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A GUIDE TO ESG INVESTMENT IN WEALTH MANAGEMENT

FROM

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BETTER INTELLIGENCE THROUGH ANALYSIS

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1. Introduction

Prior to the COVID-19 pandemic and the 2020 market crash, ESG investing was followed by many clients who wished to direct the way that their portfolios were invested, driven by a desire to positively influence Environmental, Social and Governance (ESG) progress. Investment firms considered some of the ESG factors as part of their basic company analysis, with some firms going further, focusing in depth on ESG factors and developing a range of ESG investment approaches.

The EU regulator was preparing to implement a taxonomy for sustainable investment and improve clarity around the sustainable qualities of investment offerings through the proposed Taxonomy Regulation[1] and implementation of the Disclosure Regulation[2]. Meanwhile, in the US, ESG was taking centre stage as "one of the most important topics in the markets right now,"[3] with everyone from Congress and the Trump administration to SEC and asset managers actively involved in the discussion.

Considerable research was carried out over the years on the links between a company's sustainable management policies and its share price performance. Due to the sustained bull market that was evident during the early days of mass ESG data, however, there had been no real test of the expected resilience of companies with high ESG scores, in a downturn.

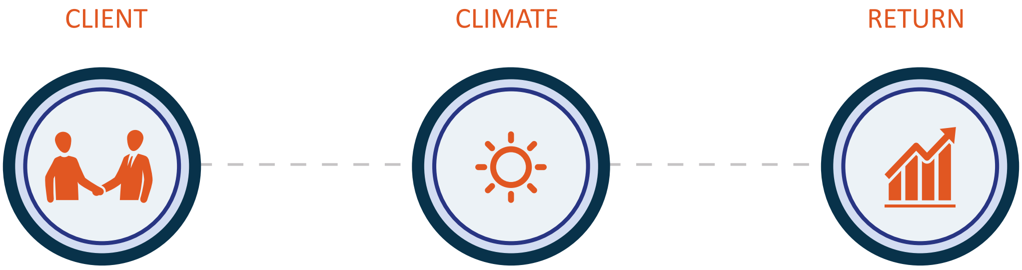
Now it has been shown that many companies with strong ESG scores have outperformed those with poor scores in the market fall, both on a general basis and within their sectors[4]. This is a generalisation and there are of course exceptions, but it has demonstrated the benefit of understanding the strengths and weaknesses of a company's factor scores. Note that these scores give best investment insight when considered at a detailed level, not just as a combined score for the company.

The European Commission proposes that the taxonomy of its Action Plan on Financing Sustainable Growth[5] be in place by the end of 2021, requiring transparency in how investment firms integrate ESG factors and risks into their investment process and how they consider the ESG preferences of their investors. On the other side of the Atlantic, there is still much debate around ESG labelling and prioritisation, whilst US investors are dedicating record-breaking sums to sustainable investment funds.[6]

Whatever direction these developments take, one thing remains clear: ESG investing is more than just a nice to have. ESG is a core part of understanding the qualities and risks of a company when investing, and it will soon also have the benefit of regulation as a driver for growth. KPMG, in its "New EU sustainable paradigm"[7] paper, states: "Those with highly developed sustainable investment processes and an offering that resonates with the preferences of responsible asset owners will likely gain competitive advantage over their peers."

This guide considers how to take a practical approach to ESG management across many client portfolios. It provides a background to the key elements involved in ESG management, drawing from academic and industry sources, and suggests what to evaluate when delivering what a client wants and needs from their portfolio.

ESG is about more than just the climate; it is about meeting client preferences and generating returns through better information on company investments.



1 EU taxonomy for sustainable activities
2 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector
3 Triple Pundit, Materiality of ESG Issues Takes Center Stage at U.S. Congress
4 Funds Europe, ESG rating "linked to outperformance" amidst coronavirus pandemic
5 European Commission action plan on financing sustainable growth
6 Financial Times, Record sums deployed into sustainable investment funds
7 KPMG, The new EU sustainable finance paradigm

2. ESG Taxonomy

What you call ESG-based investing is suddenly going to become very important.

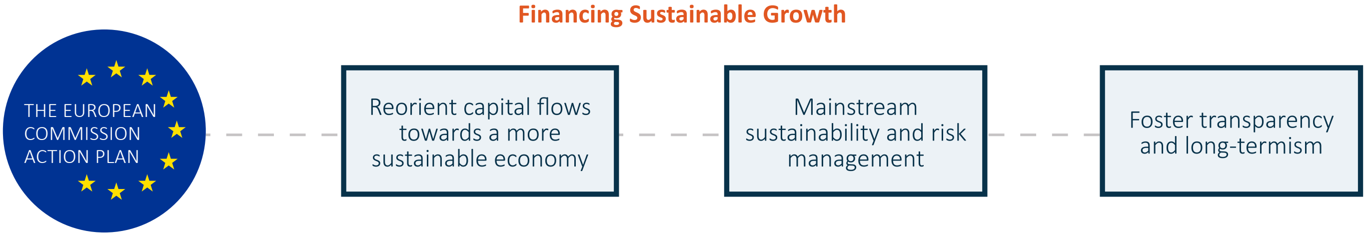
ESG is simply a set of metrics used to quantify how well a firm performs its operations in the context of Environmental, Social and Governance factors. ESG data gathering has mirrored the growing interest among investors in climate change in addition to the social and governance qualities of firms. With ready access to data, investment and marketing departments have created a swathe of products to meet the demand, leading to assertions of greenwashing in some instances.

As there are different vendors collecting data, each vendor may treat the data differently, and aggregate different criteria to achieve a score. ESG is one element of socially conscious investing which also includes SRI (Socially Responsible Investment), Product Exclusion, and Impact Investing.

A high ESG score, therefore, does not necessarily mean that a company is environmentally-friendly or 'green', it could just be very well run, with good workforce practices.

This lack of clarity in terminology is changing, with a regulatory force behind consistency and transparency. In the US, SEC is asking for better ESG labelling[8]. The EU launched its Action Plan on financing sustainable growth[9] (the Action Plan) launched in March 2018 with three broad aims as shown below:

Financing Sustainable Growth



Two core parts of this plan are the proposed Taxonomy and Disclosure Regulations. The former sets out a framework for measuring the sustainability of a company, starting with its environmental credentials and labour practices. In essence, a company must:

i. substantially contribute to one or more of the environmental objectives outlined in the proposed Taxonomy Regulation;

ii. do no significant harm to any of the other listed environmental objectives;

iii. comply with the minimum social safety safeguards - the eight fundamental Conventions of the International Labour Organization[10] - in all its activities; and

iv. comply with the technical screening criteria which define what it means to substantially contribute and do no significant harm to an environmental objective.

In this way, the EU is setting a clear regulatory framework for the classification and measurement of a company's activities and how these will be quantified. This is expected to lead to a unified classification system and hence consistent reporting by all companies. As a result, this regulatory drive towards a taxonomy by the EU could have a global impact.

The use of terms such as "sustainable" will be driven by regulation. This will give clients greater clarity and understanding regarding their investments, while reducing the potential for greenwashing. In the meantime, it will require careful naming of products and initiatives. With the proposed Taxonomy Regulation already published, firms should be aware of it and plan with it in mind.

8 Financial Times, SEC commissioner calls for better ESG labelling
9 Action Plan: Financing Sustainable Growth
10 The ILO Governing Body has identified eight "fundamental" Conventions, covering subjects that are considered to be fundamental principles and rights at work: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

3. Client preferences

How can a client express their preferences without overdirecting the portfolio composition?

Each client will have their own ESG preferences. It is suggested that through an ESG Management Policy, a firm defines what preferences it can offer a client, in addition to how these are captured and delivered through its investment process.

The key questions around client preferences in terms of ESG are how much choice to give the client and how to embed preferences in the investment approach.

When looking at client preferences in this section, we are not drawing a distinction between private clients and trusts or charities. The latter would potentially be expected to provide a greater level of detail in definition of preferences and expand the range of factors considered, but the concepts remain the same across all client segments.

The collection of client preferences needs to be within the context of a firm's ESG Management Policy. It should tie in with the investment offering and portfolio management capabilities.

Approaches that a firm may take include:

- Choosing to invest from a pre-screened list of companies and/or funds and then offering the client the ability to place further restrictions on their individual portfolio
- Having a standard set of models and tilting these according to client preferences
- Offering a pre-determined "ESG portfolio", with the firm's ESG preferences applied
- Only applying client preferences to screening and portfolio construction.

When collecting preferences from a client, the firm should make clear how these will be implemented in practice and their potential impact on the client's portfolio, especially if the given preferences are too constraining. The phrasing of questions is important, so as not to lead the client to a particular outcome or conclusion.

It is critical that the difference between preferences and hard blocks is set out and explained, together with the treatment of conflicts with client preferences and the fact that the portfolio will inevitably contain assets that score badly for something. In these instances, the question is: "What is material?" Does a 1% position in a mutual fund in which the client has 5% of their portfolio invested constitute a material conflict?

A dynamic questionnaire approach with layered questions will ensure that the client does not feel required to express a preference or to be highly specific. The BITA Wealth questionnaire, for example, takes the client through a short journey allowing them to finish at the point where they have expressed the preferences they desire.

There then needs to be a clear explanation of how the client's preferences will be applied to funds and collective instruments. The questionnaire is a way of setting out mutual understanding of the aims of responsible investing and collecting it as structured data.

4. Asset data

Taking ownership and responsibility for the data and understanding that it is fundamental.

ESG data has developed rapidly and is being continually refined. It is important to understand that, while a firm may score well on some factors, it may score badly on others- the detail is key.

There are now many ESG data providers and they fall into two groups: originators and aggregators. Understanding the source of data and its strengths and limitations is vital. The differentiators are instrument coverage, the breadth of factors measured, the methodology of the aggregation of factors to summary level and the depth of upstream/downstream factor exposure measurement.

How data will be used within the investment process, the required depth and breadth of the factors measured, and the instrument coverage are fundamental when choosing a vendor. Where a firm has a significant exposure to collective instruments, a second or different service could be appropriate, but it may be better to use look-through on the main portfolio analysis system. Likewise, for bonds. Impact investing will potentially require a different service. Depending on the firm's asset classes and approach to ESG investing, one or more data sets/vendors will probably be required.

Typical data sets for **direct investments:**

- Proscribed products exposure
- ESG Pillar scores
- ESG Factor scores
- ESG sector relative score
- Trend values for scores - is the firm improving or not
- CO_2/Carbon Emission quantities and scores
- Impact Factor scores

Considerations for **collective investments:**

- Policy statement
- Look through analysis / third party analysis
- Consider significance of:
  - Granularity of ESG data
  - Holding size in collectives
  - Limitation of ability to apply client preferences

Further attention should be given to the level of granularity in scoring and how the firm will apply it in practice. While a score on a scale from 0-100 may seem impressive, it is not very useful if it is only used to rank the firm in 3 bands: good, bad or indifferent. In addition, the distribution of actual scores needs to be understood. For example, if they all fall between 40 and 60 on that scale, is 40 really bad, or just the bottom end of indifferent? When a data supplier aggregates factors together to create the Environmental Pillar Score how is this achieved? Is it a simple average, median or the worst score?

Consider the data review policy for the vendor, including how often and how the data is refreshed. Is there an established history of it and if so, has the qualitative methodology remained constant?

Be aware that there is often a low correlation between different data vendors' scores, partly due to differences in the categorisation of factors and different measurement approaches. Hence, when it comes to choosing a vendor, firms need to consider all these aspects, as well as their coverage.

This data forms part of the investment decision, and part of meeting the firm's obligations to its client, so it is important to understand the detail rather than relying on the overall scores.

The wealth manager or advisor will have to substantiate the data and explain any conflicts with their preferences to clients (a difficult task if the firm doesn't have access to the detail).

5. Investment and portfolio management

ESG factors need to be an integral part of the investment process.

ESG factors should be incorporated as part of the client portfolio management process to aid investment selection and to invest in line with the client preferences and the firm's ESG Management Policy. There are several investment approaches that can integrate this data.

Our view is that ESG should be integral to the portfolio modelling and management process, not screened after the fact. As such, possible portfolio construction approaches are Screening, Best-in-Class and Tilting.

As ethical investment will have a different meaning for different people, and charities or institutions may have to answer to a range of requirements, these standard approaches might not fit each client's requirements. How variations to a standard approach are to be handled should be documented in the ESG Management Policy.

5.1 Screening

This is the filtering of an investment universe (however defined/preselected) by a series of firm- and client-defined criteria. As these are generally cumulative deductive filters comprising positive and negative screening, the order of application is not generally important; however, there are some special cases.

Example of **ESG Investment filtering**

Step 1

Remove companies that exceed the revenue percentage for products prohibited by client preferences

Step 2

Remove the companies that score as "bad" for the ESG factors that the client wishes to avoid

Step 3

Remove the companies that score as "bad" or "neutral" for the ESG factors that the client is positive about

Step 4 *Debatable*

Remove any remaining companies that are missing scorers for any of the factors for which the client has expressed a preference

Step 5

Apply the normal portfolio contruction routine

The remaining list of companies may be very short if the client has complex preferences.

5.2 Best-in-Class

This process aims to apply client preferences while keeping a broad investable universe across sectors. It seeks to find the least "bad" company in a sector according to client preferences. In other words, treating these preferences as soft filters rather than hard filters. This is particularly appropriate for sectors that would otherwise be generally excluded due to their practices, such as mining.

For investors who want to actively engage and motivate improvement, Best-in-Class offers a way of rewarding the companies that have improved more than others in a specific sector. This approach also incentivises them to remain at the top of ESG ratings in that sector through attracting investment.

5.3 Tilting

Tilting is taking a given portfolio – for example, a fund or a model – and applying over/under weight tilts to holdings based upon their ESG factor ratings and client preferences. What would be a negative screening in other instances, would be underweighted in the outcome portfolio and vice versa. This can be performed through simple weightings, or using an optimiser to, for example, re-weight the portfolio holdings by applying preferences and minimising tracking errors to the baseline portfolio.

Tilting has the advantage of remaining closer to the baseline portfolio. Depending on the computational approach, it can be argued that it conflates positive and negative scores associated with the same company and loses some of the relevance to the client's preferences as a result. As such, it may be best suited to creating ESG versions of baseline portfolios that are subject to corporate ESG preference definition (i.e. on a consistent basis).

As baseline portfolio weights change and ESG factor scores are updated, the over/underweight positions will need to be continually refined and this may be best achieved through a quantitative optimisation routine.

5.4 Conflicts

Where a company scores poorly for something the client prefers to avoid, but well on something the client is positive about:

a) the nature of the conflict needs to be identified; and

b) a policy on resolving such conflicts must be established. There is a danger in setting such policies at client level as they become hard to manage and maintain.

It may be argued that a firm with conflicting factor scores may work to improve their lower scores; but they may have no intention of doing so. A typical example would be a firm with poor environmental scores or labour scores but good governance- It is very important that such conflicts are not hidden by using average scores for a company.

5.5 Detail

A common theme in this guide is understanding the detail. If the firm is aware that a company with outwardly green credentials has poorer performance in its treatment of workers, it can check that against client preferences and be ready to explain it. The advisor needs to know not only how good a portfolio is, but where the issues lie.

Whether the issues are material is the next question. For some charities, even a 1% holding in a mutual fund in which they have a 5% position, is material. This needs to be defined in the firm's ESG policy.

5.6 Composite assets – mutual funds, ETFs

There are four approaches to handling composites:

1. Accepting the policy statement
2. Accepting the product's score(s) at whatever level of detail provided
3. Running the firm's own screening using the same process as for direct investments on the composite look-through data
4. Including look-through holdings in the overall portfolio.

Options 1 to 3 basically decide whether the fund is suitable for the client. The greater the level of detail in terms of client preferences, the more detail will be needed on the fund's overall scores.

Option 4 gives the detailed portfolio exposure at the greatest level of detail. Even here, there may be an argument to limiting the number of holdings in a fund based on materiality.

EU regulation will lead to far greater consistency in the labelling of products (at least in Europe), as it sets common standards.

5.7 Performance, risk and other key metrics

Modelling a portfolio, looking at the impact of ESG factors on holdings and seeking to improve the factor profile of the portfolio in line with client preferences, cannot be done in isolation from the core portfolio management metrics: risk, return, yield, macros factor and style exposures. ESG factors should be managed together with these other factors, and the impact of changes understood. BITA Risk's products bring all of these together in the Portfolio Modelling Page for easy analysis, understanding and explanation.

6. ESG Management Policy (EMP)

Define what you are doing as a firm and the options available to your client. Ambiguity is a recipe for complaints.

A firm should have a clear ESG Management Policy setting out how ESG can be applied to client portfolio management, what preferences are available as options to a client, how ESG data will be gathered and how exceptions to the process will be managed.

Setting a firm's policy for how ESG is applied to client portfolios is crucial for two main reasons:

1. it provides the client with a clear guide as to how their portfolio will be managed from an ESG perspective; and
2. it sets an operational framework for the firm so that it can consistently deliver the ESG approach that the client expects.

This is key to setting the boundaries of client preferences within a framework which, while technically possible, could otherwise have an infinite series of options. In Europe, there is a third reason: the ESAs (European Supervisory Authorities) have published a consultation on meeting the Disclosure Regulation[11], covering firm and product disclosures.

In the institutional and ultra-high net worth segments, completely bespoke ESG policies may be feasible if the data framework has been set up along with the tools to manage and monitor ESG exposure. The portfolio manager can then make individual decisions regarding conflicts in ESG factors and nuances in portfolio construction.

Even for firms with thousands of portfolios and detailed mass customisation, ESG policies set by clients are possible, but only within a defined policy framework and through the application of structure, technology and logic to make decisions.

This ESG Management Policy will obviously depend on the investment approach of a firm. Its aim is to set a framework for the management of client preferences.

	Policy Components
1	Stating the source(s) of the firm's ESG data and the basis of collection by the data vendor - the due diligence policy and process of the firm with respect to the adverse impact of investment decisions on sustainability factors
2	What firm is going to ask the client and how it is going to catagorise their choices: a. Is ESG optional or fundamentally embedded in the company's investment process? b. Does the company have an established ESG buy list and what factors are considered when making that determination? c. Does it offer postfolios based on client preferences? d. Does it offer a hybrid pre-screen with a client preference overlay? e. How is ESG integrated within the client portfolio investment process? f. How are composite and collective assets screened? g. How are assets with missing factor data treated? h. How are exposures aggregated up from the lowest level of detail?
3	Stating the client's options: a. How does the standard product compare with standard ESG and with bespoke ESG? b. What level of granularity of product exposure and ESG factor exposure in terms of preference definition is available to the client? c. How are preferences outside of the framework supported? d. What is the approach to portfolio construction; can the client choose? e. How are conflicted scores within an asset managed? f. Is there a tolerance range in terms of the percentage of portfolio that is permitted to be outside of the client's preferences? g. Is a preference hard or soft and what is the level of materiality? h. How can an empty portfolio be avoided when preferences are ovly constraining?
4	How ESG will be monitored in the portfolio and what actions will be taken.

A clearly defined policy, supported by the right data and technology, will make it possible to integrate ESG into client portfolio management. Without a framework and constraints, the firm may fail to meet client expectations and be overwhelmed by complex requirements.

11 ESAs consultation paper setting out the proposed Regulatory Technical Standards (RTS) on content, methodologies and presentation of disclosures under the Sustainable Finance Disclosure Regulation (SFDR).

7. Regulatory drivers

What is happening in Europe might change the world.

ESG has been a key topic for regulators and the investment industry in the US. The US Department of Labor's proposed rule[12] that would require private pension administrators to prove that they are not sacrificing financial returns for ESG factors has raised alarm across the industry[13].

The European Commission's Action Plan on climate change,[14] meanwhile, seeks to drive investment towards sustainable activities with the proposed Taxonomy Regulation and through the proposed implementation of the Disclosure Regulation[15]. Together, they will bring consistency of assessment against Environmental, Social and Governance criteria and disclosure in the way that this data is then used by investment firms and reported to their clients.

The Action Plan sets out a strategy to encourage the integration of Environment, Social and Governance factors into investment decision-making to facilitate the mobilisation of private capital to finance sustainable activities. It outlines the importance of developing a classification system or taxonomy which encourages a common understanding of the characteristics of a sustainable activity.

The proposed Taxonomy Regulation, issued by the European Commission in May 2018, introduces a regulation on the establishment of a framework to facilitate environmentally sustainable investment, noting that there might be a delay in developing other sustainable activities. The proposed tax on re-regulation is the backbone of a suite of legislative proposals to implement the Action Plan.

The European Securities and Markets Authority (ESMA) announced on 6th February 2020 its strategy on sustainable finance[16], placing sustainability at the core of its activities with the following priorities:

- Completion of the Disclosure Regulation framework to ensure transparency
- Participation in the Taxonomy Regulation to develop and maintain the EU taxonomy to facilitate and monitor capital flows to sustainable finance
- Reducing the risks of greenwashing, mis-selling, and improving transparency through strengthening supervisory convergence across the EU on ESG factors
- Assessing further the risks from climate change on the financial sector.

On 23rd April 2020, the European Supervisory Authorities (ESAs) published a consultation paper[17] looking at regulatory technical standards on ESG disclosures, covering financial market participants, advisers and products.

Despite COVID-19 and Brexit, the regulation continues to move forward, and firms should be up to speed on its implications, considering now how they should be planning for its impact.

12 U.S. Department of Labor proposes new investment duties rule
13 Financial Times, US asset managers set to fight proposals on ESG investments
14 EU climate action and the European Green Deal
15 Joint ESA consultation on ESG disclosures
16 ESMA sets out its strategy on sustainable finance
17 Joint ESA consultation on ESG disclosures

8. Monitoring

Don't fit it and forget it.

Company ESG factors change through time, as do client preferences. Portfolios should be monitored continuously both on a pre- and post-trade basis for compliance with client preferences. Exceptions should be recorded and managed in accordance with the EMP.

As described above, the definition of preferences within a framework is the backbone of efficient ESG management within a portfolio. To support this, a monitoring regime should be implemented, ideally on a daily automated basis with exception reporting.

The ESG exposures of a portfolio will change through time, as the company's factor exposures are updated. Thus, pre-trade evaluation is a given, as assets are selected for investment. The person constructing the portfolio should see their impact and exposures, and whether these are in conflict.

Conflicts between companies' factor scores and client preferences should be monitored and highlighted for action on an ongoing basis. If no action is taken, the reasons for that should be recorded as well, so that they can then feed through into a client's annual report.

Maintaining a history of portfolio factor exposures is useful as part of the monitoring and audit process. It also gives the client interesting information as to how their portfolio exposures have evolved over time. This is especially useful if the portfolio is tax constrained, meaning that changes must take place through time. In this instance, the factor exposure history demonstrates the path to achieving the client's ESG preferences.

Holdings change, characteristics change, so just as with any other portfolio metric, an ongoing monitoring process is key.

9. Reporting

A game changer in client communication – ensure you are on the same page.

Naturally, given that this is ESG, the reporting should not be on paper. Digital reporting gives the opportunity to provide the client with interactive reports and engage them in the firm's strategy and their portfolio.

If they are based on the previously mentioned consultation papers on the EU's regulation on ESG disclosures, in Europe at least, these reports can be done at a reasonably detailed level. While the US is still waiting for overarching ESG regulation, early adoption of ESG reporting brings many advantages.

Rather than a regulatory exercise, this should be seen as a way of engaging with the client, demonstrating the firm's investment process and how it is taking client requirements into the centre of their investment process.

There is significant scope here for client reports to move from staid valuations to dynamic presentations.

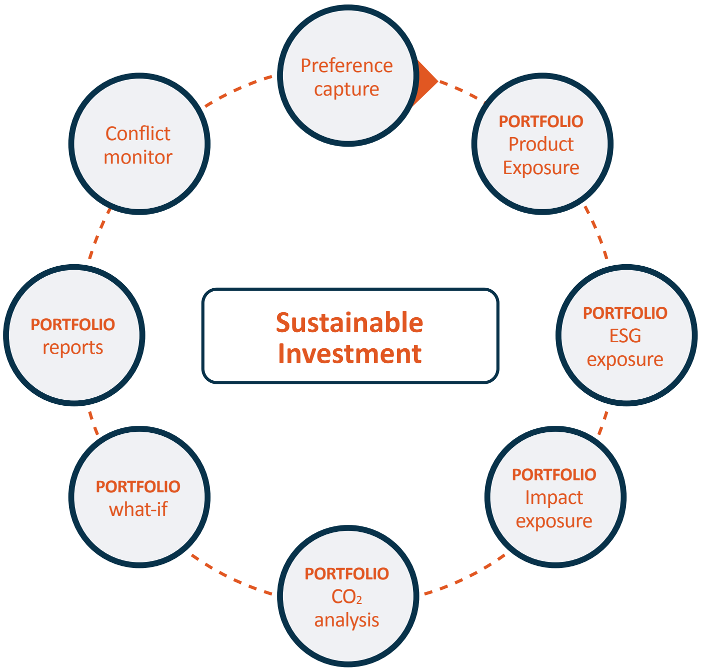
10. Solution: BITA ESG Manager

ESG and sustainable investment data are complex and, too often, oversimplified to averages that hide the true nature of a holding or a portfolio. BITA Risk has built its reputation on taking complex risk and portfolio data and making it highly usable and accessible in its efficient portfolio management applications.

We have now applied this approach to ESG management, automating many manual processes and integrating core data as part of the client profiling and investment processes. (For simplicity, in describing the solution we refer to ESG, SRI, Impact, and product restriction investment strategies under the umbrella term of "ESG".)

Part of BITA Wealth, the BITA ESG Manager meets the challenges of combining complex ESG data, client preferences, and portfolio management. When reviewing a client's portfolio, it combines their preferences and the firm's ESG policies with the preferred ESG vendor's data. This enables portfolio screening, analysis, modelling, and reporting linked to client preferences with the option of full risk analytics.

BITA ESG Manager can be used for the portfolio of prospects and current clients, adding value to the sales process and client portfolio reviews. The BITA Wealth model management function also accesses this analysis, allowing models to be screened, managed and reported on for ESG factor exposures.



Overview

BITA ESG Manager gives you freedom within your defined ESG framework. Through its thorough screening, you see not only the overall portfolio characteristics, but how they are achieved and any ESG issues hiding within the overall score. This gives a transparent ESG process that you can discuss with confidence with your client.

BITA Wealth brings practical ESG management to your desktop in four easy steps:

1. Capture the client preferences

Whether the client preference is simply a "greener" portfolio or specific ESG factors and impact statements, these are all captured within one flexible framework addressing business and regulatory requirements.

2. Screen the portfolio

Review exposure to the different factors, assess conflicts between client preferences and exposures and compare it to benchmark exposures. This step provides an overview of the portfolio as well as the detail needed to understand where the exposures come from.

3. Manage the portfolio exposures

What-if analysis updates the portfolio exposures and conflicts with client preferences as you change holding weights or add positions. See where holdings are conflicted and what the impact of changing them is on risk, yield asset allocation, and other key portfolio metrics.

4. Report

Share the insights with your client, engage and discuss with them how the ESG preferences impacted the portfolio and what changes have been made to improve positive exposures and limit negative exposures.

Advantages of the BITA ESG Manager:

BITA Risk has profiled clients since 2003. Its flexible fact-finding engine now allows you to offer client-driven ESG preferences efficiently across a range of investors- from individuals to charities, trusts, and institutions. Each client segment can be directed to the appropriate level of detail in the preferences capture.

Through the intuitive, award-winning BITA Wealth Portfolio Modelling Page, each change in the holding weight, or addition of a holding, is instantly reflected in the portfolio's overall ESG score and attribution to the factors. These are checked against the client preferences, along with changes in risk, yield, asset allocation and other key portfolio characteristics.

The report provides an overlaid view of the portfolio ESG factor exposures, along with a list of proposed transactions and summary metrics. Visualisations show where the changes have impacted ESG exposure and how individual holding characteristics influence the overall portfolio and potentially conflict with the client preferences. The ESG Analysis report brings all the key data together in one place.

Better client engagement

Sustainable investing is a key topic, especially with intergenerational wealth transfers. BITA ESG Manager will enable you to demonstrate your commitment to sustainable investing, illustrate the ESG impacts within a portfolio, and help the client make informed choices.

Meeting ready

BITA ESG Manager reports are ready at the push of a button, so managers are always prepared for a client meeting or call. These give a level of detail that meets the needs of individuals, charities, trusts, and family offices.

Control

Whether controlling exposures and conflicts at the asset or portfolio level or across the whole client base you have the option to monitor and manage by exception, ensuring that breaches are identified and rectified.

Efficiency

Having client preferences captured in a framework with structured data portfolios that are automatically screened means there is no need to cut and paste data between systems, create reports manually or undertake reviews. It is all done for you so that time can be focused on investments and the client.

Data

We offer different data options, allowing you to choose which provider fits your business best.

Transparency

From the top of the portfolio, any poor performance against any ESG factor can be seen, however small in weight. The same applies to look-through on funds, models and ETFs. So, while the portfolio may be greener than the benchmark, you can spot the hidden issues.

Modelling

Compare the current, what-if and model portfolios on one screen and, as holdings are changed with what-if, see how ESG exposures, conflicts, risk, yield, asset allocation and return change. Together with detailed ESG exposure data at the company level, it gives you a full set of analysis pre-trade.

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about corfinancial

corfinancial provides software solutions and advisory services to banking and financial services organisations worldwide. The firm has offices in London, New York and Boston.

There are five key problem areas corfinancial looks to solve through its primary software and service offerings:

BITA Risk provides end-to-end private client suitability, portfolio management, risk, ESG and monitoring oversight solutions; brought together in BITA Wealth to mirror and systemise the investment process of wealth managers and private banks and available individually for CIO and investment teams.

SureVu empowers buy- and sell-side firms to efficiently monitor and track security trades throughout the settlement lifecycle, enabling users to proactively manage and oversee settlement exposure.

Salerio is a post-trade processing solution that enables asset managers, hedge fund managers and securities/fund services firms to automate the flow of securities and treasury trades from matching through settlement.

Costars is an investment administration platform for third party administrators, fund supermarkets and wealth management companies.

Paragon is a comprehensive front-to-back office fixed income portfolio accounting, processing and reporting solution for banks.

other solutions from

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salerio.

Automates the flow of securities and treasury trades from matching through to settlement.

paragon.

Fixed-income accounting hub delivers front to back office portfolio accounting and processing solutions.

SureVu.

Tracks security trades throughout the settlement lifecycle to manage and oversee settlement exposure

costars.

Retail fund/transfer agency solution providing end-to-end administration for collective investments.