



| LEA 02 | Disclosures: Mandatory | Reason for Interaction | Principle: PRI 1, 2, 3 |
|--|------------------------|---|------------------------|
| Individual/ internal staff engagements | | <input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues <input checked="" type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data <input type="checkbox"/> To engage investor ESG objectives <input type="checkbox"/> Other: specify | |
| Collaborative engagements | | <input type="checkbox"/> To support investment decision-making in & company's material ESG issues <input type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data <input type="checkbox"/> Other: specify | |
| Service provider engagements | | <input type="checkbox"/> To support investment decision-making in & company's material ESG issues <input type="checkbox"/> To enhance corporate transparency or identify the need for additional or more comprehensive data <input type="checkbox"/> Other: specify | |

RI TRANSPARENCY REPORT

2013/14

ATI Asset Management Pty Ltd

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 2013-14 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. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly 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.

PRI disclaimer

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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 | ✓ | n/a | | | | | | | ✓ |
| OO 06 | How would you like to disclose your asset class mix | ✓ | Public | | | | | | | ✓ |
| OO 07 | Segregated mandates or pooled funds | 🔒 | n/a | | | | | | | ✓ |
| OO 08 | Breakdown of AUM by market | ✓ | Private | | | | | | | ✓ |
| OO 09 | Additional information about organisation | ✓ | Private | | | | | | | ✓ |
| OO 10 | RI activities for listed equities | ✓ | Public | | | | | | | ✓ |
| OO 11 | RI activities in other asset classes | 🔒 | n/a | | | | | | | ✓ |
| 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 | ✓ | Private | | | | | | | ✓ |
| OA 07 | Governance, management structures and RI processes | ✓ | Private | | | | | | | ✓ |
| OA 08 | RI roles and responsibilities | ✓ | Public | | | | | | | ✓ |
| OA 09 | RI in performance management, reward and/or personal development | ✓ | Private | | | | | | | ✓ |
| OA 10 | Collaborative organisations / initiatives | ✓ | Public | | | | ✓ | ✓ | | |
| OA 11 | Promoting RI independently | ✓ | Public | | | | ✓ | | | |
| OA 12 | Dialogue with public policy makers or standard setters | ✓ | Private | | | | ✓ | ✓ | ✓ | |
| OA 13 | ESG issues in strategic asset allocation | ✓ | Private | ✓ | | | | | | |
| OA 14 | Allocation of assets to environmental and social themed areas | ✓ | Private | ✓ | | | | | | |
| 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 | ✓ | Private | | | | | | | ✓ |
| OA 19 | Internal and external review and assurance of responses | ✓ | Private | | | | | | | ✓ |

| Direct - Listed Equity Incorporation | | | | Principle | | | | | | General |
|--------------------------------------|---|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| LEI 01 | Breakdown by passive, quantitative, fundamental and other active strategies | ✓ | Private | ✓ | | | | | | |
| LEI 02 | Description of ESG incorporation | ✓ | Private | ✓ | | | | | | |
| LEI 03 | Percentage of each incorporation strategy | ✓ | Public | ✓ | | | | | | |
| LEI 04 | Type of ESG information used in investment decision | ✓ | Private | ✓ | | | | | | |
| LEI 05 | Information from engagement and/or voting used in investment decision-making | ✓ | Private | ✓ | | | | | | |
| LEI 06 | Types of screening applied | ✓ | Public | ✓ | | | | | | |
| LEI 07 | Processes to ensure screening is based on robust analysis | ✓ | Public | ✓ | | | | | | |
| LEI 08 | Processes to ensure fund criteria are not breached | ✓ | Private | ✓ | | | | | | |
| LEI 09 | Types of sustainability thematic funds/mandates | 🔒 | n/a | ✓ | | | | | | |
| LEI 10 | Description of ESG integration | ✓ | Private | ✓ | | | | | | |
| LEI 11 | Review ESG issues while researching companies/sectors | ✓ | Public | ✓ | | | | | | |
| LEI 12 | Processes to ensure integration is based on robust analysis | ✓ | Private | ✓ | | | | | | |
| LEI 13 | Aspects of analysis ESG information is integrated into | ✓ | Private | ✓ | | | | | | |
| LEI 14 | ESG issues in index construction | 🔒 | n/a | ✓ | | | | | | |
| LEI 15 | How ESG incorporation has influenced portfolio composition | ✓ | Private | ✓ | | | | | | |
| LEI 16 | Incorporation of ESG issues has improved financial/ESG performance and reduced risk | ✓ | Private | ✓ | | | | | | |
| LEI 17 | Examples of ESG issues that affected your investment view / performance | - | n/a | ✓ | | | | | | |
| LEI 18 | Disclosure of approach to ESG incorporation | ✓ | Public | | ✓ | | | | | ✓ |

| Direct - Listed Equity Active Ownership | | | | Principle | | | | | | General |
|---|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator | Short description | Status | Disclosure | 1 | 2 | 3 | 4 | 5 | 6 | |
| LEA 01 | Description of approach to engagement | ✓ | Private | | ✓ | | | | | |
| LEA 02 | Reasoning for interaction on ESG issues | ✓ | Public | ✓ | ✓ | ✓ | | | | |
| LEA 03 | Process for identifying and prioritising engagement activities | ✓ | Public | | ✓ | | | | | |
| LEA 04 | Objectives for engagement activities | ✓ | Public | | ✓ | | | | | |
| LEA 05 | Process for identifying and prioritising engagement activities | ✓ | Public | | ✓ | | | | | |
| LEA 06 | Objectives for engagement activities | ✓ | Public | | ✓ | | | | | |
| LEA 07 | Role in engagement process | 🔒 | n/a | | ✓ | | ✓ | | | |
| LEA 08 | Monitor / discuss service provider information | 🔒 | n/a | | ✓ | | | | ✓ | |
| LEA 09 | Share insights from engagements with internal/external managers | ✓ | Private | ✓ | ✓ | | | | | |
| LEA 10 | Tracking number of engagements | ✓ | Public | | ✓ | | | | | |
| LEA 11 | Number of companies engaged with, intensity of engagement and effort | ✓ | Private | | ✓ | | | | | |
| LEA 12 | Engagements on E, S and/or G issues | ✓ | Private | | ✓ | | | | | |
| LEA 13 | Companies changing practices / behaviour following engagement | ✓ | Private | | ✓ | | | | | |
| LEA 14 | Examples of ESG engagements | ✓ | Private | | ✓ | | | | | |
| LEA 15 | Disclosure of approach to ESG engagements | ✓ | Public | | ✓ | | | | ✓ | |
| LEA 16 | Description of approach to (proxy) voting | ✓ | Private | | ✓ | | | | | |
| LEA 17 | Typical approach to (proxy) voting decisions | ✓ | Public | | ✓ | | | | | |
| LEA 18 | Percentage of voting recommendations reviewed | 🔒 | n/a | | ✓ | | | | | |
| LEA 19 | Confirmation of votes | ✓ | Private | | ✓ | | | | | |
| LEA 20 | Securities lending programme | ✓ | Private | | ✓ | | | | | |
| LEA 21 | Informing companies of the rationale of abstaining/voting against management | ✓ | Public | | ✓ | | | | | |
| LEA 22 | Percentage of (proxy) votes cast | ✓ | Public | | ✓ | | | | | |
| LEA 23 | Proportion of ballot items that were for/against/abstentions | ✓ | Private | | ✓ | | | | | |
| LEA 24 | Shareholder resolutions | ✓ | Private | | ✓ | | | | | |
| LEA 25 | Examples of (proxy) voting activities | ✓ | Private | | ✓ | | | | | |
| LEA 26 | Disclosing voting activities | ✓ | Public | | ✓ | | | | ✓ | |

ATI Asset Management Pty Ltd

Reported Information

Public version

Organisational Overview

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Basic Information

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

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

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

Other, specify

Execution and advisory only services

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

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

Australia

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

7

| | | | |
|-------|-----------|-------------|---------|
| 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.

| | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM | | | 450 | 000 | 000 |
| Currency | AUD | | | | |
| Assets in USD | | | 406 | 484 | 486 |

OO 04.3 | 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 | >50% | 0 |
| Fixed income – corporate | 0 | 0 |
| Fixed income – government | 0 | 0 |
| Fixed income – other | 0 | 0 |
| Private debt | 0 | 0 |
| Private equity | 0 | 0 |
| Property | 0 | 0 |
| Infrastructure | 0 | 0 |
| Commodities | 0 | 0 |
| Hedge funds | 0 | 0 |
| Forestry | 0 | 0 |

| | | |
|--------------------|---|---|
| Farmland | 0 | 0 |
| Inclusive finance | 0 | 0 |
| 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 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
- 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. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, 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. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

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

RI implementation directly or via service providers

| | |
|--|--------------------------------------|
| | Direct - Listed Equity incorporation |
|--|--------------------------------------|

- Listed Equity incorporation

| | |
|--|---|
| | Direct - Listed Equity active ownership |
|--|---|

- Engagements
- (Proxy) voting

Closing module

Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

ATI Asset Management Pty Ltd

Reported Information

Public version

Overarching Approach

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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

Responsible Investing / ESG Policy

There is growing recognition that ESG factors may impact the value of a company. ATI as a contemporary investment manager has been improving its capacity to better understand ESG factors and enhance their integration into its investment process.

An important consideration in our responsible investment strategy has been the adoption of the Principles for Responsible Investment (PRI). ATI became a signatory to the PRI in 2009 and has adopted the ESG principles within its organisation. In its most recent review ATI was ranked by the PRI in the top quartile of all managers worldwide and achieved a score of 99% for Principle 2 "Being active owners and incorporating ESG issues into ownership policies and practices".

ATI as an investor and shareholder in ASX listed businesses is conscious to ensure that businesses show greater sensitivity to environmental, social and corporate governance (ESG) issues. ATI's holistic view is that poor ESG adherence has become a leading indicator of potential issues in the transparency of a company's future earnings forecasts.

Over the past three years, ATI has successfully integrated into its proprietary investment process, a specific ESG module within its proprietary qualitative assessment score (QAS). This module provides considerations that all analysts must take into account when conducting research and analysis on any company being considered for prospective grade status and hence being available for inclusion in the ATI portfolio.

The ESG module has evolved and been positively adopted by the ATI analysts such that it is now an integral part of the ATI research effort. The module assists in providing insight, and identifying issues and areas that require consideration. ATI view is that valuations are only as good as the reliability of the earnings forecasts underlying them, and any research that can assist in identifying potential issues in our earnings forecasts need to be considered.

Within the ATI Qualitative Assessment Score (QAS) the following questions are required to be answered for all companies within the 'prospective grade' universe and have ESG relevance.

ESG related factors represent ~15% of the overall QAS of any company that ATI would consider investing in. By doing this:

ATI's investment approach takes into account the fact that in certain sectors, industries and companies, ESG factors may have a material impact on a company's valuation.

Companies may be screened out of ATI's investable universe due to the ESG factors in the QAS.

Our analysts will continue to gain knowledge and understanding of ESG issues in the sectors that they cover.

If two companies in ATI's investable universe have the same fundamental valuation, the one with the better ESG policy is likely to be the preferred investment.

While implementation of this Responsible Investment policy has commenced, it will be considered progressively and continually developed over time. We are committed to reporting to our clients and key stakeholders on at least an annual basis in how our business is adapting and complying with ESG standards.

As a signatory to the PRI there is a responsibility on all ATI's staff, executives and non executives to understand the six principals and how ATI has actively adopted them into its investment decision making process and culture.

There is an understanding that ESG is an ever evolving process and staff, executives and non executives of ATI are encouraged the assist in the progression and development of ESG processes and policies. To these end quarterly reviews of internal ESG policies are conducted with the ATI staff to determine if the internal processes can be improved or need to be changed to consider different issues. Updates are provided to the ATI Board on a quarterly basis.

Since 2010 ATI staff have been incentivised to be proactive in relation to ESG issues as 5% of a staff member's short term incentive (STI) is related to their contribution in relation to the quality of ESG analysis and research as well as ESG system development.

ESG issues are prioritised as part of the research process and broader issues such as MRRT and Carbon are conducted when the policies are announced. Corporate governance is ongoing but more relevant around the time when the company has set its AGM agenda.

ATI has a formal engagement policy that is used as part of the decision making process for corporate voting. In essence, ATI's analysts will actively engage companies in relation to corporate governance (as well as environmental and social) issues that may influence its voting preference. This engagement will take the form of direct contact with the company via meeting and phone calls. When we are not able to do this, we will request in writing a response to specific queries and issues we wish to have addressed.

Generally, ATI believes it should support boards by positive use of its voting power unless there are good reasons for doing otherwise. When a board has received steady support over a period of time it should become a matter of concern for that board if that support is withdrawn.

ATI subscribes to the ISS (formerly RiskMetrics) proxy advisory and global analysis services to assist it in ensuring adherence to the voting policy. However, it is the ATI analyst that will make the final decision on any vote.

ATI is retained by Zurich Financial Services Australia Ltd (another PRI signatory) to manage its Australian Share Value Fund. ATI actively collaborates and engages with Zurich representatives on ESG and PRI issues.

ATI has been active its messaging to Boards via its voting over the past 12 months. ATI analysts have rejected approximately 10% of Board and/or ISS recommendations due mainly to Corporate Governance concerns.

| | | | |
|-------|-----------|---------------|-------|
| 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://atiam.com.au/esgpolicy/index.htm>

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 |
|----------------------------|---|
| ATI PRI 2011 Response | http://atiam.com.au/esgpolicy/index.htm |
| PRI 2010 Assessment of ATI | http://atiam.com.au/esgpolicy/index.htm |
| ATI ESG investment Policy | http://atiam.com.au/esgpolicy/index.htm |

- 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="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" 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**

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]

Conflicts of interest are formally referred to our underlying clients. We will explain and discuss the issues that have given rise to the conflict of the interest with the client and then will await instructions from the client on how to deal with the potential conflict.

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

Governance and human resources

OA 08

Mandatory

Gateway/Core Assessed

General

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.

Roles present in your organisation

- Board members or trustees
- 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
- Other role, specify
- Other role, specify

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

Number

2

Promoting responsible investment

| | | | |
|--------------|------------------|----------------------|----------------|
| OA 10 | Mandatory | Core Assessed | PRI 4,5 |
|--------------|------------------|----------------------|----------------|

OA 10.1 Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

Yes

OA 10.2 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

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change

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

- Basic
- Moderate
- Advanced
- CDP Forests
- CDP Water

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

- Basic
- Moderate
- Advanced
- 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
- Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced

- 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
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

No

| | | | |
|-------|-----------|---------------|-------|
| 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

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Reported Information

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Direct - Listed Equity Incorporation

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ESG incorporation in actively managed listed equities

Implementation processes

| | | | |
|--------|-----------|-----------------------|-------|
| LEI 03 | Mandatory | Gateway/Core Assessed | PRI 1 |
|--------|-----------|-----------------------|-------|

LEI 03.1

Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)
- Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)

100 %

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

Total actively managed listed equities

100%

LEI 03.2

Describe your primary reasons for choosing a particular ESG incorporation strategy.

The ESG module has evolved and been positively adopted by the ATI analysts such that it is now an integral part of the ATI research effort. The module assists in providing insight, and identifying issues and areas that require consideration. ATI view is that valuations are only as good as the reliability of the earnings forecasts underlying them, and any research that can assist in identifying potential issues in our earnings forecasts need to be considered.

ATI's investment approach takes into account the fact that in certain sectors, industries and companies, ESG factors may have a material impact on a company's valuation.

While implementation of this Responsible Investment policy has commenced, it will be considered progressively and continually developed over time. We are committed to reporting to our clients and key stakeholders on at least an annual basis in how our business is adapting and complying with ESG standards.

(A) Implementation: Screening

LEI 06

Mandatory

Descriptive

PRI 1

LEI 06.1

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

- Negative/exclusionary screening

Screened by

- Product
 Activity
 Sector
 Country/geographic region
 Environmental and social practices and performance
 Corporate governance

Description

The Principles do not impose any specific requirements, and are to be addressed by each signatory within the framework of its legal duties to investors. Each signatory determines for itself how it will respond.

Within the ATI Qualitative Assessment Score (QAS) the following questions are required to be answered for all companies within the 'prospective grade' universe and have ESG relevance. Some issues that need to be identified relate to:

The Board; mix of non-executive and executive directors, quality of the board, turnover of the board / senior staff changes (which may flag issues with strategy or management).

Remuneration: Level and type of incentive for board and management, alignment of incentive structure with shareholders and performance.

Capital: Review changes to the capital structure eg capital issuances that are potentially large but may be justified because of M&A activity or inability to raise debt market finance, analyse disposals and acquisitions where shareholders should be concerned about the economic impacts.

Risks: Are there any risks to note like environmental regulation, eg Gunns lead bank ANZ reviewing its financing of pulp mill in light of environmental concerns.

Shareholding structure: Have majority shareholders adjusted their stake, and could this have an impact on the way the company is run? eg where the major shareholders may act to oust management or break up a company; are there any poison pills and will any of them be enacted.

Accounting: Review financial disclosure (who is reviewing the company eg ABC Learning), review treatment of dividends or goodwill, recutting of divisional earnings, continued "below the line" treatment of earnings.

Specific ESG questions within the QAS are:

Does the company provide adequate Environmental disclosure and reports (relative to peers)? (Qualitative factor, 1-2 QAS points).

Does the company provide adequate Social governance disclosure and reports (relative to peers)? (Qualitative factor, 1-2 QAS points).

Does the company provide adequate Corporate disclosure and reports (relative to peers)? (Qualitative factor, 1-2 QAS points).

Are cash flows within the ATI forecast period impacted (or potentially) by legislation directly related to ESG issues? (eg Carbon tax, MRRT)(Fundamental factor, 1-2 QAS points).

The other fundamental and quality factors that have ESG relevance are:

Qualitative Factors:

Review mix of non-executive, executive and independent Directors. Are there potential corporate governance issues or lack of independence? Has there been turnover in at the Board or management level that is of concern? (1-2 QAS points).

Review remuneration of Board and Key management. Review the key benchmarks and performance factors (is there alignment with stakeholders / are there any ESG factors incorporated into this?). (1-2 QAS points).

[The analyst is to make an assessment of the overall quality of Board members relative to peers].

Review the control that major stakeholders (>20% of issued capital) have in the company. Are these stakeholders currently experiencing financial distress and what control (Board or related party) if any do they have? (1-2 QAS points).

Review quality of guidance (if any) provided by management as well as historical track record at delivery (over/under deliver). Are there significant abnormalities or rebasing of divisional earnings at the last reported result? (1-2 QAS points).

Fundamental Factors:

Review whether the company has poor quality accountants or lawyers with the potential for a lack of independence. (1-2 QAS points).

Review whether the company has potentially breached debt covenants or may do so within the forecast period. Review bank syndicate arrangements. (1-2 QAS points).

Review property, inventory and investments that are on the balance sheet and subject to Directors valuations that may have the potential for write-down. Are there significant changes to accounting policy or lack of transparency in disclosure? (1-2 QAS points).

Review the accounting policies for companies with significant (>25%) dependence on associate companies. Review control mechanisms and potential for calls on capital by the associate. (1-2 QAS points).

All these factors in total represent ~15% of the overall QAS of any company that ATI would consider investing in.

- Positive/best-in-class screening
- Norms-based screening

LEI 06.2

Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.

The screening criteria is established internally as part of the ATI process. The criteria for the screen is reviewed every 6 months and any changes made are noted in internal policy documents that are made available to our Board and clients.

LEI 07

Mandatory

Core Assessed

PRI 1

LEI 07.1 Indicate which processes your organisation uses to ensure that screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

(C) Implementation: Integration of ESG issues

| | | | |
|---------------|------------------|----------------------|--------------|
| LEI 11 | Mandatory | Core Assessed | PRI 1 |
|---------------|------------------|----------------------|--------------|

LEI 11.1 Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

| ESG issues | Coverage/extent of review on these issues |
|----------------------|---|
| Environmental | <input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues |
| Social | <input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues |
| Corporate Governance | <input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues |

Communication

| | | | |
|---------------|------------------|----------------------|----------------|
| LEI 18 | Mandatory | Core Assessed | PRI 2,6 |
|---------------|------------------|----------------------|----------------|

LEI 18.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly

Provide URL

<http://www.atiam.com.au/esgpolicy/index.htm>

LEI 18.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

LEI 18.3

Indicate the information your organisation proactively discloses to clients/ beneficiaries and the public regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
 Detailed explanation of ESG incorporation strategy used

LEI 18.4

Indicate how frequently you typically report this information.

- Quarterly or more frequently
 Between quarterly and annually
 Less frequently than annually
 Other, specify
- No
- We disclose it to clients and/or beneficiaries only
 We do not proactively disclose it to the public and/or clients/beneficiaries

ATI Asset Management Pty Ltd

Reported Information

Public version

Direct - Listed Equity Active Ownership

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.

Engagement

Overview

| | | | |
|--------|-----------|---------|-----------|
| LEA 02 | Mandatory | Gateway | PRI 1,2,3 |
|--------|-----------|---------|-----------|

LEA 02.1 Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

| Type of engagement | Reason for interaction |
|--|---|
| Individual/Internal staff engagements | <input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff |
| Collaborative engagements | <input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements |
| Service provider engagements | <input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via service providers |

Process

Process for engagements run internally

| | | | |
|--------|-----------|---------------|-------|
| LEA 03 | Mandatory | Core Assessed | PRI 2 |
|--------|-----------|---------------|-------|

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

☉ Yes

| | |
|-----------------|---|
| LEA 03.2 | Describe how you identify and prioritise engagements. |
|-----------------|---|

Engagement is driven by our underlying clients and requests from our clients to address matters and issues raised. In general these have been related to governance issues.

In this regard we allocate resource internally to address and prioritise the engagement.

No

| | | | |
|---------------|------------------|----------------------|--------------|
| LEA 04 | Mandatory | Core Assessed | PRI 2 |
|---------------|------------------|----------------------|--------------|

| | |
|-----------------|--|
| LEA 04.1 | Indicate if you define specific objectives for your engagement activities. |
|-----------------|--|

Yes

No

| | |
|-----------------|---|
| LEA 04.2 | Indicate if you monitor the actions that companies take following your engagements. |
|-----------------|---|

Yes

Yes, in all cases

Yes, in the majority of cases

Yes, in the minority of cases

| | |
|-----------------|---|
| LEA 04.3 | Describe how you monitor and evaluate the progress of your engagement activities. |
|-----------------|---|

We review the public reporting of the company or engage directly with management. For example, if there were governance issues in relation to the remunerations reports then we would review these the following year to ascertain if the issues that were raised had been addressed.

No

Process for engagements conducted via collaborations

| | | | |
|---------------|------------------|----------------------|--------------|
| LEA 05 | Mandatory | Core Assessed | PRI 2 |
|---------------|------------------|----------------------|--------------|

| | |
|-----------------|---|
| LEA 05.1 | Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements. |
|-----------------|---|

- Yes
- No

| | |
|-----------------|-----------------------------------|
| LEA 05.3 | Additional information.[Optional] |
|-----------------|-----------------------------------|

There is no formal process for identifying and prioritising collaborative engagements. We will do so when we have been made aware of the matter and decide internally whether to join the collaborative engagement.

| | | | |
|---------------|------------------|----------------------|--------------|
| LEA 06 | Mandatory | Core Assessed | PRI 2 |
|---------------|------------------|----------------------|--------------|

| | |
|-----------------|--|
| LEA 06.1 | Indicate if the collaborative engagements in which you are involved have defined objectives. |
|-----------------|--|

- Yes
- No

| | |
|-----------------|--|
| LEA 06.2 | Indicate if you monitor the actions companies take following your collaborative engagements. |
|-----------------|--|

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases

| | |
|-----------------|---|
| LEA 06.3 | Describe how you monitor and evaluate the progress of your collaborative engagement activities. |
|-----------------|---|

We will review the public reportings of the company, organisation or representatives of the industry that we have engaged with. We will also keep in contact with other co-collaborators to ascertain the impact of the engagement.

- No

General processes for all three groups of engagers

| | | | |
|---------------|------------------|------------------------------|--------------|
| LEA 10 | Mandatory | Gateway/Core Assessed | PRI 2 |
|---------------|------------------|------------------------------|--------------|

| | |
|-----------------|--|
| LEA 10.1 | Indicate if you track the number of companies you engage with. |
|-----------------|--|

| Type of engagement | Tracking engagements |
|--|---|
| Individual / Internal staff engagements | <input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements |
| Collaborative engagements | <input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements |

Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA 15.1

Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

LEA 15.3

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.

Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

LEA 15.4

Indicate how frequently you typically report engagements information

- Disclosed continuously (prior and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify
- We do not proactively disclose it to the public and/or clients/beneficiaries.

(Proxy) voting and shareholder resolutions

Process

| | | | |
|----------|---|-------------|-------|
| LEA 17 | Mandatory | Descriptive | PRI 2 |
| LEA 17.1 | Indicate how you typically make your (proxy) voting decisions and what this approach is based on. | | |
| | Approach | | |
| | <input type="radio"/> We use our own research or voting team and make our own voting decisions without the use of service providers. | | |
| | <input checked="" type="radio"/> We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions. | | |
| | Based primarily on | | |
| | <input checked="" type="radio"/> the service provider voting policy signed off by us | | |
| | <input type="radio"/> our own voting policy | | |
| | <input type="radio"/> our clients requests or policy | | |
| | <input type="radio"/> other, explain | | |
| | <input type="radio"/> We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions. | | |
| | <input type="radio"/> We hire service provider(s) which make voting decisions on our behalf. | | |

| | | | |
|----------|---|---------------|-------|
| LEA 21 | Mandatory | Core Assessed | PRI 2 |
| LEA 21.1 | Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations. | | |
| | <input type="radio"/> Yes, in most cases | | |
| | <input checked="" type="radio"/> Sometimes, in the following cases: | | |
| | <input type="checkbox"/> votes in selected markets | | |
| | <input checked="" type="checkbox"/> votes on certain issues (all markets) | | |
| | <input type="checkbox"/> votes for significant shareholdings (all markets) | | |
| | <input type="checkbox"/> other, explain | | |
| | <input type="radio"/> No | | |
| | <input type="radio"/> Not applicable as we and/or our service providers do not abstain or vote against management recommendations | | |

Outputs and outcomes

| | | | |
|--------|-----------|---------------|-------|
| LEA 22 | Mandatory | Core Assessed | PRI 2 |
|--------|-----------|---------------|-------|

LEA 22.1 For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

We do track or collect this information

Votes cast (to the nearest 1%)

%

100

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
 - of the total number of company meetings at which you could have voted
 - of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

Communication

| | | | |
|--------|-----------|---------------|---------|
| LEA 26 | Mandatory | Core Assessed | PRI 2,6 |
|--------|-----------|---------------|---------|

LEA 26.1 Indicate if your organisation proactively discloses information on your voting activities.

- We disclose it publicly
- We disclose it to clients/beneficiaries only

LEA 26.3 Indicate the voting information your organisation proactively discloses to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA
26.4

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
 - Continuously (soon after votes are cast)
 - Quarterly or more frequently
 - Between quarterly and annually
 - Less frequently than annually
 - Other, specify
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries