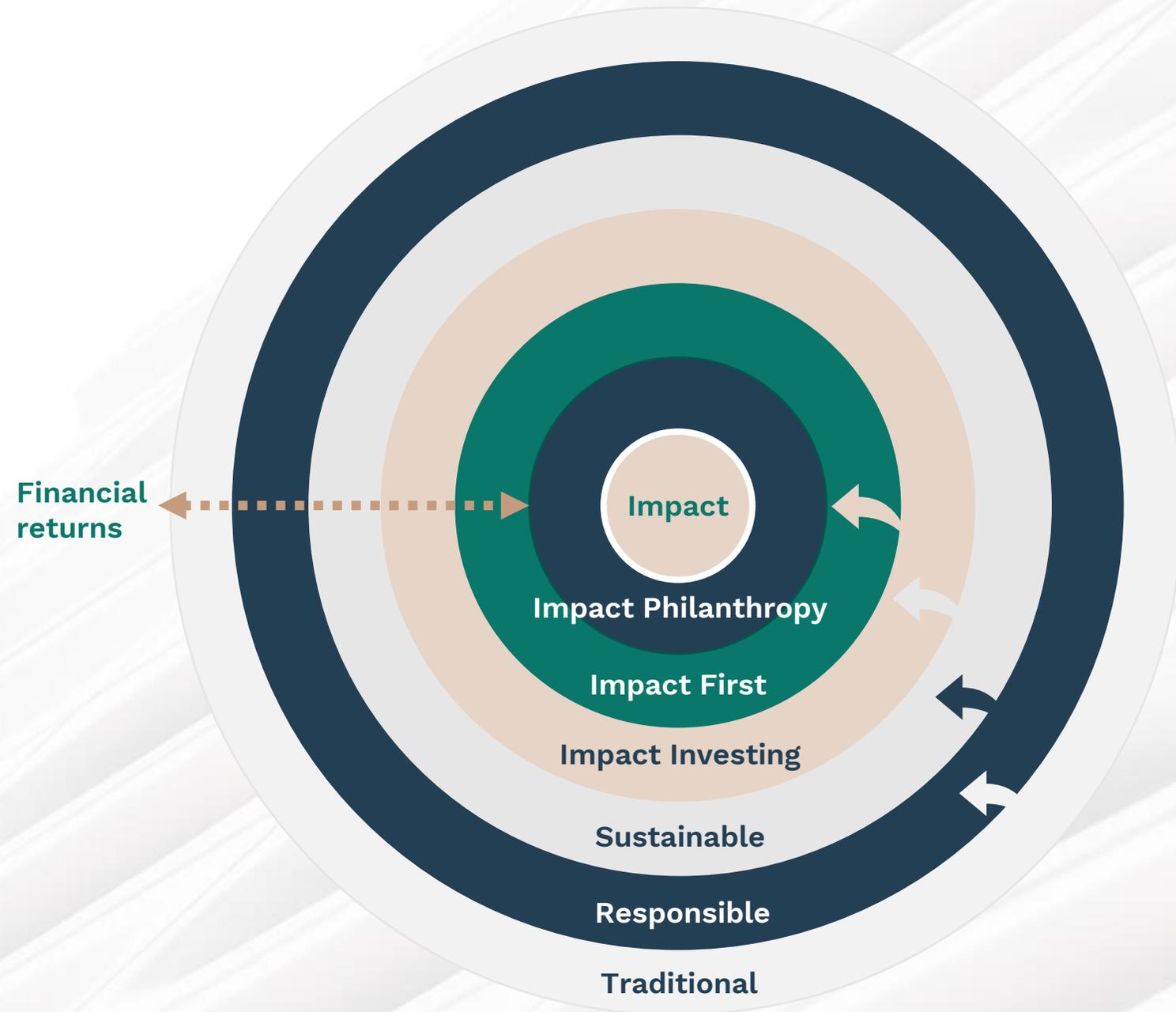
Leave a lasting legacy by contributing to sustainable social impact

THE IMPACT SPECTRUM



OUR PERSPECTIVE

We help clients develop a holistic strategy, with impact at the core and to understand how allocating across the spectrum may contribute to financial returns and impact.



WHO WE ARE



Experienced

We are independent, seasoned investment and wealth advisory experts with distinguished careers as financial entrepreneurs.

We have deep experience across the impact spectrum having managed investments and businesses and led the development and delivery of responsible portfolios, ESG and impact strategies. We are all actively engaged with impact driven organisations from social enterprises to large foundations and charities.

Independent

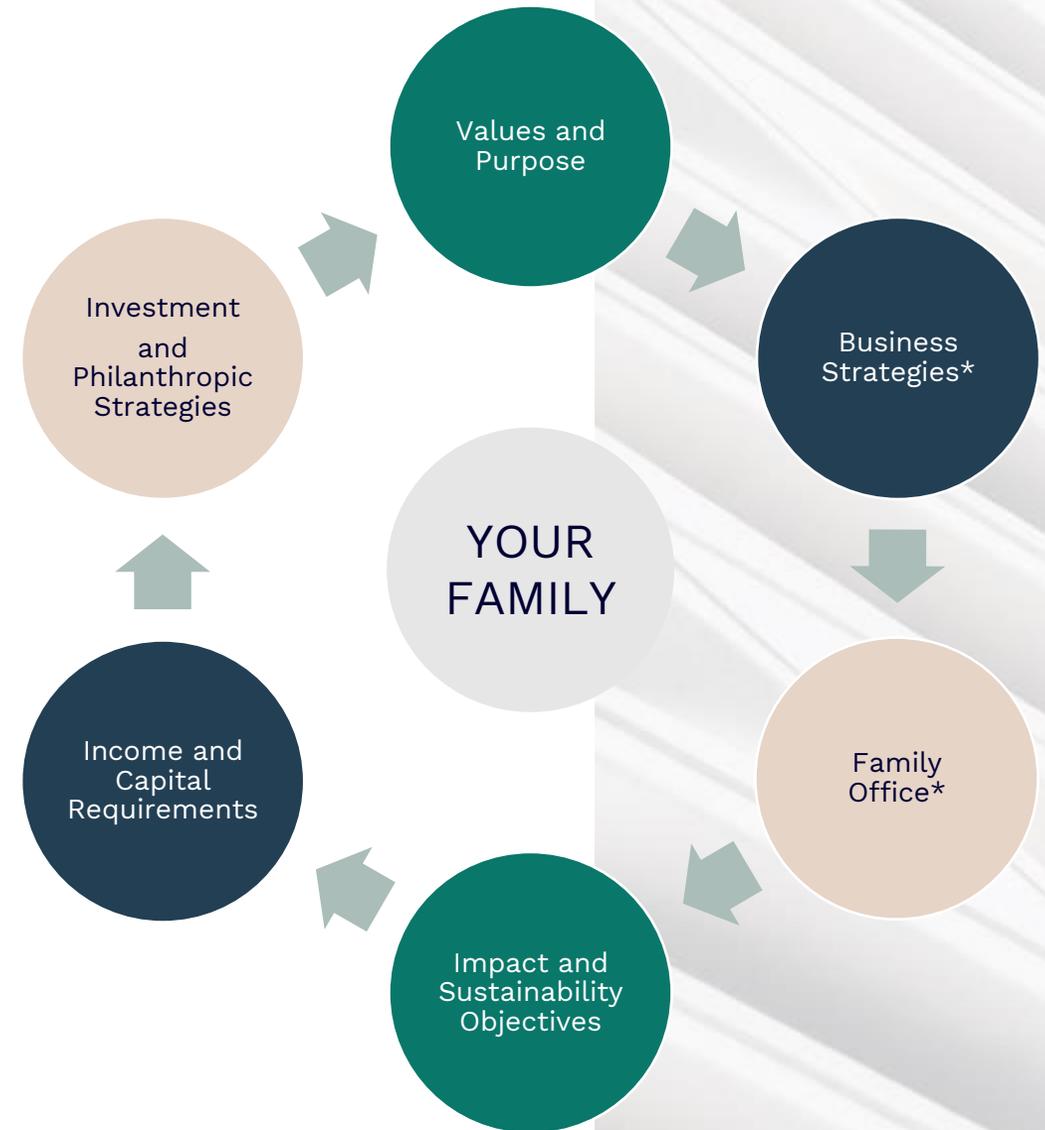
We provide a unique combination of knowledge, insight and experience. Our independent and highly bespoke advice helps you navigate the impact spectrum, delivering the strength and depth of a large institution, without the red tape.

Connected

Our network and collaborative approach gives our clients access to global experts across the impact spectrum. Through this we provide access to leading edge impact approaches including portfolio temperature measurement against the Paris Agreement and how to take a disruptive approach to impact investment manager selection.

OUR APPROACH

- Our breadth of experience underpins our ability to take a **complete and integrated approach** across the impact spectrum
- We have a three-staged model – **Discover, Design and Deliver** - which enables us to work in partnership with clients to navigate the spectrum and design a tailored and measurable strategy
- We build an implementation plan with **sustainable investment and grant-making programs** that reflect your financial and impact goals
- Throughout, we untangle the ‘language’, consider sustainability and impact in the allocation of capital, undertake ESG and impact manager selection, and mitigate the risks of ‘green-washing’



*where relevant

OUR MODEL



DESIGNING A PORTFOLIO ACROSS THE IMPACT SPECTRUM

Discover

- Understand your wealth, existing portfolios, income, and capital requirements
- Consider your impact goals, sectors of interest and legacy intentions
- Review your current and desired philanthropic approach
- Explore how and where you want to focus on the impact spectrum
- Your appetite for committing time to achieve your impact goals

Design

A sustainable portfolio that is:

- Aligned with your financial and impact ambitions
- Considered against risk parameters, including liquidity, time horizon, impact and reputational risk
- Measured against financial objectives, KPI's, outcomes and impact metrics

A strategic asset allocation capable of delivering the desired impact within asset classes

Deliver

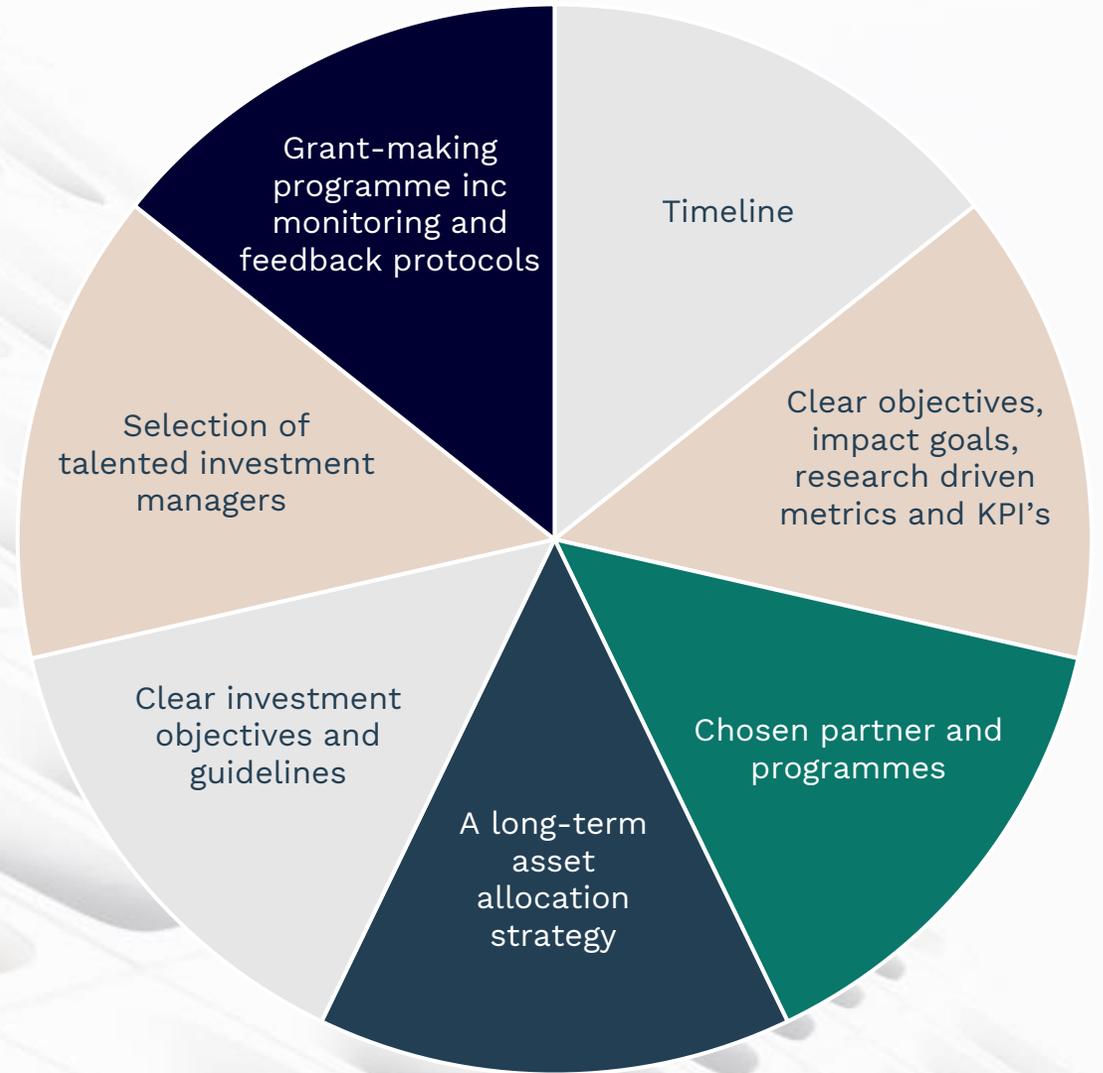
An implementation plan with:

- Portfolio programs aligned with your specific financial and purposeful goals
- Defined impact goals, measurement frameworks and timelines
- Leading edge manager selection
- Bespoke grant-making programs
- A clear, transparent overall monitoring plan

IMPACT MASTER PLAN

Our goal is to deliver and implement a cutting edge, integrated Impact Strategy:

- Tailored to reflect your ambition
- Aligned with your values
- Giving you confidence in achieving your objectives
- Underpinned by a comprehensive Master Plan to drive implementation





Discover

DESIGNING YOUR IMPACT GOALS

We begin with the end in mind, working with clients to answer:

- **WHO** will you help?
- **WHERE** will you help?
- **WHEN** will you help?
- **HOW LONG** will you help?
- **WHAT** will you do?
- **HOW** will you measure impact?

Using the UN SDG framework, we work with clients to identify the challenges they may want to address, and any preferences that will shape the right approach.

Local or global reach

Types of stakeholder groups

Likely duration of impact

Financial structures

Risk appetite

How much impact

UNDERSTANDING YOUR AMBITION AND APPETITE

We take time to fully understand your values and principles, purpose and what really matters to you and your family, including the next generation. We help to determine your sustainable preferences and the impact you want to have and then work with you to turn your aspirations into goals.

We agree with you the level of financial and personal commitment, considerations around reputational risk and what kind of impact you are interested in e.g. backing concepts, being a fast follower or scaling up approaches that work.

Individual

Values and purpose

Reputation and legacy

Existing philanthropy and issues of interest

Individual accomplishment and happiness

Family

Level of engagement and future roles

Impact goals and sectors of interest

Financial

Priorities for £ value vs values

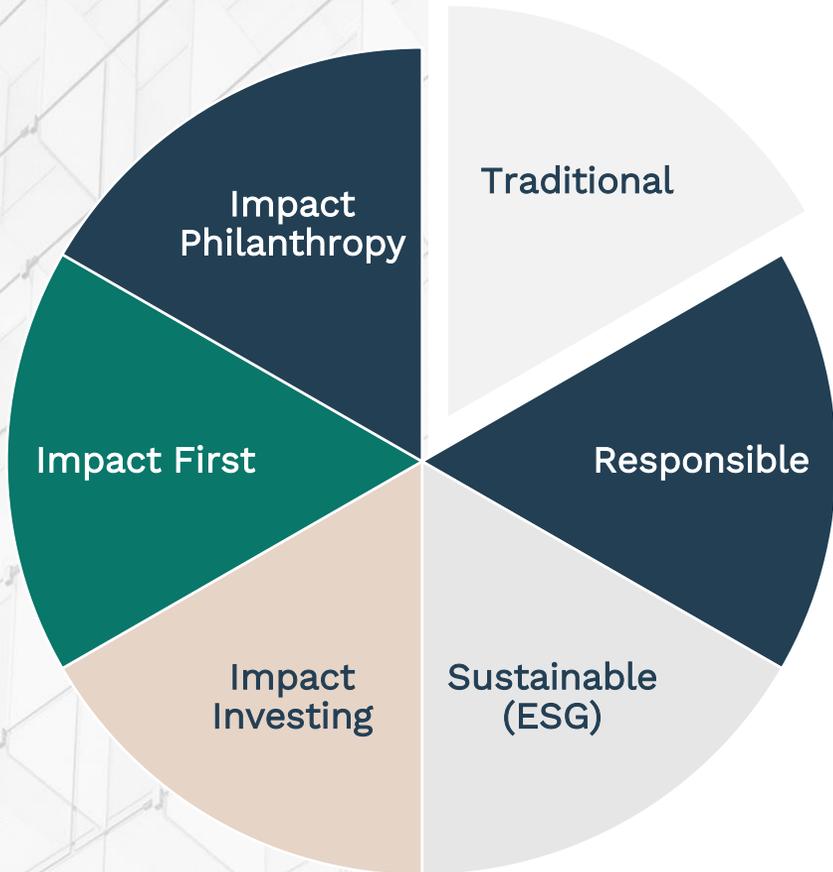
Risk appetite

Return on investment



Design

DESIGNING YOUR PORTFOLIO



- We believe that incorporating ESG and impact into a capital allocation model requires pragmatism and an open mind to modelling and innovation
- Our strategic asset allocations models are based on market returns. There are additional potential sources of value above these from active management, ESG and impact investing,
- After establishing strategic asset allocation targets, we work with clients to implement, seeking opportunities to add value within asset classes e.g. social bonds
- Transitioning to a low carbon economy is creating new opportunities, assessing them may involve belief, courage and art as well as scientific based evidence

DESIGNING THE RIGHT SET UP



- Ensuring that the asset allocation and portfolio construction remain dynamic and open to emerging opportunities
- We identify best in class from our extensive global network of managers, investment and philanthropic partners
- We agree on success metrics as defined by our clients, how will they be measured and by whom. We also agree timelines given the illiquidity of some impact investments.
- It takes financial and human resources to initiate, measure and achieve impact across the spectrum. We ensure clients have the right balance of in and outsourced capacity and capability.

FRAMING YOUR IMPACT INTENTIONS

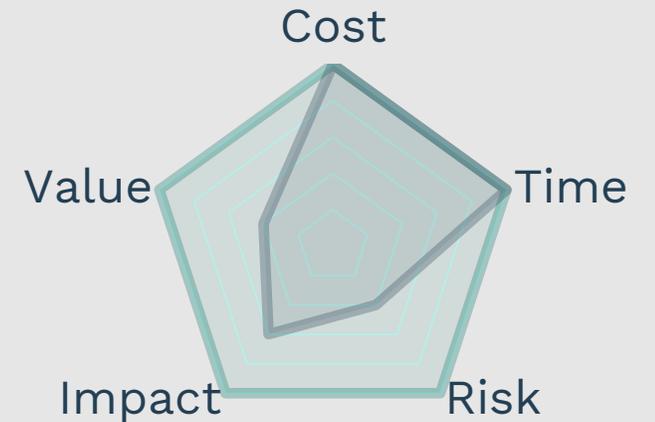
Integrating impact with financial measurement enables investors to prioritise and analyse trade-offs between impact and financial return.

Unintended consequences or interdependencies mean measurement can be complex. Courage is important when predictive models cannot deliver precision.

Trust, transparency and communication help manage expectations as impact measurement techniques and track records develop.

Example framework:

■ Target
■ Actual



BESPOKE MANAGER SELECTION

Our manager research is powered by **bfinance** and takes the traditional selection approach to the next level. Together we offer:

A high degree of customisation

- To ensure the widest possible choice to meet your specifications, including ESG and impact managers

Access to the universe of impact managers

- Assessing them with the Impact Management Project Framework

No standardised buy lists

- A level playing field for wealth and asset managers. This includes up-and-coming firms that others don't reach.

A wealth of experience

- bfinance has conducted over \$170 billion of searches for pension funds, trusts, endowments and large family offices based in 35 countries

A cost effective, flexible, leading edge solution

- Aligned with our clients, giving a stronger negotiating position and access to great managers

The logo for bfinance, featuring the word "bfinance" in a bold, black, sans-serif font, followed by a blue triangle pointing to the right.

Renewable Energy Infrastructure:
Lessons from Manager Selection

March 2021



Deliver

DELIVER

- Our goal is to deliver and implement a cutting edge, integrated Impact Strategy that is tailored to your ambition and values
- Underpinned by a comprehensive Master Plan to drive implementation and give you confidence in achieving your objectives
 - A developed timeline
 - Clear objectives, impact goals, research driven metrics and KPI's
 - Chosen partner and programs
 - A long-term asset allocation strategy
 - Clear investment objectives and guidelines
 - A selection of talented investment managers
 - A grant-making program with monitoring and feedback protocols
- Oversight of performance and developing risks through clear communication and robust reporting protocols



Example: LANDSCAPE REVIEW SUMMARY REPORT

Literature review	Mechanical engineering - climate change prototype
Expert interviews	Design a prototype
	Proof of concept-goal of
Impact goals and metrics	Challenge and solution d
	Panel of academics/VC t
	KPI's agreed with judges/
Identify partners	Choose research institut
	VC team to support with
	Research on product eco
Co-create program	Identify academic and VC
	Locate research hubs for
Implement project	Finance project and oper
	Monitoring and feedback

IMPLEMENTATION PLANS

CASE STUDY : Bfinance Impact Real Estate

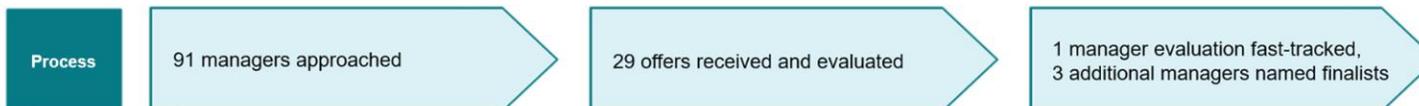
UK Endowment

Asset Class	Real Estate – Social/Affordable Housing
Mandate Size, Geography	GBP 25 million, UK
Mandate type	Direct Pooled Fund
bfinance services	Manager Selection

Project scope / client-specific considerations: This investor was looking to allocate GBP 25 million to Impact Real Estate, focusing on affordable housing. Although the client indicated a minimum return requirement of 8% pa, its management team wanted to consider the full landscape of options. The investor wanted a strategy that would generate meaningful social impact without forgoing any financial return. The investor was comfortable investing in start-up managers and funds, helping shape the strategy if appropriate.

bfinance value-add

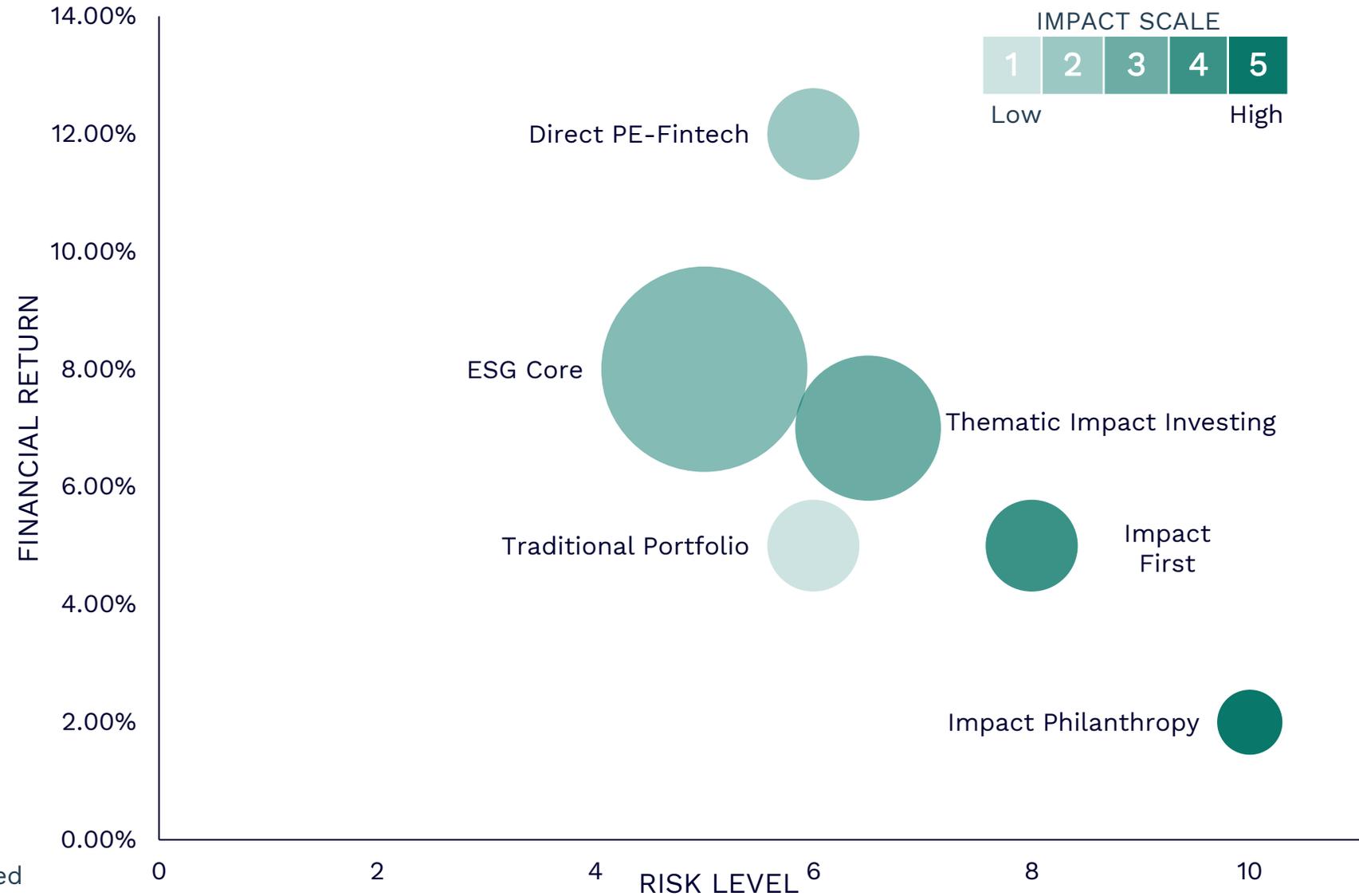
- **Provided sub-strategy insight:** bfinance helped the client understand the range of options available within the residential sector; topics covered included shared ownership, keyworker housing, homeless centres, supported living, care homes, etc.
- **Analysed ESG and impact approaches:** the team conducted in-depth analysis of various approaches to impact measurement and ESG processes, including the use of the IMP (Impact Management Project) framework.
- **Provided full risk assessment:** bfinance provided systematic comparison of managers in terms of their 'impact' and investment risk using quantitative modelling and analysis.
- **Delivered market expertise:** in offering analytical resources to this highly experienced investor, bfinance was able to augment and expand the client's own knowledge base.
- **Provided a flexible search process:** bfinance fast-tracked the evaluation of one fund that had a near-term final close date.



Source: Bfinance 2021

ALLOCATIONS ACROSS IMPACT SPECTRUM

Understanding how allocating across the spectrum may contribute to financial returns and impact as well as to risk



For illustrative purposes only

Note: Balloon size proportionate to capital allocated

MITIGATING THE RISK OF 'GREENWASHING'

Greenwashing involves companies misleading their clients, consumers or investors that their business model and products are aligned with strong environmental values

This includes fund managers attracted by the substantial flows of assets into ESG funds, yet without the ethos, skills, patience or resources to live up to their marketing claims

With over half the flows into European funds* in 2020 favouring ESG funds, it is tempting for some managers to 'talk and not walk'

We believe that risks can be reduced by diligence, enquiring minds, challenge, engagement, resilience and the application of technology and hard work

Together with our manager selection partner, bfinance, we are highly alert to greenwashing risks

* Funds Europe, February 2021

Financial Risks

- Materially adverse impact on margins, growth, risk profile and valuation
- Attrition of long-term investment returns
- Misallocation of capital

Environmental and Social Risks

- Risk that a manager or investment is not aligned with ESG values, e.g through supply chains not following good practices
- A negative outcome on the environment, society and stakeholders

Reputational Risks

- Risks to a family, foundation, trustee of adverse publicity from their association with a manager or investment that fails to meet expectations due to a lack of diligence



APPENDICES

TRANSPARENT AND EQUITABLE FEES

Reflects scope and complexity of the brief

Family Office Advisory		Investment Advisory	Social Impact And Philanthropic Advisory
<p>Design and build single family office</p> <ul style="list-style-type: none"> • Long term objectives and vision • Business and operating model • Investment strategy • Governance and risk framework • Human capital 	<p>Strategic review of existing family office</p> <ul style="list-style-type: none"> • Long term objectives and vision • Governance, operations and technology platform • Investment policy, process and performance • Cost and skills assessment • Gap analysis and change program 	<p>Investment Projects</p> <ul style="list-style-type: none"> • Strategic asset allocation • Investment objectives and performance review • Manager selection • Investment committee establishment 	<p>Social Impact and Philanthropic Projects</p> <ul style="list-style-type: none"> • Family values and mission statements • Impact strategy designed • Geographical and sector mapping • Impact investment and grant plan • Grant and foundation investment strategy
£100,000 - £250,000	£50,000 - £150,000	£25,000 - £50,000	£10,000-£50,000

INFORMING YOUR IMPACT GOALS



The UN Sustainable Development Goals (SDGs) provide a robust framework to help narrow the focus for our clients.

Creating objectives can be a daunting task and using the SDGs as a guide can help to eliminate sectors which are not a high priority for the family.

In most instances, a single objective can relate to several SDG's since many are interrelated.

Many organisations peg their programs to certain goals, so it helps when identifying partners.

REGULATORY REQUIREMENTS

Many Pension Fund Trustees, including in the UK, are now obliged to consider ESG. The Charity Commission is encouraging Trustees to consider ethical and other non-financial considerations. Some are already allocating to impact investments aligned with the charity's purpose.

The EU Taxonomy obliges investment managers to review sustainability preferences with clients prior to take on

In the UK:

- Listed entities are required to report on environmental matters
- Directors must disclose how they consider the impact of their operations on communities and the environment
- Large LLPS must report on carbon and energy use
- The government expects large asset owners and companies to report in line with TFCF by 2022, many are already doing so

There are similar regulations globally: eg France's '90/10' law

“Investors that fail to incorporate ESG issues are failing their fiduciary duties and are increasingly likely to be subject to legal challenge.”

UNPRI and UNEP FI

**Fiduciary Duty in the 21st Century
Final Report, 2016**

*UK Companies with over 500 employees

** Task Force on Climate Related Financial Disclosures

OUR TEAM



FOUNDER
SALLY TENNANT OBE



PARTNER
DIANE SEYMOUR-
WILLIAMS



PARTNER
AMY BLACKWELL



CLIENT AND BUSINESS
MANAGER
HELEN WESTGATE



INVESTMENT ANALYST
ASCANIO PIERSANTI
FENDI



INVESTMENT ANALYST
RAASHID NAYEEM



OPERATIONS AND IT
MARKUS RUETIMANN



PRIVATE EQUITY
ALEX O'GINNEIDE

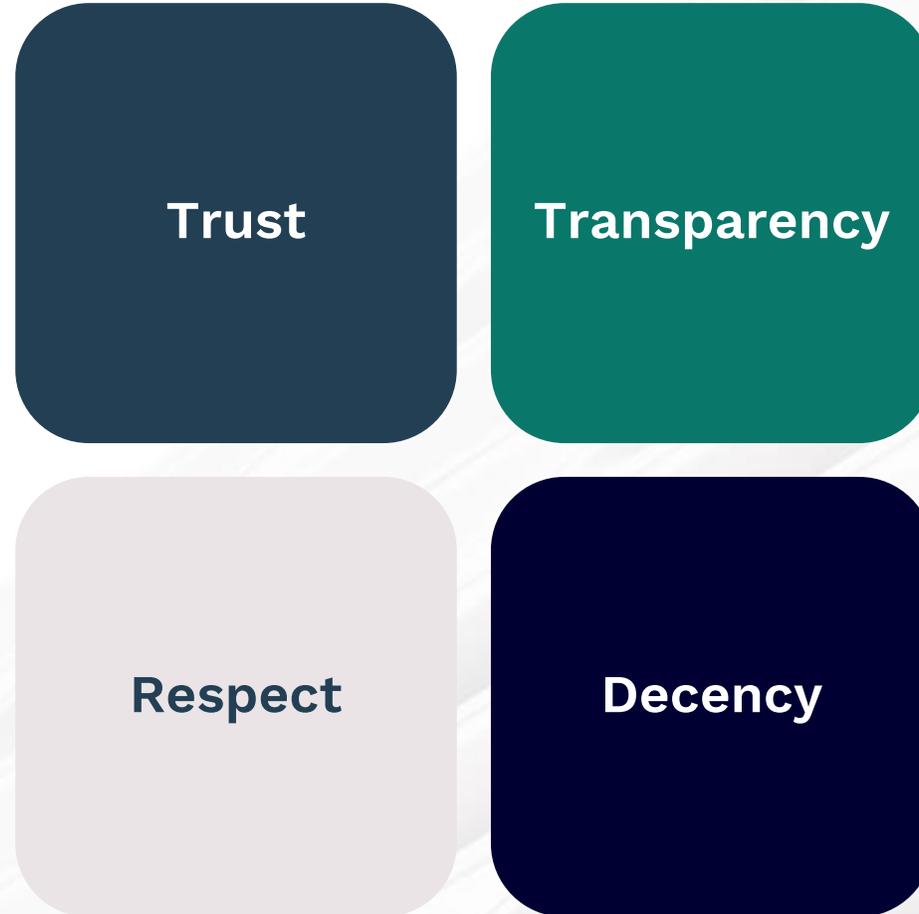


RISK CONSULTANT
JUAN PALOMARES



FINANCE AND
ACCOUNTING
WAYNE MATTHEWS

A COLLABORATIVE APPROACH



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