



LEA 02	Disclosures Monetary	Reason Gateway	Reason PRI 1.2.3
<p><i>By providing investors the ability to make informed decisions on investments for which they are responsible, investors can contribute to the development of a more sustainable and resilient world. Investors can also contribute to the development of a more sustainable and resilient world by providing investors with the information they need to make informed decisions on investments for which they are responsible.</i></p>	<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p><b>Reason for interaction</b></p> <p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input checked="" type="checkbox"/> To influence corporate transition or identify the need for additional action</p> <p><input checked="" type="checkbox"/> To engage internal ESG issues</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p> <p><input type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p> <p><input type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> To support investment decision-making in &amp; company's interests</p> <p><input type="checkbox"/> To influence corporate transition or identify the need for additional action</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in service provider</p>	

# RI TRANSPARENCY REPORT

## 2020

Garcia Hamilton & Associates, L.P.

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

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

## Understanding the Principles Index

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

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

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

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

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

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		🔒	n/a							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	🔒	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	🔒	n/a							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown of fixed income investments by passive and active strategies	✓	Private							✓
OO FI 02	Reporting on strategies that are <10% of actively managed fixed income	🔒	n/a							✓
OO FI 03	Fixed income breakdown by market and credit quality	✓	Public							✓
OO SAM 01	Breakdown of externally managed investments by passive and active strategies	🔒	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	✓	Private	✓						
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	✓	Private							✓
SG 19	Communication	✓	Public		✓				✓	
SG End	Module confirmation page	✓	-							

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

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

Garcia Hamilton & Associates, L.P.

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 type="radio"/> 0% <input checked="" 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]

Founded in 1988, Garcia Hamilton & Associates, L.P. (GH&A) offers high-quality fixed income strategies for institutional investors. Its diversified client base includes public sector funds, jointly trustee plans, endowments and corporations. The Firm is a limited partnership with current assets under management of approximately \$15 billion, as of December 31, 2019. GH&A is proud to be 100% employee-owned and MBE certified - approximately 91% held by minority and women Partners and 61% held by minority Partners. GH&A is an ESG/RI manager and became a Principles for Responsible Investment (PRI) signatory in 2019.

The Firm has received numerous industry recognitions including 2019 Fixed Income Manager of the Year, 2018 Fixed Income Manager of the Year and 2010 Core Fixed Income Manager of the Year by Emerging Manager Monthly. Other awards include 2014 Fixed Income Investment Grade Manager of the Year, 2015 Intermediate-Term Fixed Income Manager of the Year, and 2016 Intermediate-Term Fixed Income Manager of the Year by Institutional Investor. Additionally, the Firm is proud to announce that it is a multi-year winner (2019, 2018, 2017 & 2016) by Pensions & Investments for Best Places to Work in Money Management.[1]

[1] Awards/rankings may not represent client experiences and are not indicative of future performance. Go to [www.garciahamiltonassociates.com/awards/](http://www.garciahamiltonassociates.com/awards/) for additional information on each award.



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

United States

**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

34

**OO 02.4** Additional information. [Optional]

GH&A is headquartered in Houston, Texas. The Firm's sole business is the investment management of USD denominated fixed income.

OO 03	Mandatory	Public	Descriptive	General
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**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 03.3** Additional information. [Optional]

GH&A does not have any subsidiaries or affiliates.

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

31/12/2019

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

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		14	997	331	721
Currency	USD				
Assets in USD		14	997	331	721

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 06.1**

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

- as percentage breakdown  
 as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	0	0
Fixed income	>50%	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

**OO 06.2**

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

**OO 06.3**

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

- Yes  
 No

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

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

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

GH&A's assets under management are 100% invested in U.S. fixed income assets.

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

	Developed Markets	100
	Emerging Markets	0
	Frontier Markets	0
	Other Markets	0
	Total 100%	100%

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

GH&A only invests in U.S. fixed income securities.

### Asset class implementation gateway indicators

<b>OO 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**OO 10.1** Select the active ownership activities your organisation implemented in the reporting year.

### Fixed income SSA – engagement

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

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

We do not engage directly with portfolio SSA issuers.

### Fixed income Corporate (financial) – 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. Please explain why you do not.

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

We do not engage directly with portfolio companies; however, we engage companies as an active PRI signatory.

### Fixed income Corporate (non-financial) – 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. Please explain why you do not.

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

We do not engage directly with portfolio companies; however, we engage companies as an active PRI signatory.

### Fixed income Corporate (securitised) – 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. Please explain why you do not.

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

We do not engage directly with securitized issuers and servicers.

OO 11

Mandatory

Public

Gateway

General

OO 11.1

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

Fixed income - SSA

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

Fixed income - corporate (financial)

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

Fixed income - corporate (non-financial)

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

Fixed income - securitised

- 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 - Fixed Income

- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised

Closing module

- Closing module

Peering questions

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

<b>OO FI 03.1</b>	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.
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SSA		Developed markets
	100	
		Emerging markets
	0	
		Total
	100%	

<b>OO FI 03.2</b>	Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.
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Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<b>100%</b>
Corporate (non-financial)	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<b>100%</b>
Securitised	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> 0%	<b>100%</b>

**OO FI 03.3**

Additional information. [Optional]

We only purchase high-quality securities for our portfolios; U.S. Treasuries, federal agency securities, agency guaranteed mortgage-backed securities, and high-quality corporate bonds. We do not purchase any lower quality, illiquid securities such as foreign bonds, high yield debt, or derivatives.

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

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



Garcia Hamilton & Associates, L.P.

Reported Information

Public version

Strategy and Governance

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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 checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

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

**SG 01.4**

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

Since the Firm's inception, we have followed a consistent fixed income investment philosophy that focuses on the preservation of principal while maintaining high current income. Our goal is to outperform the benchmark index net of fees with higher credit quality, lower risk, and less volatility. We understand that the role of fixed income is to anchor the portfolio so the client can take risks elsewhere. Our approach is simple, but its simplicity is what gives it its power.

Our high-quality philosophy prevents the Firm from taking unnecessary or unquantifiable risk. This is particularly beneficial in today's current volatile environment.

GH&A has included environmental, social and governance (ESG) considerations in our investment philosophy since our founding (1988). Our philosophy is nuanced and proactive and has evolved beyond negative screening processes. These factors are incorporated considerations in our portfolio construction, investment decision-making, investment analysis and due diligence.

GH&A's investing policy seeks to incorporate ESG and responsible investing (RI) trends and metrics across our high-quality universe within our top-down macro framework. We continually evaluate corporate securities on their current ESG/RI initiatives and policies and evaluate their measurable improvement and implementation of these initiatives.

**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]

We utilize traditional financial and quantitative metrics analysis as well as qualitative assessments to identify ESG risks and opportunities and inform buy/sell/hold decisions. The Firm uses both internal and external resources to acquire data, information and analyses on sustainability factors facing our corporate universe. GH&A collects historic and peer level data on our corporate securities including RobecoSAM, Sustainalytics Rank, ISS Quality Score, CDP Climate Score as well as Bloomberg ESG disclosure metrics. The reports from these third-party providers assist the investment team in its overall evaluation process and provides a base to further study/research these securities for continued inclusion in our portfolio. Corporate securities are evaluated based on improving or declining adherence to PRI guidelines. If a security within our investment universe fails to maintain a positive ESG trajectory, it will receive diminished consideration for future investments.

No

**SG 02****Mandatory****Public****Core Assessed****PRI 6**

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

**SG 02.1**

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

Policy setting out your overall approach

URL/Attachment

URL

URL

<https://garciahamiltonassociates.com/investment-process/>

- Attachment (will be made public)
- Fiduciary (or equivalent) duties

URL/Attachment

- URL

URL

<https://garciahamiltonassociates.com/wp-content/uploads/2020/03/ADV-Part-2A-GHA-2020-AnnualAmend-Final.pdf>

- Attachment (will be made public)
- Screening / exclusions policy

URL/Attachment

- URL

URL

<https://garciahamiltonassociates.com/investment-process/>

- Attachment (will be made public)
- We do not publicly disclose our investment policy documents

**SG 02.2**

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

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

URL/Attachment

- URL
- Attachment

File Attachment

[ESG Overview.pdf \[96KB\]](#)

- Your investment objectives that take ESG factors/real economy influence into account
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Reporting
- Understanding and incorporating client / beneficiary sustainability preferences
- We do not publicly disclose any investment policy components

**SG 02.3** Additional information [Optional].

Though we do not publicly disclose our definition of ESG, investment objectives that take ESG factors into account, ESG incorporation approaches, and reporting, we make this information available to clients on quarterly and annual due diligence, compliance, and ESG questionnaires and disclosures.

**SG 03**

**Mandatory**

**Public**

**Core Assessed**

**General**

**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.

**Excerpt from GH&A Code of Ethics: Section I. General Principals, D. Conflicts of Interest**

The Firm has a duty to disclose potential and actual conflicts of interest to their clients. All employees have a duty to report potential and actual conflicts of interest to the Firm. Therefore, all employees are required to disclose annually any board position they or their spouse hold for a foundation, endowment, charity or similar organization, private company, publicly traded company, or government entity. In addition, prior to acceptance of any position in an outside enterprise, i.e., a publicly-held company or government entity, or serving as a member of an investment committee of any Board, an employee must submit a Notice of Intent to Accept Position which can be found attached to [the Code of Ethics] as Exhibit A.

No

**SG 03.3**

Additional information. [Optional]

As an Investment Advisor registered with the Securities and Exchange Commission, GH&A fiduciary obligations include: prudence in managing clients' assets, acting in the clients' interests above the Firm's interests, disclosing potential or actual conflicts of interests and maintaining confidentiality of client records and information.

## 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

## Governance and human resources

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

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

### Roles

- Board members or trustees
- Internal Roles (triggers other options)

### Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
- Other Chief-level staff or head of department, specify
  - Managing Director**
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Portfolio managers
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Investment analysts
    - Oversight/accountability for responsible investment
    - Implementation of responsible investment
    - No oversight/accountability or implementation responsibility for responsible investment
  - Dedicated responsible investment staff
  - Investor relations
  - Other role, specify (1)
  - Other role, specify (2)
- External managers or service providers

<b>SG 07.2</b>	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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The Firm's fixed income investment team consists of ten (10) people with Gilbert A. Garcia, Managing Partner, and/or Karen Tass, Partner/Portfolio Manager, having the final decision-making and oversight responsibility for all portfolios, including oversight/accountability for ESG/responsible investment. Mr. Garcia interacts throughout the day with the fixed income trading desk on the positioning of the portfolio. The fixed income team works with Mr. Garcia on the timing of portfolio changes as well as security selection and trade executions. In addition, all members of the fixed income team are generalists; however, they do focus on certain sectors, and also serve as traders. Mr. Garcia and Nancy Rodriguez, Partner/Portfolio Manager, supervise the trading activities. Additionally, Ms. Rodriguez is responsible for overseeing investment team activities, coordinating new accounts, and portfolio cash flows. Jeffrey Detwiler, Partner/Portfolio Manager, covers the short-term markets, Ms. Tass covers the corporate sector, and Benjamin Monkiewicz, Partner/Portfolio Manager, covers agencies and mortgage-backed securities. Don Elsenbrock, Partner/Portfolio Manager, serves as the Strategist creating investment tools to (1) assist in anticipating major turns in economic activity and (2) are significant inputs into the construction of the portfolio for which we set target portfolio ranges for duration, yield curve, sector allocation, and sector duration contribution. Our Portfolio Managers spend about 30-50% of their time on research while the balance is spent on trading and portfolio maintenance. Portfolio Managers have oversight, accountability, and implementation responsibilities as it relates to ESG/responsible investment integration. Our Strategist and four (4) Analysts spend most of their time on pure research, with our Strategist taking the lead on ESG research. Analysts have implementation responsibilities as it relates to ESG integration. Our Strategist has oversight, accountability, and implementation responsibilities as it relates to ESG/responsible investment integration.

<b>SG 07.3</b>	Indicate the number of dedicated responsible investment staff your organisation has.
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Number
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10

<b>SG 07.4</b>	Additional information. [Optional]
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Our investment team are generalists, and in effect all "dedicated responsible investment staff", as they are committed to our overall investment philosophy and process that has included ESG considerations since the Firm's inception (1988). ESG factors are incorporated considerations in our portfolio construction, investment decision-making, investment analysis and due diligence, thus all our team members are dedicated to responsible investment.

## Promoting responsible investment

<b>SG 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>SG 09.1</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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**Select all that apply**

Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced



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

GH&A became a PRI signatory in June 2019. We attended a first responders training and reporting discussion group in December 2019 in New York and are proud to complete the 2019 PRI Annual Reporting - even though this is our voluntary year. We look forward to more active engagement in 2020.

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

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

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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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
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI

	Description
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Our PRI signatory status is included in our marketing materials and we provide prospective and current clients as well as consultants with quarterly and annual updates on our PRI activity and incorporation of PRI principles.

	Frequency of contribution
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- Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other
  - Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
  - Wrote and published articles on responsible investment in the media
  - A member of PRI advisory committees/ working groups, specify
  - On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
  - Other, specify
- No

<b>SG 10.3</b>	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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GH&A engages public policymakers or lawmakers on sustainable investing issues. An example of our engagement of lawmakers on sustainability issues is our recent firm letter to Congresswoman Maxine Waters, Chairwomen US House Committee on Financial Services, regarding Draft H.R. Bill, the "Diverse Asset Managers Act". The act would "require the Board of Governors of the Federal Reserve System, companies registered with the Securities and Exchange Commission, and companies registering securities with the Commission, to consider diverse individual-owned and controlled asset management firms when seeking asset management services, and for other purposes." We felt strongly that as an MWBE firm that we needed to support other emerging managers and diversity in the asset management arena. This type of engagement helps to address the racial and gender disparities within the financial services industry and corporate governance.

## Outsourcing to fiduciary managers and investment consultants

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

<b>SG 12.1</b>	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

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
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<b>SG 13.1</b>	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

	Describe
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ESG factors are part of our investment philosophy and process and incorporated in our scenario analysis process.

- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

<b>SG 13.2</b>	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

The Firm only invests in U.S. Fixed Income.

- We do not consider ESG issues in strategic asset allocation

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

As part of our daily routine, we stratify every portfolio into yield curve buckets versus the index to exactly where our yield curve lies. We manage our portfolios' yield curve positioning to take advantage of shifts and twists in the yield curve. For example, in recent years we have barbelled our portfolios to take advantage of a flattening yield curve and bulleted our portfolios to take advantage of a steepening yield curve.

We primarily stress test all securities with embedded options such as callable agencies and agency-guaranteed mortgages. From time to time, we will run a stress test on certain client portfolios. In general, we create certain interest rate and yield curve scenarios and then compare total returns for a one-year horizon versus the index.

ESG factors are part of our investment philosophy and process and incorporated in our scenario analysis process.

**Communication**

<b>SG 19</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2, 6</b>
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<b>SG 19.1</b>	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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Fixed income

Do you disclose?

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

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

<b>SG 19.2</b>	Additional information [Optional]
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The Firm actively reports to its clients and consultants on its ESG-related engagements and incorporation via due diligence, compliance and quarterly/annual questionnaires. These reports are specific to the client/consultant and thus confidential. The engagement reports produced are client or consultant directed based on their specific due diligence needs and are generally part of annual reporting. Our Marketing and Client Services team and Compliance team undertake this task with the assistance of the investment team.

Garcia Hamilton & Associates, L.P.

Reported Information

Public version

Direct - Fixed Income

## PRI disclaimer

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

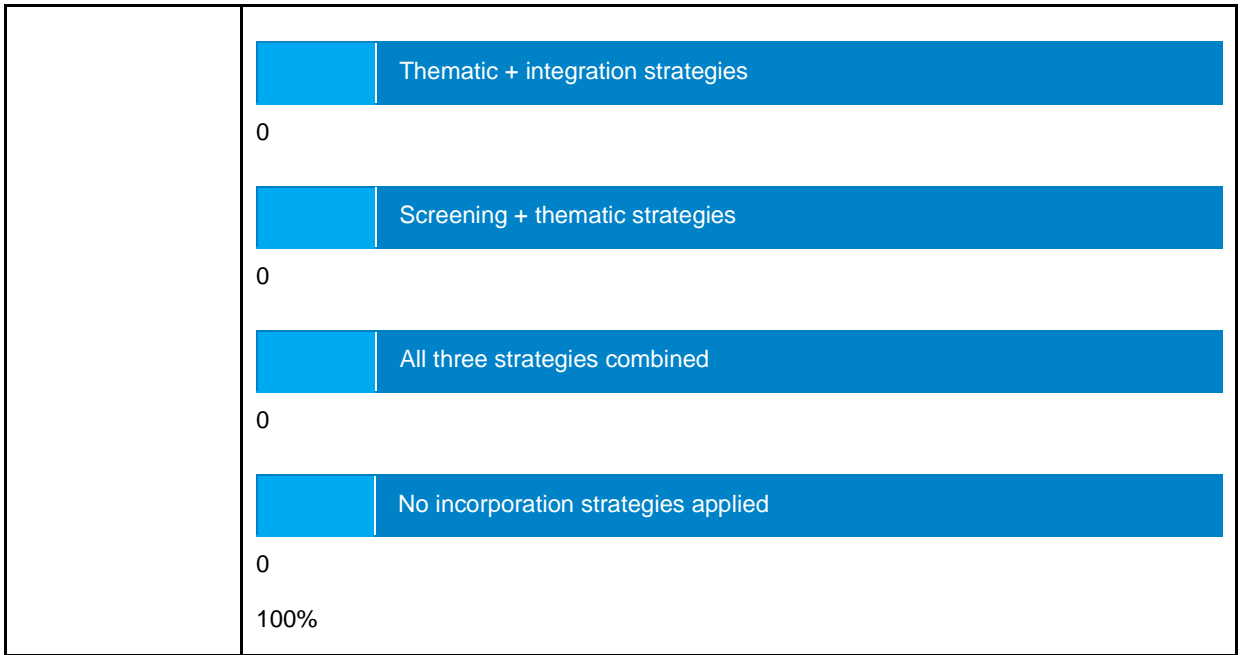
## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
FI 01.1	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.			

SSA	<table border="1"> <thead> <tr> <th>Strategy</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Screening alone</td> <td>0</td> </tr> <tr> <td>Thematic alone</td> <td>0</td> </tr> <tr> <td>Integration alone</td> <td>100</td> </tr> <tr> <td>Screening + integration strategies</td> <td>0</td> </tr> <tr> <td>Thematic + integration strategies</td> <td>0</td> </tr> <tr> <td>Screening + thematic strategies</td> <td>0</td> </tr> <tr> <td>All three strategies combined</td> <td>0</td> </tr> <tr> <td>No incorporation strategies applied</td> <td>0</td> </tr> <tr> <td><b>Total (any strategy)</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	Strategy	Percentage	Screening alone	0	Thematic alone	0	Integration alone	100	Screening + integration strategies	0	Thematic + integration strategies	0	Screening + thematic strategies	0	All three strategies combined	0	No incorporation strategies applied	0	<b>Total (any strategy)</b>	<b>100%</b>
Strategy	Percentage																				
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Strategy	Percentage																				
Screening alone	0																				
Thematic alone	0																				
Integration alone	0																				
Screening + integration strategies	100																				





Corporate (non-financial)	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	100
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0 100%
Securitized	Screening alone	0
	Thematic alone	0
	Integration alone	100
	Screening + integration strategies	0

	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
		100%

**FI 01.2** Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

**INTEGRATION**

Since our founding, GH&A has included environmental, social and governance (ESG) considerations in our investment philosophy. Our philosophy is nuanced and proactive and has evolved beyond negative screening processes. These factors are incorporated considerations in our portfolio construction, investment decision-making, investment analysis and due diligence.

GH&A's investing policy seeks to incorporate ESG and responsible investing (RI) trends and metrics across our high-quality universe within our top-down macro framework. We continually evaluate corporate securities on their current ESG/RI initiatives and policies and evaluate their measurable improvement and implementation of these initiatives.

**SCREENING**

Negative Screening: Includes corporate liquidity criteria, ratings criteria, and the Firm's long-standing exclusion of corporates with material ESG deficiencies

Positive Screening: Firm's proprietary ESG overlay; quantitative scoring method of criteria including, but not limited to, sustainability, transparency, ESG risks and opportunities, governance, and integration

**FI 01.3** Additional information [Optional].

ESG factors are addressed during the final phase of vetting investment ideas and potential holdings.

We first conduct our initial screening process of the universe of eligible issuers for portfolio inclusion and only invest in high-quality securities. Within the corporate sector, we screen for the largest issuers and companies rated A- or better by 2 of the 3 rating agencies. We then remove foreign companies/Yankees, alcohol, tobacco, gambling, and defense companies. After applying this screen, our investable corporate universe shrinks to approximately 80 issuers at the present time. All portfolios will hold either U.S. Treasuries, agency debentures, agency guaranteed MBS and/or high-quality corporate securities. For strategies that include corporate bonds, the corporate issue selection process incorporates a relative ranking of corporate issuers across the relevant ESG metrics for the relative industry within our high-quality universe. This ESG relative score is used to, not only identify issuers which maintain a high proprietary ESG internal score and trend, but, all things equal, greater consideration is given to securities with higher or trending higher ESG internal scores versus their conventionally valued peers within the portfolio construction process.

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

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

FI 03.3	Additional information. [Optional]
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The GH&A investment team formally meets once a week to primarily discuss the five key market factors, (i.e. sentiment, monetary, economic, valuation & inflation) that serve as the foundation of our investment process and fixed income strategy. During this meeting, the team discusses topics such as macroeconomic conditions, market trends, market outlook, headline news, portfolio performance, individual securities, and potential developments pertaining to our ESG assessment, and many other critical topics. An additional key component of this weekly meeting is the review and discussion of target portfolio characteristics. Sustainability risk and opportunities are documented in the Corporate Universe ESG Score and Rank spreadsheet that is produced for these meetings.

All GH&A investment professionals are physically located at the sole office of GH&A in Houston, TX, and sit together in an open trading floor, which leads to continuous daily communication between the team, including communication of ESG information and analysis.

<b>(A) Implementation: Screening</b>				
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FI 04	Mandatory	Public	Gateway	PRI 1
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FI 04.1	Indicate the type of screening you conduct.
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Select all that apply

	Corporate (financial)	Corporate (non-financial)	
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Norms-based screening	<input type="checkbox"/>	<input type="checkbox"/>	

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

Negative Screening: Includes corporate liquidity criteria, ratings criteria, and the Firm's long-standing exclusion of corporates with material ESG deficiencies

Positive Screening: Firm's proprietary ESG overlay; quantitative scoring method of criteria including, but not limited to, sustainability, transparency, ESG risks and opportunities, governance, and integration

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

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

Type of screening	Checks
<b>Negative/exclusionary screening</b>	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
<b>Positive/best-in-class screening</b>	<input type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

FI 06.2	Additional information. [Optional]
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We use NorthPoint Trading Compliance rules manager in conjunction with the NorthPoint Order Management System from ACA Technology Solutions (division of ACA Compliance Group) to ensure that investments fall within firm and client investment guidelines. The NorthPoint system supports the multiple attributes of fixed income debt securities and handles complex trade allocation scenarios. The powerful rules-based compliance engine is user-configurable, including custom calculation capabilities that allow GH&A to set up internal guidelines based on concentration limits, eligibility parameters, restricted lists, and warning tolerances.

All account guidelines are reviewed by compliance and investment management to ensure that GH&A is managing an account in line with the client's investment guidelines. Guidelines are input into the NorthPoint Trading Compliance system by the Chief Compliance Officer, Chief Operating Officer or other members of the compliance team and cannot be overridden by the investment team.

**(C) Implementation: Integration**

FI 10	Mandatory	Public	Descriptive	PRI 1
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FI 10.1	Describe your approach to integrating ESG into traditional financial analysis.
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ESG research is incorporated in our general research process. All firm-level ESG resources are available at the strategy level and have influenced our overall investment strategy since the Firm's inception (1988). GH&A's internal resources consist of our initial screening process of the universe of eligible names for portfolio inclusion and only invest in high-quality securities. Within the corporate sector, we screen for the largest issuers and companies rated A- or better by 2 of the 3 rating agencies. We then remove foreign companies/Yankees, alcohol, tobacco, gambling, and defense companies. After applying this screen, our investable corporate universe shrinks to approximately 80 issuers. All portfolios will hold either U.S. Treasuries, agency debentures, agency guaranteed MBS and high-quality corporate securities.

We utilize traditional financial and quantitative metrics analysis as well as qualitative assessments to identify ESG risks and opportunities and inform buy/sell/hold decisions. The Firm uses both internal and external resources to acquire data, information and analyses on sustainability factors facing our corporate universe. GH&A collects historic and peer level data on our corporate securities including RobecoSAM, Sustainalytics Rank, ISS Quality Score, CDP Climate Score as well as Bloomberg ESG disclosure metrics. The reports from these third-party providers assist the investment team in its overall evaluation process and provides a base to further study/research these securities for continued inclusion in our portfolio. Corporate securities are evaluated based on improving or declining adherence to PRI guidelines. If a security within our investment universe fails to maintain a positive ESG trajectory, it will receive diminished consideration for future investments.

ESG factors are addressed during the final phase of vetting investment ideas and potential holdings.

We first conduct our initial screening process of the universe of eligible issuers for portfolio inclusion and only invest in high-quality securities. Within the corporate sector, we screen for the largest issuers and companies rated A- or better by 2 of the 3 rating agencies. We then remove foreign companies/Yankees, alcohol, tobacco, gambling, and defense companies. After applying this screen, our investable corporate universe shrinks to approximately 80 issuers at the present time. All portfolios will hold either U.S. Treasuries, agency debentures, agency guaranteed MBS and/or high-quality corporate securities. For strategies that include corporate bonds, the corporate issue selection process incorporates a relative ranking of corporate issuers across the relevant ESG metrics for the relative industry within our high-quality universe. This ESG relative score is used to, not only identify issuers which maintain a high proprietary ESG internal score and trend, but, all things equal, initiate a positive screening methodology to discriminate among securities with comparable conventional relative values.

FI 10.2	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
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SSA

As stated in 10.1, our approach is fully integrated to each type of fixed income we invest in: SSA, Corporate (financial), Corporate (non-financial), and Securitized.

Corporate (financial)

As stated in 10.1, our approach is fully integrated to each type of fixed income we invest in: SSA, Corporate (financial), Corporate (non-financial), and Securitized.

Corporate (non-financial)

As stated in 10.1, our approach is fully integrated to each type of fixed income we invest in: SSA, Corporate (financial), Corporate (non-financial), and Securitized.

Securitized

As stated in 10.1, our approach is fully integrated to each type of fixed income we invest in: SSA, Corporate (financial), Corporate (non-financial), and Securitized.

FI 11	Mandatory	Public	Core Assessed	PRI 1
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FI 11.1 Indicate how ESG information is typically used as part of your investment process.

Select all that apply

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust the internal credit assessments of issuers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into portfolio weighting decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify in Additional Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 12	Mandatory	Public	Additional Assessed	PRI 1
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FI 12.1	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance
SSA	<input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Systematically <input checked="" type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Social <input type="checkbox"/> Systematically <input checked="" type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Governance <input type="checkbox"/> Systematically <input checked="" type="checkbox"/> Occasionally <input type="checkbox"/> Not at all
Corporate (financial)	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Governance <input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all
Corporate (non-financial)	<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Governance <input checked="" type="checkbox"/> Systematically <input type="checkbox"/> Occasionally <input type="checkbox"/> Not at all
Securitized	<input checked="" type="checkbox"/> Environmental <input type="checkbox"/> Systematically <input checked="" type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Social <input type="checkbox"/> Systematically <input checked="" type="checkbox"/> Occasionally <input type="checkbox"/> Not at all	<input checked="" type="checkbox"/> Governance <input type="checkbox"/> Systematically <input checked="" type="checkbox"/> Occasionally <input type="checkbox"/> Not at all

**FI 12.2** Please provide more detail on how you review E, S and/or G factors in your integration process.

**SSA**

The investment team monitors ESG risks on a daily basis and communicate material ESG events regularly, including during our weekly investment meetings. The team also sits on an open trading floor, which cultivates continuous dialogue and communication on our universe of SSA securities and the integration of ESG factors in the investment process. We limit the securities we select for our portfolios to only high-quality issues. This includes U.S. Treasuries, agency debentures, 15- and 20-year agency-guaranteed MBS, and high-quality corporate securities. We do not invest in non-dollar denominated bonds, including Yankee bonds, high yield securities, credits rated below single "A" by two of the major rating agencies, zero-coupon debt, derivatives or leverage.

## Corporate (financial)

The investment team monitors ESG risks on a daily basis and communicate material ESG events regularly, including during our weekly investment meetings. The team also sits on an open trading floor, which cultivates continuous dialogue and communication on our universe of corporate (financial) securities and the integration of ESG factors in the investment process. We limit the securities we select for our portfolios to only high-quality issues. This includes U.S. Treasuries, agency debentures, 15- and 20-year agency-guaranteed MBS, and high-quality corporate securities. In the case of corporate bonds, we typically invest in issues that are in the index and have a minimum issue size of \$1 billion with a quality rating of A- or better and a maturity of 10 years or less. We do not invest in non-dollar denominated bonds, including Yankee bonds, high yield securities, credits rated below single "A" by two of the major rating agencies, zero-coupon debt, derivatives or leverage.

## Corporate (non-financial)

The investment team monitors ESG risks on a daily basis and communicate material ESG events regularly, including during our weekly investment meetings. The team also sits on an open trading floor, which cultivates continuous dialogue and communication on our universe of corporate (non-financial) securities and the integration of ESG factors in the investment process. We limit the securities we select for our portfolios to only high-quality issues. This includes U.S. Treasuries, agency debentures, 15- and 20-year agency-guaranteed MBS, and high-quality corporate securities. In the case of corporate bonds, we typically invest in issues that are in the index and have a minimum issue size of \$1 billion with a quality rating of A- or better and a maturity of 10 years or less. We do not invest in non-dollar denominated bonds, including Yankee bonds, high yield securities, credits rated below single "A" by two of the major rating agencies, zero-coupon debt, derivatives or leverage.

## Securitized

The investment team monitors ESG risks on a daily basis and communicate material ESG events regularly, including during our weekly investment meetings. The team also sits on an open trading floor, which cultivates continuous dialogue and communication on securitized issues and the integration of ESG factors in the investment process. We limit the securities we select for our portfolios to only high-quality issues. This includes U.S. Treasuries, agency debentures, 15- and 20-year agency-guaranteed MBS, and high-quality corporate securities. With mortgage-backed securities, we invest in agency guaranteed 15- and 20-year MBS and do not purchase any illiquid mortgage derivatives. We do not invest in non-dollar denominated bonds, including Yankee bonds, high yield securities, credits rated below single "A" by two of the major rating agencies, zero-coupon debt, derivatives or leverage.

Garcia Hamilton & Associates, L.P.

Reported Information

Public version

Confidence building measures

## PRI disclaimer

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

## Confidence building measures

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

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

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

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

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

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

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

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

**CM1 06**

**Mandatory**

**Public**

**Descriptive**

**General**

**CM1 06.1**

Provide details of the third party assurance of RI related processes, and/or details of the internal audit conducted by internal auditors of RI related processes (that have been reported to the PRI this year)

What RI processes have been assured

- Data related to RI activities
- RI policies
- RI related governance
- Integration process in listed assets
- Screening process in listed assets
- Thematic process in listed assets
- Other

Specify

No third-party assurance

When was the process assurance completed(dd/ mm/yy)

31/12/2019

Assurance standard used

- IIA's International Standards for the Professional Practice of Internal Auditing
- ISAE 3402
- ISO standard
- AAF 01/06
- SSE18
- AT 101 (excluding financial data)
- Other

Specify

None of the above

**CM1 06.2**

Additional information [OPTIONAL]

The Firm became a PRI signatory in June 2019 in order to provide third-party assurance of RI related processes to clients and consultants moving forward.

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

**Who has conducted the verification**

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

specify

Partner/Director of Marketing and Client Services