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**Sentifi**

# Making Informed Investment Decisions with Alternative Data

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## Making informed decisions with alternative data

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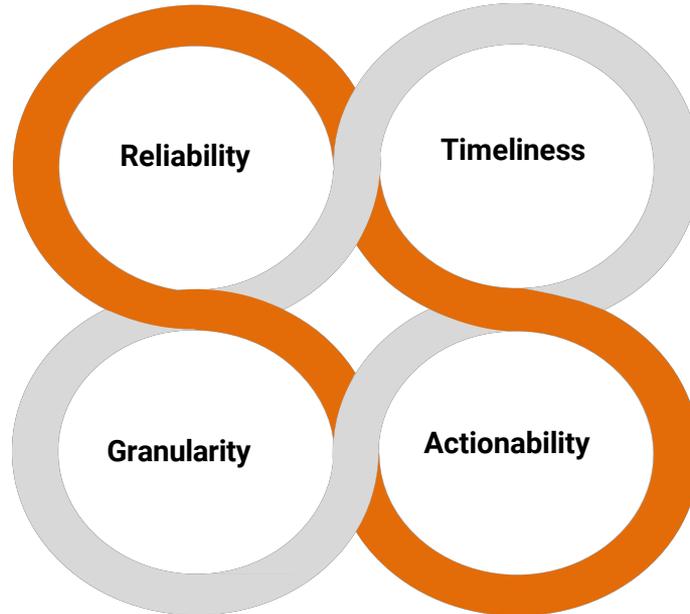
# Introduction

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# Quality financial and non financial information for investment decision making is reliable, granular, timely and actionable

## 1. Reliability

- Information need to be accurate
- Sources of information need to be credible sources



## 2. Granularity

- Information has to be consistent and comparable
- Consistency includes provision of the same depth of information irrespective of asset universe

## 3. Timeliness

- Information must provide up to date accounts of momentum shifts for assets
- Irrespective of an investor's time horizon, lack of timeliness leads to asymmetry which impacts investment performance and risk management

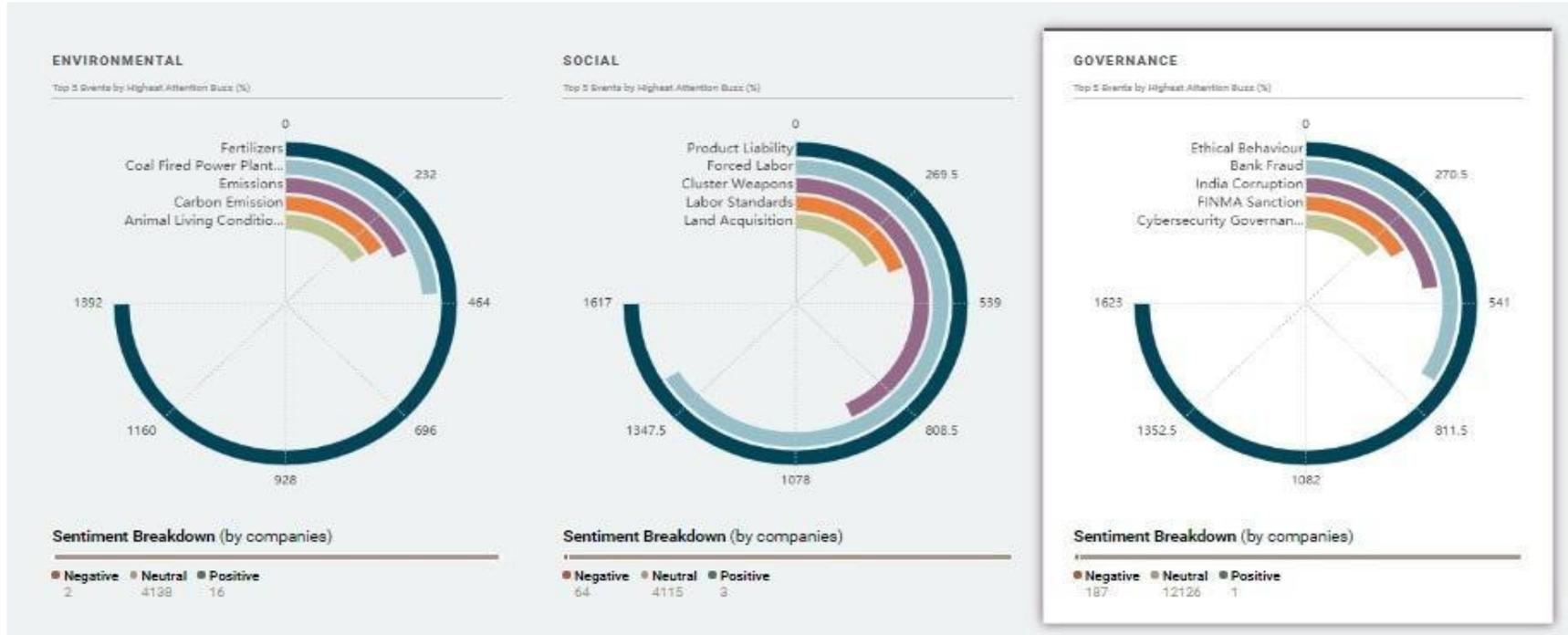
## 4. Actionability

- Information needs to support investors in making informed buy, sell or hold decisions.

## How does Alternative Data Stack Up: Reliability

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# Volume of companies with E, S and G events reported in Twitter, News and blogs (Last 12 months)



Source - Sentifi ESG analytics

## How does Alternative Data Stack Up: Granularity

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# Perception of ESG performance by sector over last 12 months

Sector	#E related event categories	%E Positive	%E Negative	#S related event categories	%S Positive	%S Negative	#G related event categories	%G Positive	%G Negative	E-Score	S-Score	G-Score
Basic Materials	40	68%	30%	32	38%	53%	65	33%	53%	11	-30	-49
Communication Services	26	88%	8%	31	32%	58%	51	31%	65%	38	-52	-56
Consumer Cyclical	43	56%	33%	51	43%	53%	73	23%	63%	50	-59	-59
Consumer Defensive	36	69%	25%	33	30%	61%	55	20%	69%	16	-42	-62
Energy	36	56%	42%	28	22%	67%	61	23%	70%	-22	-76	-67
Financial Services	13	62%	23%	30	40%	47%	52	8%	87%	16	-45	-66
Healthcare	36	67%	22%	37	54%	27%	59	22%	69%	-6	-21	-61
Industrials	36	69%	22%	44	41%	45%	88	17%	75%	53	-51	-65
Real Estate	25	76%	16%	25	40%	32%	39	18%	67%	12	1	-37
Technology	43	60%	23%	74	34%	51%	80	18%	72%	58	-39	-61
Utilities	33	59%	38%	25	28%	60%	51	20%	73%	44	-62	-62

Source - Sentifi ESG analytics

Any trading symbols, entities or investment products displayed are for illustrative purposes only and are not intended to portray recommendations.

# Monitoring portfolio exposure to ESG events

## Portfolio

Stoxx Europe 600

▼ Negative | 1633702    ● Neutral | 6946285    ▲ Positive | 3843768

Portfolio Sentiment Score (0)

Portfolio Attention Buzz (0)

**NEUTRAL**    **HIGH**

14↑  
Up 1pts

137%↑  
Up 1pts

Last updated 11:19 PM GMT 28 June 2021

- Crowd sentiment insights (last 30 days)
- ▼ **Nvidia** Holdings: Nvidia Holdings have seen major investment by institutional investors.
  - ▼ **Electrolux** Appliances Holdings: ASH International have seen major investment by institutional investors.
  - ▼ **Industrial** sector in your portfolio has seen sentiment trending up and attention up over the last 24 hours.
  - ▼ **Europe Developed** stocks in your portfolio have seen sentiment trending up and attention up over the last 24 hours.
- [Understand Sentiment Analysis](#)  
[Portfolio Intelligence Manual](#)

## What is the crowd sentiment on this portfolio over the last year?\*

### SECTOR EXPOSURE

Top Sectors by Exposure

Sector	Exposure %	Sentiment Score
Financial Services	+16.8%	-10
Industrials	+16.2%	14
Consumer Cyclical	+11.8%	12
Healthcare	+9.8%	7
Basic Materials	+8.7%	21

### REGION EXPOSURE

Top Regions by Exposure

Region	Exposure %	Sentiment Score
Europe Developed	+72.8%	11
United Kingdom	+21.0%	5
Europe Emerging	+1.2%	-16
Latin America	+0.9%	14
Middle East Africa	+0.2%	7

### TRENDING THEMES

Top Themes by Exposure

Theme	Exposure %	Sentiment Score
Sustainability	+22.8%	70
FinTech	+16.9%	68
Artificial Intelligence	+21.0%	43
Blockchain	+21.0%	57
Renewable Energy	+18.4%	57

[See More Insights](#)

Symbol	Description	100.00 Weight (%)	SENTIMENT SCORE (pts)			ATTENTION BUZZ (%)		Sector / Industry	Top Themes
			1Y	(3M)	Today vs 1Y Range	1Y	(3M)		
RBI	Raffaelsen Bank Internat...	0.167	9 Up 2pts	10 Down 2pts	-41   68	104% Up 151pts	-1% Down 8pts	Financial Services Banks - Regional - Europe	Fossil Energy
ADM	Admiral Group PLC	0.167	12 Up 2pts	12 Up 2pts	-55   75	33% Up 60pts	-24% Down -4pts	Financial Services Insurance - Property & Casua...	FinTech
BNZL	Bunzl PLC	0.167	10 Down 8pts	-27 Down 58pts	-95   95	135% Up 114pts	91% Up 99pts	Consumer Defensive Food Distribution	Sustainability
CRDA	Croda International PLC	0.167	23 Up 2pts	27 Up 2pts	-60   89	104% Up 107pts	-24% Down 11pts	Basic Materials Specialty Chemicals	Sustainability
GFS	G4S PLC	0.167	-19 Down 10pts	-32 Down 38pts	-98   92	397% Up 428pts	-43% Down 6pts	Industrials Security & Protection Services	Human Rights
HL	Hargreaves Lansdown P...	0.167	-1 Up 8pts	-8 Down 8pts	-70   78	205% Up 209pts	11% Down 82pts	Financial Services Asset Management	Corporate Governance
IMI	IMI PLC	0.167	25 Up 17pts	28 Up 9pts	-50   79	13% Up 11pts	-7% Down 8pts	Industrials Diversified Industrials	-
LSE	London Stock Exchange ...	0.167	5 Down 2pts	7 Up 2pts	-66   79	32% Down 68pts	-31% Down 38pts	Financial Services Financial Exchanges	Islamic Finance
MGIT	Meggitt PLC	0.167	27 Down 10pts	26 Up 11pts	-55   97	-14% Down 101pts	-9% Up 51pts	Industrials Aerospace & Defense	Fossil Energy
MRO	Mitros Industries PLC	0.167	5 Down 1pts	4 Up 4pts	-80   76	289% Up 327pts	285% Up 288pts	Industrials Diversified Industrials	-

### RELATED EVENTS

What events discussed by All Influencers are impacting this portfolio?

View by: All Influencers    Sort by: Negative Sentiment

CORRUPTION	FACILITY SHU...	BRIBERY	PRODUCT RE...	COMPETITIO...	LAYOFFS	SCANDAL
Attention: 20684 Sentiment Score: -72 Up 14977pts   Down 35pts	Attention: 40547 Sentiment Score: -46 Up 13900pts   Down 9pts	Attention: 3593 Sentiment Score: -45 Down 790pts   Up 1pts	Attention: 17952 Sentiment Score: -41 Up 6557pts   Down 1pts	Attention: 2307 Sentiment Score: -39 Up 1039pts   Down 21pts	Attention: 70410 Sentiment Score: -38 Up 13597pts   Up 1pts	Attention: 18827 Sentiment Score: -37 Up 5643pts   Down 7pts
REGULATORY EVENTS	CORPORATE EVENTS	CORPORATE EVENTS	CORPORATE EVENTS	CORPORATE EVENTS	CORPORATE EVENTS	CORPORATE EVENTS
DBK   +129 more	HMB   +199 more	AIR   +37 more	VOW3   +110 more	DBK   +80 more	AIR   +199 more	VOW3   +92 more

Source - Sentifi Portfolio Intelligence Analytics : Event exposure in Eurostoxx 600

## ESG events most reported for Tesla Inc in past 2 years

ESG Event	Volume of Mentions Jun 30th 2019 to Jun 30th 2020	Volume of Mentions Jun 30th 2020 to Jun 30th 2021	Event Sentiment Score Jun 30th 2019 to Jun 30th 2020	Event Sentiment Score Jun 30th 2020 to Jun 30th 2021
Legal Dispute	15'407	18'480	-58	-62
Product Recall	1'559	10'152	-41	-72
Electric Cars	7'108	6'900	34	46
Clean Tech	1'960	4'949	26	49
Tax Issue	974	1'991	9	35
Deforestation	2'247	1'441	-6	-3
Solar Energy	5'410	1'407	-24	19
Cybersecurity	212	1'170	-5	-26
Accounting Issues	276	1'086	-5	-28
Renewable Energy	222	784	4	13

Source - Sentifi ESG analytics

## ESG events most reported for Nestle SA in past 2 years

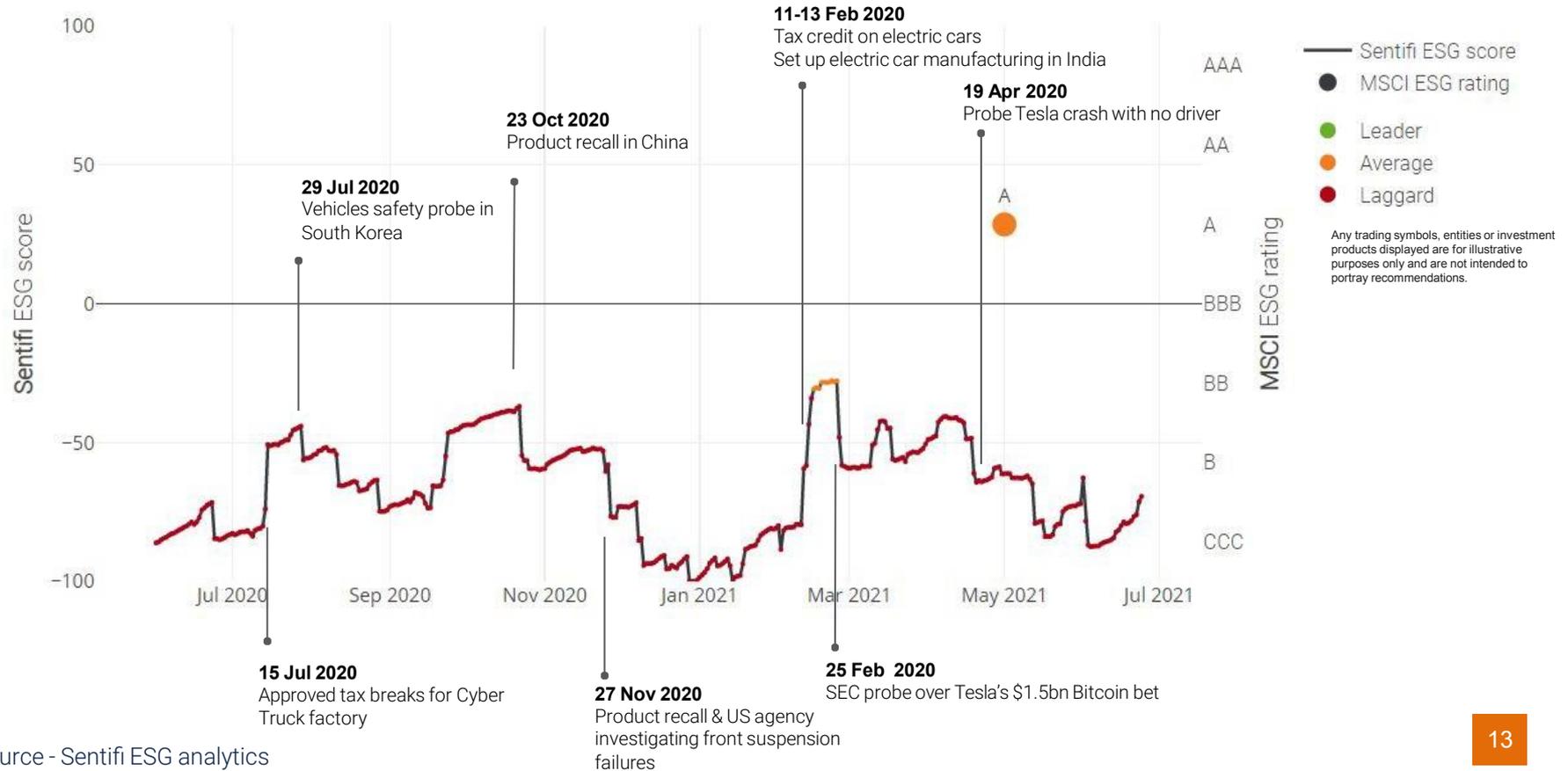
ESG Event	Volume of Mentions Jun 30th 2019 to Jun 30th 2020	Volume of Mentions Jun 30th 2020 to Jun 30th 2021	Event Sentiment Score Jun 30th 2019 to Jun 30th 2020	Event Sentiment Score Jun 30th 2020 to Jun 30th 2021
Legal Dispute	1'113	16'462	-25	-49
Layoffs	416	2'868	-18	-61
Product Recall	1'061	1'960	-37	-51
Forced Labor	18	1'578	0	-36
Human Rights	172	1'181	0	-12
Child Labor	144	1'077	-2	-30
Carbon Emission	28	286	1	12
Labor Strike	4	245	0	-11
Deforestation	153	237	-2	3
Renewable Resources	31	189	0	-5

Source - Sentifi ESG analytics

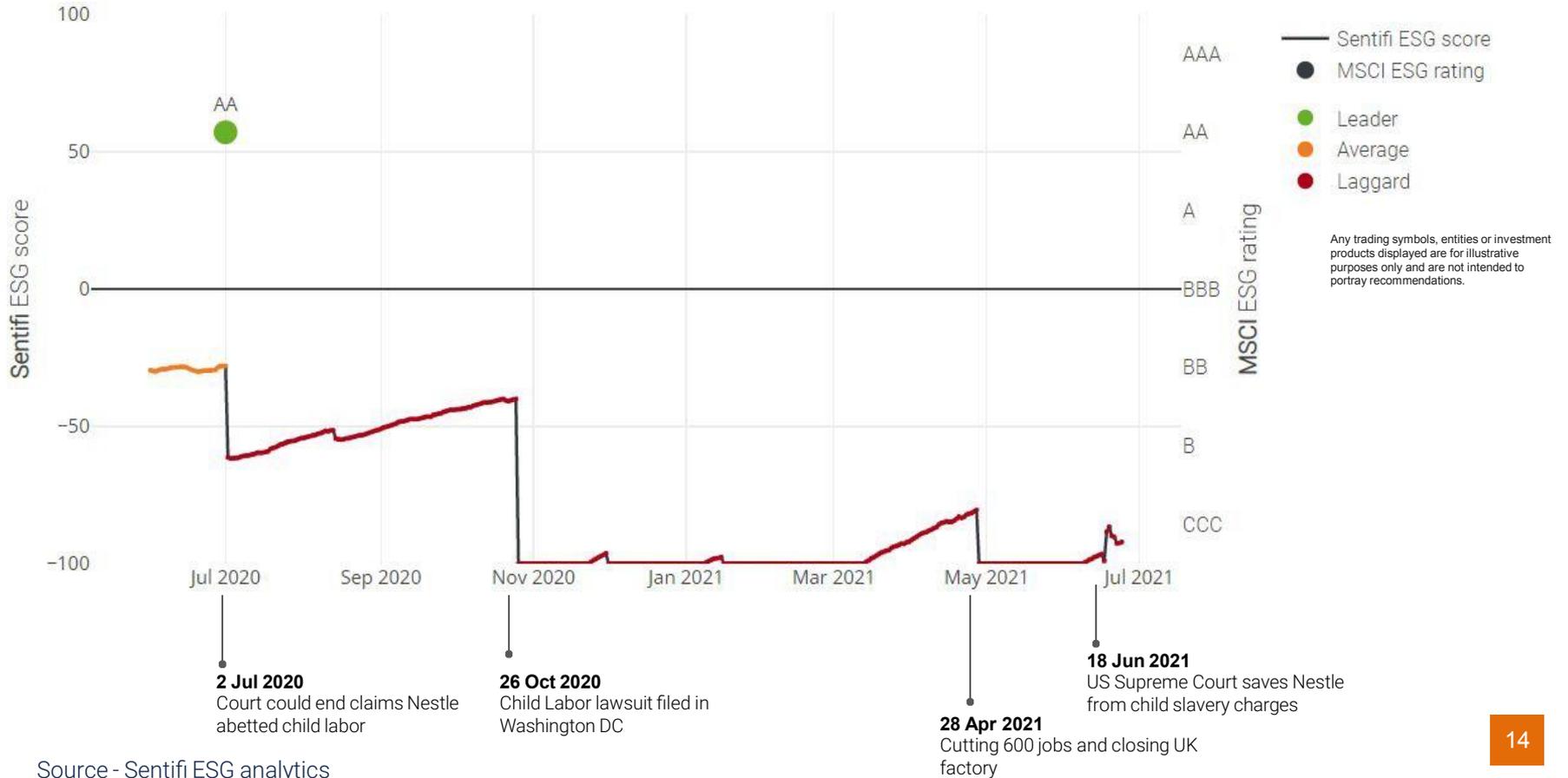
## How does Alternative Data Stack Up: Timeliness

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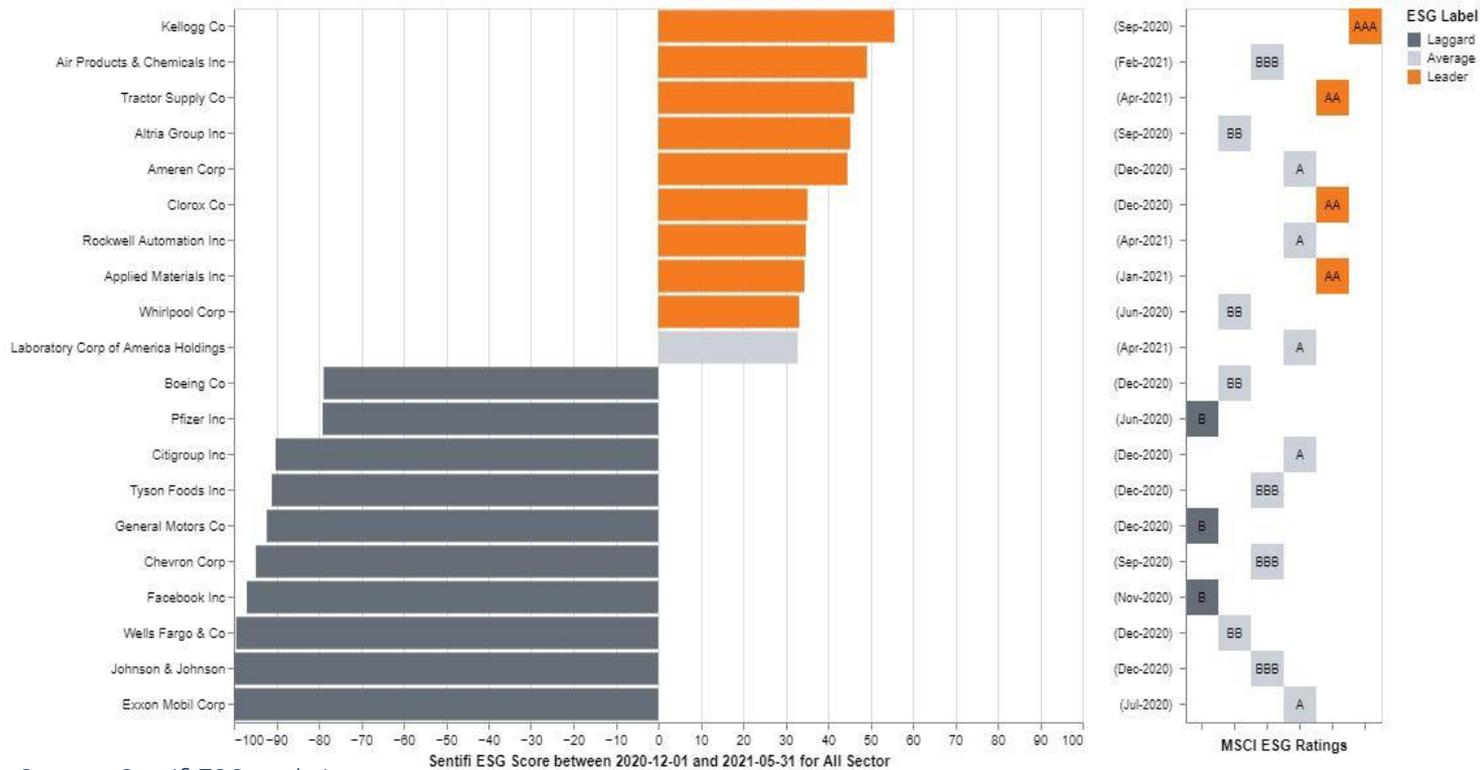
# Tesla Inc – Sentifi Daily ESG Score vs. MSCI ESG Rating



# Nestle SA – Sentifi ESG Score vs. MSCI ESG Rating

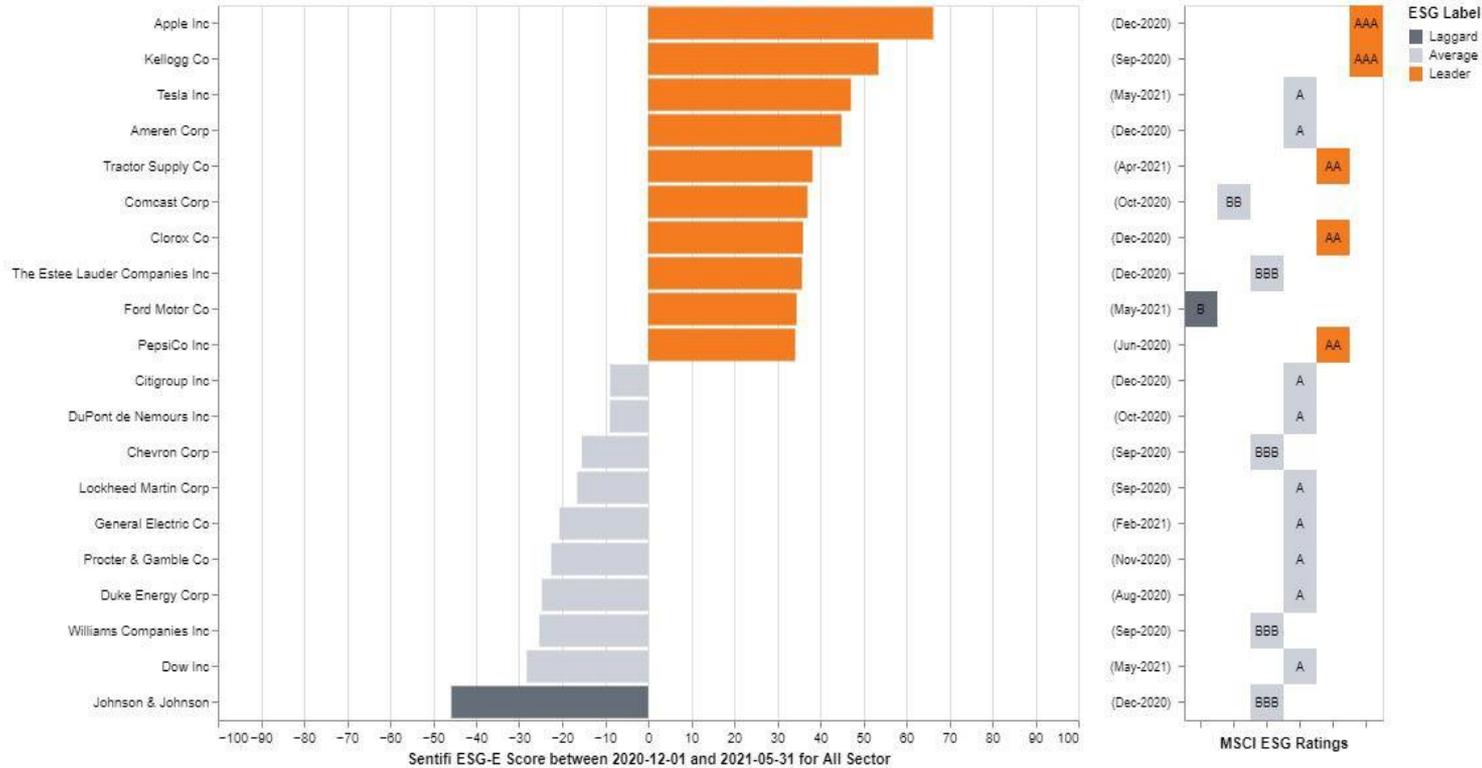


# Portfolio Construction: screening stocks in S&P 500 for ESG performance



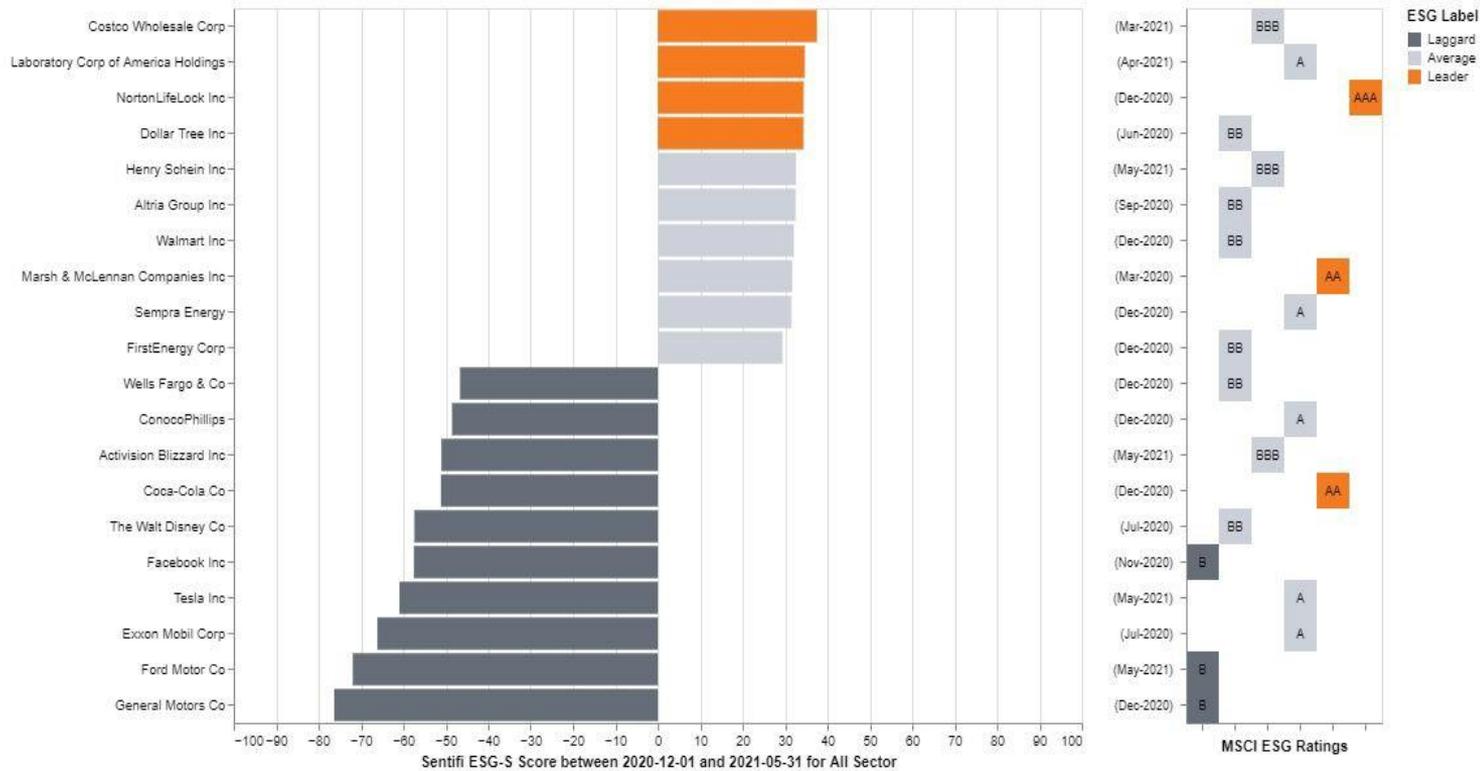
Source - Sentifi ESG analytics

# Portfolio Construction: screening stocks in S&P 500 for 'E' related performance



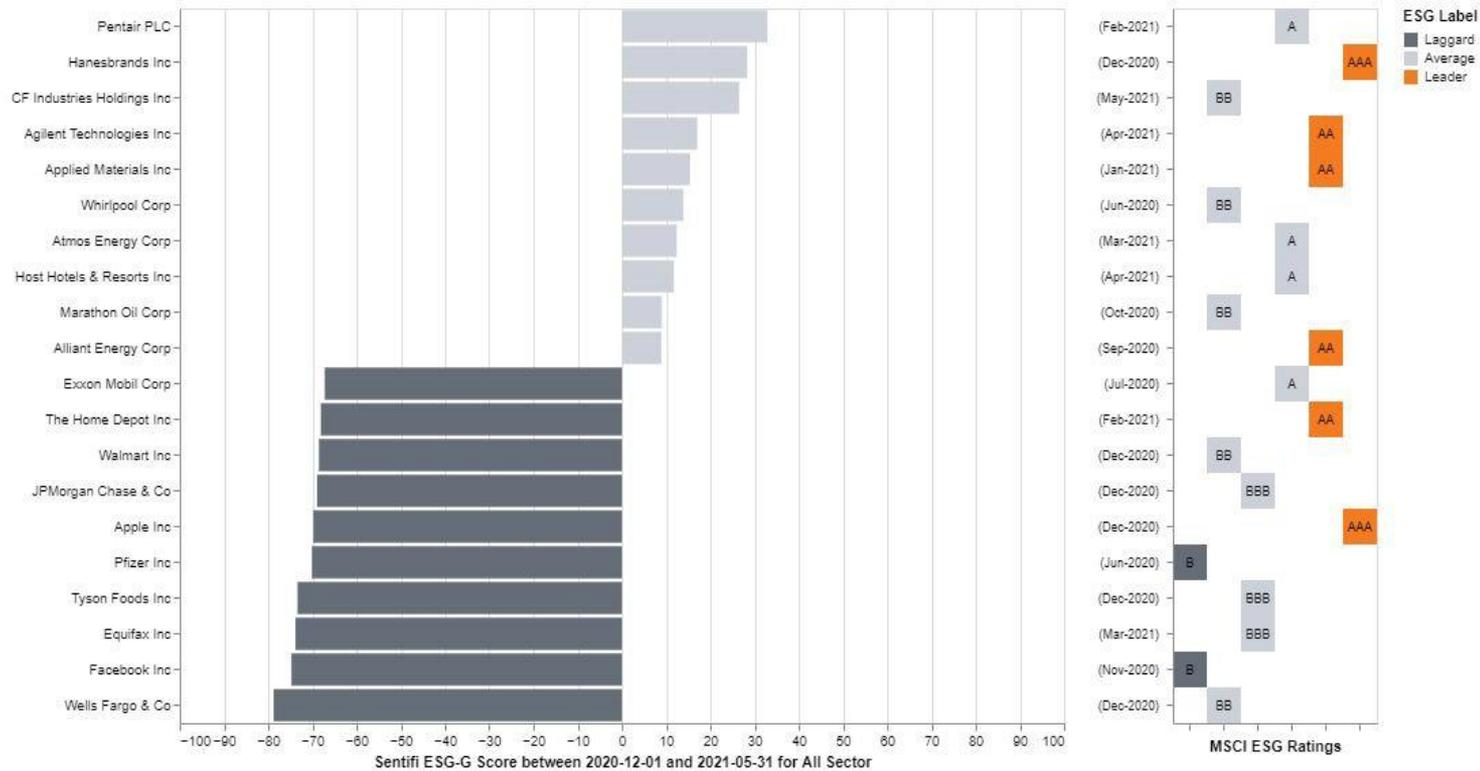
Source - Sentifi ESG analytics

# Portfolio construction: screening stocks in S&P 500 for 'S' related performance



Source - Sentifi ESG analytics

# Portfolio construction: screening stocks in S&P 500 for 'G' related performance



Source - Sentifi ESG analytics

## Key shifts in Sentifi's Tesla Inc ESG score

Date	Tesla ESG Score	ESG Score Change	ESG Event	Price Change (%)
2020-07-15	-51	+31%	Approved tax breaks for Cyber Truck factory	+1.93%
2020-07-29	-56	-28%	Vehicles safety probe in South Korea	+1.53%
2020-10-23	-55	-48%	Product recall in China	-1.21%
2020-11-27	-77	-32%	Product recall & US agency investigating suspension failures	+2.05%
2021-02-11	-59	+25%	\$7,000 tax credit on 400,000 more electric cars	+0.85%
2021-02-13	-43	+26%	Set up electric car manufacturing in India	-
2021-02-25	-48	-73%	SEC probe over Tesla's \$1.5bn Bitcoin bet	-8.06%
2021-04-19	-61	-26%	Probe Tesla crash with no driver	-3.40%

Source - Sentifi ESG analytics

# Key shifts in Sentifi's Nestle SA. ESG score

Date	Nestle ESG Score	ESG Score Change	ESG Event	Price Change (%)
2020-07-02	-61	-119%	Court could end claims Nestle abetted child labor	+0.47%
2020-10-26	-100	-150%	Child Labor lawsuit filed in Washington DC	+0.21%
2021-04-28	-100	-24%	Cutting 600 jobs and closing UK factory	+0.24%
2021-06-18	-88	+11%	US Supreme Court saves Nestle from child slavery charges	+0.03%

Source - Sentifi ESG analytics

# How Tesla Inc's ESG performance has changed over the past two years

Time Frame (To date)	Volume of Positive ESG Events	Volume of Negative ESG Events	Tesla ESG Score	Industry ESG Score	Sector ESG Score	Leader or Laggard vs Sector
24 Months	31	60	-74	-80	-72	Laggard
18 Months	33	56	-71	-79	-72	Leader
12 Months	31	48	-65	-74	-67	Leader
6 Months	27	40	-69	-73	-52	Laggard
3 Months	18	37	-59	-64	-35	Laggard
1 Months	16	21	-72	-66	-14	Laggard

Source - Sentifi ESG analytics

# How Nestle SA's ESG performance has changed over the past two years

Time Frame (To date)	Volume of Positive ESG Events	Volume of Negative ESG Events	Nestle ESG Score	Industry ESG Score	Sector ESG Score	Leader or Laggard vs Sector
24	29	33	-59	-81	-86	Leader
18	28	30	-67	-83	-81	Leader
12	26	29	-77	-91	-77	Leader
6 Months	20	25	-97	-100	-63	Laggard
3 Months	14	24	-95	-100	-49	Laggard
1 Month	8	18	-100	-100	-60	Laggard

Source - Sentifi ESG analytics

## How does Alternative Data Stack Up: Actionability

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# Sentifi ESG Backtest STOXX Europe 600



## Sentifi ESG Strategy vs. STOXX Europe 600

24-March-2016 to 30-November-2020

The graph shows the time series of compound returns for Sentifi's ESG strategy vs. the STOXX Europe 600 index. Sentifi's ESG strategy picks the top 30 stocks from within the STOXX Europe 600 universe based on the attention-weighted ESG score change. The rebalancing period is 30 days. The detailed formula can be found below.

$$\begin{aligned}
 rankingScore_t &= AWesgScoreChange_t - AWesgScoreChange_{t-1}, \\
 AWesgScoreChange_t &= esgScoreChange_t \times (attnBuzz_t + 1) \times attnVol_t, \\
 esgScoreChange_t &= esgScore_t - esgScore_{t-1}
 \end{aligned}$$

where,

$esgScore_t$  is the end-period ESG score

$attnBuzz_t$  is the attention buzz of the past 120 days

$attnVol_t$  is total attention of ESG events over the past 30 days

	Rebalancing Period	Portfolio Size	Annualized Return	Periodic Return	Standard Deviation	Maximum Drawdown	Turnover	Sharpe Ratio
Europe 600	-	-	3.25%	0.26%	16.15	-25.40%	-	0.20
Sentifi	30 days	30	9.88%	0.78%	15.63	-17.53%	86.67%	0.63

### Notes

- Results are annualised
- Portfolios are rebalanced on the first trading day after the 30 days based on EOD prices.
- Transaction costs are ignored.

## Annex : Sentifi's ESG Taxonomy

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## Environmental

### Climate Change

Bioenergy  
 Carbon Emission  
 Carbon Emission Target  
 Carbon Footprint  
 Clean Energy  
 Clean Tech  
 Climate Change  
 Coal Fired Power Plants  
 Electric Cars  
 Emissions  
 Energy Efficiency  
 Energy Transition  
 Energy Use  
 Fossil Energy  
 Glacier Melting  
 Green Building  
 Renewable Energy  
 Solar Energy  
 Wind Energy

### Nature & Forests

Biodiversity  
 Bycatch Reduction  
 Deforestation  
 Endangered Species  
 Environmental Degradation  
 Illegal Fishing  
 Use of Natural Resources  
 Use of Renewable Natural Resources

### Food & Agriculture

Animal Cruelty  
 Animal Living Conditions  
 Energy Crops  
 Fertilizers  
 Genetically Modified Organisms (GMO)  
 Insecticides  
 Monocultures  
 Pesticides  
 Unsustainable Harvesting  
 Use of Antibiotics  
 Use of Hormones

### Pollution & Waste

\${Country} Air Pollution  
 Chemical Accident  
 Chemical Waste  
 Packaging Materials  
 Pipeline Explosion  
 Poisons  
 Use of Cyanide  
 Waste  
 Air Pollution

### Water & Sanitation

\${Country} Oil Spill  
 Oil Spill  
 Water Stress

## Social

### Human Rights

Biological Weapons  
 Chemical Weapons  
 Cluster Weapons  
 Human Rights  
 Human Rights Violation  
 Human Trafficking

### Employee Relations

Child Labor  
 Employee Health and Safety  
 Fire Prevention  
 Forced Labor  
 Health and Safety Standards  
 Labor Standards  
 Labor Strike  
 Labour Rights  
 Layoffs  
 Physical Harm  
 Safety Standards  
 Social Dumping  
 Staff Compensation  
 Wage Level  
 Work Accident  
 Working Conditions

### Customers & Privacy

\$(Country) Data Retention  
 Data Retention  
 Information Disclosure  
 Privacy & Data Security  
 Product Liability  
 Product Recall  
 Product Safety

### Community & Culture

Access to Health Care  
 Community Health and Safety  
 Land Acquisition  
 Native People  
 Protests

### Diversity & Equality

\$(Country) Income Inequality  
 Diversity & Inclusion  
 Income Inequality

## Governance

### Anti-Corruption

\${Country} Corruption  
 Bribery  
 Corruption  
 Cartel

### Regulatory Compliance

\${GovAgencies} Sanction  
 Accounting Fraud  
 Accounting Issues  
 Bank Fraud  
 Black Money  
 Competition Fraud  
 Counterfeit Money  
 Digital Fraud  
 Fuel Smuggle  
 Health Care Fraud  
 Insider Trading  
 Interbank Lending Rate Fraud  
 Legal Compliance  
 Legal Dispute  
 License Suspended  
 Marketing Fraud  
 Mischarging  
 Money Laundering  
 Monopoly  
 Mortgage Fraud  
 Regulatory Non Compliance  
 Sanctions  
 Tax Fraud  
 Tax Issue  
 Underage Gambling

### Ethics & Fairness

Reputation Damage  
 \${Country} Dumping  
 Animal Testing  
 Board Separation of Power  
 Business Ethics  
 Conflict of Interest  
 Controversial Sourcing  
 Corporate Governance  
 Dumping  
 Environmental Policy  
 Ethical Behaviour  
 Ethics Code of Conduct  
 Executive Compensation  
 Inappropriate Marketing Practices  
 Market Scandal  
 Paradise Papers  
 Responsible Investment  
 Scandal  
 Social Responsibility  
 Sustainability Certification  
 Sustainable Management  
 Unethical Conduct  
 Internal Investigation

### Risk & Security

Aviation Accident  
 Bad Debt  
 Cyber Crime  
 Cybersecurity  
 Cybersecurity Governance  
 Cybersecurity Policy  
 Cybersecurity Standards  
 Financial Instability  
 Security Vulnerability

# Awards

## This Year's Awards



Waters Technology Market Data & Inside Reference Data Award (2021)

**“Best Alternative Data Initiative”**

Sentifi has been awarded 'Best Alternative Data Initiative' in the Waters Technology Inside Market Data and Reference Data Awards. The awards recognize industry excellence within market data, reference data and enterprise data management.



TradingTech Insight Awards Europe (2021)

**“Best Alternative Data Consolidator”**

Sentifi was voted as the Best Alternative Data Consolidator with the most votes ever seen. These awards recognise leading providers of trading technology solutions, services and consultancy to capital markets, in recognition for the continuing excellence in the trading technology space.

## Selected Earlier Awards



Wealthtech 100  
“Top100” (2019)



Finance-IT Innovation Award  
“Most Innovative Technology”  
(2019)



Swisscom Challenge  
“Winner” (2018)



Swiss Fintech Award  
“Winner” (2016)