

MANAGER SELECTION WORKING GROUP TERMS OF REFERENCE

A. INTRODUCTION

The Principles for Responsible Investment (PRI)'s signatories are its greatest strength. Being on top of the investment chain, Asset Owners particularly play a crucial role in accelerating responsible investment throughout PRI's signatory base and beyond. [PRI's 2015-2018 strategic plan](#) focuses on increasing representation and participation of Asset Owners to drive responsible investment impact. As outlined in the document 'PRI – Asset Owner Strategy' (available on request), one of PRI's asset owner work streams focuses on the Manager Selection process for asset owners. This document outlines the work of the working group, with which PRI ('the Executive') will deliver the work.

This TOR has been drafted in full accordance with the [PRI Rules for Advisory Committees and Working Groups](#) (approved by the PRI Board in June 2015).

B. OBJECTIVES

The overall objective of this project is to meet Asset Owners' information needs regarding ESG incorporation for the purpose of selection of an investment manager. This will be done by means of:

- A clear, comprehensive online Portal that provides insight into the data PRI signatories report through the Reporting & Assessment framework
- A guidance document to facilitate Asset Owners' ESG incorporation into their Asset Manager selection
- Creating outreach on these issues in the industry

The outcomes achieved through this project will lead to future PRI work regarding the Manager Appointment and Monitoring processes of Asset Owners, for which additional working groups will be formed by the Executive.

C. MEMBERS

The Manager Selection working group, which works closely together with the Executive, consists of PRI stakeholders that support the objectives of the selection work stream.

COMPOSITION

The initial composition of the Manager Selection Working Group is as follows:

Member	Position	Organisation	Country
Chris Ailman	Chief Investment Officer	CalSTRS	United States
Vicki Bakhshi	Director, Head of Governanace and Sustainable Investment	BMO Asset Management	United Kingdom
Tim Barron	Senior Vice President and Chief Investment Officer	Segal Rogerscasey	United States
Urs Bitterling	ESG Officer	Allianz SE	Germany
Joshua Cherry-Seto	Chief Financial Officer	Blue Wolf Capital Partners	United States
Leanne Clements	Responsible Investment Manager	Pension Protection Fund	United Kingdom
Sarah Cleveland	Founder	Sarah Cleveland Consulting	United States
David De Vos	VP, Global Director of Sustainability	Prudential Real Estate Investors	United States
Honor Fell	Analyst/Manager Research	Redington	United Kingdom
William Gilson	Managing Director, Head of European Operations	Babson Capital Management LLC	United States
Magdalena Lonroth	Portfolio Manager and RI Specialist	Church Pension Fund	Finland
Hironmichi Mizuno	Executive Managing Director, Chief Executive Officer	GPIF	Japan
Ian Silk	Chief Executive Officer	AustralianSuper	Australia
George Wong	Division of Pension Investment and Cash Management	New York State Local Retirement System	United States

D. RESPONSIBILITIES

ROLE OF THE EXECUTIVE

The Executive commits to:

- Convening and administering working group meetings;
- Keeping working group members updated on manager selection work stream activities in between meetings whenever necessary;
- Developing the manager selection work stream plan for discussion by the working group;
- Providing expertise required for manager selection work stream activities from either internal or external sources;
- Providing support in the form of background research and pitching material for manager selection working group members who are undertaking outreach and engagement activities on behalf of PRI;
- Coordinating communication on the activities of the manager selection work stream to signatories and PRI Board;
- Managing communication flows with PRI and its regional networks on the manager selection work stream.

ROLE OF THE WORKING GROUP CHAIR

The working group Chair commits to dedicating sufficient time and resources to fulfil Chairing responsibilities. These include:

- Chairing meetings;
- Advising the Executive regarding relevant manager selection insights;
- Reporting progress of the working group to the Asset Owner Advisory Committee on a quarterly basis;
- Providing the Executive with guidance and working with the Executive to provide leadership to the Advisory Committee as needed.

ROLE OF WORKING GROUP MEMBERS

Working group members are expected to act in an advisory role to the Executive. Their main responsibility is to commit time to producing the agreed output of the working group.

Typical responsibilities include:

- Support with compiling drafts of required work including integrating working group members' feedback;
- Conference calls/meetings when needed for the purpose of the work;
- Regular guidance/feedback to the Executive on relevant issues. This may include providing advice/feedback on outputs such as publications and toolkits.

Expected time requirement is 2-3 working days during the course of the project. All members are welcome to undertake additional work, if their schedules enable them to do so.

E. ACTION PLAN AND TIMELINE

The work stream deliverables are outlined below. A Manager Selection scoping document is available on request.

Deliverables	Date	Working group involvement
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<p>TRANSPARENCY PORTAL</p> <p>The PRI Transparency Portal, will provide easy, clear and transparent insight into data PRI signatories report to PRI. Functionalities of the Portal are detailed in the manager selection scoping document.</p>	<p>March - September 2016</p>	<p>Provide feedback on functionality and content to include in portal development</p>
<p>GUIDANCE DOCUMENT</p> <p>A PRI guidance document on the practice of Asset Manager Selection will provide practical guidance for asset owners on manager selection.</p>	<p>May - September 2016</p>	<p>Provide input and review content for inclusion in paper</p>
<p>OUTREACH</p> <p>Maximum outreach regarding the portal and document will be created.</p>	<p>September 2016</p>	<p>Collaboration with Executive on outreach regarding deliverables</p>

F. REPORTING REQUIREMENTS

The working group Chair will update the Asset Owner Advisory Committee on a quarterly basis on relevant developments.

G. CODE OF CONDUCT, CONFIDENTIALITY, AND PUBLIC COMMUNICATIONS PROTOCOL

- The proactive involvement of signatories is important to the success of the group. The Executive may terminate individual signatories' participation and invite other interested signatories to participate if the required level of commitment is not demonstrated.
- Signatories must refrain from using these forums for explicit commercial purposes and should focus on furthering the goals and objectives of the work programme. Failure to meet these requirements may also lead the Executive to terminate signatory participation.

H. CONTACT

For further information on PRI's Asset Owner work, please contact Don Gerritsen, Senior Manager Asset Owner Insight, Principles of Responsible Investment at don.gerritsen@unpri.org.