



BRAINVEST
WEALTH MANAGEMENT

2022 ESG REPORT

CONTENTS

03

INTRODUCTION

07

OUR JOURNEY IN REVIEW

20

RESPONSIBLE INVESTMENT APPROACH

22

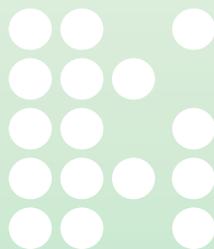
COLLABORATIONS

25

GOVERNANCE STRUCTURE

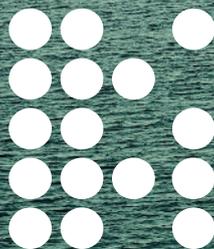
29

2023 OUTLOOK





INTRODUCTION

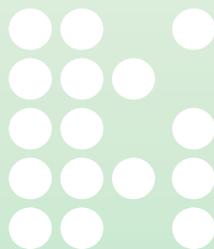


FOREWORD

Responsible investment practices have gained more attention over the past years and have been on the center of the agenda for almost all investors. This has been driven by concerns with the environment, as extreme weather events such as droughts, floods, heat waves, and hurricanes have become more frequent and their social implications more visible, with inequality and poverty levels on the rise. These events have impacted the lives of many, but mainly the most vulnerable ones.

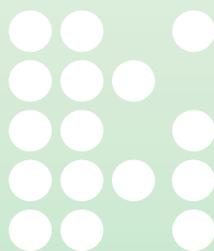
In the face of all these hardships, Brainvest understood that it was our duty – and it was in our clients' best interests – to be responsible investors and consider environmental, social, and governance (“ESG”) factors in our investment processes to, not only minimize risks, but also to foster positive impacts. Nonetheless, we also knew that we had to look at our internal operations to practice what we preached and be coherent; therefore, in 2022 we formally structured an ESG Area that is responsible for developing and implementing our Corporate Social Responsibility (“CSR”) strategy.

CSR is a term coined by Howard Bowen, an American economist, back in 1953 when he published a book stating that “CSR refers to the obligations of businessmen to pursue



those policies, to make those decisions, or to follow those lines of actions which are desirable in terms of objectives and values of our society.”. In other words, CSR is a strategy through which companies achieve a balance of economic, environmental, and social imperatives, while addressing their stakeholders’ expectations at the same time. In the pursuit of those objectives, organizations contribute to the achievement of the Sustainable Development Goals, a universal call to action launched by the United Nations in 2015 to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030.

The past few years have been only the beginning of this multi-year project, but we are fully committed to it. After all, we know that businesses cannot succeed in societies that fail.



2022 HIGHLIGHTS



SECOND ESG ASSESSMENT FOR OUR FUND MANAGERS



FORMALIZATION OF AN ESG AREA AND DEFINITION OF BRAINVEST'S MATERIALITY MATRIX



LAUNCH OF OUR FIRST ESG TRAINING AND FIRST ESG WEBINAR FOR ALL PROFESSIONALS



FORMALIZATION OF OUR RESPONSIBLE INVESTMENT BROCHURE



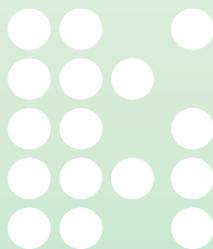
LAUNCH OF OUR QUARTERLY ESG BRAIN DROPS REPORT



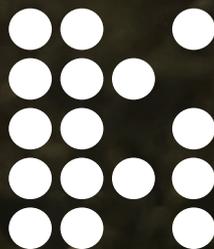
PRI SIGNATORY



8 PROFESSIONALS WITH ESG CREDENTIALS



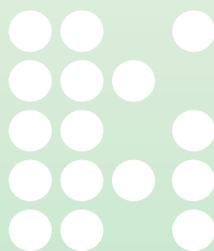
OUR JOURNEY IN REVIEW



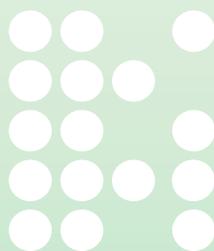
2023 celebrates Braininvest's 20th anniversary, a period marked by many challenges, learnings, and achievements. Over the past 2 decades, we focused on shaping up our culture, building our governance structures and investment processes, expanding our team, and opening new offices.



2003	Opens its first office in Geneva
2006	Becomes 100% independent
2007	Opens Sao Paulo office
2017	Opens Rio de Janeiro and Miami offices
2018	Opens Brainvest Trust in Zurich
2020	Creates a team focused on alternative investments in offshore markets
2021	Creates an Advisory Board and partners with Merchant Investment Management
2022	Launches an ESG Area
2023	Moves to a new office in Sao Paulo and expands its team



More recently, we enhanced our efforts to create a responsible business model and the first step we took was to commission an external ESG consultant to help us integrating ESG aspects into our investment activities and business operations. We also encouraged our investment professionals to acquire their ESG certifications, improved our due diligence processes, and formally established an ESG Council to lay out the foundations and oversee the development of our Corporate Social Responsibility strategy. All these initiatives culminated in becoming a PRI Signatory in September 2022.



2020

Hires an external ESG consultant; obtain its first investment professional with an ESG certification; neutralizes its 2019 GHG's¹ emissions

2021

Reaches 4 investment professionals with ESG certifications; performs the first ESG Assessment for its Fund Managers; neutralizes its 2020 GHG's emissions

Q1 2022

Creates an ESG Council

Q2 2022

Conducts a Materiality Assessment; creates its quarterly ESG Internal Report; offers its first ESG training for the entire firm

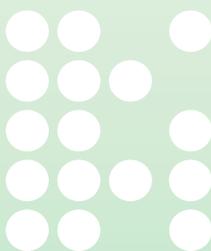
Q3 2022

Becomes a PRI Signatory; formalizes its Responsible Investment Approach; creates a proprietary tool to monitor its engagement efforts

Q4 2022

Performs its second ESG Assessment; reaches 8 professionals with ESG certifications; releases its first ESG Webinar; neutralizes its 2021 GHG's emissions

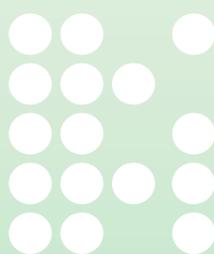
¹Greenhouse gas



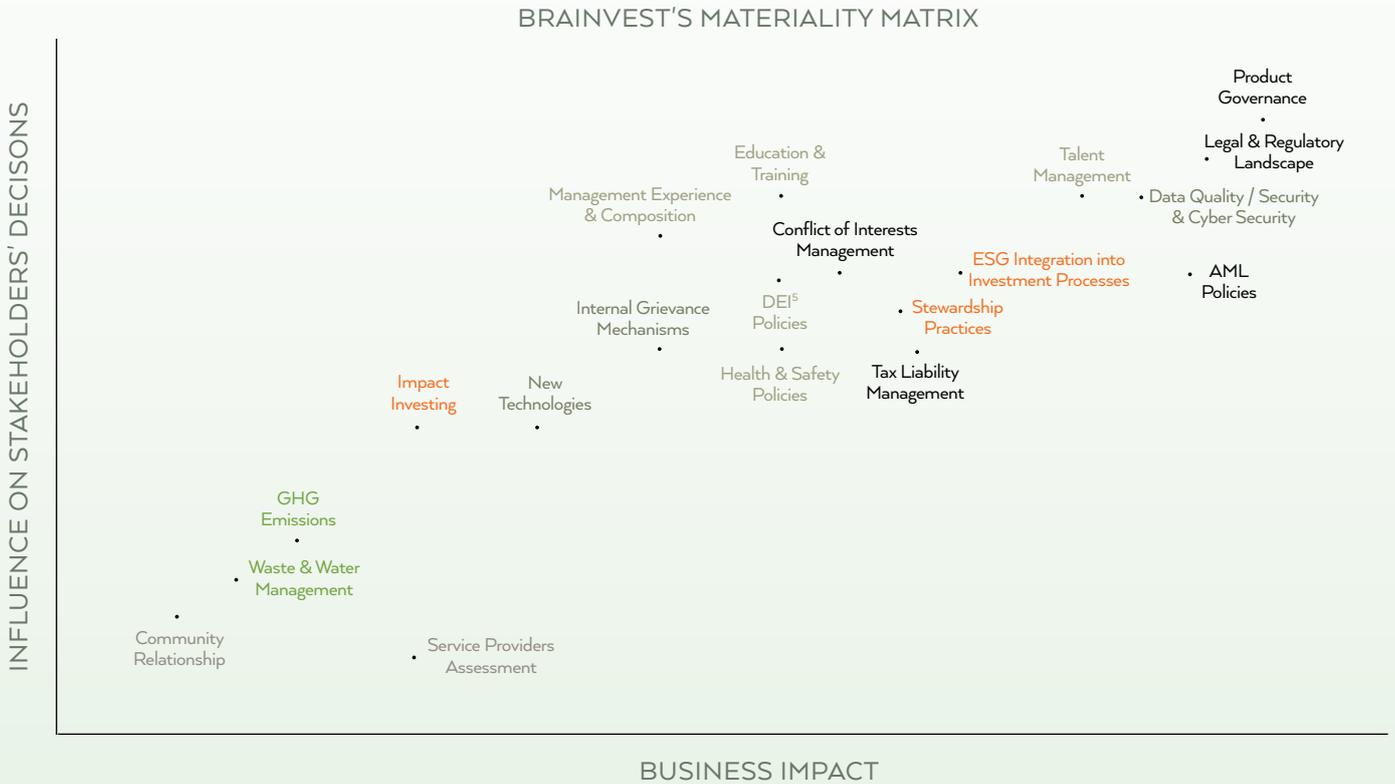
MATERIALITY ASSESSMENT

The first and the most important step when developing a Corporate Social Responsible strategy is the execution of a materiality assessment. By aggregating different stakeholders' perspectives, this process reveals what the material ESG aspects for each company are and helps to establish their priorities – i.e., which policies and processes they must have in place to tackle their most important aspects. An example of a material ESG aspect for us is the oversight of the legal and regulatory landscapes. It is extremely important to constantly monitor the regulations of all jurisdictions we operate in to make sure we comply with all of them and avoid potential fines. Having said that, many decisions we make, from our operating structures to our investments, consider and are influenced by the applicable laws. In this case, the potential negative impact on our business model (i.e., value destruction) and the high influence in our decisions mean that one of our priorities should be having policies and procedures that allow us to effectively monitor the regulatory landscape and operate accordingly.

Following the guidelines and recommendations provided by industry standards, such as SASB¹ and GRI², industry

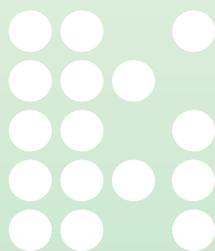


certifications (e.g., CFA³ ESG and EFFAS⁴ CESGA), and reviewing our peers' practices, we identified 20 material ESG issues, out of which 5 relate to social aspects, 5 to governance, 3 to investment processes, 3 to data/cyber security and innovation, 2 to environment, and 2 to external stakeholders (i.e., service providers and surrounding communities).



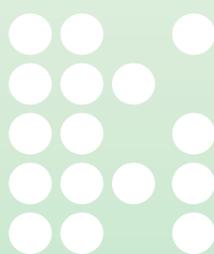
- LEGEND**
- Environmental Aspects
 - ESG Investment Strategies
 - Governance Aspects
 - Social Aspects
 - External Stakeholders
 - Data/Cyber Security Aspects

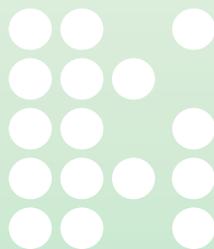
¹ Sustainability Accounting Standards Board
² Global Reporting Initiative
³ CFA Institute - Certificate in ESG Investment
⁴ European Federation of Financial Analysts Societies – Certified ESG Analyst
⁵ Diversity, Equity, and Inclusion



SUSTAINABLE DEVELOPMENT GOALS (“SDGs”)

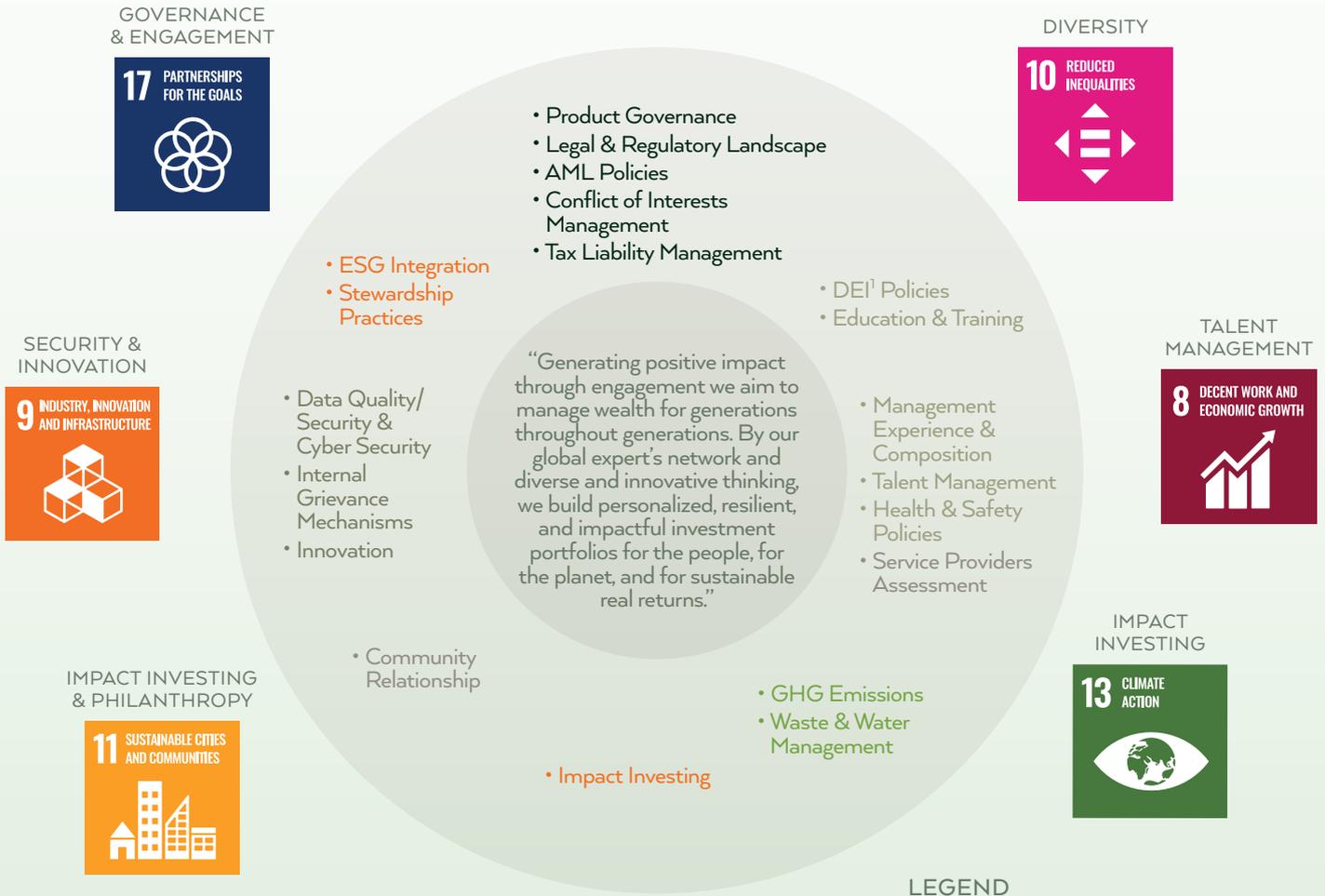
A Corporate Social Responsible strategy allows companies to contribute to the achievement of the SDGs – in fact, this is the ultimate purpose of incorporating a “responsible mindset” within their business strategy. The 2030 Agenda for Sustainable Development was launched at the United Nations Conference on Sustainable Development in Rio de Janeiro in 2012 and approved in 2015. It established a set of universal goals that meet the urgent environmental, political, and economic challenges faced by our world. At its heart are the 17 SDGs, which are a call for action by all countries – poor, rich and middle-income – to promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.





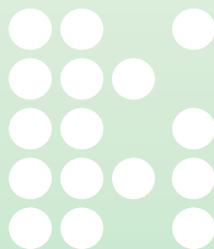
Although all 17 SDGs are equally important, companies are not able to make a meaningful contribution to all of them; thus, it is recommended that they choose only a few to focus on. According to our material ESG aspects, we have selected the following goals to actively work towards:

CORPORATE SOCIAL RESPONSIBILITY STRATEGY

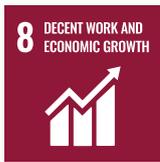


- LEGEND**
- Environmental Aspects
 - ESG Investment Strategies
 - Governance Aspects
 - Social Aspects
 - External Stakeholders
 - Data/Cyber Security Aspects

¹DEI: Diversity, Equity, Inclusion



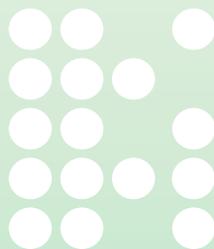
The way we expect to contribute to each of the goals is explained below:



Developing structured career development plans, which include attractive compensation packages and recurring evaluation procedures, and upskilling our professionals through continued education programs allow us to foster a healthy and attractive workplace and promote just and sustainable economic growth. In addition, bringing people with different perspectives, backgrounds, and expertise to our team enables us to better navigate in a highly complex environment, while reducing inequalities and creating shared value.



Monitoring the regulatory landscape of all jurisdictions we operate in, ensuring our operations follow the applicable guidelines, and applying rigid anti-money laundering policies reduce the likelihood of fines, while also preventing from suffering a reputational impact due to the association with illegal practices. On top of that, having robust structures to assess and oversee our investments and adopting an active and mindful attitude towards potential conflict of interests allow us to develop a responsible business model. These actions are, in turn, a call for the promotion of better governance schemes, which are considered the cornerstone of a holistic and effective CSR strategy.



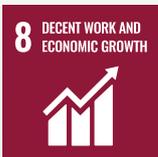


Integrating ESG factors and stewardship practices into our due diligence and decision-making processes allows

us to reduce the negative impacts caused by our investments, thus minimizing the risks associated with them. In addition, intentionally targeting thematic and/or impact investments helps us to identify new market trends, spot new opportunities, and accelerate a just transition into a sustainable economy.



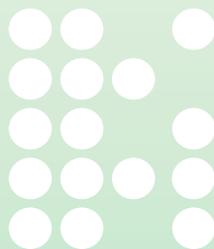
Acquiring systems and tools to protect us from cyber attacks, and adopting new technologies to increase our operations' efficiency and efficacy is how we foster the development of better market infrastructures and innovations.



Finally, by assessing our service providers' operations and requiring the implementation of responsible practices, we

contribute to the wider dissemination of decent work practices. In addition to that, through our philanthropic initiatives and engagement with surrounding communities we also foster a more equitable society.

DISCLAIMER: The policies, processes, and initiatives described above have been implemented over time, as this is a multi-year project that will, ultimately, be totally integrated into our corporate strategy.



ESG CAPABILITIES

From the outset of our sustainability journey, we focused on enhancing our internal capabilities and encouraged our professionals to acquire new skill sets that would help us to navigate in this rapidly changing, complex world.

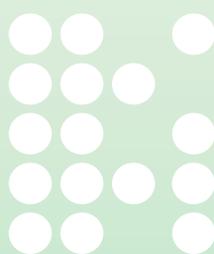
Brainvest achieved an important milestone by the end of 2022, when 8 of our professionals had already acquired their ESG certification, provided either the CFA¹, EFFAS², or IMD³ – almost 40% of our investment team and one member of our commercial team.

Over the past year, Brainvest also offered its first dedicated ESG training to all of its professionals. The course was structured by Nordea, an Asset Management firm that is widely recognized as a pioneer in ESG investing, and covered a broad range of topics, from ESG definitions to regulations, integration into investment processes, industry's growth drivers, trends, among others. Finally, we also released our first ESG Webinar; we invited Jaime Gornsztejn, Director of Stewardship and Corporate Governance at Federated Hermes EOS, to discuss Stewardship Practices and explain how these activities contribute to risk mitigation and value creation.

¹ CFA Institute - Certificate in ESG Investment

² European Federation of Financial Analysts Societies – Certified ESG Analyst

³ Institute for Management Development



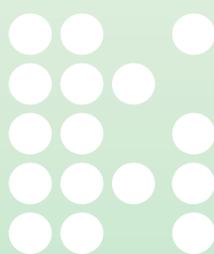
RESPONSIBLE INVESTMENT APPROACH



We believe that integrating ESG aspects into our investment processes is an essential step to better assess the risk–return profile of investment opportunities and identify new market trends, while transitioning to a sustainable economy. We also understand that disregarding ESG factors may adversely affect our investments’ performance, taint the company’s reputation, and ultimately, violate our fiduciary duties.

Although our core investment approach remains intact and permeates all of decisions, we constantly work to improve it. Over the past years, we developed a dedicated ESG questionnaire and a proprietary ESG scoring methodology, which allow us to consider ESG factors both through qualitative and quantitative perspectives and tie them to our decision–making process. This analysis enables us to identify which of our investments have the highest risks related to an environmental, a social, and/or a governance aspect, and also select a few Fund Managers we will work alongside to improve their responsible practices.

For more information about our ESG approach, please access our Responsible Investment Brochure.

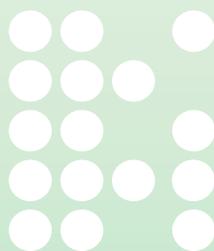


COLLABORATIONS

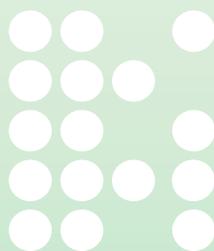


In 2022, Brainvest joined one of the most important ESG global collaborations worldwide by becoming a Principles of Responsible Investments' signatory. PRI is a voluntary initiative that promotes the integration of ESG factors into investment processes and its diffusion within financial markets. It was launched in 2006 and has grown steadily since then, reaching more than 5,000 signatories who collectively represent \$121T in assets under management. In signing the initiative, investors commit to 6 principles:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.



Joining this community was an important step for Brainvest, as it signals to the market our commitment to implement responsible investment practices, holds us accountable, and encourages us to keep improving our processes over time. It also allows us to have access to more and better information, learn best practices, and be up to date with the industry's newest developments.

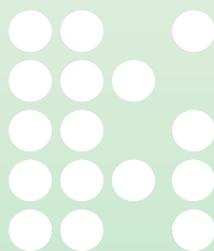


GOVERNANCE STRUCTURE

FOTO: VALENTINA RAZUMOVA / SHUTTERSTOCK



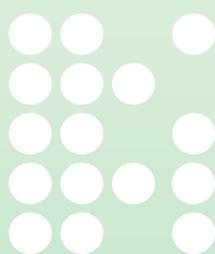
Robust and well-designed corporate governance schemes are the cornerstone of an effective responsible strategy. They enable the implementation of policies to address social and/or environmental issues, as well tools to monitor our actions' progress. Companies need to establish different governing bodies with specific oversight levels to appropriately address their material ESG aspects.



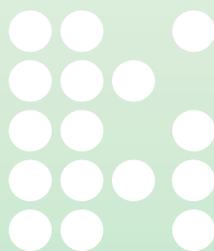
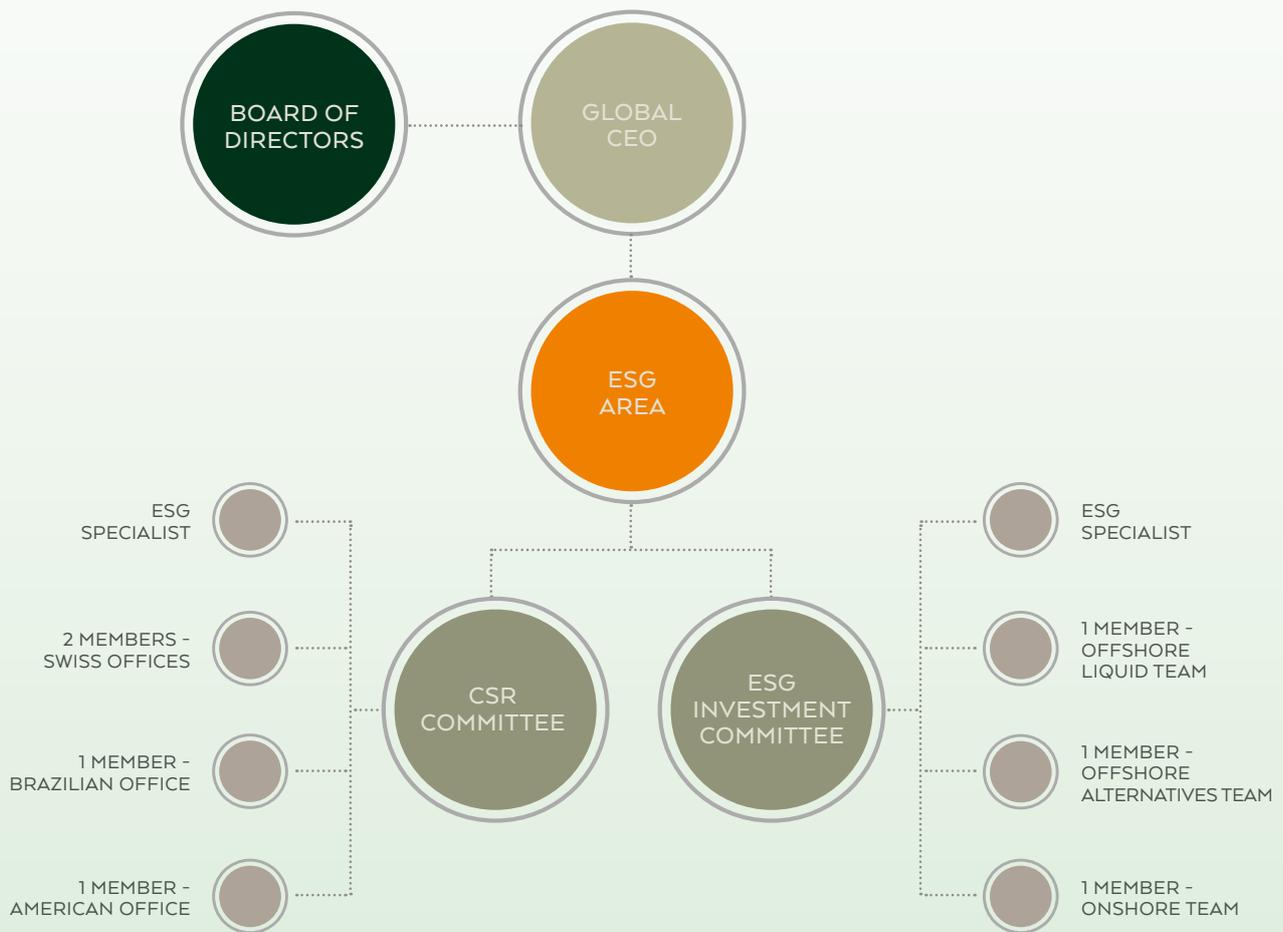
SUSTAINABILITY TEAM

At Brainvest, the ESG Area is directly supervised by the Global CEO, but the Board of Directors is also responsible for overseeing and approving matters that impact the entire firm. The scope of its activities includes both working alongside the other areas of the company to address their material ESG aspects, enhancing the integration of ESG factors into our investment processes, and disseminating ESG knowledge across our group of stakeholders. In a broader sense, the ESG Area is responsible for:

- Formalizing policies that explain how we address – or should address – our material ESG aspects;
- Working alongside other business units to enhance our ESG capabilities and ensure alignment;
- Gathering the required data and calculating specific KPIs to monitor our progress;
- Improving our ESG due diligence processes and conducting our engagement efforts with selected Fund Managers;
- Providing trainings to raise awareness of responsible practices.



The ESG Area relies on the support of two Committees to advance our responsible strategy firm wide. The CSR Committee is responsible for improving our policies and procedures and ensuring they are applied in all offices, respecting their culture, characteristics, and capabilities. On the other hand, the ESG Investment Committee mainly oversees the integration of ESG factors into our investment processes, proposes methodologies to include new ESG strategies into our portfolios, and monitors our engagement efforts. Both Committees are chaired by the ESG Specialist and meet, at least, once a quarter to establish our goals and review our progress.



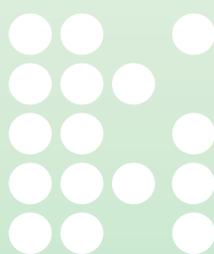
2023 OUTLOOK



Looking ahead, we will move on to the implementation phase of our CSR strategy. After having conducted our materiality assessment and determined which policies, processes, and metrics we must have in place, we will focus on gathering the datapoints in a systemic, structured, and recurrent way. This data gathering process will allow us to understand how distant we are from our goals. When it comes to social responsibility, the measurement and monitoring of our practices is as important as the formalization of policies. Given regulators have been tightening their efforts to prevent greenwashing, companies must be able to clearly demonstrate how their responsible strategy is applied in practice – not just how they are described on paper.

In addition to that, we will design new projects to improve our governance structures, work to build a more diverse team in terms of professional experience, knowledge, and cultural background (i.e., cognitive diversity), and offer trainings, lectures, and webinars to shed lights on topics that aren't discussed very often.

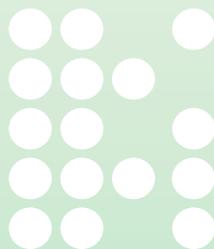
Finally, on the investment side, we will focus on performing our Stewardship Practices – also referred to as engagements – with selected Fund Managers. Our ESG Assessment performed by the end of 2022 allowed us to rank the Assets we invest in



terms of their ESG commitments and practices, and we have chosen a few to engage with to help them integrating ESG factors into their investment processes and addressing their material aspects. Following PRI's guidelines, Brainvest aims to be an active owner, seek appropriate disclosure on ESG issues by the entities we invest, and promote the acceptance and implementation of the Principles within the industry.

We are aware that challenges will definitely arise throughout this journey, but we rather looking at them as learning opportunities instead of reasons to not pursue ambitious goals.

We look forward to contributing to the development of a sustainable economy and a just society.





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