



LEA 02	Disclosures Monetary	Reason for interaction	Principle PRI 1,2,3
Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG issues <input checked="" type="checkbox"/> To influence corporate practice for identifying the need to address an ESG issue <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify	<input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG issues <input checked="" type="checkbox"/> To influence corporate practice for identifying the need to address an ESG issue <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify	
Collaborative engagements	<input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG issues <input checked="" type="checkbox"/> To influence corporate practice for identifying the need to address an ESG issue <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify	<input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG issues <input checked="" type="checkbox"/> To influence corporate practice for identifying the need to address an ESG issue <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify	
Service provider engagements	<input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG issues <input checked="" type="checkbox"/> To influence corporate practice for identifying the need to address an ESG issue <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify	<input checked="" type="checkbox"/> To support investment decisionmaking in a company relevant ESG issues <input checked="" type="checkbox"/> To influence corporate practice for identifying the need to address an ESG issue <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify	

RI TRANSPARENCY REPORT

2014/15

Fundação CESP

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2014-15 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Public							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public							✓
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	✓	Public							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

Fundação CESP

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic Information

OO 01	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 01.1 Select the category which best represents your primary activity.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation or endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Other, specify

OO 02	Mandatory	Peering	General
-------	-----------	---------	---------

OO 02.1 Select the location of your organisation's headquarters.

Brazil

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

306

OO 03	Mandatory	Descriptive	General
-------	-----------	-------------	---------

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04	Mandatory	Gateway/Peering	General
-------	-----------	-----------------	---------

OO 04.1 Indicate the year end date for your reporting year.

31/12/2014

OO 04.2

Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		22	619	259	839
Currency	BRL				
Assets in USD		10	114	141	842

OO 04.5

Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	13.38	2.58
Fixed income – corporate	8.1	0.07
Fixed income – government	69.48	1.27
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0.36
Property	3.19	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0

Farmland	0	0
Inclusive finance	0	0
Cash	0.1	0
Other (1), specify	1.47	0
Other (2), specify	0	0

'Other (1)' specified

Loans to participants

- Publish our asset class mix as broad ranges
- Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OO 07 **Mandatory to Report Voluntary to Disclose** **Peering** **General**

OO 07.1 Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds.

	% of externally managed assets
Segregated mandate(s)	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %
Pooled fund(s)	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
<i>Total externally managed assets</i>	<i>100%</i>

OO 07.2 Indicate the proportion of your externally managed assets in fund-of-funds.

	% of externally managed assets
Fund-of-funds	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %

OO 08	Mandatory to Report Voluntary to Disclose	Peering	General
-------	-------------------------------------------	---------	---------

OO 08.1	Indicate the breakdown of your organisation's AUM by market.
---------	--------------------------------------------------------------

Market breakdown	% of AUM
Developed Markets	<input type="radio"/> 0% <input checked="" type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50 %
Emerging, Frontier and Other Markets	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50 %

OO 09	Voluntary	Descriptive	General
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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.
---------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Created in 1969, FUNCESP is the largest Brazilian private pension fund and its mission is to value, beyond all, the life quality of those it cares. Besides the pension plans, where most of the Responsible Investment efforts concentrate, FUNCESP also offers health plans, where the key sustainability issue is to promote healthier habits and better use of medical services to its participants.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 10.1

Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

- We incorporate ESG issues into investment decisions on our internally managed assets
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- None of the above

OO 11

Mandatory

Gateway

General

OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Property
- Cash
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

Loans to participants

OO 11.2

Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.

- Fixed income – corporate
- Fixed income – government
- Private equity
- None of the above

OO 12

Mandatory

Gateway

General

OO 12.1

The modules and sections that you will be required to complete are listed below.

This list is based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Fixed Income and Infrastructure are voluntary.

Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed Income - Corporate
- Fixed Income - Government
- Private Equity

Closing module

- Closing module

Fundação CESP

Reported Information

Public version

Overarching Approach

PRI disclaimer

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1	Indicate if you have a responsible investment policy.
---------	-------------------------------------------------------

- Yes
- No

OA 01.2	Indicate if you have other guidance documents or more specific policies related to responsible investment.
---------	------------------------------------------------------------------------------------------------------------

- Yes
- No

OA 01.3	Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]
---------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

When selecting an external manager or broker, FUNCESP's investment policy establishes preference for PRI signatories. The aim of this initiative is to disseminate and encourage asset managers and brokers to incorporate ESG criteria into their investment decisions.

OA 02	Mandatory	Core Assessed	PRI 6
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OA 02.1	Indicate if your responsible investment policy is publicly available.
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- Yes
- No

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.
---------	----------------------------------------------------------------------------------------------------------

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Engagement/active ownership policy <input type="checkbox"/> Specific guidelines on corporate governance <input type="checkbox"/> Specific guidelines on environmental issues <input type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 04	Mandatory	Core Assessed	General
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OA 04.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
---------	-------------------------------------------------------------------------------------------------------------------

Yes

OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]
---------	--------------------------------------------------------------------------------------------------------

All investment decisions are overseen by the Investment Committee, and potential cases of conflict of interest, if not addressed by the Board of Directors, are subject to the Board of Trustees.

No

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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OA 05.1	Indicate if your organisation sets objectives for its responsible investment activities.
---------	------------------------------------------------------------------------------------------

Yes

OA 05.2	Indicate how frequently your organisation sets or revises objectives for responsible investment.
---------	--------------------------------------------------------------------------------------------------

At least once per year

Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed
- No

OA 05.4

Additional information. [Optional]

For 2015, FUNCESP expects to strengthen its sustainable agenda by consolidating the activities of its sustainable committee, reestablished in the end of 2014. The committee is now chaired by the Chief Investment Officer and oversees FUNCESP 's sustainability agenda, including Responsible Investment initiatives. In 2015 the committee is expected to meet 3 times, and its main goal for the period is to define sustainability KPIS for the organization. In addition to consolidating the sustainable committee, FUNCESP expects to make publicly available all its investment policies by the end of the year.

OA 06	Voluntary	Descriptive	General
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OA 06.1

List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

- Add responsible investment objective 1

Objective 1	Provide training for the Investment Team on ESG integration
Key performance indicators	Number of training hours provided % of participation
Describe the progress achieved	In 2014 FUNCESP offered 4 hours of training on ESG integration to 100% of its investment team members.

- Add responsible investment objective 2
- Add responsible investment objective 3

OA 06.2

List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.

- Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	Consolidate the sustainable committee
Key performance indicators	Number of meetings realized Definition of sustainability KPIS for the organization (achievement of the initiative)

Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Make all investment policies publicly available
Key performance indicators	Percentage of investment policies publicly available

Add responsible investment objective 3 for the next reporting year

OA 06.3	Additional information.
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The training provided to the investment team on ESG issues took place on 11th November (2014), and included: ESG concepts, case studies, fundamental analysis methodology and ESG integration for Real Estate. The programme was distributed in 4 hours and was provided by PRI Service Provider Gestão Origami.

Governance and human resources

OA 07	Voluntary	Descriptive	General
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OA 07.1	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.
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The Responsible Investment initiatives at FUNCESP are coordinated by the Investment Area, which reports to the CEO. All initiatives are aligned with the FUNCESP Sustainability Agenda, which sets the long-term drivers for the company. The Investment area has appointed a specific FTE to roll out its RI initiatives, including participating at PRI Brazil Network working groups and engaging with financial analysts, asset managers, brokers and corporations regarding ESG issues.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
- Other role, specify

OA 08.2 Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

0

OA 09	Voluntary	Additional Assessed	General
-------	-----------	---------------------	---------

OA 09.1 Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

- Responsible investment included in personal development and/or training plan
- None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Investment analysts

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
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OA 10.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
---------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Select all that apply

- Principles for Responsible Investment

	Your organisation's role in the initiative during the reporting period (see definitions)
--	------------------------------------------------------------------------------------------

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

FUNCESP is one of the participants at the PRI Brazil Network Investment Policies and ESG integration working groups, which aim to translate ESG variables into pension fund mandates and to develop specific ESG guidelines for corporate disclosure. Unfortunately, those two groups had little activity in 2014, mostly due to changes and infiditions concerning the PRI Head for South America position. For 2015, FUNCESP expects a more active role from the PRI organization in coordinating and fostering the Brazilian Responsible Investment community.

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
ABRAPP - Brazilian Association of Pension Funds

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Member of the Sustainability Committee and participation at specific sustainability forums

Other collaborative organisation/initiative, specify

APIMEC - Association of Capital Markets Analysts and Investment Professionals

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Member of the Sustainability Committee and participation at specific sustainability forums

Other collaborative organisation/initiative, specify

Other collaborative organisation/initiative, specify

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

OA 11.3

Additional information. [Optional]

Besides the PRI Brazil working groups, we work to promote the responsible invest approach at APIMEC, the Brazilian Investment Professionals Association, and during the engagement process with asset managers and brokers.

OA 12	Voluntary	Additional Assessed	PRI 4,5,6
--------------	------------------	----------------------------	------------------

OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.
----------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- Yes
- No

OA 12.4	Additional information.
----------------	-------------------------

The engagement with public policy makers is done indirectly, via pension fund and investment associations that the organization participates

ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1
--------------	------------------	--------------------	--------------

OA 13.1	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.
----------------	------------------------------------------------------------------------------------------------------------------------------------------

- Yes
- No

OA 13.3	Additional information.
----------------	-------------------------

The overall asset allocation is the result of the organization risk x return strategy, and follows specific diversification guidelines set by the Brazilian legal framework for pension funds.

OA 14	Voluntary	Descriptive	PRI 1
--------------	------------------	--------------------	--------------

OA 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
----------------	-------------------------------------------------------------------------------------------------------------------------------

- Yes
- No

Asset class implementation not reported in other modules

OA 16	Voluntary	Descriptive	General
--------------	------------------	--------------------	----------------

OA 16.1	Describe how you address ESG issues for externally managed assets for which you are not required to report because your assets are below the minimum threshold.
----------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Listed equities - ESG incorporation	
Listed equities - engagement	
Listed equities - (proxy) voting	
Fixed income - corporate	
Fixed income - government	
Private equity	

OA 16.2

Additional information.

FUNCESP prioritizes signatories of the PRI when selecting for external managers and brokers. This approach is formalized at the external managers appointment manual, which incorporates PRI participation as one of the scoring criteria. The aim of this initiative is to disseminate and encourage asset managers and brokers to incorporate ESG criteria into their investment decisions.

Innovation

OA 18

Voluntary

Descriptive

General

OA 18.1

Indicate whether any specific features of your approach to responsible investment are particularly innovative.

- Yes
 No

Assurance of responses

OA 19

Voluntary

Additional Assessed

General

OA 19.1

Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.

- Yes

OA 19.2

Indicate who has reviewed, validated and/or assured your reported information.

- Reviewed by Board, CEO, CIO or Investment Committee
- Validated by internal audit or compliance function
- Assured by an external independent provider, specify name

Gestão Origami

OA 19.3

Describe the steps you have taken to review, validate and/or assure the content of your reported information.

The content of the report was collected throughout interviews with FUNCESP's dedicated team for Responsible Investments, which have detailed their opinions and answers based on actual cases and documents. The numbers reflect the investment portfolio disclosed to participants on December 31st, 2014.

No