



WHY TAM SUSTAINABLE WORLD?

Global emissions must fall by 33% from 2010 levels by 2030 to limit climate change to the 2°C limit agreed in the 2015 Paris Agreement. They are still increasing. Estimates of critically needed financing total \$3-6 trillion per year, all the way to 2050. The current investment is a fractional \$630 billion. There are many ways to invest to benefit from the transition, but it must be a just transition. TAM's environmental investments are complemented by investments funding positive social impact. These aim to tackle some of society's biggest issues with strong governance analysis threaded through the whole portfolio - leading to a diverse, sustainable offering primed to benefit from the biggest investment opportunity of our lifetime.

ACTIVE MANAGEMENT

At TAM, our house view on sectors, styles and countries are core considerations in our portfolios. Due to the relatively recent nascency of the sustainable investment universe, it has proven to some a challenge to articulate these views whilst providing positive social and environmental outcomes. TAM has stayed at the forefront of the sustainable funds offered by asset managers as it has evolved, navigating potential greenwashing issues that may occur from this seismic shift. It is TAM's job to achieve this balance, evolving and pushing as hard to improve the sustainability characteristics of our portfolios as the marketplace allows.



MARRYING THE LONG TERM WITH THE SHORT TERM

Diversification of investment styles is not the only way to strengthen downside protection. The transition to a greener, leaner, fairer society is a complex dynamic with a plethora of opportunities arising. TAM's job is to marry the long-term investment case with the short-term needs of our clients. Asset class diversification remains key but equally diversification across themes and opportunities is vital too. For example, the energy transition is an undeniable investment case, but this is known to many which means there are short-term pricing inefficiencies in what are now speculative markets. So, TAM invests in this area through a long only fund while complementing it with an innovative long/short strategy, poised to grow from this theme but also protect on the downside. Our portfolios look to more than only one sustainability driven theme - taking advantage of the transition to a circular bioeconomy, sustainable waste management and water resources. All of which respond to ebbs and flows in short-term factors such as economic data in slightly different ways.



VALUE FOR MONEY

TAM's knowledge of this burgeoning marketplace, while utilising strong industry relationships, means we can access share classes of funds which are priced well below those available to direct retail investors. For example, the Regnan Sustainable Water & Waste fund is run by two fund managers who built a £2bn W&W franchise at Fidelity. Since moving, they have enhanced their process and outperformed the Fidelity fund. TAM tracked their performance since the move and secured a founder's fee share class of the fund, comfortable with their strong track record and proven process. We also secured discounted share classes in the T. Rowe Price Impact Credit fund and Wellington Climate Market Neutral fund – two funds whose managers we had multiple meetings with and are confident they will prove long-term winners. Our conviction in relation to these high-quality investments mean clients benefit from these share classes with lower fees.





OUR APPROACH

TAM has run sustainability-focused portfolios for a decade. Our policy has always been to avoid controversy, look for strong governance, conduct negative screening of unsustainable/unethical practices, and to analyse the fund providers' commitment. We build on this consistently, moving towards strategies encompassing a focus on sustainability, in line with the broadening investment pool and increased depth of sustainability credentials and research. Moving forward, the portfolio looks only to include funds demonstrating industry leading sustainability or, where appropriate, impact characteristics, assessing where we believe positive change can be generated and avoiding those areas where we are not yet convinced.

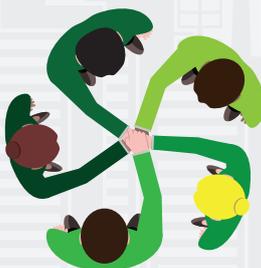
CLARITY AI

Clarity AI is a state-of-the-art sustainability assessment tool which quantifies funds' sustainability characteristics ranging from negative exclusions to impact. In a market where greenwashing is a real issue, we are confident that in becoming one of the first DFMs in the market to use this technology, we are leading the way in sustainable fund analysis. Not only can we assess individual funds, we can also use this tool from a portfolio construction standpoint to enable us to quantify impact, ESG credentials, carbon reduction as well as other key attributes. In a constantly evolving regulatory landscape, it is crucial to seek this clarification and to consult an expert in this field. We are thus building portfolios in conversation with these sustainability experts while ensuring we take account of likely amendments to the UK SDR framework.



ENGAGEMENT

We see engagement as the clearest way to generate positive impact with every stakeholder, from the client and the investor all the way through to the management of the investee company, having the opportunity to add value. TAM adds value by, for example, checking the voting records and engagement of asset managers in making sure they are doing no significant harm and engaging for a sustainable and fairer society.



The importance of Clarity AI cannot be understated in enabling TAM to engage too as it means we can keep the fund houses, to which we allocate client capital, honest by factchecking each statement and claim they make - with the aim of mitigating potential greenwashing. We put all our funds through our sustainability screener and are looking to corroborate our findings in relation to the funds in which we invest and provide transparency for our clients.

STEWARDSHIP

TAM itself is committed to sustainability not only through its investing but also through its business operations. We are a certified Carbon Neutral Plus and Carbon Reduced Organisation, and we have launched an initiative that enables our clients to easily and conveniently offset their carbon footprint while they are invested with us. We also offer our unique You Give We Give (YGWG) scheme (exclusive to TAM clients) that provides them with the facility to contribute to their favourite charity directly from their investment portfolio. General Investment Account (GIA) and Individual Savings Account (ISA) clients can donate up to 20% of their annual portfolio gain to a charity of their choice and TAM will arrange the payment automatically and match that donation with an equal percentage of TAM's investment management fee. Financial advisers can also support their clients' chosen charities by donating an equal percentage of their adviser fee. The TAM team are also keen charity fundraisers, completing a variety of challenges for a range of causes, such as Walk for a Cure for Alzheimer's Research UK, and the Waterloo, London to Waterloo, Belgium cycle for Waterloo Uncovered.



GET IN TOUCH WITH US

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