



Brewin  
Dolphin

# Sustainable Managed Portfolio Service

Investing for the future





# Contents

Our Sustainable MPS	3
What does Sustainable MPS include?	4
About our investment approach	5
Our investment process	6
Measuring and reporting on ESG risks	7
Measuring our alignment to Sustainable Development Goals	8
Five portfolios for you to choose from	9
Sustainable MPS portfolios in more detail	10
The benefits of our Sustainable MPS in summary	11
A little bit about us	12

# Our Sustainable MPS



We have designed our Sustainable MPS (Managed Portfolio Service) to reflect our responsible investment philosophy:

- We believe that high-quality companies that manage environmental, social and governance (ESG) risks and opportunities well, will make attractive long-term investments.
- We are committed to being good stewards of our clients' investments. That means we engage with our portfolio companies to create long-term value, thereby benefitting the economy, environment and society.
- We believe that we can deliver superior returns to clients while contributing positively to global environmental and social challenges.
- We believe transparency is important. This is why we use MSCI, a leading specialist independent ratings agency, to measure the positive contribution of our Sustainable MPS portfolios.

## What we offer

Our Sustainable MPS offers a suite of diversified portfolios that meet a range of objectives and risk profiles, and which are aligned to RBC Brewin Dolphin's responsible investment philosophy.

The primary objective of Sustainable MPS is to maximise returns from a portfolio of funds that exclude exposure to controversial sectors.

The portfolios will also seek exposure to companies that have a positive societal or environmental impact, which is subject to the primary objective being achieved.

Your financial adviser will work with you to ensure you select the most appropriate portfolio for your individual objectives, taking into account your appetite for risk and your capacity to suffer losses within your portfolio.



## Environmental

For example, greenhouse gas emissions, water and resource use, land use, deforestation and biodiversity, waste

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## Social

For example, human rights, community relations, labour relations, child labour, modern slavery, workplace safety, diversity and social supply chain issues

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## Governance

For example, board and management quality, financial reporting, bribery and corruption, data security, remuneration, stakeholder governance

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## Stewardship

“Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.”

Financial Reporting Council

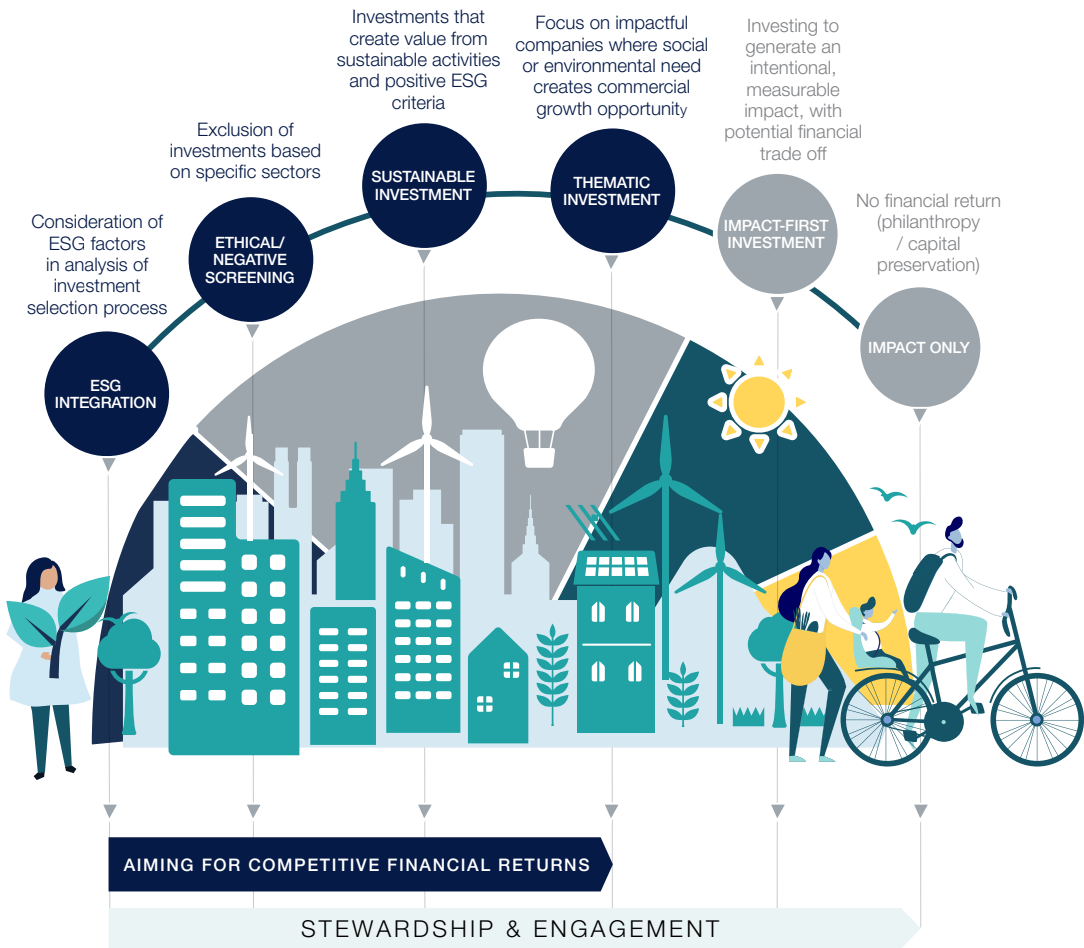
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# What does Sustainable MPS include?

From environmental pollution and animal welfare to gender equality and human rights, investors are increasingly looking for ways to use their money as a force for good.

Responsible investing (RI) is a spectrum of different approaches and each approach has a defined objective and varying degree of impact, as the diagram below demonstrates. Our Sustainable MPS, as mapped on the diagram, incorporates the first four circles on the left.

## Where does Sustainable MPS sit?



We will only be bound by specific investment restrictions which have been requested by you and agreed by us.

# About our investment approach

The Sustainable MPS portfolios are managed by our experienced investment team, who also run our award-winning MPS service.



The Sustainable MPS process builds on our successful and robust MPS approach, with additional steps to ensure we meet our sustainable investment objectives.

The asset allocation of the portfolios is aligned to RBC Brewin Dolphin's internal view, which is driven by our Asset Allocation Committee and our in-house Research team.

Our Sustainable MPS portfolios are adjusted each month to reflect the Committee's view on the most appropriate mix of assets to hold for the portfolios' given investment objectives.

As a result, each portfolio will take a positive, neutral, or negative view relative to their respective benchmark. This is essential to support consistency of performance and ensure that portfolios are kept in line with your attitude to risk.

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## A three-part approach

All funds go through a robust ESG selection process, which consists of three parts:

- 1. Exclusions** – funds that seek to exclude companies involved in tobacco, controversial weapons, thermal coal, gambling, and adult entertainment\*
- 2. ESG leaders** – funds that are industry leaders in integrating ESG factors into investment decisions and stewardship activities
- 3. Impactful companies** – funds that invest in companies which contribute positively and measurably to social and/or environmental challenges.

\* Involvement is defined as greater than 10% of sales/revenue in the listed areas.

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The value of investments can fall and you may get back less than you invested.

# Our investment process



## Our sustainable investment process

We construct our Sustainable MPS portfolios drawing from the expertise of our Research team, whose investment process includes a series of sustainability screens.

As a signatory of the United Nations Principles for Responsible Investment (UNPRI), we ensure that the investment fund managers selected for inclusion in our investment portfolios also promise to incorporate ESG factors into their investment decisions and are active investment owners.

Furthermore, we consider financial and non-traditional risks, our exclusion policies, and ESG risks and opportunities. When selecting each individual sustainable fund, the team selects funds which are industry leaders in integrating ESG factors into investment decisions and stewardship activities.

We have a separate socially responsible investing (SRI) list for funds which contribute positively to global environmental and/or social challenges.

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## Freedom to select from a wide investment universe

Our model portfolios can hold funds across the full range of asset classes of equities, bonds and cash. In addition, we have the freedom to invest in alternative investments, such as absolute return and commercial property funds. We actively seek out the best investment opportunities for a given level of risk while considering both diversification and sustainability as drivers of long-term returns.

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# Measuring and reporting on ESG risks

As part of our sustainability approach, we think it is important to be transparent about the underlying ESG risks in our portfolios. Given the importance of climate change, we also share data on the carbon intensity of our portfolios.

To independently assess our success in these areas, we use MSCI, a third party rating agency. Please view our latest factsheets for updated data.

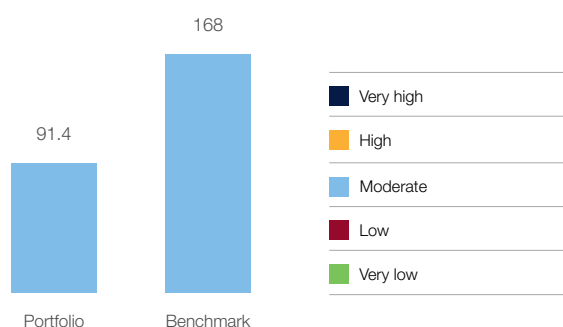
## Keeping you and your adviser informed

We will keep your adviser up-to-date on the performance of your portfolio and any changes that are made on a regular basis. We provide:

- Monthly factsheets, which can be found [here](#):
- Quarterly reports, which can be found [here](#):
- An annual stewardship report, which can be found [here](#):

## Measuring our exposure

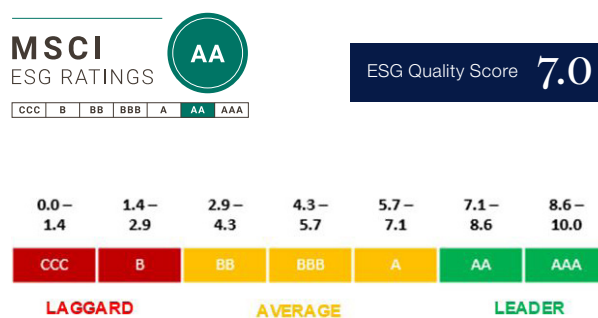
### Carbon intensity



As per the example bar chart above, MSCI's carbon intensity metric shows the greenhouse gas (GHG) emissions (measured in tonnes of CO<sub>2</sub> equivalent) of a portfolio per £m of sales.

Lower carbon intensity scores indicate that businesses release less carbon into the atmosphere per pound of revenue.

### ESG



MSCI's ESG ratings are designed to measure a company's resilience to financially material, environmental, societal and governance risks. They are not meant to serve as a measure of corporate goodness, a barometer on any single issue or a synonym for sustainable investing.

This rating assesses the resilience of our underlying portfolio holdings to long-term ESG risks. This is an example rating. Please view our factsheets for the latest ratings on each of the portfolios.

# Measuring our alignment to Sustainable Development Goals

We measure our Sustainable MPS approach by assessing alignment with the United Nations' Sustainable Development Goals (SDGs).

The UN SDGs aim to foster international collaboration and address critical global challenges such as poverty, inequality, climate change, and environmental degradation.

## What we measure

We believe it is important to measure and monitor the impact of your sustainable portfolio against the global challenges we all face. We also want to assess our objective of investing in companies and funds that have a positive societal or environmental impact with meaningful context.



We think transparency is important, and as a result we use MSCI data to independently assess the SDG alignment of our portfolios.

To better understand how Sustainable MPS portfolios align against the SDGs, we select the 12 SDGs that offer investment opportunities and group them into three themes: people, planet and prosperity as outlined below.



The Sustainable MPS model portfolios promote investment into firms with positive environmental, social and good governance characteristics, but they do not have sustainable investing targets. Due to the sustainable focus of this portfolio, there are companies and sectors in which we are unable to invest, meaning the portfolio's performance may be lower than that of an unconstrained investment portfolio with the same benchmark.



# Five portfolios for you to choose from

## Our Sustainable MPS choice of portfolios

You can be sure your money will be diversified across a wide selection of different investments that are reviewed monthly to ensure they continue to match your risk appetite and investment goals.

Investing sustainably will mean that portfolios may be less diversified than a portfolio not managed to sustainable criteria, as a result of the selection and screening criteria applied. This will mean that a sustainable portfolio will perform differently over certain periods but over the long term the focus on ESG issues should provide a good long-term return.

For a detailed description of each portfolio and the assets they would typically invest in see page 10.

This should help you and your adviser select the Sustainable MPS portfolio that is most appropriate for you.

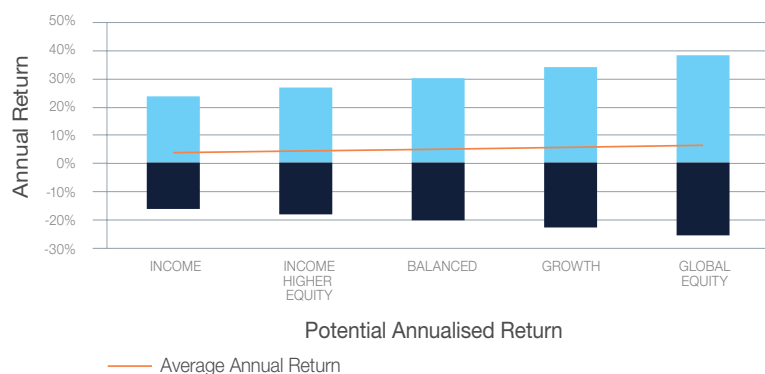
## Investment risk

It is important that you understand the risks you are taking when you invest your savings. To help convey this risk we have illustrated some potential outcomes on the chart below.

The chart shows the range of losses and gains which might be achieved, for example, over a one-year period in each of the Sustainable MPS risk categories.

It gives an indication of how extreme the gains might be, how extreme losses might be and what return a more normal year might provide.

## A portfolio for your risk profile



The chart above indicates a potential range of outcomes for the investments contained within each portfolio in normal market conditions. In certain conditions, such as highly volatile markets, the actual annual return in each sample portfolio may be higher or lower than illustrated.

This does not take into account any fees/charges, which will reduce the illustrated performance.

## Our Sustainable MPS portfolios

- 1 Income
- 2 Income Higher Equity
- 3 Balanced
- 4 Growth
- 5 Global Equity

The value of investments, and any income from them, can fall and you may get back less than you invested.

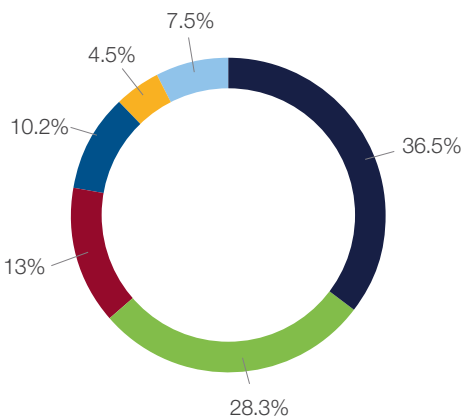
# Sustainable MPS portfolios in more detail

This section describes the five Sustainable MPS portfolios in more detail. Please be aware that this is a guide we are using for illustrative purposes only, rather than a definitive investment or risk assessment tool.

## Income

ESG Quality Score **7.0**

**MSCI**  
ESG RATINGS **A**

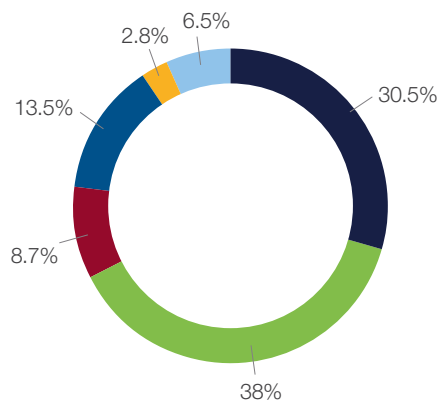


The portfolio will be more evenly balanced between equities and the combined asset classes of cash, fixed interest and alternatives.

## Income Higher Equity

ESG Quality Score **7.1**

**MSCI**  
ESG RATINGS **AA**

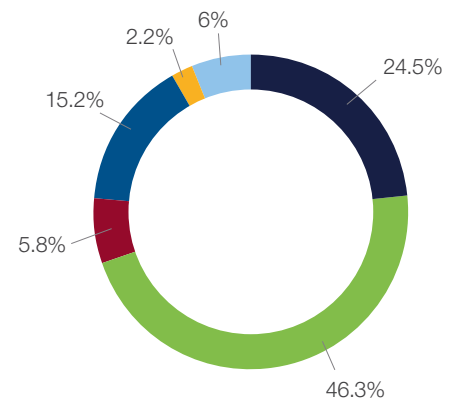


The portfolio will be balanced between equities and the combined asset classes of cash, fixed interest and alternatives.

## Balanced

ESG Quality Score **7.2**

**MSCI**  
ESG RATINGS **AA**

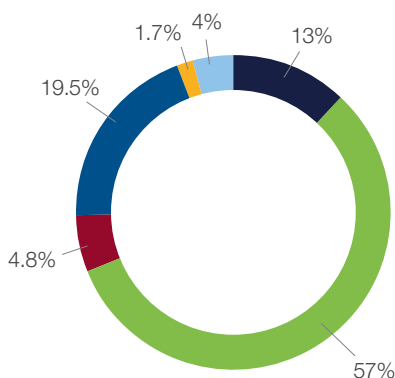


The portfolio will typically include two thirds of the assets invested in equities whilst the remainder will be split between cash, fixed income and alternatives.

## Growth

ESG Quality Score **7.4**

**MSCI**  
ESG RATINGS **AA**

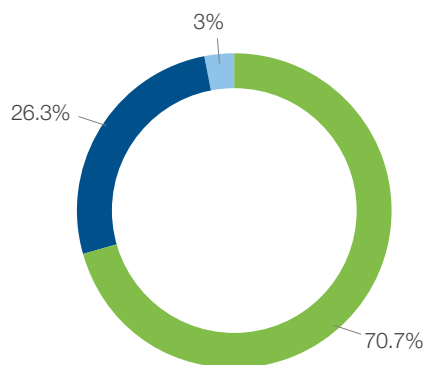


The portfolio will typically have a very high proportion of your investment held in equities and very low levels of fixed income, cash and alternative asset classes.

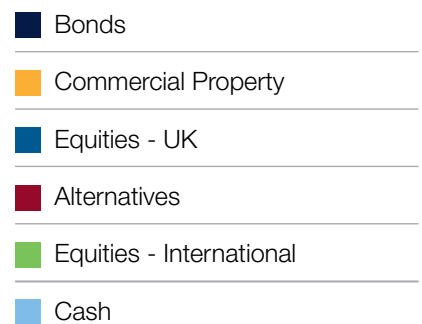
## Global Equity

ESG Quality Score **7.6**

**MSCI**  
ESG RATINGS **AA**



This portfolio is typically invested almost entirely in equities.



# The benefits of our Sustainable MPS in summary



Investments exclude exposure to certain controversial sectors and seek exposure to companies that have a positive societal or environmental impact.



Independent MSCI data is used to measure and score our responsible investment approach.



Sustainable MPS is available in a range of tax-efficient wrappers including Individual Savings Accounts (ISAs), offshore bonds, and Self-Invested Personal Pensions (SIPPs).



Access to a range of managed portfolios each aligned to a specific investment objective and attitude to risk.



We harness our buying power to bring you the highest quality investment fund managers at a lower cost.



Benefit from the best investment fund managers carefully selected by our in-house Research team.



You can take a regular fixed income from your portfolio or focus on capital growth.



Portfolios are rebalanced monthly to ensure consistent risk management demonstrating the active management of our managed portfolios.



Online access to your portfolio as and when you need.

Signatory of:



Signatories



Active participant



THE INVESTOR FORUM

Member



Tier 1 rated for stewardship



# A little bit about us

RBC Brewin Dolphin is one of the UK's leading wealth managers. We combine scale, experience and highly specialised expertise to manage your money.

## 250 years

RBC Brewin Dolphin can trace its origins back to 1762

## 30+

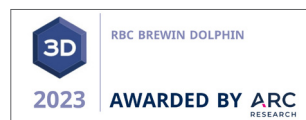
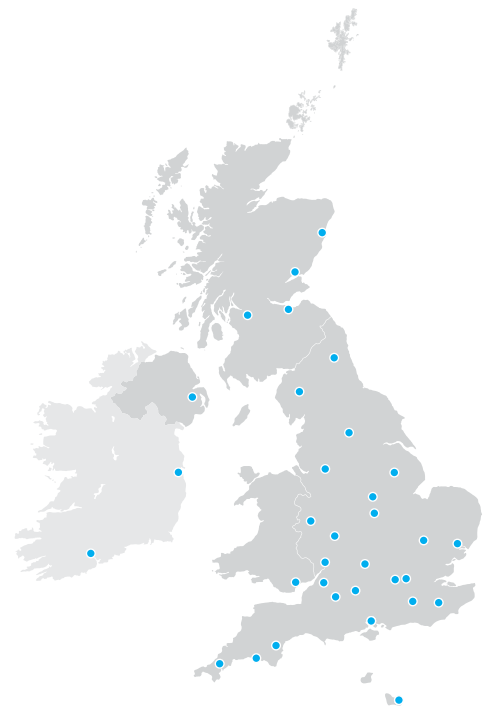
Offices across the UK, Ireland and Channel Islands

## 10 years+

The track record for our award-winning MPS

## \*£50bn+

funds under management



\*as at September 2023

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The value of investments, and any income from them, can fall and you may get back less than you invested.

Neither simulated nor actual past performance are reliable indicators of future performance. Performance is quoted before charges which will reduce illustrated performance.

Investment values may increase or decrease as a result of currency fluctuations.

Information is provided only as an example and is not a recommendation to pursue a particular strategy.

Information contained in this document is believed to be reliable and accurate, but without further investigation cannot be warranted as to accuracy or completeness.

We will only be bound by specific investment restrictions which have been requested by you and agreed by us.

The Sustainable MPS model portfolios promote investment into firms with positive environmental, social and good governance characteristics, but they do not have sustainable investing targets. Due to the sustainable focus of this portfolio, there are companies and sectors in which we are unable to invest, meaning the portfolio's performance may be lower than that of an unconstrained investment portfolio with the same benchmark.

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