

Cadmos Peace Investment Fund



**PEACE IS
EVERYONE'S
BUSINESS**

**YES, BUSINESS
CAN PROMOTE
PEACEBUILDING**

**AND STABILIZE
FRAGILE
COUNTRIES**

Outperformance and positive impacts

The Cadmos - Peace Investment Fund invests in leading global companies, active in fragile countries. The Fund is managed and promoted by de Pury Pictet Turrettini & Cie.

Together with the expertise of the PeaceNexus Foundation, the Fund focuses on active expert driven shareholder engagement. We guide and support companies to improve their contribution to peacebuilding (UN Sustainable Development Goal 16).

The Cadmos funds' Buy & Care® strategy which focuses since 2006 on shareholder engagement and PeaceNexus' unique expertise, provide the legitimacy needed to be heard and taken seriously by the companies in which we invest.

The Peace Investment Fund allows investors to align their financial performance objectives and responsibility as shareholders, by actively selecting tomorrow's winners and actively engaging with them to contribute to positive and additional global social impacts.

6'000

Organisations investing in fragile states according to fDi Markets database

300

Global companies with the highest economic footprint in the most fragile countries

30-40

Investments in peacebuilding-sensitive, highly profitable, cutting-edge listed companies

Source: PeaceNexus/Covalence
The shades reflect the level of fragility

Why invest?

Reach the twin objectives of superior financial performance and tangible impacts in fragile states.

Benefit from the stability and growth potential of cutting-edge listed companies that are and will remain, at the forefront of innovation.

Actively contribute to an increased peacebuilding awareness of listed companies through our expert driven shareholder engagement strategy.

Support companies that show an above average degree of conflict sensitivity, according to PeaceNexus, to further reinforce fragile states and regions in which they operate.

Enable global companies to profit from the PeaceNexus Foundation's strategic expertise and peacebuilding technical assistance.

Exercise all shareholder's rights as a responsible investor.

PEACEBUILDING IMPACT

THROUGH INVESTMENTS IN LISTED EQUITIES

AND EXPERT DRIVEN ACTIVE OWNERSHIP

Why business should care

Global businesses operate, source or sell their products in regions of the world affected by violence. Extended periods of conflicts weaken whole regions and can drive mass migration, economic loss and violent extremism.

Companies can contribute to the stabilisation of fragile states through inclusive employment, reinforcing the local fabric of SMEs and applying the highest international standards with regards to labour, environmental management, as well as the fight against corruption.

Global companies in particular are under pressure to improve the impact their products & services have on customers' and the broader well-being: *33% of consumers are now choosing to buy from brands they believe are doing social or environmental good (Unilever international study).*

Increasingly, talents and senior employees prefer working for companies which have a purpose or positive impact: *88% of millennials feel their job is more fulfilling when they have the opportunity to make a positive impact (Cone Millennial Engagement Study).*

Innovation to enhance performance

"We do not invest in shares but in companies." It was this basic principle of asset management that led to the development of the Buy & Care® investment strategy at de Pury Pictet Turrettini & Cie SA and applied within all Cadmos funds.

This approach based on active shareholder engagement addresses simultaneously companies' and investors' needs to integrate and rightfully consider Environmental, Social and Governance (ESG) issues.

Cadmos pushes the frontiers of responsible investments as well as active portfolio management.

The aim of this strategy is to create value for our investors over the medium to long-term.

- Active portfolio management selecting cutting-edge profitable companies with a better than average peacebuilding track-record in fragile countries.
- Strong investment convictions, expressed in concentrated portfolios of global equities, with low turnover.
- Regular "soft power" dialogue between our portfolio managers, our ESG experts and senior management leading to tangible additional social impacts.
- The first Fund which guides companies on their peacebuilding (SDG-16) strategy and which provides technical assistance.
- Impact and performance transparency provided through a yearly report.
- Track-record of positive financial performances and social impacts.

The Buy & Care® investment strategy

As initiator, promoter and portfolio manager, de Pury Pictet Turrettini & Cie (PPT) has a strong track in applying the Cadmos funds' Buy & Care® strategy. We are convinced that a continuous and informed dialogue with companies creates value for all stakeholders while generating tangibles impacts.

The Cadmos Peace Investment Fund has been managed since its inception in January 2018 by Paolo Bozzo and Christopher Quast from PPT. BHP – Brugger & Partners, guides our "Engagement for ESG Integration" and advises companies in better integrating and communicating on their ESG strategies.

The PeaceNexus Foundation, together with the support of Covalence, selects the 300 companies that have the greatest economic impact in the most fragile countries and evaluates them according to the Peacebuilding Business Criteria (PBBC) methodology. Companies that show a high level of conflict sensitivity and sustainability in their operations are more resilient and have the ability to adapt and innovate in complex environments.

The technical and strategic assistance of the PeaceNexus Foundation, supported by its network of local partners, aims to reinforce the positive peacebuilding (SDG-16) impact of our portfolio companies. Companies are still struggling to address the global challenges of the SDG's and of peacebuilding in particular and therefore appreciate our capacity to provide support.



Cadmos - Peace Investment Fund



1) Active portfolio management to select companies active in fragile state

Economic ratios, the sustainability of the competitive advantage as well as the management quality form the basis of the financial analysis carried out by the portfolio managers of PPT. They are dedicated to deliver excellent financial performances over the medium to long-term through a strong conviction portfolio typically including 20 to 30 quality companies with a low turnover. The Fund's companies are selected among the 300 enterprises that have the greatest economic impact in the most fragile states according to PeaceNexus' PBBC criteria. Indeed, companies that manage risks well and respect human rights benefit from numerous opportunities offered by frontier markets.

2) Active ownership to act as a responsible long-term shareholder

Cadmos' portfolio managers vote their shares and engage in a pro-active dialogue with the management of all portfolio companies. Governance quality and monitoring is a standard procedure particularly useful as a long-term investor.

3) Active engagement to stimulate additional tangible impacts

Cadmos' network of experts and in particular PeaceNexus, guides the Fund's companies on strategic and operational improvements generating tangible peacebuilding impacts in fragile countries. The Cadmos portfolio managers co-define the engagement themes and participate to all engagement meetings. Our progress recommendations are always based on in-depth assessments highlighting the companies' key inconsistencies and gaps. We expect to trigger impact improvements which ultimately also contribute to limit our exposure to financial risks such as reputation crises, corruption or accidents. Every year, we testify to the effectiveness of our approach in an exhaustive activity report.

Nestlé: Example of peacebuilding activity

- Launch of a post-conflict coffee named « Aurora de la Paz » in Columbia.
- Support for community-oriented reintegration of ex-fighters.

The PeaceNexus Foundation

The PeaceNexus Foundation was created in Switzerland in May 2009 as a Swiss foundation. It initiated the idea of the Peace Investment Fund and seeded the Fund with its capital.

Since its inception, PeaceNexus has built bridges between businesses and traditional peacebuilders – governments, international organizations and civil society.

Examples of projects include:

- Co-publication of a management guidebook for complex environments.
- Facilitation of a multi-stakeholder working group on responsible mining in Kyrgyzstan.
- Case studies on critical challenges facing Coca-Cola and Total in Myanmar.
- Training of company-community mediators in Albania, together with the International Finance Corporation

Today, the PeaceNexus Foundation partners with the Peace Investment Fund to:

- Rank the 300 companies that have the greatest economic impacts in the most fragile countries, according to the Peacebuilding Business Criteria (PBBC) developed by the Foundation.
- Help companies in the Fund on peacebuilding best practice.
- Provide companies with practical peacebuilding expertise and advice to help stabilize and reconcile societies affected by conflicts.



Contact

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DE PURY PICTET TURRETTINI & CIE SA

de Pury Pictet Turrettini & Cie S.A. (PPT) provides since 1996 wealth-management services and has developed advanced skills in asset management for both private and institutional clients. PPT currently manages CHF 4.5 billion.

PPT has always demonstrated a great capacity for innovation, notably as a pioneer of responsible, sustainable investment. It is the owner of the Buy and Care® strategy and initiator of the Cadmos funds. As such, PPT ensures the consistency, transparency and distribution of the Cadmos funds. Moreover, PPT manages three of the five Cadmos funds among which the Peace Investment Fund.

PPT is a signatory since 2008 to the United Nations supported Principles for Responsible Investment. 

Sicav UCITS V – Luxembourg
Global Equities (EUR)
Launch: 26th January 2018
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The Cadmos Peace Investment Fund was shortlisted by the PRI in the award category “Active Ownership Project of the Year”

SHORTLISTED CANDIDATE

de Pury Pictet Turrettini & Cie
(Switzerland)

**Cadmos Peace
Investment Fund**



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