



CLIMATE TRANSPARENCY REPORT

2019

Treehouse Investments, LLC

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/-C2006A8B-40A5-47DB-A5FF-86FBFA1D3FF8/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

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

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

TCFD Recommendations Index

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

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

ORGANISATIONAL OVERVIEW

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

MAIN CHARACTERISTICS

| | |
|---|--|
| Name | Treehouse Investments, LLC |
| Signatory Category | Family office |
| Signatory Type | Asset Owner |
| Size | US\$ 0.1 - 0.99 billion AUM |
| Main Asset Class | >50% Infrastructure Internally Managed |
| Signed PRI Initiative | 2014 |
| Region | North America |
| Country | United States |
| Disclosure of Voluntary Indicators | 18% from 38 Voluntary indicators |

Treehouse Investments, LLC

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

SG 01.3

Indicate if the investment policy covers any of the following

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

SG 01.4

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

Treehouse Investments is a long-only, top down, macro based investment fund which focuses on investments targeting Global Warming, through renewable energy, energy efficiency, and sustainable infrastructure; and the Globalising Middle Class, through basic goods and services, particularly healthcare, basic finance, and consumer staples.

We subscribe to the Universal Owner Hypothesis, believing that investment success is dependent on the long-term health of financial markets and their underlying economies. We aim to support that long-term health by investing in socially responsible businesses, which contribute to our three impact goals: reducing greenhouse gas emissions, gender equality, and supporting a sustainable economy.

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.

We look for companies that contribute to global climate change mitigation, primarily in the sectors of renewable energy generation, energy efficiency and storage, and sustainable infrastructure.

We track greenhouse gas emissions (Scope 1 and Scope 2) across our entire portfolio and engage with investments to improve their reporting and to conduct climate risk exposure assessments.

We exclude companies engaged in the extraction or trade of oil and coal.

**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.

The timescale varies with each investment from immediately to very long term.

No

SG 01.9
CC

Indicate whether the organisation publicly supports the TCFD?

Yes

No

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

Describe

Our investment strategy is to target investments that are actively contributing to the transition to a lower-carbon economy. We expect our portfolio to be positively affected by this transition.

No

SG 1.12
CC

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

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

SG 02

Mandatory

Public

Core Assessed

PRI 6

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

SG 02.1

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

- Policy setting out your overall approach
- Screening / exclusions policy
- Engagement policy
- (Proxy) voting policy
- 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.

- Time horizon of your investment
- Reporting
- Climate change

URL/Attachment

- URL

URL

{hyperlink:<http://treehouseinvestments.com>}

- Attachment
- We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

As a private family office, we have no external clients so we have not published our investment policy documents. Our investment principles and impact goals, with reference to our target of reducing greenhouse gas emissions, are stated on our website.

Governance and human resources

| SG 07 CC | Voluntary | Public | Descriptive | General |
|----------|-----------|--------|-------------|---------|
|----------|-----------|--------|-------------|---------|

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

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

Investment analysts

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

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

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

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

All three of our managing directors are a part of our investment committee.

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

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

ESG issues in asset allocation

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

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

- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities

| | |
|--|----------|
| | Describe |
|--|----------|

We consider risks and opportunities related to future governance trends, particularly the likelihood of a carbon tax or carbon credits, as well as those related to ongoing changes in weather patterns, water availability and population movement

- 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 13.3 | Additional information. [OPTIONAL] |
|----------------|------------------------------------|

We exclude investments in coal, oil, military-industrial, and tobacco.

| | | | | |
|-----------------|-----------|--------|-------------|---------|
| SG 13 CC | Voluntary | Public | Descriptive | General |
|-----------------|-----------|--------|-------------|---------|

| | |
|-------------------|--|
| SG 13.4 CC | Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans. |
|-------------------|--|

Initial assessment

| |
|----------|
| Describe |
|----------|

We target companies that in clean infrastructure, that aim to capitalize on climate-related opportunities and are relatively well-protected from climate-related risks.

Incorporation into investment analysis

| |
|----------|
| Describe |
|----------|

Private equity investments are analyzed based on the greenhouse gas emissions they are expected to avoid.

Inform active ownership

| |
|----------|
| Describe |
|----------|

We support proxy resolutions that push for climate risk disclosure, and work with management to improve their climate reporting.

Other

| | |
|-------------------|----------------------------------|
| SG 13.5 CC | Indicate who uses this analysis. |
|-------------------|----------------------------------|

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

| | |
|-------------------|--|
| SG 13.6 CC | Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy. |
|-------------------|--|

Yes

| | |
|--|----------|
| | Describe |
|--|----------|

As a family office we have quite a long investment horizon, so we would expect to see impacts of climate-related risks on our investment portfolio. In fact, we already see them, as climate-related risks are already being realized in sectors to which we are currently exposed (see the PG&E bankruptcy, for example).

No

| | |
|-----------------------|--|
| SG 13.7 CC | Indicate whether a range of climate scenarios is used. |
|-----------------------|--|

- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

| | |
|-----------------------|---|
| SG 13.8 CC | Indicate the climate scenarios the organisation uses. |
|-----------------------|---|

| Provider | Scenario used |
|---------------------------------------|--|
| IEA | <input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS) |
| IEA | <input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario |
| IEA | <input type="checkbox"/> Sustainable Development Scenario (SDS) |
| IEA | <input type="checkbox"/> New Policy Scenario (NPS) |
| IEA | <input type="checkbox"/> Current Policy Scenario (CPS) |
| IRENA | <input type="checkbox"/> RE Map |
| Greenpeace | <input type="checkbox"/> Advanced Energy [R]evolution |
| Institute for Sustainable Development | <input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP) |
| Bloomberg | <input type="checkbox"/> BNEF reference scenario |
| IPCC | <input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5 |
| IPCC | <input type="checkbox"/> RPC 6 |
| IPCC | <input type="checkbox"/> RPC 4.5 |
| IPCC | <input type="checkbox"/> RPC 2.6 |
| Other | <input type="checkbox"/> Other (1) |
| Other | <input type="checkbox"/> Other (2) |
| Other | <input type="checkbox"/> Other (3) |

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

SG 14.1

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

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, 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 | | | 140 | 000 | 000 |
| Currency | USD | | | | |
| Assets in USD | | | 140 | 000 | 000 |

Specify the framework or taxonomy used.

Our investments that qualify as low carbon and climate resilient are direct investments in renewable energy projects, suppliers, funds and funders, or energy access related businesses.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

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

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

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

SG 14.6 CC

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

| Metric Type | Coverage | Purpose | Metric Unit | Metric Methodology |
|--|---|---------|-------------|--------------------|
| Carbon footprint (scope 1 and 2) | <input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | | |
| Total carbon emissions | <input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | | |
| Exposure to carbon-related assets | <input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets | | | |

SG 14.8 CC

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

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

Please describe

Senior staff dedicates a significant proportion of work hours to reviewing a wide range of general and sector-specific news sources covering issues that could have a material impact on our business. In addition, all staff regularly attend professional development webinars, seminars and conferences, contributing to our institutional awareness of risks and opportunities. These are communicated within the organization by email and using other communications apps such as Slack.

The management team holds weekly strategy meetings in which short-term risks and opportunities are reviewed with a view to their potential impact on our portfolio. These are reviewed in more depth in quarterly internal reports that cover investment performance and major news and trends in the sector.

Longer term risks and opportunities, and how best to manage them, are reviewed at an annual meeting of the executive management team.

As our business is focused on renewable energy and sustainable infrastructure, as well as on businesses that target the globalizing middle class - a group particularly vulnerable to climate change - a majority of the risks and opportunities that we identify are related to climate. As such, all of the processes described above are actively addressing climate issues.

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

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

- Yes
- No, we do not engage

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

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

Yes

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

%

91

SG 15.3 Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology
- Renewable energy

Asset class invested

Listed equity

% of AUM

3.56

- Fixed income - SSA

% of AUM

8.57

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

% of AUM

.07

- Fixed income - Securitised
- Private equity

% of AUM

4.35

- Infrastructure

% of AUM

63.53

- Inclusive finance
- Cash

Brief description and measures of investment

Our chief area of focus is renewable energy investments, mostly supporting wind and solar development in the US and sub-Saharan Africa.

- Green buildings
- Sustainable forestry
- Sustainable agriculture

Asset class invested

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

% of AUM

.18

- Infrastructure
- Inclusive finance
- Cash

Brief description and measures of investment

We are invested in an organically sourced children's snacks and food company.

- Microfinance

Asset class invested

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

% of AUM

3.83

- Cash

Brief description and measures of investment

This is through externally managed private equity funds targeting emerging markets.

- SME financing
- Social enterprise / community investing

Asset class invested

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

% of AUM

1.42

- Infrastructure
- Inclusive finance
- Cash

Brief description and measures of investment

We are invested in a company that responsibly sources fabrics and products by enabling more than 5,000 artisans in 16 countries to develop into small businesses and compete in the global marketplace.

- Affordable housing
- Education
- Global health

Asset class invested

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

% of AUM

.55

- Fixed income - Securitised
- Private equity

% of AUM

2.74

- Infrastructure
- Inclusive finance
- Cash

Brief description and measures of investment

Two of our externally managed funds invest in global health issues.

- Water

Asset class invested

- Listed equity

% of AUM

.83

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

% of AUM

.42

- Infrastructure
- Inclusive finance
- Cash

Brief description and measures of investment

We hold listed equity in water utilities and companies that produce equipment for the water industry. We also have a private equity position in a container-based sanitation company.

Other area, specify

These two investments fall into multiple categories including renewable energy, social enterprises, education, health, and water.

Asset class invested

- Listed equity
- Fixed income - SSA

% of AUM

.81

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

% of AUM

.55

- Infrastructure
- Inclusive finance
- Cash

Brief description and measures of investment

We hold listed equity in a variety of technology companies that we believe are making positive social and environmental innovations.

We are invested in a fund whose primary focus is early-stage technology companies addressing a variety of issues from healthcare to climate change.

No