

ESG Investing Simulations - virtual or in-person

Responsible investing lies at the heart of fund management, bringing fresh investment opportunities to explore, and new risks to manage. At MDA Training, we offer an experiential and insightful approach to learning about ESG, centred around our unique and engaging **ESG Bond Investing Simulation** or **ESG Equities Investing Simulation**. From introductory workshops, to workshops designed for more experienced staff - we have a number of flexible learning solutions to choose from.

ESG simulation only (2½ hours)

Depending on what is more appropriate for your business, we have two simulations to choose from: one centred around an **Equities Fund** (see page 2) and another around a **Fixed Income Fund** (see page 3) • Run over several simulated years, participants gain a deeper appreciation of ESG issues today, how they impact different industries, and the challenge faced by investment managers who need to balance the challenge of generating Alpha whilst maintaining strong ESG credentials



ESG simulation blended with an extended workshop (one-day)

As per option 3 but also includes two, 90-minute facilitator-led sessions designed to enable participants to • Discuss with confidence the most impactful environmental, social and governance themes driving investment management decisions in 2022 • Evaluate the major ESG analysis and integration techniques used by investment managers



Introduction to asset management workshop and ESG simulation (half-day)

Helps develop a practical understanding of where asset management sits within the financial services industry exploring • Investors and borrowers • Primary and secondary markets • Key asset classes - equities, fixed income and derivatives • Client objectives and constraints - considering risk vs. return, liquidity, governance and investment style • How fund performance is analysed • Our ESG simulation is blended throughout the workshop as detailed in option 2



ESG simulation-based workshop (half-day)

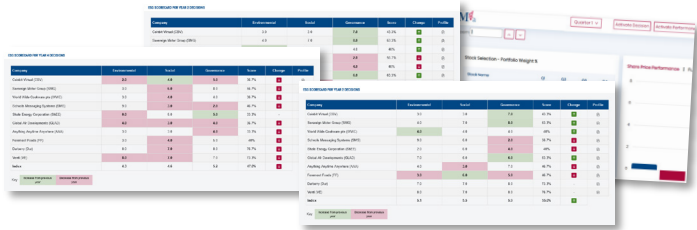
As per option 2, but also includes a 75-minute facilitator-led session designed to explore • The size and scope of ESG investing in relation to geography, strategy, investor type and asset class • The market drivers of ESG, and the challenges of ESG integration for the major stakeholders within the investment industry



ESG Equities Investing Simulation - overview

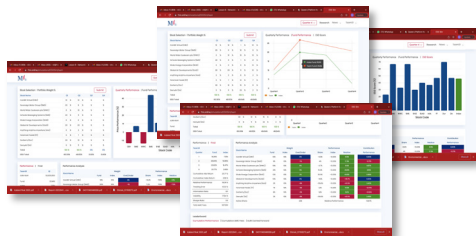


Teams are now given the opportunity to rebalance their portfolios in order to generate positive alpha whilst maintaining a strong ESG rating for their portfolio



Teams are given updated company specific news, and news on a macro level that will impact the ESG ratings of all the companies

Portfolio analytics allow teams to assess performance on an absolute, relative and risk adjusted basis and fund performance measured against a composite index • End of year AUM is based on 1) fund performance during the year and 2) winning new ESG mandates - the better their portfolio ESG score, the more new business they will win for the following year



6

1

Participants take on the role of a Fund Management team running a long equity only fund over a four-year period

2

Teams are given an ESG scorecard for each company, describing the major ESG themes impacting on that company, and the risks these themes present to the financial performance of that company



3

Using the ESG rating information and business and markets news from an online news portal, teams make their investment decisions and create their portfolio for year 1 • Their portfolio will have an ESGH score, which is a function of the ESG scores and weights of the companies in their portfolio



4

5



ESG Bond Investing Simulation - overview



Teams are now given the opportunity to rebalance their portfolios in order to generate positive alpha whilst reviewing their conviction on what credit names to exclude through their negative screening process



Teams are given updated economic, company and ESG-related news that will affect the price of bonds in the secondary market

Portfolio analytics allow teams to assess performance on an absolute, relative and risk adjusted basis and fund performance is measured against an aggregate index (loosely based on the Bloomberg Aggregate Bond Index) • League tables help teams visualize how they performed against the rest of the fixed income investment industry



1 Participants take on the role of a Fund Management team running an aggregate bond fund over a three-year period, investing in a mixture of government and corporate debt

2 Teams are given an ESG scorecard for each corporate issuer, describing the major ESG themes impacting on that company. This information is used to positively or negatively screen credit names from their portfolio



3 Using business and market news from an online news portal (macro news, economic indicators, and company specific news), coupled with ESG rating information, teams make their investment decisions and create their portfolio for year 1 • Teams also manage the active duration of their fund via interest rate swaps

