



3D Fund Lite Profile:

TM home investor fund

OUR VIEW



A distinctive approach is adopted by this residential property fund which invests in low-cost properties rented out to people on modest incomes and thereby help to address the national housing shortage. Most significantly, there is a clear drive to improve the environmental performance of properties, with regular reporting on a range of environmental metrics that gives us a high degree of confidence in the environmental and social benefits of the fund. The fund manager has a relatively small resource, but this makes

the environmental performance and reporting all the more notable and so we have no hesitation in certifying its Responsible credentials.

RESPONSIBLE INVESTMENT APPROACH

Ethical Screening Responsibility Engagement Sustainability Impact

Key Approach: Responsible

RI DIMENSION	RATING*
PROCESS	
RI Capability	3D Bronze
RI Strategy	3D Gold
RI Reporting	3D Silver
OUTCOMES	
Investment in SDG Solutions	3D Bronze
Controversy Avoidance	3D Gold
Leading Change	3D Silver

* See below for an explanation of the ratings. Full details can be downloaded at www.squaremileresearch.com/

3D Impact Ratings*

The 3D Impact Rating can be thought of as an informed opinion based on detailed analysis of objective data. A holistic view is taken of the fund to arrive at an overall conclusion based on consideration of multiple factors, with funds of the same rating having different strengths and weaknesses. The rating is an expression of confidence in the social and environmental impact of the fund, with typical attributes (one factor may be partly compensated by another) including the following:

	Avoid Harm <i>Negative contribution to SDGs</i>	Do Good <i>Direct positive contribution to SDGs</i>	Lead Change <i>Indirect influence</i>
	No exposure to stocks that make a high negative contribution to SDGs	> 50% of fund invested in companies that make a positive contribution to SDGs through their core products and services	Some evidence of positive influence on investee companies
	No exposure to stocks that make a high negative contribution to SDGs	> 66% of fund invested in companies that make a positive contribution to SDGs through their core products and services. Clear intention to make a positive impact.	Some measurement of impacts and influence + evidence of engagement to raise standards on RI issues
	No exposure to companies which make a high negative contribution to SDGs. Any negative contributions to SDGs are minimised	> 90% of fund invested in companies that make a positive contribution to SDGs through their core products and services. Clear intention to make a positive impact.	Systematic measurement of impacts and influence + comprehensive engagement to raise standards on RI issues + participation in collaborative initiatives

* For more details of the 3D process and methodology please visit <https://www.squaremileresearch.com/Our-services/Research/3D-Investing>

Certification Rating Guidelines

	Gold	Silver	Bronze	Standard Not Met
RI Capability	Major resource (proportionate to size of organisation) including internal RI specialists; ability to produce detailed, granular RI reports and to make qualitative judgements.	RI Resource is significant and includes internal RI specialists and proprietary RI systems	RI resource is sufficient for effective delivery	RI resource is limited with a lack of senior level commitment.
RI Strategy	Sophisticated RI strategy which considers both the impacts of products and services of investee companies and their operational impacts; a clear engagement strategy; and a theory of change.	Rounded strategy which considers RI impact in terms of the operational practices of investee companies and of their products and services.	Clearly articulated RI strategy.	No clear strategy beyond ESG integration.
RI Reporting	Excellent standard of RI reporting with a high level of evidence. Typically this would include impact and engagement outcomes.	Good standard of RI reporting which may include detailed carbon reporting, annual RI Review, Engagement Report and Impact Report.	Some systematic RI reporting.	No systematic RI reporting.
Doing Good - Investment in SDG Solutions	Systematic reporting of positive impacts, with >66% of the portfolio invested in social and environmental solutions.	> 50% of the portfolio is invested in social and environmental solutions.	Clear evidence of above average positive impact (operational practices or core products & services) when compared with the benchmark index.	No clear evidence of positive impact (operational practices or core products & services) when compared with the benchmark index

Avoiding Harm - Controversy Avoidance	No exposure to companies which make a high negative contribution to SDGs. Limited exposure to different types of controversy with indirect, debatable or low negative contributions to SDGs.	Exposure to multiple types of controversy with an indirect, debatable or low negative contribution to SDGs; or isolated exposure to companies that make a high negative contribution to SDGs. Stocks meet any stated exclusion criteria.	Exposure to stocks that make a high negative contribution to SDGs, but meet stated exclusion criteria.	Stocks do not meet stated exclusion criteria and have significant exposure to stocks that make a high negative contribution to SDGs.
Leading Change – Engagement, Advocacy & Voting	Clear targets and systematic reporting of success on engagements with significant E & S component; Rationale for voting published; companies informed of reasons for voting against or abstaining; Leadership in educative, promotional or collaborative RI initiatives	Systematic engagement with an Intention to influence for benefit of wider stakeholders; Some evidence of E & S in voting policy; Extensive participation in educative, promotional or collaborative RI initiatives	Systematic engagement with evidence of wider stakeholder benefits; Full disclosure of voting; Participation in educative, promotional or collaborative RI initiatives.	Engagement lacking evidence of wider stakeholder benefits or systematic reporting; Voting not undertaken for ALL shares, or incomplete reporting on voting; No promotion of RI or participation in collaborative initiatives.



Important Information

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