

CleverMPS.
Sustainable

Client Guide

Investing Transformed.

Powered by the CleverEngine™

Managed by

CleverIM.

Introducing CleverMPS. Sustainable

A range of risk-rated **sustainable** portfolios run by **CleverIM.**, who bring together leading academic research and cutting-edge proprietary technology to deliver the very best investment experience and sustainability outcomes for you.

Rules-Based | Data-Driven | Bias-Free

Focused on building **sustainable** portfolios, powered by **rational** and **data-driven** decisions, that are **devoid of irrational human emotion.**

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Our Approach To Sustainable Investing

Without a singular global standardisation for ethical, sustainable and governance (ESG) investing, it can be tough to find the right path. Of course, you want to achieve your financial investment goals, but balancing that aim with your principles can be difficult. That's where we come in.

Rather than preaching broad standards and vague principles (which can leave room for interpretation), our approach is both logical and measurable. We quantify fund restrictions and give clear, data-led reasoning for all investment decisions.

The CleverMPS. **Sustainable** service follows an agnostic investment strategy with quantitative fund analysis and selection methods. By combining stringent ESG restriction criteria with the **CleverEngine**'s logical, data-driven decision-making, we aim to achieve better portfolio outcomes while meeting your sustainability goals.

Each month, we share portfolio updates that include the latest fact sheets for each of the 5 models. These fact sheets highlight each model's investment objectives, risk rating, performance, and any fund switches made.



Built on **experience**, with a **dedication** to providing the **best** possible investment experience for clients.

CleverIM.

Who Are We?

CleverIM. [Clever Investment Management], and its parent company **Clever.**, are pioneers in the development of tech-driven and transformative investment solutions for Financial Planners and their clients. Founded by a Financial Planner in 2007, **Clever.** is built on four decades of experience in what works, with a desire to do the very best for clients.

Our experience, and 50 years of academic research, has taught us that the key to consistent investment outcomes is **discipline** and sticking to a system - **but that humans aren't always very good at that.** We get too emotional and impulsive, and make irrational and knee-jerk decisions. Especially when it comes to financial decision-making.

We have developed an investment system that removes human emotion and replaces it with powerful and disciplined technologies, backed by leading academic research - resulting in rational, logical and expert decisions in our portfolios.

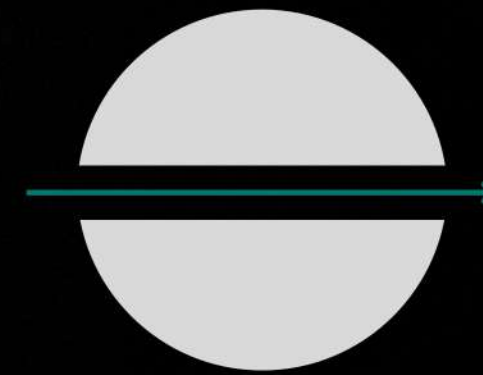
We call this The CleverEngine™

Meet The CleverEngine™

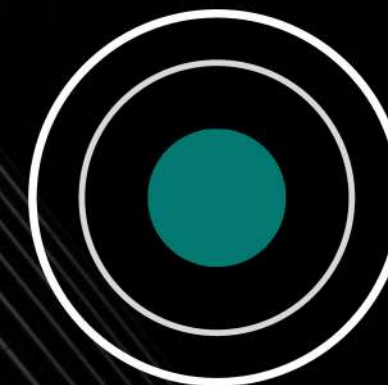
- σ Monitors every fund in your **Clever** portfolio, every month.
- σ Objectively replaces funds that are no longer adding value.
- σ Makes decisions based on what it knows, not thinks.
- σ Backed by leading academic research.

We apply the power of logic, and the pure rationality of computer algorithms to investing, and avoid the chaotic decision-making of the herd mentality. Algorithms never hold on to funds for fear of looking foolish. They never follow everyone else to avoid being odd man out - and they don't seek approval from their peers before they buy or sell.

Instead, our algorithms allow truly rational decision-making by leveraging the power of the cloud and big data. The system collects and examines information from over 4,000 UK registered investment funds every month, to ensure you are still invested in the right places.



Cut through the noise.

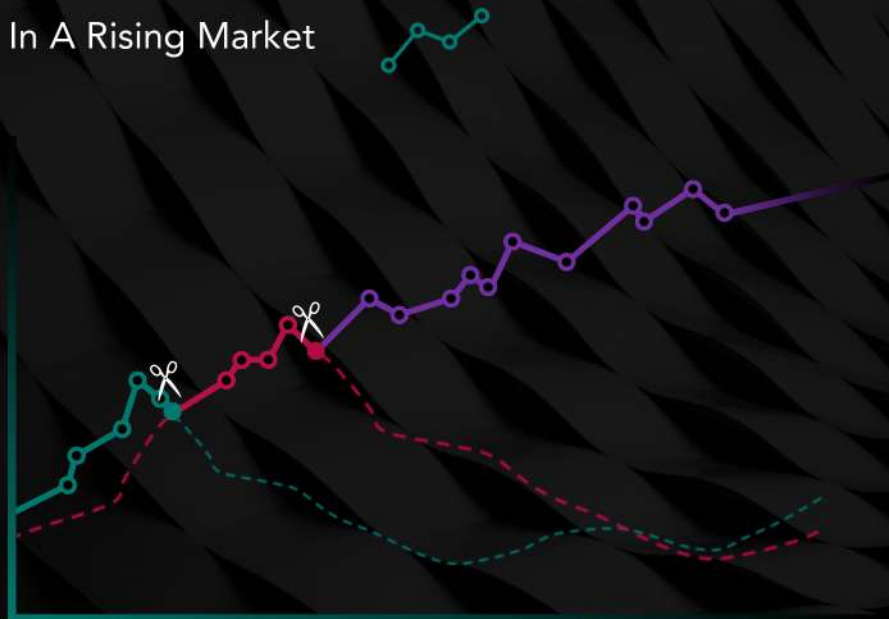


Focus on the data.



Avoid costly mistakes.

In A Rising Market



Fund A > Fund B > Fund C

In A Falling Market



Fund A > Fund B > Fund C

✂ **Run The Winners.** ~~Cut The Losers.~~

The CleverEngine™ monitors all of the funds in your Clever portfolio, every month, checking whether each is doing well - or not so well - and objectively selects new funds to replace underperforming ones. A big plus is that the system moves swiftly. Instead of sticking with a falling fund too long, it actively seeks to retain gains in **rising markets**, and limit losses in **falling ones**.

This process of running winners, and selling losers, is transparent, completely free from human bias and used by many of the worlds most successful investors.

Every month, our algorithms will score each fund in your portfolio against criteria scientifically chosen to best measure the strength of a fund versus others in its sector. If your current fund holdings still rank highly, they will be held, or replaced if not. **It's that simple.**

Meet our ESG data provider **Morningstar.**

The Morningstar ESG Risk Rating helps investors compare funds based on how well they handle environmental, social, and governance (ESG) issues. It uses a five-globe system, with more globes indicating better performance.

Funds ranked below 'Above average' are excluded*, leaving approximately 1,000 funds with the required ESG credentials to be included in our selection process.

Updated monthly, these ratings rely on data from Sustainalytics, itself a global leader in ESG research and data. To be eligible for a rating at least 67% of a fund's assets must be invested in companies that have an ESG score. This rating helps investors make informed choices by showing how funds manage ESG risks and opportunities.



*At times, it may be necessary to invest in some funds that are below our target Morningstar Sustainability rating. For example, UK Gilts (UK Government Bonds).



SUSTAINABLE DEVELOPMENT GOALS



The UN Sustainable Development Goals [SDGs]

The UN Sustainable Development Goals or 'SDGs' (also known as The Global Goals) sit at the heart of a 15-year plan agreed by all UN Member States in 2015. They represent a framework for sustainability, designed to encourage all nations to work in partnership, promoting peace and prosperity while protecting the planet and its people.

Assessing the extent to which a given company's operations, products, and services are aligned with UN SDGs can help us to understand the impact of investing in them.

Portfolio alignment to the UN SDGs

In addition to the ESG fund ratings that we use as part of our monthly fund selection and monitoring process, Morningstar also provide analysis from their Morningstar Sustainability Rating on the alignment of our portfolios to the relevant goals above. This analysis provides us with clear, quantifiable metrics for measuring the impact of the **CleverMPS. Sustainable** models. As part of our commitment to transparent reporting for investors, we publish UN SDG alignment in Impact Analysis reports, alongside other insights.



CleverMPS. Sustainable Restrictions.

Our Sustainable portfolios are guided by 13 specific restrictions aiming to ensure ethical and responsible investment.

These restrictions address various unsustainable or controversial practices. The term 'Business involvement' refers to the extent to which a fund is exposed to certain industries or activities by revenue.

We limit this exposure to no more than 10% per fund, with actual portfolio-level involvement often being significantly lower.

Our 13 specific restrictions are:

Adult Entertainment: Companies producing or distributing adult content, such as movies, magazines, or websites.

Alcohol: Companies manufacturing or selling alcoholic beverages or supplying related products.

Controversial Weapons: Companies involved in making or supplying weapons like landmines, chemical weapons, or nuclear arms.

Fur & Specialty Leather: Companies producing or selling products made from fur or specialty leather.

Gambling: Companies operating gambling establishments, making gambling equipment, or providing related services.

Genetically Modified Organisms (GMO): Companies growing or developing genetically modified crops or seeds.

Military Contracting: Companies manufacturing or supplying military weapons or related services.

Nuclear Power: Companies producing nuclear energy or providing related products and services.

Palm Oil: Companies involved in the production or distribution of palm oil.

Pesticides: Companies manufacturing or selling pesticides.

Small Arms: Companies making or selling small firearms or related components.

Thermal Coal: Companies involved in coal mining or generating electricity from coal.

Tobacco: Companies producing or selling tobacco products or related items.

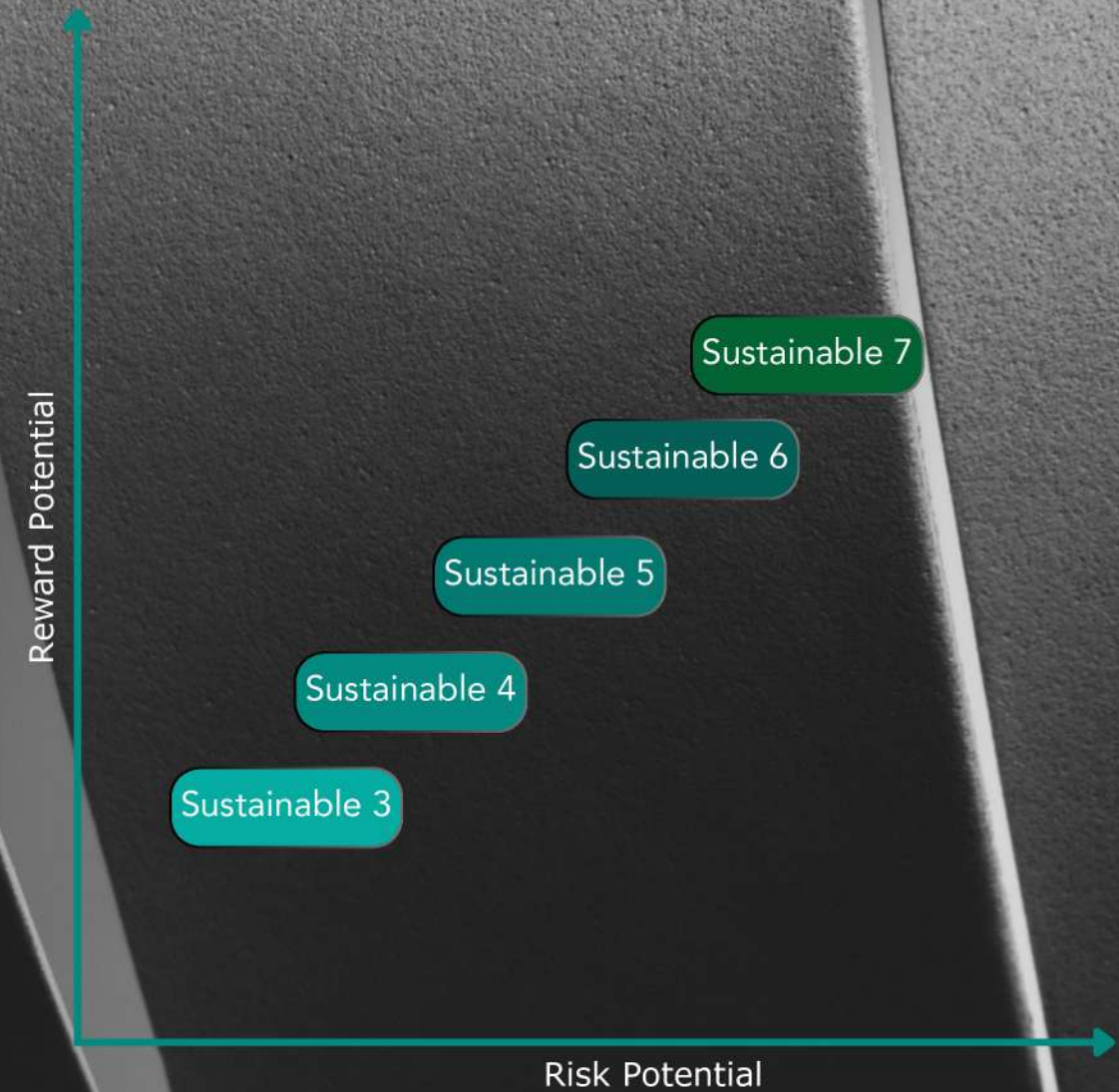
A Range Of Risk-Rated Portfolios.

Our **CleverMPS. Sustainable** portfolio range can offer you an investment solution that is suitable for your goals, ambitions and attitude to risk.

Your money will be diversified across a wide selection of different investments that are reviewed each month to ensure they continue to match your risk appetite and investment goals.

Your financial adviser will work with you to ensure the most appropriate investment portfolio is chosen for you and your individual objectives. For a detailed description of each portfolio and the assets in which they invest, please refer to their individual factsheets.

- > **CleverMPS. Sustainable 3 [Defensive]**
- > **CleverMPS. Sustainable 4 [Cautious]**
- > **CleverMPS. Sustainable 5 [Balanced]**
- > **CleverMPS. Sustainable 6 [Growth]**
- > **CleverMPS. Sustainable 7 [Adventurous]**



Why Choose The CleverMPS. Sustainable Range?

- σ Keeping you aligned to your ethical goals.
- σ Monthly portfolio & ESG monitoring.
- σ An objective & transparent process.
- σ Monthly portfolio activity updates.
- σ More consistent outcomes.
- σ Peace of mind.

- > Rules-Based [Disciplined.]
- > Data-Driven [Consistent.]
- > Agnostic [Independent.]
- > Bias-Free [Rational.]

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Risk Warnings.

Capital is at risk. The value and income from investments can go down as well as up and are not guaranteed. An investor may get back significantly less than they invest. Past performance is not a reliable indicator of current or future performance and should not be the sole factor considered when selecting portfolios. Investments may include emerging market, smaller company and commodity funds which may be higher risk than other asset classes. Investments in fixed interest funds are subject to market and credit risk and will be impacted by changes in interest rates. Changes in exchange rates may affect the value of the underlying investments. Investments in Property funds carry specific risks relating to liquidity. Property funds can go through periods, known as 'gating', when it may not be possible to trade in or out of the funds and to access your money during such periods. The portfolios may invest a large part of their assets in funds for which investment decisions are made independently of the portfolios. If these investment managers perform poorly, the value of the portfolios is likely to be adversely affected. Investment in funds may also lead to additional fees arising from holding these funds.

Regulatory Information.


This document is a general communication being provided for informational purposes only. It is educational in nature and not designed to be taken as advice or a recommendation for any specific investment product, strategy, plan feature or other purpose in any jurisdiction, nor is it a commitment from Clever or any of its subsidiaries to participate in any of the transactions mentioned herein. Any examples used are generic, hypothetical and for illustration purposes only. This material does not contain sufficient information to support an investment decision and it should not be relied upon by you in evaluating the merits of investing in any securities or products. In addition, users should make an independent assessment of the legal, regulatory, tax, credit, and accounting implications and determine - together with their own professional advisers if appropriate - if any investment mentioned herein is believed to be suitable. Investors should ensure that they obtain all available relevant information before making any investment. Any forecasts, figures, opinions or investment techniques and strategies set out are for information purposes only, based on certain assumptions and current market conditions and are subject to change without prior notice.

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