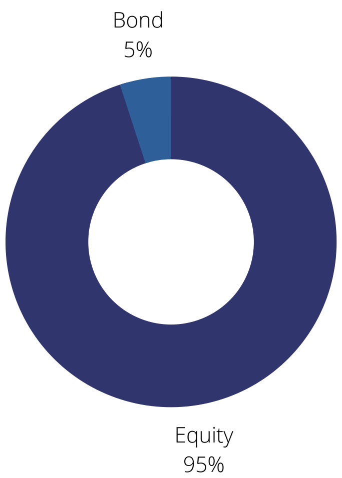
OAKWOOD FUND

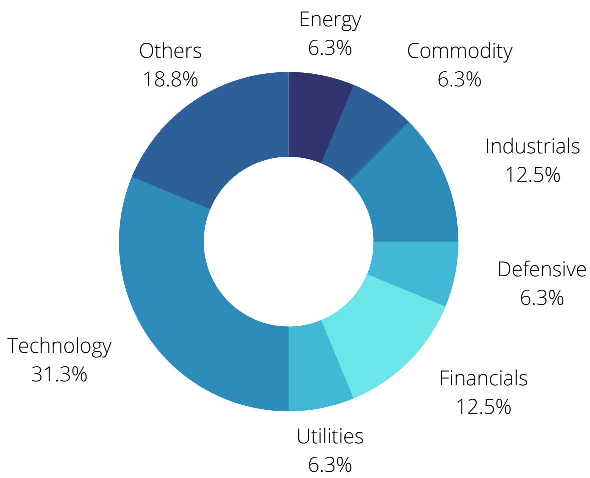
University of East Anglia

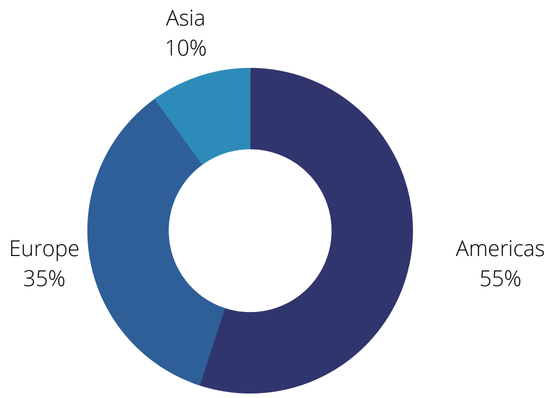
INVESTMENT OBJECTIVE

The Fund aims to maximise the return on investment through a short-term capital appreciation strategy and principally to minimise portfolio risk. The Fund will adhere to Oakwood's strict ESG principles as well as following the laid out investment restrictions. The fund will use annual LIBOR +4% as a performance target.

PLANNED PORTFOLIO







RISK PROFILE

The Fund has a short time horizon. Thus, we are prepared to endure a reasonable level of volatility of returns in expectation of long-term growth. Our risk tolerance level on a scale of 1-10 is 7, and we will achieve this by following our risk management strategies outlined on page 3.

The fund may encounter the risks due to the nature of its investments which include:
ESG Standards Risk. Foreign Countries Risk. Foreign Custody Risk. Issuer Concentration Risk. Market Risk. Unsystematic Risk. Currency exchange Risk. Legal and Regulatory Risk. Credit Risk.

The fund will seek to minimise these risks by:
Calculating potential worse case scenarios to construct the portfolio in a manner to reduce the possibility of losses exceeding 10%.
The fund will use scenario analysis, normal distribution and standard deviation, value at risk, risk premium, CAPM, price of risk, Sharpe ratio, Treynor ratio, alpha risk and beta to construct the portfolio to be risk averse.
The fund will use the programming language 'R' to assist with the formulation of our investment strategy and our risk management.

Macro Strategy

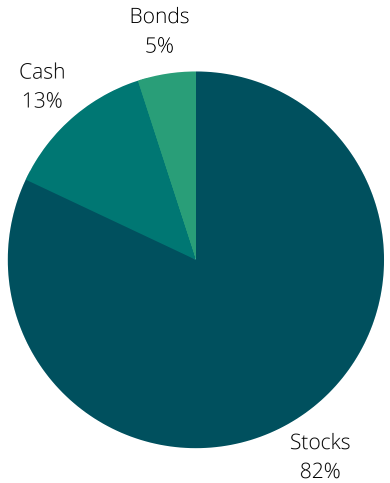
The fund's outlook for the short term into Q2 of 2021 is bullish. With multiple Covid-19 vaccines having successful trials, and some awaiting imminent FDA approval, along with lockdown restrictions beginning to ease across Europe, it seems for the moment that a recovery from the pandemic is beginning. Furthermore, the federal reserve and US treasury, as well as European central banks, are committed to providing the financial aid needed to continue the recovery in markets. The victory of Joe Biden as US President provides the potential for less volatility and trade wars in US markets. Both US and European markets are in strong uptrends and breaking all-time highs.

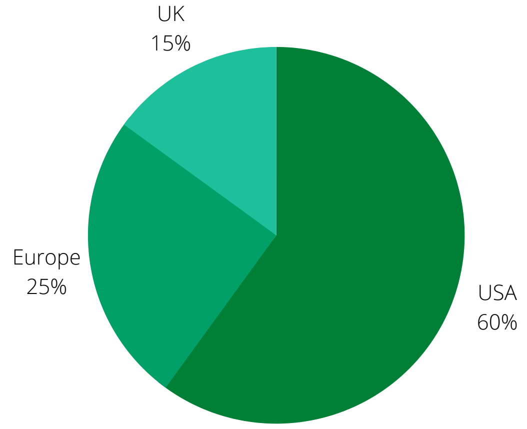
Valuation Strategy

After we find a pool of investment opportunities to invest in we will use primarily DCF modelling, but also DDM modelling and relative valuation to find the best performing companies. Other factors such as the macro environment will then have a say in the final investment decision.

In ordinary circumstances, Oakwood will invest in at least 72% in stocks, 13% in cash and 5% in bonds for investment purposes in a diversified portfolio of equity investments, to the ESG criteria which will be strictly followed.

The Fund intends to have investments economically tied to at least three geographic locations. Across regions, our geographic weightings are 60% US, 25% Europe 15% Asia.





Our asset allocation will recognise a diversified asset mix, and be focused on maximising capital growth. The volatility of riskier stocks will be compensated by the prospect of achieving higher returns and growth in the longer term. In order to minimise this risk, we have considered investing in different industries and sectors where possible.

The table below on page 3 presents the weightings for each sector being invested in. Long term range refers to the flexibility of future sector predictions. Current target refers to ongoing market conditions.

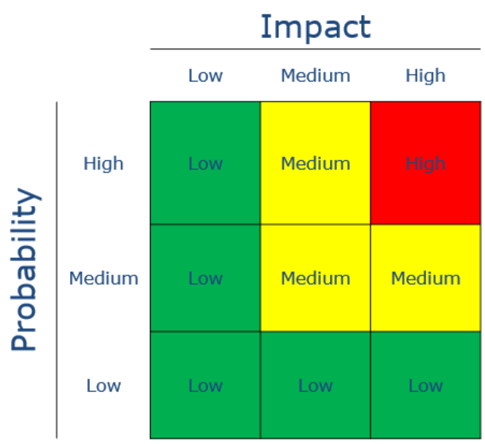
Growth Assets	Long term range	Current target
• Financials	10-15%	15%
• Technology	20%	20%
• Commodities (Mainly Lithium, Gold, Silver)	10%	10%
• Healthcare/Biotech	10%	10%
• Utilities	5%	5%
• Industrials	2-5%	5%
• Transport	2-5%	3%
• Cash and term deposits	5-24%	13%
• UK Gilts	5%	5%
• Energy	2-5%	2%
• Communications	10-15%	10%
		100%

Our fund will be taking a value investing approach where we will be analysing the intrinsic value of a company's stock after taking a top down analysis of the market. This will be looking at high growth movements in key sectors, focusing on the macroeconomic environment and cycle. With a strong fundamental analysis and by focusing on stocks which are undervalued or fairly priced and have room for growth, we hope to outperform the market. With recent events, we feel this is a far more valuable strategy. Additionally, this will also suit our risk preference due to the flexibility of changing sectors.

How Does Oakwood Manage Risk?

Oakwood has developed an investment strategy that includes a diligent risk analysis in order to stay within the competition's rules of maintaining a portfolio that stays below 10% volatility monthly. We have the goal of maximising alpha whilst reducing volatility through various methods outlined below.

Using R



Oakwood will be using the programming language 'R' to assist with the formulation of our investment strategy and our risk management.

Using R means that, by setting up various vectors and matrices of values, we can do multiple calculations at once, much like in Excel. However, R is much more advanced when it comes to handling larger data sets, producing detailed graphs and fitting suitable statistical models to the data.

This is why we have chosen to use it to produce visuals that will guide our forecasts and strategy. In particular, will make use of the 'Performance Analytics' package in R, which contains econometric tools for performance and risk analysis. This will enable us to quickly calculate and plot things such as the Treynor Ratio, Sharpe Ratio and VaR.

Oakwood's Minimun Standards for our Selection Process

Our team at Oakwood selects companies within each sector that are leaders in their ESG compliance and strategy.

Oakwood's mission

- Help create a society that promotes people's quality of life.
- Encourage and enable individuals, businesses and institutions to use money more consciously, in a way that will benefit people and the environment, whilst promoting sustainable development.
- Offer investors a sustainable portfolio that is managed by investors with a passion for ESG solutions.
- Promote and advertise sustainable ESG investment as the best solution for any investor.

Negative Screening Step 1	Positive Screening Step 2	Comparative Analysis Step 3

Oakwood has a three step process for each investment before it can be considered. Our selection takes place before our DCF and valuation modelling to ensure that only the best companies make it into our selection. Although this means we will miss out on opportunities, our investment selection will have the best impact on returns both on our financial performance and external impact.

Step 1: Negative Screening
Oakwood will generate a selection of investment opportunities and remove those with significant involvement (revenue) in sin-areas such as retail weapons manufacturing and child labour.

Step 2: Positive Screening
Out of the remaining companies, Oakwood will select those who set a new precedent for ESG practise in their industry, or those who score highest against our ESG criteria.

Step 3: Comparative Analysis
The final companies selected will be reviewed against each other to identify those with a leading commitment to ESG change.

I have developed a competitive passion to want to beat the markets and generate consistent alpha through different strategies. Building Oakwood is my solution to the problem of an unsatisfactory level of ESG education at the university level. Since starting my investment journey, I have discovered a love for ESG as a true solution to the problems faced by markets. Exploring ESG data analysis, whilst identifying psychological market moving forces has ignited my mission which is ultimately to prove that ESG generates the most return in the long-run, whilst leaving behind a legacy that will improve the world we live in for the future.

Asset management and portfolio theory are two topics that I find thoroughly interesting. To be allowed to put this theory into practice, but also be assessed, given strict standards and compete against others is something I particularly want to take part in. As the real world of finance is one of competition and adhering to risk management and financial conduct. Portfolio performance evaluation and learning from these lessons is also something I am passionate about.

This competition is about challenging myself - putting both my soft skills and self-taught industry knowledge to the test. Joining Oakwood gave me the foothold to immerse myself in the world of investment funds. Breaking into the industry from a Mathematics background has led me to think outside the box and have a unique approach which I brought to the table at my work experiences at KPMG, Jane Street and Zurich Insurance. My broad network of connections and mathematical edge allowed me to excel as Oakwood's Director of Fundraising. I'm excited to apply these skills in this competition.

I have experience as a financial analyst and corporate sales manager and have been more interested in investing since I first took the CFA research challenge. Choosing a value-added company to maximize the return on capital for its purpose is a very challenging task, and I see this competition as a great opportunity to put into practice. Exploring ESG frameworks and objectives increases the difficulty of this challenge, and I want to succeed at integrating this into my selection process.

My background gave me an international perspective on how the world operates. Finance involved in the day-today interactions, markets and social classes became a common factor observed. Thus, my interest in investments sparked. I completed the CISI in Wealth & Investment Management and am currently preparing to take the CFA IMC exam. As a car-enthusiast, I created my own business venture while interning at top investment banks. This competition provides me with the opportunity to apply my experiences in order to generate alpha with an ESG motivation.

Evidence for proof of study on request. All acting participants above have leading roles in the University of East Anglia's student finance society and student ESG fund.