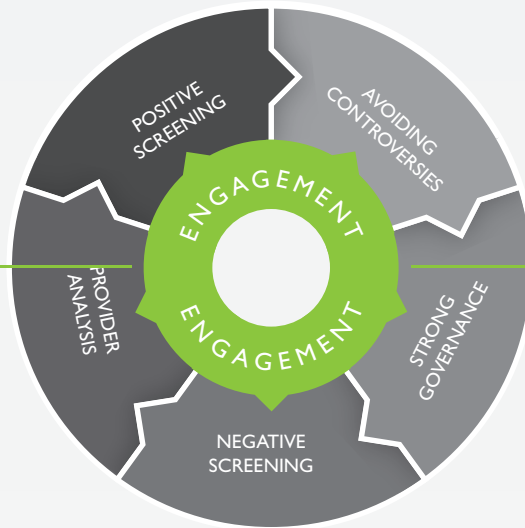


Ongoing and **challenging engagement** with fund managers is critical to delivering **long-term impact** for clients

Engagement is the piece that brings everything together.

Each fund and sector can be improved, and every company within each fund should be challenged to improve their ESG practices and approach.

The fund houses we invest into should be using their role as experts to educate, improve and innovate across all their investments.



Funds that can do this effectively, we believe, deserve a place in a client's portfolio.

This is a core part of TAM's investment philosophy.

Each outer-sector prompts questions on engagement.

Do they go beyond negative screening in their sector analysis?

How do they assess whether their companies are best in class?

Do they score on ESG impact and risk?

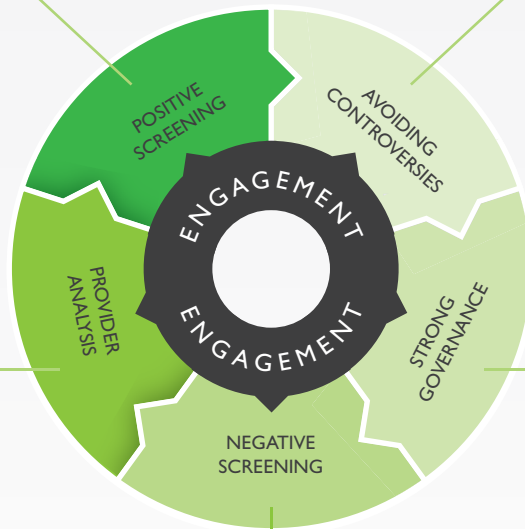
Is the negative screening a company-wide philosophy?

If so, who sets the level?

Which climate initiatives is the company aligned to? Do they report on TCFD?

Are they UN PRI signatories?

What is the culture and governance like?



Have they ever had any ESG controversies?

How does their process work to avoid them?

What is their sell discipline surrounding controversies?

How have they improved their framework as a result?

What are their requirements for good governance?

What is their minimum threshold of board diversity?

How do they look to improve this?

Do they utilise negative screening?

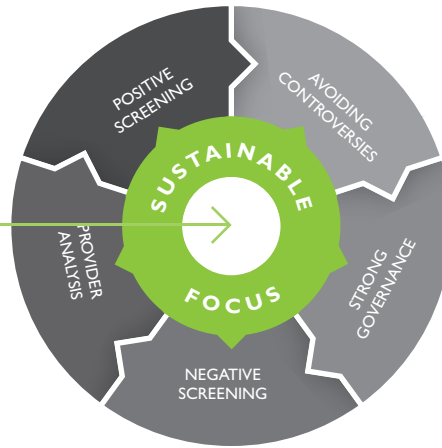
Where do they set their minimum threshold of revenue generation?

Why have they decided this level?

How important do they view direction of travel in revenue generation?

## How engagement feeds into fund selection

Just over **30%** of a TAM Sustainable World Balanced portfolio is invested into sustainable focus funds



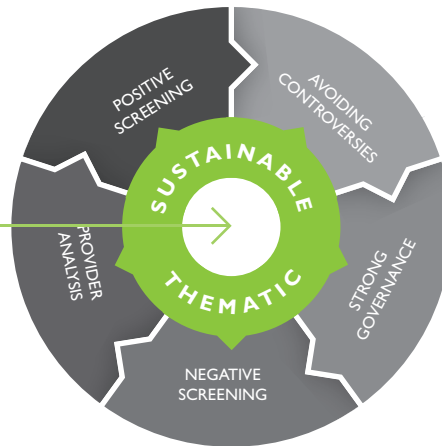
Sustainable investing is seeking to promote sustainable outcomes whilst pursuing financial return.

TAM view this as the 'lightest' green of the portfolio allocation.

These funds invest into environmental and social outcomes with the ability to adapt to a sustainable economy or contribute to the transition to a sustainable economy.

SFDR Article 8 or 9 strategies used.

**40%** of a TAM Sustainable World Balanced portfolio is invested into sustainable thematic funds

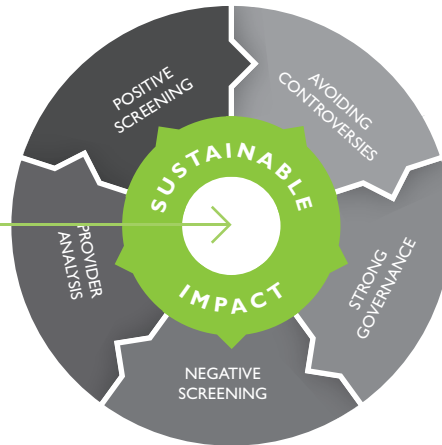


TAM see this as the next layer of sustainable investing and view this segment of a client's portfolio as slightly darker green with a greater focus on impact and sustainability.

Sustainable thematic funds seek to achieve a positive impact by focusing on a theme within a sector where economic activity is linked to a particular environmental issue.

SFDR Article 9 strategies used.

**22%** of a TAM Sustainable World Balanced portfolio is invested into sustainable impact funds



TAM view this as the 'darkest' green method of investing clients into sustainability and impact themes across the world today.

These funds achieve their investment goals by generating additional, material and measurable positive impacts within their sectors as a result of their investment decisions.

TAM are increasing the number of impact funds as the opportunity set widens. We are immensely proud of the good work our fund managers are doing in this space.

SFDR Article 9 strategies used.

**TAM ties these sustainable elements together with our active management expertise to source the next generation of managers delivering real outperformance for clients over the long-term. Our access to these investment opportunities at steep AMC discounts ensures we are delivering clients that all-important value for money.**



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GET IN TOUCH WITH US

+34 871 183 840  
info@tameurope.com