



Tess Olsen-Rong – March 2017
Tess.Olsen-Rong@affirmativeim.com

Introduction to AIM

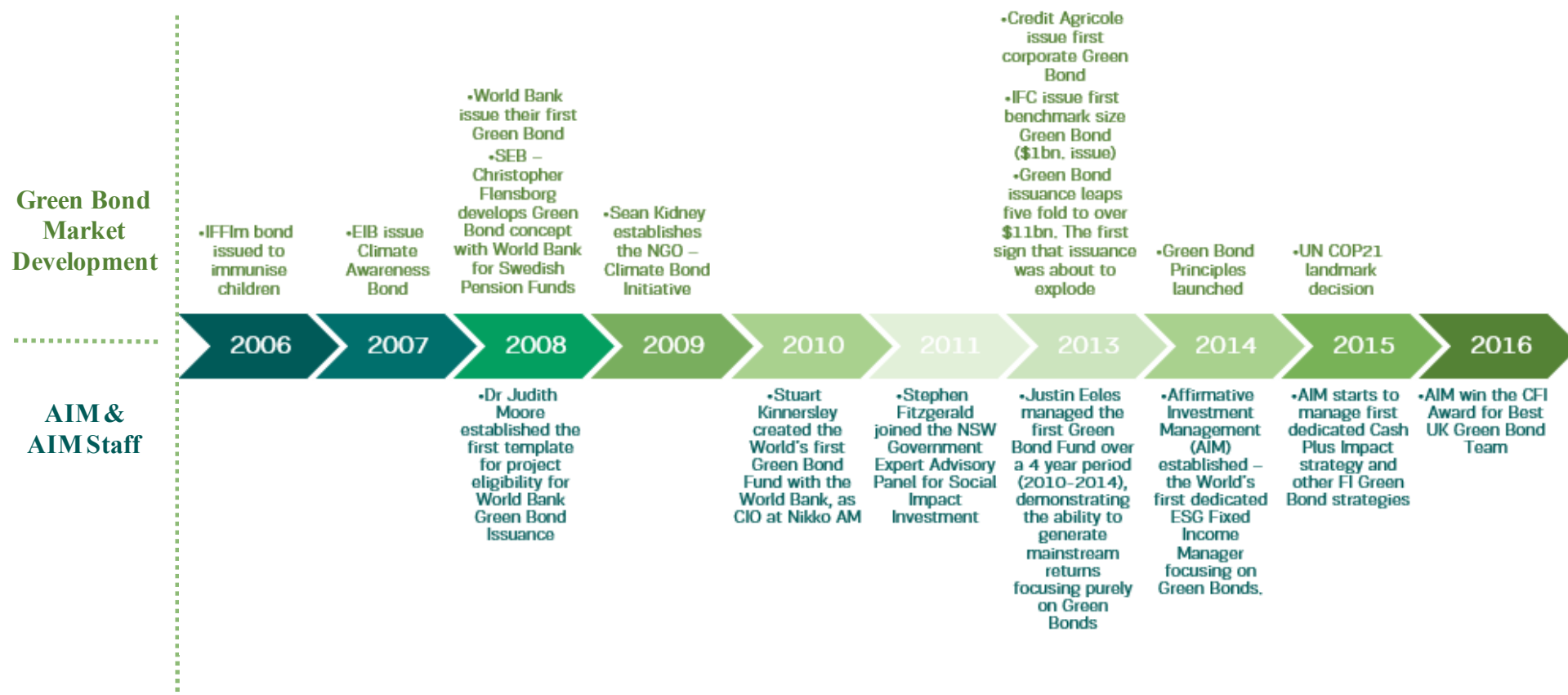
Introducing a Pure Play ESG Fixed Income approach without compromising investment returns.

AIM provides a turn key solution to convert conventional fixed income exposures into positive impact portfolios.

AIM

- Affirmative Investment Management (AIM) is a **dedicated Fixed Income Manager**, focusing solely on bond and cash investments that generate positive environmental & social externalities.
- AIM's approach is a fusion of mainstream portfolio management and sustainability principles.
- We are the only investment manager where all of our investments **focus on building resilient communities and shifting to low carbon economies**, have a positive environmental and/or social ambition, possess at least some disclosure of use of proceeds and generate a tangible impact.
- AIM's corporate DNA and ethos is in tune with changing global best practice and consistent with our underlying investment goals.
- Our approach is both unique and new but based on a **foundation of experienced professionals**, leading innovators and best in class industry support providers.

AIM Staff and the Evolution of the Green Bond Market



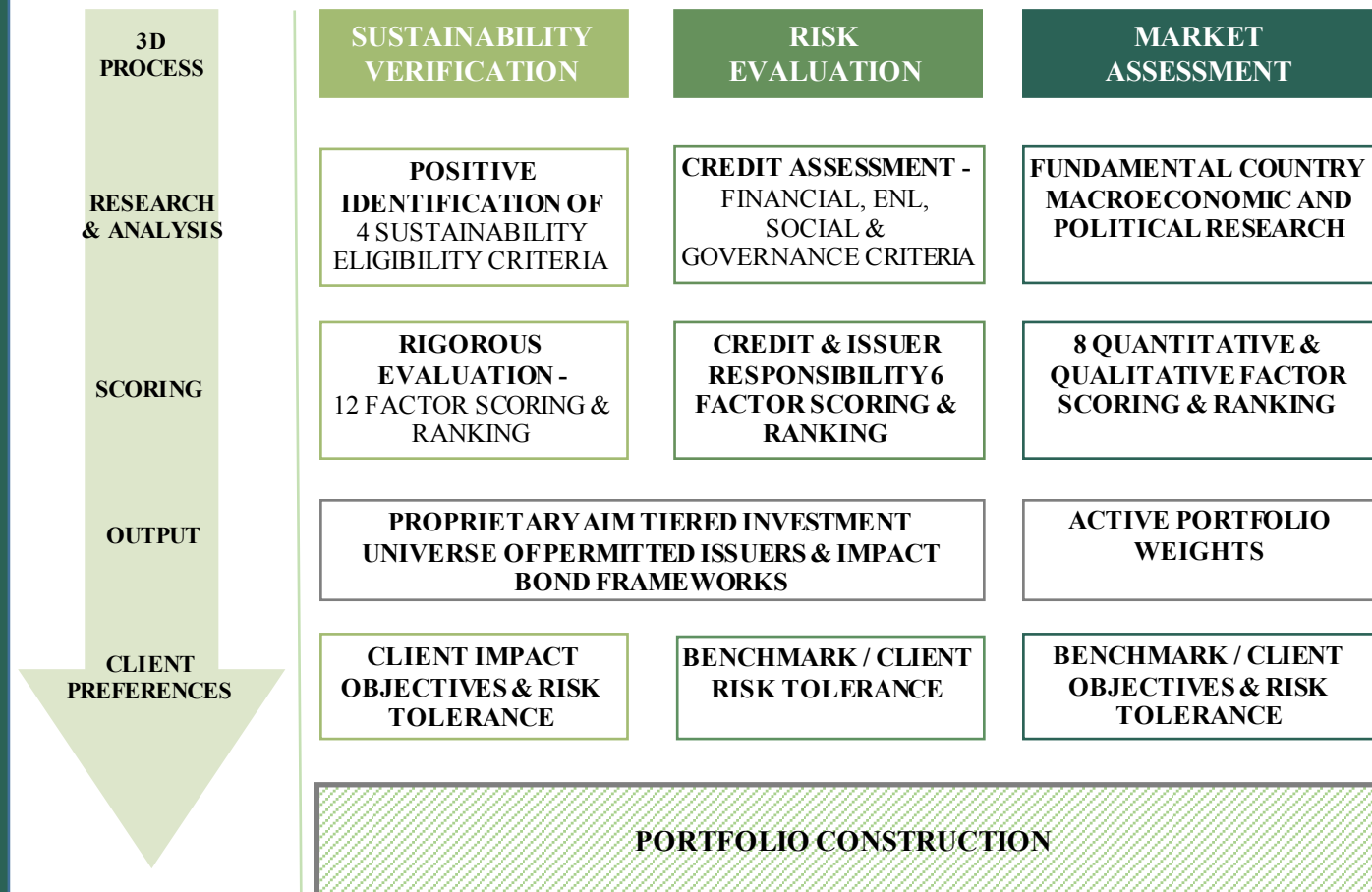
Introducing SPECTRUM Bonds®

Affirmative Investment Management only invest in SPECTRUM Bonds® that fulfil 6 eligibility criteria.

S	USTAINABLE	Bonds by responsible issuers with attributes that support our mission to help build a sustainable, resilient and low-carbon economy
P	OSITIVE	All issues must have a clear Positive Environmental and/or Social Externality associated with its issuance, over and above the mainstream financial return
E	XTERNALITIES	
C	REDIT	Issuer must be credit worthy from both a financial and broader Environmental, Social and Governance perspective
T	RANSSPARENT	All issues must have clear investment policies and processes in place pertaining to reporting and disclosure
R	ESPONSIBLE	Issuers who uphold strong integrity, with a clear commitment to a sustainable business model
U	SE OF PROCEEDS	All issues to demonstrate discernible Use of Proceeds to assure funded activities meet AIM criteria
M	ATERIAL IMPACT	All issues to offer Mainstream Market yields and provide reporting on the Material Environment and Social impacts

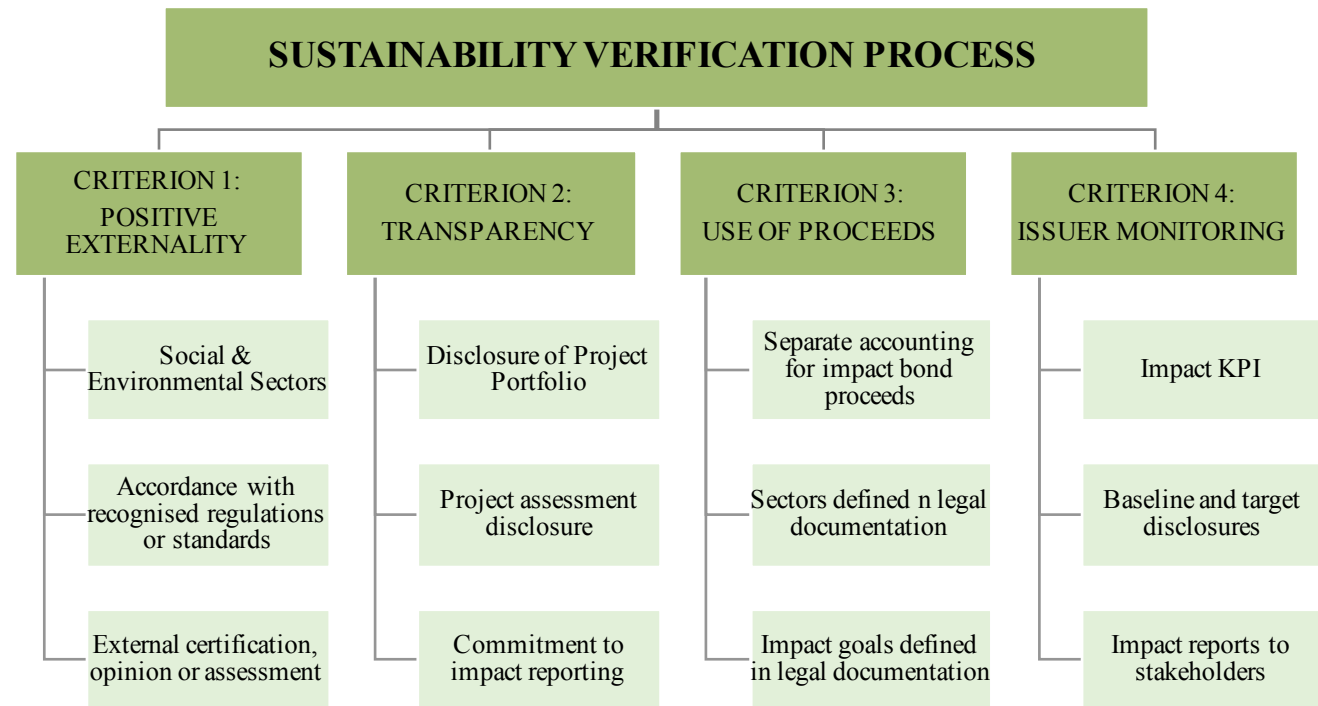
The AIM Three Dimensional Investment Process

The AIM team has developed a unique three dimensional investment approach which embeds key sustainability criteria at the core of the overall process.



Sustainability Verification Criteria at AIM

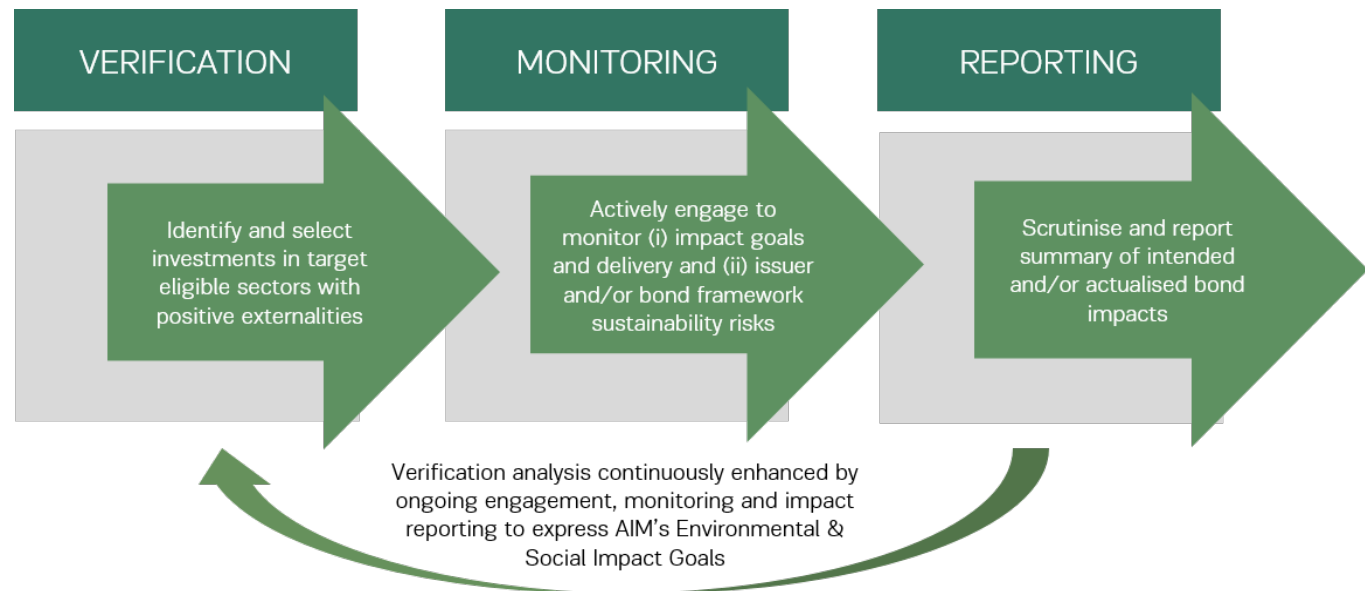
Each criterion score is an average of the three sub-criteria scores below, which are scored within a range of 1-5, with 5 representing the best possible score.



Transparency & Impact Reporting are key to Verification

On-going monitoring of green and social bonds is central to AIM's verification process.

Ongoing sustainability verification throughout investment cycle.



Disclosure & Tools used in the Verification of Green Bonds

Green bonds tend to adopt a use of proceeds bond structure, therefore provide additional details on the environmental aspects of the projects and assets financed through the bond sale.

- **Transparency: best practice disclosure**
 - Green Bond Principles (Voluntary guidelines)
 - Engagement with issuers (Roadshows, 1on1 meetings, etc)
- **Second Party Opinion (SPO)**
 - Additional disclosure
 - Analysis of environmental and social aspects of underlying projects
- **Certification and Standards**
 - Climate Bonds Standards
 - Certification Schemes: green buildings - LEED, BREEAM and energy star (etc).
- **Green Bond Ratings**
 - Moody's
 - S&P Trucost

Impact Reporting: in more detail

AIM's reporting commitments include corporate responsibility, financial performance and portfolio impact.

AIM will provide annual impact reports for all our portfolios. Impact reporting is an evolving field, therefore our approach is focused on transparency of reported outcomes rather than prescriptive KPIs.

The Impact Report will include, where possible:

1. Use of proceeds: amounts invested
2. Key investment outputs/sectors
3. Key impact performance indicators*

Expectations from green and social bond issuers:

- Periodic disclosure (min. annual)
- Allocation of proceeds (best practice- assurance by third party): qualitative description of geography & sector
- Outcomes: impact data (e.g. estimated GHG avoided) and related methodology.

* As supplied by issuer and analysed by AIM, including consultation with technical experts.

Disclaimer

This communication has been issued in the United Kingdom by Affirmative Investment Management Partners Limited ("Affirmative") which is authorised and regulated by the Financial Conduct Authority of the United Kingdom and is made to and directed solely at

- (i) existing customers of Affirmative and/or
- (ii) persons who would be classified as a professional client or eligible counterparty under the FCA Handbook of Rules and Guidance if taken on as customers by Affirmative and/or
- (iii) persons who would come within Article 19 (investment professionals) or Article 49 (high net worth companies, trusts and associations) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2001 and/or
- (iv) persons to whom this communication could otherwise be lawfully made in the United Kingdom.

Any recipient of this communication who is not one of the intended recipients as set out above should disregard the communication and may not rely on or take any action in relation to the communication. Recipients of this communication in jurisdictions outside the United Kingdom should inform themselves about and observe all applicable legal or regulatory requirements.

Whilst Affirmative has taken reasonable care to ensure that the information in this communication is accurate at the time of its preparation. It should not be construed as the giving of advice or the making of a recommendation. In particular, actual results and developments may be materially different from any forecast, opinion or expectation expressed in this communication.

Affirmative Investment Management Partners Limited
Authorised and Regulated by the Authority FRN 658030
Registered in England & Wales no. 09077671
Registered Office; 150 Aldersgate Street, London EC1A 4AB

Contact:

E: info@affirmativeim.com

Signatory of:



This brochure was printed by an FSC certified source using 100% recycled material.

Financial Conduct