

Mini-series III:

Elections Outcome: Potential Changes in Impact Investing



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Welcome and Introductions:



Florian Kemmerich, Managing Partner at Bamboo Capital Partners, Founder of Ryan-Kay and Board Member of numerous organizations.

- Florian's passion is around impact investment and effective personal development methodologies to create high-performance teams, whereby many members have become successful executives and entrepreneurs themselves. In addition, Florian founded a medical education foundation in Mexico while supporting many NGOs, patient advocacy groups, and extramural surgery programs in Central-America's most remote locations. As an active member of the Young Presidents' Organization he is Chair of the Impact Networks Council.



Doug Couden, CFA, Chief Investment Officer

- Doug is a tested market specialist with multiple cycles under his belt. He leads the firm's multi-disciplined (technical, fundamental and macro) investment approach including BakerAvenue's Impact Strategy . He is a member of the firm's executive committee, is responsible for managing the investment team, the firm's research process, and overall performance of the strategies.



Bill Connor, CFA, CFP®, Wealth Advisor & Partner

- Bill Connor has 20 years of investment management and financial planning experience with a diversified skill set focused on risk management, investment analysis and retirement income planning. Bill focuses on Socially Responsible Investing (SRI), also known as Impact or ESG investing, and manages our New York office serving the needs of affluent domestic and international families.

Impact Focus What to Watch

The UN's Sustainable Development Goals Diagnose the World's Most Pressing Needs

In 2015, world leaders at a UN Summit adopted a set of goals as part of a new sustainable agenda.



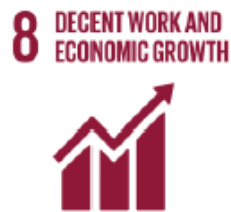
The 17 Sustainable Development Goals Provide 169 Targets to Be Achieved by Governments and Corporates by 2030

Taxation Impacts



For Profit Education Policy

Emissions Standards



Globalization Policies

Regulation & Enforcement



Climate: Different Pathways



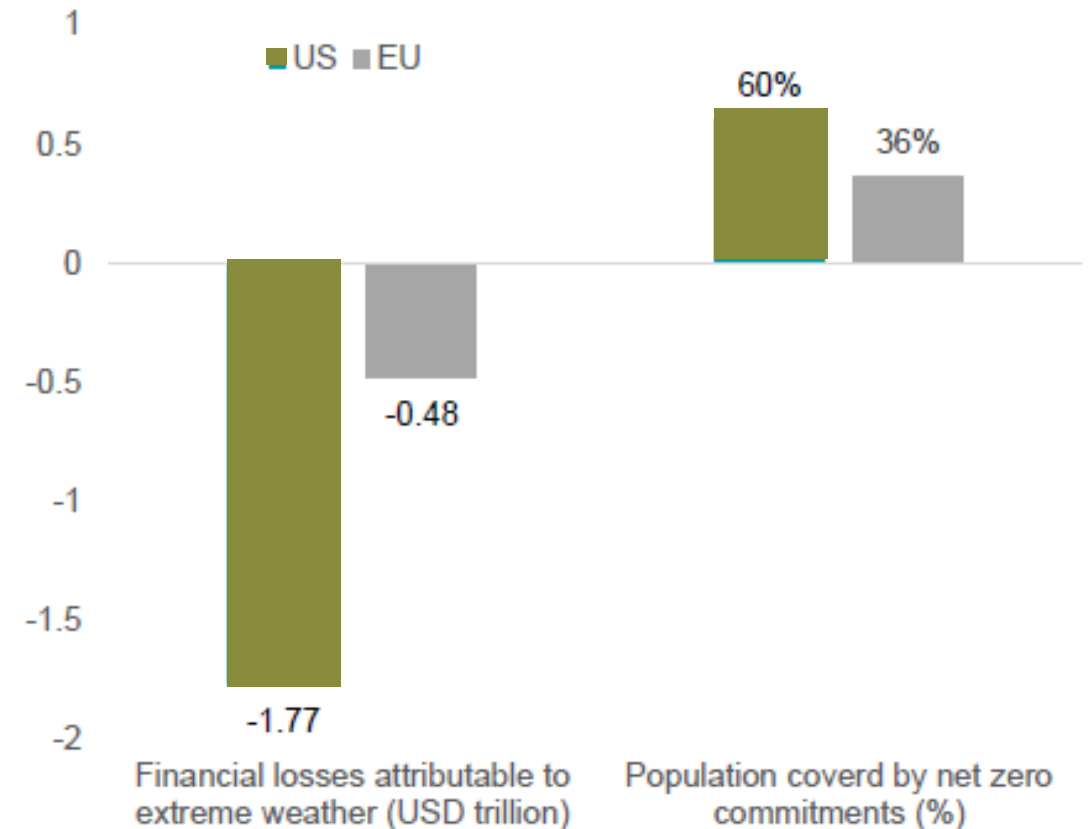
The Democrats strongly support climate legislation that addresses environmental risk and prevents the departure of the US from the Paris climate agreement.



The Republicans have been scaling back or revoking many aspects of Obama's environmental agenda, including the decision to:

- leave the Paris climate agreement
- repeal the Clean Power Plan and
- diminish the role of the EPA

US and EU Climate Losses and Net Zero Commitments Compared



Source: NOAA National Center for Environmental Information (July 2020). Billion-dollar weather and climate disasters: overview (data 1980-2019); European Environment Agency (April 2019). Economic losses from climate-related extremes in Europe (data 1980-2017); New Climate Institute (September 2020). Accelerating Net Zero.

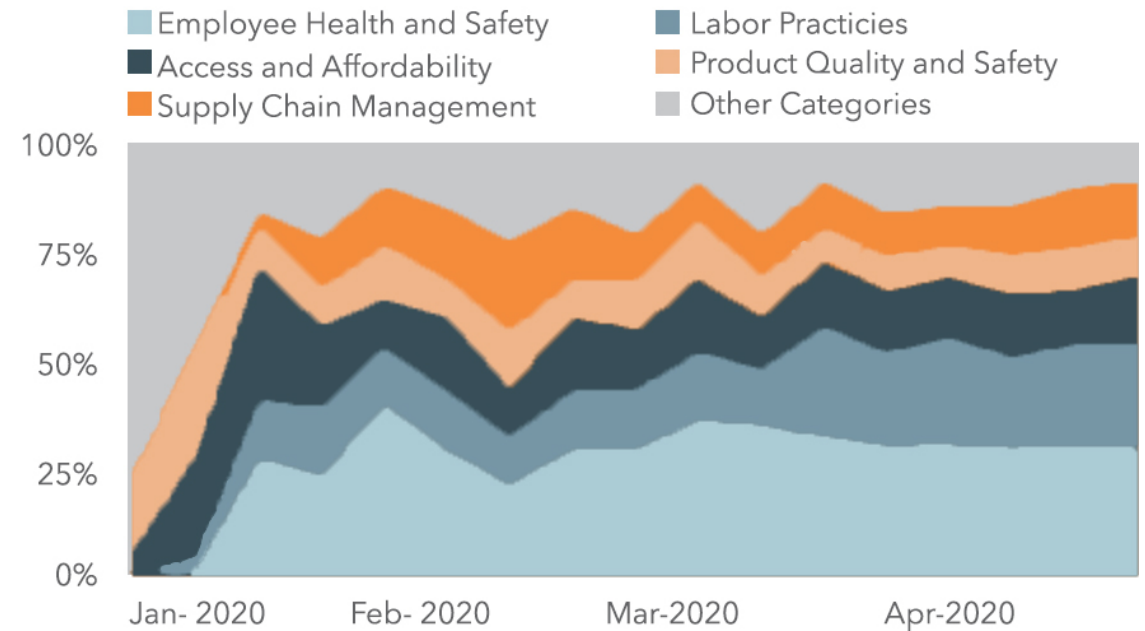
COVID-19, The Recovery & The Election:



Accelerating or Decelerating Impact Trends?

- Since March, social factors have claimed a larger share of ESG issues discussed in COVID-19 related content.
- Emphasis on ESG factors will continue to evolve over time, however, we expect focus on social considerations to outlast the election.

ESG Topic Share in COVID-19 Related Content



Source: Truvalue Labs. Based on over 100,000 unique information sources and ESG categories as defined by Sustainability Accounting Standards Board (SASB). As of May 6, 2020.

Potential Winners and Losers

General Thoughts On Portfolio Positioning

Potential winners and losers.



"Democratic" Portfolio

Infrastructure | Renewable Energy | Healthcare (Services)
Work-Visa Beneficiaries | Consumer Staples
State Budget Beneficiaries



"Republican" Portfolio

Industrial Complex | Financial Reform/Deregulation
Healthcare (Pharma) | High Tax Exposure | For-Profit Industries
Higher Domestic Sales

Source: BakerAvenue. Data as of 08/12/2020.

Common Ground - Tailwinds

SMART INFRASTRUCTURE

- **Biden: \$2 Trillion**
- **Trump: \$1 Trillion**

4 Key Investment Areas:

1. Enabling Technologies
 - Edge computing, 5G rollout, IoT, AI, Semiconductors
2. Building & Construction
 - Intelligent building, management systems, Building Information modelling, Digital twins, Dynamic power consumption
3. Energy
 - Clean, reliable, affordable energy. Smart grids and meters, Carbon management
4. Water & Waste Management
 - Leakage detection, Predictive maintenance planning, JIT waste collection

Source: Barclays Research, UN, World Bank, McKinsey

Common Ground - Headwinds

TECHNOLOGY REGULATION

- **Anticompetition**
- **Censoring**
- **Privacy issues**



Headlines Are Skewing Negative

Democrats call for Congress to rein in, break up Big Tech

Apple, Amazon, Facebook And Google Slam Congressional Report Calling For Break-Ups

Mark Zuckerberg Is Even Less Popular Than Donald Trump, Poll Finds

Conservatives seize on New York Post story to push Section 230 reform

Joe Biden doesn't like Trump's Twitter order, but still wants to revoke Section 230

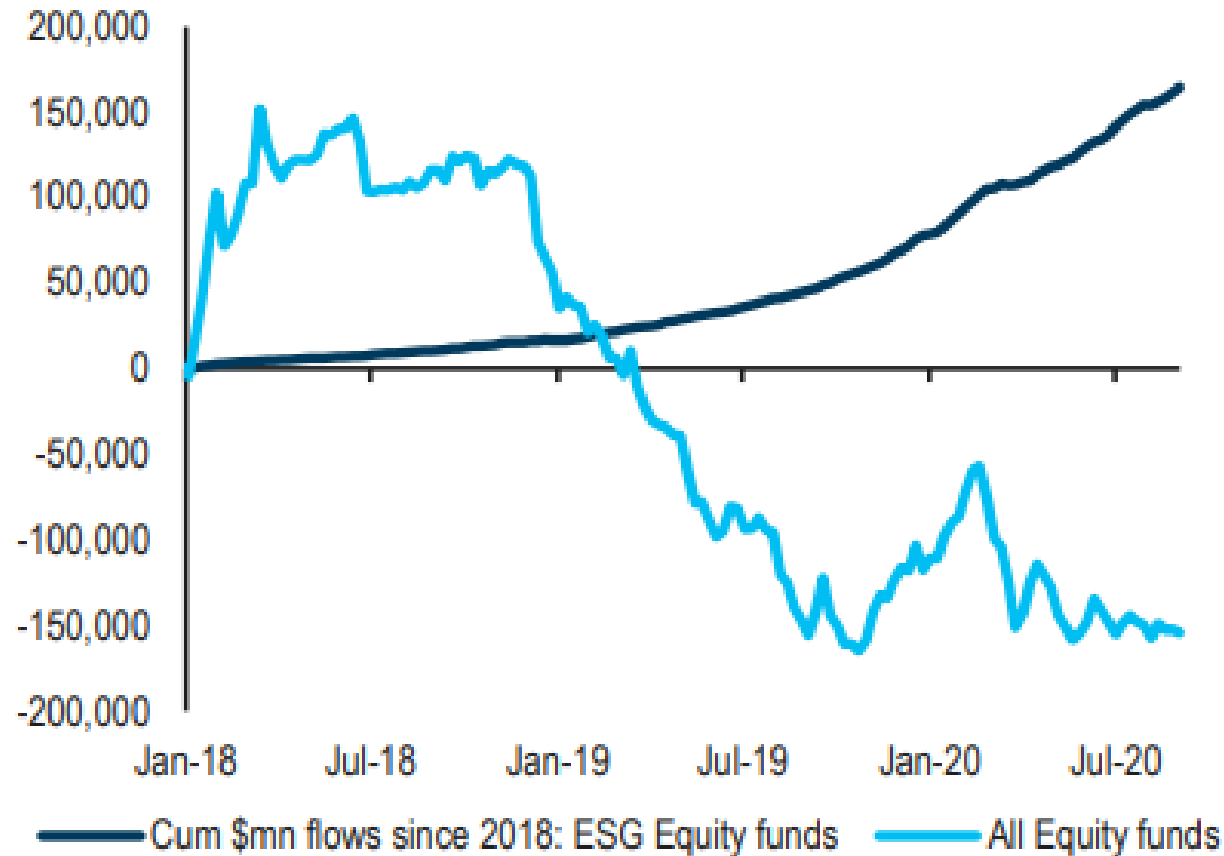
The World Wants More Tech Regulation

Beware the Regulatory Crackdown on Big Tech

Trends

(Flows, Recognition and Standardization)

Rise of ESG / SRI theme continues globally....



Source: Jefferies, EPFR Global

The Elections Shouldn't Alter The Trend Toward Standardization



VARIOUS FRAMEWORKS FOR SUSTAINABILITY REPORTING

In the past thirty years, a growing body of organizations and initiatives have put forth frameworks to determine how to report non-financial factors that may be material to their business footprint.

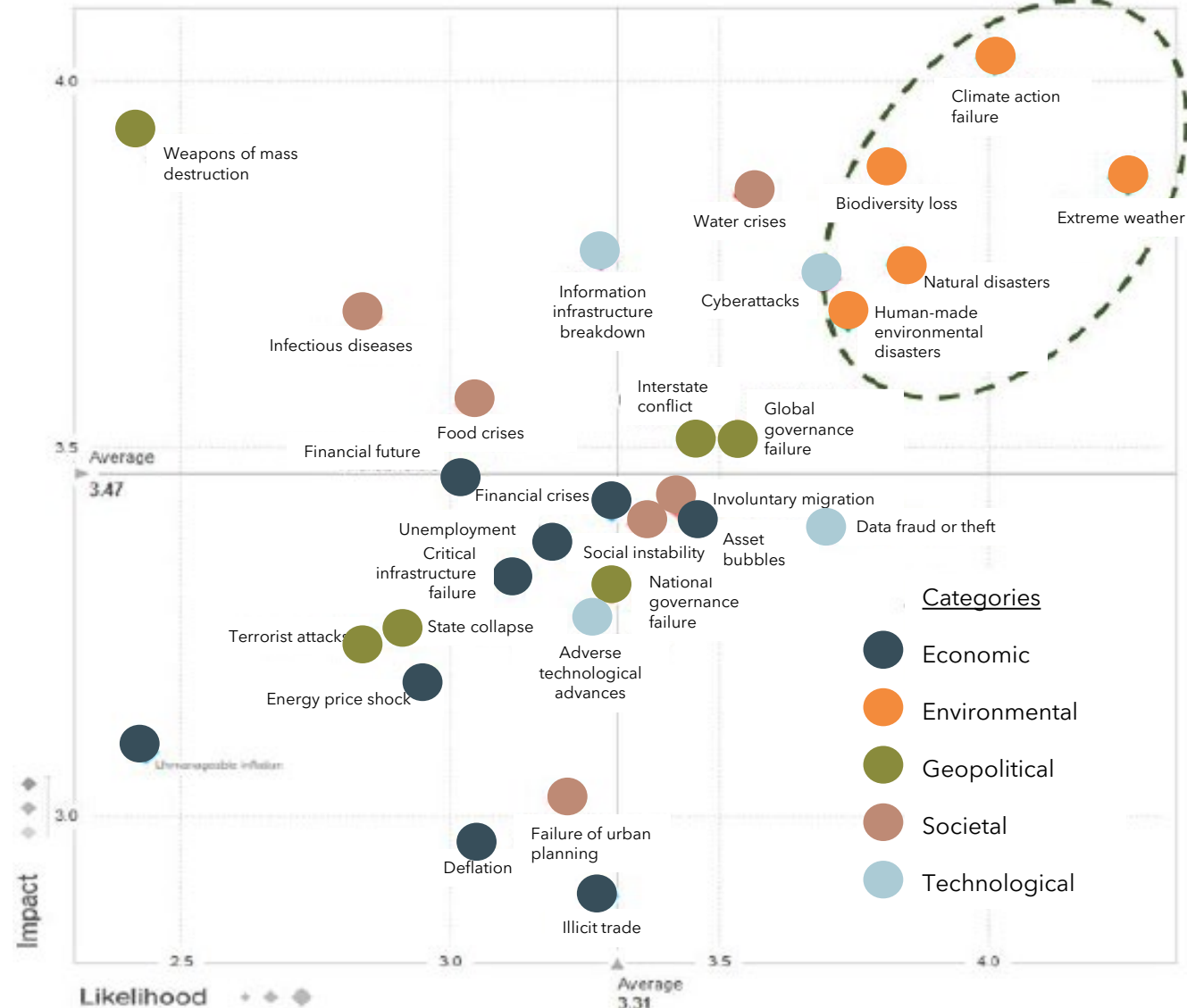
In September of 2020, a number of the major reporting frameworks issued a statement of intent to collaborate identifying, outlining and enhancing various material metrics associated with sustainability and enterprise performance.

- SASB, the GRI, the Carbon Disclosure Project (CDP)
- Climate Disclosure Standards Board (CDSB)
- International Integrated Reporting Council (IIRC)
- Task Force on Climate Related Disclosures (TCFD)

Corporate Attention: WEF's 2019-2020 Global Risks Perception

What is the impact and likelihood of global risks?

Source: World Economic Forum's 2020 Global Risks Report



Concluding Thoughts

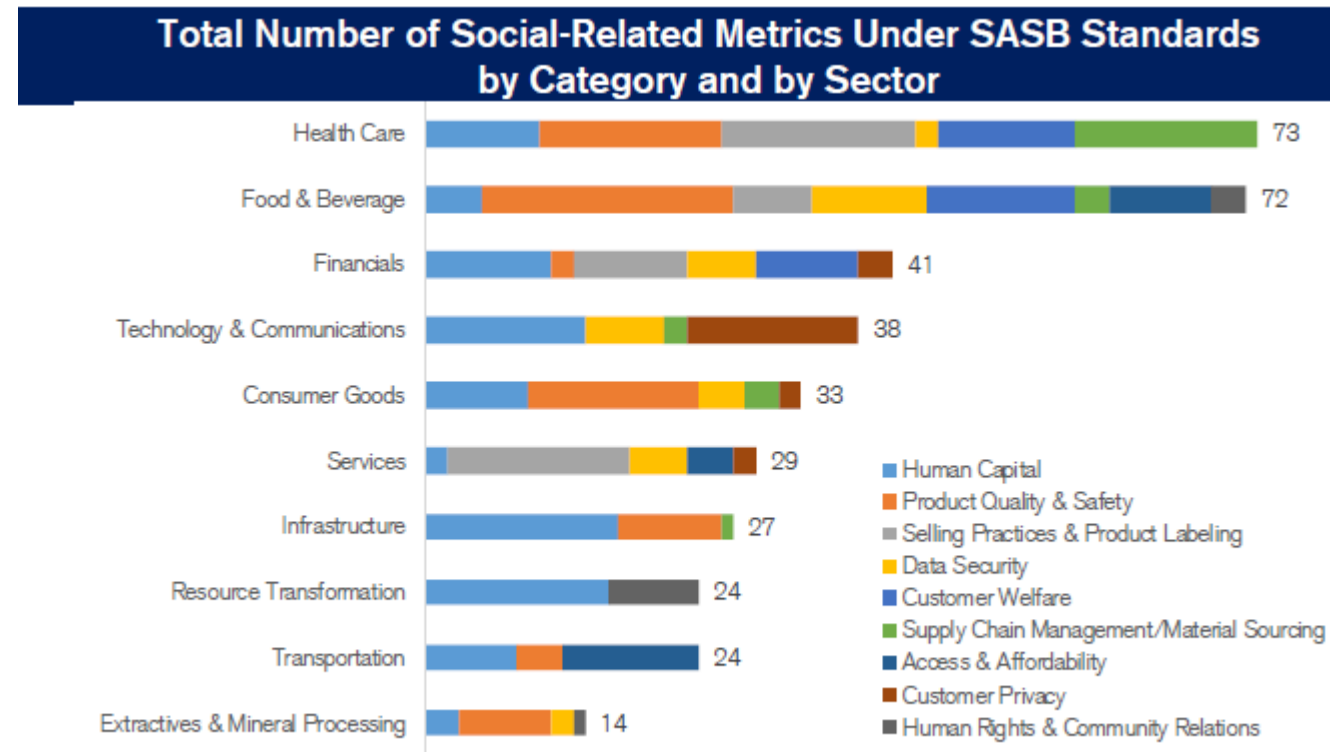


- Over the past twenty years, socially responsible investing has evolved into a growth industry for all stakeholders
- Societal shifts and corporate acceptance has sustainable investing moving from niche to mainstream
- Data standardization and category outperformance are enhancing the value proposition of the industry
- We believe Impact trends are strong and sustainable, regardless of who is in the Oval Office

Thank You

The Global Supply Chain: Globalization vs Onshoring

ESG considerations are increasingly incorporated in the evaluation of companies in the supply chain.



Sources: Sustainability Accounting Standards Board