

LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p>Mandatory LEA 02</p> <p>By 2020, we will ensure that all our investments are aligned with the UN Sustainable Development Goals (SDGs) and that we have a clear policy on human rights, labour, and environmental issues. We will also ensure that our investments are not involved in weapons, tobacco, and pornography.</p> <p>The table below shows our engagement with companies on these issues. For each company, we have listed the issues we have engaged on, the type of engagement, and the results of our engagement. We will continue to engage with companies on these issues and will report on our progress in our next transparency report.</p>	<p>Reason for interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decision-making in & company research <input checked="" type="checkbox"/> To influence corporate practice for identify the need to influence on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage via internal staff <input type="checkbox"/> To support investment decision-making in & company research <input type="checkbox"/> To influence corporate practice for identify the need to influence on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage via internal staff <input type="checkbox"/> To support investment decision-making in & company research <input type="checkbox"/> To influence corporate practice for identify the need to influence on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other: specify <input type="checkbox"/> We do not engage via internal staff 	
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p>	<p>Collaborative engagements</p>	
<p>Service provider engagements</p>	<p>Service provider engagements</p>	

RI TRANSPARENCY REPORT

2018

Pyrford International

About this report

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

This report is an export of the individual Signatory organisation's response to the PRI during the 2018 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

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

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

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

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

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

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO TG		✓	-							
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Public							✓
OO 08	Segregated mandates or pooled funds	🔒	n/a							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	Active ownership practices for listed assets	✓	Public							✓
OO 11	ESG incorporation practices for all assets	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO LE 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public							✓
OO LE 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
OO FI 01	Breakdown by passive, active strategies	✓	Public							✓
OO FI 02	Option to report on <10% assets	🔒	n/a							✓
OO FI 03	Breakdown by market and credit quality	✓	Private							✓
OO SAM 01	Breakdown by passive, quantitative, fundamental and other active strategies	🔒	n/a							✓
OO PE 01	Breakdown of investments by strategy	🔒	n/a							✓
OO PE 02	Typical level of ownership	🔒	n/a							✓
OO PR 01	Breakdown of investments	🔒	n/a							✓
OO PR 02	Breakdown of assets by management	🔒	n/a							✓
OO PR 03	Largest property types	🔒	n/a							✓
OO INF 01	Breakdown of investments	🔒	n/a							✓
OO INF 02	Breakdown of assets by management	🔒	n/a							✓
OO INF 03	Largest infrastructure	🔒	n/a							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	Identifying incidents occurring within portfolios	✓	Private							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Public							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 07 CC	Climate-issues roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Public							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09.2	Assets managed by PRI signatories	🔒	n/a	✓						
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
SG 12	Role of investment consultants/fiduciary managers	✓	Public				✓			
SG 13	ESG issues in strategic asset allocation	✓	Public	✓						
SG 14	Long term investment risks and opportunity	✓	Public	✓						
SG 15	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 16	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
SG 17	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 18	Innovative features of approach to RI	✓	Private							✓
SG 19	Communication	✓	Public							✓
SG End	Module confirmation page	✓	-							

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Percentage of each incorporation strategy	✓	Public	✓						
LEI 02	Type of ESG information used in investment decision	✓	Public	✓						
LEI 03	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 04	Types of screening applied	🔒	n/a	✓						
LEI 05	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
LEI 06	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
LEI 07	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 08	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 09	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 10	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 11	ESG issues in index construction	🔒	n/a	✓						
LEI 12	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 13	Measurement of financial and ESG outcomes of ESG incorporation	✓	Public	✓						
LEI 14	Examples of ESG issues that affected your investment view / performance	✓	Public	✓						
LEI End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Public		✓					
LEA 12	Engagement methods	✓	Public		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 16	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 17	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 18	Confirmation of votes	-	n/a		✓					
LEA 19	Securities lending programme	✓	Private		✓					
LEA 20	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 21	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 22	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 23	Shareholder resolutions	✓	Public		✓					
LEA 24	Examples of (proxy) voting activities	✓	Public		✓					
LEA End	Module confirmation page	✓	-							

Assurance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM 1 01.1	Assurance, verification, or review	✓	Public							✓
CM 1 01.2 & 01.8	Assurance of this year's PRI data	✓	Public							
CM 1 01.3 & 01.9	Assurance of last year's PRI data	✓	Public							✓
CM 1 01.4, 10-12	Other confidence building measures	✓	Public							✓
CM 1 01.5	External assurance	🔒	n/a							✓
CM 1 01.6	Assurance or internal audit	🔒	n/a							✓
CM 1 01.7	Internal verification	🔒	n/a							✓
CM 1 01 End	Module confirmation page	✓	-							

Basic information

OO 01	Mandatory	Public	Gateway/Peering	General
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OO 01.1 Select the services and funds you offer

Fund management

% of assets under management (AUM) in ranges

- <10%
 10-50%
 >50%

- Fund of funds, manager of managers, sub-advised products
 Other, specify

Further options for investment managers (may be selected in addition to the above)

- Execution and advisory services
 Hedge funds
 Fund of hedge funds

OO 01.3 Additional information. [Optional]

Pyrford International (Pyrford) is a provider of global asset management services for pension funds, charities, endowments, foundations and high net worth individuals. The company has been operating from its London, UK base since 1987.

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

United Kingdom

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

36

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

- Yes
- No

OO 03.3 Additional information. [Optional]

Pyrford has no subsidiaries which are PRI signatories. However, Pyrford itself is a subsidiary of BMO Financial Group and other entities within the larger group are independent signatories of the PRI.

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

31/12/2017

OO 04.2

Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

	trillions	billions	millions	thousands	hundreds
Total AUM		10	492	123	960
Currency	USD				
Assets in USD		10	492	123	960

OO 06

Mandatory

Public

Descriptive

General

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

OO 06.1

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

as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	63.6	0
Fixed income	32	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	4.4	0
Other (1), specify	0	0
Other (2), specify	0	0

○ as broad ranges

OO 06.2	Publish asset class mix as per attached image [Optional].
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OO 06.3	Provide contextual information on your AUM asset class split. [Optional]
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Approximately 50% of Pyrford's AUM is "Equity only" strategies which are fully invested at all times except a transactional cash balance. The remaining 50% is in "Absolute Return" strategies where the firm's investment professionals determine the optimal allocation between equities and sovereign fixed income, with a similar transactional cash balance.

OO 07	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO 07.1	Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.
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Internally managed	SSA	100
	Corporate (financial)	0
	Corporate (non-financial)	0
	Securitised	0
	Total	100%

Asset class implementation gateway indicators

OO 10	Mandatory	Public	Gateway	General
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OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.
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Listed equity – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

Listed equity – voting

- We cast our (proxy) votes directly or via dedicated voting providers
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

Fixed income SSA – engagement

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

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

Pyrford's fixed income universe is limited to bonds issued by sovereign governments of a small group of AA-rated (or above) nations. We do not and have never invested in corporate bonds.

The reasons we do not engage with these sovereign governments on ESG issues are:

- 1) The use of funds raised by the issuance of fixed income securities is so broad for a national government that identifying the materiality of any one factor is very difficult.
- 2) Lobbying sovereign governments, particularly of foreign countries, to change their priorities or behaviour could be construed as political lobbying, something we do not do.
- 3) Individuals in a position to influence the policy of a government are unlikely to meet with fixed income investors.

OO 11	Mandatory	Public	Gateway	General
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OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity

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

Fixed income - SSA

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

Cash

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

OO 12	Mandatory	Public	Gateway	General
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OO 12.1

Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

RI implementation via external managers

Closing module

- Closing module

Peering questions

OO LE 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO LE 01.1

Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.

Percentage of internally managed listed equities

Passive

0

Active - quantitative (quant)

0

Active - fundamental and active - other

100

	Total
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100%

OO FI 01	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
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OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
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SSA	Passive	0
	Active - quantitative (quant)	0
	Active - fundamental and active - other	100
	Total	100%

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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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.
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Yes

SG 01.2	Indicate the components/types and coverage of your policy.
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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"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Engagement policy <input type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input 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 and related issues
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4 Describe your organisation's investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.

The company's investment philosophy is predicated on generating excellent absolute long-term rates of return for clients with low levels of volatility. The investment team seeks to achieve this by adhering to a disciplined research and portfolio construction process which is driven entirely by earnings growth and valuations and not by positioning relative to a benchmark.

Our investment strategy is based on a quality, value-driven, absolute return approach, with both top-down and bottom-up elements included. At the country level we seek to invest in countries that offer an attractive market valuation relative to their long-term prospects (as determined by our research) and avoid countries that do not. At the stock level we identify companies that we believe offer excellent value relative to our in-house forecast of long-term (5 years) earnings growth. This approach has historically produced long-term investment returns characterised by low absolute volatility and low downside capture.

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]

Pyrford's ESG approach is designed to minimise financial risks to the portfolio from poor management of environmental, social and governance issues at the investee company level whilst encouraging companies to take positive steps which might improve performance. Undesirable though it might be to try, companies might find it possible to "get away" with irresponsible behaviour in the short-term. However, over the 5 or more years that we would expect to be shareholders such behaviour significantly increases the risk of financial loss and it is this we are trying to avoid. We do not, however, employ an exclusionary process where investment in particular sectors or companies is forbidden in all circumstances.

ESG issues are now considered at all stages of our investment process: ESG research purchased from specialist providers is used in the identification of possible investments as well as to prepare for meetings with the management of all companies before an investment can take place. For those companies purchased follow-up meetings are held at least annually and progress against ESG targets is discussed. Deterioration in performance between annual meetings is taken up immediately and all proxies voted consistently with this approach.

No

Your responses to this indicator will be used to determine if you meet the minimum requirements of being a PRI signatory introduced for the first time in 2018. Signatories have until 2020 to meet these requirements.

You can find out more information on the PRI website.

There are two minimum requirements for this indicator SG 01.1 and SG 01.2:

- A policy, or similar document, that:Sets out your overall approach to responsible investment; or
- Formalised guidelines on environmental factors; or
- Formalised guidelines on social factors; or
- Formalised guidelines on governance factors.
-

The PRI recognises that RI "policies" can take many different forms and can have a variety of titles. Please see the explanatory notes for this indicator to see further explanation of this and further guidance.

- This policy/document should cover more than 50% of your AUM

If you have any questions or need support please contact reporting@unpri.org or call on + 44 (0) 203 714 3187.

SG 02	Mandatory	Public	Core Assessed	PRI 6
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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.
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Policy setting out your overall approach

URL/Attachment

URL

URL

https://www.bmo.com/pyrford/pdf/Pyrford_ESG_Report.pdf

- 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

https://www.bmo.com/pyrford/pdf/Pyrford_ESG_Report.pdf

- Attachment
- Active ownership approaches
- Reporting
- Climate-related issues
- We do not publicly disclose any investment policy components

SG 02.3 Indicate if your organisation's investment principles, and overall investment strategy is publicly available

- Yes

URL

<https://www.bmo.com/pyrford/investment-approach>

- No

SG 03	Mandatory	Public	Core Assessed	General
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SG 03.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

- Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

Pyrford has a number of policies in place to ensure timely identification, disclosure and review of any potential conflicts by specialist compliance personnel to ensure that appropriate procedures are put in place to manage or resolve these conflicts. For example:

Pyrford's ability to vote on behalf of all clients objectively on corporate actions may be conflicted in the event that a client and investment company were interrelated. To manage this potential conflict, Pyrford would consult independent third party proxy voting services to ensure that Pyrford was voting in the best interest of all clients. Reports on voting including rationales are supplied to all clients.

The investment decisions that Pyrford's employees make on behalf of clients may be conflicted by their own personal investment objectives. To manage this, all employees are required to obtain personal account dealing (PAD) approval prior to any personal investments in publicly traded companies. PAD approval is only granted if the investment is deemed not to compete with the interests of all clients and is made in the absence of non-public material information.

Our full conflicts of interest policy can be found here:
https://www.bmo.com/pyrford/pdf/Conflicts_of_Interest_Policy.pdf

No

SG 03.3

Additional information. [Optional]

Pyrford is part of BMO Global Asset Management, a brand name for various affiliated entities of BMO Financial Group that provide investment management services. While we are part of a diversified financial service group, we operate as an independent boutique firm and our only business is of asset management. It is our policy to always act in the best interests of all our clients. We do not invest client funds in shareholdings of the Bank of Montreal, or any investment fund offered by a member of the BMO Financial Group.

We review our Conflicts of Interest Policy every year and arrangements to manage conflicts every six months. The policy forms part of the investment management agreement we have with clients.

Objectives and strategies**SG 05****Mandatory****Public****Gateway/Core Assessed****General****SG 05.1**

Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2

Additional information. [Optional]

In 2017 we created an "ESG Forum" at the firm. The forum meets quarterly to:

- Ensure awareness and communication within the firm of ESG priorities
- Encourage and promote best practise within the firm with regard to ESG integration

- Promote and discuss wider ESG industry issues and assess how they can impact our business and the companies we invest in.
- Provide an opportunity for our Client Relationship Management team to feed-back our clients' ESG priorities
- Report on the recent quarter's company engagement and proxy voting activity.

The forum is chaired by a senior investment professional and members include the CEO/CIO, representatives of each investment area (Europe, Asia and Americas) as well as Client Relationship Management, Operations and Compliance.

In addition, our full investment team, referred to as the Global Stock Selection Committee (GSSC), meets monthly to discuss a number of factors affecting the portfolios managed. ESG issues are a formal agenda item each month and time is devoted to discuss not just issues of relevance to the portfolio companies, but also potential improvements to our ESG process.

SG 06	Voluntary	Public	Descriptive	General
SG 06.1	List the main responsible investment objectives that your organisation set for the reporting year.			
	Responsible investment processes			
	<input checked="" type="checkbox"/> Provide training on ESG incorporation			
	Key performance indicator			
	Internal training on ESG themes			
	Progress achieved			
	An internal presentation on the key aspects of climate change that should be considered in stock research was given during the year. Other presentations on relevant topics will follow.			
	<input type="checkbox"/> Provide training on ESG engagement			
	<input checked="" type="checkbox"/> Improved communication of ESG activities within the organisation			
	Key performance indicator			
	The establishment of a dedicated ESG Group			

Progress achieved

The creation of the firm's "ESG Forum" in mid 2017 facilitates the discussion and dissemination of important ESG initiatives across the business. The group meets quarterly and has representation from key teams across the organisation.

- Improved engagement to encourage change with regards to management of ESG issues
- Improved ESG incorporation into investment decision making processes
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Financial performance of investments

- Increase portfolio performance by consideration of ESG factors

Key performance indicator

Our aim is to provide long-term absolute returns above the rate of inflation with lower volatility than the wider index.

Progress achieved

Performance is meeting these objectives over the long term but we are not able to attribute the contribution of our enhanced ESG integration.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

ESG characteristics of investments

- Over or underweight companies based on ESG characteristics
- Improve ESG ratings of portfolio
- Setting carbon reduction targets for portfolio
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Other activities

- Joining and/or participation in RI initiatives
- Encouraging others to join a RI initiative
- Documentation of best practice case studies
- Using case studies to demonstrate engagement and ESG incorporation to clients

Key performance indicator

Production of reports to clients incorporating ESG engagements

Progress achieved

The publication of our first comprehensive ESG report in 2017 communicated to clients engagement activities across the firm as well as the various elements of our ESG integration.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
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SG 07.1 Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 Head of Portfolio Management - Asia

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- ESG portfolio manager
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
- External managers or service providers
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

SG 07.2	For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.
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The CEO/CIO is Chairman of the Global Stock Selection Committee (GSSC). The GSSC is the forum through which all RI issues are monitored and discussed. All new stocks being considered for purchase are discussed here so consideration of their ESG risks can be easily monitored. In addition, stocks experiencing an ESG ratings downgrade are discussed here, as are the results of engagement activities.

The Head of Portfolio Management - Asia-Pacific is the investment professional with day-to-day responsibility for the design of our RI programme and is Chair of the newly formed ESG Forum. He is a member of the GSSC so assists with monitoring and oversight at this meeting and both he and the CEO/CIO regularly meet outside of the monthly meeting to discuss and amendments to the programme which are deemed necessary.

SG 07.3	Indicate the number of dedicated responsible investment staff your organisation has.
----------------	--

	Number
--	--------

0

SG 07.4	Additional information. [Optional]
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Our investment team is 14 people and the entire firm is 36. No single individual spends all on their time on responsible investment but all of the investment team are involved.

Your responses to this indicator will be used to determine if you meet the minimum requirements of being a PRI signatory introduced for the first time in 2018. Signatories have until 2020 to meet these requirements.

You can find out more information on the PRI website.

There are two minimum requirements for this indicator SG 07.1:

- A role implementing responsible investment: Individuals with implementation roles are those charged with implementing specific aspects of the organisation's responsible investment practices, for example, conducting ESG-related research, incorporating ESG issues into investment strategies, voting shareholdings, engaging with companies and policy makers;
- This can be an internal staff or an external role;
- They do not have to be a dedicated RI/ESG investment staff (captured in 07.3); and
- They do not have to be allocating the majority of their time to RI/ESG activities.
-
- Senior level oversight and accountability for RI implementation: Individuals with oversight roles are those with management or governance responsibility for ensuring that the organisation implements its policies, and achieves its objectives and targets in relation to responsible investment performance; and
- "Senior level" includes the roles: Chief level staff, head of department, CEO, CIO, Investment Committee and Board members or trustees.
-

If you have any questions or need support please contact reporting@unpri.org or call on + 44 (0) 203 714 3187.

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.1 CC	Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for climate-related issues.
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Roles present in your organisation

- 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), Investment Committee
 - Oversight/accountability for climate-related issues
 - Assessment and management of climate-related issues
 - No responsibility for climate-related issues
- Other Chief-level staff or head of department, specify
Chairman of ESG Forum

- 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
- ESG portfolio manager
- 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
- External managers or service providers
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

Information may include;

- Process and frequency of which the board/committees are informed of climate-related issues
- How climate-related issues are considered when reviewing and guiding-decision making
- How the board/committees monitor and oversee progress on climate-related targets and goals

**SG 07.1b
CC**

For the management-level roles which assess and manage climate-related issues, provide further information on the structure and process involved.

The Chair of the ESG Forum is responsible for broadening awareness of climate-related issues that are relevant for the portfolio and for monitoring that these are being considered during the stock selection process.

Information may include;

- Description of the associated organisational structure(s)
- Whether management reports to the board or a committee of the board
- Process by which management is informed about climate-related issues
- How management (through specific positions and/or management committees) monitors climate-related issues

SG 08	Voluntary	Public	Additional Assessed	General
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SG 08.1

Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

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

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Other C-level staff or head of department

Head of Portfolio Management - Asia

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Investment analysts

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- Responsible investment included in personal development and/or training plan
- None of the above

Promoting responsible investment

SG 09	Mandatory	Public	Core Assessed	PRI 4,5
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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Select all that apply

- Principles for Responsible Investment

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

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

SG 10	Mandatory	Public	Core Assessed	PRI 4
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SG 10.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes
- No

SG 11	Voluntary	Public	Additional Assessed	PRI 4,5,6
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SG 11.1 Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

- Yes
 - Yes, individually
 - Yes, in collaboration with others

SG 11.2 Select the methods you have used.

- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

SG 11.3 Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

- Yes, publicly available

provide URL

<https://www.ceres.org/sites/default/files/Global-Investor-Letter-to-G20-Governments.pdf>

- No
- No

SG 11.4 Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

Climate change - encouraging governments to adhere to their commitments under the Paris Agreement

Outsourcing to fiduciary managers and investment consultants

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

SG 12.1

Indicate whether your organisation uses investment consultants.

- Yes, we use investment consultants
- No, we do not use investment consultants.

ESG issues in asset allocation**SG 13****Mandatory****Public****Descriptive****PRI 1****New selection options have been added to this indicator. Please review your prefilled responses carefully.****SG 13.1**

Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

SG 13.3

Additional information. [OPTIONAL]

We do not conduct scenario analysis, per se, but do analyse the portfolio as a whole for its risk profile against ESG factors.

Inclusion of a country in our investment universe is based on a rigorous analysis of the governance framework for that market as a whole. Only if we are satisfied that standards of corporate, financial reporting and stockmarket governance are sufficient to protect institutional investment (i.e. large, long-term positions) would we include a country in our universe. Without a country being included we could not make any investment there. The sign off of this process is undertaken by the five most senior investment professionals in the firm.

SG 14**Mandatory to Report Voluntary to Disclose****Public****Additional Assessed****PRI 1****SG 14.1**

Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.

The Pyrford stock research process begins with a rigorous analysis of the historic financial performance of companies which includes the reading of all financial statements and associated notes. This helps identify key areas of revenue and cost and therefore risks (from significant changes in either due to ESG factors) which could have an impact over the short and medium term.

The next stage involves a face-to-face interview with company management which our investment professionals have prepared for using specialist ESG research from MSCI. During these discussions we seek to identify longer term risk areas and form an understanding of the company's approach to mitigating these.

The final stage of the process involves the presentation of the investment process to the full investment team. The investment professional presenting has to demonstrate that they have considered the relevant ESG risks and other members of the team share their experiences of similar companies and their risks.

SG 14.1 CC	Describe the processes used to determine which climate-related short, medium and long-term risks and opportunities could have a material impact on your organisation and its activities.
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The preparation for, and meeting with company management as described in SG 14.1 is the key activity to identify climate-related risks in opportunities being considered for investment. We never invest in a company without having such a meeting and all holdings are visited annually. The time devoted to ESG factors in these meetings has increased steadily in recent years - the amount of it allocated to climate related risks depends on the operations of the company.

SG 14.2	Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.
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- Changing demographics
- Climate change and related issues

SG 14.2a cc	Please describe how you define “short”, “medium” and “long term”, and describe your material climate-related issues over these time horizons.
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	Definition	Description of material climate-related issues
Short term	Up to 1 yr	Changes in regulation/legislation designed to respond to climate change pressures.
Medium term	1-4 yrs out	Changes in consumer demand for products based on perceived contribution to climate change. Ongoing move towards small-scale, localised production of food/beverage products.
Long term	4yrs +	Changes in the costs and availability of key inputs.

SG 14.3	Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity
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- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- 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 14.4

Indicate which of the following tools you use to manage emissions risks and opportunities

- Scenario analysis
- Disclosure on emissions risk to clients/trustees/management/beneficiaries
- Climate-related targets
- Encourage internal and/or external portfolio managers to monitor emissions risk
- 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
- Resource scarcity
- Technology developments
- Other, specify(1)
- Other, specify(2)
- None of the above

**SG 14.7
CC**

Describe your risk management processes for identifying, assessing, and managing climate-related risks.

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

**SG 14.9
CC**

Do you conduct engagement activity with investee companies to encourage better disclosure and practices around climate-related risks?

- Yes

Please describe

We have engaged with all the oil and gas companies in our portfolio using the Carbon Tracker Initiative's framework for assessing the risk of assets being stranded in their portfolios by the commitment to restrict carbon emissions consistent with the Paris agreement.

Describe these engagement activities.

Specific Guidance:

Investment Managers

You may like to include a description on how you identify and assess material climate-related risks for each product or investment strategy.

- No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes
- No

Communication

SG 19	Mandatory	Public	Core Assessed	PRI 6
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SG 19.1	Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.
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	Listed equity - Engagement
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- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

	The information disclosed to clients/beneficiaries is the same
--	--

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	<input checked="" type="checkbox"/> Details on the overall engagement strategy <input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals <input checked="" type="checkbox"/> Number of engagements undertaken <input type="checkbox"/> Breakdown of engagements by type/topic <input checked="" type="checkbox"/> Breakdown of engagements by region <input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives <input checked="" type="checkbox"/> Examples of engagement cases <input type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.) <input type="checkbox"/> Details on whether the provided information has been externally assured <input type="checkbox"/> Outcomes that have been achieved from the engagement <input type="checkbox"/> Other information
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	https://www.bmo.com/pyrford/pdf/Pyrford_ESG_Report.pdf

Listed equity – (Proxy) Voting

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	
Disclosure to public and URL	
<input type="radio"/> Explain all voting decisions <input type="radio"/> Explain some voting decisions <input type="radio"/> Only explain abstentions and votes against management <input checked="" type="radio"/> No explanations provided	
Frequency	
<input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Biannually <input type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad hoc/when requested	
URL	
https://vds.issgovernance.com/vds/#/Mjl1Ng==/	

Listed equity - Incorporation	
<input type="radio"/> We do not proactively disclose it to the public and/or clients/beneficiaries <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose it publicly	
The information disclosed to clients/beneficiaries is the same	
<input checked="" type="radio"/> Yes <input type="radio"/> No	

Disclosure to public and URL	
Disclosure to public and URL	<input type="radio"/> Broad approach to ESG incorporation <input checked="" type="radio"/> Detailed explanation of ESG incorporation strategy used
Frequency	<input type="checkbox"/> Quarterly or more frequently <input type="checkbox"/> Biannually <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Less frequently than annually <input type="checkbox"/> Ad-hoc/when requested
URL	https://www.bmo.com/pyrford/pdf/Pyrford_ESG_Report.pdf

ESG incorporation in actively managed listed equities

Implementation processes

LEI 01	Mandatory	Public	Core Assessed	PRI 1
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEI 01.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)
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ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied	%
	100

- Screening and integration strategies
- Thematic and integration strategies
- Screening and thematic strategies
- All three strategies combined
- We do not apply incorporation strategies

Total actively managed listed equities

100%

LEI 01.2 Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.

We have adopted the integration strategy because we felt it fitted better with our underlying investment philosophy and the mandates we have been given by our clients.

A small percentage of our clients have social or commercial obligations which lead them to restrict us from investing in particular sectors or companies for their own portfolios. However, beyond this none have set us direct ESG-related targets but instead explicit absolute or relative investment performance targets. As a result we cannot adopt a strategy which excludes companies based on ESG grounds whilst not considering their financial prospects or stock valuation. Similarly we cannot invest in companies purely because they perform well on ESG grounds.

As we do not use thematic investing in our wider investment process we felt adopting it for ESG incorporation risked creating a parallel investment process rather than the improved and enhanced single process we were targeting.

The integration strategy allows us to enhance our 25 year track record of fundamental investment research on companies based on their financial track record and position within an industry with a greater focus on how ESG issues could impact future financial performance.

Our equity stock selection process has four distinct parts:

- 1) A rigorous analysis of the financial performance of a company going back at least 5 years. This is compiled using company annual reports directly. We do not rely on outside parties to aggregate, assimilate or adjust any of the numbers a company reports, instead preferring to do this work ourselves. This process of reading historical accounts, including the notes to the accounts, allows us to form a view of all the drivers of a company's past performance, including the costs of failing to recognise ESG risks. Our investment time horizon, five years or more, is a distinct advantage here as it gives our investment professionals the time to research companies in far greater depth than would be possible in attempting to outperform on a quarterly or annual basis.
- 2) The detailed financial analysis detailed in 1) above is used to prepare for a meeting with the company management. This part of the process has been recently enhanced by our purchase of specialist ESG research which helps us identify the key ESG risks each company faces and put to management questions about how they are handling these.
- 3) Following the company meeting our investment professionals then prepare forecasts of Return on Equity that they believe the company can achieve over the next 5 years. These forecasts must capture expected changes in costs and pricing power expected from poor handling of ESG risks by the company. If this return on equity forecast is enough to warrant proposal for inclusion in a portfolio the final stage takes place.
- 4) This is the presentation of the idea to the full investment team (GSSC). This presentation must explicitly outline the ESG profile of the company and the investment professional proposing the idea must answer questions from the wider team on the relevant risks. This is to ensure that any ESG issues encountered in similar companies by other members of the team are considered in light of the new proposal.

May include a discussion of the following:

- The main ESG strategies in use, and the motivation for its use.
- Who is responsible for the implementation of these strategies.
- How your ESG incorporation strategies differ (e.g. by sector, geography, etc.).
- If relevant, how combinations of strategies are used.

LEI 02	Voluntary	Public	Additional Assessed	PRI 1
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LEI 02.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.
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Type of ESG information

- Raw ESG company data
- Company-related analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Sector-related analysis or ratings
- Country-related analysis or ratings
- Screened stock list
- ESG issue-specific analysis or ratings

Indicate who provides this information

- ESG research provider
- Sell-side
- In-house – specialised ESG analyst or team
- In-house – analyst or portfolio manager
- Other, specify

LEI 02.2	Provide a brief description of the ESG information used, highlighting any different sources of information across your ESG incorporation strategies.
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In addition to using company-produced Sustainability reports, ESG data available on Bloomberg and the work of sell-side analysts we also pay for specialist ESG research from MSCI.

LEI 02.3	Indicate if you incentivise brokers to provide ESG research.
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- Yes

LEI 02.4	Describe how you incentivise brokers.
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We have written to the Heads of Research at each of the brokers we engage with to communicate that we have become a signatory of the UNPRI and to indicate that we have an increased focus on the ESG issues each company we hold faces. All our brokers know that there is a direct link between how useful we find their research and the likelihood of us continuing to subscribe to it making a clear connection between increasing their own focus on ESG and their revenues.

No

LEI 03	Voluntary	Public	Additional Assessed	PRI 1
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LEI 03.1	Indicate if your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.
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Engagement

- We have a systematic process to ensure the information is made available.
- We occasionally make this information available.
- We do not make this information available.

(Proxy) voting

- We have a systematic process to ensure the information is made available.
- We occasionally make this information available.
- We do not make this information available.

LEI 03.2	Additional information. [Optional]
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Pyrford's investment team is organised into regional teams with named portfolio managers responsible for individual "country" portfolios. This portfolio manager is responsible for proxy voting on all stocks in that country, for engagement on ESG issues with individual companies and for final investment decisions. They have to demonstrate to the wider team that they have taken all of this into account at a full investment team meeting.

In addition all proxy voting and engagement activity is reviewed at quarterly meetings of the company ESG Forum.

(C) Implementation: Integration of ESG issues

LEI 08	Mandatory	Public	Core Assessed	PRI 1
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LEI 08.1	Indicate which ESG factors you systematically research as part of your investment analysis and the proportion of actively managed listed equity portfolios that is impacted by this analysis.
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ESG issues	Proportion impacted by analysis
Environmental	 Environmental <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Social	 Social <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%
Corporate Governance	 Corporate Governance <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%

LEI 08.2 Additional information. [Optional]

Our investment time horizon (5 years), average holding period of a stock (>8 years) and requirement to meet management before investment and annually thereafter ensures that fundamental ESG risks for a company are considered in advance and monitored continuously.

LEI 09	Voluntary	Public	Additional Assessed	PRI 1
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LEI 09.1 Indicate which processes your organisation uses to ensure ESG integration is based on a robust analysis.

Comprehensive ESG research is undertaken or sourced to determine companies' activities and products

LEI 09.2 Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Third-party ESG ratings are updated regularly.

LEI 09.3 Indicate how frequently third party ESG ratings that inform your ESG integration strategy are updated.

- Quarterly or more frequently
- Bi-Annually
- Annually
- Less frequently than annually
- A periodic review of the internal research is carried out
- Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
- ESG risk profile of a portfolio against benchmark
- Other, specify
- None of the above

LEI 09.5 Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

Outputs and outcomes

LEI 12	Voluntary	Public	Descriptive	PRI 1
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LEI 12.1 Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

- Integration of ESG issues

Select which of these effects followed your ESG integration:

- Reduce or prioritise the investment universe
- Overweight/underweight at sector level
- Overweight/underweight at stock level
- Buy/sell decisions
- Other, specify
- None of the above

LEI 13	Voluntary	Public	Additional Assessed	PRI 1
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LEI 13.1 Indicate whether your organisation measures how your approach to responsible investment in Listed Equity has affected your portfolio's financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts funds' reputation

a) Funds' reputation

Describe the impact on:	Describe the impact	Which strategies were analysed?
Funds' reputation	<input checked="" type="radio"/> Positive <input type="radio"/> Negative <input type="radio"/> No impact	<input checked="" type="checkbox"/> Integration <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Which strategies were analysed?</div>

- We measure whether our approach to ESG issues impacts funds' financial performance: return
- We measure whether our approach to ESG issues impacts funds' financial performance: risk
- We measure whether our approach to ESG issues impacts funds' ESG performance

Describe the impact on:	Describe the impact	Which strategies were analysed?
Funds' ESG performance	<input type="radio"/> Positive <input type="radio"/> Negative <input checked="" type="radio"/> No impact	<input checked="" type="checkbox"/> Integration

- None of the above

LEI 13.2 Describe how you are able to determine these outcomes.

FUND REPUTATION:

Many of our UK clients place great emphasis on the Financial Reporting Council's assessment of our UK Stewardship Code Statement. Improvements to our ESG Incorporation and Engagement activities were key factors in Pyrford being upgraded to Tier 1 status during 2017.

ESG PERFORMANCE:

We pay for ESG Portfolio Analytics reports on our key products from MSCI.

Comparing the reports for 2017 with 2016 the trends were as follows:

Global Equity: Improvement in ratings
 International Equity: Improvement in ratings
 Global Absolute Return: Mild deterioration in ratings.

LEI 14	Voluntary	Public	Descriptive	PRI 1
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LEI 14.1	Provide examples of ESG issues that affected your investment view and/or performance during the reporting year.
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ESG issue 1

ESG issue and explanation
Announcement by US FDA of their plans to investigate the "non-addictive" level of nicotine in tobacco products with a view to limiting content in the future.
ESG incorporation strategy applied
<input checked="" type="checkbox"/> Integration
Impact on investment decision or performance
<p>We have a number of tobacco holdings in our portfolio as the industry exhibits many of the characteristics we look for in successful long term investments: high barriers to entry, rational competition and broad bases of customers and suppliers.</p> <p>Historically these companies have exhibited high levels of profitability and have adapted to societal pressures to reduce smoking levels.</p> <p>Our holdings, performed poorly during 2017 in line with the sector at large on concerns that a ban or fines will be immediate. Our current position, which has justified maintaining our holdings, is that much science needs to be conducted to identify at what level nicotine becomes addictive and this is likely to take some years. Meanwhile all companies continue to develop a new generation of products where the delivery of nicotine is achieved with far fewer of the dangerous bi-products of burning tobacco.</p>

ESG issue 2

ESG issue and explanation
<p>Carbon emissions - the impact on oil and gas producers from agreed limits to future releases of carbon</p> <p>The Paris Agreement to limit carbon emissions to a level forecast to constrain global climate change to a rise of 2 degrees celsius may have an impact on the commerciality of long-dated oil and gas assets. During 2017 and 2018 we have been reassessing our oil and gas holdings through the framework from the Carbon Tracker Initiatives "Two Degrees" report which identifies a potential overhang of capex in the industry if the Paris targets are to be achieved.</p>
ESG incorporation strategy applied
<input checked="" type="checkbox"/> Integration
Impact on investment decision or performance
<p>No changes to our oil and gas holdings were made during 2017 (though some have been early in 2018) and the sector performed well despite these longer term issues as the oil price recovered. This will be an ongoing area of focus for us, especially with any new holdings being proposed, though our focus on companies with the lowest cost assets and the most technical expertise in developing and operating them will likely be a benefit in an environment where demand falls meaningfully.</p>

ESG issue 3

ESG issue and explanation
<p>Health and safety</p> <p>A number of our companies have operations which are potentially dangerous to staff or the public if not run carefully.</p> <p>After a year in which one of our mining companies had several serious accidents at its mines we have increased our focus on health and safety.</p> <p>We incorporate the costs of improving health and safety in our Return on Equity forecasts. Those with poor records who are not taking convincing steps to improve them will face the risk of fines and potentially of having facilities closed by safety regulators. The consequences of this for Return on Equity and Dividend yield are likely to be so negative that a Long Term Value indicator sufficient for us to invest would be unachievable.</p>
ESG incorporation strategy applied
<input type="checkbox"/> Integration

ESG issue 4

ESG issue 5

Engagement

Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

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

LEA 01.1

Indicate whether your organisation has a formal engagement policy.

Yes

LEA 01.2

Attach or provide a URL to your engagement policy.

Attachment provided:

URL provided:

URL

https://www.bmo.com/pyrford/pdf/Pyrford_ESG_Report.pdf

LEA 01.3

Indicate what your engagement policy covers:

- Conflicts of interest
- Insider information
- Alignment with national stewardship code requirements
- Due diligence and monitoring process
- Prioritisation of engagements
- Transparency of engagement activities
- Environmental factors
- Social factors
- Governance factors
- Other, describe
- None of the above

LEA 01.4

Provide a brief overview of your organization's approach to engagement

Members of Pyrford's investment team engage with every company we are considering for investment before investment can take place and with every holding at least one a year. During 2017 we met with the management of 408 companies in 25 countries worldwide.

The priorities at each meeting will vary according to the type of business but will cover medium to long term risks to the business model from changes in the economic and competitive environment; corporate governance and the company's approach to managing the environmental and social risks it is facing.

In addition to this annual review process, if a company has its MSCI ESG rating reduced to the two lowest ratings (CCC and B) an additional engagement will take place to address the reasons for the downgrade.

Guidance on this indicator available in Explanatory Notes.

○ No

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3
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LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify To align our expectations for financial performance with those of management. <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify To align our expectations for financial performance with those of management. <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers <div style="background-color: #0070C0; color: white; padding: 5px; margin-top: 10px;">Please specify why your organisation does not engage via service providers.</div> We are confident that engaging directly with companies either via our investment professionals or in collaboration with other investors is the most effective approach for our business.

LEA 02.2 Additional information. [Optional]

During 2017 we joined the UK Investor Forum to give us the opportunity to join collaborative engagements in an effective way.

Process

Process for engagements run internally

LEA 03	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
-----------------	---

Yes

LEA 03.2	Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.
-----------------	--

- Geography / market of the companies
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In response to ESG impacts that have already occurred.
- As a response to divestment pressure
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- As a follow-up from a voting decision
- Client request
- Other, describe

No

LEA 03.3	Additional information. [Optional]
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Pyrford's investment process requires that the senior management of any company we hold be interviewed prior to our investment and at least annually thereafter as long we remain shareholders. Similar meetings are conducted with companies in which we are not shareholders to assess their appeal as investments. The topics for discussion vary between companies but in all cases the agenda is set by a Pyrford investment professional on the basis of in depth research into the company prior to the meeting. This research includes use of specialist ESG analysis which identifies key risks the company faces and any weaknesses in policy to address them.

LEA 04	Mandatory	Public	Core Assessed	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 04.1 Indicate if you define specific objectives for your engagement activities.

- Yes
 - Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out by internal staff.

LEA 04.2 Indicate if you monitor the actions that companies take during and following your engagements activities carried out by internal staff.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out by internal staff.

LEA 04.3 Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities carried out by internal staff.

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify
- We do not monitor and evaluate progress of engagement activities carried out by internal staff

Process for engagements conducted via collaborations

LEA 05

Mandatory

Public

Core Assessed

PRI 2

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

LEA 05.1 Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

- Yes

LEA 05.2

Describe the criteria used to identify and prioritise collaborative engagements.

- Potential to learn from other investors
 - Ability to add value to the collaboration
 - Geography / market of the companies targeted by the collaboration
 - Materiality of ESG factors addressed by the collaboration
 - Systemic risks to global portfolios addressed by the collaboration
 - Exposure (holdings) to companies targeted by the collaboration
 - In reaction to ESG impacts addressed by the collaboration that have already occurred.
 - As a response to divestment pressure
 - As a follow-up from a voting decision
 - Consultation with clients/beneficiaries
 - Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
 - Other, describe
- No

LEA 06**Mandatory****Public****Core Assessed****PRI 2**

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

LEA 06.1

Indicate if you define specific objectives for your engagement activities carried out collaboratively.

- Yes
 - Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out collaboratively.

LEA 06.2

Indicate if you monitor the actions companies take during and following your collaborative engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out collaboratively

LEA 06.3

Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Tracking and or monitoring progress of actions taken when original objectives are not met
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify
- We do not monitor and evaluate progress of engagement activities carried out by internal staff

LEA 06.4

Additional information. [Optional]

Pyrford first became a member of the UK Investor Forum in mid 2017 so 2018 marks the first full year in which we have been able to enter into collaborative engagements. Our efforts here are evolving, we have not yet proposed issues for collaborative engagement but we are currently involved in one suggested by the Forum.

May include a discussion of the following;

- How collaborative engagement objectives are defined.
- How progress of collaborative engagement activities are tracked, including how you monitor action taken by companies.
- How the decision to terminate or escalate a collaborative engagement programme or activity is made.
- How insights from collaborative engagement are incorporated into investment decision-making.
- How lessons learned are tracked and integrated into future engagement programmes.
- Any relevant examples.

General processes for all three groups of engagers

LEA 09	Mandatory	Public	Additional Assessed	PRI 1,2
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LEA 09.1

Indicate if insights gained from your engagements are shared with your internal or external investment managers.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No
Collaborative engagements	<input checked="" type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input type="radio"/> No

LEA 09.2 Additional information. [Optional]

Insights from engagements are shared at meetings of the full investment team (GSSC) and the ESG Forum.

May include a discussion of the following:

- How you decide what information to pass to investment decision-makers.
- What you expect investment decision-makers to do with the insights you pass on.
- How you monitor their use of insights you passed on.
- Whether ESG data collected through engagement feeds into an internal ratings tool/platform.

LEA 10	Mandatory	Public	Gateway	PRI 2
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LEA 10.1 Indicate if you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements

LEA 10.2 Additional information. [OPTIONAL]

Numbers of engagement are tracked in full and reported in our annual ESG report. This also contains reports on the key engagements undertaken during the year.

May include a discussion of the following:

- The systems in place to track engagement progress.
- A description of the information collected.
- How regularly tracking systems are updated and to whom this information is provided
- Any auditing procedures that occur.

Outputs and outcomes

LEA 11	Mandatory to Report Voluntary to Disclose	Public	Core Assessed	PRI 2
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LEA 11.1 Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.

	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion (to the nearest 5%)	Specify the basis on which this percentage is calculated
Individual / Internal staff engagements	Number of companies engaged 102	Proportion (to the nearest 5%) 100	Specify the basis on which this percentage is calculated <input checked="" type="radio"/> of the total number of companies you hold <input type="radio"/> of the total value of your listed equity holdings
Collaborative engagements	0	Proportion (to the nearest 5%) 0	Specify the basis on which this percentage is calculated <input checked="" type="radio"/> of the total number of companies you hold <input type="radio"/> of the total value of your listed equity holdings

LEA 11.2 Indicate the proportion of engagements that involved multiple, substantive and detailed discussions or interactions with a company during the reporting year relating to ESG issue.

Type of engagement	% Comprehensive engagements
Individual / Internal staff engagements	<input type="radio"/> > 50% <input checked="" type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> None
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> None

LEA 11.3 Indicate the percentage of your collaborative engagements for which you were a leading organisation during the reporting year.

Type of engagement	% Leading role
Collaborative engagements	<input type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input checked="" type="radio"/> None

LEA 11.5 Additional information. [Optional]

With respect to question LEA 11.1 - we undertook 408 company engagements during 2017 versus total holdings of approximately 100. This is because we engage with many more companies than we are shareholders in. The coding of this entry page does not allow me to reflect this.

LEA 12

Voluntary

Public

Additional Assessed

PRI 2

LEA 12.1 Indicate which of the following your engagement involved.

- Letters and emails to companies
 - In some cases
 - In majority cases
 - In all cases
- Meetings and/or calls with the appropriate team
 - In some cases
 - In majority cases
 - In all cases
- Visits to operations
 - In some cases
 - In majority cases
 - In all cases
- Participation in roadshows
 - In some cases
 - In majority cases
 - In all cases
- Other, specify

LEA 12.2 Additional information. [Optional]

We have established the following framework for escalating engagements:

1. Investor relations (IR) contacts through email, call or meeting.
2. Divisional or executive management via call, meeting or in writing.
3. Vote against relevant resolutions if presented to shareholder meetings.
4. Board member - in writing or by call or meeting if available.
5. Collaborative engagement with other shareholders.
6. Sponsoring or co-sponsoring resolutions at company meetings.

Whilst this structure identifies a structure for escalating an engagement gradually, it is not intended as a rigid hierarchy through which all engagements must progress. There may be instances where it is deemed appropriate to "short-cut" interim steps to achieve a better resolution. e.g. if executive management make themselves available for a meeting before an issue has been discussed with IR or if we are invited to join a collaborative engagement before progressing through steps 3 and 4.

May include a discussion of the following;

- How decisions on which actions to take are made.
- Whether there is an escalation process that triggers different actions.
- Any examples of positive engagement dialogue based on one of the action or combination of actions.

LEA 13	Voluntary	Public	Descriptive	PRI 2
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LEA 13.1 Indicate whether you track the number of cases during the reporting year in which a company changed its practices, or made a formal commitment to do so, following your organisation's and/or your service provider's engagement activities.

- Yes
 No

LEA 14	Voluntary	Public	Additional Assessed	PRI 2
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LEA 14.1 Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.

Add Example 1

ESG factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance <input checked="" type="checkbox"/> Multiple
ESG issue	Health and safety
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To ensure that health and safety was being given an adequate focus by company management following several accidents at mines in recent years.
Scope and Process	We conducted several meetings with senior management over both 2016 and 2017 to discuss the fatal accidents which had occurred and their approach to avoiding injuries in the future.
Outcomes	<p>We have been pleased with the systematic approach to improving health and safety (H&S) practises at the company and the ownership that the CEO in particular has taken off the issue. Rigorous H&S frameworks have now been implemented and a cultural emphasis put on discussing safety issues within the organisation.</p> <p>We recognise that this cannot be a job completed but note that 2017 passed with no fatal accidents despite an earthquake interrupting production at one of their key sites.</p>

Add Example 2

ESG factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance <input type="checkbox"/> Multiple
ESG issue	Company running its balance sheet in a way which suits its majority shareholders but not all shareholders
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To encourage the company to restructure its balance sheet whilst treating all shareholders fairly.
Scope and Process	<p>We have been shareholders in this Hong Kong listed company for many years. In 2014 it reduced its stake in a major division generating a substantial cash inflow. The company intended either to reinvest the proceeds in new assets, or after a time, return them as special dividends to shareholders. However after several years the cash remained in the company account, reducing returns on equity.</p> <p>We have had several discussions with management about this strategy and voted against a proposal to merge the company with its parent because we didn't think the price was fair.</p>
Outcomes	Whilst the company has recently been able to invest some of the proceeds in sensible assets, they have also begun to return the surplus to shareholders.

Add Example 3

ESG factors	<input checked="" type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance <input type="checkbox"/> Multiple
ESG issue	Plastic packaging in retail supply chain
Conducted by	<input checked="" type="checkbox"/> Individual / Internal <input type="checkbox"/> Collaborative
Objectives	To encourage management of one of Asia's largest supermarkets to reduce the amount of packaging in food products
Scope and Process	<p>We have used meetings with the CEO of this company to discuss the steps the company is taking to minimise packaging of food products. In particular we took up a theme that had been discussed in the UK of food producers using black plastic trays to hold ready meals as they felt it made the food look more appealing, the disadvantage being that automatic sorters in recycling plants cannot easily separate black goods with the outcome that many were sent to landfill rather than being recycled.</p> <p>The CEO shared the initiatives the company was taking regarding the sustainability of their buildings, transport and the energy efficiency of their refrigeration units but acknowledged that there was more to do regarding packaging. He did, however, make the point that there was currently a trade-off between food packaging being fully and easily recyclable and the reductions in damage and extensions of shelf life that it can bring.</p>
Outcomes	We will continue to discuss with both the management of this company and with packaging companies operating in the area.

- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

(Proxy) voting and shareholder resolutions

Overview

LEA 15	Mandatory	Public	Core Assessed	PRI 1,2,3
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 15.1

Indicate whether your organisation has a formal voting policy.

 Yes**LEA 15.2**

Indicate what your voting policy covers:

- Conflicts of interest
- Share blocking
- Securities lending process
- Prioritisation of voting activities
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Regional voting practices
- Transparency of proxy voting activities
- Company dialogue pre/post vote
- Other, describe

other description

Anti-takeover provisions - we do not support management being able to protect a company from takeover if that would be in shareholders' interests.

 None of the above**LEA 15.3**

Attach or provide a URL to your voting policy. [Optional]

URL

https://www.bmo.com/pyrford/pdf/Pyrford_Proxy_Voting_Policy.pdf

LEA 15.4

Provide a brief overview of your organization's approach to (proxy) voting.

Our policy is to vote all proxies, either in line with specific client guidelines if they are supplied, or according to more general company guidelines. We have engaged a specialist proxy advisor to give advice on specific resolutions, including how other companies have handled similar issues. However it is the responsibility of the portfolio manager covering each stock to consider all agenda items at an AGM or EGM and vote accordingly.

Guidance on this indicator available in Explanatory Notes.

 No

Process

LEA 16

Mandatory

Public

Descriptive

PRI 2

LEA 16.1

Indicate how you typically make your (proxy) voting decisions.

Approach

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.

Based on

- the service provider voting policy signed off by us
 - our own voting policy
 - our clients' requests or policy
 - other, explain
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) that make voting decisions on our behalf.

LEA 16.2

Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).

Portfolio managers are responsible for reviewing and authorising recommendations provided by our proxy advisors and take responsibility for the votes which are submitted.

May include a discussion of the following;

- Who is involved in making final voting decisions internally.
- Description of criteria used to review service provider's recommendations.
- Any examples of situations in which there is more than one decision-maker or when decisions are made jointly.

LEA 20

Mandatory

Public

Core Assessed

PRI 2

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

LEA 20.1 Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting

- Yes, in most cases
- Sometimes, in the following cases:
 - Votes for selected markets
 - Votes relating to certain ESG issues
 - Votes for significant shareholdings
 - Votes for companies we are engaging with
 - On request by clients
 - Other
- Neither we nor our service provider raise concerns with companies ahead of voting

LEA 20.2 Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.

- Yes, in most cases
- Sometimes, in the following cases.
 - Votes in selected markets
 - Votes on certain issues
 - Votes for significant shareholdings
 - Votes for companies we are engaging with
 - On request by clients
 - On request by companies
 - Other
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

You may like to include information on the criteria used to outline which companies are informed of voting decisions before or after voting takes place.

Outputs and outcomes

LEA 21	Mandatory	Public	Core Assessed	PRI 2
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LEA 21.1 For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

98

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

LEA 21.2 Explain your reason(s) for not voting certain holdings

- Shares were blocked
 - Notice, ballots or materials not received in time
 - Missed deadline
 - Geographical restrictions (non-home market)
 - Cost
 - Conflicts of interest
 - Holdings deemed too small
 - Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
 - On request by clients
 - Other
- We do not track or collect this information

LEA 22

Mandatory

Public

Additional Assessed

PRI 2




LEA 22.1

Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

- Yes, we track this information

LEA 22.2

Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 49
Against (opposing) management recommendations	 51
Abstentions	 0

100%

LEA 22.3 Describe the actions you take in relation to voting against management recommendations.

Where votes against management are on issues of significance the proposals will be raised in our next meeting with management, or in extreme examples, trigger the need for an extra meeting.

May include a discussion of the following;

- How decision to vote against management is part of your engagement programme.
- How you communicate with interested companies before and after the vote.
- How you monitor a company's reaction and eventual changes to internal ESG ratings.
- How you communicate internally about the vote.

No, we do not track this information

LEA 23	Voluntary	Public	Descriptive	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 23.1 Indicate if your organisation directly or via a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.

- Yes
 No

LEA 23.6	Describe whether your organisation reviews ESG shareholder resolutions filed by other investors.
-----------------	--

All shareholder resolutions are reviewed and supported if they are in the long-term interests of all shareholders. In some jurisdictions, however, proposals can be made which support narrow interest groups whilst disadvantaging wider stakeholders and can be done so with only nominal holdings in the company. We would not typically support these types of resolutions.

May include a discussion of the following:

- The criteria you or your service provider(s) consider prior to supporting an ESG shareholder resolution.
- Whether you internally review all or some of the ESG resolutions filed.
- Whether you outsource entirely the review process to your service provider(s).

LEA 24	Voluntary	Public	Descriptive	PRI 2
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 24.1	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
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Add Example 1

ESG Factors	<input type="checkbox"/> Environment <input type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
ESG issue	Remuneration policy
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	To force the board of this UK pharmaceutical company to reassess the remuneration policy they were proposing for executive management.
Scope and Process	We voted against the remuneration policy on the grounds that there are aspects of it that we believe do not represent a balanced and responsible approach to remuneration.
Outcomes	As a result of the AGM vote by us and other shareholders the company has adjusted the proposed pay for its new CEO.

Add Example 2

ESG Factors	<input checked="" type="checkbox"/> Environment <input type="checkbox"/> Social <input type="checkbox"/> Governance
ESG issue	Investigation into the environmental impact of polystyrene foam cups
Conducted by	<input checked="" type="checkbox"/> Individual/Internal <input type="checkbox"/> Service provider
Objectives	A shareholder proposal to compel this US fast food chain to fund a thorough study of the environmental impact of the use of polystyrene cups in its restaurants.
Scope and Process	We supported the shareholder proposal, against management advice, as we felt that a fuller analysis and disclosure would benefit not just shareholders in the company but the wider community.
Outcomes	Though the shareholder proposal was voted down there has still been positive progress as the company recently announced plans to phase out polystyrene packaging by the end of 2018.

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

Assurance

CM 1 01.1	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

CM 1 01.1

Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

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

CM 1 01.2 & 01.8

Mandatory

Public

Descriptive

CM 1 01.2

Do you plan to conduct third party assurance of this year's PRI Transparency report?

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

CM 1 01.3 & 01.9

Mandatory

Public

Descriptive

General

CM 1 01.3

We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report, or we did not have such a report last year.

CM 1 01.4, 10-12

Mandatory

Public

Descriptive

General

CM 1 01.4

We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

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