



LEA 02	Disclosures: Mandatory	Reason for Interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p>		
Collaborative engagements	<p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decision-making in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p>		

RI TRANSPARENCY REPORT

2020

Prosperity Capital 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	🔒	n/a							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Public							✓
OO 10	Active ownership practices for listed assets	✓	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	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	🔒	n/a							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	🔒	n/a							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	n/a							✓
OO PE 01	Breakdown of private equity investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership in private equity investments	🔒	n/a							✓
OO PR 01	Breakdown of property investments	🔒	n/a							✓
OO PR 02	Breakdown of property assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of infrastructure investments	🔒	n/a							✓
OO INF 02	Breakdown of infrastructure assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure sectors	🔒	n/a							✓
OO HF 01	Breakdown of hedge funds investments by strategies	🔒	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	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13 CC		🔒	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	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Public							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

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

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Role in engagement process	✓	Public		✓		✓			
LEA 07	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 08	Tracking number of engagements	✓	Public		✓					
LEA 09	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 10	Engagement methods	✓	Private		✓					
LEA 11	Examples of ESG engagements	✓	Private		✓					
LEA 12	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 13	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 14	Securities lending programme	✓	Public		✓					
LEA 15	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 16	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 17	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 18	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 19	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 20	Shareholder resolutions	✓	Private		✓					
LEA 21	Examples of (proxy) voting activities	✓	Private		✓					
LEA 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	🔒	n/a							✓
CM1 01 End	Module confirmation page	✓	-							

Prosperity Capital Management

Reported Information

Public version

Organisational Overview

PRI disclaimer

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Basic information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

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

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

- Hedge funds
- Fund of hedge funds

OO 01.2

Additional information. [Optional]

Prosperity Capital Management (hereinafter also referred to as "Prosperity" or "PCM") is an institutional asset manager focused on equity investment opportunities amongst Russian and other Former Soviet Union companies.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Cayman Islands

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

31

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 03.3 Additional information. [Optional]

Prosperity Capital Management employs a group-wide policy with respect to the firm's sustainable investment and PRI approach.

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		4	900	000	000
Currency	USD				
Assets in USD		4	900	000	000

Not applicable as we are in the fund-raising process

OO 04.4

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

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

OO 06

Mandatory

Public

Descriptive

General

OO 06.1

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

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	100	0
Fixed income	0	0
Private equity	0	0

Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

as broad ranges

OO 06.2 Publish asset class mix as per attached image [Optional].

OO 06.3 Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

OO 06.5 Indicate whether your organisation uses fiduciary managers.

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

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

0	Developed Markets
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0



OO 09.2 Additional information. [Optional]

Prosperity Capital Management is an institutional asset manager focused on equity investment opportunities in Russian and other Former Soviet Union companies.

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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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 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 do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

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

Listed equity

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

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.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Closing module

- Closing module

Peering questions

OO LE 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO LE 01.1 Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

Percentage of internally managed listed equities

Passive

0

Active - quantitative (quant)

0

Active - fundamental and active - other

100

Total

100%

OO LE 01.2	Additional information. [Optional]
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Prosperity Capital Management is a leading asset manager focussed solely on equity investment opportunities in Russian and other Former Soviet Union companies.

Prosperity's investment philosophy is based on a long-only, bottom-up, fundamental-value and an active investment approach. We seek to benefit from the significant value generated from the ongoing modernisation, restructuring and consolidation processes in our investee companies. We also actively work to improve corporate sustainability and pay particular emphasis on corporate governance. In general, Prosperity's investment philosophy can be described as a bottom-up search for companies that are adding value through internal modernisation and consolidation.

Prosperity firmly believes that the successful transformation of companies from Soviet-era "production units" to more modern, "Western-style" corporations generates tremendous productivity growth - which in turn is a key driver of economic growth and shareholder returns over the long-term. In addition, Prosperity places an emphasis on the quality of corporate management and seeks to invest in companies that already benefit from superior management or where management or ownership change has the potential to generate significant shareholder value.

Prosperity Capital 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 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 checked="" 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.

PCM strongly believes that high quality management and good corporate governance standards, coupled with a strong legal and regulatory framework, drive long-term shareholder value as well as higher standards across the ESG spectrum. Corporate governance is therefore at the very core of PCM's investment approach and is fully integrated into the entire investment process by having a ESG team form an integral part of the investment team.

As a responsible investment manager, PCM considers itself as a co-owner of respective company and we aim to maximise our impact through active ownership and collaboration. This is very much a pro-active engagement, though we sometimes need to act on unforeseen events. We closely monitor and engage the companies in which we invest, and vote at company meetings.

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]

PCM generally seeks to invest in fundamentally-sound and well managed businesses, and in our investment analysis we seek to consider all factors in our review of companies and their equity investment opportunities, including ESG matters.

PCM believes that ESG monitoring, engagements and improvements reduce respective investment risks and provide for better returns. PCM also believes that good corporate governance, high environmental standards, responsible social policies and respective adequate risk-management are indicative of efficient and sustainable management. And, on the contrary, cases or risks of governance abuses, environmental or social disregard are signals of inefficient and non-sustainable management and should be taken into consideration during investment process and as a subject for engagements.

Hence, we do consider ESG factors, alongside other factors, in the investment decision. Our financial models, for example, incorporate material effects of any industrial accidents/downtimes including staff costs, current and expected environmental regulations, environmental fines, environmental capital expenditure, social costs related to local communities, etc. PCM has on numerous occasions sold or held off investment due to ESG-related concerns.

Also, if PCM encounters a target company with no appropriate ESG disclosure or performance this is raised by PCM and discussed during its engagement with the company. For example, insufficient ESG transparency, potential or realized governance abuses, environmental or social accidents, or negative developments of relative environmental data are treated as negative events and PCM will engage with a company and endeavour to challenge its management whenever possible to determine why it has occurred, what has been done to redress or improve the situation and what will be done to minimise such events in the future.

With the exception of cluster munition companies (which are indefinitely excluded from our investment universe) and relevant sanctioned entities (excluded for the period that those sanctions are applicable), PCM

does not seek to exclude any potential investment. Our core belief is that positive results for ESG work come from active involvement in companies rather than from exclusion of certain investments.

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.
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Policy setting out your overall approach

URL/Attachment

URL

Attachment (will be made public)

Attachment

[File 1:Responsible Investment Policy - 2019.pdf](#)

Engagement policy

URL/Attachment

URL

Attachment (will be made public)

Attachment

[File 1:Responsible Investment Policy - 2019.pdf](#)

(Proxy) voting policy

URL/Attachment

URL

Attachment (will be made public)

Attachment

[File 1:Responsible Investment Policy - 2019.pdf](#)

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://prosperitycapital.com/investment-philosophy/responsible-investment/>

- Attachment

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

URL/Attachment

- URL

URL

<https://prosperitycapital.com/investment-philosophy/responsible-investment/>

- Attachment

- Time horizon of your investment

URL/Attachment

- URL

URL

<https://prosperitycapital.com/investment-philosophy/responsible-investment/>

- Attachment

- Governance structure of organisational ESG responsibilities

URL/Attachment

- URL

URL

<https://prosperitycapital.com/investment-philosophy/responsible-investment/>

- Attachment

- ESG incorporation approaches

URL/Attachment

URL

URL

<https://prosperitycapital.com/investment-philosophy/responsible-investment/>

Attachment

Active ownership approaches

URL/Attachment

URL

URL

<https://prosperitycapital.com/investment-philosophy/responsible-investment/>

Attachment

Reporting

URL/Attachment

URL

URL

<https://prosperitycapital.com/investment-philosophy/responsible-investment/>

Attachment

We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

PCM adopted a Responsible Investment Policy upon becoming a signatory to UNPRI, and have subsequently added a Voting and Engagement Policy.

PCM believes that engagement and voting are a very important and integral part of portfolio management, as they provide the opportunity to be heard and influence the direction of a company. Therefore, PCM seeks to engage and vote in accordance with these procedures. The objective is to ensure that PCM engagements and proxy voting activities on behalf of its clients are conducted in a manner consistent with the best interest of its clients.

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.

Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

Conflicts of interest (COIs) are identified either as part of the periodic review of conflicts by the Boards and the Group Compliance Officer or on an ad hoc basis by any PCM personnel. All COIs are reviewed by the Group Compliance Officer and dealt with in one of the following ways:

- An acknowledgement that existing controls are sufficient to mitigate the conflict (an example here might be where established Chinese walls exist or where the individuals concerned are subject to a policy of independence);
- Implementation of additional control measures specific to the conflict concerned;
- Declining to act for the client / colleague / third party concerned;
- Disclosure of the conflict to the parties concerned and seeking their consent to continue with the transaction.

No

SG 03.3

Additional information. [Optional]

The way in which a particular conflict has been resolved should be notified to the Group Compliance Officer, who will record the method of resolution in the COI Register. In the unlikely event that the Group Compliance Officer is not involved in the resolution of a particular conflict, full details should still be provided to ensure that they are appropriately recorded.

Objectives and strategies

SG 05**Mandatory****Public****Gateway/Core Assessed****General****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]

As an active investment manager, PCM advocates high standards of ESG in investee companies through various actions. PCM reviews its performance against its objectives for responsible investment as part of the investment process on an ongoing basis: we analyse the development with respect to all responsible investment activities on a daily basis, as well as quarterly and annual overviews. Additionally, oversight by the Corporate Governance and Compliance teams is regular and dynamic.

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

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 - Partner
 - Corporate Governance
 - Compliance

- 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
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment

SG 07.2

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

PCM has two legal professionals and one dedicated member of its operations team based in Moscow who spend most of their time on corporate governance and responsible investment related issues. Those issues are also integral part of our investment team's activities. One partner in London oversees all ESG related issues.

More broadly ESG issues are considered by:

Investment team. Responsible investment issues are analysed alongside other factors in the investment process. PCM's investment team employs a collective and collaborative approach in their investment analysis and implementation. As such, the full investment team works together to identify, discuss and resolve issues related to responsible investment. On the governance side, they are responsible for day-to-day sectors and companies' governance analysis and engagements, on E and S side - for day-to-day sectors and companies' general analysis that includes E and S factors and risks.

Corporate governance team. Not only members of PCM's corporate governance team are integral members of the investment team, but they also maintain an oversight role (alongside PCM's compliance team) for the implementation of PCM's Responsible Investment Policy. On the governance side, they are responsible for day-to-day corporate actions, corporate law developments and corporate governance cases analysis and engagements, on E and S side - for day-to-day E and S companies data analysis and engagements.

Operations team. The team makes monitoring of corporate actions and maintenance of corporate actions list, analysis and systematisation of E and S data from companies reports.

Group Compliance Officer. The tGCO monitors, amongst other things, PCM's adherence to its stated policies and practices, including the RI Policy.

Board of Directors. Its members have ultimate responsibility for all PCM's activities on behalf of its clients.

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

Number

3

SG 07.4 Additional information. [Optional]

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Promoting responsible investment

SG 09 **Mandatory** **Public** **Core Assessed** **PRI 4,5**

SG 09.1 Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced

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

During 2019, PCM has been active member of UNPRI, including participation of Global Policy Reference Group and co-signing of one of PRI policy letter.

Also, PCM continued support and promotion of the steps supposed by the Paris Climate Agreement (Russia formalized participation in it in September 2019), including support of Draft Russia's Greenhouse Gas Law, and proposed by the Governmental Concept of development of public non-financial reporting, including law-in-draft on non-financial reporting and a draft of key indicators of such reporting.

On soft-law side, following PCM engagements, the Central Bank of Russia drafted the first Russia's Stewardship Code and PCM contributed to its promotion and drafting.

Also following PCM engagements, Moscow Exchange became a Partner Exchange of the UN Sustainable Stock Exchanges initiative.

As a part of PCM's ESG promotion efforts, during the year PCM spoke on a number of Moscow ESG events, including one jointly with PRI representative.

Also, as a part of PCM's ESG promotion efforts, PCM continued its engagements with Bank of Russia in relation to measures needed to ensure large public companies disclose of "E" and "S" information.

For other details of our initiative, please see responses below, as well as responses to section SG 10.

- 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

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]

Through Association of Professional Investors, PCM contacted Eumedion regarding the joint nomination of an independent candidate to the Board of a major Russian public company

- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify
Corporate Governance Working Groups

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

- Basic
- Moderate
- Advanced

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

As an active investment manager, PCM cooperated with the Government, regulators, Supreme Court, stock exchanges and legislators to improve the overall corporate governance and ESG standards in Russia. PCM's representatives have been involved in the activity of "Corporate Governance Improvements" Working Group within Governmental "Business Climate Transformation" platform, Expert Council on Corporate Governance of the Bank of Russia, Committee on the Interpretation of Provisions of the Corporate Governance Code under the Expert Council on Corporate Governance of the Bank of Russia, Transparency Council of the Bank of Russia and also Moscow Exchange's Listing Committee.

The PCM's representatives were involved in the preparation of a number of laws-in-draft and amendments to existing laws-in-draft, related to issues mentioned above and defended the proposals on various meetings with representatives of the Government, Ministry for Economic Development, Ministry of Finance and Central Bank.

- Other collaborative organisation/initiative, specify

Association of Institutional Investors (previously known as Investor Protection Association)

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

- Basic
 Moderate
 Advanced

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

Prosperity Capital Management was a co-founder (in 1999) of the Investor Protection Association, and Alexander Branis, PCM's Chief Investment Advisor, serves as its Chairman. It is the only organization in Russian that was created by investors, financed by investors, that worked for investors. It has corporate governance and ESG promotion goals, and it is active in its independent directors' nomination, minority shareholders' rights' defence and ESG issues, such as corporate and ESG legislation's enhancements plus improvements on the efficiency of corporate governance at state-owned companies.

- Other collaborative organisation/initiative, specify

Active and proactive engagement with portfolio companies

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

- Basic
 Moderate
 Advanced

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

In 2019, PCM advocated high standards of corporate governance, social and environmental policies in investee companies also through an active and a proactive approach to important corporate actions (including charters' amendments, take-overs, mergers and acquisitions, large-scale and related party transactions, additional share issues) to ensure shareholders' rights' observance during such actions, and also by way of engagements, including shareholders proposals, communication, including in cooperation with other minority shareholders, with Boards, management and controlling shareholders of investee companies throughout PCM's portfolio with aim to promote good corporate governance and, in cases when respective flaws exist, more transparency of social and environmental factors, responsible and balanced social and environmental policy (some of such projects were done as collaborative initiatives).

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

	Description
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Prosperity Capital Management continues to pursue better corporate governance, sustainable development and stewardship standards in Russian and other FSU States through active ownership. This includes meetings and seminars.

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

Description

PCM supported and spoke on a number of Moscow ESG events, including one jointly with PRI, addressed to local investors, local companies and involving different related state bodies' representatives.

Frequency of contribution

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad hoc
 - Other
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI

Description

On soft-law side, following PCM engagements, the Central Bank of Russia (being financial market regulator in Russia) drafted the first Russia's Stewardship Code and PCM contributed to its promotion and drafting.

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

Description

Member of Global Policy Reference Group, Co-signed of one of PRI policy letters

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify
- No

SG 10.3

Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

As an active investment manager, PCM cooperated with the Government, regulators, Supreme Court, stock exchanges and legislators to improve the overall corporate governance and ESG standards in Russia. PCM's representatives have been involved in the activity of "Corporate Governance Improvements" Working Group within Governmental "Business Climate Transformation" platform, Expert Council on Corporate Governance of the Bank of Russia, Committee on the Interpretation of Provisions of the Corporate Governance Code under the Expert Council on Corporate Governance of the Bank of Russia, Transparency Council of the Bank of Russia and also Moscow Exchange's Listing Committee.

The PCM's representatives were involved in the preparation of a number of laws-in-draft and amendments to existing laws-in-draft, related to issues mentioned above and defended the proposals on various meetings with representatives of the Government, Ministry for Economic Development, Ministry of Finance and Central Bank.

Initiatives that became the law during 2019

During such engagements, PCM actively proposed and supported law amendments that were approved in 2019 and provide for:

- Stricter delisting and related buy-back rules.
- Streamlined regulation of related party's transactions.
- Fairer buy-back price in case of mandatory buy-backs of public JSC shares.
- Improved shareholders' rights defence in case of new type of shares' issues (extension of pre-emptive rights).

Over and above legislative corporate governance developments, PCM highlighted and supported a number of positive ESG legislative developments:

During 2019, PCM continued its support and promotion of the steps suggested by the Paris Climate Agreement (Russia formalized its participation in the Paris Climate Agreement in September 2019), including support of Draft Russia's Greenhouse Gas Law, and proposed by the Governmental Concept of development of public non-financial (ESG) reporting, including law-in-draft on non-financial (ESG) reporting and a draft of the Government's order "On the approval of the list of key (basic) indicators of public non-financial reporting".

On soft-law side, following PCM engagements, the Central Bank of Russia (being financial market regulator in Russia) drafted the first Russia's Stewardship Code and PCM contributed to its promotion and drafting.

Also following PCM engagements, Moscow Exchange (MOEX) became a Partner Exchange of the UN Sustainable Stock Exchanges initiative (and was ranked 16th amongst stock exchanges based on issuers' ESG disclosure).

As a part of PCM's ESG promotional efforts, during the year PCM spoke on a number of Moscow ESG events, including one jointly with PRI representative, addressed to local investors, local companies and involving different experts and related state bodies' representatives (two MOEX round tables, Russia's Corporate Secretaries Forum, ESG Roundtable at Renaissance Capital Annual Conference, Moscow State University and Kazakhstan's IFC "Astana" sustainable development expert discussion and Moscow State University program for Board members).

Also, as a part of PCM's ESG promotion efforts, PCM continued its engagements with Bank of Russia in relation to measures needed to ensure large public companies disclose of "E" and "S" information.

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.
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- 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.).
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- 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 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes
- No

Innovation

SG 18	Voluntary	Public	Descriptive	General
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SG 18.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
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- Yes

SG 18.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
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"We always tell ourselves that we own parts of actual companies, not simply pieces of paper. Our holdings represent stakes in commercial organisations, that can always be further developed and better-managed. They are not just share certificates that someone might pay more for tomorrow."

Mattias Westman, Founder

Each shareholder owns a part of the business that they invest in and have the same rights. This means that PCM is a stakeholder in the firms in which we invest on behalf of our shareholders and that it is our job to try to ensure that management works for the benefit of all shareholders.

This activist approach can be expressed in three ways. We engage with the corporate management and core shareholders of the business to discuss issues of corporate governance and corporate finance. This is generally seen as a positive contribution and welcomed by the other stakeholders. Another form is where good corporate governance practices have been or are at risk of being breached. In such cases, we take action to resolve a potential conflict or to minimise the damage where a conflict has already arisen. This activity can take many forms from negotiations, appeals to the regulatory authorities or, in some cases, legal action. The third avenue of our active approach is working with the government, regulators and legislators to improve the overall investment climate.

An active investment approach means helping to make our companies more profitable and valuable. PCM is often a large minority shareholder in many of our Funds' investee companies, which often helps us achieve these objectives. PCM refers to this investment approach as "constructive activism".

In addition to this, PCM works in isolation with partners and as part of established institutions and initiatives to promote and develop improved corporate governance standards across the investment region. This means that PCM regularly and actively engages with the government, financial market institutions and regulators and other market participants to advocate and help implement enhancement to Russia's corporate governance codes, practices and standards.

PCM strongly believes that good governance standards and practices will also manifest in appropriate and strong environmental and social standards and policies. As such, we feel that our work on seeking to drive corporate governance standards will not only improve the ESG levels of our portfolio companies, but perhaps even raise those standards across our investment universe at an aggregate level.

No

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 2, 6
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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.
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Listed equity - Incorporation

Do you disclose?

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

Disclosure to clients/beneficiaries	
	<p>Disclosure to clients/beneficiaries</p> <p><input checked="" type="radio"/> Broad approach to ESG incorporation</p> <p><input type="radio"/> Detailed explanation of ESG incorporation strategy used</p>
	<p>Frequency</p> <p><input type="checkbox"/> Quarterly or more frequently</p> <p><input type="checkbox"/> Biannually</p> <p><input type="checkbox"/> Annually</p> <p><input type="checkbox"/> Less frequently than annually</p> <p><input checked="" type="checkbox"/> Ad-hoc/when requested</p>

Listed equity - Engagement

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"/> Details on the overall engagement strategy <input checked="" type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input checked="" type="checkbox"/> Breakdown of engagements by type/topic <input checked="" type="checkbox"/> Breakdown of engagements by region <input checked="" type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input checked="" type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input checked="" type="checkbox"/> Details on whether the provided information has been externally assured <input checked="" type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input checked="" type="checkbox"/> Ad-hoc/when requested

Listed equity – (Proxy) Voting

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="radio"/> Disclose all voting decisions <input type="radio"/> Disclose some voting decisions <input type="radio"/> Only disclose abstentions and votes against management
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input checked="" type="checkbox"/> Ad hoc/when requested

Prosperity Capital Management

Reported Information

Public version

Direct - Listed Equity Incorporation

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 listed equities

Implementation processes


LEI 01	Mandatory	Public	Gateway	PRI 1
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LEI 01.1

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

ESG incorporation strategy (select all that apply)

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

Percentage of active listed equity to which the strategy is applied — you may estimate +/- 5%	
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- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined
- We do not apply incorporation strategies

Total actively managed listed equities

100%

LEI 01.2

Describe your organisation's approach to ESG incorporation and the reasons for choosing the particular strategy/strategies.

Prosperity Capital Management seeks to consider all factors, including ESG issues, into its investment analysis and investment management. Within reason we employ all available methods to build a holistic and detailed view of the companies within our investment universe.

Screening

Negative: Prosperity excludes cluster munitions companies and those that are on relevant sanctions lists.

Positive: Prosperity believes that the quality of management is very variable in our investment universe and that this qualitative metric has a very significant impact on shareholder value. This is true anywhere, but it is our view that the variance and impact of management quality is greater in Russia than in many other markets. As a result, Prosperity places a considerable emphasis and importance on meetings with company management and core shareholders throughout the investment process in order to evaluate their quality. As such, Prosperity positively screens on corporate governance quality and E and S factors.

Norms-based: Prosperity conducts peer analysis of the companies in our investment universe and portfolios against equivalent and leading businesses around the world. We engage in such analysis not only to identify the strengths and weakness of our portfolio companies and of the companies in the broader investment

universe, but also to assess the opportunities available to them to improve their operations and businesses - which we actively promote through our engagement with stakeholders.

Integration

Prosperity specifically includes the consideration of ESG factors, alongside other factors, to develop a holistic and detailed understanding of the businesses in our investment universe.

PCM believes that ESG monitoring, engagements and improvements reduce respective investment risks and provide for better returns. PCM also believes that good corporate governance, high environmental standards, responsible social policies and respective adequate risk-management are indicative of efficient and sustainable management. And, in the contrary, cases or risks of governance abuses, environmental or social disregard are signals of inefficient and non-sustainable management and should be taken into consideration during investment process and as a subject for engagements.

Thus, in particular, our investment decisions take into account governance factors, and our financial models include, when applicable, material effects of any industrial accidents/downtimes including staff costs, current and expected environmental regulations, environmental fines, environmental capital expenditure, social costs related to local communities etc.

LEI 01.3

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

Prosperity's investment decisions are underpinned by highly-detailed, proprietary investment analysis conducted by the Moscow-based sector-specialist analysts that form the Prosperity investment advisory team. Prosperity seeks to develop a thorough and robust understanding of the businesses in our investment universe and portfolios. ESG considerations are just one factor of far broader ranging investment analysis criteria. In the consideration of ESG factors, the various incorporation strategies detailed previously are blended to produce a holistic and compressive understanding of the company in question's operations and activities. No implementation strategy carries a higher weight than the other by rote; instead our approach is tailored to the individual company and prevailing situation in a dynamic fashion.

LEI 02

Voluntary

Public

Additional Assessed

PRI 1

LEI 02.1

Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

Type of ESG information

Raw ESG company data

Indicate who provides this information

ESG research provider

Sell-side

In-house – specialised ESG analyst or team

In-house – analyst or portfolio manager

Company-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Country-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Screened stock list

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- ESG issue-specific analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

LEI 02.2	Indicate whether you incentivise brokers to provide ESG research.
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- Yes
- No

LEI 02.4	Additional information. [Optional]
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Prosperity seeks management teams with a sound understanding of the business and the competitive environment in which they operate, with a clear focus and strategy for the successful execution of the company's development plans. It is also considered important that the management and their incentive structures are strongly aligned with shareholders' interests.

Triangulation (i.e. speaking with a company's external stakeholders, such as suppliers, distributors, competitors, etc.) is considered an important part of the process, allowing Prosperity to build strong convictions in our views and to take significantly contrarian stances to the general market and sell-side analysts with considered and monitored comfort.

We regularly meet with management (members of Prosperity's investment team conduct over 500 company meetings and engagements each year), appoint Independent Directors and monitor external data on Bloomberg, etc. to follow the development of financial and ESG related factors. We monitor 100% of corporate actions. As to 'E' and 'S' criteria, we have started to monitor certain data from company's annual reports, websites etc. in relation to the top-50 positions in our portfolio. Where there is no such disclosure, we engage with the companies regarding insufficient disclosure issue.

LEI 03	Voluntary	Public	Additional Assessed	PRI 1
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LEI 03.1	Indicate whether your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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- Engagement
 - We have a systematic process to ensure the information is made available.
 - We occasionally make this information available.
 - We do not make this information available.
- (Proxy) voting
 - We have a systematic process to ensure the information is made available.
 - We occasionally make this information available.
 - We do not make this information available.

LEI 03.2	Additional information. [Optional]
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Prosperity Capital Management's active and pro-active approach is an integral part of the investment function. Out of the ten strong Prosperity investment team members, two are devoted to Corporate Governance affairs, including, but not limited to engagement and voting activities. The Corporate Governance members of the investment team do not operate in isolation, however, and all such actions are considered as part of the investment process, which is operated in a collegial and collective manner with all investment team members participating in all decisions.

(A) Implementation: Screening				
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LEI 04	Mandatory	Public	Descriptive	PRI 1
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LEI 04.1	Indicate and describe the type of screening you apply to your internally managed active listed equities.
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Type of screening

- Negative/exclusionary screening

Screened by

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

Description

With the exception of cluster munitions and relevant sanctioned entities, Prosperity Capital Management does not seek to exclude any potential investment. The core belief of Prosperity is that positive results for environmental, social and governance work comes from active involvement in companies rather than from exclusion of certain investments.

Broadly speaking, we seek to invest into fundamentally sound and well-managed businesses. In this way, those companies that have poor corporate governance practices tend to be unattractive.

As a value investor with an active and pro-active investment approach, it should however be noted that such decisions are made on case-by-case basis with many influencing factors, not least the price and the ability to engage with the owners, management, shareholders and other stakeholders to promote positive changes in a business.

Also, we have formalised the incorporation of other non-financial data in our investment process, including the monitoring of carbon-related matters and the reporting thereof. Where relevant, we will also actively seek to engage with companies on these issues.

At the same time, generally, PCM does not include in its investment universe companies with poor corporate governance, environmental and social records.

- Positive/best-in-class screening

Screened by

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

Description

Prosperity believes that the quality of management is very variable in our investment universe and that this qualitative metric has a very significant impact on shareholder value. This is true anywhere, but it is our view that the variance and impact of management quality is greater in Russia than in many other markets. As a result, Prosperity places a considerable emphasis and importance on meetings with company's management and core shareholders throughout the investment process in order to evaluate their quality.

The rapid rate of change in Russia also necessitates constant monitoring, as the market for corporate control is quite active and both core shareholders and management may change. These changes may sometimes work to dramatically increase the efficiency of a company and its shareholder value. Our long-standing participation in the market allows us to often form a well-researched view of incoming shareholders and management based on their respective previous track records. It also gives us the

opportunity to efficiently reach the management to discuss strategy and plans for operational improvements.

Norms-based screening

Screened by

- UN Global Compact Principles
- The UN Guiding Principles on Business and Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify

Where appropriate, Prosperity employs a proprietary benchmarking analysis against global industry peers to ascertain global industry best practices as part of our investment process.

Description
Where appropriate, Prosperity employs a proprietary benchmarking analysis against global industry peers to ascertain global industry best practices to seek to identify areas of strength and of opportunity for our portfolio companies. Where we see opportunities for improvement for our portfolio companies, we will actively engage with them to demonstrate and discuss those, promoting positive changes and seeking to add value over time.

LEI 04.2	Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.
<p>Prosperity's screening criteria are an integrated part of the investment process. As such, they are reviewed and evolved on an ongoing basis, as we continue to learn from our decisions and to seek to ever-enhance our processes. At the very least, a formal review is conducted once per annum.</p> <p>Where significant changes are made to our screening criteria, which is not anticipated, Prosperity would communicate these to the relevant stakeholders, with reverence and consideration to the due process and our general communication approach.</p>	

LEI 05	Mandatory	Public	Core Assessed	PRI 1
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LEI 05.1

Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar.
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list.
- A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
- A periodic review of internal research is carried out.
- Review and evaluation of external research providers.
- Other; specify
 Prosperity's investment team, comprised of sector-specialist analysts, works in a collaborative fashion before seeking to reach a consensus agreement on a company.
- None of the above

LEI 05.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 05.4

Indicate how frequently you review internal research that builds your ESG screens.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 05.5

Additional information. [Optional]

Prosperity believes that accessing high-quality management is extremely important in achieving investment success in Russia and the FSU. There are substantial opportunities in these dynamic and quickly evolving markets and it is Prosperity's view that strong and capable management teams are most able to benefit from these characteristics, whilst also minimising the risk of corporate governance malfeasance and breaches.

As such, Prosperity places considerable emphasis and importance on meetings with the company's management, executives, majority shareholders and other stakeholders throughout the investment consideration, inception, monitoring and exit process.

Triangulation (i.e. speaking with company's external stakeholders, such as suppliers, distributors, competitors, etc.) is considered an important part of the process, allowing Prosperity - in conjunction with our considerable experience of investing in Russia and the FSU since 1996 and our long historical knowledge of many companies - to build strong convictions in our views and to take significantly contrarian stances to the general market and sell-side analysts with considered and monitored comfort.

Members of Prosperity's investment team conduct over 500 company meetings and engagements each year. It is considered that on average:

65% of such meetings take place at Prosperity's or the respective company's offices
 20% "on-site"
 10% at conferences
 5% by tele/videophone.

Access to senior corporate personnel and management is generally considered to be very good in Russia and the Former Soviet Union and provides us with the opportunity to develop a robust understanding of the company and its practices, in conjunction with other investment research work.

LEI 06	Voluntary	Public	Additional Assessed	PRI 1
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LEI 06.1	Indicate which processes your organisation uses to ensure fund criteria are not breached.
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- Systematic checks are performed to ensure that stocks meet the fund's screening criteria
- Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria
- Audits of fund holdings are undertaken regularly by internal audit function
- Periodic auditing/checking of the organisations RI funds by external party
- Other; specify
 Prosperity's investment team, comprised of sector-specialist analysts, works in a collaborative fashion before seeking to reach a consensus agreement on a company.
- None of the above




LEI 06.2	If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.
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The Group Compliance Officer conducts monitoring exercises in order to ascertain that the Company adheres to rules, regulation and internal policies. If a breach is discovered in the investment process, then this would immediately be escalated to the Risk Committee. The Committee will discuss the matter with all relevant stakeholders and ensure that the breach is rectified, whilst also considering additional enhancements to Prosperity's processes.

(C) Implementation: Integration of ESG factors

LEI 08	Mandatory	Public	Core Assessed	PRI 1
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LEI 08.1	Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.
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ESG issues	Proportion impacted by analysis
Environmental	 <p>Environmental</p> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90% </p>
Social	 <p>Social</p> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90% </p>
Corporate Governance	 <p>Corporate Governance</p> <p> <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90% </p>

LEI 08.2 Additional information. [Optional]

Prosperity Capital Management seeks to consider all factors, including ESG issues, in its investment analysis and investment management. We seek to employ all available methods of doing so to build a holistic and detailed view of the companies within our investment universe.

We regularly meet with the management, appoint Independent Directors and monitor external data on Bloomberg, etc. to follow the development of financial and ESG related factors. We cover 100% of portfolio with 'G' analysis. We are currently expanding our 'E' and 'S' analysis to the firm's top-50 positions, which is around 90% of our portfolios. Where there is no such in a company's annual report, website etc., we engage respective company to find relevant data and regarding insufficient disclosure issue. In 2019, "E" and "S" monitoring and engagements covered 63 % of our portfolio.

LEI 09	Mandatory	Public	Core Assessed	PRI 1
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LEI 09.1

Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Analysis of the impact of ESG factors on investment risk and return performance
- Other; specify
 Prosperity's investment team, comprised of sector-specialist analysts, works in a collaborative fashion before seeking to reach a consensus agreement on a company.
- None of the above

LEI 09.2

Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 09.4

Indicate how frequently you review internal research that builds your ESG integration strategy.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually

LEI 09.5

Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
- Other; specify
 Prosperity's investment team, comprised of sector-specialist analysts, works in a collaborative fashion before seeking to reach a consensus agreement on a company.
- None of the above

LEI 09.6

Additional information. [Optional]

Prosperity Capital Management seeks to consider all factors, including ESG issues, into its investment analysis and investment management. We seek to employ all available methods of doing so to build a holistic and detailed view of the companies within our investment universe.

Our active ownership approach can be expressed in three ways. We monitor ESG factors (including 100 % of corporate actions) and engage with the corporate management and core shareholders of the business to discuss issues of corporate governance, corporate finance and "E" and "S" matters, and realize our corporate rights. Another form is where good corporate governance practices have been or are at risk of being breached. In such cases, we take action to resolve a potential conflict or to minimise the damage where a conflict has already arisen. This activity can take many forms from negotiations, appeals to the regulatory authorities or, in some cases, legal action. The third avenue of our active approach is working with the government, regulators and legislators to improve the overall investment climate, including in relation to ESG issues.

Outputs and outcomes

LEI 12

Voluntary

Public

Descriptive

PRI 1

LEI 12.1

Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

Screening

Describe any reduction in your starting investment universe or other effects.

Generally, PCM doesn't include in its investment universe companies with poor corporate governance, environmental and social track-record.

However, with the exception of cluster munition companies (which are indefinitely excluded from our investment universe) and relevant sanctioned entities (excluded for the period that those sanctions are applicable), Prosperity Capital Management does not seek to exclude any potential investment. Our core belief is that positive results for ESG work come from active involvement in companies rather than from exclusion of certain investments.

Specify the percentage reduction (+/- 5%)

Integration of ESG factors

Select which of these effects followed your ESG integration.

- Reduce or prioritise the investment universe
- Overweight/underweight at sector level
- Overweight/underweight at stock level
- Buy/sell decisions
- Engagement / Voting
- Other; specify
- None of the above

Prosperity Capital Management

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

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

LEA 01.1

Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2

Attach or provide a URL to your active ownership policy.

Attachment provided:

URL provided:

URL

<https://prosperitycapital.com/investment-philosophy/responsible-investment/>

LEA 01.3

Indicate what your active engagement policy covers:

General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Methods of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other; (specify)
- (Proxy) voting approach

Voting

- ESG issues
 - Prioritisation and scope of voting activities
 - Methods of voting
 - Transparency of voting activities
 - Regional voting practice approaches
 - Filing or co-filing resolutions
 - Company dialogue pre/post-vote
 - Decision-making processes
 - Securities lending processes
 - Other; (specify)
 - Other
 - None of the above
- No

LEA 01.4

Do you outsource any of your active ownership activities to service providers?

- Yes
- No

LEA 01.6

Additional information [optional]

General approach

Our active shareholder and responsible investment approach encompass around 30% of the investment team's time and is a core part of our activities.

Each shareholder owns a part of the business that they invest in and have the same rights. This means that Prosperity is a stakeholder in the firms in which we invest on behalf of our shareholders and that it is our job to try to ensure that management works for the benefit of all shareholders. This active shareholder approach can be expressed in three ways. We engage with the corporate management and core shareholders of the business to discuss issues of corporate governance, corporate finance and sustainable development issues. Another form is where good corporate governance practices have been or are at risk of being breached. In such cases, we take action to resolve a potential conflict or to minimise the damage where a conflict has already arisen. This activity can take many forms from negotiations, appeals to the regulatory authorities or, in some cases, legal action. The third avenue of our active approach is working with the government, regulators and legislators to improve the overall investment climate, corporate governance and stewardship aspects.

An active investment approach means helping to make our companies more profitable and valuable. Prosperity is often a large minority shareholder in many of our Funds' investee companies, which often helps us achieve these objectives. Prosperity refers to this investment approach as "constructive activism". PCM believes that voting of proxies is an important part of portfolio management, as it provides the opportunity to be heard and influence the direction of a company. As such, PCM has an active approach to voting of proxies and does so with a high frequency across the portfolios.

Engagement

Engagement is an integral part of PCM's research process and our dedicated investment team in Moscow regularly conducts meetings with company management in order to gain a fundamental view on how companies are using their capital and conduct their business. These meetings take place on site at their headquarters, local sites, at investment conferences and in PCM's offices. ESG issues are part of our engagement and incorporated into our investment analysis and fundamental investment process.

PCM engages with companies and other stockholders, in particular in our top-30 holdings, in situations that are either generally important for ESG or would seriously influence PCM managed funds and mandates' rights/interests as shareholders. PCM expects that the outcome of our engagements would be the improvement of certain ESG issues at an investee company's level or more generally through laws and regulations.

PCM decides to engage based on materiality, but has no "minimum asset size" rule for engagements. Particular issues that could seriously influence PCM managed funds and mandates' rights/interests as shareholders (including harm to an investee company which influence them derivatively) are prioritized. Scope of our engagement covers mainly portfolio companies, but they may also cover other issues in case of general importance to the country and the economy (and possibly subsequently to our portfolio companies).

PCM engagement processes include writing letters and emails, joining collaborative engagements, face-to-face meetings, filing shareholder resolutions, and applications to regulators and courts. In most engagements, PCM relies upon international commitments, policies, frameworks and ESG best practices. If initial engagement fails, PCM normally escalate to pursue the matter. Generally, we don't divest because of failed engagement, unless the financial analysis or trust in management have severely deteriorated.

We track and report our engagement to clients, in case of their request, and to PRI within its reporting framework

In 2019, in total, ESG engagements covered around 90 % of portfolio, while ES engagements covered around 63 % of portfolio.

Proxy voting

PCM believes that the voting of proxies is an important part of portfolio management, as it provides the opportunity to be heard and influence the direction of a company. PCM is committed to voting proxies in a manner consistent with the best interests of its clients.

PCM will oppose share issues which dilute shareholders without bringing adequate benefits to the investment, interested party transactions (both in ordinary course of business and asset transfers) which are designed for asset-stripping or transfer of value in favour of majority shareholder(-s) or third parties, excessive management compensation and other corporate abuses. On the other hand, PCM will support measures designed to improve corporate transparency, accountability of managers and directors, share liquidity and the like. PCM will judge genuine business transactions brought to the attention of shareholders on their merits, on a case-by-case basis.

PCM will have the responsibility of voting proxies received by clients. Each proxy proposal received by PCM will be reviewed and evaluated. Proxy proposals received by PCM will be voted via instructions to the custodian in accordance with the proxy voting policies. Notwithstanding the foregoing, PCM may vote a proxy contrary to the proxy voting guidelines if it determines that such action is in the best interests of the client(-s).

We monitor 100% of corporate actions and vote on 'significance' basis, which is defined through:

(a) reasons -related to our top-50 holdings and/or seriously influence our rights/interests as shareholders and/or generally important for ESG and/or

(b) outcomes - improvement of certain ESG issues at an issuer's level or generally.

For clients who have retained voting rights and discretion in respect of investments, PCM passes on proxy proposals received to the client and/or its custodian together with a recommendation on how votes should be cast.

Engagement				
LEA 02	Mandatory	Public	Core Assessed	PRI 1,2,3
LEA 02.1	Indicate the method of engagement, giving reasons for the interaction.			

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers

LEA 02.4

Additional information. [Optional]

Shareholder value is often created in companies that are in the midst of a transformation - be it a merger, corporate restructuring, change of control or management or an on-going sector consolidation. During such periods, it is important to safeguard good corporate governance standards and an active approach can be a major contributor to enhanced shareholder value.

Whilst Russia is often associated with economic and political risks, one of the most serious risks of investing in Russia relates to corporate governance and is often not given sufficient weight. If you sit close to the companies in which you are invested, know them well and have tools to deal with these risks, they can at least be mitigated. Triggering, or at least spotting, big improvements in corporate governance can also be a major source of value generation for investors in Prosperity funds. Investors in Russia and the FSU cannot avoid corporate governance risks entirely, as these economies are changing rapidly, and sometimes things happen that investors do not want to happen. But Prosperity's track record shows that our investment approach has allowed us, with stamina and a "hands-on" approach, to generate value in this market by utilising our active and pro-active investment approach.

Prosperity's active engagement can either take place in isolation or as part of a collective group of investors and with the support of various corporate governance institutions, not least the Investor Protection Association. Where action is collective, it is not unusual for Prosperity to be a leader of discussions and negotiations.

LEA 03

Mandatory

Public

Core Assessed

PRI 2

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

LEA 03.1

Indicate whether your organisation has a formal process for identifying and prioritising engagements.

Yes

LEA 03.2

Indicate the criteria used to identify and prioritise engagements for each type of engagement.

Type of engagement	Criteria used to identify/prioritise engagements
Individual / Internal staff engagements	<div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 10px;">Individual / Internal staff engagements</div> <ul style="list-style-type: none"> <input type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input checked="" type="checkbox"/> Exposure (size of holdings) <input checked="" type="checkbox"/> Responses to ESG impacts that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input checked="" type="checkbox"/> Follow-up from a voting decision <input checked="" type="checkbox"/> Client request <input type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our individual engagements
Collaborative engagements	<div style="background-color: #0070C0; color: white; padding: 5px; margin-bottom: 10px;">Collaborative engagements</div> <ul style="list-style-type: none"> <input type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors <input checked="" type="checkbox"/> Ability to have greater impact on ESG issues <input checked="" type="checkbox"/> Ability to add value to the collaboration <input type="checkbox"/> Geography/market of the companies targeted by the collaboration <input checked="" type="checkbox"/> Materiality of the ESG factors addressed by the collaboration <input checked="" type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input checked="" type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input type="checkbox"/> Responses to divestment pressure <input checked="" type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Alleviate the resource burden of engagement <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers

No

LEA 03.3

Additional information. [Optional]

PCM is a member of Investor Protection Association (Russia) since 1999 and are active in its collaborative engagements regarding independent directors' nomination, minority shareholders' rights' defence and ESG issues, corporate and ESG legislation's enhancement and improvement of the efficiency of corporate governance at state-owned companies.

LEA 04

Mandatory

Public

Core Assessed

PRI 2

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

LEA 04.1

Indicate whether you define specific objectives for your organisation's engagement activities.

Individual / Internal staff engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff
Collaborative engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration

LEA 05

Mandatory

Public

Core Assessed

PRI 2

LEA 05.1

Indicate whether you monitor and/or review engagement outcomes.

Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input checked="" type="radio"/> Yes, in all cases <input type="radio"/> Yes, in a majority of cases <input type="radio"/> Yes, in a minority of cases <input type="radio"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.

LEA 05.2

Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.

Individual / Internal staff engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify
Collaborative engagements	<input checked="" type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input checked="" type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other; specify

LEA 06	Mandatory	Public	Additional Assessed	PRI 2,4
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LEA 06.1	Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.
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Yes

LEA 06.2	Indicate the escalation strategies used at your organisation following unsuccessful engagements.
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- Collaborating with other investors
- Issuing a public statement
- Filing/submitting a shareholder resolution
- Voting against the re-election of the relevant directors
- Voting against the board of directors or the annual financial report
- Submitting nominations for election to the board
- Seeking legal remedy / litigation
- Reducing exposure (size of holdings)
- Divestment
- Other; specify

No

LEA 07	Voluntary	Public	Additional Assessed	PRI 1,2
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LEA 07.1	Indicate whether insights gained from your organisation`s engagements are shared with investment decision-makers.
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Type of engagement	Insights shared
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.2 Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing an engagement programme
- Holding investment team meetings and/or presentations
- Using IT platforms/systems that enable data sharing
- Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
- Other; specify
- None

LEA 07.3 Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 07.4 Additional information. [Optional]

Prosperity's investment advisory team seeks to use all sources of information and data available to them. Status and result of engagement activity are shared within the advisory team and the most important cases are shared with clients through PCM presentations, newsletters and on annual conferences.

LEA 08	Mandatory	Public	Gateway	PRI 2
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LEA 08.1 Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual/Internal staff engagements	<input type="radio"/> Yes, we track the number of our engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input type="radio"/> Yes, we track the number of collaborative engagements in full <input checked="" type="radio"/> Yes, we partially track the number of our collaborative engagements <input type="radio"/> We do not track

LEA 08.2

Additional information. [Optional]

All engagements are managed and/or monitored by the governance team within the investment team.

We have a list of ESG criteria that we monitor and engage with companies in case of lack of disclosure, negative developments or absence of progress. Investment team members report to the group on the daily investment conference call, following up on any collaboratively agreed steps and updating on developments. The Corporate Governance Director maintains a list of all engagements and monitors the progress.

(Proxy) voting and shareholder resolutions

LEA 12

Mandatory

Public

Descriptive

PRI 2

LEA 12.1

Indicate how you typically make your (proxy) voting decisions.

Approach

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

Based on

- Our own voting policy
- Our clients` requests or policies
- Other (explain)
- We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.
- We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions.
- We hire service providers who make voting decisions on our behalf.

LEA 12.2

Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.

We have formalised our Voting Policy which integrates ESG matters. We are committed to voting proxies in a manner consistent with the best interests of our clients. Our Voting Policy stipulates that we are active in voting and try to realise all our corporate rights (we vote in over 80% of votes held and keep records of our voting scores).

All voting instructions are made only after the respective recommendation of Corporate Governance Team, which, among other tasks, ensures compliance with the Policy, with no exceptions.

We monitor 100% of corporate actions and vote on 'significance' basis, which is defined through:

(a) reasons -related to our top-50 holdings and/or seriously influence our rights/interests as shareholders and/or generally important for ESG and/or

(b) outcomes - improvement of certain ESG issues at an issuer's level or generally.

For clients who have retained voting rights and discretion in respect of investments, PCM passes on proxy proposals received to the client and/or its custodian together with a recommendation on how votes should be cast.

LEA 12.3	Additional information.[Optional]
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Prosperity generally seeks to vote in the same manner for all PCM funds and mandates.

Prosperity will oppose share issuances that will dilute shareholders without bringing adequate benefits to the investment, interested party transactions which are designed for asset-stripping or transfer of value in favour of majority shareholder(-s) or third parties.

Prosperity was instrumental in steering regulators towards an electronic system for proxy voting.

LEA 14	Voluntary	Public	Additional Assessed	PRI 2
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LEA 14.1	Does your organisation have a securities lending programme?
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Yes

No

LEA 14.2	Describe why your organisation does not lend securities.
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Very limited market.

LEA 15	Mandatory	Public	Descriptive	PRI 2
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LEA 15.1	Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.
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100%

99-75%

74-50%

49-25%

24-1%

Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.2 Indicate the reasons for raising your concerns with these companies ahead of voting.

- Vote(s) concerned selected markets
- Vote(s) concerned selected sectors
- Vote(s) concerned certain ESG issues
- Vote(s) concerned companies exposed to controversy on specific ESG issues
- Vote(s) concerned significant shareholdings
- Client request
- Other

LEA 16

Mandatory

Public

Core Assessed

PRI 2

LEA 16.1

Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

LEA 16.2

Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Vote(s) concern selected markets
- Vote(s) concern selected sectors
- Vote(s) concern certain ESG issues
- Vote(s) concern companies exposed to controversy on specific ESG issues
- Vote(s) concern significant shareholdings
- Client request
- Other

LEA 16.3

In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.

- Yes
- No

LEA 17

Mandatory

Public

Core Assessed

PRI 2

LEA 17.1

For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

We do track or collect this information

Votes cast (to the nearest 1%)

%

90

Specify the basis on which this percentage is calculated

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

LEA 17.2

Explain your reason(s) for not voting on certain holdings

- Shares were blocked
- Notice, ballots or materials not received on time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- Client request
- Other (explain)



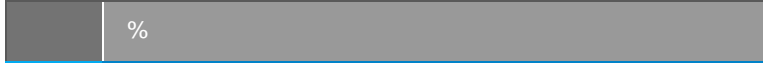
LEA 18**Voluntary****Public****Additional Assessed****PRI 2****LEA 18.1**

Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.

Yes, we track this information

LEA 18.2

Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 72
Against (opposing) management recommendations	 27
Abstentions	 1

100%

No, we do not track this information

LEA 18.3	In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.
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10

LEA 19	Mandatory	Public	Core Assessed	PRI 2
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LEA 19.1	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.
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- Yes
- No

LEA 19.2	Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.
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- Contacting the company's board
- Contacting the company's senior management
- Issuing a public statement explaining the rationale
- Initiating individual/collaborative engagement
- Directing service providers to engage
- Reducing exposure (holdings) / divestment
- Other

Prosperity Capital 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)
- Other, specify
Verified by Group Compliance Officer and also at senior management, partner level.
- 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