



# CLIMATE TRANSPARENCY REPORT

## 2019

Fisher Investments

# 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/-85B496B9-AFDF-4F73-AD6E-E72417D63B0B/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C\\*complete\\*%7C\\*public\\*/Merged/](https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-85B496B9-AFDF-4F73-AD6E-E72417D63B0B/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	
<b>Name</b>	Fisher Investments
<b>Signatory Category</b>	Fund Management - Majority
<b>Signatory Type</b>	Investment Manager
<b>Size</b>	US\$ > 50 billion AUM
<b>Main Asset Class</b>	>50% Listed Equity Internally Managed
<b>Signed PRI Initiative</b>	2014
<b>Region</b>	North America
<b>Country</b>	United States
<b>Disclosure of Voluntary Indicators</b>	27% from 38 Voluntary indicators

# Fisher Investments

## 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 checked="" 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 checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" 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 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.

Fisher Investments (FI) considers environmental, social and governance (ESG) issues throughout our investment and portfolio construction process. The overall responsibility of implementation and fulfilment of the ESG policy rests with FI's Investment Policy Committee (IPC). The IPC determines the materiality of the ESG considerations as they pertain to countries, industries or individual stocks with the assistance of FI's Capital Markets and Securities Analysts.

ESG issues are among many drivers considered by FI's Capital Markets Analysts and FI's Investment Policy Committee when developing country, sector and thematic preferences. Governmental influence on public companies, environmental legislation, environmental issues, and market reforms impacting private property, labor and human rights are among multiple ESG factors considered for all of our clients when determining country and sector/industry allocations and shaping an initial prospect list of portfolio positions.

FI's Securities Analysts perform fundamental analysis. The fundamental research process involves reviewing and evaluating a range of ESG factors with FI's IPC prior to purchasing a security with the goals of identifying securities benefitting from ESG trends and avoiding those with underappreciated risks. These factors include, but are not limited to, shareholder concentration, corporate stewardship, environmental opportunities & liabilities, and human or labor rights controversies.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

We believe ESG investors are best served by an investment process that considers both top-down and bottom-up factors. We believe integrating ESG analysis at the country, sector and stock levels consistent with clients' investment goals and ESG policies maximizes the likelihood of achieving desired performance and improving environmental and social conditions worldwide. The goal of our responsible investing policy is to identify securities benefitting from ESG trends and avoid those with underappreciated risks. Additionally, we seek to satisfy our clients' environmentally and socially responsible mandates without compromising our broader market outlook and themes.

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.

FI considers both direct and transition risks and opportunities on prospective holdings. While the direct climate-related risks to our organization are limited, FI does consider such risks throughout the investment process. Within portfolios, for example, we review the impact of climate-related legislation and shifting consumer and investor preferences on country, sector, and security decisions. FI assesses the risk of climate change in the portfolio screening process, examining specific climate change sources such as toxic emissions, fossil fuel production, and fossil fuel use. Within ESG portfolios carbon-related risks are more directly targeted by restricting various coal-fired utilities and mining companies involved in thermal coal extraction. Within Low Carbon portfolios, FI explicitly targets a carbon footprint reduction relative to a benchmark. FI continually re-evaluates companies within the ESG portfolio for policy compliance; helping to ensure securities held in the ESG portfolio maintain socially responsible business practices.

**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.

Climate-related risks are evaluated based on an assessment of materiality over the next 12-18 months

No

**SG 01.9  
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

Explain the rationale

While we have not publicly endorsed the TCFD recommendations, we generally applaud and support its efforts.

**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

<b>SG 1.12 CC</b>	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
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**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 02.1</b>	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

	URL/Attachment
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- URL

	URL
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{[hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg](https://institutional.fisherinvestments.com/en-us/process/esg)}

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

	URL/Attachment
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- URL

	URL
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{[hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg](https://institutional.fisherinvestments.com/en-us/process/esg)}

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

	URL/Attachment
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- URL

	URL
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{[hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg](https://institutional.fisherinvestments.com/en-us/process/esg)}

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

URL/Attachment

URL

URL

{hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg}

Attachment (will be made public)

Fiduciary (or equivalent) duties

URL/Attachment

URL

URL

{hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg}

Attachment (will be made public)

Asset class-specific RI guidelines

URL/Attachment

URL

URL

{hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg}

Attachment (will be made public)

Screening / exclusions policy

URL/Attachment

URL

URL

{hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

**SG 02.2** Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

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

URL/Attachment

URL

URL

{hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg}

Attachment

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

URL/Attachment

URL

URL

{hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg}

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

{hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg}

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg}

Attachment

Reporting

URL/Attachment

URL

URL

{hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg}

Attachment

Understanding and incorporating client / beneficiary sustainability preferences

URL/Attachment

URL

URL

{hyperlink:https://institutional.fisherinvestments.com/en-us/process/esg}

Attachment

We do not publicly disclose any investment policy components

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

Our ESG Policy and Engagement Policy can be found in the "Resources" section following the link to our website. These policies cover all of the above selections.

**Governance and human resources**

<b>SG 07 CC</b>	<b>Voluntary</b>	<b>Public</b>	<b>Descriptive</b>	<b>General</b>
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<b>SG 07.5 CC</b>	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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Board members or trustees

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

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

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

Portfolio managers

- 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

Dedicated responsible investment staff

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

Other role, specify (1)

Other description (1)

Client Guidelines and Assurance team

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

**SG 07.7**  
**CC** For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.

Supported by FI's Research Analysts, our two Co-CIOs as well as the rest of the Investment Policy Committee are responsible for determining the materiality of ESG considerations, including climate-related issues, as they pertain to countries, industries or individual stocks.

## ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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**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

Describe

We look at a variety of possible outcomes. Any material ESG factors that may lead to over/underweights of countries and sectors are continuously analyzed and evaluated.

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

**SG 13.2** Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes  
 Determining fixed income duration  
 Allocation of assets between geographic markets  
 Sector weightings  
 Other, specify  
 We do not consider ESG issues in strategic asset allocation

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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**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, 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				217	000
Currency	USD				
Assets in USD				217	000

Specify the framework or taxonomy used.

We target 50% of the weighted average carbon intensity of the relevant benchmark index.

- 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

<b>SG 14 CC</b>	<b>Voluntary</b>	<b>Public</b>	<b>General</b>
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**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
<b>Weighted average carbon intensity</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Monitoring	tons CO2e/\$M Sales	Data provided by MSCI ESG Research
<b>Carbon footprint (scope 1 and 2)</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
<b>Portfolio carbon footprint</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Inform Investment Decisions	tons CO2e/\$M Sales	Data provided by MSCI ESG Research
<b>Total carbon emissions</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			
<b>Carbon intensity</b>	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Monitoring	tons CO2e/\$M Sales	

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

- Process for climate-related risks is integrated into overall risk management

Please describe

Risk management analysis is performed on an ongoing basis through periodic and ad hoc analyses, with regular reporting to the IPC. The Capital Markets Innovation (CMI) team conducts monthly forward-looking analyses of expected impact from portfolio country, sector and style characteristics and evaluates portfolio sensitivity to macro exposures such as interest rates, commodity prices and currencies. The CMI team also produces ad hoc pre- and post-trade analyses to identify potential impacts of tactical or strategic changes on portfolio exposures, cross correlation of securities, liquidity and ownership levels. On a prescriptive basis, risk management helps the IPC determine areas of focus for additional analysis and scrutiny, potentially guiding portfolio changes at both macro and stock-specific levels. Short and medium term risks are assessed on an ongoing basis by the Securities and Capital Markets teams.

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

<b>SG 14.9 CC</b>	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
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- Yes
- No, we do not engage

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