



| LEA 02  | Disclosures<br>Monetary  | Reason for Interaction  | Principle<br>PRI<br>1,2,3 |
|---|--|---|---------------------------|
| <p><b>Type of engagement</b><br/>Individual/ internal staff engagements</p> | <p><b>Reason for Interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input checked="" type="checkbox"/> To engage internal staff</li> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>               | <p><b>Type of engagement</b><br/>Individual/ internal staff engagements</p> |                           |
| <p><b>Type of engagement</b><br/>Collaborative engagements</p>              | <p><b>Reason for Interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input checked="" type="checkbox"/> To engage internal staff</li> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> </ul>    | <p><b>Type of engagement</b><br/>Collaborative engagements</p>              |                           |
| <p><b>Type of engagement</b><br/>Service provider engagements</p>           | <p><b>Reason for Interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced information</li> <li><input checked="" type="checkbox"/> To engage internal staff</li> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in service provider engagements</li> </ul> | <p><b>Type of engagement</b><br/>Service provider engagements</p>           |                           |

# RI TRANSPARENCY REPORT

## 2013/14

HR Strategies Inc.

## 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

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

# 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                 | ✓      | Private    |           |   |   |   |   |   | ✓       |
| OO 08                   | Breakdown of AUM by market                          | ✓      | Private    |           |   |   |   |   |   | ✓       |
| OO 09                   | Additional information about organisation           | -      | n/a        |           |   |   |   |   |   | ✓       |
| OO 10                   | RI activities for listed equities                   | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OO 11                   | RI activities in other asset classes                | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OO 12                   | Modules and sections required to complete           | ✓      | Public     |           |   |   |   |   |   | ✓       |

| Overarching Approach |  |        |            | Principle |   |   |   |   |   | General |
|----------------------|--|--------|------------|-----------|---|---|---|---|---|---------|
| Indicator            | Short description  | Status | Disclosure | 1         | 2 | 3 | 4 | 5 | 6 |         |
| OA 01                | RI policy and other guidance documents                             | ✓      | Public     |           |   |   |   |   |   | ✓       |
| OA 02                | Publicly available policies / documents                            | 🔒      | n/a        |           |   |   |   |   | ✓ |         |
| OA 03                | Policy components and coverage                                     | 🔒      | n/a        | ✓         | ✓ |   |   |   |   |         |
| 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                 | ✓      | Private    |           |   |   |   |   |   | ✓       |
| 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             | ✓      | 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    |           |   |   |   |   |   | ✓       |

| 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  | ✓      | Private    | ✓         |   |   |   |   | ✓ |         |
| 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                 | ✓      | Private    |           |   |   |   |   |   | ✓       |
| 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)                                   | 🔒      | n/a        | ✓         |   |   |   |   |   | ✓       |
| SAM 11   | Appointment considerations (non-listed assets)                            | 🔒      | n/a        |           |   |   | ✓ |   |   |         |
| SAM 12   | Monitoring processes (non-listed assets)                                  | 🔒      | n/a        | ✓         |   |   |   |   |   | ✓       |
| SAM 13   | Description of RI considerations in 'other' asset classes                 | ✓      | Public     | ✓         |   |   |   |   |   | ✓       |
| SAM 14   | Percentage of externally managed assets managed by PRI signatories        | ✓      | Private    | ✓         |   |   |   |   |   | ✓       |
| SAM 15   | Examples of ESG issues in selection, appointment and monitoring processes | ✓      | Private    |           | ✓ |   |   |   |   |         |
| SAM 16   | Disclosure of RI considerations   | ✓      | Public     |           |   |   |   |   |   | ✓       |

# HR Strategies Inc.

## 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 only services

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

23

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

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

- Yes
- No

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

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

31/12/2013

**OO 04.2** Indicate your total AUM at the end of your reporting year.

|               | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM     |           | 1        | 700      | 000       | 000      |
| Currency      | USD       |          |          |           |          |
| Assets in USD |           | 1        | 700      | 000       | 000      |

**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             | 0                      | <10%                   |
| Fixed income – corporate  | 0                      | <10%                   |
| Fixed income – government | 0                      | <10%                   |
| Fixed income – other      | 0                      | 0                      |
| Private debt              | 0                      | 0                      |
| Private equity            | 0                      | <10%                   |
| Property                  | 0                      | 0                      |
| Infrastructure            | 0                      | 0                      |
| Commodities               | 0                      | 0                      |
| Hedge funds               | 0                      | >50%                   |
| 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 |
|----------------|--|---------|---------|
| <b>OO 10.1</b> | Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year. <ul style="list-style-type: none"> <li><input type="checkbox"/> We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes</li> <li><input type="checkbox"/> We engage with companies on ESG issues via our staff, collaborations or service providers</li> <li><input type="checkbox"/> We cast our (proxy) votes directly or via service providers</li> <li><input checked="" type="checkbox"/> None of the above</li> </ul> |         |         |
| <b>OO 10.2</b> | Indicate if your combined internally and externally managed listed equities are 10% or more of your total AUM. <ul style="list-style-type: none"> <li><input type="radio"/> Yes, our total listed equities are 10% or more of our total AUM</li> <li><input checked="" type="radio"/> No, our total listed equities are less than 10% of our total AUM</li> </ul>  |         |         |
| OO 11          | Mandatory  | Gateway | General |
| <b>OO 11.2</b> | 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. <ul style="list-style-type: none"> <li><input type="checkbox"/> Fixed income – corporate</li> <li><input type="checkbox"/> Fixed income – government</li> <li><input type="checkbox"/> Private equity</li> <li><input checked="" type="checkbox"/> Hedge funds</li> <li><input type="checkbox"/> None of the above</li> </ul>   |         |         |
| 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 via external managers**

Indirect - Selection, Appointment and Monitoring of External Managers

- Hedge funds

**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.

HR Strategies Inc.

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

|       |           |               |         |
|-------|-----------|---------------|---------|
| 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]

8.1 HRS expects that every employee will avoid any activity, interest or association that may interfere or even appear to interfere with the independent exercise of his/her judgement in the best interests of HRS, its shareholders, clients and the public.

8.2 The officers of HRS, as part of their annual review of all policies will review this "Conflict of Interest Policy" and will have primary responsibility for enforcing compliance, together with the Compliance Officer. It is extremely important that all employees read, understand and adhere to these standards of ethical conduct. All employees are hereby advised that a breach of these policies and procedures may constitute cause for dismissal. All employees are also required to acknowledge receipt and understanding of the policies upon hiring as well as annually.

8.3 Unless otherwise expressly stated, the policy applies to all employees of HRS, and the expanded definition of employees, for the purposes of this conflict of interest policy is found in Appendix B (available upon request).

8.4 HRS has a duty to disclose potential and actual conflicts of interest to clients. Employees may not use any confidential information or take inappropriate advantage of their position for the purpose of furthering any private interest or as a means of making a personal gain.

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

## 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
- 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
- Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced

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

Our firm has been involved in the PRI Quebec regional group participating in many breakfast meetings and one conference where we exchanged on ESG issues and tried to recruit new signatories.

- 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

Our organisation participates in the Quebec PRI chapter promoting responsible investment in the Quebec finance community.

No

HR Strategies Inc.

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

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## Overview

|               |                  |                      |              |
|---------------|------------------|----------------------|--------------|
| <b>SAM 02</b> | <b>Mandatory</b> | <b>Core Assessed</b> | <b>PRI 4</b> |
|---------------|------------------|----------------------|--------------|

**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

|               |                  |                |                |
|---------------|------------------|----------------|----------------|
| <b>SAM 03</b> | <b>Mandatory</b> | <b>Gateway</b> | <b>General</b> |
|---------------|------------------|----------------|----------------|

**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                      |
|---------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Hedge funds   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

## Other asset classes

|               |                  |                    |                |
|---------------|------------------|--------------------|----------------|
| <b>SAM 13</b> | <b>Voluntary</b> | <b>Descriptive</b> | <b>PRI 1-6</b> |
|---------------|------------------|--------------------|----------------|

**SAM 13.1** Describe how your organisation, and/or your investment consultants, address responsible investment factors in manager selection, appointment and/or monitoring process for the following asset classes:



| Asset Class | Description   |
|-------------|---|
| Hedge funds | <p>When selecting managers, we focus on strategies that are easy for the investors to understand, liquid and that generally have low financial leverage. Strategies that are overweighed are fundamental equity long/short and global macro. We underweight activist strategies or strategies that take advantage of corporate distressed, bankruptcy or restructuring.</p> <p>We also require potential managers to become signatory of the HFSB and provide their individual positions to a third party risk management platform called Hedge Platform. This platform is run by RiskMetric, an affiliated company of MSCI, and is the industry standard in terms of transparency and risk management. Each manager also agrees to send us their individual positions on a monthly basis or upon request.</p> <p>Another non-negotiable condition in our manager selection process is that each manager hires an independent administrator to evaluate each position in their portfolio. We also require each manager to open an onshore investment structure.</p> <p>On the monitoring front, previous criteria are reviewed on a regular basis to make sure that the manager is still in compliant. Also, HRS asks a Canadian leader in the area of extra-financial strategic advisory services to run an independent assessment of each equity positions in the portfolio which highlight environmental, social and corporate governance (ESG) issues. HRS then uses this report and questions each manager on issues that may reasonably have an impact on the performance of the manager. The report is then sent to each manager to raise awareness about responsible investment issues.</p> |

**Communication**

|        |           |               |       |
|--------|-----------|---------------|-------|
| SAM 16 | Mandatory | Core Assessed | PRI 6 |
|--------|-----------|---------------|-------|

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