



LEA 02	Disclosures Materiality	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		
Collaborative engagements	<input type="checkbox"/> To support investment decisionmaking in a company relevant ESG issues <input type="checkbox"/> To influence corporate practice for identifying the need to address an ESG issue <input type="checkbox"/> Other: specify		
Service provider engagements	<input type="checkbox"/> To support investment decisionmaking in a company relevant ESG issues <input type="checkbox"/> To influence corporate practice for identifying the need to address an ESG issue <input type="checkbox"/> Other: specify		

# RI TRANSPARENCY REPORT

## 2014/15

Sarona Asset Management

## 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	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	-	n/a							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
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	-	n/a							✓
OA 07	Governance, management structures and RI processes	-	n/a							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	-	n/a							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	-	n/a				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	-	n/a	✓						
OA 14	Allocation of assets to environmental and social themed areas	-	n/a	✓						
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	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	-	n/a							✓
OA 19	Internal and external review and assurance of responses	-	n/a							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	-	n/a	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	🔒	n/a							✓
SAM 05	ESG incorporation strategies	🔒	n/a	✓	✓					
SAM 06	Selection processes (listed assets)	🔒	n/a	✓						✓
SAM 07	Appointment considerations (listed assets)	🔒	n/a				✓			
SAM 08	Monitoring processes (listed assets)	🔒	n/a	✓						
SAM 09	Percentage of (proxy) votes cast	🔒	n/a		✓					
SAM 10	Selection processes (non-listed assets)	✓	Public	✓						✓
SAM 11	Appointment considerations (non-listed assets)	🔒	n/a				✓			
SAM 12	Monitoring processes (non-listed assets)	✓	Public	✓						✓
SAM 13	Description of RI considerations in 'other' asset classes	-	n/a	✓						✓
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						✓
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	-	n/a		✓					
SAM 16	Disclosure of RI considerations	✓	Public							✓

Direct – Private Equity				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PE 01	Breakdown of investments by strategy	✓	Private							✓
PE 02	Typical level of ownership	✓	Private							✓
PE 03	Description of approach to RI	-	n/a	✓						✓
PE 04	Investment guidelines and RI	✓	Public		✓					
PE 05	Fund placement documents and RI	✓	Public	✓			✓		✓	
PE 06	Formal commitments to RI	-	n/a				✓			
PE 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PE 08	ESG advice and research when selecting investments	-	n/a	✓						
PE 09	ESG issues in investment selection process	✓	Public	✓		✓				
PE 10	Types of ESG information considered in investment selection	-	n/a	✓		✓				
PE 11	Encouraging improvements in investees	-	n/a	✓	✓					
PE 12	ESG issues impact in selection process	-	n/a	✓						
PE 13	Proportion of companies monitored on their ESG performance	✓	Public		✓					
PE 14	Proportion of portfolio companies with sustainability policy	✓	Public		✓					
PE 15	Actions taken by portfolio companies to incorporate ESG issues into operations	-	n/a		✓					
PE 16	Type and frequency of reports received from portfolio companies	-	n/a		✓	✓				
PE 17	Disclosure of ESG issues in pre-exit	-	n/a		✓					
PE 18	ESG issues affected financial/ESG performance	-	n/a	✓	✓					
PE 19	Examples of ESG issues that affected your PE investments	-	n/a	✓		✓				
PE 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PE 21	Approach to disclosing ESG incidents	-	n/a							✓

Direct - Inclusive Finance				Principle							General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	7	
IFD 01	Mission and investment objective	-	n/a								✓
IFD 02	Governance, management structures and processes	-	n/a								✓
IFD 03	Social targets	-	n/a								✓
IFD 04	Percentage in equity, debt and guarantees	✓	Private								✓
IFD 05	Percentage in microfinance and/or SME finance	✓	Private								✓
IFD 06	Geographical spread of microfinance investments	🔒	n/a								✓
IFD 07	Tracking microfinance investees portfolio	🔒	n/a	✓							
IFD 08	Support financial services beyond credit, compulsory savings and/or compulsory insurance	🔒	n/a	✓							
IFD 09	Support the introduction of services tailored to the 'poor', 'very poor' and 'low income'	-	n/a	✓							
IFD 10	Technical assistance to investees	-	n/a	✓							
IFD 11	Public endorsement of the Client Protection Principles	🔒	n/a		✓						
IFD 12	Provide training and assistance for investees implementing the Client Protection Principles	🔒	n/a		✓						
IFD 13	Include the Client Protection Principles in investment policies	🔒	n/a		✓						
IFD 14	Investment in local currency	🔒	n/a			✓					
IFD 15	Average maturity of debt investments	🔒	n/a			✓					
IFD 16	Average holding period of equity investments	🔒	n/a			✓					
IFD 17	Terms and conditions	✓	Public			✓					
IFD 18	Tools for social performance reporting	✓	Public				✓				
IFD 19	Retail institutions have independent financial/social rating and/or social audit	✓	Public				✓				
IFD 20	Due diligence on and monitoring and reporting of corporate governance among investees	✓	Public				✓				
IFD 21	Training or assistance for investees on corporate governance	-	n/a				✓				
IFD 22	Percentage of investees where board seats are held	🔒	n/a				✓				
IFD 23	Procedure to integrate environmental issues in investment decision processes	✓	Public				✓				
IFD 24	Anti-corruption and whistle-blowing policies	-	n/a				✓				
IFD 25	How mission and investment objectives are communicated to stakeholders	-	n/a					✓			
IFD 26	Investors and/or the public provided with information aligned with industry standards	✓	Public					✓			
IFD 27	Transparency of pricing, terms and conditions among investees	✓	Public					✓			
IFD 28	How social performance of investees affects decision making and portfolio	✓	Public						✓		

	management																				
IFD 29	Staff incentives linked to social performance measures	-	n/a																	✓	
IFD 30	Collecting data regarding social outcomes of investees work	-	n/a																	✓	
IFD 31	Incentivise investees to track social performance	-	n/a																	✓	
IFD 32	Collaborative initiatives your organisation has supported or participated in	✓	Public																		✓
IFD 33	Encouraging investees to participate in collaborative initiatives	-	n/a																		✓
IFD 34	Encouraging your investees to participate in initiatives which contribute to the development of industry benchmarks	-	n/a																		✓

Indirect - Inclusive Finance				Principle							General	
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	7		
IFI 01	Percentage of externally managed assets in inclusive finance managed by PIIF signatories	✓	Private									✓
IFI 02	Due diligence policies and/or procedures for the selection of external investment managers	✓	Public									✓
IFI 03	Including issues referred to in the PIIF	✓	Public									✓
IFI 04	Monitoring managers' implementation of the PIIF	✓	Public									✓
IFI 05	Managers provide information in line with established industry standards	-	n/a									✓
IFI 06	Disclosure of approach to RI in inclusive finance	✓	Public									✓
IFI 07	Contributing to promotion of RI in inclusive finance	-	n/a									✓



# Sarona Asset Management

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services you offer.

- Fund management
- Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%
- Other, specify
- Execution and advisory services

OO 01.2

Additional information. [Optional]

Sarona has three investment mandates. Two discretionary mandates with two fund of funds and one non-discretionary mandate with a managed account for a non profit organization.

OO 02

Mandatory

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Canada

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

12

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.

30/06/2014

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			160	000	000
Currency	USD				
Assets in USD			160	000	000

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 broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income – corporate	0	0
Fixed income – government	0	0
Fixed income – other	0	0
Private debt	<10%	10-50%
Private equity	10-50%	>50%

Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	<10%	10-50%
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

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

### Gateway asset class implementation indicators

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.

- Private debt
- Private equity
- Inclusive finance
- None of the above

#### 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.

- Private debt
- Private equity
- Inclusive finance
- None of the above

OO 12	Mandatory	Gateway	General
-------	-----------	---------	---------

*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 directly or via service providers**

Direct - Other asset classes with dedicated modules

- Private Equity
- Inclusive Finance

**RI implementation via external managers**

Indirect - Selection, Appointment and Monitoring of External Managers

- Private Debt
- Private Equity
- Inclusive Finance

**Closing module**

- Closing module

# Sarona Asset Management

## Reported Information

## Public version

## Overarching Approach

## PRI disclaimer

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
-------	-----------	-----------------------	---------

**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]

One of the Sarona pillars in its investment strategy is to focus on managing investment funds with an impact investment orientation.

With the right partners and strategy, growing highly successful and profitable companies can have a significant developmental impact. This is what drives us: building a diversified portfolio of funds and companies to deliver Growth that Matters. Growth that Matters is about delivering strong financial returns while creating positive outcomes for the communities and the environment where we invest. In short, we invest for both profit and impact. Our impact strategy can be described by referring to three themes:

### **Good investments, done right**

When we talk about good investments, we mean investments that strive to generate superior risk-adjusted returns. At the same time, we also mean investments that are able to make a measurable positive difference within the communities where we invest. This can include investments in sectors such as healthcare, education or agribusiness as well as investing in companies that wish to grow their existing business by attracting additional capital and applying progressive social and environmental values. The values apply to all stakeholders, seeking to create jobs and increased wealth for suppliers, employees, clients and shareholders alike

### **Catalyst for change**

Sarona recognises its responsibility to act as a catalyst for change within developing markets. We do this by acting as a bridge between private capital and entrepreneurs in high-growth markets and by encouraging fund managers and investee companies to improve their social, environmental and governance performance

OA 02	Mandatory	Core Assessed	PRI 6
-------	-----------	---------------	-------

**OA 02.1** Indicate if your responsible investment policy is publicly available.

- Yes

**OA 02.2** Provide a URL to your responsible investment policy.

URL

<http://www.saronafund.com/responsible-investments/>

No

**OA 02.3** Indicate if your other policies or guidance documents related to responsible investment are publicly available.

Yes

Yes, all

Yes, some

**OA 02.4** List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
2014 Values Report	<a href="http://bit.ly/valuesreport2014">http://bit.ly/valuesreport2014</a>

No

**OA 03** **Mandatory** **Core Assessed** **PRI 1,2**

**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 checked="" type="radio"/> Applicable policies cover all AUM
<input checked="" type="checkbox"/> Engagement/active ownership policy	<input type="radio"/> Applicable policies cover a majority of AUM
<input checked="" type="checkbox"/> Specific guidelines on corporate governance	<input type="radio"/> Applicable policies cover a minority of AUM
<input checked="" type="checkbox"/> Specific guidelines on environmental issues	
<input checked="" type="checkbox"/> Specific guidelines on social issues	
<input checked="" type="checkbox"/> Asset class-specific guidelines	
<input checked="" type="checkbox"/> Screening/exclusion policy	
<input type="checkbox"/> Other, specify	
<input type="checkbox"/> Other, specify	

**OA 04** **Mandatory** **Core Assessed** **General**



**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]

Sarona is a Registered Investment Adviser under US SEC supervision. In accordance with our registration as an RIA, Sarona maintains a compliance manual that provides guidance on how to deal with conflicts of interests as well as certain policies such as conflicts of interest policies detailed in the offering memorandums of the funds we manage as well as investment allocation policies to determine how to share investment opportunities equitably between clients.

No

## Objectives and strategies

**OA 05**

**Mandatory**

**Gateway/Core Assessed**

**General**

**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]

Annually, we compile IRIS compliant questionnaires from the underlying portfolio companies of the PE funds we support and the direct private debt and equity investment we advise on behalf of our clients. We then publish an annual values report which includes an analysis of this information as well as impact case studies. We interact regularly with our local partners to better understand how they manage ESG risks and opportunities and seek to share lessons learned across our portfolio.

## Governance and human resources

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
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- 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
--	--------

1

## 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
- 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  
Global Impact Investing Network (GIIN)

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

- Basic
- Moderate
- Advanced

Other collaborative organisation/initiative, specify

**B Lab**

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

- Basic
- Moderate
- Advanced

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

# Sarona Asset Management

## Reported Information

### Public version

#### Indirect – Manager Selection, Appointment and Monitoring

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## Overview

SAM 02	Mandatory	Core Assessed	PRI 4
--------	-----------	---------------	-------

**SAM 02.1** Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

Yes

No

SAM 03	Mandatory	Gateway	General
--------	-----------	---------	---------

**SAM 03.1** Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Private equity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Private debt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Private equity (PE), property (PR) and infrastructure (INF) - non-listed assets

### Selection

SAM 10	Mandatory	Core Assessed	PRI 1-6
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**SAM 10.1** Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:

General

	PE		
Review the manager's/general partner's responsible investment policy	<input checked="" type="checkbox"/>		
Discuss the manager's governance and management of responsible investment	<input checked="" type="checkbox"/>		
Meet staff with responsible investment responsibilities to assess their skills and competence	<input checked="" type="checkbox"/>		
Discuss minimum responsible investment expectations that managers must meet	<input checked="" type="checkbox"/>		
Discuss the role managers have played in collaborative initiatives	<input checked="" type="checkbox"/>		
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>		
Assess the external manager's reporting and how it will help you to monitor that it is acting consistent with the agreed-upon ESG-related policies and practices during the life of the fund	<input checked="" type="checkbox"/>		
Review the manager's responsible investment disclosure, including PRI reporting	<input checked="" type="checkbox"/>		
Assign specific weighting to ESG factors in your manager evaluation	<input checked="" type="checkbox"/>		
Other general aspects in your selection process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

#### Investment selection (pre-investment) of underlying holding

	PE		
Assess the manager's policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks pre-investment	<input checked="" type="checkbox"/>		
Other pre-investment aspects reviewed in your selection process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

#### Investment monitoring (post-investment) of underlying holding

	<b>PE</b>		
Understand if and how the manager influences and supports its portfolio companies'/assets' management of ESG-related risks and pursuit of ESG-related opportunities	<input checked="" type="checkbox"/>		
Discuss examples of how managers have previously identified and addressed ESG issues in their portfolios on an ongoing basis	<input checked="" type="checkbox"/>		
Assess the manager's/general partner's approach to managing and disclosing material incidents at the manager / General Partner and underlying holdings	<input checked="" type="checkbox"/>		
Other post-investment aspects reviewed in your selection process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

## Monitoring

<b>SAM 12</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1-6</b>
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<b>SAM 12.1</b>	Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager, typically do any of the following:
-----------------	--

	General
--	---------



	PE		
Include responsible investment as a standard agenda item at performance review meetings	<input checked="" type="checkbox"/>		
Highlight examples of good responsible investment practice by other managers	<input checked="" type="checkbox"/>		
Review manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input checked="" type="checkbox"/>		
Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors	<input checked="" type="checkbox"/>		
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input checked="" type="checkbox"/>		
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input checked="" type="checkbox"/>		
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input checked="" type="checkbox"/>		
Other general aspects of your monitoring, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

#### Investment selection (pre-investment) of underlying holding

	PE		
Discuss how the analysis of ESG issues affected investment decisions during the reporting period	<input checked="" type="checkbox"/>		
Other ways ESG issues are incorporated in the pre-investment process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

#### Investment monitoring (post-investment) of underlying holding

	<b>PE</b>		
Request reports on the ESG characteristics of the manager's underlying holdings and discuss related developments that may impact holdings in the fund	<input checked="" type="checkbox"/>		
Request examples of ESG issues identified within the portfolio and action taken in response	<input checked="" type="checkbox"/>		
Request details of how ESG factors were considered when preparing to exit from investments	<input checked="" type="checkbox"/>		
Other ways ESG issues are monitored in the post-investment process, specify	<input type="checkbox"/>		
None of the above	<input type="checkbox"/>		

## Communication

<b>SAM 16</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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**SAM 16.1** | Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

- Yes, we disclose information publicly
- Yes, we disclose information to clients/beneficiaries only

**SAM 16.3** | Indicate what type of information your organisation proactively discloses to clients and/or beneficiaries about your indirect investments.

- How responsible investment considerations are included in manager selection, appointment and monitoring processes
- Details of the responsible investment activities carried out by managers on your behalf
- E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
- Other, specify
- We do not proactively disclose information to the public and/or clients/beneficiaries

# Sarona Asset Management

## Reported Information

### Public version

### Direct – Private Equity

## PRI disclaimer

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## Overview

PE 04	Mandatory	Core Assessed	PRI 2
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**PE 04.1** Indicate if your organisation's investment guidelines for private equity refer to responsible investment.

- Our investment guidelines do refer to responsible investment
- Our investment guidelines do not refer to responsible investment
- We do not have investment guidelines

## Fundraising of private equity funds

PE 05	Mandatory	Core Assessed	PRI 1,4,6
-------	-----------	---------------	-----------

**PE 05.1** Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

- Yes

**PE 05.2** Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
  - Always
  - In a majority of cases
  - In a minority of cases
- Approach to ESG issues in pre-investment processes
  - Always
  - In a majority of cases
  - In a minority of cases
- Approach to ESG issues in post-investment processes
  - Always
  - In a majority of cases
  - In a minority of cases
- No
- Not applicable as our organisation does not fundraise

## Pre-investment (selection)

PE 07	Mandatory	Gateway	PRI 1
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<b>PE 07.1</b>	Indicate if your organisation typically incorporates ESG issues when selecting private equity investments.
----------------	--

Yes

<b>PE 07.2</b>	Describe your organisation's approach to incorporating ESG issues in private equity investment selection. [Optional]
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As an impact investor, Sarona looks for non financial developmental intent throughout the due diligence process

- Evidence of investing with impact intent
- Evidence of fund manager involvement in ESG improvements
- Evidence of ESG policy institutionalization
- Evidence of positive additionality

No

<b>PE 09</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1,3</b>
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<b>PE 09.1</b>	Indicate which E, S and/or G issues are typically considered by your organisation in the investment selection process and list up to three typical examples per issue.
----------------	--

**ESG issues**

Environmental

	List up to three typical examples of environmental issues
--	---

- Sustainability
- Water
- Land Use

Social

	List up to three typical examples of social issues
--	--

- Employment Generation
- Female participation (employees, clients)
- Access to Financial Services

Governance

	List up to three typical examples of governance issues
--	--

- HR Policies
- Code of Ethics
- Board Composition

<b>Post-investment (monitoring and active ownership)</b>			
--	--	--	--

<b>PE 13</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
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**PE 13.1**

Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

Yes

**PE 13.2**

Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

(in terms of total number of portfolio companies)

**PE 13.3**

Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.

**ESG issues**

Environmental

List up to three example targets of environmental issues

- Increase in renewable energy production
- Reduction in waste
- Reduction in input to create a product

Social

List up to three example targets of social issues

- Jobs created
- Jobs sustained
- Quality of jobs improved

Governance

List up to three example targets of governance issues

- Improved board governance
- Increase in independent board members
- Increase in female board members

We do not set and/or monitor against targets

No

**PE 14**

**Mandatory**

**Core Assessed**

**PRI 2**

**PE 14.1**

Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

**PE 14.2**

Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

(in terms of total number of portfolio companies)

No

## Communication

**PE 20**

**Mandatory**

**Core Assessed**

**PRI 6**

**PE 20.1**

Indicate whether your organisation proactively discloses ESG information on your private equity investments.

- Disclose publicly
- Disclose to investor clients (LPs)/beneficiaries only

**PE 20.5**

Indicate the type of ESG information that your organisation proactively discloses to your clients (LPs)/beneficiaries.

- ESG information in relation to our pre-investment activities
- ESG information in relation to our post-investment monitoring and ownership activities
- Information on our portfolio companies' ESG performance
- Other, specify

**PE 20.6**

Indicate your organisation's typical frequency of disclosing ESG information to your clients(LPs)/beneficiaries.

- Quarterly or more frequently
  - Semi annually
  - Annually
  - Every two years or less frequently
  - Ad-hoc, specify
- No proactive disclosure to the public or to clients (LPs)/beneficiaries

# Sarona Asset Management

## Reported Information

### Public version

#### Direct - Inclusive Finance

## PRI disclaimer

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## PIIF Principle 3: Fair treatment

IFD 17

Mandatory

Core Assessed

PIIF 3

### **Possible action:**

*Negotiate terms and conditions that are transparent, fair and reasonable, including fair break-up clauses.*

IFD 17.1

Indicate if you adopt the following practices:

- Ensure that the investee understands the terms, covenants and their implications prior to signing loan / shareholder documentation.
- Foster trust and proactive dialogue with investees through straightforward discussions on issues such as a covenant breach.
- In the case of material covenant breach, create/participate in a voluntary workout group where applicable, with the goal to help the investee remain a going concern whenever possible.
- Encourage investee skills-building on financial projections, scenario planning and stress-testing for management, and on financial expertise and governance for Directors.
- Other (explain)

We ensure PE fund managers like MicroVest and our direct MFI investments adhere to the CGAP Client Protection Principles.

Indicate if these practices are formalised in written policies and procedures.

- Yes
- No
- None of the above

## PIIF Principle 4: Responsible investment

IFD 18

Mandatory

Gateway

PIIF 4

### **Possible action:**

*Negotiate terms and conditions that are transparent, fair and reasonable, including fair break-up clauses.*

IFD 18.1

Indicate if you use the following tools for social performance reporting:

### **Externally developed tools**

During due diligence.

- Yes
- No
- We don't track social performance

For monitoring and reporting purposes.

- Yes
- No
- We don't track social performance

#### In-house tools based on externally developed tools

During due diligence.

- Yes
- No
- We don't track social performance

For monitoring and reporting purposes.

- Yes
- No
- We don't track social performance

Describe the approaches used and frequency of use.

IRIS compliant impact questionnaire completed annually by our portfolio companies and underlying portfolio companies.

#### Tools developed solely in-house

During due diligence.

- Yes
- No
- We don't track social performance

For monitoring and reporting purposes.

- Yes
- No
- We don't track social performance

Describe the approaches used and frequency of use.

ESG Risk measurement for portfolio review done a quarterly basis

IFD 19	Mandatory	Descriptive	PIIF 4
--------	-----------	-------------	--------

**IFD 19.1** Indicate if you require the retail institutions in which you invest to have an independent financial rating.

- Always
- In a majority of cases
- In a minority of cases
- No

**IFD 19.2** Indicate if you require the retail institutions in which you invest to have an independent social rating.

- Always
- In a majority of cases
- In a minority of cases
- No

**IFD 19.3** Indicate if you require the retail institutions in which you invest to have an independent social audit.

- Yes
- No

IFD 20	Mandatory	Core Assessed	PIIF 4
--------	-----------	---------------	--------

**Possible action:**

*Assist in developing appropriate references for corporate governance issues.*

**IFD 20.1** In relation to your due diligence on and monitoring and reporting of corporate governance among investees, indicate if you assess:

**Compensation of the Board of Directors and Executive Directors (i.e. its transparency, the use of benchmarking)**

**Pre-investment**

- Yes
- No
- Not for all of our investments in inclusive finance

Post-investment

- Yes
- No
- Not for all of our investments in inclusive finance

**Composition of the Board (i.e. breadth and depth of experience, effective client representation, diversity)**

Pre-investment

- Yes
- No
- Not for all of our investments in inclusive finance

Post-investment

- Yes
- No
- Not for all of our investments in inclusive finance

**Whether the Board receives social performance management-related information from the management team that is analysed and contributes to Board decision making.**

Pre-investment

- Yes
- No
- Not for all of our investments in inclusive finance

Post-investment

- Yes
- No
- Not for all of our investments in inclusive finance

IFD 23	Mandatory	Descriptive	PIIF 4
--------	-----------	-------------	--------

**Possible action:**  
*Assist in developing appropriate references for environmental issues.*

<b>IFD 23.1</b>	Indicate if you have a procedure to integrate the consideration of environmental issues in your investment decision processes.
-----------------	--

- Yes
- No

<b>IFD 23.4</b>	Indicate if you request your investees to comply with an environmental exclusion list.
-----------------	--

- Yes, for all investees
- Yes, for a majority of investees
- Yes, for a minority of investees
- No

<b>PIIF Principle 5: Transparency</b>
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<b>IFD 26</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PIIF 5</b>
---------------	------------------	----------------------	---------------

**Possible action:**

*Fully disclose policies, criteria and related conditions of products and services to investees and other relevant stakeholders.*

<b>IFD 26.1</b>	Other than the PRI/PIIF, indicate if you provide your investors and/or the public with information aligned with industry standards.
-----------------	---

- Yes

<b>IFD 26.2</b>	Do you provide information aligned with:
-----------------	--

- The MIV Disclosure Guidelines
- The Impact Reporting & Investment Standards (IRIS)
  - Yes, to our investors only
  - Yes, to the public
- Other, specify
- No

<b>IFD 27</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PIIF 5</b>
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**Possible action:**

*Ensure that investees adequately disclose the pricing, terms and conditions of financial products and services offered, and that the pricing, terms and conditions are understood by clients.*

<b>IFD 27.1</b>	Indicate if you encourage the retail institutions in which you invest to ensure that the following are transparent and fully explained to their clients (i.e. those seeking financial services from them) in a form they can understand.
-----------------	--

Pricing

Yes

IFD 27.2 Indicate how you ensure this for pricing and provide examples.

They must adhere to the CGAP Client Protection Principles

No

Other terms and conditions

Yes

IFD 27.3 Indicate how you ensure this for other terms/conditions and provide examples.

They are encouraged to disclose their financial and impact information on the MixMarket.org website

No

PIIF Principle 6: Balanced returns

IFD 28	Mandatory	Core Assessed	PIIF 6
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**Possible action:**

*Strive for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors.*

IFD 28.1 Indicate if the social performance of investees affects your:

Investment decision making

Yes

IFD 28.2 Explain how social performance of investees affects investment decision making.

The nature of social performance is included in the DD process and is weighed when decisions are made

No

Portfolio management

Yes

IFD 28.3

Explain how social performance of investees affects portfolio management.

Significant issues will be reviewed in quarterly monitoring meetings to determine appropriate actions needed, if any

No

## PIIF Principle 7: Standards

IFD 32

Mandatory

Core Assessed

PIIF 7

### **Possible action:**

*Participate in networks to share tools, information and resources.*

IFD 32.1

Select which of the following collaborative initiatives your organisation has supported or participated in, and the role you played.

The Principles for Investors in Inclusive Finance

- Yes
  - Basic
  - Moderate
  - Advanced
- No

The Smart Campaign

- Yes
- No

Social Performance Task Force

- Yes
- No

Financial Inclusion Equity Council (formerly CMEF)

- Yes
- No

European Microfinance Platform (eMFP)

- Yes
- No

Global Impact Investors Network (GIIN)

- Yes
  - Basic
  - Moderate
  - Advanced
- No

Other network, association memberships and/or specific collaboration related to the promotion of inclusive finance, specify

- Yes
- No



# Sarona Asset Management

## Reported Information

### Public version

### Indirect - Inclusive Finance

## PRI disclaimer

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## Selection

IFI 02	Mandatory	Core Assessed	General
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**IFI 02.1** Indicate if you have due diligence policies and/or procedures in place for the selection of external investment managers in inclusive finance that take their approach to the following responsible investment issues (PIIF Principles) into account:

Actively supporting retail providers to innovate and expand the range of financial services available to low income people (Principle 1)

- Yes  
 No

Integration of client protection in investment policies and practices. (Principle 2)

- Yes  
 No

Treating investees fairly with appropriate financing that meets demand, clear and balanced contracts, and fair processes for resolving disputes. (Principle 3)

- Yes  
 No

The inclusion of environmental, social and corporate governance (ESG) issues in investment policies and reporting. (Principle 4)

- Yes  
 No

Active promotion of transparency in all aspects. (Principle 5)

- Yes  
 No

Striving for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors. (Principle 6)

- Yes  
 No

Collaborating to set harmonised investor standards that support the further development of inclusive finance. (Principle 7)

- Yes  
 No

## Contractual agreements and mandate design

IFI 03

Mandatory

Core Assessed

General

IFI 03.1

When agreeing contracts and designing mandates with investment managers, in the process, indicate if you consider including the following issues referred to in the PIIF:

Actively supporting retail providers to innovate and expand the range of financial services to low-income people (Principle 1)

Yes

Describe and indicate how.

DD discussions include who are target markets, how products will reach these markets, how access to services & products will be increased, what are long-term goals

No

Integration of client protection in investment policies and practices (Principle 2)

Yes

Describe and indicate how.

Pre-investment DD and ongoing monitoring

No

Treating investees fairly with appropriate financing needs that meets demand, clear and balanced contracts and fair processes for resolving disputes (Principle 3)

Yes

Describe and indicate how.

Pre-investment DD and ongoing monitoring

No

The inclusion of ESG issues in investment policies and reporting (Principle 4)

Yes

Describe and indicate how.

Pre-investment DD and ongoing monitoring

No

Active promotion of transparency in all aspects (Principle 5)

Yes

Describe and indicate how.

Pre-investment DD and ongoing monitoring

No

Striving for a balanced long-term social and financial risk-adjusted return that recognises the interests of clients, retail providers and investors (Principle 6)

Yes

Describe and indicate how.

Pre-investment DD and ongoing monitoring

No

Collaborating to set harmonised investor standards that support the further development of inclusive finance (Principle 7)

Yes

Describe and indicate how.

Pre-investment DD and ongoing monitoring

No

## Investment manager monitoring and reporting

IFI 04

Mandatory

Core Assessed

General

IFI 04.1

Indicate if you monitor your current investment managers' implementation of the PIIF principles.

Yes

IFI 04.2

Indicate the frequency of reporting you typically require.

Annually or more frequently

Every two years or less

Ad-hoc, specify

No

## Disclosure

IFI 06

Mandatory

Core Assessed

General

IFI 06.1

Indicate if your organisation proactively discloses any information about your approach to responsible investment in inclusive finance.

Yes, we disclose publicly

provide URL

<http://www.saronafund.com/responsible-investments/>

Yes, we disclose to clients/beneficiaries only

No