



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making in a company's material ESG issues <input checked="" type="checkbox"/> To influence corporate practice or identify the need for a material or ESG issue <input checked="" type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify	
Collaborative engagements	Collaborative engagements	<input type="checkbox"/> To support investment decision-making in a company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for a material or ESG issue <input type="checkbox"/> Other: specify	
Service provider engagements	Service provider engagements	<input type="checkbox"/> To support investment decision-making in a company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for a material or ESG issue <input type="checkbox"/> Other: specify	

# RI TRANSPARENCY REPORT

## 2020

Systematica Investments

## 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 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

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

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

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

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

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

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	🔒	n/a							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown of listed equity investments by passive and active strategies	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	✓	Private							✓
OO End	Module confirmation page	✓	-							

CCStrategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 01 CC	Climate risk	✓	Private							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public						✓	
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Private							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		✓	Private							✓
SG 14	Long term investment risks and opportunity	✓	Private	✓						
SG 14 CC		✓	Private							✓
SG 15	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 16	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	🔒	n/a		✓				✓	
SG End	Module confirmation page	✓	-							

Direct - Hedge Funds				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
HF 01	Rationale for adopting a RI policy	✓	Public							✓
HF 02	Normative codes/initiatives in the Hedge Fund industry	✓	Private				✓	✓		
HF 03	Organisation of RI responsibilities	✓	Public							✓
HF 04	RI training programme	✓	Public							✓
HF 05	Performance/remuneration metrics linked to RI incorporation	✓	Private	✓						
HF 06	ESG data, research and other resources used	✓	Public							✓
HF 07	ESG incorporation into quantitative and fundamental analysis	✓	Public	✓	✓					
HF 08	Changes to the RI incorporation process over the past 12 months	✓	Public	✓						✓
HF 09	Integration of Active Ownership	✓	Public	✓	✓					
HF 10	Examples of ESG risks/opportunities in investment decisions	✓	Public	✓	✓					
HF 11	Derivatives products and ESG impact	✓	Public							✓
HF 12	Long/short exposure and reporting	✓	Public	✓	✓					
HF 13	Metrics/KPI for RI progress	✓	Public	✓	✓					
HF 14	Exposure to climate risk	✓	Private							✓
HF 15	Reports to investors	✓	Public		✓					✓
HF End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

# Systematica Investments

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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## Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

Further options (may be selected in addition to the above)

- Hedge funds
- Fund of hedge funds

OO 01.2

Additional information. [Optional]

Systematica was founded by Leda Braga on 1 January 2015 as a spin-off from a division of BlueCrest Capital Management Limited. It employs 99 people and has offices in 5 locations: Geneva, London, New York, Singapore and Jersey. Systematica is an innovative technology-driven firm focused on a quantitative and systematic approach to investing. The investment philosophy is based upon a disciplined research process, technological innovation and operational excellence. Systematica manages \$8.5bn, AuM as at the end of December 2019, for a diverse investor base across the globe, on the following hedge fund programmes:

Systematica BlueMatrix- an equity market neutral programme targeting pure alpha and trading liquid, single-name stocks.

Systematic Trend Following Programme - a trend-follower enhanced by diversifying strategies that trades mostly futures at higher speed for defensiveness.

Alternative Markets Trend Following Programme - a trend-follower that trades difficult-to-access markets (e.g. OTC, EM, Credit Indices etc.).



Alternative Risk Premia Programme - a systematic trading programme providing high quality implementation of well documented alternative risk premia strategies across global markets. Strategies covered are diversified implementations of Value, Momentum, Carry, and Defensive investment themes across asset classes.

Systematic Macro Relative Value Programme - a macro relative value strategy taking a more refined approach to macro trading, where macro themes are exploited largely through relative value and trading mostly OTC markets.

Multi-Strategy Programme - a diversified systematic multi-strategy product that allocates to each of Systematica's alpha strategies (systematic equity market neutral, systematic trend following, alternative markets and systematic macro relative value programmes).

Systematica also offers bespoke solutions through managed accounts, funds of one, sub funds and/or sub-series of either a Cayman or Delaware umbrella fund or limited partnership respectively, which invest in tailored mixes of the Systematica strategies listed above.

OO 02	Mandatory	Public	Peering	General
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OO 02.1	Select the location of your organisation's headquarters.
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Jersey

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	99
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99

OO 03	Mandatory	Public	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.
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- Yes
- No

OO 04	Mandatory	Public	Gateway/Peering	General
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OO 04.1	Indicate the year end date for your reporting year.
---------	---

31/12/2019

OO 04.2	Indicate your total AUM at the end of your reporting year.
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Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		8	516	000	000
Currency	USD				
Assets in USD		8	516	000	000

Not applicable as we are in the fund-raising process

**OO 04.4**

Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

Not applicable as we do not have any assets under execution and/or advisory approach

**OO 06**

**Mandatory**

**Public**

**Descriptive**

**General**

**OO 06.1**

Select how you would like to disclose your asset class mix.

 as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	100	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

 as broad ranges**OO 06.2**

Publish asset class mix as per attached image [Optional].

**OO 06.3**

Indicate whether your organisation has any off-balance sheet assets [Optional].

 Yes No

**OO 06.5** Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

<b>OO 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Peering</b>	<b>General</b>
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**OO 09.1** Indicate the breakdown of your organisation's AUM by market.



**OO 09.2** Additional information. [Optional]

Most of our funds are Global, investing in Developed and Emerging markets. <1% of our assets are in a fund focused on Developed Markets only.

### Asset class implementation gateway indicators

<b>OO 11</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**OO 11.1** Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).



- We address ESG incorporation.
- We do not do ESG incorporation.

**OO 12.1** Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

**Core modules**

- Organisational Overview
- Strategy and Governance

**RI implementation directly or via service providers**

**Direct - Other asset classes with dedicated modules**

- Hedge Funds and/or Fund of Hedge Funds

**Closing module**

- Closing module

# Systematica Investments

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<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

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Systematica recognises that a sustainable and responsible investment strategy is key for long-term value creation for all stakeholders. Accordingly, Systematica is committed to incorporating Environmental, Social and Governance ("ESG") considerations into its investment decision-making processes. As a scientific and data-driven group, Systematica is committed to exploring the best methodologies and practices for doing so with respect to its various strategies. Within Systematica, investment ideas are typically developed by Systematica's research team. When developing an investment idea, Systematica's research team is required to take into account sustainability considerations. Whether or not such considerations will become part of the idea being developed depends on their relevance.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

The Research team primarily uses a two-step statistical methodology to evaluate the efficacy of new strategies and models. The first step aims to identify certain patterns or effects in the market and seeks to determine whether they are persistent and statistically significant. The second step is designed to robustly back-test trading strategies over a long period of time, typically ten to twenty years.

In order to test the strategies, the researchers will look for stability, robustness and statistical significance of the predictive power. Analysing data and testing strategies faces many challenges as often the signals are not very strong and a core part of the team's work is refining the techniques used to effectively assess whether the signal truly has predictive power. The research will consider in-sample and out-of-sample performance with the goal of testing the signal on data that has not been used in its creation. There may be instances where a signal does not have the same efficacy out-of-sample, despite the in-sample results having shown strong performance and a high Sharpe ratio.

The efficacy of these strategies is assessed in terms of its contributions to the characteristics of the portfolio and its performance. Particular attention is given to the risk adjusted returns of the strategy, its draw-down characteristics, the costs of implementation of the trades and their market impact.

Beyond risk and returns considerations, when applicable and in the scope of responsible investments, sustainability of the portfolio holdings can be assessed via characteristics such as ethical, environmental, social or governance related metrics. As an example, all funds include our exclusion list specifically restricting the investment in issuers involved in cluster munitions. Other funds include a wider exclusion list. Additionally, there is a commitment to implement enhanced internal measures to consider additional environmental (e.g. emissions and water consumption), social responsibility (e.g. diversity at the workplace, employee benefits) and corporate governance (e.g. independent directors & internal committees) items, to name some, in the investment decision process.

All else being equal, more sustainable holdings should be preferred, and, when the fund mandate specifies it, sustainability can be traded against a small loss in expected risk-adjusted returns.

No

SG 02

Mandatory

Public

Core Assessed

PRI 6

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach



URL/Attachment

URL

URL

<https://www.systematica.com/wp-content/uploads/Responsible-Investment-Policy-March-2019.pdf>

Attachment (will be made public)

Formalised guidelines on social factors

Screening / exclusions policy

URL/Attachment

URL

URL

<https://www.systematica.com/wp-content/uploads/Responsible-Investment-Policy-March-2019.pdf>

Attachment (will be made public)

We do not publicly disclose our investment policy documents

**SG 02.2**

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

<https://www.systematica.com/wp-content/uploads/Responsible-Investment-Policy-March-2019.pdf>

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

<https://www.systematica.com/wp-content/uploads/Responsible-Investment-Policy-March-2019.pdf>

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

<https://www.systematica.com/wp-content/uploads/Responsible-Investment-Policy-March-2019.pdf>

Attachment

We do not publicly disclose any investment policy components

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
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Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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Systematica, in line with the applicable regulatory requirements, has taken, and will take in the course of its activities, all reasonable steps to identify conflicts of interest between:

i) Systematica (including its principles, employees or any person directly or indirectly linked to them by control), and a client of Systematica; or

ii) one client of Systematica and another client

that arise or may arise in the course of Systematica providing any services to its clients deemed as regulated activities. Systematica's clients include both fund clients and certain managed account clients.

The type of conflicts covered by the policy relate to a relevant person which:

- is likely to make a financial gain at the expense of the client;
- has a different interest in the outcome of a service/transaction provided to the client;
- has a financial or other incentive to favour the interest of another client(s) over the interests of the client;
- carries on the same business as the client; or
- receives from a person other than the client an inducement in relation to a service provided to the client.

The policy ensures segregation of functions, lists a set of disclosure rules (and conflict register).

No

SG 04	Voluntary	Public	Descriptive	General
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<b>SG 04.1</b>	Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities.
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- Yes
- No

<b>SG 04.2</b>	Describe your process on managing incidents
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Systematica has a Breaches, Errors & Exceptions Policy in place which is applicable to all incidents, including ESG. Typically, the employee(s) discovering the incident report to Compliance as soon as possible. Compliance then coordinates with all relevant employees/heads of department for resolution. Once resolved, a post-mortem review takes place (e.g. on proposed control enhancements, required internal/external communications). The Operational Committee performs the final review on the classification of the incident, reimbursements, potential external communications and whether or not the incident is escalated to the Executive Committee (i.e. depending on the materiality of the event).

## Objectives and strategies

<b>SG 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway/Core Assessed</b>	<b>General</b>
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<b>SG 05.1</b>	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

<b>SG 05.2</b>	Additional information. [Optional]
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Systematica's Investment Committee reviews all components of the systematic investment strategies. These also include the ESG considerations taken into account by Systematica's research team when developing an investment idea. Further, given Systematica's management has sustainable development at heart and tracks progress on the ESG front, these are also taken into account by Systematica's Executive Committee. Furthermore, departments other than the research team also have their share of responsibility in ensuring our Responsible Investment Policy is correctly implemented and observed. These include Systematica's investment team, compliance team and risk team.

<b>SG 06</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 06.1</b>	List the main responsible investment objectives that your organisation set for the reporting year.
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Responsible investment processes

- Provide training on ESG incorporation
- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation

Key performance indicator

Number of meetings in which we reported on the progress of our strategic ESG efforts.

Progress achieved

We have reported 4 times in 2019 at the Executive Committee level.

During our company-wide offsite weekend, we did a session on the state of ESG integration in the industry and our company progress.

During the company wide monthly meetings, we touched on the progress of the ESG integration on at least 3 occasions.

- Improved engagement to encourage change with regards to management of ESG issues
- Improved ESG incorporation into investment decision making processes

Key performance indicator

Exclusion list in place  
Full ESG integration in place in our alternative risk premia products

Progress achieved

We currently have an exclusion list in place covering all of our managed AUM.

We have completed the research in 2019, onboarded additional data vendors in Jan 2020. Completed the final Investment committee review and released the integration factor in production in Feb 2020. As of March 2020, the integration has been ramped up to full risk.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors

Key performance indicator

Contribution of ESG factor to performance

Progress achieved

While this factor is not expected to deliver performance to the program as reliably over a similar time-frame than our other sources of alpha. We were pleased to see the integration effort improve the last years of the backtest.

So far the ESG integration has also contributed positively to performance in live trading.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics

Key performance indicator

Net exposure to ESG best in class and ESG exclusion companies

Progress achieved

We have developed a methodology for measuring and improving the sustainability of our fund holdings. Our program had in average (over last 20 years of simulation) a net long exposure to best in class companies of about +13% and a +10% net long exposure to worst offenders (or a total net +3% average exposure to a L/S basket of Best-Worst ESG stocks). Following integration, these values moved to +34% long exposure to best in class stocks and short 6% exposure to worst offenders or a total net exposure of +40% (instead of +3%).

- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Other activities

- Joining and/or participation in RI initiatives

Key performance indicator

Number of initiatives joined

Progress achieved

In the last reporting period,

1. We licensed the SASB framework: "Systematica Investments GP Limited licenses and applies the SASB Materiality Map® General Issue Categories in our work."
2. We joined the Carbon Disclosure Project

- 3. We started supporting the TCFD publicly
- 4. We co-founded the ESG working group within SBAI

- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

## Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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**SG 07.1**

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

### Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), 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  
Chief Investment Officer

- 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
- Investor relations
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (1)

	Other description (1)
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**Compliance**

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify (2)

	Other description (2)
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**Risk**

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers

<b>SG 07.2</b>	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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We execute the oversight/accountability and implementation of responsible investments alongside and in the same process as we do for other investments or considerations relating to the investments we execute for our clients.

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
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	Number
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0

<b>SG 08</b>	<b>Voluntary</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>General</b>
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**SG 08.1** Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

**SG 08.1b** RI in personal development and/or training plan

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

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

**SG 08.1a** RI in objectives, appraisal and/or reward

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

**SG 08.1b** RI in personal development and/or training plan

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

Other C-level staff or head of department

**Chief Investment Officer**

**SG 08.1a** RI in objectives, appraisal and/or reward

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

**SG 08.1b** RI in personal development and/or training plan

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

Portfolio managers



**SG 08.1a** RI in objectives, appraisal and/or reward

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

**SG 08.1b** RI in personal development and/or training plan

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

Investment analysts

**SG 08.1a** RI in objectives, appraisal and/or reward

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

**SG 08.1b** RI in personal development and/or training plan

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

Investor relations

**SG 08.1a** RI in objectives, appraisal and/or reward

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

**SG 08.1b** RI in personal development and/or training plan

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

Other role (1) [from SG 07]

Compliance

**SG 08.1a** RI in objectives, appraisal and/or reward

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

**SG 08.1b** RI in personal development and/or training plan

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

Other role (2) [from SG 07]

**Risk**

**SG 08.1a** RI in objectives, appraisal and/or reward

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

**SG 08.1b** RI in personal development and/or training plan

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

**Promoting responsible investment**

**SG 09**

**Mandatory**

**Public**

**Core Assessed**

**PRI 4,5**

**SG 09.1**

Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

**Select all that apply**

- Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced

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

Systematica is a signatory to the United Nations-supported Principles for Responsible Investment ("UN PRI") and the Standards Board for Alternative Investments ("SBAI"). Both entities are committed to develop robust frameworks for the deployment, implementation and observance of ESG considerations across the industry. It is Systematica's belief that its participation and promotion of the principles and guidelines issued by the UN PRI and SBAI are a demonstration of its commitment in incorporating ESG considerations in its investment philosophy.

Further, Systematica employees (e.g. Portfolio Managers & Investor Relations staff) participated in several industry ESG related conferences.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- 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)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify  
     **Standard Board for Alternative Investments (SBAI)**

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

- Basic
- Moderate
- Advanced

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

Lega Braga, the CEO of Systematica, is on the board of SBAI and Gregoire Dooms, Product Manager in charge of Responsible Investments, is an original member of the Standard Board's Responsible Investment (RI) working group (started in February 2020)

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

SG 10	Mandatory	Public	Core Assessed	PRI 4
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**SG 10.1** Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

**SG 10.2** Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)
- Provided financial support for academic or industry research on responsible investment
- Provided input and/or collaborated with academia on RI related work
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

We bring up the topic of responsible investments and ESG in most of our meetings with clients and prospects.

### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Spoke publicly at events and conferences to promote responsible investment

### Description

Leda Braga our CEO spoke about ESG integration and Responsible Investments in numerous events last year:  
NMS Conference for Endowments – Toronto March 2019  
GS Rome – June 2019 – Panel  
GS Quant Conference – Sep 2019 - Fireside chat and interview  
UBS Geneva October 2019  
SEB Stockholm Sep 2019  
MFA Miami Jan 2020 – Keynote address  
100 WF Jan 2020  
CAIS Cayman – Feb 2020 – Keynote address

### Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify

### specify description

SBAI Responsible Investments Working Group

### Description

We are preparing a toolbox memo to increase understanding of concepts by managers and investors and help them tackle specific questions and challenges that arise in that context.

Frequency of contribution

- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
- No

**Outsourcing to fiduciary managers and investment consultants**

SG 12	Mandatory	Public	Core Assessed	PRI 4
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

**SG 12.1** Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

**ESG issues in asset allocation**

SG 13	Mandatory	Public	Descriptive	PRI 1
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**SG 13.1** Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors

Describe

Our process is data driven and we aim to evaluate and assess applicability of new ESG-related datasets as they become available.

- Yes, in order to assess future climate-related risks and opportunities

Describe

On the equity single stock side we use disclosed GHG Emissions, Water usage and Waste to assess sensitivity of issuers to the inevitable policy response

- No, our organisation does not currently carry out scenario analysis and/or modelling

**SG 13.2** Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

**We do the following**

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

**SG 13.3** Additional information. [OPTIONAL]

As part of the ESG process, Systematica's research team continuously evaluates multiple sources of ESG raw and derived data - whether this is data voluntarily disclosed by issuers as part of their sustainability filings or collected by experts in the field - with the goal of obtaining the best possible indicators to incorporate in our systematic investment approach.

Within the single stock strategies, the automated ESG integration model consists in selecting a small set of material issues in each industry (SASB aligned), and ranking each issuer on their level and improvements along these dimensions. That ranking is combined with the alpha signals in order to tilt the portfolio towards more sustainable holdings.

When applicable, and in the scope of responsible investing, sustainability of the portfolio holdings can be assessed via characteristics such as ethical, environmental, social or governance related metrics. This includes the identification and triage between 'best in class' (i.e. sectors, companies or projects selected for positive ESG performance relative to industry peers) and 'worst offenders' (i.e. companies that do not meet certain ESG performance thresholds) and TCFD recommended measures such as total Emissions in the portfolio or weighted Carbon intensity.

**Asset class implementation not reported in other modules**

<b>SG 16</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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**SG 16.1** Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

<b>Asset Class</b>	<b>Describe what processes are in place and the outputs or outcomes achieved</b>
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**SG 16.2** Additional information [Optional].

Systematica recognises that certain asset classes present a more effective opportunity than others to implement ESG considerations - i.e. equities. Notwithstanding this, Systematica is committed to looking to include ESG considerations across all asset classes and strategies to the extent that it is able to do so. For asset classes where ESG considerations are at an earlier stage of development, a formal ESG approach is currently being considered and Systematica is evaluating the most effective way to integrate these in its investment decision making process. As an example, an approach on how to measure exposure to climate risk and carbon footprint is currently being developed.

For equities in specific, Systematica's research team continuously evaluate multiple sources of ESG raw and derived data - whether this is data voluntarily disclosed by issuers as part of their sustainability filings or collected by experts in the field - with the goal of obtaining the best possible indicators to incorporate in our systematic investment approach.

The current ESG integration process consists in using a proprietary ESG score as a factor alongside the alphas in the portfolio construction process. All else being equal, more sustainable holdings should be preferred.



Our proprietary ESG score consists in selecting a small set of material measures in each industry. To this end, Systematica Investments GP Limited licenses and applies the SASB Materiality Map® General Issue Categories in our work. For each industry and each material measure, we perform a relative ranking of issuers on their level and improvements along these dimensions and combine these rankings within the industry. This includes the identification and triage between 'best in class' (i.e. companies selected for positive ESG performance relative to industry peers) and 'worst offenders' (i.e. companies that significantly underperform their industry peers).

Furthermore Systematica is currently developing monthly climate-related reporting to be deployed across all funds trading equities and plans to investigate ESG integration for fixed income investments.

# Systematica Investments

## Reported Information

### Public version

### Direct - Hedge Funds

## PRI disclaimer

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## Policy

HF 01	Mandatory	Public	Descriptive	General
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**HF 01.1** What is your rationale for adopting a policy to incorporate RI into the investment decision-making process? Please select all options that apply to your organisation.

- To provide a framework and ESG applicability to security selection (the strategy) and decision-making in Hedge Funds (e.g. breaking the strategy into different components and focus on risk/return).
- To provide a framework of the fund governance structure.
- Because ESG incorporation is perceived as a competitive advantage in the industry.
- Growing momentum of sustainable investing in Hedge Funds in the financial community.
- Other
- None of the above (we don't have a policy addressing RI incorporation into Hedge Funds).

## Governance

HF 03	Mandatory	Public	Descriptive	General
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**HF 03.1** Indicate whether and how your organisation has organised RI implementation and/or oversight responsibilities.

- We have dedicated internal staff with RI oversight responsibility for Hedge Funds (CEO, CIO, PM, etc.)

Specify

CEO, CIO, Investment Committee, Product Managers, Research Associates, IR Staff, Compliance and Risk

- We have dedicated internal staff with RI implementation responsibility for Hedge Funds (CEO, CIO, PM, etc.).

Specify

CEO, CIO, Investment Committee, Product Managers, Research Associates, IR Staff, Compliance and Risk

- We use external consultants that have oversight and/or RI implementation responsibilities.
- Other
- We do not have staff dedicated to RI oversight and implementation.

HF 04	Mandatory	Public	Descriptive	General
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**HF 04.1**

Please indicate whether you implemented any RI training program regarding hedge funds investments for your staff during the reporting year.

- Yes, we have a formal RI training/educational program covering hedge funds.
- Yes, we have a RI training program to educate staff regarding our hedge funds policies.
- Yes, we regularly train our staff on code of ethics/compliance manuals covering hedge funds investments.
- Other
- No, we don't have a RI training program.

**HF 04.2**

Explain how the RI training program is conducted?

Internally by Compliance

### Investment process

**HF 06**

**Mandatory**

**Public**

**Descriptive**

**General**

**HF 06.1**

Please describe the ESG resources and tools used in your investment decision-making process.

Category of ESG	Reason for use
<input checked="" type="checkbox"/> ESG data (proprietary, 3rd party, etc.)	Our process is data driven and automated.
<input checked="" type="checkbox"/> ESG research (broker, etc.)	We use the research as a source of inspiration and to keep up with recent development in the RI space.
<input type="checkbox"/> Consultants	
<input type="checkbox"/> Other resources/tools/practices	

**HF 06.2**

Select and explain how these resources are incorporated into the investment and risk management process?

Category of ESG	Investment/risk management process	Additional text (optional)
ESG data (proprietary, 3rd party, etc.)	<input checked="" type="checkbox"/> Investment origination <input checked="" type="checkbox"/> Investment analysis <input checked="" type="checkbox"/> Portfolio construction <input type="checkbox"/> Trade management <input type="checkbox"/> Risk management	see the description of the process in the SG module.
ESG research (broker, etc.)	<input checked="" type="checkbox"/> Investment origination <input checked="" type="checkbox"/> Investment analysis <input type="checkbox"/> Portfolio construction <input type="checkbox"/> Trade management <input type="checkbox"/> Risk management	

HF 07	Mandatory	Public	Descriptive	1,2
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HF 07.1	Does your organisation uses quantitative analysis?
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Yes

Please indicate at which level ESG is incorporated into the analysis.

Quantitative modelling	ESG incorporation	Outcomes and assessment/review
<input checked="" type="checkbox"/> Multi-factors models <input type="checkbox"/> Fractal Market Hypothesis (FMH) modelling <input type="checkbox"/> Models Yield <input type="checkbox"/> Technical analysis (Fibonacci retracements, Bollinger bands, etc.) <input type="checkbox"/> Univariate models (Box-Jenkins) <input type="checkbox"/> Monte-Carlo simulations <input type="checkbox"/> Multiple regression analysis <input type="checkbox"/> Correlation analysis <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Pre-defined ESG parameters are added in our quantitative models. <input type="checkbox"/> We conduct scenario analysis to define ESG parameters separately. <input type="checkbox"/> Variance/Value at Risk analysis with embedded ESG-risks. <input type="checkbox"/> Other	<p>So far we have found non-statistically significant impact on alpha but we believe that on a forward looking basis these factors will become more and more material for alpha and risk given the urgency of topics such as climate change, raising water levels, loss of biodiversity and the growing policy, regulatory, fiscal and legal pressure to solve these ongoing problems</p>

We don't use quantitative analysis.

**HF 07.2**

Does your organisation uses fundamental analysis?

Yes

Please indicate at which level ESG is incorporated into the analysis.

Fundamental approach	ESG incorporation	Outcomes and assessment/review
<input type="checkbox"/> Top-down <input checked="" type="checkbox"/> Bottom-up	<input type="checkbox"/> At a micro level - ESG factors are integrated into financial models (DCF, multiples, etc.) <input checked="" type="checkbox"/> Financial ratios with embedded ESG factors. <input type="checkbox"/> At a macro level - ESG factors are embedded with economic indicators (GDP, inflation, etc.) <input type="checkbox"/> Other	<p>Once the fundamental bottom-up approach is completed, we cross check ESG disclosures in IR Materials and during company meetings</p>

We don't use fundamental analysis.

**HF 08**

**Mandatory**

**Public**

**Descriptive**

**1,6**

<b>HF 08.1</b>	Could you please indicate whether there have been any changes to your RI incorporation process over the past 12 months (e.g. additional resources, information sources)?
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- Yes
- No

<b>HF 08.2</b>	If yes, please describe them.
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We have subscribed to SASB.  
 We have finalized our proprietary ESG score.  
 We have integrated it into the investment process with significant risk.  
 We have also signed up to CDP and are evaluating their data.

<b>HF 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>1,2</b>
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<b>HF 09.1</b>	Please select and explain how active ownership practices are integrated into investment decisions.
----------------	--

- (Proxy) Voting
- Engagement
- Shareholder resolution
- None of the above
- Not applicable (N/A)

<b>HF 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>1,2</b>
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<b>HF 10.1</b>	Please provide examples of where ESG risks and opportunities were incorporated into the investment decisions over the past 12 months.
----------------	---

- Add Example 1

Hedge Funds Strategy	<p>Equity Hedge</p> <input type="checkbox"/> Global macro <input checked="" type="checkbox"/> Equity Hedge <input type="checkbox"/> Event driven <input type="checkbox"/> Relative value <input type="checkbox"/> Risk parity <input type="checkbox"/> Blockchain <input type="checkbox"/> Fund of Hedge Funds
ESG factors	<p>Environmental, Social, Governance</p> <input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG risks/opportunities	<p>Climate transition risk. De-carbonization opportunities.  Reputational risks and hiring opportunities.</p>
Financial risks	<p>Carbon tax, lawsuits, cost of capital.</p>
Scope and process	<p>Our ESG integration process was rolled out on our Alternative Risk Premia funds. The geographic Scope is Europe and North America. The process is described in module SG.</p>
Outcomes	<p>The integration process resulted in an average decrease of 62 thousand tons of yearly CO2e emissions in simulation (Total Carbon Emissions), with a reduction 98% of the time. It also resulted in an average exposure of 34% to best in class stocks and 9% short worst offender stocks.</p>

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

**HF 10.2** Based on your example(s) provided above, please specify whether the incorporation of ESG factors affected the risk-adjusted returns of your hedge funds.

- The incorporation of ESG risks positively affected the risk adjusted returns of the hedge funds
- The incorporation of ESG risks negatively affected the risk adjusted returns of the hedge funds
- The incorporation of ESG risks had an overall neutral effect on the risk adjusted returns of the hedge funds
- No impact, or we do not track this information.



**HF 11.1** Do you use derivatives instruments as part of your hedge funds strategies and/or Funds of Hedge Funds?

- Yes
- No

**HF 11.2** Please select all the applicable categories of derivatives used.

Listed/OTC	Category of derivatives
<input checked="" type="radio"/> Listed derivatives	<input checked="" type="checkbox"/> Futures <input checked="" type="checkbox"/> Options (Equity, Index, ETF, FX, IR, etc.) <input type="checkbox"/> Other <input type="checkbox"/> None of the above
<input checked="" type="radio"/> OTC derivatives	<input checked="" type="checkbox"/> Swaps <input type="checkbox"/> FRA <input checked="" type="checkbox"/> Exotic derivatives <input checked="" type="checkbox"/> CDS <input type="checkbox"/> Other <input type="checkbox"/> None of the above

**HF 11.3** Please explain whether and how these derivatives impacted the risk-adjusted returns of your hedge funds investments?

**Impact**

- Positive impact

**Outcomes**

The large majority of our funds rely exclusively on derivatives and most of them would not be implementable without derivatives.

- Negative impact
- Neutral impact
- No impact or we do not track this information

**HF 11.4** Please indicate whether the use of derivatives triggered ESG risks/opportunities at the fund level?

- Yes
- No, or undetermined

**Monitoring and reporting**

HF 12	Mandatory	Public	Descriptive	1,2
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**HF 12.1** Could you indicate whether you report separately on your funds' long/short/net exposures?

- Yes
- No
- Not Applicable

**HF 12.2** Please explain your reporting process.

Exposure

Long exposure

ESG data/reporting process

Scope 1 & 2 Emissions

KPI and assessment

Weighted Average Carbon Intensity and Total Carbon Emissions

Short exposure

ESG data/reporting process

Scope 1 & 2 Emissions

KPI and assessment

Weighted Average Carbon Intensity and Total Carbon Emissions

Neutral exposure

ESG data/reporting process

Scope 1 & 2 Emissions

KPI and assessment

Weighted Average Carbon Intensity and Total Carbon Emissions

**HF 12.3** Additional information [OPTIONAL]

We have reported these metric on an adhoc basis thus far. We are planning to move to regular reporting.

HF 13	Mandatory	Public	Descriptive	1,2
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**HF 13.1**

Please describe what metrics/initiatives (internal and/or external) your organisation uses to measure its progress in incorporating RI into the investment process.

Add Example 1

Hedge Funds Strategy	<p>Equity Hedge</p> <p><input type="checkbox"/> Global macro</p> <p><input checked="" type="checkbox"/> Equity Hedge</p> <p><input type="checkbox"/> Event driven</p> <p><input type="checkbox"/> Relative value</p> <p><input type="checkbox"/> Fund of Hedge Funds</p> <p><input type="checkbox"/> Risk parity</p> <p><input type="checkbox"/> Blockchain</p>	
Metrics/Initiatives	<p><b>Metrics</b></p> <p><input type="checkbox"/> RI policy implementation</p> <p><input type="checkbox"/> RI Recommendation changes</p> <p><input type="checkbox"/> ESG Alpha</p> <p><input type="checkbox"/> ESG Beta</p> <p><input checked="" type="checkbox"/> GHG Emissions</p>	<p><b>Initiatives</b></p> <p><input type="checkbox"/> Transparency</p> <p><input checked="" type="checkbox"/> Integration of ESG data</p> <p><input type="checkbox"/> Education</p> <p><input type="checkbox"/> Other</p>
Internal/external	<p><input checked="" type="checkbox"/> Internal</p> <p><input type="checkbox"/> External</p>	
Metrics/Initiatives definition	<p>See module SG for a detailed description of our ESG integration process.</p>	
Assessment/outcomes	<p>See HF 10.1 for the outcome</p>	

- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

HF 15	Mandatory	Public	Descriptive	2,6
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**HF 15.1**

How often and in what format (e.g. meetings, written reports) does your organisation report to its investors on ESG activities risks assessments? Please provide reporting examples.

- Add Example 1
- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10
- We are not able to provide examples

# Systematica Investments

## Reported Information

### Public version

### Confidence building measures

## PRI disclaimer

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## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year)
- Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year)
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
- None of the above

**CM1 01.2** Additional information [OPTIONAL]

The report was internally verified by the investment team (PM), legal and compliance

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

CM1 04	Mandatory	Public	Descriptive	General
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**CM1 04.1** Do you plan to conduct third party assurance of this year's PRI Transparency report?

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

CM1 07	Mandatory	Public	Descriptive	General
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**CM1 07.1** Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

- CEO or other Chief-Level staff
- The Board
- Investment Committee
- Compliance Function
- RI/ESG Team
- Investment Teams
- Legal Department
- Other (specify)