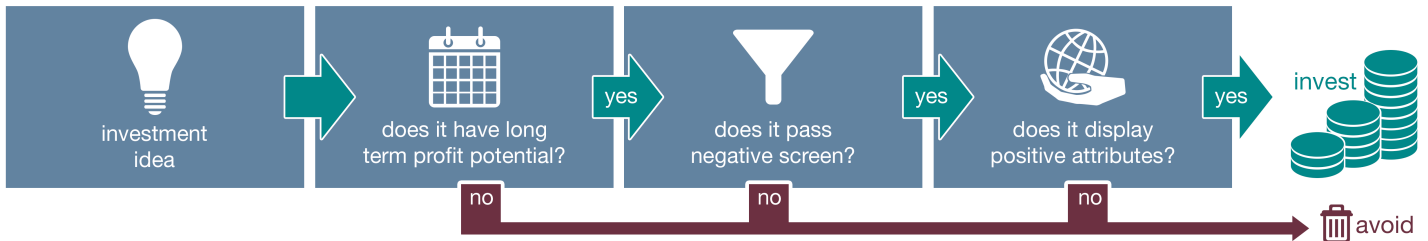


OUR INVESTMENT PROCESS

EdenTree offer responsible investment opportunities to those who have an interest in the impact the companies they invest in have on their communities and the environment, as well as on their returns. We take a 'profit with principles' approach to our funds employing both positive and negative responsible investment screens.



We firmly believe that consistent, long-term returns are more likely to be achieved by investing responsibly in sustainable businesses.



WHAT WE LOOK FOR

We seek to invest in quality companies with sound financials, solid balance sheets, proven management, good growth prospects and the potential to deliver strong cash flow. But we go beyond this. We also want companies who are strong corporate citizens, delivering economic, social and environmental benefit for society and the communities in which they operate.

We're prepared to take a contrarian approach to the way we invest, and have no qualms about longer-term investment horizons and going against the mainstream. Taking steps to construct the ideal portfolio and to control risk is something we take very seriously.

HOW WE WORK

Our Fund Managers work collaboratively and closely with our in house Socially Responsible Investment (SRI) team to consider whether a stock is an appropriate holding for the funds. Applying our profit with principles approach begins at the very beginning – the 'ideas' or 'stock picking' stage. After detailed research and analysis if the stock is considered by the investment team to be a good addition to the portfolio it proceeds to the robust screening process.

Our Fund Managers take many steps to construct the optimal fund portfolio. In order to do so we have:



OUR SCREENING PROCESS

Positive screening is at the heart of our profit with principles approach as we actively seek out companies that are contributing positively to society and who we believe are good corporate citizens. It also helps us mitigate risks to our portfolios by pinpointing enterprises with well-developed policies and processes for environmental and social management. We also apply negative screens to our portfolios, automatically eliminating businesses involved in the manufacture or sale of certain products.

Additionally, our SRI Analysts engage with and meet one on one with the companies we are considering investing in and continue to do so after we have invested as part of our monitoring program, particularly when controversies or concerns become apparent. This active engagement allows us to develop meaningful relationships with the companies and be a force for positive change as shareholders.

The criteria, tools and partnerships our SRI team use to inform our screening process are:



POSITIVE SCREENING

In order to ensure that the businesses we invest in are themselves investing in a positive future, we utilise a positive screening process. Not only does it allow us to avoid businesses that will likely be problematic in the future, it also allows us to offer a high-quality, long term investment opportunities. Our Positive screening approach centres on what we define as the 'Nine Pillars' of responsible investment

These are:

 <p>Business practices Following ethical practices towards customers: maintaining product quality, ethical sources of supply, and respecting indigenous peoples.</p>	 <p>Community relations Making charitable donations, employing local people, offering work placement schemes.</p>	 <p>Corporate governance practices Transparency, anti-bribery and corruption codes, adhering to International Labour Organisation regulations on labour and child labour.</p>	 <p>Education Providing training and development along with access to education.</p>	 <p>Environmental management Supporting biodiversity, managing their climate change impact, carbon footprint, water conservation, air pollution, managing waste, recycling, and supporting renewable energy.</p>
 <p>Healthcare Providing affordable healthcare and access to medicine.</p>	 <p>Human rights Supporting basic human rights by adopting the United Nations Universal Declaration of Human Rights.</p>	 <p>Labour relations Promoting health and safety, transparent pay structure, union participation, professional development, employee participation and whistleblower protection.</p>	 <p>Urban regeneration Supporting social/affordable housing.</p>	

NEGATIVE SCREENING

We hold a policy of not investing in companies that earn more than 10% of their pre-tax profits or turnover from alcohol production, gambling operations, pornographic or violent material, gambling operations or weapon production. We also consider animal testing, oppressive regimes and intensive farming in our criteria when evaluating a company.

 <p>Alcohol production Manufacturers of alcoholic beverages, but not retailers (except dedicated pub companies).</p>	 <p>Gambling operations Includes betting shops, internet sites, bingo and casino, racing venues, lotteries and the supply of gaming machines.</p>	 <p>Pornographic and violent material Includes print, digital and broadcast media plus companies operating dedicated licensed sex premises showing live shows.</p>	 <p>Tobacco production The manufacture of tobacco products, but not tobacco retailers.</p>	 <p>Weapon production The manufacture of weapons and weapons systems or goods and services specifically to support those systems.</p>
 <p>Animal testing We will not invest in companies that use animals to test cosmetic or household products. We do invest in pharmaceutical companies that may use animals to test but we encourage them to use alternatives.</p>	 <p>Oppressive regimes Companies operating in oppressive regimes (as defined by Transparency International, Amnesty International and Freedom House) are reviewed on a case-by-case basis.</p>	 <p>Farming We avoid companies involved in intensive farming in the beef, dairy, poultry or fish sectors.</p>		

EXTERNAL OVERSIGHT

Our screening process, stock selection and research is reviewed regularly by our independent panel of senior financial, environmental, and business figures called the Amity Panel. The Amity Panel has been monitoring the operation of our Amity Funds for over 20 years. We are also active members of the UK Sustainable Investment and Finance Association (UKSIF) and have developed key partnerships with other bodies in this field including the Carbon Disclosure Project (CPD), UK Stewardship Code and UNPRI. In 2015 we signed the UNPRI Montreal Pledge and in 2016 we started carbon footprinting our funds to identify the emissions levels of our portfolios.



Please note that the value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations, you may not get back the amount originally invested. Past performance is not necessarily a guide to future returns. Edentree Investment Management Limited (EIM) Reg. No. 2519319. This company is registered in England at Beaufort House, Brunswick Road, Gloucester, GL1 1JZ, UK. EIM is authorised and regulated by the Financial Conduct Authority and is a member of the Financial Ombudsman Service and the Investment Association