



Tess Olsen-Rong – December 2016
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Introduction to AIM

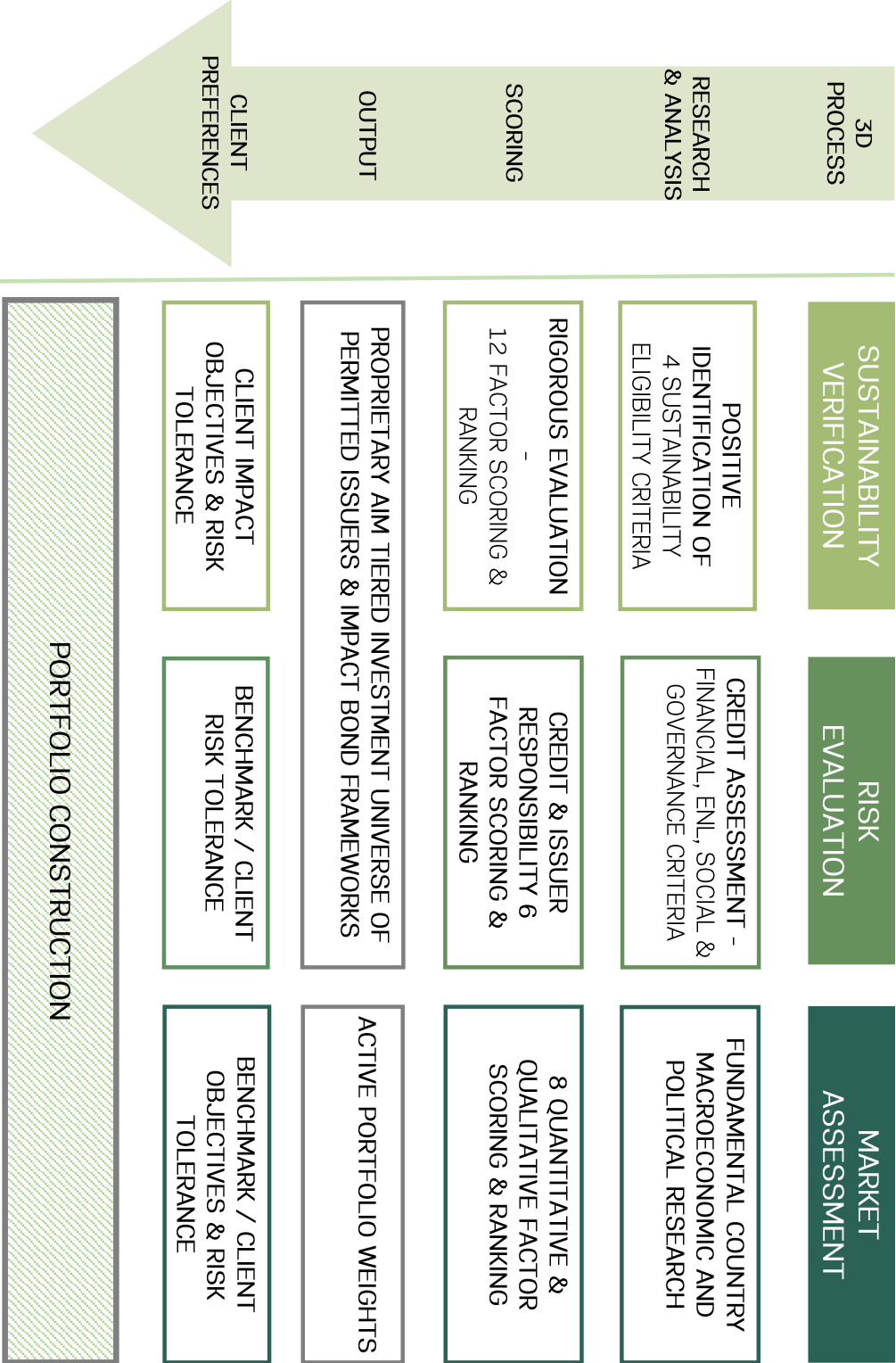
Introducing a Pure Play
ESG Fixed Income
approach without
compromising
investment returns.

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

- 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.

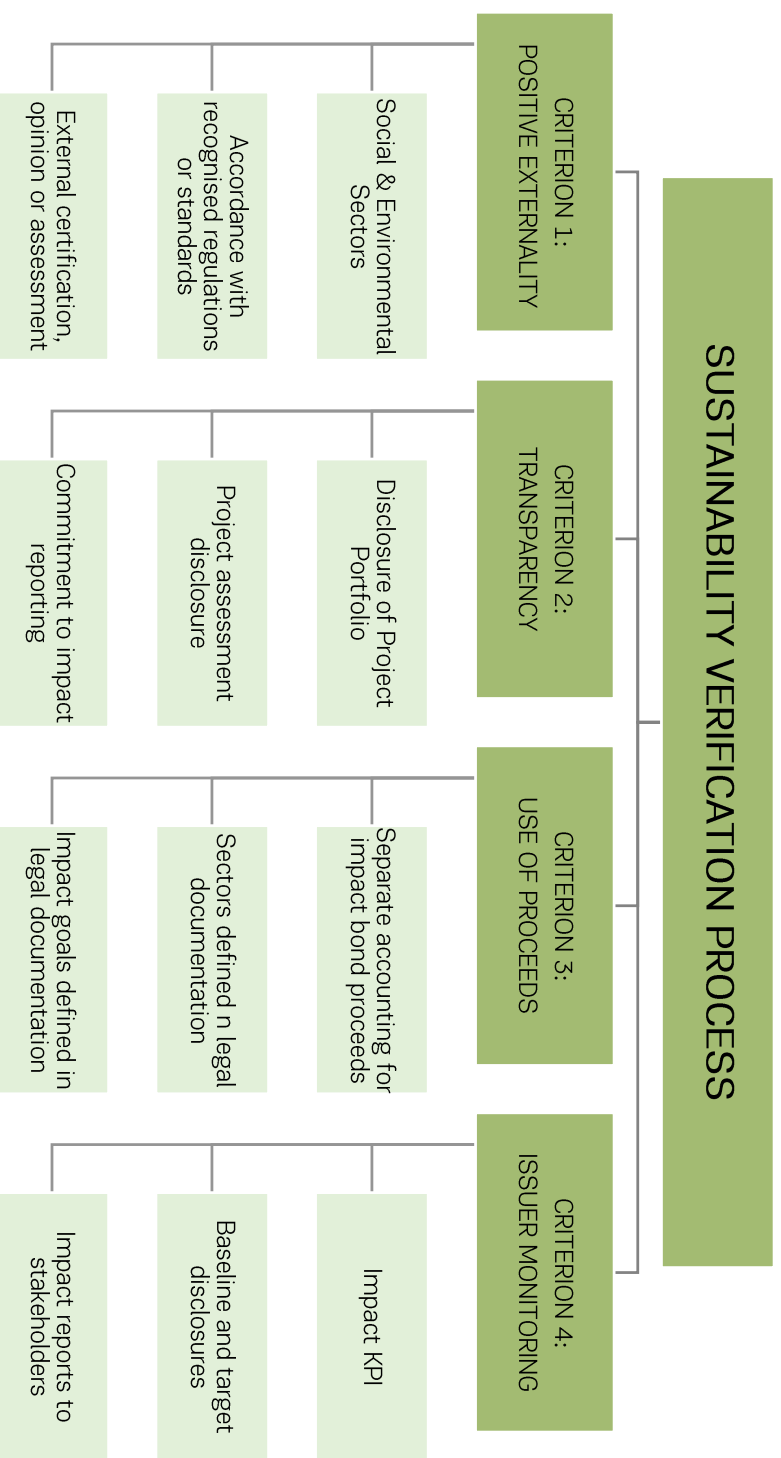
The AIM Three Dimensional Investment Process

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.



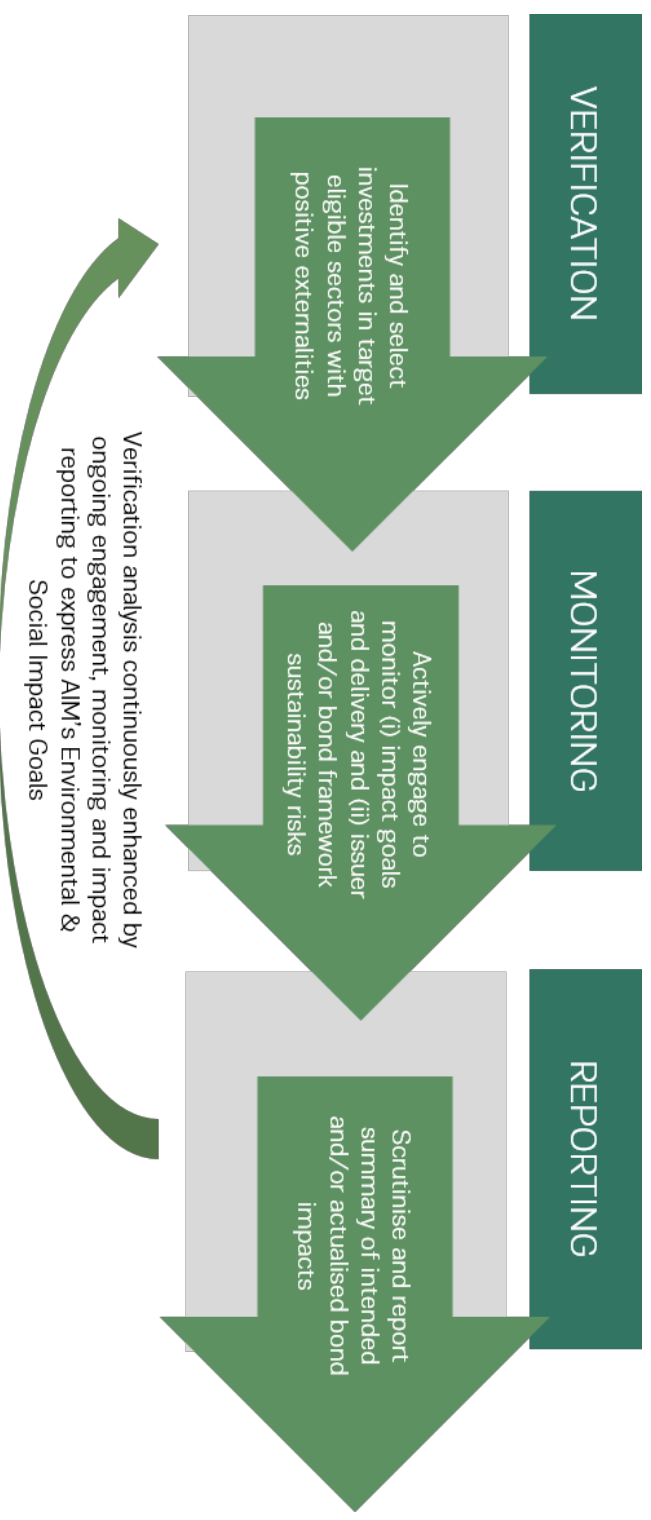
Disclosure & Tools used in the Verification of Green Bonds

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

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.

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.

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