For professional intermediaries only

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ESG Portfolio Service

PK Wealth's Investment Philosophy, Strategy and Process

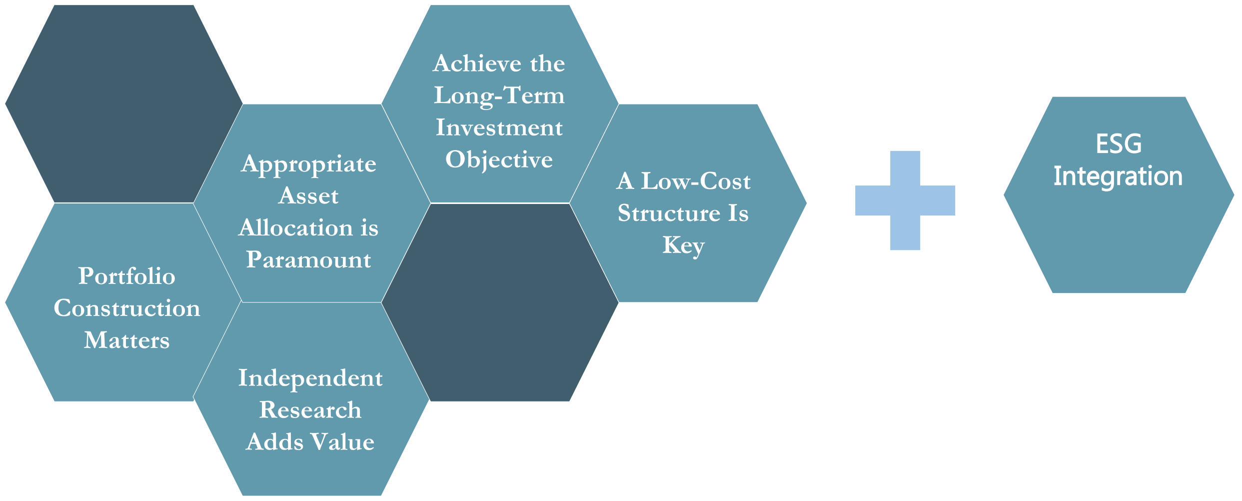
➢ What is ESG Portfolio Service?

ESG Portfolio Service is a rapidly growing discipline of applying enhanced environmental, social and governance (ESG) criteria to investment decisions.

In a world of environmental degradation and societal issues, sustainable investing is making a stand for change. It is the willingness to balance financial gains with consideration of broader environmental and social concerns and the desire to make a positive impact.

➢ Our Investment Philosophy

The PK Wealth ESG Portfolio Service seeks to generate competitive returns through investing in funds and companies that adopt a higher level of awareness towards ESG issues and, in turn, have a positive influence across these factors.



➢ Our Investment Strategy

We will invest in funds and companies which have shown a long-term commitment towards integrating ESG factors into their investment decisions, as well as those seeking to make a positive change in the future.

This approach keeps our portfolio relevant on a two to three year view, incorporating new initiatives and changing regulation. It enables diversification in line with our established central risk management process, combining investments across international markets, themes and sectors.

Our Investment Process

The ESG Portfolio Service offers a range of five varying risk level portfolios that follows the same underlying robust processes as our other portfolios:

1. Establishment of asset allocation ranges
2. Setting of risk boundaries
3. Portfolio optimisation testing
4. Proprietary research, investment selection and systematic due diligence
5. Blending of complementary investment styles
6. Regular portfolio reviews

Investment Universe and ESG Integration

The main guidelines for Responsible Investment were established by the United Nations and are set out on the following page. The rules on qualifying ESG criteria are still developing, resulting in subjectivity that makes comparability complex.

To define our universe, we use Morningstar, incorporating Sustainalytics, who are acknowledged as the leading provider of data and research on ESG criteria.

Morningstar issue a Sustainability Rating which is a measure of ESG risks in a fund, relative to peer group, based on one year's historical holdings data. We seek to invest in funds that have been given a rating of 'High' or 'Above Average' which roughly equates to the top third of rated funds in each sector.

- Investment Universe
- Sustainability / ESG Screen
- Quantitative & Qualitative Analysis
- Investment Selection

MORNINGSTAR®

SUSTAINALYTICS
a Morningstar company

Sustainability Screening

Key areas for a 'High' Sustainability score:

- Strong ESG governance structures
- Remuneration linked to non-financial KPIs
- Excellent disclosure of data on material risks and clear policies
- Key Performance Indicator targets on ESG risks
- Positive progress towards KPIs
- ESG considerations are a material part of the company's core business strategy

Your Portfolio

- **Reducing negative impact –** your portfolio will exclude funds and companies with weaker environmental, social and corporate governance practices

- **Achieving change –** your portfolio will be invested in funds that actively engage with management and use their resources to facilitate change

- **Promoting Positive Impact –** we will look to invest in funds and companies that make a positive contribution to the sustainability goals

United Nations Principles and Sustainable Development Goals

The six Principles for Responsible Investment set a global standard for responsible investing:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

The UN has also identified 17 sustainable development goals to help promote prosperity, while protecting the planet, due to be implemented by 2030.

➢ Charges

- PKW annual management fee: up to 0.75% + VAT
- Custody
- Third Party Investments

Custody and Third Party charges will vary dependent upon the choice of platform and underlying investments. Actual charges will be confirmed in our Investment Proposal document.

PKW apply no initial, dealing, exit or performance fees. Your Financial Planner may apply charges in relation to advice on suitability.

➢ Contact Details

If you would like to know more about our ESG Portfolio Service, please get in touch. Our team will be delighted to answer your questions.

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Background to PK Wealth

- PK Wealth is an independent subsidiary within PK Group and provides investment management services to a range of clients in conjunction with their professional advisers.
- PK Group is a financial and professional services firm founded in 2003 and headquartered in Richmond. PK Group provides wealth management, accountancy, tax and financial planning services.