



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input checked="" type="checkbox"/> To engage corporate partners for identifying the need to address material ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage with internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input checked="" type="checkbox"/> To engage corporate partners for identifying the need to address material ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage with collaborative engagements</p>	
Collaborative engagements	<p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input checked="" type="checkbox"/> To engage corporate partners for identifying the need to address material ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage with collaborative engagements</p>		
Service provider engagements	<p><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</p> <p><input checked="" type="checkbox"/> To engage corporate partners for identifying the need to address material ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage with service providers</p>		

# RI TRANSPARENCY REPORT

## 2013/14

Lloyd George 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 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	🔒	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	✓	Private	✓						
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	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
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	🔒	n/a		✓					
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		✓				✓	

# Lloyd George Management

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

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## Basic Information

OO 01	Mandatory	Gateway/Peering	General
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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
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OO 02.1 Select the location of your organisation's headquarters.

Hong Kong

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

70

OO 03	Mandatory	Descriptive	General
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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.

31/10/2013

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

	trillions	billions	millions	thousands	hundreds
Total AUM		2	563	780	000
Currency	USD				
Assets in USD		2	563	780	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
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**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
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**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
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**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
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- Listed Equity incorporation

	Direct - Listed Equity active ownership
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- 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.

# Lloyd George Management

## 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

**Objective of Responsible Investment and ESG policy at LGM**

LGM considers ESG to be an integral part of our investment approach, even if LGM is not strictly defined as a socially responsible investor (SRI). We believe ESG issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). We also believe that LGM's ESG Policy may better align our portfolios with the broader expectations of society.

We require our investment professionals to consider the potential downside of investing in companies which do not rate highly against a set of basic ESG standards. Analysts/Portfolio Managers (PMs) are assisted in this task by focusing on a set of guidelines authored by the Responsible Investment Committee. This does not result in "black listed" stocks; instead we seek to understand and to discount where appropriate any potential financial implications of meeting higher standards to account for ESG considerations.

**Background**

As members of both the Association for Sustainable & Responsible Investment in Asia (ASrIA - Founder Member) and the Asian Corporate Governance Association (ACGA), LGM has a long-established interest in ESG issues. As part of our commitment to ESG principles, we are signatories to the United Nations Environment Programme Finance Initiative's (UNEP FI) set of ESG guidelines, the Principles for Responsible Investment (PRI). We have established a formal firm-wide ESG policy, which in addition to our proxy voting policy, further encourages our Analysts/PMs to include ESG issues in their consideration of any company they are researching. The ESG policy includes a framework of ESG focused questions that our investment professionals can judge a company against. If the company concerned falls short of their expectations then the Analyst/PM is encouraged to discount the potential costs of rectification in their valuation. This may make a company less attractive than one of its peers and may preclude it from eventual investment. Conversely our Analysts/PMs may identify companies which are in a position to capture ESG opportunities in future and generate alpha from them.

The term ESG covers the three major areas of focus for LGM:

**1. Environment**

As investors in Asia, global emerging and frontier markets we want to understand the implications, both financial and, in broad terms, environmental, of companies that may not meet national and global environmental standards.

**2. Social Responsibility**

Companies that do fail to meet international expectations in this area are a concern since changes in practices are increasingly expected by regulators.

**3. Corporate Governance**

LGM believes that sound financial management and a focused business plan are important elements in ensuring that a company meets targets and that a reputable and experienced management team which follows the principles of good corporate governance is vital to

maintaining both.

We aim to invest in high quality, growing companies with strong capital management and sustainable cash flows, therefore ESG factors around corporate governance and sustainability are key considerations in our firmwide investment process; from our initial universe screens to our in-depth company analysis, ethics, management alignment and integrity, and a long-term stance (sustainability) are pivotal to our investment process.

### **LGM ESG Policy**

Our ESG policy encompasses the following, in an effort to adopt the UN's 6 Principles for Responsible Investing (the Principles):

- i. Incorporate ESG issues into investment analysis and decision-making processes.
- ii. Incorporate ESG issues into our ownership policies and practices.
- iii. Seek appropriate disclosure on ESG issues by the entities in which we invest.
- iv. Promote acceptance and implementation of the principles within the investment industry.
- v. Collaborate to enhance our effectiveness in implementing the Principles.
- vi. Report on LGM activities and progress towards implementing the Principles.

LGM's investment approach focuses on long-term growth of the stocks in which we invest. Therefore it is important to assess the sustainability of returns on all levels, including in the context of ESG. The financial implications of complying with global guidelines and trends in ESG are of increasing importance. Therefore we proactively consider ESG factors as an integral part of our investment research because we believe that taking into account social and environmental factors in the investment decision-making process will ultimately improve shareholder value. As mentioned earlier, good corporate governance is a key consideration in our company analysis.

### **LGM Investment Process - ESG Company Matrix**

As a part of our overall investment process, we have internally developed the LGM ESG Company Matrix for analysis of ESG issues. It is used both as a risk management tool and to identify investment opportunities. This matrix is prepared by the relevant investment team member for each initial company research memo, and is updated as appropriate on an on-going basis.

The LGM ESG Company Matrix allows us to assess a company on both the industry level and the company specific level and has a series of ESG related questions for an investment team member to ask the management of the company. After taking into consideration all ESG-related information available, our Analysts/PMs assign a final ESG risk rating between 1 to 5, and this score helps us to assess materiality of ESG risks/factors which we can then include in our valuation analysis as appropriate, forming part of our overall investment process.

Amongst the criteria by which we assess a stock includes:

- Overall scoring within the LGM ESG Company Matrix;
- Sustainable competitive advantage(s);
- ROE greater than the peer group;
- Cash flow funding capital expenditure;
- Management demonstrating strategy implementation and prudent capital allocation; and
- Investments are managed within our overall investment approach. We believe active management is key to adding value through exploiting inefficiencies; The drivers of a company's long-term value are sustainability of growth and efficiency of capital management; Detailed insight necessary to judge company prospects and long-term conviction; Challenging the growth and returns implied in valuation supports our

conservative valuation approach; and absolute as well as relative risks are important.

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In addition, we have been utilising the resources of Sustainalytics, the world's largest independent provider of ESG research, organisation-wide, which reinforces our internally-generated company analysis.

OA 02	Mandatory	Core Assessed	PRI 6
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**OA 02.1** Indicate if your responsible investment policy is publicly available.

- Yes
- No

**OA 02.5** Additional information. [Optional]

Upon request (e.g., during a tender process, including for public tenders), we have previously provided excerpts from our ESG policy as appropriate.

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

Select all that apply

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

OA 04	Mandatory	Core Assessed	General
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**OA 04.1**

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes



LGM is highly sensitive to conflicts of interest, either real, potential or perceived.

#### **Conflicts of Interest**

It is LGM's policy to identify the conflicts of interest that may exist between a) ourselves or anyone linked to the firm and our clients or b) one client and another. We must ensure that clients are not adversely affected by potential risks. Where the potential risk cannot be effectively managed with reasonable confidence to prevent the risk, we disclose this to our client before providing services.

We make disclosure in a durable medium; providing sufficient detail to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises. The Standard provides guidance in defining, identifying and dealing with situations in which:

- The personal interests of individual Directors and employees of LGM conflict or might be perceived to conflict with the interests of LGM clients or BMO itself;
- The interests of two or more of LGM's clients conflict or might be perceived to conflict with each other; and
- LGM's corporate interests conflict or might be perceived to conflict with the interests of LGM's clients.

This Standard is issued in support of BMO Corporate Policy, FirstPrinciples, Our Code of Business Conduct and Ethics.

The objectives of the Standard are to:

- Outline the framework (principles, processes, monitoring and reporting) to support compliance with FirstPrinciples;
- Reinforce BMO's reputation for integrity and honesty - even the perception of a Conflict of Interest might tarnish this reputation and could have significant business implications; and
- Provide guidance to help protect BMO and its employees from legal liability and regulatory sanction, as well as the penalties and/or civil liability that may occur when conflict situations are not properly identified and managed.

**Business Conflicts of Interest** may arise as a consequence of LGM's corporate interests and its relationships with multiple clients, counterparties and suppliers.

Examples of where such conflicts may occur include:

- Between different clients;
- Between clients and LGM itself; or
- Where LGM has confidential information about a client or former client that could be used in another part of LGM or BMO or in another client relationship.

**LGM's Conflicts of interest policy also highlights the following areas:**

- Principles
- Conflict Management

- Conflict types and related management processes including: Transactions for Own, Immediate Family's or Closely Related Entity's Benefit
- Investing in a Client
- Fiduciary Relationships
- Misuse of Information and Assets
- Outside Business Activities
- 
- Monitoring & Reporting
- 
- Roles and Responsibilities of Chief Compliance Officer, Compliance Officers, Directors & Employees
- 
- Exceptions and Escalation
- 

No

## Objectives and strategies

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

Yes

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

- At least once per year
- Less than once per year

**OA 05.3** Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed

No

## Governance and human resources

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

### 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
  - Client Relationships and Business Development**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
- 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

## Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5
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**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

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]

We are members of the ACGA

Association for Sustainable & Responsible Investment in Asia

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]

We are a founding member of ASRIA. We also have presented our ESG process in an investment forum organised by ASRIA

- 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]

We have been signatories to the PRI for a number of years

- 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
- No

# Lloyd George Management

## Reported Information

### Public version

#### 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
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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.

We have integrated responsible investment into our overall investment approach through our LGM ESG matrix. Since a ESG score is calculated as a part of our assessment within the LGM ESG matrix, we have the ability to use this score as a screening tool.



LEI 03.3

If assets are managed using a combination of ESG incorporation strategies, describe briefly how these are used in combination. [Optional]

We have integrated responsible investment into our overall investment approach through our LGM ESG Company matrix. Since a ESG score is calculated as a part of our assessment within the LGM ESG Company matrix, we have the ability to use this score as a screening tool.

## (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

As a part of our overall investment process, we have internally developed a LGM ESG Company Matrix for analysis of ESG issues. It is used both as a risk management tool and to identify investment opportunities. This matrix is prepared by the relevant investment team member for each initial company research memo and is updated on an on-going basis as appropriate.

The LGM ESG Company Matrix assesses a company on both the industry level and the company specific level and has a series of ESG related questions for an investment team member to ask the management of the company under evaluation. A final ESG risk rating between 1 to 5 is given for each company, and this score helps us to compare ESG factors across companies as appropriate; this information can have a bearing on valuations applied to companies, and subsequent decision-making for portfolio inclusion, as appropriate. Companies that score poorly on our ESG evaluation may tend to be excluded from our investable universe.

For some of our mandates, we have an exclusion list as requested by our clients.

Positive/best-in-class screening

### Screened by

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

	Description
--	-------------

As a part of our overall investment process, we have internally developed a LGM ESG Company Matrix for analysis of ESG issues. It is used both as a risk management tool and to identify investment opportunities. This matrix is prepared by the relevant investment team member for each initial company research memo and is updated on an on-going basis as appropriate.

The LGM ESG Company Matrix assesses a company on both the industry level and the company specific level and has a series of ESG related questions for an investment team member to ask the management of the company under evaluation. A final ESG risk rating between 1 to 5 is given for each company, and this score helps us to compare ESG factors across companies as appropriate; this information can have a positive bearing on valuations applied to companies, and subsequent decision-making for portfolio inclusion, as appropriate.

Norms-based screening

<b>LEI 06.2</b>	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.
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The screening criteria are established and reviewed by our Responsible Investment Committee.

**The Responsible Investment Committee**

In order to remain abreast of current ESG issues, LGM's ESG policy is updated and revised so that it is able to reflect accurately current ESG issues in potential investments and remain relevant to the LGM staff who work within it. Therefore a formal committee has been established which is responsible not only for updating the policy but also for enforcing its implementation. The Responsible Investment Committee is made up of 6 LGM employees taken from across the business and meets at least annually.

**Notification**

It is not LGM's intention to notify clients and/or beneficiaries when changes are made to our in-house ESG screening criteria. However, we do update clients on our ESG process during our regular meetings with them.

<b>LEI 07</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**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
- Reinforcement by external ESG information providers**
- None of the above

**(C) Implementation: Integration of ESG issues**

<b>LEI 11</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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**LEI 11.1** Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

<b>ESG issues</b>	<b>Coverage/extent of review on these issues</b>
Environmental	<input type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input checked="" 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 type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input checked="" 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 type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input checked="" 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**

<b>LEI 18</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
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**LEI 18.1**

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

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

**LEI 18.3**

Indicate the information your organisation proactively discloses to clients/beneficiaries 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

**It varies for different clients, ranging from quarterly to annual meetings and/or reporting.**

- We do not proactively disclose it to the public and/or clients/beneficiaries

# Lloyd George Management

## 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
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LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.
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Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<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
<b>Collaborative engagements</b>	<input 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 collaborative engagements
<b>Service provider engagements</b>	<input 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 service providers

## Process

### Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
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<b>LEA 03.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
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Yes

No

<b>LEA 04</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 04.1</b>	Indicate if you define specific objectives for your engagement activities.
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Yes

No

<b>LEA 04.2</b>	Indicate if you monitor the actions that companies take following your engagements.
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Yes

No

### Process for engagements conducted via collaborations

<b>LEA 05</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 05.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.
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Yes

No

<b>LEA 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 06.1</b>	Indicate if the collaborative engagements in which you are involved have defined objectives.
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Yes

No

<b>LEA 06.2</b>	Indicate if you monitor the actions companies take following your collaborative engagements.
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Yes

No

### Process for engagements conducted with/on your behalf by service providers

<b>LEA 07</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,4</b>
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<b>LEA 07.1</b>	Indicate if you play a role in the engagement process that your service provider conducts on your behalf.
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Yes

No

<b>LEA 08</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
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<b>LEA 08.1</b>	Indicate whether you monitor and/or discuss the following information provided to you by your service provider
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Please select all that apply

- The subject (or ESG issue(s)) of engagement
- The objectives of the engagement
- The rationale for engagement
- The frequency/intensity of interactions with companies
- Progress towards achieving engagement goals
- Outcomes that have been achieved from the engagement
- Next steps for engagement activity
- Other, specify
- None of the above

### General processes for all three groups of engagers

<b>LEA 10</b>	<b>Mandatory</b>	<b>Gateway/Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 10.1</b>	Indicate if you track the number of companies you engage with.
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Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<input 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 checked="" type="radio"/> No, we do not track and cannot estimate our engagements
<b>Collaborative engagements</b>	<input 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 checked="" type="radio"/> No, we do not track and cannot estimate our engagements
<b>Service provider engagements</b>	<input 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 checked="" 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
- 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

- We use our own research or voting team and make our own voting decisions without the use of service providers.

Based primarily on

- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.
- 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.
- We hire service provider(s) which make voting decisions on our behalf.

LEA 21	Mandatory	Core Assessed	PRI 2
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**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.

- Yes, in most cases
- Sometimes, in the following cases:
- No
- 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
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**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
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**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 report voting information per the specific requirements of each client; it can be monthly, quarterly, yearly or on ad hoc basis.

- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries