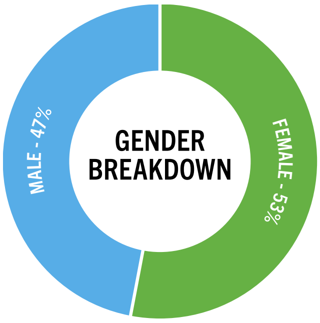
SDG Performance Report

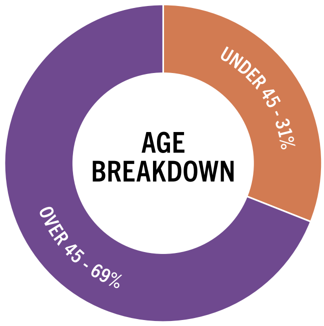
2019 - 2020

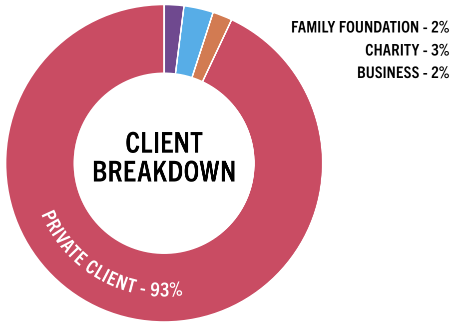
Tribe | A NEW WEALTH ORDER

Performance Highlights

OUR CLIENTS







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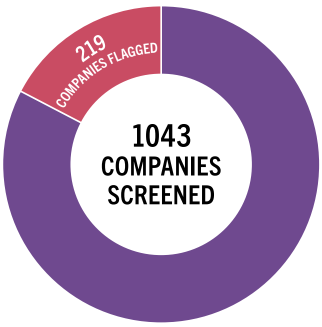
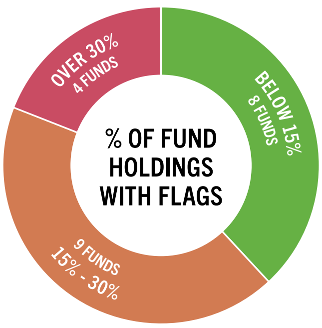
2020 FUND IMPACT PERFORMANCE





CLIMATE VALUE

	2019 PORTFOLIO	2020 BESPOKE	2020 SIMPS	MSCI ACWI
Warming Potential	2.80°	2.78°	2.79°	3.05°
CVAR				
1.5 degrees	6.85	8.38	4.78	-7.92
2 degrees	-1.51	5.27	1.78	-7.75

CARBON EQUIVALENCY

84.6

tonnes total absolute carbon emitted* per

£1m

invested

(versus 153 tonnes* per £1m in MSCI ACWI)

*across Scope 1 and Scope 2

CARBON FOOTPRINT

Introduction

We're delighted to present our second Impact Report, now referred to as our **Sustainable Development Goals (SDG) Performance Report**. This reporting year (1 April 2019 - 31 March 2020), in part, coincided with the Covid-19 pandemic which resulted in a near global lockdown towards the end of our reporting cycle. This delayed much of the work we would have undertaken in pulling together this report.

Since our business started in summer 2016, we have taken our pledge to being transparent seriously. We have committed, mainly through our B Corporation[1] submissions, and our annual UN Principles for Responsible Investing (PRI) returns[2], to ensure anyone can find out more about what we do and how we do it. We hope our SDG Performance Report provides clarity on what we have managed to achieve and importantly, what's left for us to do.

We're thrilled to report that, alongside our commitment to report to the PRI[3] every year on our assets under management, that between April 2019 and April 2020, we again, more than doubled the assets under management, 100% of which is managed sustainably, for impact. In this time we also attained our *three-year track record* in November 2019.

This report, like last year's, is designed to be an honest insight into what "the Tribe" has achieved. It is also a mechanism through which we can publicly rededicate ourselves to the tasks in hand. Much of what we talk about in this report, whether qualitatively or quantitatively, references performance against the targets and the metrics that have been established as part of the UN SDGs, and other frameworks, for example the Paris Climate Accord.

This report is consistent with the style and the metrics we reported on in our first report to enable comparison and tracking of our performance. It also brings alongside important frameworks we have adopted to help show our performance across a range of social, environmental and economic metrics. This is notable in the *Engagement Section* of this report and the metrics we have started to put in place with our third party fund managers (specifically the equity fund managers we work with).

Our approach to reporting is continually evolving and improving, incorporating developments in the marketplace in reporting and disclosure. It is, in many ways, an inconvenient fact that we live in a world where robust impact reporting is hard to achieve given issues with paucity, coverage and robustness of data. That, however, will never prevent us from sharing what we do, why we do it, how we do it and our resulting performance. We hope you enjoy reading about what we've achieved in this reporting year.

THE TRIBE

Many of you reading this will know we often refer to "The Tribe". In the broadest sense of our interpretation, the Tribe is everyone who "gets" what we do, why we do it and does it regardless of whether they do it with us or someone else. The principle is that it's a mindset that underpins action.

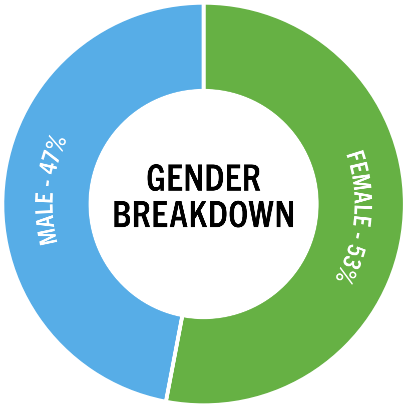
However, for the purposes of this report we use it to describe everyone who works for, supports and partners with us. It includes our partners, employees, fellows[4], and clients.

1 bcorporation.net/directory/tribe-impact-capital-llp
2 reporting.unpri.org/surveys/PRI-reporting-framework-2018/71429629-0780-4736-A76A-D7D2488F2871/79894dbc337a4 0828d895f9402aa63de/html/2/?lang=en&a=1
3 www.unpri.org/signatories/tribe-impact-capital-llp/2641.article
4 www.tribeimpactcapital.com/about-us/

Our Clients

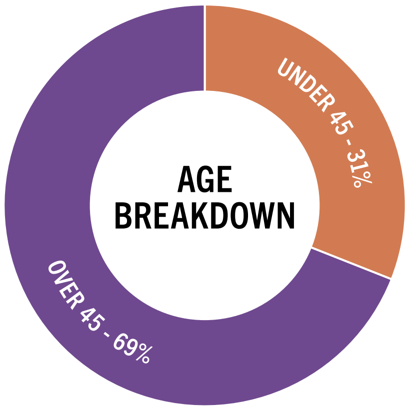
Driving diversity within Tribe has always been, and will always be, a core value of the business and something we strive to deliver through the Partnership and our employment process. We know that if we build a destination for like-minded people, who care about the world and want to play a role in delivering true sustainable development, that we will attract a diverse range of clients. That has certainly been and continues to be the case. The Tribe is a wonderfully eclectic family of individuals, families and foundations who are all unified by a common purpose - **impact** - we call it our glue.

We have a strong gender balance within the Tribe. We're very proud of this. With the inter gender transfer of wealth happening currently, and the anticipated shift in the distribution of wealth into female hands (60% by 2025 in the UK)[5], creating a space where female wealth holders can feel supported and nurtured is critically important for us. We are particularly proud that so many women have chosen to partner with us in terms of clients, partners and employees. We're delighted to have held our position in the female to male ratio in terms of our clients with only a 1% drop from 54% to 53% between the 2018-2019 and 2019-2020 reporting years.



APRIL 2020

What is also evident is that we have representation in our client base across the age spectrum. With the huge focus on the intergenerational transfer of wealth happening and the expectation that this will drive the change that is needed, we're again proud to demonstrate that we have a high proportion of millennials as clients. Whilst we have found that our client base has shifted as we've grown (we've moved from a 50% under 45 in the 2018-2019 reporting year to 31% is this reporting year) we know that wanting to drive sustainable change and reconnect with the purpose of your wealth is a mindset that crosses gender, age, ethnicity, sexuality, etc. It is important that we encourage everyone to engage in their wealth this way.



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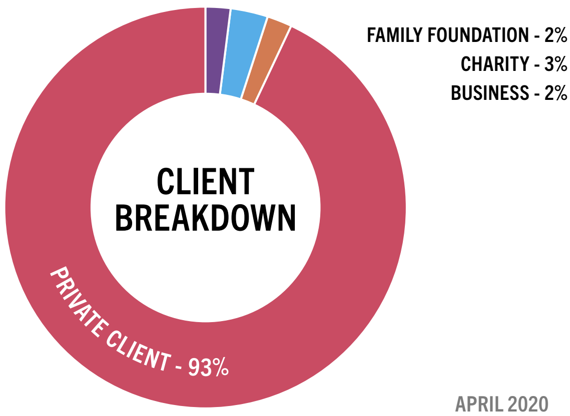
This reporting year, with the achievement of our three-year performance track record, we have also seen a growing number of charities, family foundation and businesses opening accounts with us as they seek to manage their assets in line with their values. This is a new dimension for the Tribe and one we're thrilled with. Whilst it's still early days for us, we're bringing into our report a new metric that focuses on client type.



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5 www.tribeimpactcapital.com/news/the-rise-of-gender-lens-investing/

Our People

Our people are who make us what we are. We passionately believe that in order to create the right environment for our clients we have to blend finance, sustainability, operational rigour and great interpersonal skills. That's why Tribe includes sustainability and impact specialists; and investment and wealth management professionals who are, by default, great communicators and storytellers. By merging these two tribes, we have created a new **Tribe**. One we feel has the right skillsets, insights and 'magic' to really drive change in the right way.

We committed in February 2018 to HM Treasury's Women in Finance Charter[6] with a pledge to retain a 50/50 gender management split. We've managed to keep this pledge for the two years we've reported since signing[7]. In 2020 one of our female partners left to pursue other opportunities outside of Tribe and another, whilst stepping back from day-to-day interaction in the business, remains a significant shareholder.

We know we have yet to reflect the true nature of society in our business. We are very aware that we may, for some, still present as a typical finance house. We know we're not, but we also recognise we must do more and we're committed to building a truly diverse family.

During the 2019-2020 reporting year we were joined by five new family members; Amy Simon (Impact Analyst), Liberty (Libby) Simpson (Wealth Analyst), Louise Blanc (Head of Marketing), Neil Hill (Partner) and Frederik (Fred) Kooij (Partner and Chief Investment Officer) bringing the Tribe to 13 in April 2020.

We're committed to treating our employees fairly, and our B Corp certification and assessment in part reflects that commitment. We're also very aware of the vastly significant differences in financial packages between the executives and junior staff. The current types of discrepancy between the two, especially in finance, are unfair and unwarranted. With that in mind, and for this reporting year, we can confirm that we currently have a 4.5x differential between our lowest recompensed employee and our highest recompensed Partner in terms of salaries and draws. We appreciate that our Partners also own part of the business so the total financial/ beneficial package for them overtime will be higher.

We encourage volunteering across the Tribe. Many of our team actively volunteer, in a range of guises from fundraising to being trustees in charities. We believe it's really important, when we can, for us to share our passion and our skills. Not only do those organisations we support benefit, we also benefit by learning new skills, expanding our own horizons and knowledge base and making new friends. Our volunteering hours are down from 12.26 hrs/pc from the previous reporting year. This is largely attributed to the increase later in the reporting year of new staff members.

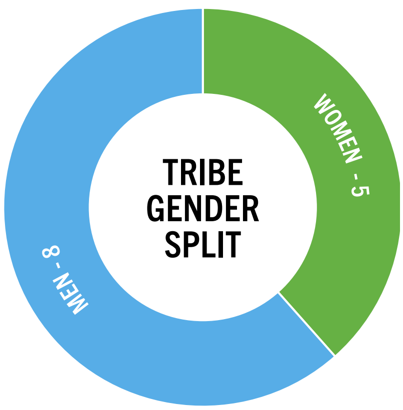
OUR TOTAL VOLUNTEERING HOURS PER CAPITA FOR THIS REPORTING YEAR ARE

7.76

PARTNERS VERSUS EMPLOYEES

PARTNERS - 7		EMPLOYEES - 6	
WOMEN 2	MEN 5	WOMEN 3	MEN 3

13 TOTAL



6 www.gov.uk/government/publications/women-in-finance-charter
7 assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/786164/2019.03.14_WIFC__FINAL_online_high_res.pdf

Our Business

RECOGNITION

We were honored to be named one of the Best For The World Honoree businesses in the annual 2019 B Corporation list, representing the top 10% of all B Corps globally[8]. We're delighted to have been recognised as a Best for the World B Corps for the two years we have been a fully fledged B Corp. As well as being recognised in a further two categories - Best For the World; Customers and Community.

We're also very proud to have been awarded a number of other accolades. Whilst we do not do what we do for recognition, it's always appreciated when the industry publicly embraces your business model and approach and congratulates you.

SCOPE 1 AND 2 CARBON FOOTPRINT & SCOPE 3 AIR TRAVEL CARBON FOOTPRINT

Energy: We spent the reporting year in our serviced offices at The Conduit - the impact private members club in Mayfair. Energy provided to the Club was either renewable or offset. Since the first UK lockdown in March 2020 we've moved to remote working (and have stayed that way for the remainder of the calendar year). We're aware that there are Scope 2 emissions associated with remote working and will be reporting on these in our next SDG Performance Report to the best of our ability.

RENEWABLE 100% ELECTRICITY

Travel: As a rule, we restrict our travel wherever possible to a low carbon alternative (for example, train). When we do have to fly we offset the carbon we release with Climate Care[9]. For this reporting year we took 4 short haul European flights with a total air mileage of 4532. These have been offset. In the future we'll report on all travel taken.

OFFSET OF 100% FLIGHTS

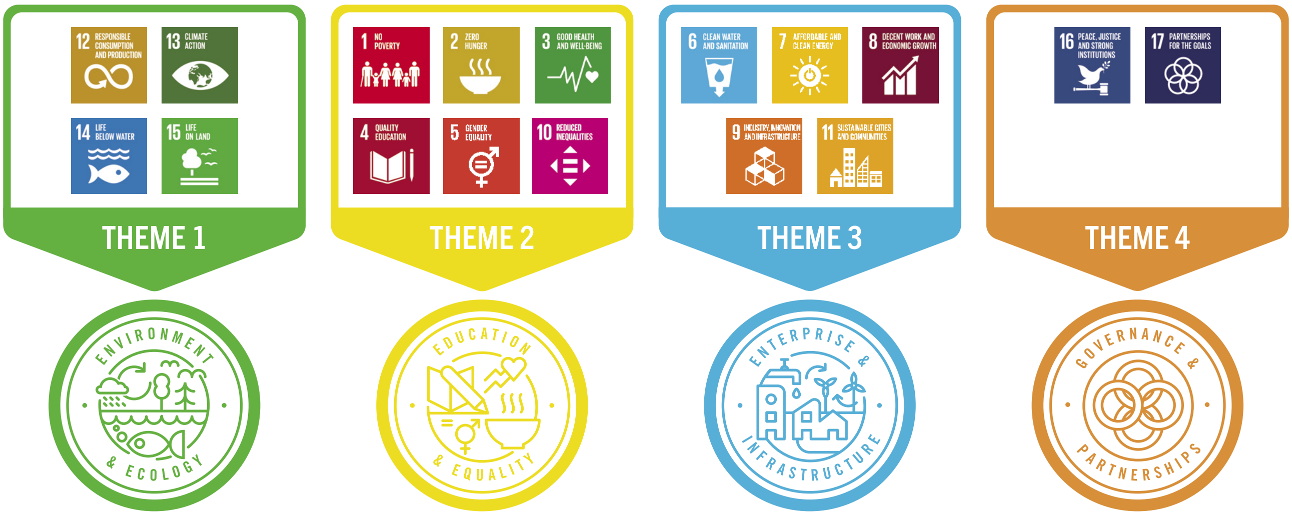
8 www.tribeimpactcapital.com/news/tribe-honoured-as-one-of-44-b-corps-making-the-best-for-the-world-2018-list/
9 climatecare.org/

Our Investments

ImpactDNA™

At the centre of our security and fund selection is our client's **ImpactDNA™**. This helps us to identify investments that resonate with our client's values. We use the UN SDGs as a framework for uncovering client's values and to measure and report portfolio performance. The SDGs guide our investments and allow our clients to identify what impact they wish to create in the world.

The **ImpactDNA™** process allows us to create portfolios based on the UN SDGs and the macro themes we associate with these goals. This enables us to think at both macro (systems) level, as well as micro (goal specific) level.



TRIBE 1: ENVIRONMENT AND ECOLOGY

Tribe Theme 1 represents those SDGs (12, 13, 14 and 15) that deal with planetary boundaries and resource management. It represents the **ecological ceiling** that we need to work within and the resources (and their management) needed to maintain healthy life on earth.

TRIBE 2: EDUCATION AND EQUALITY

Tribe Theme 2 represents those SDGs (1,2 3,4,5 and 10) that ensure **human dignity** and increase **inclusion**, thus creating a strong social foundation upon which society can thrive.

TRIBE 3: ENTERPRISE AND INFRASTRUCTURE

Tribe Theme 3 represents those SDGs (6,7,8,9 and 11) that create the **physical infrastructure** and drive to **innovation** and **enterprise** development that are needed to help deliver Tribe Theme 1 and Tribe Theme 2.

TRIBE 4: GOVERNANCE AND PARTNERSHIP

Tribe Theme 4 represents those SDGs (16 and 17) that encourage **collaboration** and strengthen **governance and accountability** at international, regional, local and community levels to ensure **co-operation** and **cohesion**.

At Tribe, we're able to offer our clients either a completely bespoke portfolio or the ability to access a number of investment strategies to suit their impact needs. We also have a Sustainable Impact Model Portfolio Service (SIMPS) which we provide via our network of Financial Advisers.

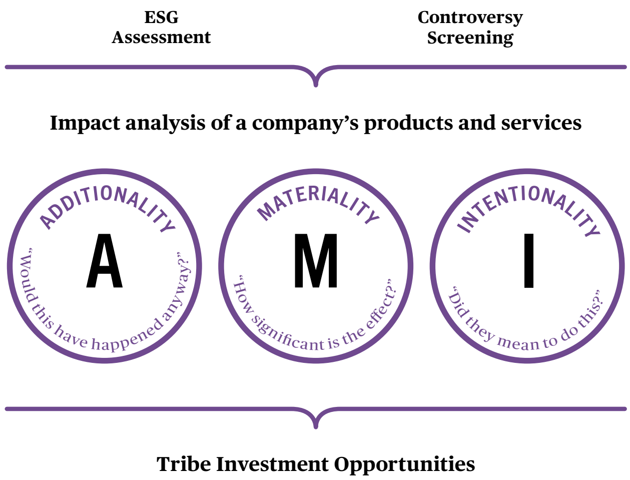
Our aim is to optimise our clients' wealth for the returns they seek, as well as the change (the impact) they wish to play a role in creating. Given many of our clients portfolios are managed according to different financial and impact criteria, providing an aggregated impact measurement can become challenging. At portfolio level this can be a lengthy process given the number of different investment vehicles being held and the variety in quantity and quality of impact data to measure. Additionally, many fund managers and companies use various key performance indicators and differing methodologies (often their own) for reporting their impact, which challenges us as we look to understand the data provided to us. We have committed as a business to only report on the metrics we feel are verifiable, meaningful and true measures of performance and/or impact. We refer to a number of different methodologies as we do this (including the Impact Management Project, SASB[10], PwC's TIMM framework[11]), all of which look to quantify and differentiate between output, outcome and impact. These frameworks sit alongside and support our own methodology, the AMI Framework.

10 www.sasb.org/
11 www.pwc.co.uk/who-we-are/corporate-sustainability/performance/total-impact-measurement-management.html

AMI looks at the **Additionality (A), Materiality (M)** and **Intentionality (I)** of each product or solution alongside traditional measures of organisational effectiveness. It gives us unique insights and also allows us to identify and report on the likelihood of different types of impact. Impact is central to our investment proposition. Like our investment research, it relies on our inhouse expertise, external data providers (including MSCI and Bloomberg, as well as specialists like Carbon Disclosure Project and Equileap).

Our process for assessing and identifying impact is a criteria-based approach with deep analysis into the businesses themselves to understand alignment to the SDGs. With our proprietary methodology (the AMI Framework), we identify three levels of likely impact within our approach that covers pooled and single securities, across asset classes and public and private markets. These scores relate to the ability of a business to deliver the targets which support the SDGs.

TRIBE AMI FRAMEWORK



LEVEL 1 – OPERATIONAL IMPACT: ESG (Environmental, Social, Governance) is a quality of management score and often reflects the robustness of risk management measures in place. This is supported by a controversy score, where we look at active controversies related to business performance and screen out potential exposure to those businesses with significant controversies and/or a history of recurring controversy. Whilst an element of impact is embedded into ESG scores, it relates almost exclusively to how the business manages itself, not the ability of the product or service itself to deliver impact and create value. Therefore, it is a very one dimensional view of impact but one that should not be ignored. We look here at ESG leaders.

LEVEL 2 – SUSTAINABLE REVENUE IMPACT: This a proxy measure associated with the amount of revenue associated with products and services directly aligned to the delivery of the SDGs. It highlights businesses that have products or services that are helping drive us towards a more sustainable world. We translate the SDGs here for investment purposes so that we look at products and services that are reflecting and delivering the change that is outlined in the SDGs framework. We set a minimum threshold here at 10% of income to ensure we are able to identify businesses that may have challenger products that have yet to reach scale.

LEVEL 3 – SYSTEMIC IMPACT: This is a further refinement of the Sustainable Revenue metric, that enables us to further deep dive into the products and services and reflect the demographic, geographic and economic biases that are embedded into the SDGs. In this way we're able to identify the businesses that have significant impact in driving delivery of the SDGs. Qualifying criteria is 50% income associated with the Sustainable Revenue Impact score (Level 2) plus Level 1 and a flag for active controversies. Level 3 is where we look for Additionality, Materiality and Intentionality (AMI).- i.e. how significantly impactful the product/service is with regards to the thematic area it relates to, how easy it is to replicate and/or replace that impact with other products/service and/or businesses and how intentional was the development of the product/service and/or business.

AMI LEVELS YEAR BY YEAR*

	2019 BESPOKE	2020 BESPOKE	2020 SIMPS
Level 1	88%	90%	82%
Level 2	62%	72%	45%
Level 3	49%	64%	32%

* Coverage across our portfolios is influenced by how much of our investment universe is covered by the proprietary data sources we use. Where data is not available, we investigate each underlying opportunity but aren't able to report against our AMI framework. For this reporting year, our AMI coverage across bespoke is 76.5%. For SIMPS is 66.5%. Theme coverage is across 100% of the portfolio (both bespoke and SIMPS).

THEMES COMPARISON YEAR BY YEAR

	2019 BESPOKE	2020 BESPOKE	DIFFERENCE	2020 SIMPS
Theme 1	11.3%	12.3%	1.0%	13.7%
Theme 2	24.8%	17.7%	-7.1%	19.7%
Theme 3	43.4%	45.5%	2.1%	41.4%
Theme 4	9.8%	8.0%	-1.8%	4.5%
Mixed Theme	10.6%	16.5%	5.9%	20.7%

SOCIAL AND ENVIRONMENTAL PERFORMANCE

In September 2019, we took a bold decision, the first wealth manager in the UK to do so, and announced a **net zero target** across our Scope 1, Scope 2 and Scope 3 emissions by 2025, bringing our commitment ahead of best-in-class 2030 declarations and significantly ahead of many other commitments for 2040 and 2050.

We did this for three main reasons:

1 There is a critical need to accelerate our transition to a low carbon economy as global citizens, businesses and governments. One of the most challenging issues we all need to address are our collective greenhouse gas emissions, alongside our over-consumption that has led to catastrophic declines in wildlife and wildlands.

2 Being aware of the increasing level of financial risk the climate crisis poses to us as a wealth manager is essential. We are otherwise at risk of transgressing our responsibility to manage the risks our clients' capital is exposed to. To be able to manage this risk we have to understand it, measure it, and reduce it.

3 The global finance sector, wealth and asset management in particular, has a significant role to play in reducing levels of greenhouse gas emissions and associated global warming. Our investment thesis (investing only in sustainable businesses solving global problems) and business model (B Corp), place us in a position to help establish pathways to address the problem.

You can read more about our **net zero commitment** and how we will achieve it *here*.

We're a small business with a big vision. We don't pretend to have all the answers and we'll always report honestly and in line with best practice. We won't make claims we can't substantiate and we'll always be transparent with regards the methods we've used to support what we say.

With that in mind, and taking into account the work that has been done this calendar year with our net zero declaration and the upcoming agreement of our Science Based Target, we're again reporting on absolute emissions for our aggregated portfolio using the same methodology we used last year. Our next report will include more granular and comprehensive reporting on our climate risk and performance.

As a reminder from our last report, we know that in order to drive global warming of no more than 2 degrees, the global community has to reduce current absolute carbon emissions by 25.23% by 2030. To drive warming of no more than 1.5 degrees, we have to reduce current absolute carbon emissions by 55.14% by 2030 and be net zero by 2050. These metrics are against a 2018 baseline of 55.3 GtCO2e[12].

We've looked at the MSCI ACWI[13] Universe as a proxy for global capital markets. It's not perfect but it's a good representation and a place to start. We've assumed a proportional decrease in reductions both across Scope 1, 2 and 3 emissions[14] and all industry segments (public and private). We appreciate this is overly simplistic. However, it gives us a starting point from which we can calculate that in order to deliver no more than 1.5 degrees of warming by 2030 the absolute carbon emissions currently being reported across MSCI ACWI for this reporting year would have to reduce from 11.2 GtCO2e to 4.875 GtCO2e. This is the transition pathway we choose to currently benchmark ourselves against as a business.

By understanding the market cap of businesses in the MSCI (as of June 20) we can work out how much total carbon per £1m invested a client should be looking to establish as a 'carbon ceiling'. Assuming £1m invested equally across MSCI ACWI to be 1.5 degree aligned the current absolute carbon emissions load would need to be of an order of 69 tonnes by 2030.

Tribe's investments for the 2019-2020 reporting year[15], as of April 1st, 2020, £1m invested in Tribe generated 84.6 tonnes of carbon across all our direct client portfolios, and 75.93 across our SIMPS portfolios. This is for Scope 1 and 2 emissions. As Scope 3 emissions are starting to be disclosed, we will in future include these in our estimates.

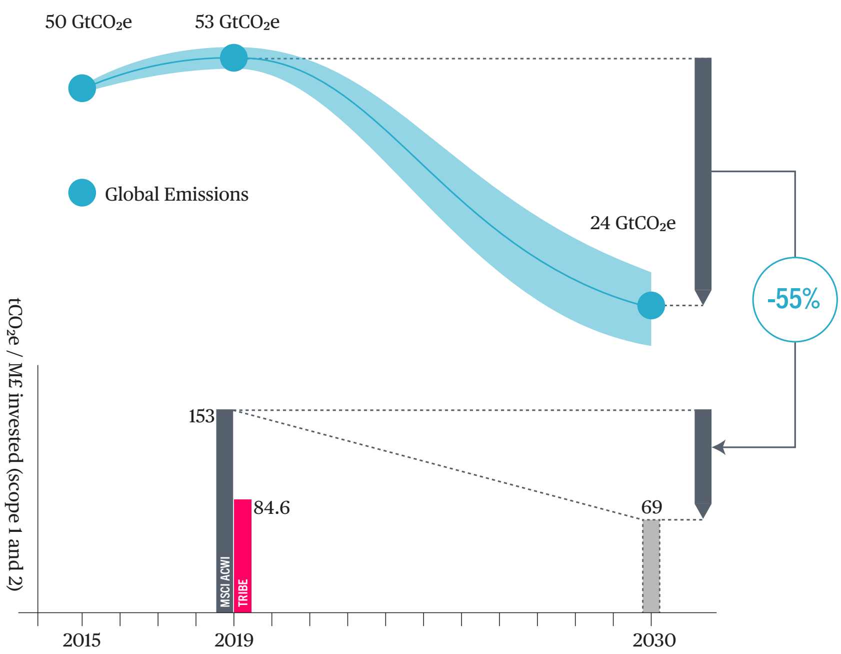
12 We use MSCI ACWI as a proxy for global markets given the geographic and industry diversity within the universe and believe that it mirrors, as closely as is currently possible, global markets
13 ghgprotocol.org/
14 wedocs.unep.org/bitstream/handle/20.500.11822/30797/EGR2019.pdf?sequence=1&isAllowed=y
15 It is not possible to currently report on 100% of the portfolio. These figures relate to 56% of the Tribe portfolio, and represents in terms of asset class 100% listed equities. It is also important to note that the carbon data used is the latest available data and may, as a result, be historical

CARBON EQUIVALENCY

	2019 BESPOKE	2020 BESPOKE	* 2020 SIMPS	MSCI ACWI
Ton per M invested	85.6	84.6	75.9	153.0
Coverage	56%	**41.2%	58.90%	100%

* SIMPS data for 2019 was not reported due to insufficient assets under management.

** Our strategic asset allocation was different between the reported years. There are higher allocations to fixed income, alternative non correlated vehicles and cash in this current reporting year. The carbon figures reported here relate to the equity asset class. For the 2018-2019 reported year we reported Scope 1 and 2 carbon metrics across 90% of the equities. For this reporting year that coverage has increased to 93%.



These figures are estimates only. This is due to data paucity and quality challenges. As we reported last year, we don't feel comfortable saying we're Paris aligned yet. Whilst we have largely held our position from the previous reporting year we know there is work to do as we move forward. As we roll out our net zero commitment and our Science Based Target, along with the toolkits we have access to, we should be in a more robust position in future reports to highlight more precisely where we are with regards to climate pathways (both emissions, intensity and temperature).

CLIMATE VALUE

We're also starting to report on the climate valuation risk within our portfolio with the help of MSCI's Climate Value at Risk methodology as well as the Warming Potential. CVaR provides forward looking and return-based valuation assessments to measure the potential impact of climate change on company valuations. It provides insights into the potential stressed market valuation of investment portfolios and downside risks, translating climate-related costs into potential valuation impacts at varying degrees of warming. Put simply, negative figures imply a potential financial risk to the portfolio (negative numbers indicate potential negative risks to the portfolio). The Warming Potential is an estimate as to the level of warming our portfolios would currently result in (should the business not substantively change its activities).

	2019 PORTFOLIO	2020 BESPOKE	2020 SIMPS	MSCI ACWI
Warming Potential	2.80°	2.78°	2.79°	3.05°
CVAR				
1.5 degrees	6.85	8.38	4.78	-7.92
2 degrees	-1.51	5.27	1.78	-7.75

Whilst we recognise we have some way to go in reducing down our carbon footprint further, we are reassured that we have been able to maintain our position with regards absolute carbon emissions in the main equity allocation of our portfolios. This is, however, brought into stark contrast when we look at the Warming Potential in the portfolios, currently running at 2.780 and 2.790 in bespoke and SIMPS. Whilst we are below the benchmark again, these metrics are a harsh reminder of the reality of investing in global markets. We have more work to do which is why, again, we have signed up as a Science Based Target business and are working hard to reduce these figures through engagement and our investment tools.

Our preliminary CVAR scores are reassuring, given they directly relate to the risk embedded in our portfolios. However, as with all climate risk data and carbon disclosure we fully expect these to change as better quality data comes into the market and coverage increases.

WOMEN ON BOARD

This year we're also reporting on preliminary metrics relating to gender, specifically focusing on women in business in positions of influence. We do this because we believe and we know, as a result of many different studies[16 17 18], that those companies with more gender diverse boards and senior management teams are likely to outperform their less diverse counterparts. We also know that they are more likely to set the conditions favourably for more sustainable business practices.

	2019 PORTFOLIO	2020 BESPOKE	2020 SIMPS	MSCI ACWI
Women on board	25.7%	27.3%	27.1%	20%
Companies with women CEO/CFO	76	118	84	-

Our Engagement

FUND ENGAGEMENT AT TRIBE

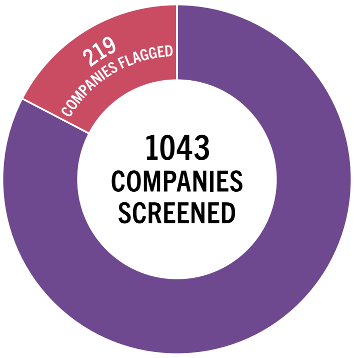
This year saw the further evolution and strengthening of our annual Fund Impact Performance Review process which is designed to illuminate both the positive and negative potential for impact embedded in our equity fund universe. This exercise allows us to compare and contrast potential impact trade-offs within our funds, and serves as a springboard for follow-up engagement with our fund managers.

We further strengthened and formalized our Quarterly Fund Review process to ensure we can monitor and respond to portfolio changes across our funds, such as the inclusion of new investee companies. Moreover, given the volume of new impact-related products appearing in the market, we've refined our fund selection criteria and developed a more granular Fund Scoring System to enable more consistent and dynamic quality comparison between existing and potential products.

2020 FUND IMPACT PERFORMANCE REVIEW

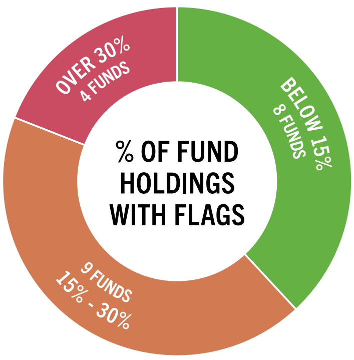
Our 2020 Fund Impact Performance Review involved looking at every underlying holding in our equity fund universe, comprising 21 equity funds from 16 different fund houses.

1 We screened a total of 1043 companies, considering the potential contribution of both their operational activities and core product/service towards the achievement of the SDGs.



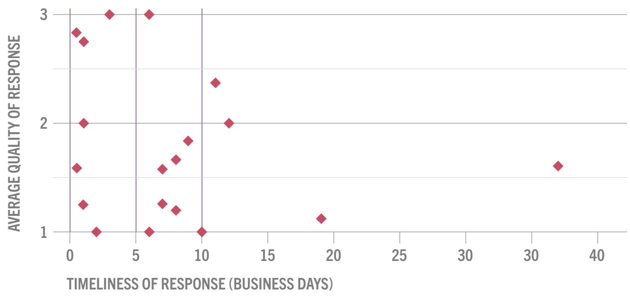
2 Impact flags were assigned to 219 companies which we perceived to have the potential to undermine the SDGs, as a result of operational sustainability (ESG) concerns and/or the provision of a product or service with potential exposure to a contentious industry (such as fossil fuels, defence, or predatory lending, among others).

There was considerable variation between the funds in terms of the proportion of fund holdings which received flags, ranging from 7.4% for the best performing fund all the way to 42.9% for the worst performing fund.



16 www.mckinsey.com/~/media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity_full-report.ashx
17 hbr.org/2019/03/when-and-why-diversity-improves-your-boards-performance
18 www.credit-suisse.com/about-us-news/en/articles/news-and-expertise/cs-gender-3000-report-2019-201910.html

Each fund manager was subsequently invited to share their sustainability rationale for holding the flagged companies within their fund. During this engagement process we observed some clear leaders and laggards in terms of both the timeliness and the quality of these responses, as displayed in the scatter graph opposite.



- **Timeliness:** the majority of funds responded within 1-2 weeks, however four funds took longer than this
- **Quality:** the quality of each company rationale was scored on a scale of 1 to 3. 1 represents a limited and unsubstantiated sustainability rationale, 2 represents a reasonably coherent rationale and 3 represents a robust and well-detailed rationale.

The average response quality varied significantly between fund managers, from the minimum possible score of 1 all the way through to the maximum score of 3. The five leading funds scored above 2 while the majority of funds scored 2 or below.

3 Drawing on the responses from fund managers and our own due diligence, we determined our level of comfort with each of the flagged companies and identified:

- 36 companies requiring substantial follow-up with fund managers. We will seek further justification from fund managers regarding, for example, their inclusion of companies with partial exposure to industries like fossil fuels, extractives, defence and aviation, or dubious policies relating to data privacy or sustainable forestry practices.
- 106 companies requiring moderate follow-up. We would like some further evidence of fund managers' due diligence with regards to sustainability and impact and their own approach to company stewardship and engagement.
- 77 companies whose flags were resolved, for one of the follow reasons: (a) the fund manager's sustainability rationale was satisfactory and supported by our own due diligence; (b) the fund manager had divested from the company, more often than not for a financial reason; or (c) Tribe chose to divest from two funds (accounting for 32 companies) due to intolerable exposure to dedicated natural gas as a transition fuel.

This exercise has provided us with a foundation for ongoing engagement with our equity fund managers and we will be tracking the above metrics year-on-year to help inform our fund allocation and/or divestment decisions.

Market Development Support

Future-Fit Business

bsi.

We continue to sit on the Development Council of the Future Fit Benchmark[19] as an investor - a unique and best in class collaboration of businesses and investors looking at how we partner and drive to deliver the SDGs and create a future fit society.

We also sit on the Steering Committee for the development and subsequent launch of the British Standards Institution Publicly Available Specification (BSI PAS 7341) Guidance Notes Responsible and Sustainable Investment Management.

19 futurefitbusiness.org/

Summary

It's been quite a year for us here at Tribe and we're pleased with both the investment and the impact performance of our portfolios. A particular highlight has been how we've performed against the carbon baseline we set ourselves during the last reporting cycle. If we are to deliver on our commitments as a business to drive us to true net zero, managing and disclosing our carbon performance is critical. Establishing what will hopefully be an onward trend of reducing down our absolute carbon, respectful of all the issues with data paucity and quality, is key to our business and we're happy in our performance to date. However, we know we have a long way to go and are resolved to do more, recognising the challenges associated with using third party fund managers and these data issues. We're already working on how to achieve even better performance with a view to hopefully showing what is possible.

We're also delighted that we've maintained our position as a destination for female wealth holders, recognising some of the challenges this community faces in the wealth management market (the lack of female advisors and the lack of engagement with female wealth holders being two of the most commonly cited issues we hear from our female clients). Tribe was established for everyone and anyone who cared about what their wealth was creating versus what it could create and knowing women are a huge part of the drive towards impact investing we are humbled that so many have chosen to work with us.

That being said, we know that this is still only the beginning for us and that there is much more to do. We're committed to engaging with our stakeholders with humility and honesty. We're excited about the future and, despite the challenges we face, we remain resolute that we can, with others, create the change in finance and in society that is needed to drive us all back into that space where everyone and everything can thrive. We invite you to join us.

Thank you.

Tribe A NEW WEALTH ORDER