



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decision-making in a company's business <input checked="" type="checkbox"/> To influence corporate transition or identify the need for a transition <input type="checkbox"/> To engage internal ESG advisors <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage internal staff		
Collaborative engagements	<input type="checkbox"/> To support investment decision-making in a company's business <input type="checkbox"/> To influence corporate transition or identify the need for a transition <input type="checkbox"/> To engage internal ESG advisors <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage collaborative engagements		
Service provider engagements	<input type="checkbox"/> To support investment decision-making in a company's business <input type="checkbox"/> To influence corporate transition or identify the need for a transition <input type="checkbox"/> To engage internal ESG advisors <input type="checkbox"/> Other: specify _____ <input type="checkbox"/> We do not engage service providers		

RI TRANSPARENCY REPORT

2020

Cardano Risk 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 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	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
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	✓	Private							✓
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	✓	Private							✓
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	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	✓	Private							✓
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	🔒	n/a							✓
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	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
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	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	✓	Private	✓						
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		⚠	n/a							✓
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	✓	Public							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	✓	Public	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	✓	Public		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	✓	Public	✓						
SAM 07	Percentage of (proxy) votes	✓	Public		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓						✓
SAM End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	✓	Private	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	🔒	n/a	✓						
FI 08	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 09	Thematic investing - assessing impact	🔒	n/a	✓						
FI 10	Integration overview	🔒	n/a	✓						
FI 11	Integration - ESG information in investment processes	🔒	n/a	✓						
FI 12	Integration - E,S and G issues reviewed	🔒	n/a	✓						
FI 13	ESG incorporation in passive funds	🔒	n/a	✓						
FI 14	Engagement overview and coverage	🔒	n/a		✓					
FI 15	Engagement method	🔒	n/a	✓	✓					
FI 16	Engagement policy disclosure	🔒	n/a	✓	✓					
FI 17	Financial/ESG performance	✓	Private							✓
FI 18	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI 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	✓	-							

Cardano Risk Management

Reported Information

Public version

Organisational Overview

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.

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 checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" 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]

Cardano manages diverse multi-asset portfolios utilising a range of financial instruments, including externally managed funds, to gain the required tactical and hedging exposures. Services are provided under both a segregated mandate and also a pooled fund structure.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United Kingdom

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

200

OO 02.4 | Additional information. [Optional]

Founded in 2000, the Cardano Group is a privately-owned, purpose-built risk and investment specialist, and a financial pioneer.

We are widely recognised as a market leader in the provision of specialised services to private-sector and collective pension schemes in the United Kingdom and the Netherlands and other institutional investors. Our professionals strive to deliver better and more secure financial outcomes: stability in an uncertain world.

OO 03 | **Mandatory** | **Public** | **Descriptive** | **General**

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

- Yes
- No

OO 04 | **Mandatory** | **Public** | **Gateway/Peering** | **General**

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.

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		25	129	764	536
Currency	GBP				
Assets in USD		32	462	443	092

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

	trillions	billions	millions	thousands	hundreds
Total AUM		49	224	567	731
Currency	GBP				
Assets in USD		63	587	930	815

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

OO 04.5 Additional information. [Optional]

Across client portfolios, Cardano manages derivatives with notional exposures in excess of €85bn.

OO 06 **Mandatory** **Public** **Descriptive** **General**

OO 06.1 Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	<10%	<10%
Fixed income	<10%	<10%
Private equity	0	10-50%
Property	0	<10%
Infrastructure	0	0
Commodities	0	<10%
Hedge funds	0	10-50%
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	<10%	0
Money market instruments	0	<10%
Other (1), specify	10-50%	<10%
Other (2), specify	0	0

Other (1) specified

Listed equity beta derivatives and rates exposures through derivatives.

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.

OO 06.6 Provide contextual information on your AUM asset class split. [Optional]

Cardano provides services to a range of institutional investors and is a fiduciary manager to numerous pension schemes in the Netherlands and the UK.

OO 09	Mandatory	Public	Peering	General
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OO 09.1 Indicate the breakdown of your organisation's AUM by market.

Developed Markets

97.7

Emerging Markets

2.3

Frontier Markets

0

Other Markets

0

Total 100%

100%

OO 09.2

Additional information. [Optional]

Emerging market exposure is entirely through external funds.

Asset class implementation gateway indicators

OO 10

Mandatory

Public

Gateway

General

OO 10.1

Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We require our external managers to vote on our behalf.
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.

All of the SSA bonds that we own directly are either government or quasi-government bonds. We do not engage with or lobby governments on ESG factors. We do not allocate assets to external managers for SSA bond portfolios. However, where we advise clients, we require investment managers of SSA bond portfolios to have an ESG policy, including an engagement policy.

Fixed income Corporate (non-financial) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11

Mandatory

Public

Gateway

General

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).

Listed equity

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

Fixed income - SSA

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

Cash

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

Other (1)

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

`Other (1)` [as defined in OO 05]

Listed equity beta derivatives and rates exposures through derivatives.

OO 11.2

Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Listed equity	<p data-bbox="571 342 1474 427">Listed equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <li data-bbox="571 439 1294 465"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <li data-bbox="571 479 1331 506"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <li data-bbox="571 519 1310 546"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <li data-bbox="571 560 948 586"><input type="checkbox"/> We do not do ESG incorporation
Fixed income - corporate (non-financial)	<p data-bbox="571 656 1474 741">Fixed income - corporate (non-financial) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <li data-bbox="571 775 1294 801"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <li data-bbox="571 815 1331 842"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <li data-bbox="571 855 1310 882"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <li data-bbox="571 896 948 922"><input type="checkbox"/> We do not do ESG incorporation
Private equity	<p data-bbox="571 996 1474 1081">Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <li data-bbox="571 1093 1294 1120"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <li data-bbox="571 1133 1331 1160"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <li data-bbox="571 1173 1310 1200"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <li data-bbox="571 1214 948 1240"><input type="checkbox"/> We do not do ESG incorporation
Property	<p data-bbox="571 1310 1474 1395">Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <li data-bbox="571 1406 1294 1433"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <li data-bbox="571 1447 1331 1473"><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <li data-bbox="571 1487 1310 1514"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <li data-bbox="571 1527 948 1554"><input type="checkbox"/> We do not do ESG incorporation
Commodities	<p data-bbox="571 1624 1474 1709">Commodities - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <ul style="list-style-type: none"> <li data-bbox="571 1720 1294 1747"><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <li data-bbox="571 1760 1331 1787"><input type="checkbox"/> We incorporate ESG into our external manager appointment process <li data-bbox="571 1800 1374 1863"><input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <li data-bbox="571 1877 1310 1904"><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <li data-bbox="571 1917 948 1944"><input type="checkbox"/> We do not do ESG incorporation

Hedge funds	<p style="background-color: #0070C0; color: white; padding: 5px;">Hedge funds - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Money market instruments	<p style="background-color: #0070C0; color: white; padding: 5px;">Money market instruments - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <input type="checkbox"/> We incorporate ESG into our external manager monitoring process <input checked="" type="checkbox"/> We do not do ESG incorporation
Other (1)	<p style="background-color: #0070C0; color: white; padding: 5px;">Other (1) - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</p> <input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process <input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation

OO 11.3b | If your organisation does not integrate ESG factors into investment decisions on your externally managed assets, explain why not.

We do not integrate ESG factors into selecting and monitoring externally managed money market funds. The money market funds we allocate to are "low risk" funds typically targeting 7-day LIBID and managed either by the custodian or a manager who also manages other assets in the portfolio and therefore already subject to scrutiny with regard to ESG policies. We have recently been able to allocate to "ESG-friendly" money market funds, however, these funds are currently small and therefore we are unable to make large allocations due to our internal risk limits. As these funds become more popular and grow in size, we will be able to increase our allocation accordingly.

OO 11.4 | Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

Cardano takes a Responsible Investment approach to investing across all of its portfolios and client mandates. Every investment decision is made on a risk-adjusted return basis. We view environmental, social and governmental risk and return drivers as a critical part in making decisions on risk-adjusted return.

While we factor in ESG factors into every investment decision that is made to some degree, we acknowledge that these factors may have more of a material impact on financial return in some circumstances and strategies than others. As such, we deliberately structure our process around decision making to ensure that we focus the most time on these more highly effected areas.

To assist in this process, all invested strategies are given a specific ESG rating based on Cardano's proprietary methodology, to help provide context to how ESG should be taken into account in buy / sell / hold decisions throughout the life-cycle of an investment.

Timing of when strategies are rated:

1. Prior to investment: investment proposals for all new investments tabled at the manager review committee (MRC) must contain a dedicated section setting out (i) the ESG rating ; and (ii) a summary of the rationale used to get to that rating.

2. Post-Investment: (i) all strategies' ESG ratings are formally re-underwritten on an annual basis by the relevant coverage team; and (ii) ESG ratings are updated on an ad-hoc basis: coverage teams speak to all invested managers regularly as part of the overall monitoring process - this will include discussing ESG where relevant.

Where, either before investment or as part of our monitoring process ESG integration within the manager fails to meet the required standard such that it would effect the overall risk-return we would either pass on the relevant strategy or consider redeeming or re-sizing the exposure.

Information base:

Our ESG ratings are assigned by the investment coverage team with day-to-day responsibility for that investment. We feel this encourages accountability and fully integrates ESG thinking into our investment process.

The information on which ratings are based are as follows:

1. An ESG questionnaire which is circulated to managers annually, this questionnaire is tailored to reflect the differences in our core manager strategies (e.g. equity, fixed income, multi-asset, private equity etc.)
2. All information provided by managers (and which managers make available online)
3. Ad-hoc information gathered by coverage teams as part of the formal day-to-day investment monitoring (involving regular contact, calls and discussions with managers).

OO 12	Mandatory	Public	Gateway	General
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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.
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Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Fixed Income

- Fixed income - SSA

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed income - Corporate (non-financial)
- Private Equity
- Property

Closing module

Closing module

Peering questions

OO FI 03	Mandatory	Public	Descriptive	General
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Update: this indicator has changed from "*Mandatory to report, voluntary to disclose*" to "*Mandatory*". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.1 Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.

SSA	Developed markets	100
	Emerging markets	0
	Total	100%

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

Cardano Risk Management

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 type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input type="checkbox"/> (Proxy) voting 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.

The starting point for Cardano's portfolios is the following investment beliefs:

- Changes in asset prices can largely be explained by changes in: Growth expectations
- Inflation expectations
- Risk premia
- Risk free rates
-
- Markets are inherently cyclical with strong feedback loops, but they are too complex to be predictable
- More modest returns can be sufficient when compounded over time, if large losses can be avoided
- An investor should accept market risk only when expected returns offer sufficient compensation
- Excess returns are available to investors who can identify mispricing

These investment beliefs define our approach to portfolio construction:

- Economic scenarios are used to articulate views and construct portfolios
- Economic conditions are transposed onto simplified models of economic regimes, but with limited reliance on assumptions (e.g. correlation)
- Manage drawdown risk
- Allocate risk actively, using the full opportunity set i.e. asset classes, strategies, managers, instruments
- Incorporate best-in-class active managers, as long as net performance is compelling

By taking the above steps, Cardano is able to perform its fiduciary duty to clients by employing a risk-controlled, robust approach to carefully grow assets relative to clients' liabilities. ESG factors are considered alongside financial risks to positions to ensure a holistic view of the portfolio is taken.

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]

Cardano believes in responsible investment. In so doing, Cardano acknowledges the importance of Environmental, Social and Governance (ESG) factors in risk adjusted investment outcomes. Cardano gathers information and assigns overall ESG ratings to each Cardano-advised invested manager and relevant direct investments, which are made available to clients. ESG factors are integrated into investment decisions where such factors could have a financially material impact on the risk and or return to the client.

No

SG 02	Mandatory	Public	Core Assessed	PRI 6
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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.cardano.co.uk/legal-and-compliance/>

Attachment (will be made public)

Asset class-specific RI guidelines

URL/Attachment

URL

URL

<https://www.cardano.co.uk/legal-and-compliance/>

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

URL

<https://www.cardano.co.uk/legal-and-compliance/>

- 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.cardano.co.uk/legal-and-compliance/>

- Attachment
- Time horizon of your investment

URL/Attachment

- URL

URL

<https://www.cardano.co.uk/legal-and-compliance/>

- Attachment
- Governance structure of organisational ESG responsibilities

URL/Attachment

- URL

URL

<https://www.cardano.co.uk/legal-and-compliance/>

- Attachment
- ESG incorporation approaches

URL/Attachment

- URL

URL

<https://www.cardano.co.uk/legal-and-compliance/>

Attachment

Reporting

URL/Attachment

URL

URL

<https://www.cardano.co.uk/legal-and-compliance/>

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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The purpose of the Conflicts of Interest Policy is to ensure that all appropriate steps are taken to identify and manage conflicts of interest that arise in the Cardano business, and where necessary make disclosures to impacted clients. This ensures the ongoing fair treatment of clients and reduces the risk of legal liability, regulatory censure or damage to Cardano's commercial interests and reputation. The conflicts of interest policy identifies actual and potential conflicts arising within Cardano and procedures for managing those conflicts. Everyone in Cardano (including contractors and any other person directly or indirectly linked to us by control) involved in the provision of investment services to Cardano's clients must adhere to the policy.

No

SG 03.3	Additional information. [Optional]
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Our conflicts of interest policy can be found here: <https://www.cardano.co.uk/legal-and-compliance/>

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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SG 05.1

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2

Additional information. [Optional]

There is an ESG Steering Committee which meets at least quarterly but as and when required. The key purpose of the Steering Committee is to:

- Agree the business plan and objectives relating to ESG, monitor progress and make recommendations to the management team on budget and resourcing requirements
- Agree Cardano policies regarding ESG and approaches to client advice

Governance and human resources

SG 07

Mandatory

Public

Core Assessed

General

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
- 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
- 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
- Other role, specify (1)

Other description (1)

General Counsel

- 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)

Chief Compliance Officer

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

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

ESG is fully integrated within Cardano's manager research and investment process and is reflected in the 4 tier governance structure:

- Tier 1 | Coverage Teams & Lead Analysts are responsible for the day-to-day ESG ratings, monitoring and engagement
- Tier 2 | Manager Review Committee, Chaired by the Head of Manager Research and includes Senior Investment Managers and the Group CIO - has overall responsibility for investment decision making, buy & sell decisions. Coverage Teams will escalate ESG issues to this committee for discussion. All new investment ESG Ratings are debated by this committee.
- Tier 3 | ESG Steering Committee (Participants: Head of Clients, CIO, General Counsel, Chief Compliance Officer and members from the client team and investment team) - meets at least quarterly and as required. This committee has overall responsibility for establishing and co-ordinating Cardano's ESG processes within the business to ensure integration and consistency of approach. This body will periodically review and lead on updating the ESG processes and procedures within the business.

- Tier 4 | Group Management Board - has overall responsibility for Group policy

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
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Number

0

SG 07.4	Additional information. [Optional]
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Whilst there are no dedicated responsible investment staff, every member of staff that is responsible for any investment decisions within the business whether analyst, portfolio manager or consultant is trained on and responsible for reflecting Cardano's responsible investment approach.

Promoting responsible investment

SG 09	Mandatory	Public	Core Assessed	PRI 4,5
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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.
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Select all that apply

- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)
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- Basic
- Moderate
- Advanced

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

Cardano are a signatory to the PRI. Over the year we have amended our signatory status from Service Provider to Investment Manager, reflecting the focus of the business on providing fiduciary management/investment management services to clients. This will also ensure that we are given a rating by the PRI which we will look to improve as we develop our responsible investment approach.

- 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

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]

Over the year, we progressed our application to becoming a signatory to the UNGC.

- Other collaborative organisation/initiative, specify
- 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.)

Description

Cardano provides training to pension scheme clients on the role of RI and ESG factors in investment decision making and will provide specific training around relevant policies as required. ESG training would typically include defining RI and ESG, the UNPRI Principles, trustee obligations and policies as well as explaining how Cardano take Responsible Investment and ESG into account. Cardano also provides training sessions internally for staff members where an understanding of RI is required (including manager research teams and certain client facing roles).

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- 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

Cardano provides training to clients upon request and actively promotes training updates where new legislation or industry wide guidance has been produced, to ensure clients are aware of their ongoing responsibilities and promotes the PRI with managers through the annual cycle of research activity.

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
 - Wrote and published in-house research papers on responsible investment
 - Encouraged the adoption of the PRI

Description

Cardano provides training to clients upon request and actively promotes training updates where new legislation or industry wide guidance has been produced, to ensure clients are aware of their ongoing responsibilities and promotes the PRI with managers through the annual cycle of research activity.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- 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
- 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
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.3 Additional information. [OPTIONAL]

We are currently developing climate-related scenarios that can be applied to model our and clients' investment portfolios to gain a deeper understanding of climate related risks and how they interact.

Asset class implementation not reported in other modules

SG 16	Mandatory	Public	Descriptive	General
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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.
----------------	--

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Listed equities - ESG incorporation	Listed equities form a very small part of our internally managed portfolio. The majority of our equity exposure is achieved through derivatives where we are monitoring liquidity in "ESG-friendly" indices.
Cash	Cash balances are either invested in externally managed cash funds or held with a custodian. We do not currently review custodians from an ESG perspective.
Other (1) [as defined in Organisational Overview module]	<p>There are two ways that we can consider ESG with regards to derivatives:</p> <ul style="list-style-type: none"> Consider the underlying exposure - currently we are aiming to gain cheap, liquid broad market exposure through the use of derivatives. Therefore, we do not tailor the underlying indices to reflect ESG views given the poor liquidity in these derivatives markets. However, we are monitoring this closely and if there is the opportunity to implement this in the future at reasonable cost we will consider inclusion in the portfolio Counterparty - we are developing our approach to rating trading counterparties on ESG (see SG18) and how this impacts who we trade with

SG 17	Mandatory	Public	Descriptive	General
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SG 17.1	Describe how you address ESG issues for externally 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.
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Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Commodities	Please see above and refer to the SAM module for a more extensive description of our ESG framework. Our approach to rating and engaging with external managers of commodities on ESG is driven by whether we determine the strategy to be high focus or low focus (i.e. it depends on the financial materiality of the ESG risks) rather than the asset class specifically.
Hedge funds - DDQ	<div style="background-color: #0070C0; color: white; padding: 5px; text-align: center;"> Select whether you use the PRI Hedge Fund DDQ </div> <input type="radio"/> Yes <input checked="" type="radio"/> No
Hedge funds	Please see below and refer to the SAM module for a more extensive description of our ESG framework
Other (1) [as defined in Organisational Overview module]	These are derivatives mandates and therefore are deemed to be low focus. However, we would require the manager to have a Responsible Investment Policy in place and report on their RI activities where appropriate.

SG 17.2

Additional information.

We have developed and continue to refine our own ESG Questionnaires. These include some tailoring for different strategy types that could fall within the broader categorisation of 'Hedge Fund'

Communication

SG 19

Mandatory

Public

Core Assessed

PRI 2, 6

SG 19.1

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Selection, Appointment and Monitoring

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

Disclosure to clients/beneficiaries	
Disclosure to clients/beneficiaries	<input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes <input checked="" type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf <input checked="" type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership <input type="checkbox"/> Other
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested

Fixed income

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

Cardano Risk Management

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

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.

Listed Equity and Fixed Income Strategies

SAM 01

Mandatory

Public

Gateway

PRI 1

SAM 01.1

Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

Active investment strategies

Active investment strategies	Listed Equity			FI - Corporate (non-financial)
Screening	<input type="checkbox"/>			<input type="checkbox"/>
Thematic	<input type="checkbox"/>			<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>			<input type="checkbox"/>

Passive investment strategies

Passive investment strategies	Listed Equity			FI - Corporate (non-financial)
Screening	<input type="checkbox"/>			<input type="checkbox"/>
Thematic	<input type="checkbox"/>			<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>			<input type="checkbox"/>

SAM 01.2

Additional information. [Optional]

Cardano takes a Responsible Investment approach to investing across all of its portfolios and client mandates. Every investment decision is made on a risk-adjusted return basis. We view environmental, social and governmental risk and return drivers as a critical part in making decisions on risk-adjusted return.

While we factor in ESG factors into every investment decision that is made to some degree, we acknowledge that these factors may have more of a material impact on financial return in some circumstances and strategies than others. As such, we deliberately structure our process around decision making to ensure that we focus the most time on these more highly effected areas.

To assist in this process, all invested strategies are given a specific ESG rating based on Cardano's proprietary methodology, to help provide context to how ESG should be taken into account in buy / sell / hold decisions throughout the life-cycle of an investment.

Timing of when strategies are rated:

1. Prior to investment: investment proposals for all new investments tabled at the manager review committee (MRC) must contain a dedicated section setting out (i) the ESG rating; and (ii) a summary of the rationale used to get to that rating.

2. Post-Investment: (i) all strategies' ESG ratings are formally re-underwritten on an annual basis by the relevant coverage team; and (ii) ESG ratings are updated on an ad-hoc basis: coverage teams speak to all invested managers regularly as part of the overall monitoring process - this will include discussing ESG where relevant.

Our rating methodology is designed to allow quick triage to ensure the Coverage Teams focus resource and effort on engagement in those strategies that represent the highest risk. As such, High Focus strategies with low ESG Ratings are given the most attention and are periodically reviewed at the Manager Review Committee to check in on progress.

Where, either before investment or as part of our monitoring process ESG integration within the manager fails to meet the required standard such that it would affect the overall risk-return we would either pass on the relevant strategy or consider redeeming or re-sizing the exposure.

ESG Ratings

Each ESG Rating has three parts:

Part 1 | High or Low Focus

Strategies are designated either (i) High Focus (strategies where ESG factors are deemed to potentially materially impact financial risk return); and (ii) Low Focus (strategies where ESG factors are deemed to have less potential to materially impact financial risk return).

This is based on an internal methodology in order to seek to ensure consistency of approach.

Part 2 | Overall Rating (Strong, Good, Standard or Weak)

Strategies are assigned an overall rating.

The rating is calculated by aggregating scores from four specifically assessed categories: (i) People and policy; (ii) Process integration; (iii) Monitoring, Stewardship & Engagement; and (iv) Reporting.

Each category score carries with it certain weightings, to reflect areas we deem to be most appropriate in the assessment of ESG within the particular type of strategy.

Part 3 | Momentum Score (Up, Down, No Change)

Each strategy is assigned a momentum score to reflect whether coverage teams are seeing the manager make (or are implementing) changes to enhance their approach to ESG integration.

Note: *our ESG rating methodology is constantly under review. We acknowledge that this is an extremely fast moving space and we are constantly looking to improve our methodology to help better assess ESG as part of our overall assessment of risk-return in decision making. We, therefore, expect to make changes to this methodology as our thinking progresses.*

Information base:

The above ratings are assigned by the investment coverage team with day-to-day responsibility for that investment. We feel this encourages accountability and fully integrates ESG thinking into our investment process.

The information on which ratings are based are as follows:

1. An ESG questionnaire which is circulated to managers annually, this questionnaire is tailored to reflect the differences in our core manager strategies (e.g. equity, fixed income, multi-asset, private equity etc.)
2. All information provided by managers (and which managers make available online)
3. Ad-hoc information gathered by coverage teams as part of the formal day-to-day investment monitoring (involving regular contact, calls and discussions with managers).

Governance

ESG is fully integrated within Cardano's manager research and investment process and is reflected in the 4 tier governance structure:

Tier 1 | Coverage Teams & Lead Analysts are responsible for the day-to-day ESG ratings, monitoring and engagement

Tier 2 | Manager Review Committee, Chaired by the Head of Manager Research and includes Senior Investment Managers and the Group CIO - has overall responsibility for investment decision making, buy & sell decisions. Coverage Teams will escalate ESG issues to this Committee for discussion. All new investment ESG Ratings are debated by this committee.

Tier 3 | ESG Steering Committee (Participants: Head of Clients, CIO, General Counsel, Chief Compliance Officer and members from the client team and investment team) - has overall responsibility for establishing and co-ordinating Cardano's ESG processes within the business to ensure integration and consistency of approach. This body will periodically review and lead on updating the ESG processes and procedures within the business.

Tier 4 | Group Management Board - has overall responsibility for Group policy

Selection

SAM 02	Mandatory	Public	Core Assessed	PRI 1
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SAM 02.1	Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers
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				LE	FI - Corporate (non-financial)	Private equity	Property
Your organisation's investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG incorporation requirements	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG reporting requirements	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No RI information covered in the selection documentation	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SAM 02.2	Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach
-----------------	--

Strategy

	LE			FI - Corporate (non-financial)		Private equity	Property	
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Assess the investment approach and how ESG objectives are implemented in the investment process	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review the manager's firm-level vs. product-level approach to RI	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Assess the ESG definitions to be used	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	

ESG people/oversight

	LE			FI - Corporate (non-financial)		Private equity	Property	
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review the manager's RI-promotion efforts and engagement with the industry	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	

Process/portfolio construction/investment valuation

	LE		FI - Corporate (non-financial)	Private equity	Property	
Review the process for ensuring the quality of the ESG data used	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review and agree the use of ESG data in the investment decision making process	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review and agree the impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review and agree manager's ESG risk framework	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Review how ESG materiality is evaluated by the manager	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review process for defining and communicating on ESG incidents	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review and agree ESG reporting frequency and detail	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, specify	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

If you select any `Other` option(s), specify

See response in 01.2. We have not ticked "Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives" - this is because as previously flagged, we do not take an exclusion based approach to ESG integration. However, we expect all managers to be integrating ESG into their decision making where these factors have the potential to materially impact financial return.

SAM 02.3

Indicate the selection process and its ESG/RI components

- Review ESG/RI responses to RfP, RfI, DDQ etc.
- Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- Review publicly available information on ESG/RI
- Review assurance process on ESG/RI data and processes
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers covering ESG/RI themes
- Site visits to potential managers offices
- Other, specify

See response to 01.2.

Note: we have not ticked the question "Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives". We do not take a limit based approach to ESG. Our approach to ESG is through Responsible Investment and taking a risk-based approach. We will push managers on whether ESG has been fully integrated into their investment decision making, including around portfolio construction. However, we do not enforce or expect specific limits to be adhered to pertaining to ESG parameters.

Coverage teams are required to review all relevant information that can be used in assessing the ESG integration within the respect strategy. This will include all available documentation supplied by the manager to us or available online (through reporting standards bodies (e.g. UNPRI) or otherwise).

In addition, a critical aspect of our approach is ensuring that the information and documentation reflects what is actually happening in investment processes within the particular strategy. We do this by speaking directly to risk-taking functions within the applicable strategy and requesting clear evidence that ESG integration is happening (e.g. recent case-studies or relevant positions within the current portfolio).

SAM 02.4

When selecting external managers does your organisation set any of the following:

	LE		FI - Corporate (non-financial)		Private equity	Property	
ESG performance development targets	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
ESG score	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG weight	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
Real world economy targets	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
Other RI considerations	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	

You selected an `Other` option in table SAM 02.4 above, please specify

See response in 01.2 for full details of the ESG scoring methodology.

Cardano will work with clients to establish how their investment principles can best be supported by incorporating ESG into our service offering.

As an investment adviser and manager to institutional clients, Cardano's main focus is on achieving the optimal risk adjusted returns for our clients in line with the mandate provided, and as such, will not ordinarily make moral judgements on the day to day portfolio decisions of asset owners.

Where clients have specific targets or goals in their investment principles, we will work with them to ensure that the manager exposure fully aligns with these principles.

SAM 02.5 Describe how the ESG information reviewed and discussed affects the selection decision making process.[OPTIONAL]

ESG information is considered and weighted as a core part of our manager selection process, across all asset classes. Critically, we do not silo out this assessment to a segregated team but ensure it is carried out by the team responsible for the investment. This ensures (i) robust, consistent and centralised oversight from our various investment committees (across strategies); (ii) integration - we view ESG risk as potentially having material financial impact on risk / return - as such, Environment, Social and Governance factors should be considered by the investment team as part of their overall risk-return assessment, alongside any other source of risk or return (outside of ESG).

Critical to ensuring consistency and redundancy is robust process and, while ESG factors are integrated into decision making throughout the process, we ensure investment decisions follow the below process:

1. Coverage Teams are required to review RI / ESG policies, documentation and online materials for each manager, prior to investment
2. Coverage Teams must send Cardano's bespoke, specific ESG questionnaire to each manager prior to approval for completion and these responses are reviewed by team responsible for the investment
3. Coverage Teams ensure that all managers have a form of on-site (physical, video conference or telephone) to discuss various risk-return drivers (including ESG). This will include identifying specific examples of where and how ESG factors can or have been incorporated into investment decision making around risk or potential returns.
4. Each manager is assigned an ESG rating based on an evaluation of each of the above sources of information. The rating is structured, to seek constancy across portfolios.

The lead analyst on a Coverage Team for the manager is responsible for integrating our view of a manager's ESG credentials when a proposal is made. This culminates in a dedicated ESG section in the investment proposal, itemising the ESG Rating and the rationale for that rating. This ensures accountability, constancy of process and robust debate as members of the investment committee will typically discuss / challenge / request more information around the rating.

By taking this approach, we ensure that ESG is incorporated into the rest of the research considerations, rather than being thought of as something separate. Also, encouraging open challenge to views before investment is made in a manager, helps strengthen our robust ESG rating methodology.

SAM 03	Mandatory	Public	Additional Assessed	PRI 2
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SAM 03.1 Indicate how your organisation typically evaluates the manager's active ownership practices in the majority of the manager selection process.

Engagement

	LE		FI - Corporate (non-financial)	
Review the manager's engagement policy	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Review the manager's engagement process (with examples and outcomes)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Ensure whether engagement outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Other engagement issues in your selection process specify	<input type="checkbox"/>		<input type="checkbox"/>	

(Proxy) voting

	LE
Review the manager's voting policy	<input checked="" type="checkbox"/>
Review the manager's ability to align voting activities with clients' specific voting policies	<input type="checkbox"/>
Review the manager's process for informing clients about voting decisions	<input checked="" type="checkbox"/>
Ensure whether voting outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>
Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale	<input checked="" type="checkbox"/>
Other active ownership voting issues in your selection process; specify	<input type="checkbox"/>

SAM 03.2

Describe how you assess if the manager's engagement approach is effective.

- Impact on investment decisions
- Financial impact on target company or asset class
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- Other, specify
- None of the above

SAM 03.3

Describe how you assess if the manager’s voting approach is effective/appropriate

- Impact on investment decisions
- Impact on ESG profile of company or the portfolio
- Evidence of changes in corporate practices(i.e. ESG policies and implementation activities)
- Other, specify
- None of the above

SAM 03.4

Additional information [OPTIONAL]

Coverage Teams in respect of each invested manager are responsible for rating each invested strategy. The overall rating is calculated by aggregating scores across four specifically assessed categories; one of those categories is Engagement, voting &stewardship.

As part of this, Coverage Teams will review data (supplied as part of the annual information submission) on how manager's have voted (where they are able to) and the proportion of instances managers voted for Management, against Management or abstained.

Where a manager has abnormal voting patterns, we will engage with the manager to ensure their processes and procedures adequately take into account Stewardship and the UNPRI principals around voting and engagement. This includes understanding how managers exercise their votes (directly or through a proxy service provider) and, if through a service provider, what level of service have they opted for and how this is level is monitored and chosen.

While we track the above, we also acknowledge that attributing value / impact to specific voting and engagement practices is extremely difficult. We have not yet built out a methodology to accurately track and assess this. For now, we are focused on ensuring that the managers themselves are indeed considering ESG with respect to engagement and voting (where applicable to the specific strategy). Note - our approach is one of Responsible Investment.

In addition to the above, we also track our engagement with managers (and report on this to clients). We seek to quantify this impact by registering the changes that managers have / are about to make to their policies or practices, as a direct result of our education and engagement efforts.

Appointment**SAM 04****Mandatory****Public****Core Assessed****PRI 1****SAM 04.1**

Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process

- Sets standard benchmarks or ESG benchmarks
- Defines ESG objectives and/ or ESG related exclusions/restrictions
- Sets incentives and controls linked to the ESG objectives
- Requires reporting on ESG objectives
- Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- Other, specify (1)

specify

We require all managers to demonstrate ESG integration through ongoing (live) evidence of how ESG factors influence and are taken into account in investment decision making. This can (and does) take place both formally as part of the annual ESG data gathering exercise but also on an ad hoc basis throughout the year as part of Coverage Teams' day-to-day investment monitoring of strategies.

Other, specify (2)

None of the above

SAM 04.2

Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.

Asset class

Listed equity (LE)

Benchmark

We do not set benchmarks

ESG Objectives

ESG guidelines/regulation, principles/standards, specify

While we have not specific restrictions in place with managers (outside of those that are set out in the applicable strategy's governing documentation), we do expect all our third party managers to take E, S and G factors into consideration in their investment decision making when financial risk and / or return is (or could be) materially impacted. We make this clear in our rating process and in our guidance that we issue to all invested managers, as part of that rating process.

We encourage all managers to consider ESG factors in respect of their businesses. However, we acknowledge that there are strategies where financial risk and / or return is impacted more by these factors than others and our approach and expectations for these strategies reflects that difference in impact.

We do not define ESG objectives

Incentives and controls

We do not set incentives and controls

Reporting requirements

We do not require the reporting on ESG objectives

Fixed income - Corporate (non-financial)

Benchmark

We do not set benchmarks

ESG Objectives

- ESG guidelines/regulation, principles/standards, specify

While we have not specific restrictions in place with managers (outside of those that are set out in the applicable strategy's governing documentation), we do expect all our third party managers to take E, S and G factors into consideration in their investment decision making when financial risk and / or return is (or could be) materially impacted. We make this clear in our rating process and in our guidance that we issue to all invested managers, as part of that rating process.

We encourage all managers to consider ESG factors in respect of their businesses. However, we acknowledge that there are strategies where financial risk and / or return is impacted more by these factors than others and our approach and expectations for these strategies reflects that difference in impact.

- We do not define ESG objectives

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- We do not require the reporting on ESG objectives

- Private equity

Benchmark

- We do not set benchmarks

ESG Objectives

- ESG guidelines/regulation, principles/standards, specify

While we have not specific restrictions in place with managers (outside of those that are set out in the applicable strategy's governing documentation), we do expect all our third party managers to take E, S and G factors into consideration in their investment decision making when financial risk and / or return is (or could be) materially impacted. We make this clear in our rating process and in our guidance that we issue to all invested managers, as part of that rating process.

We encourage all managers to consider ESG factors in respect of their businesses. However, we acknowledge that there are strategies where financial risk and / or return is impacted more by these factors than others and our approach and expectations for these strategies reflects that difference in impact.

- We do not define ESG objectives

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- We do not require the reporting on ESG objectives

- Property

Benchmark

- We do not set benchmarks

ESG Objectives

- ESG guidelines/regulation, principles/standards, specify

While we have not specific restrictions in place with managers (outside of those that are set out in the applicable strategy's governing documentation), we do expect all our third party managers to take E, S and G factors into consideration in their investment decision making when financial risk and / or return is (or could be) materially impacted. We make this clear in our rating process and in our guidance that we issue to all invested managers, as part of that rating process.

We encourage all managers to consider ESG factors in respect of their businesses. However, we acknowledge that there are strategies where financial risk and / or return is impacted more by these factors than others and our approach and expectations for these strategies reflects that difference in impact.

- We do not define ESG objectives

Incentives and controls

- We do not set incentives and controls

Reporting requirements

- We do not require the reporting on ESG objectives

SAM 04.3

Indicate which of these actions your organisation might take if any of the requirements are not met

- Discuss requirements not met and set project plan to rectify
- Place investment manager on a "watch list"
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify

We encourage all managers to consider ESG factors in respect of their businesses. However, we acknowledge that there are strategies where financial risk and / or return is impacted more by these factors than others and our approach and expectations for these strategies reflects that difference in impact.

We would terminate or take a decision to redeem investments from strategies where there is clear disregard for ESG integration, causing increased risk to returns. Our starting position is one of engagement versus screening / limit based. As such, where we can work with managers to improve their approach we will actively do so. Typically managers with consistently poor ESG scores, who have no willingness to change (Low Momentum Scores) and where there is material risk to financial returns will be placed on a watch list and, with no improvement - we would expect to make a redemption decision.

- No actions are taken if any of the ESG requirements are not met

SAM 04.4

Provide additional information relevant to your organisation's appointment processes of external managers. [OPTIONAL]

See response for 01.2. All strategies are required to have a rating assigned to them before investment. This is to ensure that the overall risk-return decision encapsulates ESG and forces accountability and robustness of debate around the ESG policies and practices of each manager.

Monitoring

SAM 05

Mandatory

Public

Core Assessed

PRI 1

SAM 05.1

When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

	LE		FI - Corporate (non-financial)	Private equity	Property	
ESG objectives linked to investment strategy (with examples)	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Compliance with investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG portfolio characteristics	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Information on any ESG incidents	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Metrics on the real economy influence of the investments	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
PRI Transparency Reports	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
PRI Assessment Reports	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
RI-promotion and engagement with the industry to enhance RI implementation	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Changes to the oversight and responsibilities of ESG implementation	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other general RI considerations in investment management agreements; specify	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

If you select any `Other` option(s), specify

We ask all managers whether they have any contractual commitments with investors around ESG requirements (standards or reporting or other). Where ESG incidents cause material changes to the risk-reward of a position or the portfolio outcomes, we would discuss these with managers either as part of our ongoing monitoring or annual review process

SAM 05.2

When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	LE		FI - Corporate (non-financial)	Private equity	Property	
ESG score	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG weight	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ESG performance minimum threshold	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Real world economy targets	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other RI considerations	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

SAM 05.3

Provide additional information relevant to your organisation's monitoring processes of external managers. [OPTIONAL]

Cardano's monitoring process operates as part of its overall investment monitoring process and methodology. The lead analyst on each Coverage Team is responsible for monitoring ESG in respect of each invested manager. ESG is monitored through two core processes:

1. Day-to-day Investment Monitoring process: we speak and meet with managers regularly, tracking different elements of risk and or return (quantitatively and qualitatively) as part of our overall monitoring process. Part of this will include discussing ESG where required and periodically. These interactions are documented on a central database.
2. Annually, Cardano's tailored ESG questionnaire is circulated to managers, together with guidance and re-emphasising Cardano's expectations.

All information generated by these two sources are assessed, with ESG ratings for each position amended (to the extent required), driven by new information.

Managers with strategies that Cardano deem to have higher financial risk-return impact are designated as High Focus positions. High Focus managers require a higher level of monitoring and focus. Likewise, the rating methodology applied to High Focus is more stringent. Poor ESG ratings from High Focus managers are scrutinised closely and engagement levels are increased. ESG matters are incorporated at an early stage of our new approval process. There is a minimum standard expected and, as discussed earlier, the Manager Research Committee will debate the ESG rating and rationales prior to investment.

The Manager Research Committee would consider redemption / reducing exposure to a strategy should the risk-adjusted return become unattractive, for ESG reasons.

SAM 06.1	When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls
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	Engagement
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	LE	FI - Corporate (non-financial)
Report on engagements undertaken (summary with metrics, themes, issues, sectors or similar)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Report on engagement ESG impacts (outcomes, progress made against objectives and examples)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Information on any escalation strategy taken after initial unsuccessful dialogue	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Alignment with any eventual engagement programme done internally	<input type="checkbox"/>	<input type="checkbox"/>
Information on the engagement activities' impact on investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other RI considerations relating to engagement in investment management agreements; specify	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

	(Proxy) voting
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	LE
Report on voting undertaken (with outcomes and examples)	<input checked="" type="checkbox"/>
Report on voting decisions taken	<input checked="" type="checkbox"/>
Adherence with the agreed upon voting policy	<input checked="" type="checkbox"/>
Other RI considerations relating to (proxy) voting in investment management agreements; specify	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

If you select any `Other` option(s), specify

We do not agree specific voting policies or practices with invested managers. That said, we do push managers on standards around Stewardship and Stewardships standards bodies. We have pushed managers where stewardship practices have not met expected standards. This has directly led to improved behaviours within the portfolio, as evidenced by an increased ratings from external Stewardship Code ratings.

SAM 07	Mandatory	Public	Core Assessed	PRI 2
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SAM 07.1 For the listed equities for which you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.

- Votes cast (to the nearest 5%)
- We do not collect this information.

SAM 07.3 Additional information [OPTIONAL]

Note that we have ticked the box "do not collect this information" in our response to 07.1. We have done this as we are not confident of capturing the exact number of possible voting opportunities each of our managers have in a given year (which is needed to use as an accurate denominator in the % calculation above). We are able to provide the following accurate breakdown. On average invested discretionary managers voted: (i) 80.7% of the time with management; (ii) 11.24% of the time against; and (iii) 6.66% of the time abstained.

Outputs and outcomes

SAM 09	Mandatory	Public	Additional Assessed	PRI 1,6
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SAM 09.1 Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

- Add Example 1

Topic or issue	Lack of clear ESG policy or internal procedure guidance
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Private equity <input type="checkbox"/> Property
Scope and process	<p>The Coverage Team identified that the manager had weak ESG policies and subsequently rated the manager Poor.</p> <p>Following multiple conversations with the manager, the manager acknowledged the feedback.</p>
Outcomes	<p>The Manager has formed a dedicated internal committee to focus on ESG. As part of this the Manager engaged external consultants to help them better understand the landscape, deficiencies, understand where training may be beneficial to internal investment staff.</p> <p>The Manager is currently working on the formalisation of a firm wide policy and we expect this to be published shortly.</p>

Add Example 2

Topic or issue	Not a UNPRI signatory. Tier 2 Stewardship status. No written ESG policy.
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Private equity <input type="checkbox"/> Property
Scope and process	The Coverage Team identified the short comings set out above, feeding back to the manager and flagging the risk of material redemptions over the medium term should standards not improve.
Outcomes	<p>As a direct result of our engagement:</p> <ul style="list-style-type: none"> • Stewardship Rating improved to Tier 1 Status • Formal written ESG policy issued • Multiple examples provided of ESG factors being accounted for in portfolio decision-making • Willing to re-consider UNPRI signatory status <p>We have since improved the ESG rating, although it remains only average and below what we would like. We have though acknowledged the positive momentum and increased the momentum score in our ESG Rating.</p>

Add Example 3

Topic or issue	Overall engagement and response
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input checked="" type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Private equity <input type="checkbox"/> Property
Scope and process	The overall Manager Research team carried out over 25 separate targeted engagement processes with managers in 2019.
Outcomes	There have has subsequently been at least 4 "Recorded Changes" (meaning a manager has instigated an improvement to its approach to Responsible Investment, following Cardano engagement), over 10 "Expected Changes" (meaning change(s) a manager has indicated they will be making / are working on, following Cardano engagement) and 11 "Works-in-Progress (where managers are considering Cardano's feedback).

Add Example 4

Topic or issue	Mining exposure and ESG practices
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (non financial) <input checked="" type="checkbox"/> Private equity <input type="checkbox"/> Property
Scope and process	We hold one alternative financing manager in the mining space. We have consistently monitored the overall environmental and social risks of holding this position from a macro perspective. We have also consistently monitored the manager's practices and procedures of ESG integration within the portfolio.
Outcomes	We have included specific side letter restrictions on which countries the manager is entitled to make investments. We have ensured the manager shares with us detailed external consultant ESG reports on each large exposure within the portfolio. The manager now actively reports to us where ESG issues arise and how they have been managed.

Add Example 5

Topic or issue	ESG Screen utilised in segregated CDI mandate
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Private equity <input type="checkbox"/> Property
Scope and process	In a dedicated mandate with a large asset manager, the team worked on putting in place a large segregated account to follow a CDI strategy which includes an environmental, social and governance screen.
Outcomes	This has been successfully established

Add Example 6

Topic or issue	ESG policy and written process
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (non financial) <input checked="" type="checkbox"/> Private equity <input type="checkbox"/> Property
Scope and process	Through our rating process and monitoring work, we identified that a distressed for control strategy was below expectations on articulation of ESG within the strategy.
Outcomes	Since engagement, the manager has worked with us to publish a full ESG policy to cover each of their strategies.

Add Example 7

Topic or issue	ESG at Manager Research Committee
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – corporate (non financial) <input type="checkbox"/> Private equity <input type="checkbox"/> Property
Scope and process	<ul style="list-style-type: none"> • Investment team brought a new fund idea in the healthcare space to investment committee for the first stage of discussion • Even at this early stage of the process, the team had identified and raised a potential risk in terms of ESG integration in their process • Manager had no formal ESG policy so we shared with them an educational document we put together. We then discussed ESG issues in the healthcare space more specifically with the CIO and he provided a range of sensible answers where they had considered ESG. • We asked the manager to provide documented evidence of ESG in their due diligence. Questions/challenges were also raised at the investment committee around their ESG policy
Outcomes	Investment diligence on the manager is ongoing with ESG a key area of focus - on the basis that if we do not see sufficient comfort on ESG integration, we will not invest

We are not able to provide examples

Cardano Risk Management

Reported Information

Public version

Direct - Fixed Income

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.

ESG incorporation in actively managed fixed income

Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
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FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.
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SSA	
	Screening alone
100	
	Thematic alone
0	
	Integration alone
0	
	Screening + integration strategies
0	
	Thematic + integration strategies
0	
	Screening + thematic strategies
0	
	All three strategies combined
0	
	No incorporation strategies applied
0	
100%	

FI 01.2	Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.
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Cardano mainly manages matching portfolios for our pension fund clients. The main objective is to do this as safely as possible with high-quality fixed income. In addition, this is done in house on a "passive unless" basis i.e. bonds are selected that most closely reflect the liability benchmark *unless* there is a reason to deviate for example for liquidity or pricing purposes. A large part of the investments is via Euro, UK and US government bonds. We acknowledges the impact that ESG factors have on investment outcomes in LDI. The above implies that an ESG approach based on selection is most suitable for the available investment universe. Responsible Investing impact is expected to be relatively light compared to other balance sheet items.

FI 03	Mandatory	Public	Additional Assessed	PRI 1
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FI 03.1	Indicate how you ensure that your ESG research process is robust:
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- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify
- None of the above

FI 03.2	Describe how your ESG information or analysis is shared among your investment team.
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- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

(A) Implementation: Screening

FI 04	Mandatory	Public	Gateway	PRI 1
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FI 04.1	Indicate the type of screening you conduct.
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Select all that apply

	SSA			
Negative/exclusionary screening	<input checked="" type="checkbox"/>			
Positive/best-in-class screening	<input type="checkbox"/>			
Norms-based screening	<input checked="" type="checkbox"/>			

FI 04.2 Describe your approach to screening for internally managed active fixed income

Cardano has a passive unless investment strategy i.e. bonds are selected that most closely reflect the liability benchmark unless there is a reason to deviate for example for liquidity or pricing purposes. In the selection of new fixed income investments ESG is an important criterion. All candidate investments receive a number rating based on external ESG data. Investments that do not meet the minimum criteria are excluded.

FI 06 **Mandatory** **Public** **Core Assessed** **PRI 1**

FI 06.1 Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.

Type of screening	Checks
Negative/exclusionary screening	<input type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px; margin-top: 5px;">other description</div> <p>We ensure that data used for the screening criteria is reviewed at the time of investment.</p> <input type="checkbox"/> None of the above
Norms-based screening	<input type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px; margin-top: 5px;">other description</div> <p>We ensure that data used for the screening criteria is reviewed at the time of investment.</p> <input type="checkbox"/> None of the above

Cardano Risk Management

Reported Information

Public version

Confidence building measures

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.

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 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

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)