As we were making the final edits and formatting to our annual ESG report the world changed dramatically. We are now in an environment that we would have found it hard to imagine just a few weeks ago. A huge percentage of the world’s population is learning to live with a new reality of working at home, not travelling and not seeing friends and family. With fund raising events cancelled and donations drying up, the damaging impact on charities globally is still yet to be felt, but no doubt many will struggle to survive. As Aurum began to celebrate 25 years in business at the end of last year a new scheme called Aurum25 was launched. This scheme is aimed at providing funding to small and often overlooked charities where it will have a significant impact. We had no idea just how much this funding would be needed, but we are pleased to be prepared to help a little. While we accept that what we can do is limited, we are reviewing options to increase our impact to best support some of the charities that we work with. In the meantime, in addition to Aurum25, and in an effort to alleviate some of the immediate consequences of the COVID-19 pandemic, Aurum has made a number of donations to charities focused on the very young, the elderly, the homeless, foodbanks and mental health charities.

There are of course many other impacts yet to be seen. There seems no doubt that the future will be changed permanently, but it may not be all bad; there are likely to be some long-term benefits. There will probably be a heightened global understanding of the devastation that human impact on the environment can cause and a global respect for the value of health and working together to prevent disease.

As businesses learn to operate remotely, the impact on the environment has been significantly reduced. While business travel is likely to pick up again, it is not likely to reach pre COVID-19 levels as the use of new technologies and different styles of conducting business become habit. It is very likely that many businesses will modify their working practices, with remote working becoming mainstream as they experience the benefits, not only on their employees work/life balance, but also on productivity and cost reduction. This will provide long term benefits to the environment from reduced travel. It could also be to the benefit of society in general as work/life balance improves for employees and cities become less congested and perhaps less expensive to live in as employees will have a choice of where to live if they are not restricted by commuting distances.

So, while we all grapple with this new way of life and adapt to changing ‘norms’ my colleagues and I will continue to examine how we can adapt our ESG strategy to best support the changing and future world.

Dudley Cottingham
President, Aurum Fund Management Ltd.
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*Image source: One to One Children’s Fund*
An introduction from our President

25 years is a long time in the investment business. 25 years is a long time in any business!

Looking back to August 1994, the month and year that Aurum began investing clients’ capital, we can’t help but smile thinking about all the things that we take for granted today that had not yet been invented.

Back then, our fax machine was a vital piece of equipment that connected our Bermuda and London offices, the umbilical linking London to Aurum’s Head office. iPhones, Netflix and Amazon were not even twinkles in their inventors’ eyes in 1994; and neither was ESG.

Whilst Aurum celebrates its 25th anniversary, ESG is only celebrating its 15th. The ESG acronym was first used in 2005 in a hallmark study entitled ‘Who Cares, Wins’. Today ESG is more developed than at any time previously and the groundswell is building fast.

Like our old fax machine, buzzing in the corner, ESG was the muzak that played in the background of our nascent business. As the 2005 study infers, ESG is about caring. Caring encapsulates a multitude of elements and has many facets which should always radiate outwards - starting from what happens around the board room table. For Aurum, this was about the character of business that we wanted to build and our ambition was to go beyond our core objective of delivering investment performance.

Our ambition was to meaningfully fund environmental and social programmes. We knew that we needed Aurum to be a solid platform to enable us to accomplish our ambitions. Delivering performance was central to our activities and profits could only flow from performance success. We also needed systems and outstanding service to be able to generate the results we sought.

In 2002 we launched our first embedded impact fund. 100% of the investor adviser fees were donated to a range of environmental and social programmes. The fund has become a significant funder of environmental focused programmes, with total grants exceeding $9 million. In 2019 we launched the second embedded impact fund. All donations from management fees have been donated to social programmes that focus on disability, health, refugees and education.

In the same way that Aurum undertakes investment and operational due diligence on the hedge funds that we invest in, so too do we add rigour and research to our grant-making process. By selecting and funding only the highest impact projects and programmes, we ensure that the money that we donate will have the greatest possible effectiveness.

2020 marks an important milestone in Aurum’s history where we have re-framed our purpose as a business to be a business with embedded impact. What this means is, in addition to our embedded impact funds, our business will donate a percentage of our bottom line profits to these same types of programmes.
We feel this creates the sort of alignment and impact that we sought more than 25 years ago. We are pleased to report that our approach is being valued by a large number of our clients who see Aurum as a firm that provides investments that generate a financial return and where these same investors value the social and environmental returns we deliver as well.

This ESG report will provide you with some granularity around the work that we are doing and the themes that we are passionate about. We are happy to share the detail of all our projects with you. If you find these projects appealing, you may like to fund these directly or via Synchronicity Earth and The Seneca Trust – two of the principal charities that Aurum uses to affect the change that we would like to see in the world.

Dudley Cottingham
President, Aurum Fund Management Ltd.

AURUM’S ESG ECOSYSTEM
Environmental

KEY STATS

Embedded Impact:

$9.5m
Donated to ESG causes

100+
organisations benefited

Environmental Regeneration:

31,364
native tree seedlings planted

80% survival rate in reforestation plots

100%
of Hornbill nest boxes occupied

Employment & additional income for 18 families.

Strategic Conservation:

$700,000
in donations since 2012 to the IUCN to assist in covering its core costs

Driving Change:

30 indigenous representatives hosted by Flourishing Diversity in London for a week of events in September 2019 attended by over 1,000 people

31,364 native tree seedlings planted

80% survival rate in reforestation plots

100% of Hornbill nest boxes occupied

Employment & additional income for 18 families.

$700,000 in donations since 2012 to the IUCN to assist in covering its core costs

30 indigenous representatives hosted by Flourishing Diversity in London for a week of events in September 2019 attended by over 1,000 people
Embedded Impact | Environmental

**SUMMARY**

Aurum’s embedded impact solutions aim to deliver returns that go beyond financial returns. They provide investors with an opportunity to both make investment returns and make a difference.

**OVERVIEW**

Donations form the advisory fee generated by Aurum’s first embedded impact investment solution, which launched in 2002, is donated to charitable causes including Synchronicity Earth, a registered charity that supports the conservation of biodiversity, ecosystems and species at risk around the world. Adam Sweidan, the CIO of Aurum Funds Limited (“AFL”) and Aurum Research Limited (“ARL”), is founder and trustee of Synchronicity Earth.

**OUTCOME**

Aurum has donated to Synchronicity Earth’s operating expenses, which creates stability for the charity and ensures that other donations can be directed to activity that will have an impact. In 2019 Aurum contributed just under 30% of the total income received by Synchronicity Earth.

**IMPACT**

Aurum, through its first embedded impact investment solution has donated approximately $9.5 million, which has enabled the charities it supports to help over 100 organisations in 58 countries.

**Sustainable Development Goals**

- [ ] 11 Sustainable Cities and Communities
- [ ] 13 Climate Action
- [ ] 14 Life below Water
- [ ] 15 Life on Land
Environmental Regeneration

SUMMARY
Aurum focuses on regeneration rather than carbon offsetting.
Project Regeneration avoids the shortcomings of some of the traditional carbon offsetting schemes such as:
- Carbon credits that are purchased for schemes of low-quality impact
- A lack of assessment of schemes that leaves room for error or fraud
- The failure to protect diverse species and eco-systems; and the assumption that trees planted are left in the ground until their death

Project Regeneration is more than a box ticking scheme, the project offers users the option to select from a portfolio of pre-vetted non-governmental organisations that engage in environmental conservation and are subject to ongoing monitoring and evaluation. Project Regeneration provides a scalable solution and can be adopted by anyone looking to engage in environmental philanthropy.

OVERVIEW
In 2015 the Synchronicity Earth Regeneration Portfolio was created in collaboration with Aurum.

Synchronicity Earth is an initiative to create strategic funding partnerships between corporates and environmental non-government organisations ("NGOs") in order to regenerate natural habitats. The portfolio provides a scalable solution that can be adopted by anyone looking to engage in environmental philanthropy.

The first strategic funding partnership that Aurum supported, and continues to support, was Hutan, a Borneo based NGO that was established in 1998 to restore highly degraded and fragmented forest patches in Malaysian Borneo.

OUTCOME
Aurum:
- Covered the costs of two full time staff and vital equipment for Hutan.
- Contributed to Hutan’s reforestation efforts at three sites.
- Contributed towards establishing a seedling nursery to purchase seedlings directly from the local community in Sukau Village. The planting and maintenance of the seedlings has provided employment and additional income for 18 families in the village.
- Piloted an initiative to place nest boxes for threatened species of hornbills within the reforestation plots.

IMPACT
Aurum’s donations covered the costs of essential equipment and planting of 31,364 native tree seedlings, with two to three years of ongoing maintenance until the seedlings can be left to fend for themselves.

Hutan has achieved an 80% survival rate in all of its reforestation plots.

The funding also paid for installation and monitoring of three hornbill nest boxes. Some key species of tree germinate more successfully once they have passed through the digestive system of hornbills and this new strategy will reintroduce the natural seed distribution process for these species into the new areas of forest. 100% of the hornbill nest boxes provided by Aurum are occupied by nesting hornbills.

Hutan offers local women the opportunity to join the reforestation team for paid ‘internships’. Some of these women may become part of the team on a permanent / long-term basis upon completion of their internship.

Local communities, particularly women, are empowered to actively manage their natural environment and resources.

Sustainable Development Goals

Aurum’s Impact Report
Driving Change | Mobilising the Hedge Fund Industry

SUMMARY
The hedge fund industry deals with complexity and risk every day. Fundamental to the industry’s success are analysis of data and the need to understand the impact of trends and systemic change. By extending this approach to environmental impact, the industry is ideally placed to both understand the problems and be part of the solution.

OVERVIEW
Aurum has a goal to mobilise the hedge fund industry to have a net positive environmental impact.

To achieve this Aurum aims to promote articles written about the Regeneration Portfolio using social media and industry publications, and engage with participants in the hedge fund industry to support participation in the Regeneration Portfolio.

OUTCOME
Engaging the wider hedge fund industry.

In 2019:

• Representatives of the Aurum Group and Synchronicity Earth presented at the Synchronicity Earth 10th anniversary event.

• Representatives of the Aurum Group presented at the haymacintyre annual financial services sector reception.

• Meetings were held with individual hedge fund managers to promote Regeneration Portfolios.

• Aurum Fund Management Limited (“AFML”) won Hedge Funds Review’s award for Best ESG/SRI management company. Adam Sweidan, CIO of ARL, collected the award and took the opportunity to share some thoughts on how the industry can use its influence and skills to help address environmental regeneration.

IMPACT
In 2019, Aurum helped to facilitate:

• A Chicago-based hedge fund continue to fund a strategic funding partnership in Tanzania, which supports communities to plant native forestry and agroforestry.

• A London-based hedge fund manager continue to fund a Regeneration project in Ecuador, which supports a forest reserve in an area of rich biodiversity and is beginning reforestation to link the reserve to nearby protected areas.

• Two hedge funds, one US-based and one UK-based, continue to fund annual unrestricted funding to Synchronicity Earth.

• An investment consultant to commit to donate a percentage of its travel budget to conservation work that sequesters carbon.

• A second London-based hedge fund start to provide unrestricted funding to Synchronicity Earth.

• A London-based hedge fund fund important species conservation data work for amphibians and freshwater species.

Sustainable Development Goals

Aurum’s Impact Report
OVERVIEW

Rooted in anthropological research, FDS promotes the idea that encouraging diversity to flourish in all spaces is an important part of how every citizen can contribute to regenerating species diversity and healing ecosystems. The series also highlights the practices that are reducing biological and cultural diversity – which must be resisted and stopped to ensure a habitable earth. With the help of Aurum’s core support, FDS hosted 30 indigenous representatives for a week long Summit of events across London in September 2019.

OUTCOME

Three days of the Summit at University College of London were fully attended by over 1,000 people, and five Listening Sessions drew the attention of high-profile celebrities, cultural and business leaders as well as distinct press and social media attention.

Taken together, these events helped FDS to achieve its aim to:

- Raise awareness of the contribution of indigenous traditional knowledge and practices to environmental restoration, conservation, and well-being;
- Promote greater international recognition and legal protection for indigenous forms of caring for the land (Territories of Life) and securing their land rights; and
- Create alliances between indigenous groups, like-minded NGOs, funders, environmental activists, lawyers and other partners.

IMPACT

The declaration of a ‘United Nations’ of Indigenous Peoples; an Alliance for the Amazon; funding pledges for projects led by indigenous representatives (including a Shaman School in India, and a reforestation project in Brazil). These indicate that FDS has an important stewardship role to play, and is much more than a one-off series of events. As a result, FDS is setting up a small consortium to curate more Listening Sessions, create a presence at important global forums, and strengthen the collaborations between funders, NGOs, businesses and cultural centres, and indigenous people, which were born out of the September events.

Meetings are being organised with a group of lawyers who facilitate pro bono work to see how they can help support the indigenous groups with land rights.

SUMMARY

The Flourishing Diversity Series (“FDS”) aims to cultivate hope amongst all people and engender resistance to damaging agricultural and industrial practices.

Sustainable Development Goals

- 11 Sustainable Cities and Communities
- 15 Life on Land
- 17 Partnerships for the Goals
SUMMARY
Aurum supports IUCN (International Union for Conservation of Nature). Created in 1948, IUCN has evolved into the world’s largest and most diverse environmental network. The IUCN harnesses the experience, resources and reach of its 1,300 Member organisations and the input of some 13,000 experts. IUCN is the global authority on the status of the natural world and the measures needed to safeguard it. IUCN provides public, private and non-governmental organisations with the knowledge and tools that enable human progress, economic development and nature conservation to take place together. IUCN has the ability to convene diverse stakeholders and provide the latest science, objective recommendations and on-the-ground expertise, driving its mission of informing and empowering conservation efforts worldwide. The IUCN also serves as an official agency monitoring progress towards biodiversity-related targets.

OVERVIEW
Donations which help to cover the core costs of the IUCN are crucial for delivery of a range of activities, from maintenance of the Red List of Threatened Species to championing nature’s role in achieving the Sustainable Development Goals.

Core funding allows the organisation to remain strategic and deliver its mission to ‘Influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable.’

Adam Sweidan, CIO of ARL and AFL, is a Patron of Nature for the IUCN.

OUTCOME
Aurum has provided over $700,000 in donations to assist in covering the core costs of the IUCN since 2012.

IMPACT
The impact of the IUCN is vast and therefore difficult to quantify. As the world’s leading association of conservation agencies, the IUCN is in a unique position to reflect and promote the priorities of the global conservation community, on behalf of its members. The IUCN is the only environmental organisation with Observer status at the United Nations General Assembly, delivering the membership’s policy perspectives at the highest international level of diplomacy. Many major international conventions have their roots in the IUCN, like the Ramsar Convention on Wetlands, the UNESCO World Heritage Convention, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the Convention on Biological Diversity (CBD).

In 2019, IUCN Red List assessments continued to grow, and their objective of reaching 160,000 species is expected to be reached by 2021. Specific, community-centred species conservation action plans were developed, targeting endangered and vulnerable species, their habitats and the communities living in them.

Country and regional level action plans were supported and implemented to increase resilience and adaptation to climate change, sustainable livelihoods and food security.

Sustainable Development Goals
SUMMARY
Bermuda Zoological Society (BZS) is the major support charity for Bermuda Aquarium, Museum & Zoo. BZS funds community outreach projects and public events, award-winning exhibits, world-class animal care, plus top-ranked education, conservation and research programmes; all accredited by the Association of Zoos & Aquariums (AZA).

OVERVIEW
BZS is committed to encouraging future generations to become stewards of the natural world. Environmental education is provided for thousands of children annually through the BZS Schools Programme, along with marine and terrestrial field trips, holiday camps and WILD encounters led by knowledgeable BZS educators. The BZS research and outreach vessel, Endurance, is a floating classroom for conservation education. The year-long Junior Volunteer programme allows teenagers to get hands-on weekend work experience at the Bermuda Aquarium, Museum and Zoo; many have gone on to pursue careers in science, research and related fields.

BZS supports ground-breaking research, shares important data worldwide, and participates in international projects critical to preserving fragile endemic species and endangered habitats.

OUTCOME
Aurum’s contribution to the Bermuda Zoological Society Schools Programme enabled Bermuda students to continue to benefit from their conservation classes and provided opportunities to learn, grow and excel at the Bermuda Aquarium, Museum & Zoo and in their ‘living classroom’ Trunk Island.

IMPACT
Aurum contributed to 8,665 educational experiences for the Schools Programme provided by the BZS in 2018/19:

Sustainable Development Goals

Aurum’s Impact Report
KEY STATS

**Embedded Impact:**

- 38 children removed from institutional care and allowed to flourish

**Vulnerable Children:**

- 4 day care centres for children with disabilities in Kosovo - helping 3,000 children every year
- 60% of children in project area who were underweight at birth now at a healthy weight
- 100% of pregnant women & new mothers in project area receiving antenatal and postnatal care from trained Mentor Mothers
- Of 871 births in project area, only one child has been born with HIV in an area where 24% of pregnant women are living with HIV

**Aurum 25:**

- £100,000 available for donation to various charities proposed by the Aurum team
- 5 Mentor Mothers trained to deliver vital healthcare to 300 vulnerable families
- Vaccination rates doubled, with 70% of children in project area receiving their immunisations
OVERVIEW

Donations from the management fee from Aurum’s second embedded impact fund supports The Seneca Trust, a charity focused on disability, health, displacement and education. This is achieved through providing grants and direct assistance to charities and organisations. Kevin Gundle, CEO of AFL and ARL, is trustee and Chairman of The Seneca Trust.

OUTCOME

One of the charities that Seneca supports is Hope and Homes for Children, a charity with a vision of a world in which children no longer suffer institutional care, working towards a day when every child can grow up in a loving family. While orphanages and other institutions may have been set up with good intentions, there is now strong evidence globally that they produce much worse outcomes than care within families or alternative family-type arrangements.

The Seneca Trust is contributing 100% of the costs to support the closure of Bistrita Institution in Romania, which currently houses 38 children and young adults with a variety of disabilities. This closure is vital for demonstrating that all children in Romania can grow up with the love, safety and nurturing care of families. Encouraging systemic change and the transition to a system of safe, supportive family and community-based care, the project will reintegrate children from the institution into families, prevent children from entering institutional care, support young adults to leave care, train professionals and advocate for reform.

IMPACT

This will:

• Allow 38 children and young adults with disabilities to flourish, to feel protected and to never experience institutional care again.
• Help stem the flow of children with disabilities into other institutions, through prevention work.
• Build the capacity of the child protection workforce and strengthen the system of alternative, family and community-based care to support the closure of all remaining institutions.
• Demonstrate that deinstitutionalisation for children is achievable, cost-effective and provides positive outcomes for children in Romania.
• Be a catalyst for reform of Romania’s child protection system and the elimination of all institutions in the country by 2027.

Sustainable Development Goals

Image source: Hope and Homes for Children
Vulnerable Children | One to One Children’s Fund

**OVERVIEW**
Around the world, children are living with trauma and disease. The impact on their life chances can be devastating. One to One trains and empowers people who can best fill the critical gaps in care for those children – mothers, peers who have experienced the same challenges, and community health workers.

Results are rigorously monitored so the model can scale up and be integrated into government.

One to One's projects have transformed the lives of 122,000 children and been a catalyst for change for a further 1,260,000 people.

**OUTCOME**
Aurum has been supporting One to One with regular donations since 2004, this support has allowed One to One Children’s Fund to focus on core gaps in care for some of the world’s most vulnerable children, providing support to children and their families.

Aurum’s focused support over the last year has enabled One to One Children’s Fund to expand and develop the flagship Mentor Mother programme in Eastern Cape, South Africa, recruiting and training five new Mentor Mothers who provide door-to-door vital healthcare to 300 of the most vulnerable pregnant women, mothers and children under 5 years old.

**IMPACT**
Anti-retroviral treatment and support: implemented the first treatment programme for children. Established PATA, a network organisation of 400 HIV clinics and hospitals, sharing knowledge and disseminating best practice; PATA’s expert patient concept was selected as one of the Rockefeller Foundation’s top 100 innovations for the 21st century.

Mentor Mother: Aurum has supported this project to bring healthcare out of the clinic and into the community since launch in 2016. Last year, Aurum’s significant contribution allowed One to One Children’s Fund to recruit and train an additional five Mentor Mothers, increasing this project’s capacity by over 15%. Mentor Mothers are women from the community they serve who become a trusted presence in mothers’ homes to deliver a comprehensive package of healthcare support, including antenatal and postnatal care, baby weighing, nutritional advice, deworming and vitamin tablets, HIV support, referrals for immunisations, and even help on birth registration and child support grants.

- 100% of pregnant women and new mothers in the project area are now receiving quality antenatal and postnatal care from trained Mentor Mothers.
- 60% of children who were underweight at birth are now at a healthy weight.
- Vaccination rates have doubled with 70% of children receiving their immunisations
- Of 871 births, only one child has been born with HIV in an area where 24% of pregnant women are living with HIV.

**Young people and HIV**: working with health clinics and schools to empower HIV-positive young people to manage their treatment and combat stigma, and to empower peer supporters to address pressing issues affecting young people such as HIV, sexual health, puberty and gender-based violence.

**Post-conflict Kosovo**: counselling support to over 10,000 vulnerable children and families. Established four day care centres for children with disabilities that now operate independently, helping 3,000 children every year.

**Young refugee support**: established partnerships to expand psychosocial support for young refugees in Greece and in the UK, developing counselling and arts-based models for this important unmet need within refugee communities.

**Sustainable Development Goals**
**SUMMARY**

Kevin Gundle, CEO of AFL and ARL, personally supports The Streets Ahead Children’s Centre Association (“SACCA”) a local NGO registered in Rwanda which works to protect and rehabilitate children who have been living on the street, as well as preventing them from reaching the streets in the first place.

**OVERVIEW**

SACCA’s work has four elements:

- Provision of ongoing support to children within rehabilitation centres
- A reintegration programme
- An independent living programme
- Community based Prevention of Separation project

**OUTCOME**

ARL’s CEO has led a delegation of donors and potential donors to Rwanda to evaluate the work that they are supporting. In 2019 ARL’s CEO provided funds to buy a new vehicle for the programme.

**IMPACT**

SACCA does regular street visits around markets and meetings to find children on the street who need support. With the help of the vehicle, SACCA can now transport children from Kigali, take children to hospital in the middle of the night if necessary and visit reintegrated children in their homes wherever these homes might be.

Gradsutes of SACCA’s educational programmes have received a rich educational experience and have gone on to find full-time employment. Those who complete SACCA’s programme have a significantly enhanced life and livelihood as a consequence of SACCA’s intervention. This sets an example in the community, and has led to referrals from their friends, colleagues and relations seeking new life skills from SACCA.

Many of the smallholders with whom SACCA works, as part of the independent living programme, have gone on to rent larger fields and establish their own cooperatives with other local farmers. The knock-on benefits include being able to send their children to school and pay labourers a higher price for their work.

**Sustainable Development Goals**

4 Quality Education
8 Decent Work and Economic Growth
10 Reduced Poverty
OVERVIEW
In 2019 Aurum supported Windreach, a Bermudian based charity that offers a variety of therapeutic and educational experiences for people with varying physical and intellectual abilities.

OUTCOME
Aurum provided a donation to directly support WindReach’s therapeutic programmes and activities.

IMPACT
WindReach provides therapeutic recreation for individuals with mental health challenges, cognitive impairments, physical disabilities and older adults including individuals living with Alzheimer’s and Dementia. WindReach believe in inclusion and equal opportunity for all people, including those with special needs, empowering them to move from surviving to thriving. Aurum’s support has impacted the lives of many children and their families.

WindReach’s Therapeutic and Recreational Programmes serve over 200 individuals each week. However, in reality, this just scratches the surface of the number of lives that have changed. The direct benefits of WindReach’s Programmes are felt with the participant. The Participant who experiences an improvement with their speech and verbal communication due to improved core strength gained through therapeutic riding lessons. The Participant who grooms Eeyore the donkey and feeds the little goats breaks down sensory challenges so independence and navigating the environment around is manageable. The Participant reduces their anxiety and builds their self-confidence by engaging in adaptive sports; the experience translates into academic success in the classroom and confident social interactions on the playground. What we must recognize is that the outcomes that have changed the individual’s life have also forever changed that of the immediate family, the classroom, friends and colleagues, the employer, and, in turn, the community in which we all live.

SUMMARY
Improving the quality of life through supporting selected charities that aim to enrich the lives of those living with disability or special needs.
SUMMARY
Charitable giving has been a core part of Aurum’s DNA since the business was established in 1994. To mark Aurum’s 25th anniversary in 2019, Aurum launched a charitable initiative named Aurum25. This initiative is seeing £100,000 donated to 13 charitable organisations proposed by Aurum employees over the course of 2019 and 2020.

OVERVIEW
The aim of Aurum25 is to support a variety of charitable organisations that embody the same values as Aurum. Aurum employees have put forward organisations that they are passionate about and/or that have supported them or close family members in the past. These organisations vary in size and their activities fall within the environmental and social categories of ESG. Many of the proposed organisations have put forward proposals for specific projects they require funding for. The goal of Aurum25 is for donations to have a meaningful impact on each organisation’s activities. Updates and progress reports for each project will be provided to Aurum in due course.

OUTCOME
ARL’s Operational Due Diligence (“ODD”) team has performed an in-depth review of each organisation put forward. This has included background checks, financial statement reviews, an evaluation of the stability and growth of the organisations, and analysis of the proposals put forward. Following successful completion of the review, the ODD team discusses any issues that have arisen with a sub-committee of Aurum employees from across the firm and prepares a detailed grant proposal on each organisation which is submitted to the Aurum directors for final approval. To date, Aurum has donated £78,000 to nine charities under this initiative. The remaining £22,000 will be donated at the start of the second quarter of 2020. Organisations donated to so far include those with a focus on disability assistance, environmental protection and regeneration, cancer support and research into chronic illnesses.

IMPACT
Donated to:
- Child.org
- Canine Partners
- Call of the Wild
- Bliss
- Girl vs Cancer
- Durrell Wildlife Conservation Trust
- Corpal
- Crohn’s & Colitis UK
- Haven House Children’s Hospice

Sustainable Development Goals

Image source: Canine Partners
The Aurum Team

SUMMARY
Aurum encourages group employees to support charities that are important to them and to use their skills and efforts to make a difference.

OVERVIEW
Aurum runs a programme that supports group employee fundraising by up to £1,000 annually per employee.

In 2018 Aurum introduced an employee volunteering programme. Staff are allocated two days per year to volunteer at a range of London-based charities.

OUTCOME
In 2019 Aurum was awarded an HM Government Payroll Giving Gold Award. The Payroll Giving Quality Mark is an official government-backed accreditation which celebrates the organisation's decision to foster a culture of philanthropy and committed giving in the workplace by making Payroll Giving available to employees. The award is a symbol of excellence and is awarded to employers that have succeeded in generating sustainable income sources for UK charities through Payroll Giving.

Gold is awarded to employers that achieve 10% or more employee participation in Payroll Giving and either pay the administration charges, match donations or actively promote Payroll Giving.

IMPACT
21 charities received support from Aurum's employee fundraising programme in 2019. Since launching the Aurum volunteering programme employees have used 43 days supporting the following charities:

- Action Homeless Concern
- Age UK Charity Shop
- Art for All: Kids’ Club
- Barnardo’s Charity Shop
- Be Enriched: Castle Canteen (community canteen)
- Dress for Success (help to empower unemployed women)
- F&C Volunteers (older people’s lunch club)
- The Felix Project (fighting food poverty)
- Hammersmith & Fulham Food Bank
- Share Horticulture (horticultural projects for disabled people)
- Share Community (training workshops for disabled people)
- Salopian Gardens
- Tower Hamlets Cemetery Park
- Drive Forward Foundation (employability support for young care leavers)
- The Dig Garden (food growing project for Mencap service users)
- The Pimlico Foundation (supporting young people)
- Share Horticulture (horticultural projects for disabled people)
- Share Community (training workshops for disabled people)
- Tower Hamlets Cemetery Park
- Age UK Camden
- Men’s Cooking Club
- Memory Lounge (social club for people living with dementia)
- Arts for All: Kid’s Club

Image: Source: Marathon Photos
Governance

KEY STATS

UN PRI:

Rating:

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<th>Year</th>
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<td>2019</td>
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Business operations:

- **25 kwh** solar panel on the office building reduces amount of electricity bought from the grid.
- Rainwater is captured in a water tank which provides **100%** of the office water.
- **20%** of the stationery suppliers profits go to the Commercial Foundation to empower disadvantaged young people and to find employment.
- Balcony space has been converted into a garden to attract wildlife and to grow herbs and tomatoes.

UN PRI Investor Statement on Deforestation:

- **230 investors** with **USD $16.2 tn** in AUM have signed the UNPRI Investor Statement on Deforestation.
United Nations Principles for Responsible Investment (PRI)

**SUMMARY**
Aurum became a signatory to the United Nations Principles for Responsible Investment (“PRI”) in 2014. The PRI works to understand the investment implications of ESG factors and to support signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

**OVERVIEW**
An alignment of Aurum's interests with clients' interests is at the heart of any investment decision. Aurum believes that considering various aspects of ESG is an essential component to good investment decision-making. As an allocator to hedge funds, Aurum has insight at an industry level as well as a role in influencing hedge funds.

**OUTCOME**
For Aurum’s first submission in 2014 we were awarded a B rating. In 2015 we received an A rating, which we have maintained each year since.

**IMPACT**
Since 2018 Aurum has been represented in the PRI’s Hedge Fund Working Groups, which are tasked with developing hedge fund industry guides for the incorporation of ESG factors in the investment decision-making process according to different strategies.
Operational Due Diligence ("ODD")

SUMMARY
Aurum’s ODD process is designed to highlight issues that could exclude a fund based on ESG criteria.

OVERVIEW
ESG issues are incorporated into the investment decision-making process when Aurum considers prospective investments and when monitoring existing investments. The core focus of this assessment is on corporate governance. Aurum requires manager personnel and fund directors to have adequate skills and background knowledge. Amongst other things, internal processes, control measures, risk tools, incentive systems and policies on proxy voting and conflicts of interests are reviewed. Additionally, close relationships with managers facilitate constructive dialogue around the topic of ESG.

OUTCOME
An independent ODD team advises the board. ESG considerations are incorporated into both new investment and annual monitoring report templates.

IMPACT
Only funds with robust corporate governance structures are allocated to. Funds with inadequate frameworks are required to improve them before any potential investment.

Ongoing dialogue with managers regarding ESG issues.

In addition, in 2019 ARL’s IDD team assisted one of the underlying managers in sourcing ESG research and rankings suppliers.

In 2019 ARL’s ODD team worked with three hedge funds, where it sought to improve ESG factors, helping them understand how to make improvements. Recommendations included, amongst other things, the creation of an exclusion policy around weapons-related companies, guidance on holding an appropriate number of board meetings annually and improvement of board composition to apply best practice corporate governance structures. Two of these funds have already acted on our governance recommendations and the third is considering adopting our exclusion list.
OVERVIEW
Aurum believes that protecting the world's precious ecosystems is a vital and immediate challenge that needs to be addressed now. Environmental issues impact every corporate entity and every person that breathes, eats or drinks water. Incorporating these issues is now vital to running any business. At Aurum we want to not only protect, but also regenerate precious ecosystems.

OUTCOME
Aurum Fund Management Ltd. signed the UNPRI Investor Statement on Deforestation.

IMPACT
230 investors with USD $16.2 trillion in AUM have signed the UNPRI Investor Statement on Deforestation.
**OVERVIEW**

We continually review our operations, seeking ways to improve efficiency and decrease negative impact.

**OUTCOME**

**Bermuda office**

Energy saving:
- A 25 kwh solar panel system on the office building significantly reduces the amount of electricity bought from the grid.
- Rainwater runoff is captured in a large water tank built underneath the building, which provides all necessary water for the office.

**London office**

Stationery and supplies:
- The main stationery supplier’s offices are Commercial, their offices are part run on solar power and their use of electric and hydrogen fuelled delivery vans contributes to low carbon deliveries. Commercial use the Sedex Members Ethical Trade Audit (SMETA) to ensure their suppliers are working in an ethical manner. 20% of profits are directed to the Commercial Foundation to empower disadvantaged young people to develop skills and find employment in the UK.
- The manufacturer of printer paper used supports indigenous communities to preserve endangered rain forests in Peru. This locks in CO2 long-term to mitigate the emissions of the production and the distribution of the paper.
- Hand towels are 100% bamboo. All packaging is either biodegradable, recyclable or completely plastic-free.
- Toilet paper and kitchen roll are environmentally friendly.
- Filtered, rather than bottled, water is provided.
- Paper, plastic, cardboard, cans, glass, redundant IT equipment, coffee capsules and plastic bags are recycled.

Energy saving:
- Deliveries are kept to a minimum and with the same supplier to aid reducing our carbon footprint.
- The majority of lighting is LED and runs on proximity sensors, ensuring that only occupied areas are lit.
- All PC monitors are LED lit and desktop computers are shut down overnight.
- HVAC (heating ventilation and cooling) is centrally controlled with automatic switch off to ensure the units do not run out of hours.

Environment:
- Balcony space has been converted into a garden to attract wildlife. It is also used to grow herbs and tomatoes.
- Reusable bags made available to team members.

**IMPAKT**

In 2019 Aurum was represented on the AIMA ESG considerations at Alternative Investment Management Firm’s working group inputting into their Policy and Practice guide for ESG considerations.
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