



| Type of engagement | Reason for interaction |
|---------------------------------------|--|
| Individualist/stand alone engagements | <input type="checkbox"/> To support investment decision making by the company <input type="checkbox"/> To influence corporate practice for good by the company <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> Other: specify |
| Collaborative engagements | <input type="checkbox"/> To support investment decision making by the company <input type="checkbox"/> To influence corporate practice for good by the company <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> Other: specify |
| Service provider engagements | <input type="checkbox"/> To support investment decision making by the company <input type="checkbox"/> To influence corporate practice for good by the company <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> Other: specify |

| LEAG | Reason for interaction |
|------|------------------------|
| | |

CLIMATE TRANSPARENCY REPORT

2019

Sonen Capital

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-F3D64F88-CB3A-4DDB-B50A-FE27B485D105/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

| Strategy and Governance - CC | | | TCFD Recommendation | | | |
|------------------------------|----------|------------|---------------------|----------|-----------------|-------------------|
| Indicator | Reported | Disclosure | Governance | Strategy | Risk Management | Metrics & Targets |
| SG 01.1 | ✓ | Public | | | | |
| SG 01.2 | ✓ | Public | | | | |
| SG 01.3 | ✓ | Public | | | | |
| SG 01.4 | ✓ | Public | | | | |
| SG 01.5 | - | Public | | | | |
| SG 01.6 CC | ✓ | Public | | | | |
| SG 01.7 CC | ✓ | Public | | | | |
| SG 01.8 CC | ✓ | Public | | | | |
| SG 01.9 CC | ✓ | Public | | | | |
| SG 01.10 CC | ✓ | Public | | | | |
| SG 01.11 CC | ✓ | Public | | | | |
| SG 01.12 CC | ✓ | Public | | | | |
| SG 02.2 | ✓ | Public | | | | |
| SG 07.5 CC | ✓ | Public | | | | |
| SG 07.6 CC | - | Public | | | | |
| SG 07.7 CC | - | Public | | | | |
| SG 07.8 CC | ✓ | Public | | | | |
| SG 13.1 | ✓ | Public | | | | |
| SG 13.2 | - | Public | | | | |
| SG 13.4 CC | - | Public | | | | |
| SG 13.5 CC | - | Public | | | | |
| SG 13.6 CC | - | Public | | | | |
| SG 13.7 CC | - | Public | | | | |
| SG 13.8 CC | - | Public | | | | |
| SG 14.1 | ✓ | Public | | | | |
| SG 14.2 | ✓ | Public | | | | |
| SG 14.3 | ✓ | Public | | | | |
| SG 14.4 | - | Public | | | | |
| SG 14.5 | - | Public | | | | |
| SG 14.6 CC | ✓ | Public | | | | |
| SG 14.7 CC | - | Public | | | | |
| SG 14.8 CC | ✓ | Public | | | | |
| SG 14.9 CC | - | Public | | | | |
| SG 15.1 | ✓ | Public | | | | |
| SG 15.2 | ✓ | Public | | | | |
| SG 15.3 | ✓ | Public | | | | |

| Symbol | Status |
|--|---|
| ✓ | The signatory has completed this sub-indicator |
| - | The signatory did not complete this sub-indicator. |
| | This indicator is relevant to the named TCFD recommendation |
| Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete. | |

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

| MAIN CHARACTERISTICS | |
|---|---|
| Name | Sonen Capital |
| Signatory Category | Fund of funds, manager of managers, sub-advised products - Majority |
| Signatory Type | Investment Manager |
| Size | US\$ 0.1 - 0.99 billion AUM |
| Main Asset Class | Multi-Asset |
| Signed PRI Initiative | 2015 |
| Region | North America |
| Country | United States |
| Disclosure of Voluntary Indicators | 30% from 38 Voluntary indicators |

Sonen Capital

Reported Information

Public version

Strategy and Governance

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.

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 type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Engagement policy <input type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2) | <input type="radio"/> Applicable policies cover all AUM <input checked="" 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 description (1)

Proprietary impact frameworks articulate specific social and environmental impacts that we wish to have result from our investing.

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.

Proprietary impact frameworks articulate specific social and environmental impacts that we wish to have result from our investing. Frameworks are specific to impact themes, such as energy, water, the built environment, financial services or health, for example. In all frameworks, specific elements that are germane to the theme are identified as possible or excluded from investment activity. For example, our water framework indicates that we will not invest in bottled water, as that particular industry is antithetical to our larger water-related impact goals.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

| SG 01 CC | Voluntary | Public | Descriptive | General |
|----------|-----------|--------|-------------|---------|
|----------|-----------|--------|-------------|---------|

**SG 01.6
CC**

Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

Climate risk is evaluated by underlying managers and reflected through security selection, as well as monitored annually by in-house staff through ESG and climate data.

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

**SG 01.8
CC**

Indicate the associated timescales linked to these risks and opportunities.

five to 25 years.

No

**SG 01.9
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

Explain the rationale

Have not yet considered this option

**SG 01.10
CC** Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

- Yes
- No

**SG 01.11
CC** Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.

As a manager of managers, we manage only our internal climate risks and rely on managers to account for these risks through security selection and risk management processes of their own.

**SG 1.12
CC** Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

| | | | | |
|--------------|------------------|---------------|----------------------|--------------|
| 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.

- Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

{hyperlink:<http://www.sonencapital.com/thought-leadership/?cat=19>}

- Attachment (will be made public)
- Formalised guidelines on social factors

URL/Attachment

- URL

URL

{hyperlink:http://www.sonencapital.com/thought-leadership/?cat=19}

Attachment (will be made public)

Sector specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:http://www.sonencapital.com/thought-leadership/?cat=19}

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

ESG incorporation approaches

Reporting

URL/Attachment

URL

Attachment

File Attachment

{hyperlink:17AIR.pdf [4520KB]}

Climate change

Other RI considerations, specify (1)

We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

Sonen's impact frameworks, specific to impact themes, are available for download at the firm's web site.

Governance and human resources

SG 07 CC Voluntary Public Descriptive General

SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

| |
|---------------------------|
| Board members or trustees |
|---------------------------|

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

| |
|---------------------|
| Investment analysts |
|---------------------|

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

| |
|--|
| External managers or service providers |
|--|

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

| | |
|-----------------------|---|
| SG 07.8 CC | Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation. |
|-----------------------|---|

- Incorporation of TCFD in Annual Report
- Incorporation of TCFD in regular client reporting
- Request that investment managers complete PRI Climate indicators
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

ESG issues in asset allocation

| | | | | |
|--------------|------------------|---------------|--------------------|--------------|
| SG 13 | Mandatory | Public | Descriptive | PRI 1 |
|--------------|------------------|---------------|--------------------|--------------|

| | |
|----------------|--|
| SG 13.1 | Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.). |
|----------------|--|

- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

| | | | | |
|--------------|--|---------------|----------------------------|--------------|
| SG 14 | Mandatory to Report Voluntary to Disclose | Public | Additional Assessed | PRI 1 |
|--------------|--|---------------|----------------------------|--------------|

SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

- Water (possibly part of resource scarcity)
- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

| | trillions | billions | millions | thousands | hundreds |
|---------------|-----------|----------|----------|-----------|----------|
| Total AUM | | | 450 | 000 | 000 |
| Currency | USD | | | | |
| Assets in USD | | | 450 | 000 | 000 |

Specify the framework or taxonomy used.

- All of our investments are intended to be low-carbon. We have no exposure whatsoever to oil and gas, in any form, and our other investments are intended to reduce emissions, increase efficiency or insulate vulnerable communities from climate change.
- Phase out your investments in your fossil fuel holdings
 - Reduced portfolio exposure to emissions intensive or fossil fuel holdings
 - Used emissions data or analysis to inform investment decision making
 - Sought climate change integration by companies
 - Sought climate supportive policy from governments
 - Other, specify
 - None of the above

| | |
|----------------|--|
| SG 14.3 | Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities. |
|----------------|--|

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

| | | | |
|-----------------|-----------|--------|---------|
| SG 14 CC | Voluntary | Public | General |
|-----------------|-----------|--------|---------|

| | |
|-----------------------|---|
| SG 14.6 CC | Please provide further details on these key metric(s) used to assess climate related risks and opportunities. |
|-----------------------|---|

| Metric Type | Coverage | Purpose | Metric Unit | Metric Methodology |
|--|--|---------|--------------------|---|
| Climate-related targets | <input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets | | | Science based targets for public equity securities where possible |
| Weighted average carbon intensity | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | Tons/million sales | Used for public equities where such data is available |
| Carbon footprint (scope 1 and 2) | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | tons | Used for public equities where such data is available |
| Portfolio carbon footprint | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | tons | Used for public equities where such data is available |
| Total carbon emissions | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | tons | Used for public equities where such data is available |
| Carbon intensity | <input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | tons/million sales | Used for public equities where such data is available |

SG 14.7
CC

Describe in further detail the key targets.

| Targettype | Time Frame | Description | Attachments |
|---|------------|-------------|-------------|
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | |
| <input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target | | | |

SG 14.8
CC Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management
- Process for climate-related risks is not integrated into our overall risk management

Please describe

Underlying security selection does indeed account for climate risk across asset classes. This does not roll up in to a formal risk management strategy for the firm, however, since we rely on external managers for security selection.

SG 14.9
CC Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.

- Yes
- No, we do not engage

| | | | | |
|--------------|--|---------------|--------------------|--------------|
| SG 15 | Mandatory to Report Voluntary to Disclose | Public | Descriptive | PRI 1 |
|--------------|--|---------------|--------------------|--------------|

SG 15.1 Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes

SG 15.2 Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

70

SG 15.3

Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology

Asset class invested

- Listed equity

% of AUM

9.5

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

% of AUM

6.7

- Fixed income - Securitised
 Private equity

% of AUM

35

- Forestry

Brief description and measures of investment

We measure and report, wherever possible, energy saved or conserved, or MWh of renewable energy generated, or we provide qualitative examples (often for listed equities) of the kinds of activities or services or technologies which may be relevant and present in the portfolio.

- Renewable energy

Asset class invested

- Listed equity

% of AUM

5

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

% of AUM

4

- Fixed income - Securitised
- Private equity

% of AUM

35

- Forestry

Brief description and measures of investment

We measure and report, wherever possible, energy saved or conserved, or MWh of renewable energy generated, or we provide qualitative examples (often for listed equities) of the kinds of activities or services or technologies which may be relevant and present in the portfolio.

- Green buildings

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

51

- Forestry

Brief description and measures of investment

We measure and report, wherever possible, energy saved or conserved from building improvements, number of units or square footage with sustainability certifications. We provide qualitative examples (often for listed equities) of the kinds of activities or services or technologies which may be relevant and present in the portfolio.

- Sustainable forestry

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

% of AUM

14

- Forestry

Brief description and measures of investment

We report acres under sustainable cultivation, total tonnage of sustainable timber sold, and land under permanent conservation.

- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

2

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Forestry

Brief description and measures of investment

This refers to our investments in affordable housing and small business loans in our fixed income strategy. We have considerable exposure to this them in our multi-asset class strategy, but that is not something that can be accounted for in this typology.

- Affordable housing

Asset class invested

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

% of AUM

3

- Private equity
- Forestry

Brief description and measures of investment

Number of affordable units available; percent of real estate investments that are in low-income areas.

- Education
- Global health
- Water

Asset class invested

- Listed equity

% of AUM

7

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

% of AUM

4

- Fixed income - Securitised
- Private equity
- Forestry

Brief description and measures of investment

Water savings due to efficiency measures or technology; water intensity (for listed equities) and water savings due to improved infrastructure investments in real assets.

Other area, specify

No