



RI TRANSPARENCY REPORT

2020

Cambridge Associates

About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2020 reporting period. It shows your responses to mandatory indicators, as well as responses to voluntary indicators that your organisation has agreed to make public. You will be able to access the public RI Transparency report of your organisation and that of other signatories on the [PRI website](#).

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 an **Index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Index

The Index summarises the response status for the individual indicators and modules. It can be used by stakeholders as an 'at a glance' summary of reported information and to identify particular themes or areas of interest.

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.

Index

Organisational Overview			
Indicator	Short description	Status	Disclosure
OO 01	Basic information	✓	Public
OO 02	Reporting year	✓	Public
OO 03	Signatory category and services	✓	Public
OO 04	Other offerings/business activities	🔒	n/a
OO 05	Breakdown of ESG coverage	✓	Asset mix disclosed in OO 06
OO End		✓	-

Strategy and Governance			
Indicator	Short description	Status	Disclosure
SG 01	Responsible investment policy	✓	Public
SG 02	Norms used to develop policies	✓	Public
SG 03	Policy offerings to clients	✓	Public
SG 04	ESG/RI in business offerings	✓	Public
SG 05	Outsourcing of services	✓	Private
SG 06	Providing training/education	✓	Public
SG 07	Applying, advancing and promoting the PRI principles	✓	Public
SG 08	Actions taken to promote responsible investment	✓	Public
SG 09	Long term trends	✓	Public
SG 10	Interaction with asset owners	✓	Public
SG 11	Aligning approach with investor goals	✓	Public
SG 12	ESG recommendations not aligned with investor goals	✓	Public
SG 13	Seeking feedback from clients	✓	Public
SG 14	Managing conflicts of interest	✓	Public
SG End		✓	-

Investment Consultancy

Indicator	Short description	Status	Disclosure
IC 01	Advisory and consultancy services	✓	Public
IC 02	Assets under advisement	✓	Private
IC 03	Fiduciary manager services	✓	Public
IC 04	ESG in contracts with clients	-	n/a
IC 05	Custodian services	🔒	n/a
IC 06	RI and ESG in clients' investment policy development	✓	Public
IC 07	ESG incorporation into strategic asset allocation	✓	Public
IC 08	Scenario analysis and/or modelling	✓	Private
IC 09	Demonstrating value on asset allocation	✓	n/a
IC 10	Investment research activities	✓	Public
IC 11	Demonstrating value on investment research	✓	Public
IC 12	ESG in manager selection, appointment and monitoring	✓	Public
IC 13	Manager selection activities	✓	Public
IC 14	Incorporating asset owners' investment principles in selection of manager	✓	Public
IC 15	ESG in selection due diligence	✓	Public
IC 16	Monitoring investment managers on ESG	✓	Public
IC 17	Reporting back to asset owners	✓	Public
IC 18	Demonstrating value on manager selection, appointment and monitoring	✓	Public
IC 19	ESG in manager selection, appointment and monitoring	-	n/a
IC End		✓	-

Confidence building measures

Indicator	Short description	Status	Disclosure
CM1 01	Other product offerings, processes and/or activities	-	n/a
CM1 02	Assurance of responses	✓	Private
CM1 End	Module confirmation page	✓	-

Cambridge Associates

Reported Information

Public version

Organisational Overview

PRI disclaimer

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

Basic Information

OO 01

Mandatory

Public

Descriptive

OO 01.1

Select the location of your organisation's headquarters.

United States

OO 01.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2 - 5
- 6 - 10
- 11 - 50
- >50

OO 01.3

Indicate the regions where you have offices.

- Africa/Middle East
- Asia (excluding Japan & Korea)
- Australasia
- Canada
- Continental Europe
- Japan & Korea
- Nordic
- South America
- UK & Ireland
- US

OO 01.4

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

1300

Reporting Year

OO 02

Mandatory

Public

Descriptive

OO 02.1

Indicate the year end date for your reporting year.

31/12/2019

Signatory category and services

OO 03

Mandatory

Public

Gateway

OO 03.1

Indicate which of the following categories reflect your core offering or main business activity:

- Reporting
- Active Ownership Services
- Investment consultancy
- Research and Data Provision
- Other, specify (1)
- Other, specify(2)

OO 03.2

Indicate any other business activities that your organisation offers. Indicate whether you wish to report on these business areas.

- Reporting
- Active Ownership Services
- Research and Data provision
- Other, specify (3)
- Other, specify (4)
- None of the above

OO 03.4

Additional information [OPTIONAL]

Our investment services may be provided on a non-discretionary or discretionary basis, but we do not have our own fund products. This ensures independence in the advice we provide clients

Cambridge Associates

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Public version

Strategy and Governance

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Policy on ESG beliefs

SG 01

Mandatory

Public

Gateway

SG 01.1

Describe how your organisation's philosophy incorporates environmental, social and governance factors, and the link to your business offerings.

At Cambridge Associates, all client portfolios are constructed in a customized manner, reflecting each client's specific objectives. Given our focus on helping our clients add long-term value to their portfolios, we recognise that material environmental, social and governance (ESG) factors can impact the performance of investments. We also recognize the importance of aligning investments with the specific values and mission goals of our clients. We therefore view environmental, social, and governance (ESG) considerations as being integral to the future of investing, for risk management, long-term value creation and alignment with values.

ESG and Responsible Investment Integration

The importance we place on ESG and Responsible Investment is reflected in our business offerings. Having been originally founded to serve mission-driven, non-profit organizations, Cambridge Associates has developed expertise here over the last several decades. We therefore offer deep specialized capabilities to help clients pursuing specific ESG and Responsible investment goals while also more broadly integrating ESG across our business offerings.

We also acknowledge that the field continues to evolve and we aim to be at the forefront of innovation. We are committed to:

- Continuing to expand our ESG resources, with a particular focus on manager research.
- Further embedding ESG analysis across our firm-wide research platform.
- Deepening our subject matter expertise in key impact investing themes, through both thematic and manager research.
- Continuing to evolve our impact and ESG reporting. We have developed a customized approach to such reporting and will continue to upgrade this over time, particularly incorporating any best practices that emerge from the field.

Our ESG work is customized and reflects our core principles

Our approach to integrating ESG is not prescriptive and focusses solely on the specific needs of each client. It also reflects the core principle of the firm since its creation over 40 years ago that our interests must be aligned with those of our clients, and we have diligently adhered to that standard ever since by strictly observing the following guidelines:

- We do not accept fees from investment management firms for recommending their products to clients.
- We do not offer any off-the-shelf investment products.
- We do not have any brokerage operations or affiliations.
- We do not charge managers to participate in our databases or client searches.
- We do not allow managers to sponsor our client conferences.

SG 01.2

Indicate whether you have policies that formalise the incorporation of your ESG beliefs in your business offerings.

Yes

SG 01.3

Indicate the components/types of your internal policy and provide the URL and/or an attachment of the document/s if they are publicly available.

Policy components/types

- Policy setting out your overall ESG/RI approach

Public availability

- URL
- Attachment
- Not publicly available
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Formalised guidelines on engagement approach
- Formalised guidelines on (proxy) voting approach
- Other, specify (1)

Commitment to expanding our ESG resources in our core investment business - manager research, ESG analysis, impact investing

Public availability

- URL
 - Attachment
 - Not publicly available
 - Other, specify (2)
- Commitment to alignment with the interests of our clients.

Public availability

- URL
- Attachment
- Not publicly available
- None of the above

SG 01.4

Indicate how these are put into practice internally across the organisation.

- Regular employee training on RI/ESG
- Regular RI/ESG policy awareness building for employees
- Establishment of policy review committee/team
- Remuneration linked to achieving ESG objectives
- Annual performance incentives
- Other, specify (1)

Substantial dedicated resources to RI/ESG investment offerings to best serve our clients provides depth of expertise, while systematic integration across platform provides breadth.

- Other, specify (2)
- Other, specify (3)
- No

SG 01.5	Additional information [OPTIONAL]
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The Policy setting out our overall ESG/RI approach is available to clients and prospects.

Reflecting our origins serving non-profit endowments and foundations, we have been working with mission-focused investors for more than 40 years. The focus on ESG now also reflects the needs of private clients and pension clients and remains of strategic importance to the firm and how we deliver the best investment advice to our clients.

SG 02	Mandatory	Public	Descriptive
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SG 02.1	Indicate what frameworks and guidelines you have used to develop your organisation's policies. Tick all that apply.
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- UN Principles for Responsible Investment
- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- UN Sustainable Development Goals
- International Bill of Human Rights
- International Labour Organisation Conventions
- IFC Performance Standards
- United Nations Convention Against Corruption
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- GRI standards
- Other, specify (1)
TCFD
- Other, specify (2)
- Other, specify (3)
- None of the above

SG 02.2	Additional information. [OPTIONAL]
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We reference global norms when developing our investment policies and capabilities in RI/ESG. When further enhancing our systematic ESG integration processes as a formal and early step in manager selection and monitoring during this reporting period, we used multiple frameworks and guidelines. Aligning our detailed ESG DDQs for public and private managers across asset class with the UN PRI's framework and ESG DDQ's is one example. Additionally, a director of our ESG team was on the working group for the UN PRI Hedge Fund ESG DDQ, giving further insights.

We also have enhanced data collection on climate risk metrics during this reporting period, and frameworks like TCFD, and the related new UN PRI module were both useful. We have onboarded new tools for assessing climate risk (e.g. Value at Risk analysis of physical and transition risk). We have also used the PACTA scenario analysis tool for analysing manager and client portfolios.

On some occasions this may be client specific - for example our expertise in selecting and researching managers complying with global norms like the UN Global Compact. More generally, we have found the UN SDGs to be a strong framework to reference as we have developed our own policies and capabilities around impact measurement for investments.

More generally, we recognize that the field of responsible investment is evolving fast and many investor groups and associations have been leaders developing best practices globally. Through active participation in strategic partnerships with such organizations, Cambridge Associates contributes to the dialogue on how investors can incorporate RI/ESG strategies into their overall investment portfolio and on the many opportunities that exist today to pursue goals here. In addition, we benefit from the peer exchange of knowledge and ideas as we develop our own policies and capabilities. In addition to being a UN PRI signatory, we are members/signatories of:

- Global Impact Investing Network (GIIN)
- Mission Investors Exchange
- US SIF
- UK SIF
- Asia Venture Philanthropy Network
- Confluence Philanthropy
- Intentional Endowments Network
- Interfaith Center on Corporate Responsibility (ICCR)
- Task Force on Climate-related Financial Disclosures (TCFD)

SG 03	Mandatory	Public	Descriptive
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SG 03.1	Indicate whether you offer standard, off the shelf, policies to clients as part of your product offerings, and/or whether you create tailored versions for individual clients.
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	Off the shelf	Tailored
Asset class-specific RI guidelines	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sector-specific RI guidelines	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Screening/exclusions policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Engagement policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(Proxy) voting policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
RI guidelines set out within the Investment Policy Statement (IPS)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
RI guidelines set out in a freestanding RI policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Multi-year RI implementation project plan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conflict of interest management policy	<input type="checkbox"/>	<input type="checkbox"/>
Stockbroker allocation policy	<input type="checkbox"/>	<input type="checkbox"/>
Securities lending policy	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

SG 03.2

Provide a brief description of the key elements, any variations, or exceptions applying to these policies.

As a firm we do not offer any off-the-shelf investment products. All our work is tailored to the requirements of the specific client. This includes working with clients to develop the above policies to suit their individual needs.

With regards to "Engagement policy" and "Proxy voting policy" sections above, we have no investment fund (or fund of fund) products of our own, nor do we offer engagement or voting services. With regards to these stewardship issues, given we invest through third party managers we analyse the robustness of their stewardship (voting and engagement) policies, implementation and reporting as part of our manager due diligence. For private investments, we consider how ESG initiatives are actively supported in underlying holdings.

This allows us to be completely independent when giving tailored investment advice to our clients on where they should invest. This includes ESG and RI advice. Rather, our work here involves advising

clients on developing relevant policies here (e.g. around their minimum requirements from managers on engagement or voting) and then assessing the robustness of manager policies here as part of our ESG investment due diligence during manager research.

SG 04	Mandatory	Public	Descriptive
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SG 04.1	Briefly describe how you include ESG/RI factors as part of your business offerings.
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Business area

	Investment Consultancy
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	How you include ESG/RI factors
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1. We have deep and dedicated resources for manager research focused solely on researching and monitoring ESG/RI and impact investing strategies across assets classes. We believe that thorough due diligence is the foundation of a successful ESG/RI investment program. These professionals are integrated within the broader Global Investment Research (GIR) capabilities of the firm and often partner with GIR asset class experts.
2. We embed ESG analysis in our firm-wide research platform: our proprietary manager database includes ESG analysis for all actively monitored public managers in our database (not just explicitly labelled ESG funds). Our private investments due diligence process similarly includes ESG analysis as a formal part of the process.
3. We have RI/ESG subject matter experts working directly with clients to meet their ESG integration objectives in a customized manner . We have strong capabilities to assist clients on the development of RI/ESG policy, and then advise on implementation. We use a range of analytical tools for practical implementation and monitoring of bespoke ESG strategies includes portfolio screening and scoring on a range of ESG characteristics (e.g. ethical business involvement screens, carbon metrics, impact measurement).
4. We aim to catalyze adoption of ESG/RI, hosting client conferences and publishing research on key topics.

SG 04.2	Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for ESG/RI within the organisation.
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Roles present in your organisation	Oversight/accountability for ESG/RI	Implementation of ESG/RI
Board	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Directors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Chief Executive Officer (CEO), Chief Financial Officer (CFO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chief Operating Officer (COO), Chief Information Officer (CIO)	<input type="checkbox"/>	<input type="checkbox"/>
Other chief-level staff	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; text-align: center;">Please specify</div> Chairman Emeritus Sandy Urie plays a key role in oversight and thought leadership for ESG/RI	<input type="checkbox"/>
Other heads of department	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; text-align: center;">Please specify</div> The various Heads of Client practices (Pension, Endowments and Foundations, Private Clients) The Head of the Impact and ESG Investing Research	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; text-align: center;">Please specify</div> The various Heads of Client practices (Pension, Endowments and Foundations, Private Clients) The Head of the Impact and ESG Investing Research
Dedicated ESG/RI staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other role, specify (1)	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; text-align: center;">Please specify</div> We have formed a dedicated Mission Related Investing Council, chaired by two senior ESG practitioners for oversight and implementation of ESG initiatives	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; text-align: center;">Please specify</div> We have formed a dedicated Mission Related Investing Council, chaired by two senior ESG practitioners for oversight and implementation of ESG initiatives. Latter includes integration and training.
Other role, specify (2)	<input type="checkbox"/>	<input type="checkbox"/>

Other role, specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

SG 04.3

Indicate how you ensure ESG/RI expertise for the roles where there are RI oversight/accountability or implementation responsibilities.

- Staff training on ESG/RI incorporation
- Including ESG/RI knowledge factors in personal development goals
- Having development plans that aim to enhance ESG/RI knowledge of certain departments/teams/individuals
- Including ESG in selection requirements when hiring new employees
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)

SG 04.4

Indicate whether your organisation has any ESG/RI linked incentives for its employees.

- Yes

SG 04.5

Describe the ESG/RI linked incentives.

The Mission Related Investing (MRI) Group is solely focused on ESG/RI work and their personal development goals, and related incentives, are in the most part related to delivery versus KPI's and goals related to our ESG/RI business offering.

The same will apply to key client facing directors working with our large body of clients with ESG/RI goals in their investment objectives.

- No
- Not applicable, we ensure that employees incorporate ESG/RI into services through other mechanisms.

SG 06

Mandatory

Public

Descriptive

SG 06.1

Indicate whether you provide training/educational services on ESG/RI. Tick all that apply.

- Board/trustee training
- Investment manager training
- Regulatory bodies/authorities or public policy makers
- Corporate executive training
- ESG analyst training
- Other, specify (1)

Training/Education for our clients - e.g. dedicated annual Impact Investing Conference and thought leadership research papers on key ESG/RI issues.

Other, specify (2)

Cambridge, through our own events, research and collaboration networks aims to be a thought leader in education around key ESG/RI issues globally.

Other, specify (3)

Other, specify (4)

None of the above

SG 06.2

Describe the main components of your training/educational services on ESG/RI and any variations depending on the group you provide training/education to.

As part of our key advisory offerings on ESG/RI, we work closely with our clients on developing and implementing RI/ESG investment programs. This often includes educating stakeholders (including boards/trustees) on key issues here. We are privileged to work with many clients that are true thought leaders in the field and such work is therefore often highly collaborative. We also collaborate in partnerships and networks aiming to drive improved knowledge of ESG/RI issues more generally. Our specialists frequently speak at conferences on a broad range of topics. We also host our own dedicated ESG/RI events for our clients, including an annual Impact Investing Conference.

We also publish numerous research papers for clients and the public providing insights and guidance on key ESG/RI issues.

Recent examples include:

- A Summary of Climate Change Science for Investors (2019)
- Pathways to Sustainable Investing: Insights from Families and Peers (2019)
- Mission-Related Investing - Insights and Perspectives (2018, a deep dive on our survey into ESG and impact investing practices amongst asset owners)
- Social Equity Investing Righting Institutional Wrongs (2018)
- Gender Lens Investing: Impact Opportunities through Gender Equity (2018)
- Navigating the "Alphabet Soup" of Mission-Related Investing (2017)
- Newly Issued Guidance for UK Pension Schemes Emphasizes Need to Consider ESG Factors
- Considerations for ESG Policy Development (2017)
- The Financial Performance of Real Assets Impact Investments: Introducing the Timber, Real Estate, and Infrastructure Impact Benchmarks (2017)
- The Value of ESG Data: Early Evidence for Emerging Markets Equities (2016)
- The Foundation of Good Governance for Family Impact Investors (2016)
- Risks and Opportunities From the Changing Climate: Playbook for the Truly Long-Term Investor (2015)
- Introducing the Impact Investing Benchmark (2015)

Case Study: Recognizing the need for transparency and education in the growing field of impact investing, in 2015 we partnered with the Global Impact Investing Network (GIIN), a nonprofit field building organization for impact investing, to create the first-ever private impact investing performance benchmarks. The goal of this work was to construct the first comprehensive analysis of the financial performance of market-rate private equity and venture capital impact investing funds, while leveraging our long-time experience in creating and managing private investment benchmarks across multiple traditional asset classes. In 2017 we expanded the impact benchmark to include Real Assets Impact Investments (Timber, Real Estate, and Infrastructure). This benchmark data is made available publically, not just to our clients, in order to improve understanding of impact investment returns in the wider ESG/RI community. During 2019 we also used our granular privates investments data to make insights about the evolution of returns in the cleantech investing space.

SG 06.3

Describe whether these training/educational services include any commercial elements.

Our work with our clients above is integrated in the overall service offering to them.

SG 07.1

Describe how your organisation applies, advances and promotes the PRI Principles.

We will incorporate ESG issues into investment analysis and decision-making processes.

We have substantial dedicated resources incorporating ESG into our investment analysis and decision making processes. This includes the Mission Related Investing Group addressing client ESG/RI investment needs and researching RI/ESG investments (approximately 1,000 ESG/RI strategies tracked). We have also systematically incorporated ESG considerations across our investment research platform for all asset classes, with further enhancements to this a major project of our investment research team in 2018 and 2019. We use a variety of ESG tools for investment analysis, for example, considering climate change we use detailed carbon and climate analytics covering emissions, scenario analysis, value at risk etc. to analyse portfolios.

We will be active owners and incorporate ESG issues into our ownership policies and practices.

Consideration of ESG issues is fully integrated in our investment research and monitoring platform. We frequently work with asset owner clients to drive better stewardship of assets and active ownership policies in the managers our clients use. We actively research and recommend investment managers who are market leading innovators in the field of active ownership and ESG. Where we have seen gaps in the market here, we frequently facilitate the creation of new ESG strategies by managers in order to best serve our client's ESG/RI needs.

We will seek appropriate disclosure on ESG issues by the entities in which we invest (on behalf of our clients).

Our research and monitoring platform collects data on ESG issues for investment managers across asset classes and we will continue to seek more disclosure on these issues going forward on behalf of our clients. We also frequently engage with managers on behalf of our clients to drive better disclosure on a range of ESG issues such as voting and engagement policies and activity, ESG integration, climate risk, diversity and social and environmental impact reporting.

Our pioneering work creating the world's first comprehensive impact investment benchmarks, to provide greater transparency on this growing field, is just one example.

We will promote acceptance and implementation of the principles within the investment industry.

Given our privileged status working with many of the leading asset owners in the field of responsible investment, we have often facilitated the creation of, and helped clients to seed, specific new products from investment managers aligned with the principles. Recent examples include an innovative fossil fuel free, low emission emerging markets equity fund, smart beta tilts to global indices incorporating new ESG data, thematic clean energy ESG funds, and socially responsible share classes in multiple hedge funds.

We have also engaged with investment managers to promote implementation of ESG. For example, we had constructive discussions on improving voting practices on climate change related resolutions during this reporting period. We also used our own ESG data collection efforts to prompt more ESG integration and better reporting from a large number of managers with whom we have strong relationships in 2019.

As above, we publish numerous reports promoting the principles of responsible investment, host and participate in numerous industry events, and support our signatory clients wherever possible in their own responsible investment goals.

We will work together to enhance our effectiveness in implementing the principles.

Including the UN PRI, we are members of 9 collaborative responsible investment networks. Through these strategic partnerships, Cambridge Associates works with leading signatories and practitioners to improve the industry's effectiveness in responsible investment. In addition to being a UN PRI signatory, we are members/signatories of:

- Global Impact Investing Network (GIIN)
- Mission Investors Exchange
- US SIF
- UK SIF
- Asia Venture Philanthropy Network
- Confluence Philanthropy
- Intentional Endowments Network
- Interfaith Center on Corporate Responsibility (ICCR)

- Task Force on Climate-related Financial Disclosures TCFD

We will each report on our activities and progress towards implementing the principles.

While the UN PRI service provider framework is an important step here, we are also proactive on reporting on our activities and initiatives through industry events, our own client events, and our research publications.

SG 08	Mandatory	Public	
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SG 08.1	Indicate which of the following actions your organisation has taken to promote responsible investments during the reporting year, independently of collaborative initiatives.
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- Provided or supported education or training programmes for clients, investment managers, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoken publicly at events and conferences to promote responsible investment
- Written and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Written and published articles on responsible investment in the media
- Policy engagements and other interactions
- Other, specify
- None of the above

SG 09	Mandatory	Public	Descriptive
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SG 09.1	Indicate which of the following long-term trends are addressed in your product outputs.
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- Changing demographics

SG 09.2	Explain how this long-term trend affects your product outputs.
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Investment Research: Changing demographics are a critical factor to consider in much of our manager research, especially for sustainable investment approaches and private impact investing strategies. Many strong ESG focussed managers carefully consider changing demographics as a core factor in their investment process.

- Climate change

SG 09.2

Explain how this long-term trend affects your product outputs.

Investment Research: We believe climate change presents material risks for investors, and opportunities through investment mitigation and adaptation. We closely analyze climate risk embedded in portfolios (e.g. emissions/emission intensity and exposure to fossil fuel reserves, scenario analysis) and research new investment opportunities aligned with the transition to a low carbon economy. Examples of work during this reporting period include:

- Building bespoke private investment mandates specifically targeting measurable impact around climate change avoidance.
- Worked with an active equity manager to facilitate the creation of a new innovative global climate change mitigation/adaptation public equity fund: our clients seeded the launch of the UCITS vehicle following our research.
- Researched numerous private investment opportunities spanning sustainable infrastructure, venture and private equity.
- Conducted analyses of climate risk and alignment for client portfolios.
- Project to further enhance our ESG data collection added new detail on climate risk considerations.
- We signed up as supporters of Task Force on Climate-related Financial Disclosures (TCFD) during 2018.
- Thought Leadership: We have published a paper during 2019 laying out how climate change science should be interpreted by investors:

<https://www.cambridgeassociates.com/insight/a-summary-of-climate-change-science-for-investors/>

Resource scarcity

SG 09.2

Explain how this long-term trend affects your product outputs.

Investment Research: We have conducted diligence on numerous new investment strategies proactively focusing on resource scarcity and associated resource efficiency solutions. This has spanned numerous asset classes, with particularly attractive investments in sustainable infrastructure, venture capital and private equity.

Technology developments

SG 09.2

Explain how this long-term trend affects your product outputs.

Investment Research: We look at this issue across asset classes, considering both the disrupted and the disruptors from technology developments. For example, in the ESG space, we have dedicated substantial resources to technology themes in impact investments during the period - clean tech and education tech investments for example. We have also analyzed new bespoke data on cleantech return trends in private markets.

Other, specify (1)

Other, specify (2)

None of the above

SG 10**Mandatory****Public**

SG 10.1

Indicate whether you interact with asset owner clients.

- Yes, we do

SG 10.2

Indicate the typical frequency and type of interactions with your asset owner clients.

Type of interaction

- Board of trustee meetings

Frequency

- Daily
 Weekly
 Monthly
 Quarterly
 Bi-annually
 Annually
 Ad-hoc basis
 Other, specify

This depends on the individual client's requirements, but such meetings are typically quarterly.

- Investment committee meetings

Frequency

- Daily
 Weekly
 Monthly
 Quarterly
 Bi-annually
 Annually
 Ad-hoc basis
 Other, specify

This depends on the individual client's requirements, but such meetings are typically quarterly.

- Trustee training workshops

Frequency

- Daily
 - Weekly
 - Monthly
 - Quarterly
 - Bi-annually
 - Annually
 - Ad-hoc basis
 - Other, specify
- Formal regular meetings outside of committee meetings

Frequency

- Daily
 - Weekly
 - Monthly
 - Quarterly
 - Bi-annually
 - Annually
 - Ad-hoc basis
 - Other, specify
- This depends on the individual client's requirements, but such meetings are typically held regularly around Board/IC meetings.
- Informal meetings or calls

Frequency

- Daily
 - Weekly
 - Monthly
 - Quarterly
 - Bi-annually
 - Annually
 - Ad-hoc basis
 - Other, specify
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- No, we do not

SG 11	Mandatory	Public	Descriptive
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SG 11.1

Describe how you typically align your organisation's philosophy and approach to ESG/RI with your investor clients' goals.

 Describe

At Cambridge Associates, all client portfolios are constructed in a customized manner, reflecting each client's specific objectives. Given our focus on helping our clients add long-term value to their portfolios, we recognize that material environmental, social and governance (ESG) factors can impact the performance of investments.

We also recognize the importance of aligning investments with the specific values and mission goals of our clients. This is particularly important given that we work with many of the world's leading endowments, foundations and charities, while pension and family clients are also increasingly focused on ESG/RI goals. We recognise the growing importance placed on ESG by many stakeholders.

We therefore view environmental, social, and governance (ESG) considerations as being integral to the future of investing for our clients, for risk management, long-term value creation and alignment with values. ESG is therefore of key strategic importance to our firm and our product offering.

 This is not relevant for my organisation**SG 12****Mandatory****Public****Descriptive****SG 12.1**

Describe what steps you take, if any, when your ESG recommendations are not in line with your investor clients' goals.

 Describe

Our approach to integrating ESG is not prescriptive and focusses solely on the specific needs of each client. It also reflects the core principle of the firm since its creation over 40 years ago that our interests must be aligned with those of our clients, and we have diligently adhered to that standard ever since by strictly observing the following guidelines:

- We do not accept fees from investment management firms for recommending their products to clients.
- We do not offer any off-the-shelf investment products.
- We do not have any brokerage operations or affiliations.
- We do not charge managers to participate in our databases or client searches.
- We do not allow managers to sponsor our client conferences.

We therefore work solely in the interest of our clients. We will make specific ESG recommendations that we believe are appropriate for our clients needs.

We take steps to educate and assist our clients on assessing the appropriateness of ESG recommendation and the associated materiality of ESG issues. Education around climate change and structural changes as we transition to a low carbon economy is one example.

 This is not relevant for my organisation**SG 13****Mandatory****Public****Descriptive****SG 13.1**

Indicate whether you seek feedback from clients on your RI/ESG services and product offerings

 Yes

SG 13.2

Describe how you use this feedback in your RI/ESG services and product offerings.

This is extremely important to our aims to provide customized RI/ESG services to our clients.

We conduct a detailed annual client survey on RI/ESG issues and the firm's leadership spend considerable time interacting with stakeholders at clients to get feedback on RI/ESG services and to better understand their requirements here.

We are also fortunate in having some of the world's leading asset owners in the ESG space and welcome their feedback. For example, on a recent project to enhance the systematic collection of ESG data for the selection and monitoring of managers, we were able to consult with such clients and incorporate very useful feedback.

No

SG 14**Mandatory****Public****Descriptive****SG 14.1**

Indicate whether your organisation has a policy for managing potential conflicts of interest.

Yes

SG 14.2

Describe how you manage potential conflicts of interest.

For more than 40 years, we have built our business on the core tenet that alignment with our clients will help us to drive better investment results for them. We have purposefully made several business decisions to avoid conflicts of interest and give our clients confidence that we are incentivized only by their portfolios' investment success.

We do not have fee arrangements with investment management firms. We do not accept fees from investment management firms for including their products in client portfolios, and we do not charge managers to participate in our databases or client searches. We do this so you can have confidence that we are selecting managers for your portfolio only because we believe they will drive outperformance for you.

We do not offer off-the-shelf investment solutions or funds-of-funds. We believe that maximizing portfolio performance requires a very wide net to source and evaluate the best investment options around the globe. Investment firms that offer investment products can be incentivized to place their own funds into client portfolios to generate additional revenues, regardless of fund performance. They can conversely be demotivated to source and evaluate a robust number of additional investment options so that there is less investment competition on their "open architecture" platform.

Firms offering proprietary funds-of-funds often have further incentive to place a higher allocation of their "best ideas" in their commingled products rather than into clients' portfolios, limiting their clients' access to those investments on a separately managed basis.

We do not have any brokerage operations or affiliations. We have avoided offering brokerage services so that clients can trust that we only suggest moves in their portfolio because we believe the changes are in their best interest, not because we receive transaction commissions.

SG 14.3

Describe how you ensure that company employees do not derive any personal gain from the use of information collected during your work process.

We have a written Code of Ethics that establishes high standards for the professional conduct of our staff. Each year, all employees are required to read and confirm their understanding of the Code in writing. The general principles of the Code are as follows:

- The firm and each of its employees have a fiduciary obligation to all clients. This obligation means, in part, that each individual has a responsibility to give unbiased advice that is based solely on a client's needs and best interest.

- We do not accept any gifts of more than a *de minimis* value from the investment management firms that we recommend to clients.
- All employee personal transactions in securities must conform to the Code and be conducted so as to avoid any actual or potential conflicts of interest.
- No individual of the firm shall behave so as to benefit or appear to benefit inappropriately from any client relationship.
- The financial, non-public information of our clients is highly confidential and may not be revealed except as required in order to provide the desired services, or with the prior knowledge and consent of the client.

The firm's Chief Compliance Officer, and the compliance team are responsible for monitoring and enforcing staff compliance with our conflict of interest policies and the Code of Ethics.

No

Cambridge Associates

Reported Information

Public version

Investment Consultancy

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 Consultancy

IC 01

Mandatory

Public

Gateway

IC 01.1

Indicate whether your services include any of the following.

- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research
- Manager selection and monitoring
- Other, specify (1)

Capital Markets and Thematic Research, including on ESG issues
Review and monitor risk exposures
Investment operational support

- Other, specify (2)

IC 01.2

Describe how you ensure that your clients understand your service offerings and fee structure.

During the business development process, we provide each client with a detailed list of services that we propose to provide to them. This is accompanied by the proposed fee structure. Once the client has accepted Cambridge Associates' proposal, the same services and fees are laid out in the contract of engagement for the client to review and approve.

IC 03

Mandatory

Public

IC 03.1

Indicate whether you provide fiduciary management services.

- Yes, we do

IC 03.2

Describe how you incorporate ESG factors into your fiduciary management services.

- Yes, we incorporate ESG factors in fiduciary management services.

CA Capital Management, Cambridge Associates' dedicated Outsourced Chief Investment Officer (OCIO) business, provides discretionary outsourcing services to institutions globally. We currently manages more than \$37 billion in assets on behalf of more than 107 discretionary clients, as at June 2019.

Incorporation of ESG factors is included as a core part of the service of our OCIO offering. The team contains ESG subject matter experts in senior OCIO roles to provide appropriate investment outcomes to discretionary clients incorporating their ESG/RI goals. For example, one of the key founder's of the firm's Mission Related Investing practice a decade ago now works as an OCIO, bringing deep expertise on ESG/RI issues. The team also draws on the investment research capabilities of the broader firm, which integrate consideration of ESG issues.

The team has no off-the-shelf products and all discretionary management is driven by the specific needs of the individual client and is enacted in accordance with that client's own investment policy and goals, to include ESG, RI, and Impact. These goals may place substantial importance on ESG factors. Our own firm-wide focus on ESG integration also enhances our ability to deliver a robust discretionary solution.

- No ESG incorporation currently, but plans exist to start incorporating ESG in the next reporting year
- No ESG/RI incorporation

IC 03.3 Describe how ESG incorporation fits into your interpretation of fiduciary duty.

Given our sole focus on helping our clients add long-term value to their portfolios, we recognize that material environmental, social and governance (ESG) factors can impact the performance of investments.

- No, we do not

IC 03.4 Additional information. [OPTIONAL]

CA Capital Management is privileged to work with asset owners taking a leading stance on ESG/RI. For example a high profile US non-profit discretionary client recently announced the creation of a substantial carve out within their endowment dedicated to impact investments, managed by CA Capital Management, with the aim of generating strong social and financial returns and further aligning the endowment with their mission and values. During the reporting period we also began implementation for a major UK Pension fund client building a new private investments allocation with a very material focus on ESG, sustainability and responsible investment. Every investment must meet strict ESG criteria, with bespoke analysis relative to the client's specific ESG requirements a core part of our discretionary service.

Other discretionary mandates incorporate client specific detailed ESG policies or exclusions. Our independence and the customized approach to discretionary management gives us a strong platform to incorporate client-specific ESG considerations into the process.

Investment policy development

IC 06	Mandatory	Public	Descriptive
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IC 06.1 Indicate whether you incorporate ESG into your investment policy development services.

- Yes, we systematically do
- Yes, we occasionally do
- No, we do not. Plans exist to start incorporating ESG into our investment policy development services in the next reporting year
- No, we do not

IC 06.2

Describe how you incorporate ESG factors and RI-considerations when advising clients on investment policy development.

- Reviewing clients' existing beliefs, investment strategy and policy in relation to ESG
- Aligning the investment policy with the client's overall ESG strategy and beliefs
- Helping clients define ESG investment objectives and incorporating them into policies
- Considering short-, mid- and long term time horizon of overall ESG objectives outlined in the investment policy
- Aligning the policy with the relevant ESG/RI regulations and public policies
- Determining the client's ESG risk-profile and materiality to inform the investment policy
- Providing education/training and case studies if the client has not publicly committed to an ESG strategy or beliefs, and seek to incorporate ESG in the client's investment policy
- Researching ESG trends, terminology and current debate to help create an up-to-date investment policy
- Comparing ESG investment policies of peers in the market
- Engaging the client organisations' executives, Board and any other stakeholders in the ESG investment policy development
- Outlining the internal governance structure responsible for overseeing and implementing the investment policy
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

IC 06.4

Additional information. [OPTIONAL]

We do this systematically when relevant to the particular aspect of of policy we are being advised on.

We have expertise on incorporating ESG into your investment policy development and will do so when appropriate the specific service offering to a given client.

Strategic asset allocation

IC 07**Mandatory****Public****Descriptive****IC 07.1**

Indicate whether you incorporate ESG into your strategic asset allocation process.

- Yes, we systematically do
- Yes, we occasionally do
- No, we do not. Plans exist to start incorporating ESG into our strategic asset allocation services in the next reporting year
- No, we do not

IC 07.2 Indicate how you incorporate ESG into your strategic asset allocation services.

- Incorporating climate change-specific factors into analysis of expected returns and risk levels across asset classes
- Incorporating other environmental considerations into analysis of long-term expected returns and risk levels across asset classes e.g. biodiversity, water usage, waste and hazardous materials
- Incorporating social considerations into analysis of long-term expected returns and risk levels across asset classes
- Incorporating governance considerations into analysis of long-term expected returns and risk levels across asset classes
- Incorporating ESG when advising on target percentages for allocation in asset classes
- Aligning the strategic asset allocation with the client's ESG investment policy, ESG investment objectives and ESG risk profile
- Other, specify(1)
- Other, specify(2)
- Other, specify(3)

IC 07.4 Additional information. [OPTIONAL]

Our core research process systematically incorporates ESG considerations, which in turn feeds into the asset allocation process.

Our key research papers on incorporating climate change can be found below.

<https://www.cambridgeassociates.com/wp-content/uploads/2019/12/Summary-of-Climate-Change-Science-for-Investors-US.pdf>

<https://www.cambridgeassociates.com/research/risks-and-opportunities-from-the-changing-climate-playbook-for-the-truly-long-term-investor/>

Investment research

IC 10

Mandatory

Public

IC 10.1 Indicate whether you incorporate ESG into your investment research services.

- Yes, we systematically do
- Yes, we occasionally do
- No, we do not. Plans exist to start incorporating ESG into our investment research services in the next reporting year
- No, we do not

IC 10.2 Indicate whether the following activities are part of your investment research process. Describe for each activity how you incorporate ESG.

Investment research activities

- Asset level research

Describe how you incorporate ESG

We perform deep asset level research covering ESG. This can take many forms. We often form expert working groups to consider key ESG factors for a given asset class. This will inform manager selection and research within asset classes and asset allocation decisions. There are monthly firmwide calls drawing together ESG experts to focus on particular asset classes, consider material ESG trends pertinent to them, and compare ESG strategies within them. We also publish high level research on ESG issues for a particular asset class.

During 2019, we published a new paper in partnership with CREO which examined the rebound of returns from cleantech in the private investments asset class.

<https://www.cambridgeassociates.com/insight/pathways-to-sustainable-investing/>

For example, in 2016 we published a paper in collaboration considering the materiality of ESG data for financial returns for public equity asset class, with a particular emphasis on the importance of ESG data in emerging markets:

<https://www.cambridgeassociates.com/research/the-value-of-esg-data-early-evidence-for-emerging-markets-equities/>

Our impact investing benchmarks (published in 2016 and continually updated through this reporting period) also analyze the performance of impact investments across the major private assets classes: venture capital and infrastructure (timber, real estate and infrastructure).

- Portfolio level research

Describe how you incorporate ESG

We fully incorporate consideration of ESG factors into our investment research process. We systematically monitor ESG issues in manager research and gather data on all managers' ESG credentials as a formal and early step in the evaluation process. ESG data is then monitored on an ongoing basis. All new due diligence reports incorporate ESG considerations. Given the rapid evolution in this area, we are constantly updating this analysis. Over 2018 and 2019 we undertook a project to expand the amount of ESG data we collect from both public and private managers as part of our investment process. This has included expanding analysis of specific climate change risk metrics for example. Other data captured includes multiple details on ESG integration, exposure to controversial areas, the use of ethical exclusions and reporting/transparency. In 2019 we also on-boarded new climate risk tools for portfolio level research (scenario analysis and new Value-at-Risk models)

With regards to stewardship, given we invest through third party managers we analyse the robustness of their stewardship (voting and engagement) policies, implementation and reporting as part of this ESG due diligence. For private investments, we consider how ESG initiatives are actively supported in underlying holdings.

We also use this systematic data, along with use of third party ESG analytical tools on underlying holdings where appropriate, for bespoke ESG reviews and screening of client portfolios and the underlying holdings of investment managers. This covers ethical exclusions, controversies exposures, positive impact measurement, and climate risk metrics (e.g. emissions, emissions intensity, fossil fuel reserves exposure)

Additionally, our dedicated ESG investment research resources track over 1,000 ESG strategies across the entire spectrum from socially responsible strategies through to specialist impact investment strategies in all asset classes.

- Performance monitoring

Describe how you incorporate ESG

Monitoring performance where appropriate versus custom ESG benchmarks.

- Mandate design

Describe how you incorporate ESG

Where we see attractive potential to meet our clients ESG and investment needs, we will often work with managers to facilitate the creation of new ESG solutions. This may take the form of separate account mandates meeting specific client ESG requirements (for example meeting the specific negative ethical exclusions of a client or climate related low carbon tilts to passive mandates). On other occasions, following our input, our clients will seed new pooled fund ESG solutions or new ESG share classes with our input on optimal design. In doing so, we have been able to play an important role in the development of strong ESG/RI products for asset owners emphasizing these issues.

As a case study, during 2019 we helped to design a new global equity index with materially less climate risk (e.g. zero fossil fuels, material reductions in exposure to high emissions, and a positive tilt to green revenues and companies showing momentum on addressing climate risk) and an ESG overlay (e.g. exclusion of companies breaching UN Global Compact norms, enhanced ESG voting and engagement). Our European clients seeded a new fund launch tracking this new index.

We have used our scale in both private and public investments to negotiate better terms/transparency around ESG issues.

- Benchmark selection

Describe how you incorporate ESG

We have done deep research into benchmarks incorporating socially responsible or ESG considerations, and strategies which track them. We will consider the appropriateness of standard or ESG benchmarks on a case by case basis to best serve client needs.

For example, in custom investment research project for one client we recently recommended a customized semi passive global equity solution incorporating both ESG factors (e.g. low carbon, divested from fossil fuels, positive tilt towards green revenues) and conventional factor tilts (e.g. Value). During this reporting period we have been working with a major provider of index products to create a new ESG index incorporating various climate related, ESG and ethical criteria which will be delivered in a pooled fund structure, initially for European investors.

A relevant ESG benchmark is helpful for separating out the impact of the active factor tilt from the ESG tilts (e.g. compare a fossil fuel free strategy to a fossil fuel free benchmark). A second comparison to a standard global benchmark provides information on the overall performance of the strategy.

- Equity research
- Credit research
- Quant research
- Sector research
- Thematic research

Describe how you incorporate ESG

We publish numerous thematic research pieces considering key ESG issues. Some are only provided to our clients, while others are made public as part of our efforts to help grow the field of ESG investing globally.

Recent examples include:

- A Summary of Climate Change Science for Investors (2019)
- Pathways to Sustainable Investing: Insights from Families and Peers (2019)
- Mission-Related Investing — Insights and Perspectives (2018, a deep dive on our survey into ESG and impact investing practices amongst asset owners)
- Social Equity Investing Righting Institutional Wrongs (2018)
- Gender Lens Investing: Impact Opportunities through Gender Equity (2018)
- Navigating the “Alphabet Soup” of Mission-Related Investing (2017)
- Newly Issued Guidance for UK Pension Schemes Emphasizes Need to Consider ESG Factors (2017)

- Considerations for ESG Policy Development (2017)
- The Financial Performance of Real Assets Impact Investments: Introducing the Timber, Real Estate, and Infrastructure Impact Benchmarks (2017)
- The Value of ESG Data: Early Evidence for Emerging Markets Equities (2016)
- The Foundation of Good Governance for Family Impact Investors (2016)
- Risks and Opportunities From the Changing Climate: Playbook for the Truly Long-Term Investor (2015)
- Introducing the Impact Investing Benchmark (2015)

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

IC 10.4	Additional information. [OPTIONAL]
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We have not selected Equity, Credit or Quant research above since our core investment research focuses on manager research, capital markets research and thematic research. We don't have our own fund products.

However, we deeply consider ESG issues when researching and monitoring equity, credit and quant managers.

IC 11	Mandatory	Public	Descriptive
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IC 11.1	Describe how you measure, track or otherwise demonstrate your value on investment research activities.
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Our intensive and proprietary research provides the foundation for all client recommendations. Our client investment performance broken down by asset class is a demonstration of value added by our investment research activities.

IC 11.2	Additional information. [OPTIONAL]
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Our intensive and proprietary research provides the foundation for all client recommendations. Our client investment performance broken down by asset class is a demonstration of value added by our investment research activities.

The following characteristics distinguish our research from that of our competitors:

- **Size and Global Reach of Staff.** We have more than 175 professionals dedicated to capital markets and manager research in our global offices.
- **Independence.** Managers do not compensate us in any way for inclusion in our databases or client searches.
- **Broad Coverage.** In 2019, we conducted nearly 5,500 conference calls and on-site and off-site meetings with managers around the world. This coverage gives our investment directors an understanding of the global market and the managers operating in it.
- **Rich Proprietary Manager Databases.** Our databases currently track more than 9,600 managers across asset classes and geographical regions.
- **Rigorous Process.** Our manager evaluation process is rigorous and, unlike that of many of our competitors, does not rely solely on a mechanical screening process. Instead, our investment directors conduct in-depth analysis that considers both quantitative and qualitative factors.
- **Relevant Research Publications.** We publish more than 100 reports annually on topics of concern to clients, including the global capital markets, alternative asset managers, investment manager fees, the relative merits of active versus passive management techniques, and other manager issues.

- **Custom Searches.** In some cases, our manager research is undertaken to suit the request of an individual client. Additionally, we customize each manager recommendation to each client's unique risk profile and objectives.

Manager selection and monitoring

IC 12	Mandatory	Public	Gateway
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IC 12.1 Indicate whether you incorporate ESG factors into your manager selection and monitoring services.

Manager selection service

- Yes, we systematically do
- Yes, we occasionally do
- No, we do not. Plans exist to start incorporating ESG into our manager selection services in the next reporting year
- No, we do not

Manager monitoring service

- Yes, we systematically do
- Yes, we occasionally do
- No, we do not. Plans exist to start incorporating ESG into our manager monitoring services in the next reporting year
- No, we do not

IC 12.3 Additional information. [OPTIONAL]

The emphasis on ESG factors in manager selection and monitoring can vary, given the totally customised approach taken to every client portfolio. In some cases, for clients with very specific ESG requirements (e.g. ethical screens, a fossil fuel divestment policy, or a client mandate dedicated to impact investing) it is explicit and central. However, in all cases ESG is incorporated since it is systematically considered within our investment research process. A major project in 2018 and 2019 further enhanced the systematic collection of ESG data on managers across all asset classes. We added more data analysis on factors including climate change and stewardship.

SELECTION

IC 13	Mandatory	Public	
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IC 13.1 Indicate what activities you undertake during the process of selecting a manager.

Research and screening

- Conducting ESG due diligence
- Developing guidelines and/or RI priorities for the selection process
- Conducting internal database screening that includes ESG factors
- Conducting external database screening that includes ESG factors
- Qualitative research that includes ESG factors
- Conducting ESG risk analysis
- Other (1), specify
- None of the above

Strategy

- Assessing the time horizon of the manager's offering vs. your client's requirements
- Assessing the quality of the manager's investment policy and its reference to ESG
- Assessing the investment approach of the manager and how ESG factors are incorporated
- Reviewing active ownership capabilities and track record of potential shortlisted managers
- Other, specify (1)
- None of the above

ESG people/oversight

- Assessing the ESG expertise of investment teams
- Reviewing the oversight and responsibilities of ESG implementation
- Other, specify (1)
- None of the above

Process/portfolio construction

- Reviewing how ESG materiality is evaluated by managers
- Reviewing the manager's use of ESG information in the investment decision-making process
- Review the impact of ESG analysis on investment decisions by the manager
- Review the manager's ESG risk framework
- Other, specify (1)
- None of the above

Selection process and reviewing documentation

- Reviewing ESG/RI responses to request for proposals
- Reviewing PRI Transparency Reports of the potential manager
- Request and discuss PRI Assessment Reports of the potential manager
- Reviewing potential manager’s assurance process on ESG/RI data and processes
- Meetings/calls with potential shortlisted investment managers covering ESG/RI themes
- Site visits to potential managers’ offices
- Other, specify (1)
- None of the above

IC 13.2 Indicate whether you use any of the following scores or targets in your manager selection process.

- ESG score
- ESG weight
- Real economy targets
- Other RI considerations
- None of the above

IC 13.3 Additional information. [OPTIONAL]

The emphasis on the various considerations above will always be client specific, given our selection work is always tailored. It will also vary across asset classes.

While we will often review UN PRI reports, especially for ESG/RI specialist managers, it is not a core part of our process given the strong direct access we have to investment managers to evaluate ESG issues and our own detailed ESGF due diligence data collection.

IC 14	Mandatory	Public	Descriptive
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IC 14.1 Describe how you incorporate asset owners’ investment principles into the manager selection process.

Incorporating asset owners' investment principles into the manager selection process is fundamental to our firm's entire client offering. We do not offer off-the-shelf investment solutions or funds-of-funds and we do not have fee arrangements with investment management firms.

Our manager selection work is therefore independent and customized to meet the needs of the particular client. Incorporating our asset owner clients’ own investment principles into manager selection is a case in point that illustrates our unique value proposition to our many clients. We are able to strongly emphasize ESG/RI and alignment with their principles in a customized manner. No two asset owners principles and beliefs are the same. We therefore believe that this independent and customized approach stands out and differentiates our offering.

IC 15	Mandatory	Public	Descriptive
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IC 15.1

Briefly describe how you include ESG factors in your due diligence process for manager selection.

The information provided in the previous Investment Research and Manager Selection and Monitoring sections largely answers this question.

Any manager selection process will draw on our deep ESG investment research capabilities, while being tailored to the specific investment policy and goals (including related to ESG issues) of the client in question. There is no single 'recommended list' or score for ESG managers, since all clients have different needs on ESG. Our manager selection work considering ESG factors spans all asset classes and extends from simple negative screens on passive equity allocations through to a deep impact investing research platform.

We have specific ESG resources to help manager searches with regard to specific client ESG issues. For example, we maintain a database of fossil fuel free investment strategies for clients pursuing a policy of fossil fuel divestment. Our manager database has search functions based on a number of ESG attributes and datapoints for underlying managers. We will also use quantitative ESG data tools to screen managers for compliance with other specific client policies (e.g. negative screens).

Finally, the fact we have a large number leading ESG/RI practitioners among our client base gives us the scale to help drive new ESG solutions where the manager selection process reveals a gap in the market of suitable products.

IC 16**Mandatory****Public****Descriptive****IC 16.1**

Indicate whether you set any of the following to measure compliance/progress, or use the following information to review and evaluate the investment manager.

Setting measures for the investment manager as part of the monitoring process

- ESG score
- ESG weight
- Real economy targets
- Other RI considerations

We have developed our own framework for impact reporting when monitoring impact investing strategies.

- None of the above

Reviewing and evaluating information from the investment manager as part of the monitoring process

- ESG objectives linked to investment strategy
- Investment restrictions and any controversial investment decisions
- ESG incorporation objectives
- ESG portfolio characteristics
- How ESG materiality has been evaluated by the manager in the monitored period
- Information on any ESG incidents
- Metrics on the real economy influence of the investments
- PRI Transparency Reports
- PRI Assessment Reports
- Other general RI considerations in investment management agreements, specify
- None of the above

IC 16.2 Describe how you raise and manage concerns when monitoring investment managers on ESG factors.

Our monitoring process is based around frequent direct interactions with managers. Our scale gives us strong access to our managers. We would raise such issues directly with managers. We have frequent dialogue on issues such as voting, engagement and defining the parameters of ethical exclusions. Our direct access to managers means we generally access ESG information directly although our due diligence data collection also collects PRI reports for evaluation.

IC 17	Mandatory	Public	Descriptive
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IC 17.1 Indicate whether you report back to asset owners on your manager selection and/or monitoring activities.

- Yes, we systematically do
- Yes, we occasionally do
- No, we do not

IC 17.2 If yes, describe how you report back and the frequency.

We maintain very regular dialogue with our typical asset owner clients on manager selection activities, culminating in their approval for advisory clients. This reporting happens frequently with investment teams between regular investment committee or trustee meetings, which are typically quarterly. Quarterly meetings will also cover monitoring activities. We also provide clients with quarterly manager monitoring reports on our research database.

IC 18	Mandatory	Public	Descriptive
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IC 18.1 Describe how you measure, track or otherwise demonstrate your value on manager selection and monitoring services.

As we do not have our own productions and do not have “model” portfolios for our clients, the track record for our discretionary relationships is the purest form of our value added from manager selection, appointment and monitoring services as it represents decisions made fully by the Cambridge Associates investment teams.

Cambridge Associates

Reported Information

Public version

Confidence building measures

PRI disclaimer

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