BRAINVEST
WEALTH MANAGEMENT

RESPONSIBLE INVESTMENT

BROCHURE

2023

OUR FIRM

BRAINVEST IS A GLOBAL INVESTMENT COMPANY, HEADQUARTERED IN SWITZERLAND AND WITH BRANCHES IN BRAZIL AND THE UNITED STATES. WE HAVE BEEN HELPING FAMILIES AND ENTREPRENEURS PRESERVE AND INCREASE THEIR WEALTH SINCE 2003. BY CONSTANTLY ENGAGING WITH OUR DIVERSE AND INNOVATIVE GLOBAL NETWORK, WE OFFER OUR CLIENTS THE POSSIBILITY TO INVEST IN A BROAD RANGE OF ASSET CLASSES, SUCH AS PUBLIC EQUITIES, REAL ESTATE, PRIVATE DEBT, VENTURE CAPITAL, AND SPECIAL SITUATIONS WORLDWIDE, THUS BUILDING CUSTOMIZED, RESILIENT, AND IMPACTFUL INVESTMENT PORTFOLIOS WITH SUSTAINABLE REAL RETURNS.

IN ADDITION TO FINANCIAL ADVISORY, WE ALSO PROVIDE OTHER SERVICES SUCH AS TAX, ESTATE, AND SUCCESSION PLANNING. THROUGH THIS HOLISTIC GOVERNANCE STRUCTURE PROVIDED TO THE FAMILIES WE ADVICE, WE HELP THEM UNDERSTANDING THE PURPOSE AND FINDING THE BEST DESTINATION TO THE WEALTH THEY HAVE ACCUMULATED.

FOR MORE INFORMATION, PLEASE VISIT OUR WEBSITE AT HTTPS://BRAINVEST.COM/EN

OUR JOURNEY AND BELIEFS

Our sustainability journey began several years ago, even before than the ESG term has become mainstream and has been present in the everyday media.

Since our inception, our investment philosophy was developed centered on the belief that having high levels of governance over our investments would help us anticipating and mitigating potential risks while unlocking new opportunities. From early on, we focused on fostering a deep relationship with our Fund Managers and being a relevant investor, thus we have devoted our time and efforts to help them grow and improve their business model. For many of our investments in alternative strategies, we negotiate investment committee seats and board member representations to properly monitor them and ensure our clients' best interests are considered.

Although our core approach remains intact and permeates all of our decisions, we constantly work to improve it, thus in 2020 we commissioned an external consultant to help us integrating environmental, social, and governance ("ESG") aspects into our investment processes and developing a responsible business model. The firm conducted several surveys and interviews with Brainvest's professionals, assessed our legal, institutional, and marketing documents, and provided suggestions to bring ESG aspects to the core of our business.

Over the following years, we developed a dedicated ESG questionnaire and a proprietary scoring methodology based on Principles of Responsible Investments' recommendations. PRI is one of the most recognized voluntary initiatives across the world through which Asset Owners, Investment Managers, and Service Providers commit to 6 principles to enhance the integration of ESG aspects within their investment processes, and the acceptance, diffusion, and proper disclosure of such practices within the industry. It was launched in 2006 and has grown steadily since then, reaching more than 5,000 signatories representing $121T in assets under management. We also offered proper training to our team and, by December 2022, 7 of our investment professionals have already acquired their ESG certification, provided either by the CFA[1], EFFAS[2], or IMD[3] programs.

We believe that by doing so we are better equipped to assess the risk-return profile of our current and future investments and identify new market trends and attractive opportunities, while transitioning to a sustainable economy. In addition, we understand that disregarding ESG factors may adversely affect our investments' performance, taint the company's reputation and, ultimately, violate our fiduciary responsibilities.

1. Chartered Financial Analyst
2. European Federation of Financial Analysts Societies
3. IMD Business School

PURPOSE AND SCOPE

Our Responsible Investment Brochure describes our approach when integrating ESG factors into our due diligence and decision-making processes and is applicable to our investments in third-party fund managers across all asset classes.

This Brochure was formalized in 2023 and reviewed and approved by our Investment Teams and Board of Directors.

We constantly work to enhance and expand our knowledge, expertise, and resource capabilities, hence we expect this Brochure to be updated over time.

OUR APPROACH

Since our inception, Brainvest has focused on providing to our clients customized and resilient portfolios with sustainable real returns. Having said that, we believe that considering ESG factors into our investment processes is an essential step to deliver long-lasting results, as it enables us to better identify and mitigate additional sources of risks and spot new investment opportunities.

Over time, we have developed a comprehensive due diligence approach that integrates ESG factors through qualitative and quantitative perspectives and includes internal and external scoring methodologies. Our qualitative assessment helps us to understand the existence of ESG policies and procedures at the institutional- and the investment-level through a set of questions that are based on four pillars: Policy, Governance, Investment Process, and Monitoring & Reporting. The answers are translated into a score from 1 to 5 which is included in a final checklist and weighted alongside other relevant metrics. This exercise of assigning an ESG score to our Fund Managers and including it in our checklist is how we, ultimately, tie the ESG aspects identified during the due diligence to our decision-making process.

Last but not least, for traditional asset classes in the global asset allocation context, we adopt Sustainalytics ESG Rating alongside our proprietary fund scoring methodology.

The approach described above was developed to be structured but also flexible enough to capture each asset class' peculiarities and complexities. Many variables must be considered when vetting an opportunity, thus we focused on developing a process that incorporates different realities and is able to be improved over time.

Finally, we would like to devote some space to briefly explain the different ESG strategies and our opinion about the adoption of exclusion lists into our investment universe. According to the Global Sustainable Investment Alliance, sustainable investment is an investment approach that considers environmental, social, and governance factors in portfolio selection and management.

The term may be used interchangeably with responsible investment and socially responsible investment, among others, whilst recognizing there are distinctions and regional variances in its meaning and use. The definition of different sustainable investment strategies emerged in 2012 and have become the global standard of classification since then. There are seven core approaches and their definitions are:

1. Negative/exclusionary screening: the exclusion from a fund or portfolio of certain sectors, companies, countries, or other issuers based on activities considered not investable. Exclusion criteria (based on norms and values) can refer, for example, to product categories (e.g., weapons, tobacco), company practices (e.g., animal testing, violation of human rights, corruption) or controversies.

2. Norms-based screening: screening of investments against minimum standards of business or issuer practice based on international norms such as those issued by the UN, ILO, OECD, and NGOs.

3. Best-in-class/positive screening: investment in sectors, companies, or projects selected for positive ESG performance relative to industry peers, and that achieve a rating above a defined threshold.

4. ESG integration: the systematic and explicit inclusion by investment managers of environmental, social, and governance factors into financial analysis.

5. Corporate engagement and shareholder action: employing shareholder power to influence corporate behavior, including through direct corporate engagement (i.e., communicating with senior management and/or board of companies), filing or cofiling shareholder proposals, and proxy voting that is guided by comprehensive ESG guidelines.

6. Sustainability themed/thematic investing: investing in themes or assets specifically contributing to sustainable solutions – environmental and social – (e.g., sustainable agriculture, green buildings, lower carbon tilted portfolio, gender equity, diversity).

7. Impact investing: investing to achieve positive, social and environmental impacts – requires

measuring and reporting against these impacts, demonstrating the intentionality of investor and underlying asset/investee, and demonstrating the investor contribution.

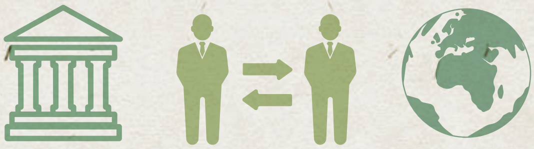
Negative screening has been one of the most adopted ESG strategies worldwide and many Fund Managers and investors have adopted it to align their portfolios with their values and/or international norms. The main argument is that the transition into a sustainable economy might only be successful by eliminating one of the financing sources of these controversial sectors. Nonetheless, we constantly question ourselves what the best way to drive change is: labeling all companies within specific sectors the same and missing the opportunity to identify those who are working to develop new business lines and adapt their business model or be an active investor who is aware of the companies' negative impacts but works alongside them to improve their practices? We understand that both alternatives come with trade-offs, but we believe that the best way to create value and contribute to the transition into a sustainable economy is by working alongside companies.

On top of that, we are mindful of the implications that exclusion lists might have on portfolio construction and management, both in terms of tracking error and active share. These measures represent the degree to which a portfolio deviates from its benchmark, thus imposing a broad set of exclusions, particularly sector exclusions, will likely produce high active share and tracking error. In this scenario, Fund Managers might not be able to appropriately assess and compare their performance to a broad market benchmark – besides the fact that a comparable one might not be available yet. In addition, pursuing a negative screening strategy also has implications related to the portfolio's exposure to certain factors, such as value vs growth and small vs big caps, which turn it more vulnerable to specific prices' oscilations.

We believe that is part of our financial duty to consider and cautiously monitor these implications, correlations, and unintended factor exposures when including ESG strategies into our investment processes and portfolio construction. Having said all that, we have chosen to prioritize the ESG Integration and Engagement strategies over Negative Screening when developing our responsible investment approach.

MONITORING

The assessment described herein will be performed annually and is intended to monitor and measure the progress of our Fund Managers in addressing ESG aspects within their practices at the institutional- and investment-level.



OVERSIGHT AND IMPLEMENTATION

The Head of ESG and the ESG Investment Committee are responsible for reviewing this Brochure on a regular basis, amending it as needed, and overseeing its compliance.

All Investment Teams are responsible for implementing the directives established by this Brochure, monitoring the issues raised during the due diligence process throughout the entire term of the investment, and engaging with selected Fund Managers to assist them in improving their responsible practices.