



PUBLIC RI REPORT

2021 PILOT

Sandbar Asset Management LLP

Generated 2022-08-18

About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities. **Public RI Reports** provide accountability and transparency on signatories' responsible investment activities and support dialogue within signatories' organisations, as well as with their clients, beneficiaries and other stakeholders.

This **Public RI Report** is an export of the signatory's responses to the PRI Reporting Framework during the 2021 reporting period. It includes the signatory's responses to mandatory indicators, as well as responses to voluntary indicators that the signatory has agreed to make public.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

PRI disclaimer

This document presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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Senior Leadership Statement (SLS)

Senior leadership statement

Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment?
- What are the main differences between your organisation's approach to responsible investment in its ESG practice and in other practices, across asset classes?

Why Engage. Sandbar decided to embrace environmental, social and governance issues primarily because as investors we believe that over time financial markets play a vital part in determining which companies succeed or fail. Sandbar manages a strategy with a mandate to identify these companies to generate returns on behalf of our clients. How well companies within our investable universe adapt to overcome obstacles in implementing sustainability will be intrinsic to their financial performance. As a market participant Sandbar incorporates this into how it measures companies and estimates their future financial performance, as well as play its part in enabling a sustainable future.

Our Approach. It is in Sandbar's and our client's best interests to take a proactive approach to changing dynamics in global markets, a key driver being how our investment universe adapts to long term sustainability in a company's business activities. ESG factors are fully integrated within our investment process, which has the stated aim as well as track record of generating a differentiated return stream for our clients. Embracing this within our process means we are not only acting in the best interests of our clients by viewing our investable universe through the prism of ESG, as well as other factors, but also playing our part in advancing ESG principles and standards which can only be to the benefit of the environment and society.

ESG integration. Sandbar manages one strategy for its clients, namely equity market neutral stock picking, and has one Responsible Investing policy which is incorporated into all our investment decisions. We do so because we believe that ESG factors can be material to the financial performance of companies, therefore fully understanding ESG leads to better informed investment decisions. The strategy we run has at its core thorough and detailed research before an investment is made, resultingly ESG risks and opportunities are measured alongside other financial metrics. We consider all metrics before and throughout all our investments, some of which are held for a few months and some for longer. Notwithstanding the relatively short-term holding periods of stocks in our strategy, the metrics, and outputs from all our fundamental research extend far longer. Therefore, a company's long-term strategy can matter in the immediate term to its share price on whichever metric it is being measured.

Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policy makers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

Achievements. Sandbar began implementing Responsible Investing into its asset selection and ownership during 2019, dovetailed with becoming a PRI signatory for the 2020 reporting year. Within our Responsible Investing Policy we stated several targets for the year and are pleased to say that we met them all. This process is evolutionary, however we are proud to reflect that although we are a small hedge fund with limited resources, we were arguably earlier than most peers to integrate ESG as described based on ambitious targets. We are a single strategy fund which survives or dies based on the return stream we generate, perhaps the highlight was the steps and progress made on the advancement and refinement of ESG analysis, coupled with its incorporation into the investment process on which we expand below. Expanding this into the next reporting period is a key target for 2021, what we see as a natural progression of the momentum achieved in 2020.

Responsible Ownership. The mandate we run for clients specifically excludes 'active' ownership however it is our belief that engagement does not contradict this. Discussing issues and interacting with company management is part of our process and so sharing insights with leadership teams can play a part in outcomes. ESG is now a formal structured part of every analyst meeting or call with company management, engagements which are recorded and available to our clients. Furthermore, the ability to hold short positions permits us to make investment decisions on companies we decide are not attractive, which may of course be due to their ESG performance and/or strategy, is another style of engagement. Deciding to short a company's stock is a decision based on our view of their future financial success and given how integrated ESG is into our process this at times is a key element in these holdings. Where possible the UN Sustainable Development Goals play their part in investment decisions, primarily in a 'top-down' approach but also as a reminder of the bigger picture for the team. Our approach to responsible ownership is reflected through this and also in our voting policy.

Research. Our research is obtained through our analyst's work and expertise as well as the collection of data at industry and stock level. This work generates an output determining fair value and an upside/downside scenario for all 800 stocks in our universe, combined with a date by which we expect fair value to be realised. These outputs are then compared to both company management forecasts and equity market consensus so if there is a spread between these and Sandbar's expectations, the case is considered for investment. ESG data and research is embedded within this process as much as other factors are, all intended to give the Portfolio Manager the optimal viewpoint through which to decide. Above this sector and industry research is the work done understanding ESG investment trends then dovetailing and aligning the investment process. It is, we believe, important to note that we do not separate functions within the analyst team: we expect that they are all as informed and educated as possible on ESG. This is how we structure our research right through to our invested portfolio; there is no segmentation nor ring-fencing of responsibilities. Fluid transfer of information makes the process work: team are all cognizant of ESG matters, consistent with how we manage our entire investment process.

Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

There are several major initiatives for 2021: we are expanding the internal ESG scoring of our investable universe from 10% to 100%; we are expanding the depth and range of SDG Outcomes from current levels; and an external independent review of Sandbar's Responsible Investing Policy and procedures with a view to holding an assurance standard. Our voting policy will be reviewed for 2021 in light of our increased understanding of the PRI Principles. Similarly, although we have not previously used the PRI collaboration tool, we will be assessing if it fits with our strategy and mandate from investors.

Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment.

Name James Orme-Smith

Position CEO

Organisation's name Sandbar Asset Management

● This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by Sandbar Asset Management LLP in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of Sandbar Asset Management LLP's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

Organisational Overview (OO)

Organisational information

Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(O) Fund management

(1) This is our only (or primary) type

Subsidiary information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries that are also PRI signatories in their own right?

☐ (A) Yes

☒ (B) No

Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

Assets under management

All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries	US\$ 2,326,000,000.00
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(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission	US\$ 0.00
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(C) AUM subject to execution, advisory, custody, or research advisory only	US\$ 0.00
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Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.

Percentage of AUM	
(A) Listed equity – internal	0.0%
(B) Listed equity – external	0.0%
(C) Fixed income – internal	0.0%
(D) Fixed income – external	0.0%
(E) Private equity – internal	0.0%
(F) Private equity – external	0.0%
(G) Real estate – internal	0.0%
(H) Real estate – external	0.0%
(I) Infrastructure – internal	0.0%
(J) Infrastructure – external	0.0%
(K) Hedge funds – internal	100.0%
(L) Hedge funds – external	0.0%
(M) Forestry – internal	0.0%
(N) Forestry – external	0.0%
(O) Farmland – internal	0.0%

(P) Farmland – external	0.0%
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(Q) Other – internal, please specify:	0.0%
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(R) Other – external, please specify:	0.0%
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(S) Off-balance sheet – internal	0.0%
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(T) Off-balance sheet – external	0.0%
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ESG strategies

Hedge funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 HF	CORE	OO 5	HF 10	PUBLIC	Hedge funds	1

Do you conduct negative screening on your hedge fund assets?

- ☒ (A) Yes
☐ (B) No

Stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5, OO 5.2 HF	Multiple, see guidance	PUBLIC	Hedge funds	2

Does your organisation conduct stewardship activities for your hedge fund assets?

	(1) Engagement	(2) (Proxy) voting
(A) Through service providers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not conduct this stewardship activity	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

	(1) ESG incorporated into investment decisions	(2) ESG not incorporated into investment decisions
(N) Hedge funds - Long/short equity	<input checked="" type="radio"/>	<input type="radio"/>

Voluntary reporting

Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

(1) Yes, report on the module

ISP: Investment and Stewardship Policy



(I) Hedge funds



ESG/sustainability funds and products

Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

Percentage

(H) Hedge funds

0.0%

Climate investments

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PUBLIC	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

0.0%

Investment and Stewardship Policy (ISP)

Responsible investment policy & governance

Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

- ☒ (A) Yes, we do have a policy covering our approach to responsible investment
- ☐ (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- ☒ (A) Overall approach to responsible investment
- ☒ (B) Guidelines on environmental factors
- ☒ (C) Guidelines on social factors
- ☒ (D) Guidelines on governance factors
- ☒ (E) Approach to stewardship
- ☒ (F) Approach to sustainability outcomes
- ☒ (G) Approach to exclusions
- ☒ (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- ☒ (I) Definition of responsible investment and how it relates to our fiduciary duty
- ☒ (J) Definition of responsible investment and how it relates to our investment objectives
- ☒ (K) Responsible investment governance structure
- ☒ (L) Internal reporting and verification related to responsible investment
- ☒ (M) External reporting related to responsible investment
- ☐ (N) Managing conflicts of interest related to responsible investment
- ☐ (O) Other responsible investment aspects not listed here, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

Indicate which of your responsible investment policy elements are publicly available and provide links.

- ☒ (A) Overall approach to responsible investment. Add link(s):
www.sandbaram.com
- ☒ (B) Guidelines on environmental factors. Add link(s):
www.sandbaram.com
- ☒ (C) Guidelines on social factors. Add link(s):
www.sandbaram.com
- ☒ (D) Guidelines on governance factors. Add link(s):

☐ www.sandbaram.com

☒ (E) Approach to stewardship. Add link(s):

☐ www.sandbaram.com

☒ (F) Approach to sustainability outcomes. Add link(s):

☐ www.sandbaram.com

☒ (G) Approach to exclusions. Add link(s):

☐ www.sandbaram.com

☒ (H) Asset class-specific guidelines that describe how ESG incorporation is implemented. Add link(s):

☐ www.sandbaram.com

☒ (I) Definition of responsible investment and how it relates to our fiduciary duty. Add link(s):

☐ www.sandbaram.com

☒ (J) Definition of responsible investment and how it relates to our investment objectives. Add link(s):

☐ www.sandbaram.com

☒ (K) Responsible investment governance structure. Add link(s):

☐ www.sandbaram.com

☒ (L) Internal reporting and verification related to responsible investment. Add link(s):

☐ www.sandbaram.com

☒ (M) External reporting related to responsible investment. Add link(s):

☐ www.sandbaram.com

☐ (P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors

AUM coverage of all policy elements in total:

100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

Which elements does your exclusion policy include?

- ☒ (A) Legally required exclusions (e.g. those required by domestic/international law, bans, treaties or embargoes)
- ☒ (B) Exclusions based on our organisation's values or beliefs (e.g. regarding weapons, alcohol, tobacco and/or avoiding other particular sectors, products, services or regions)
- ☐ (C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 5	CORE	Multiple, see guidance	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your asset class-specific guidelines that describe how ESG incorporation is implemented?

AUM Coverage:

(F) Hedge Funds

100.0%

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?

- ☐ (A) Board and/or trustees
- ☒ (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- ☐ (C) Investment committee
- ☐ (D) Other chief-level staff, please specify:
- ☒ (E) Head of department, please specify department:

Head of Research
- ☐ (F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

In your organisation, which internal or external roles have responsibility for implementing responsible investment?

- ☒ (A) Board and/or trustees
- ☒ (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- ☐ (C) Investment committee
- ☐ (D) Other chief-level staff [as specified]
- ☒ (E) Head of department [as specified]
- ☒ (F) Portfolio managers
- ☒ (G) Investment analysts
- ☐ (H) Dedicated responsible investment staff
- ☒ (I) Investor relations
- ☐ (J) External managers or service providers
- ☐ (K) Other role, please specify:
- ☐ (L) Other role, please specify:
- ☐ (M) We do not have roles with responsibility for implementing responsible investment.

People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(1) Board and/or trustees	(2) Chief- level staff	(5) Head of department [as specified]	(6) Portfolio managers	(7) Investment analysts	(9) Investor relations
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Objective for ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

Which responsible investment objectives are linked to variable compensation for roles in your organisation?

RI objectives linked to variable compensation for roles in your organisation:

(1) Board and/or trustees

(A) Objective for ESG incorporation in investment activities ☐

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☐

(2) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))

(A) Objective for ESG incorporation in investment activities ☒

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☒

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☐

(5) Head of department

(A) Objective for ESG incorporation in investment activities ☐

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☐

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☐

(6) Portfolio managers

(A) Objective on ESG incorporation in investment activities ☐

(7) Investment analysts

(A) Objective for ESG incorporation in investment activities ☐

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☒

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions) ☒

(9) Investor relations

(A) Objective on ESG incorporation in investment activities ☐

(B) Objective for contributing to the development of the organisation's ESG incorporation approach ☐

(G) We have not linked any RI objectives to variable compensation ☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?

● (A) Quarterly or more frequently

○ (B) Bi-annually

○ (C) Annually

○ (D) Less frequently than annually

○ (E) On an ad hoc basis

○ (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

Does your organisation incorporate ESG factors into your strategic asset allocation?

- ☒ (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
- ☐ (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
- ☐ (C) No, we do not incorporate ESG considerations into our strategic asset allocation
- ☐ (D) Not applicable, we do not have a strategic asset allocation process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10.1	CORE	ISP 10	N/A	PUBLIC	Strategic asset allocation	1

For what proportion of assets do you incorporate ESG factors into your strategic asset allocation process?

(A) We incorporate ESG factors into calculations for expected risks and returns of asset classes (1) for all of our assets

Stewardship

Stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 11	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship policy	2

What percentage of your assets under management does your stewardship policy cover?

(F) Hedge funds 100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

- ☒ (A) Key stewardship objectives
- ☐ (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
- ☐ (C) Prioritisation approach depending on entity (e.g. company or government)
- ☐ (D) Specific approach to climate-related risks and opportunities
- ☐ (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)
- ☐ (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
- ☐ (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
- ☐ (H) Approach to collaboration on stewardship
- ☐ (I) Escalation strategies
- ☐ (J) Conflicts of interest
- ☐ (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
- ☒ (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa
- ☐ (M) None of the above elements are captured in our stewardship policy

Stewardship policy implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2

How is your stewardship policy primarily applied?

- ☒ (A) It requires our organisation to take certain actions
- ☐ (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
- ☐ (C) It creates permission for taking certain measures that are otherwise exceptional
- ☐ (D) We have not developed a uniform approach to applying our stewardship policy

Stewardship objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2

For the majority of assets within each asset class, which of the following best describes your primary stewardship objective?

(6) Hedge funds

- | | |
|--|----------------------------------|
| (A) Maximise the risk-return profile of individual investments | <input type="radio"/> |
| (B) Maximise overall returns across the portfolio | <input type="radio"/> |
| (C) Maximise overall value to beneficiaries/clients | <input checked="" type="radio"/> |
| (D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact) | <input type="radio"/> |

Stewardship prioritisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2

What key criteria does your organisation use to prioritise your engagement targets? For asset classes such as real estate, private equity and infrastructure, you may consider this as key criteria to prioritise actions taken on ESG factors for assets, portfolio companies and/or properties in your portfolio. Select up to 3 options per asset class from the list.

(6) Hedge funds

(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property



(B) The materiality of ESG factors on financial and/or operational performance



(C) Specific ESG factors with systemic influence (e.g. climate or human rights)



(D) The ESG rating of the entity



(E) The adequacy of public disclosure on ESG factors/performance



(F) Specific ESG factors based on input from clients



(G) Specific ESG factors based on input from beneficiaries



(H) Other criteria to prioritise engagement targets, please specify:



(I) We do not prioritise our engagement targets



Collaborative stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18	CORE	Multiple, see guidance	ISP 18.1	PUBLIC	Collaborative stewardship	2

Which of the following best describes your organisation's default position, or the position of the service providers/external managers acting on your behalf, with regards to collaborative stewardship efforts such as collaborative engagements?

- (A) We recognise that stewardship suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual stewardship efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation
- (D) We do not have a default position but collaborate on a case-by-case basis
- (E) We generally do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18.1	PLUS	ISP 18	N/A	PUBLIC	Collaborative stewardship	2

Describe your position on collaborating for stewardship.

We have successfully engaged with corporate management to drive through material ESG change, that in turn resulted in share price movement that benefited our clients. Please see Stewardship Example Indicator ISP22. However in 2020, we engaged without collaboration, although often other investors were also meeting management and asking for the same outcomes. To that end, for 2021 and beyond, we view that collaboration could be an impactful lever in driving positive ESG changes with our investees. We will be reviewing the PRI collaboration tool to see if we will incorporate it into our investment processes.

Escalation strategies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 19	PLUS	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

Which of these measures did your organisation, or the service providers/external managers acting on your behalf, use most frequently when escalating initial stewardship approaches that were deemed unsuccessful?

(3) Hedge funds

(A) Collaboratively engaging the entity with other investors

☐

(B) Filing/co-filing/submitting a shareholder resolution or proposal

☐

(C) Publicly engaging the entity (e.g. open letter)

☐

(D) Voting against the re-election of one or more board directors

☐

(E) Voting against the chair of the board of directors

☐

(F) Voting against the annual financial report

☐

(G) Divesting or implementing an exit strategy

☐

(H) We did not use any escalation measures during the reporting year. Please explain why below

☒

You have selected "(H) We did not use any escalation measures during the reporting year", please explain why.

We are evolving in our use of Responsible Ownership tools. In 2020 we did not have the need to escalate, however will review these options if the need arises.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 20	CORE	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

If initial stewardship approaches were deemed unsuccessful, which of the following measures are excluded from the potential escalation actions of your organisation or those of the service providers/external managers acting on your behalf?

(3) Hedge funds

(A) Collaboratively engaging the entity with other investors

☐

(B) Filing/co-filing/submitting a shareholder resolution or proposal

☒

(C) Publicly engaging the entity (e.g. open letter)

☒

(D) Voting against the re-election of one or more board directors

☐

(E) Voting against the chair of the board of directors

☐

(F) Voting against the annual financial report

☐

(G) Divesting or implementing an exit strategy

☐

(H) We do not have any restrictions on the escalation measures we can use

☐

Stewardship examples

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 22	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship examples	2

Describe stewardship activities that you participated in during the reporting year that led to desired changes in the entity you interacted with. Include what ESG factor(s) you engaged on and whether your stewardship activities were primarily focused on managing ESG risks and opportunities or delivering sustainability outcomes.

	(1) Engagement type	(2) Primary goal of stewardship activity
(A) Example 1	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
(B) Example 2	a) Internally (or service provider) led	c) Both managing ESG risks and delivering outcomes
	(3) The ESG factors you focused on in the stewardship activity	(4) Description of stewardship activity and the desired change(s) you achieved

(A) Example 1

Environmental Factors

When fertilizer prices started to increase, it became apparent that Mosaic free cash flow was going to significantly inflect higher, leaving it with a lot of spare capital to allocate. Typically, investors in commodity companies want that excess free cash flow to go towards buybacks or dividends, to pull money out of the business. However, given conversations we had with other investors, there was agreement that this seemed to be a great opportunity for Mosaic to instead invest in the business to lower its operating cost and environmental footprint, two key issues that in our opinion were weighing on the valuation multiple of Mosaic stock.

In discussions with the CEO, CFO, COO, and IR at various conferences, management come across very open and receptive to investor feedback. **(response continued in row below)**

One of the views that we expressed to them was the potential to bring forward the transition to the new – Brine-free - K3 mine from end of 2023. Mosaic has historically spent \$200m/year to remove brine that flows into its older mines at Esterhazy and had already targeted moving production to the new K3 shaft. It is hard to quantify the exact environmental impact from the brine inflow, but a Russian potash producer (Uralkali) has had major production issues from brine inflows that turned into sinkholes (one opened up nearly 100m across and swallowed an entire village), so there are serious risks associated with it, beyond the energy costs required to pump the brine out into storage areas.

Management were very receptive to the discussion of allocating the excess cash flow to the mine transition, and during the 4Q19 earnings call announced that the capex spend would be pulled forward. **(response continued in row below)**

We believe that this has had a materially positive impact on the stock. The new mine will be one of the lowest cost producing in the world – with no Brine management costs associated with it. This will further improves the Mosaic valuation multiple as Mosaic will now be able to generate free cash flow at the bottom of the potash pricing cycle..

(B) Example 2

Environmental Factors

Rockwool is a producer of insulation and is therefore understandably a perceived winner of society becoming more energy conscious. It is this ESG attribute that we believe drove a significant rerating and consequently an outperformance of 100% against EU industrials from the market trough in mid-March 2020.

An attractive valuation combined with a set of earnings forecasts that were above consensus, led us to first initiate an investment in Rockwool in early October-2020. However, in November 2020 Rockwool's outperformance came to an abrupt stop following the publication by the EU of its draft of Taxonomy eligibility. Insulation was surprisingly placed in a very broad category with very vague (and wide) guides of eligibility. By coincidence at this time, the market became concerned about earning downgrades from insulation industry capacity additions. We believe these capacity concerns could have been brushed off by the share price but the additional Taxonomy concern meant this was not possible. Over the period of Nov – Dec 20' the stock underperformed by 35%.

Finally, in addition to all of the above, it should be noted that the production process for Stonewool is extremely energy intensive and thus uses the highest heat generation fuel: petcoke.
(response continued in row below)

The use of petcoke for production generates a high level of CO2, and although the lifetime savings from the production of the Stonewool will offset this, it has nevertheless been a major issue for us at Sandbar. The energy mix of Rockwool we do not believe manifested itself as a market concern that impacted the stock's valuation but we were distinctly aware of this as a future downside risk to the stock. We had multiple discussions with the company from November to January. During the course of these discussions we focused on what can the company do to reduce its emissions , how costly that would be, and what company could do to remove the overhang of the proposed weakened Taxonomy criteria. Rockwool gave us multiple examples of actions they are taking to move their production to zero emissions. In general terms they are changing the energy input from Petcoke to Electricity (for new) and to Gas (for retrofit). Of their 40 factories, 5 are running on electricity but they are very small. 8 factories are running on coal dust and milled coal. With limited capex, they can convert their milled coal powered plants to Gas. All new capacity in US will be based on gas. **(response continued in row below)**

In Norway they own a rip melter that runs on petcoke and they will be replacing this with Electricity - at cost of €35m (and through a €10m subsidy from the Norwegian government). Other sites are under a plan to be gradually converted. We requested that the company speed up their transition and also to communicate this to the market. On the 19th of March the company hosted an ESG CMD and we think company communication was well received.

With respect to the diluted Taxonomy criteria, we discussed the need for the EU to clarify what insulation materials would be eligible due to the incredible benefit that good insulation can bring to reducing Buildings emissions (which account for c40% of the total in some countries). The issue at hand was the lack of a defined criteria, which we concluded could be lamda value (insulation coefficient). The company told us they were of course making their case on this point to the EU commission, and that they were also monitoring the amount of similar lobbying. We were confident in the logic of lamda value as a criteria were therefore confident that these changes would ultimately be implemented. On 21/04/21 the EU released its final draft where lamda values were included (Rockwool stock was up+4% in 2 days after this event)..

Engaging policymakers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2

How does your organisation, or the external investment managers or service providers acting on your behalf, engage with policymakers for a more sustainable financial system?

- ☐ (A) We engage with policymakers directly
- ☒ (B) We provide financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers
- ☐ (C) We do not engage with policymakers directly or indirectly

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?

- ☐ (A) We participate in "sign-on" letters on ESG policy topics. Describe:
- ☒ (B) We respond to policy consultations on ESG policy topics. Describe:
 SBAI lead a number of strategy specific Responsible Investment working groups of which Sandbar AM has been a member since launch in 2020.
- ☐ (C) We provide technical input on ESG policy change. Describe:
- ☐ (D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. Describe:
- ☐ (E) We proactively engage regulators and policymakers on other policy topics. Describe:
- ☐ (F) Other methods used to engage with policymakers. Describe:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.2	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

Do you have governance processes in place (e.g. board accountability and oversight, regular monitoring and review of relationships) that ensure your policy activities, including those through third parties, are aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

○ (A) Yes, we have governance processes in place to ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI. Describe your governance processes:

● (B) No, we do not have these governance processes in place. Please explain why not:

Although we report on Responsible Investing to our Master Fund board on a quarterly basis, it is not part of our mandate to directly engage with policy makers.

Engaging policymakers – Policies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2

Do you have policies in place that ensure that your political influence as an organisation is aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

○ (A) Yes, we have a policy(ies) in place. Describe your policy(ies):

● (B) No, we do not a policy(ies) in place. Please explain why not:

Sandbar AM explicitly avoids any political activity

Engaging policymakers – Transparency

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2

During the reporting year, did your organisation publicly disclose your policy engagement activities or those conducted on your behalf by external investment managers/service providers?

- ☐ (A) We publicly disclosed details of our policy engagement activities. Add link(s):
- ☐ (B) We publicly disclosed a list of our third-party memberships in or support for trade associations, think-tanks or similar that conduct policy engagement activities with our support or endorsement. Add link(s):
- ☒ (C) No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:
 We did not have any activity to report.
- ☐ (D) Not applicable, we did not conduct policy engagement activities

Climate change

Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Paris Agreement?

- ☒ (A) Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:
 www.sandbaram.com
- ☐ (B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?

☉ (A) Yes, we publicly support the TCFD Add link(s) to webpage or other public document/text expressing support for the TCFD:

www.sandbaram.com

○ (B) No, we currently do not publicly support the TCFD

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?

☑ (A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:

Sandbar Asset Management LLP does not have a supervisory board, it has an Executive Management Committee comprising the CEO, CIO and COO, which meets quarterly and has a regular agenda to follow. There is also the ESG Committee which sits quarterly and comprises the CIO, CEO, COO, Head of Research and Head of Trading. All internal processes relating to climate-related risks and opportunities are set by the respective committees and reviewed every quarter. The flagship fund of Sandbar, the Sandbar Master Fund, has a supervisory board of independent directors which meets quarterly and again, climate-related risks and opportunities are covered within the routine agenda ESG point during the meeting. Sandbar only has 18 employees therefore has the ability to monitor all its activities swiftly and with transparency, and report on this when required to.

☑ (B) By articulating internal/external roles and responsibilities related to climate. Specify:

Sandbar's controlling member and founder, in conjunction with the CEO, decided which employees would be responsible for their particular role relating to climate-related risks and opportunities, clearly stated and measured as part of their overall professional review and remuneration process at the Firm.

☑ (C) By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:

The CEO is in regular dialogue with clients, often their Head of ESG, to report on activities and progress relating to climate-related risks and opportunities. This communication naturally feeds into the choices and actions Sandbar makes and although our policies and procedures are organically developed we pay much attention to changing preferences and priorities from the client base. For example we often provide information for clients relating to their own underlying investor needs, for example the carbon footprint for the portfolio which they aggregate across all external funds held.

☑ (D) By incorporating climate change into investment beliefs and policies. Specify:

The Head of Research & Head of Trading report to the ESG committee on the incorporation of climate change into investment beliefs, primarily implemented through the use of external data and a proprietary internal scoring system. The ESG Committee provides this oversight and is responsible for monitoring progress through its routine and formal function every quarter.

☒ (E) By monitoring progress on climate-related metrics and targets. Specify:

The CEO reports to the CIO & Founder on implementation of the relevant policies, primarily the implementation and progress of the stated targets contained therein. There are procedures and targets related to climate-related risks to Sandbar Asset Management LLP itself, delineated from the core business of asset management to ensure that the Firm plays a positive role in both being aware of its impact on the environment and ensuring this is minimized to the full extent possible. Woven into this is the CEO's responsibility to ensure the Committee are informed as to further developmental steps available to the Firm, best practice in the industry as well as whether our clients are both informed and satisfied with those actions being taken. At the Fund level, the CEO reports to the relevant Fund Board Directors on all the above, quarterly.

☐ (F) By defining the link between fiduciary duty and climate risks and opportunities. Specify:

☐ (G) Other measures to exercise oversight, please specify:

☐ (H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

What is the role of management in assessing and managing climate-related risks and opportunities?

☐ (A) Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:

☐ (B) Management implements the agreed-upon risk management measures. Specify:

☒ (C) Management monitors and reports on climate-related risks and opportunities. Specify:

Ultimately CEO is responsible for ensuring the Corporate Responsibility Policy is both implemented and enhanced over time in line with climate-related risks and opportunities. To achieve this the CEO is enabled and mandated to decide what resources are required to achieve the Policy's aims. Ultimately, the CEO is held accountable for delivering on this Policy and is measured on this during the quarterly Executive Committee meetings.

☒ (D) Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:

Ultimately CEO is responsible for ensuring the Corporate Responsibility Policy is both implemented and enhanced over time in line with climate-related risks and opportunities. To achieve this the CEO is enabled and mandated to decide what resources are required to achieve the Policy's aims. Ultimately, the CEO is held accountable for delivering on this Policy and is measured on this during the quarterly Executive Committee meetings.

☐ (E) Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:

☐ (F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?

☒ **(A) Specific financial risks in different asset classes. Specify:**

Firstly, climate-related risks and opportunities are fully integrated into the Firm's investment & risk processes. Investing solely in listed equities, almost by definition, means that this is a large consideration in all investment decisions. Increasingly we observe ESG related factors impacting the underlying financial performance of industries and companies therefore it is within our fiduciary duty to fully incorporate climate-related risks and opportunities into our investment process.

☒ **(B) Specific sectors and/or assets that are at risk of being stranded. Specify:**

Secondly, there are very few companies in our investable universe untouched by climate-related risks and as such it has become one pillar of how we research, rate, value and consider companies within our investable universe. Rather than being 'stranded' per se, we observe the growing opportunity through divergence intra-sector between companies setting a clear strategy and investing accordingly due to climate-related risks and those who perhaps don't have a strategy or the financial means to implement one. Examples of these sectors offering opportunities in this regard are Auto OEMs, Aerospace, Chemicals companies, to name but a few.

☐ (C) Assets with exposure to direct physical climate risk. Specify:

☐ (D) Assets with exposure to indirect physical climate risk. Specify:

☒ **(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:**

Finally, those sectors in our investable universe which may benefit are clearly renewables, solar, alternative energy companies. Having said that, we do observe divergence even within these sectors between companies and their strategies. Product cycle, balance sheet strength, market dynamics in the ones they are exposed to can all mean even in sectors which appear to be benefitting from a shift to cleaner industries are not necessarily all going to perform in the same way.

☐ (F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:

☐ (G) Other climate-related risks and opportunities identified. Specify:

☐ (H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(A) Specific financial risks in different asset classes [as specified]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(5) 11–20 years	(6) 21–30 years	(7) >30 years	
(A) Specific financial risks in different asset classes [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?

☐ (A) Specific financial risks in different asset classes. Specify:

☒ (B) **Specific sectors and/or assets that are at risk of being stranded. Specify:**

The Auto manufacturing and the Aircraft manufacturing sectors are just two industries which both face long term structural challenges, as do the companies in their supply chain. The race to produce products which keep pace with climate-related risks and opportunities is vastly resource intensive and increasingly competitive. Research and Development is hugely expensive and long-dated, to which there is no guarantee of success nor real demand once the products are ready for market. Consumer behaviour is fast changing and so is regulatory change, which makes it incredibly hard for companies to judge over the long term. The direction of travel is clear but what their end markets will resemble is unclear at this point.

- ☐ (C) Assets with exposure to direct physical climate risk. Specify:
- ☐ (D) Assets with exposure to indirect physical climate risk. Specify:
- ☐ (E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:
- ☒ (F) **Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:**
Renewables is clearly a sector which will benefit from the long term structural changes related to climate-related risks therefore should benefit from the opportunity.
- ☐ (G) Other climate-related risks and opportunities identified, please specify:
- ☐ (H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.

- ☐ (A) An orderly transition to a 2°C or lower scenario
- ☐ (B) An abrupt transition consistent with the Inevitable Policy Response
- ☐ (C) A failure to transition, based on a 4°C or higher scenario
- ☐ (D) Other climate scenario, specify:
- ☒ (E) **We do not use scenario analysis to assess climate-related investment risks and opportunities**

Metrics and targets: Transition risk

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 38	PLUS	N/A	ISP 38.1	PUBLIC	Metrics and targets: Transition risk	General

What climate-related metric(s) has your organisation identified for transition risk monitoring and management?

- ☒ (A) **Total carbon emissions**
- ☒ (B) **Carbon footprint**
- ☐ (C) Carbon intensity
- ☐ (D) Weighted average carbon intensity
- ☐ (E) Implied temperature warming
- ☐ (F) Percentage of assets aligned with the EU Taxonomy (or similar taxonomy)
- ☐ (G) Avoided emissions metrics (real assets)
- ☐ (H) Other metrics, please specify:
- ☐ (I) No, we have not identified any climate-related metrics for transition risk monitoring

Sustainability outcomes

Set policies on sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 40	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Where is your approach to sustainability outcomes set out? Your policy/guideline may be a standalone document or part of a wider responsible investment policy.

- ☒ (A) Our approach to sustainability outcomes is set out in our responsible investment policy
- ☐ (B) Our approach to sustainability outcomes is set out in our exclusion policy
- ☐ (C) Our approach to sustainability outcomes is set out in our stewardship policy
- ☐ (D) Our approach to sustainability outcomes is set out in asset class-specific investment guidelines
- ☐ (E) Our approach to sustainability outcomes is set out in separate guidelines on specific outcomes (e.g. the SDGs, climate or human rights)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 41	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Which global or regionally recognised frameworks do your policies and guidelines on sustainability outcomes refer to?

- ☒ (A) The SDG goals and targets
- ☐ (B) The Paris Agreement
- ☐ (C) The UN Guiding Principles on Business and Human Rights
- ☐ (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- ☐ (E) Other frameworks, please specify:
- ☐ (F) Other frameworks, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 42	PLUS	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

What are the main reasons that your organisation has established policies or guidelines on sustainability outcomes? Select a maximum of three options.

- ☒ (A) Because we understand which potential financial risks and opportunities are likely to exist in (and during the transition to) an SDG-aligned world
- ☒ (B) Because we see it as a way to identify opportunities, such as through changes to business models, across supply chains and through new and expanded products and services
- ☐ (C) Because we want to prepare for and respond to legal and regulatory developments, including those that may lead to stranded assets
- ☐ (D) Because we want to protect our reputation and licence-to-operate (i.e. the trust of beneficiaries, clients and other stakeholders), particularly in the event of negative sustainability outcomes from investments
- ☒ (E) Because we want to meet institutional commitments on global goals (including those based on client or beneficiaries' preferences), and communicate on progress towards meeting those objectives
- ☐ (F) Because we consider materiality over longer time horizons to include transition risks, tail risks, financial system risks and similar
- ☐ (G) Because we want to minimise negative sustainability outcomes and increase positive sustainability outcomes of investments

Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- ☐ (A) No, we have not identified the sustainability outcomes from our activities
- ☒ (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1

What frameworks/tools did your organisation use to identify the sustainability outcomes from its activities? Indicate the tools or frameworks you have used to identify and map some or all of your sustainability outcomes.

- ☒ (A) The UN Sustainable Development Goals (SDGs) and targets
- ☐ (B) The Paris Agreement
- ☐ (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☐ (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- ☐ (E) The EU Taxonomy
- ☐ (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
- ☐ (G) Other framework/tool, please specify:
- ☐ (H) Other framework/tool, please specify:
- ☐ (I) Other framework/tool, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1

At what level(s) did your organisation identify the sustainability outcomes from its activities?

- ☐ (A) At the asset level
- ☐ (B) At the economic activity level
- ☒ (C) At the company level
- ☐ (D) At the sector level
- ☐ (E) At the country/region level
- ☐ (F) At the global level
- ☐ (G) Other level(s), please specify:
- ☐ (H) We do not track at what level(s) our sustainability outcomes were identified

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

How has your organisation determined your most important sustainability outcome objectives?

- ☒ (A) Identifying sustainability outcomes that are closely linked to our core investment activities
- ☐ (B) Consulting with key clients and/or beneficiaries to align with their priorities
- ☐ (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
- ☐ (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
- ☐ (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
- ☐ (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
- ☐ (G) Understanding the geographical relevance of specific sustainability outcome objectives
- ☐ (H) Other method, please specify:
- ☐ (I) We have not yet determined our most important sustainability outcome objectives

Transparency & Confidence-Building Measures

Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- ☒ (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- ☐ (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- ☒ (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- ☒ (D) A description of our investment process and how ESG is considered
- ☐ (E) ESG objectives of individual funds
- ☒ (F) Information about the ESG benchmark(s) that we use to measure fund performance
- ☒ (G) Our stewardship approach
- ☒ (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)

- ☐ (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- ☒ (J) A list of our main investments and holdings
- ☒ (K) ESG case study/example from existing fund(s)
- ☐ (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

Client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 50	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – All assets	6

What ESG information is included in your client reporting for the majority of your assets under management?

- ☐ (A) Qualitative ESG analysis, descriptive examples or case studies
- ☐ (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- ☒ (C) Progress on our sustainability outcome objectives
- ☐ (D) Stewardship results
- ☐ (E) Information on ESG incidents where applicable
- ☐ (F) Analysis of ESG contribution to portfolio financial performance
- ☐ (G) We do not include ESG information in client reporting for the majority of our assets under management

Frequency of client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 51	CORE	Multiple, see guidance	N/A	PUBLIC	Frequency of client reporting – All assets	6

For the majority of each asset class, how frequently do you report ESG-related information to your clients?

(F) Hedge funds

(1) Quarterly

Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?

- ☐ (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- ☒ (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- ☐ (C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report
- ☒ (D) Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report
- ☐ (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
- ☐ (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- ☐ (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- ☒ (I) Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI
- ☐ (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 56	CORE	OO 14, ISP 52	N/A	PUBLIC	Confidence-building measures	6

What responsible investment processes and/or data were audited by internal auditors/outsourced internal auditors?

- | | |
|---------------------------------------|--|
| (A) Investment and stewardship policy | (3) Processes and related data assured |
| <hr/> | |
| (H) Hedge funds | (3) Processes and related data assured |
| <hr/> | |

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Who has reviewed/verified the entirety of or selected data from your PRI report?

(A) Board and/or trustees (4) report not reviewed

(B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO)) (1) the entire report

(C) Investment committee (4) report not reviewed

(D) Other chief-level staff, please specify:
☐ No Other C Level Staff other than in (B) (4) report not reviewed

(E) Head of department, please specify:
☐ Head of Research Team (1) the entire report

(F) Compliance/risk management team (1) the entire report

(G) Legal team (4) report not reviewed

(H) RI/ ESG team (1) the entire report

(I) Investment teams (4) report not reviewed

Hedge Fund (HF)

Policy

Investment guidelines

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 1	CORE	N/A	N/A	PUBLIC	Investment guidelines	1, 4, 6

What activities and/or relationships are covered by your organisation's responsible investment policy(ies) and practices for your hedge fund assets?

- ☐ (A) Our ESG requirements of prime brokers
- ☐ (B) Our ESG requirements with administrators and custodians
- ☐ (C) Our ESG requirements regarding (proxy) voting service providers (or other third-party providers)
- ☒ (D) How breaches in our responsible investment policy are communicated with external parties and clients
- ☒ (E) How ESG is incorporated into our long and/or short exposures
- ☐ (F) How ESG is incorporated into our derivatives exposure
- ☒ (G) Whether sectors, issuers, equities and/or asset types are avoided due to ESG factors
- ☒ (H) How we engage with underlying investees, issuers or real assets
- ☐ (I) Our policies do not cover activities and/or relationships for our hedge fund assets

Pre-investment phase

Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 2	CORE	OO 10	HF 2.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors across your hedge fund strategies?

(2) Long/short equity

(A) Yes, we have a formal process to identify material ESG factors for all of our assets



(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets



(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets



(D) No, we do not have a formal process to identify material ESG factors



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 2.1	CORE	HF 2	N/A	PUBLIC	Materiality analysis	1

How does your current investment process incorporate material ESG factors?

(2) Long/short equity

(A) The investment process incorporates material governance factors



(B) The investment process incorporates material environmental and social factors ☒

(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon ☒

(D) The investment process incorporates the type of ESG factors and how they affect the shape of the risk profile on underlying exposures ☒

Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 3	CORE	N/A	HF 3.1	PUBLIC	Long-term ESG trend analysis	1

How do you incorporate long-term ESG trends into your investment activities?

- ☒ (A) We use long-term ESG trends to identify opportunities that influence our sector exposure
- ☒ (B) We use long-term ESG trends to identify risks that influence our sector exposure
- ☒ (C) We use long-term ESG trends as part of our research process to identify investment opportunities
- ☒ (D) We use long-term ESG trends as part of our risk management process to manage investment positions
- ☒ (E) We use long-term ESG trends as part of our portfolio construction
- ☒ (F) We use long-term ESG trends to inform the development of our hedging strategies
- ☐ (G) We do not continuously monitor long-term ESG trends in our investment process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 3.1	CORE	HF 3	N/A	PUBLIC	Long-term ESG trend analysis	1

For what proportion of assets do you incorporate long-term ESG trends into your investment process?

- (A) We monitor long-term ESG trends for all of our assets
- (B) We monitor long-term ESG trends for the majority of our assets
- (C) We monitor long-term ESG trends for a minority of our assets

ESG incorporation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 4	CORE	OO 10	HF 4.1	PUBLIC	ESG incorporation	1

How does your investment research incorporate material ESG risks and opportunities into the selection of equities, credit or other individual assets?

(2) Long/short equity

(A) We incorporate governance-related risks and opportunities that may affect the products and services delivered by companies or issuers



(B) We incorporate environmental and social risks and opportunities that may affect the products and services delivered by companies or issuers



(C) We incorporate environmental and social risks and opportunities that may arise from how companies or issuers undertake their operations



(D) We incorporate environmental and social risks and opportunities linked to a company's or issuer's supply chain ☒

(E) We incorporate environmental and social risks and opportunities into our investment research and decision-making for other asset types or financial instruments ☐

(F) Other, please specify below. ☐

(G) Our strategy does not invest in individual or single assets ☐

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 4.1	CORE	HF 4	N/A	PUBLIC	ESG incorporation	1

In what proportion of cases do you incorporate the following material ESG risks and opportunities into the selection of equities, credit or other individual assets?

(2) Long/short equity

(A) We incorporate governance-related risks and opportunities that may affect the products and services delivered by companies or issuers (1) in all cases

(B) We incorporate environmental and social risks and opportunities that may affect the products and services delivered by companies or issuers (1) in all cases

(C) We incorporate environmental and social risks and opportunities that may arise from how companies or issuers undertake their operations (1) in all cases

(D) We incorporate environmental and social risks and opportunities linked to a company's or issuer's supply chain (1) in all cases

ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 6	CORE	OO 10	HF 6.1	PUBLIC	ESG incorporation in portfolio construction	1

How do ESG factors influence your portfolio construction?

(2) Long/short equity

(A) The selection of individual assets within our portfolio is influenced by ESG factors



(B) The holding period of individual assets within our portfolio is influenced by ESG factors



(C) The portfolio weighting of individual assets within our portfolio is influenced by ESG factors



(D) The selection of a specific benchmark is influenced by ESG factors



(E) The construction of short positions is influenced by ESG factors



(F) Other expressions of conviction, please specify below:



(G) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 6.1	CORE	HF 6	N/A	PUBLIC	ESG incorporation in portfolio construction	1

In what proportion of cases did ESG factors influence your portfolio construction?

(2) Long/short equity

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(E) The construction of short positions is influenced by ESG factors (1) in all cases

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 8	CORE	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How does your assessment of emerging and potential ESG risks influence your investment strategy?

(2) Long/short equity

(A) Emerging and potential ESG risks influence our research, valuation and portfolio weightings of fixed income assets ☐

(B) Emerging and potential ESG risks influence our research, valuation and portfolio weightings of listed equities ☒

(C) Emerging and potential ESG risks influence our hedging strategies ☒

(D) Emerging and potential ESG risks influence our research, valuation and portfolio weightings of other asset types or financial instruments ☐

(E) Other, please specify below: ☐

(F) We do not assess emerging and potential ESG risks ☐

Post-investment phase

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 10	CORE	OO 6 HF	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your assets subject to negative exclusionary screens meet the screening criteria?

☐ (A) We have an independent committee that oversees the screening implementation process, but only for our ESG/sustainability labelled funds that are subject to negative exclusionary screening

☒ (B) We have an independent committee that oversees the screening implementation process for all of our assets that are subject to negative exclusionary screening

☒ (C) We have an independent committee that verifies that we have correctly implemented pre-trade checks in our internal systems to ensure no execution is possible without their pre-clearance

☒ (D) Other, please specify:

We have a daily data processing system that takes ESG scoring from 5 sources (4 external). Each position in our possible universe is scored across E,S &G. Part of this includes any position on our exclusion list which is reported and screened on daily. As a final failsafe, our exclusion list is barred within our trading system settings.

☐ (E) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 11	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

(2) Long/short equity

(A) Our regular reviews include quantitative information on material ESG risks specific to individual securities



(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level



(C) Our regular reviews only highlight fund holdings where ESG ratings have changed



(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency



(E) We do not conduct regular reviews of ESG risks



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 12	CORE	N/A	N/A	PUBLIC	ESG risk management	1

Do you regularly identify and incorporate ESG incidents into the investment process for your hedge fund assets?

- (A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions
- (B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions
- (C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions
- (D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents
- (E) Other, please specify:
- (F) We currently do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making

Reporting/Disclosure

Disclosure on ESG products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 13	CORE	N/A	N/A	PUBLIC	Disclosure on ESG products	6

For your hedge fund financial products, what do you report to clients and/or other stakeholders?

- | | |
|--|---|
| (A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation | (2) for all client and/or other stakeholder reporting on hedge funds, including ESG hedge funds |
| <hr/> | |
| (B) Our regular stakeholder reporting includes quantitative ESG engagement data | (2) for all client and/or other stakeholder reporting on hedge funds, including ESG hedge funds |
| <hr/> | |
| (C) Our regular stakeholder reporting includes quantitative ESG incorporation data | (2) for all client and/or other stakeholder reporting on hedge funds, including ESG hedge funds |
| <hr/> | |

ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 14	PLUS	N/A	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Please provide an example of how ESG information or data has been used to inform and develop long or short strategies or positions.

Please provide examples below:

(A) Example from your long strategies or positions:

Buzzi
The Cement sector is perceived to rank very poorly in ESG terms because of the inevitability of carbon emissions in production. Within this sector, and due to its conservative investor communication, Buzzi Unicem is consensually assumed to be the one of the weakest positioned companies in this regard. This perceived weakness is reflected in a valuation that puts Buzzi on a historically high discount to peers (c20%) and building materials sector (c35%) which has grown as ESG concerns have become more prominent in the investment debate. Based on numerous conversations with Buzzi and experienced industry participants, we believe this negative premise is completely wrong. The reality is that the cement sector can only do a limited amount to decarbonise its input. **(response continued in row below)**

The bigger element in becoming more environmentally friendly has to eventually come from adopting carbon capture and sequestration.

In the short and Medium-term all cement companies are very focused to find the most optimal solutions to come in-line with EU targets. This includes switching to renewable electricity where possible, and reducing the clinker ratio (clinker production is the most emissive part of cement production and it has no other scalable alternatives at the moment). Buzzi is no different.

Following our primary research, we have come to the view that Buzzi is not only the most caring of the environmental agenda, it might actually be the most tangibly active out of the cement makers. This is evident in the array of actions they have taken from building solar farms, modernising clinker production, investing in hundreds of engineering hours to define the most promising (CCS) solutions.

Buzzi is in our view by nature a very conservative company with its communications. **(response continued in row below)**

It has a track record of under-promising and over-delivering, which we believe is contributing to them being less forthcoming around their actions. We have reasons to believe this will shortly change and the perception of the company will change with it. We believe that this upgrade in its formal ESG metrics will lead to a re-rating of the stock. We estimate that Buzzi's valuation is suffering by 20% currently because of an ESG perception which could unwind over the course of two specific events coming up this year.

Buzzi will have an 'ESG day' on the 27th April, followed by a full CMD later over which we believe Buzzi will lay out its path of decarbonisation. We believe this could define some targets to 2030 and possibly even net zero by 2050..

(B) Example from your short strategies or positions:

TATA Motors (Jaguar Land Rover) We commented to management in 2018/19 that they needed to accelerate the shift from Diesel. We asked questions in private and on public record (e.g. Tata Motors Q3 2018 results call) to understand how much was still being invested into Diesel technology, and to what extent it was justified to be continuing to invest heavily in Diesel. Despite the arguments for Diesel, the world demanded net zero. However, during their FY 2019, JLR was very much continuing to argue the case for Diesel. JLR now has a net tailpipe zero emission target for 2036 following a change in management. Nevertheless a squeeze/miss-direction of R&D funding (in our view) means that their target emission mix to 2027 still looks very similar now to two years ago (e.g. **(response continued in row below)**)

compare the messaging from slide 31 from the 2021 CMD with slide 32 of the 2019 CMD). The target of net zero tail pipe emissions was only announced in February with the 2021 CMD (Should add that there is also an interim target of 60% by 2030). There was no target like this prior. The new CEO reportedly was surprised at the lack of an BEV line up at Land Rover upon arrival at JLR (The Times 18th October). I think the point is that I (and others) discussed with them about the need to go EV but they argued for too long about the importance of Diesel in the mix and they have not changed direction fast enough. They would have been spending R&D on Diesel over this time too (say 2018-21), when all of that investment really should have been launched at EV. As a result of that, they can't move the super tanker fast enough and so as much as they have targets for 2030 and 2036, the outlook to say 2027 is really not that different vs what was expected in 2019, per our interpretation because they took too long (to react to feedback from investors and probably other stakeholders too)..

Stewardship

Security lending policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 16	CORE	OO 9 HF	HF 16.1	PUBLIC	Security lending policy	2

Does your organisation have a public policy that states how voting is addressed in your securities lending programme? (The policy may be a standalone guideline or part of a wider RI or stewardship policy.)

- (A) We have a public policy to address voting in our securities lending programme Add link(s) [If adding several links, separate them with a comma]:
- (B) We have a policy to address voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our service provider(s)
- (D) We do not have a policy to address voting in our securities lending programme
- (E) **Not applicable, we do not have a securities lending programme**

Alignment & effectiveness

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 17	CORE	OO 9 HF	N/A	PUBLIC	Alignment & effectiveness	2

When you use external service providers to give voting recommendations, how do you ensure that those recommendations are consistent with your organisation's (proxy) voting policy?

(A) We review service providers' controversial and high-profile voting recommendations before voting is executed (1) in all cases

(B) Before voting is executed, we review service providers' voting recommendations where the application of our voting policy is unclear (1) in all cases

Pre-declaration of votes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 19	CORE	OO 9 HF	N/A	PUBLIC	Pre-declaration of votes	2

How did your organisation or your service provider(s) pre-declare votes prior to AGMs/EGMs?

- ☐ (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system
- ☐ (B) We pre-declared our voting intentions publicly (e.g. through our own website) Link to public disclosure:
- ☐ (C) We pre-declared our voting intentions publicly through the PRI's vote declaration system, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain
- ☐ (D) We pre-declared our voting intentions publicly, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain Link to public disclosure:
- ☐ (E) Prior to the AGM/EGM, we privately communicated our voting decision to investee companies in cases where we planned to vote against management proposals or abstain
- ☒ (F) We did not privately or publicly communicate our voting intentions
- ☐ (G) We did not cast any (proxy) votes during the reporting year

Voting disclosure post AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 20	CORE	OO 9 HF	HF 20.1	PUBLIC	Voting disclosure post AGM/EGM	2, 6

Do you publicly report your (proxy) voting decisions, or those made on your behalf by your service provider(s), in a central source?

- ☐ (A) Yes, for >95% of (proxy) votes Link:
- ☐ (B) Yes, for the majority of (proxy) votes Link:
- ☐ (C) Yes, for a minority of (proxy) votes Add: 1) Link, and 2) Explain why you only publicly disclose a minority of (proxy) voting decisions:
- ☒ (D) No, we do not publicly report our (proxy) voting decisions Explain why you do not publicly report your (proxy) voting decisions:
 - Quite simply, it hadn't occurred to us to do so. This is something we will now implement during 2021 and onwards.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 21	CORE	OO 9 HF	HF 21.1	PUBLIC	Voting disclosure post AGM/EGM	2

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions?

- ☐ (A) In cases where we voted against management recommendations or abstained, the rationale was provided privately to the company
- ☐ (B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly
- ☐ (C) In cases where we voted against management recommendations or abstained, we did not communicate the rationale
- ☒ (D) **We did not vote against management or abstain**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 22	CORE	OO 9 HF	HF 22.1	PUBLIC	Voting disclosure post AGM/EGM	2

Did your organisation and/or the service provider(s) acting on your behalf communicate the rationale for your voting decisions when voting against a shareholder resolution proposed/filed by a PRI signatory?

- ☐ (A) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was disclosed publicly
- ☐ (B) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was not disclosed publicly
- ☒ (C) **We did not vote against any shareholder resolution proposed/filed by a PRI signatory**