



## THE OVATION SEER PORTFOLIO RANGE

As a proud B Corp certified business, Ovation Finance is dedicated to driving positive change, both for our clients and the world around us. As we've evolved into a sustainable employee-owned business, our values have aligned to an ethical and sustainable future.

We know that ethical and responsible investment is important to many of our clients and we are committed to helping our clients align their investments with their values. In addition, a strategy with a sustainable approach is becoming increasingly significant for both current and future generations.

In response we've created our range of **S**ustainable, **E**nvironmental, **E**thical portfolios within a **R**esponsible framework (**SEER**). These are aimed at helping you to use your wealth to help address the common themes of unsustainable practices within an environment constantly under threat.

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Ovation's **SEER** approach is inspired by the 2015 UN General Assemblies adoption of the 2030 Agenda for Sustainable Development, which includes 17 Sustainable Development Goals (SDGs) at its heart.

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice.

### SUSTAINABLE DEVELOPMENT GOALS



Click on the image to view more details about the Sustainable Development Goals on the UN website 

The UN initiative was a pivotal moment as it helped to move sustainability from niche to the mainstream, with increasing investor engagement, providing further impetus.

---

## HOW CAN AN INVESTMENT PORTFOLIO HELP?

The **SEER** Range responds to demand for a more sustainable way of investing. It can help you align your investments with your personal beliefs and moral convictions. Ovation's investment committee ensures your portfolio has high environmental, social and governance (ESG) standards.

Rather than focusing on a specific area, each contains a selection of globally diverse funds that use the power of companies to end harmful behaviours relating to environmental, climate, social and governance issues.

We firmly believe that Investment engagement via financial markets can help support and control companies' behaviour by rewarding those companies that are working to address problems and reducing access to share capital or bond financing for others with unethical or unsustainable practices.

We only use funds that meet our rigorous selection criteria, while avoiding those that apply a "green-wash" purely for marketing purposes. The ethical/sustainable portfolios use a similar robust portfolio construction methodology to our conventional portfolios. This includes rebalancing and making strategic adjustments to the fund mix, while making sure that your investment is always aligned to your longer-term objectives.



## IS PERFORMANCE COMPROMISED?

The strategy typically means there are fewer companies to invest in when compared to an investment with no constraints.

Our own studies have shown that there is little reason for ethical funds to underperform over the long-term, however, they may perform differently to their unrestricted peer group in the shorter term, moreover, recent years have shown that investing on a SEER basis has the potential to add value at times as well as detract from it.

We believe this is down to the fact that many companies that score highly on a SEER basis are also well-run, faster-growing firms with stakes in industries and trends. These are driving the future of global economies – and that investing on such a basis also often avoids industries which will eventually encounter natural decline (e.g. oil and tobacco).

## HOW IS THE PORTFOLIO STRUCTURED?

A **SEER** portfolio is made of funds with either a positive or negative screening approach.

- **Positive screening** favours companies that have high regard for the impact they have on society and the environment.
- **Negative screening** is the more traditional ethical stance, that seeks to exclude certain business practices and businesses that are not considered to be sustainable

Therefore, the portfolio:

- invests in those companies that demonstrate a commitment to making a positive impact through their environmental, social and governance practices.
- aims to exclude industries and activities considered to be harmful to society and the environment.

## EXAMPLES: EXCLUDE OR LIMIT

**Alcohol Production**



**Animal Testing (non-medical)**



**Armaments**



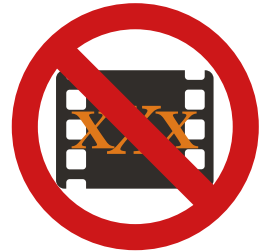
**Environmental Damage (e.g. fossil fuels)**



**Tobacco Production**



**Pornography**



## EXAMPLES: FAVOURED

**Respect for Human Rights**



**Strong Business Ethics**

Fair Labour,  
Equality



**Management of Waste**

Pollution  
and  
Hazardous Materials



**Energy Efficiency**

Renewable,  
Low Carbon



**Accounting Transparency**



**Board Independence**

Quality  
and  
Diversity



The value of an investment and the income from it could go down as well as up.

The return at the end of the investment period is not guaranteed and you may get back less than you originally invested.