



# RI TRANSPARENCY REPORT

2020

Pathstone

## About this report

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

The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is an **Index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Index

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

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

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

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

# Index

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

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

Reporting			
Indicator	Short description	Status	Disclosure
REP 01	Product type	✓	Public
REP 02	Reporting frameworks/standards/guidelines	✓	Public
REP 03	Incorporating ESG	✓	Public
REP 04	ESG in materiality analysis	✓	Public
REP 05	Assuring ESG	🔒	n/a
REP End		✓	-

## Investment Consultancy

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

## Research and Data Provision

Indicator	Short description	Status	Disclosure
RDP 01	Product type	✓	Public
RDP 02	Sources for research and/or rating	✓	Public
RDP 03	Stakeholder input	🔒	n/a
RDP 04	Up-to-date assessment and ratings	✓	Public
RDP 05	Balanced research and assessment	✓	Public
RDP 06	Consistency and comparability	✓	n/a
RDP 07	Emerging ESG issues and trends	✓	Private
RDP 08	Client use of outputs	✓	Private
RDP 09		✓	Private
RDP End		✓	-

## Confidence building measures

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

# Pathstone

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

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

## Basic Information

OO 01	Mandatory	Public	Descriptive
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OO 01.1 Select the location of your organisation's headquarters.

United States

OO 01.2 Indicate the number of countries in which you have offices (including your headquarters).

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

OO 01.3 Indicate the regions where you have offices.

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

OO 01.4 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

115

## Reporting Year

OO 02	Mandatory	Public	Descriptive
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OO 02.1 Indicate the year end date for your reporting year.

31/12/2019

## Signatory category and services

OO 03

Mandatory

Public

Gateway

OO 03.1

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

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

OO 03.2

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

- Reporting

Reporting

- Yes
- No
- Active Ownership Services
- Research and Data provision

Research and Data provision

- Yes
- No
- Other, specify (3)
- Other, specify (4)
- None of the above

# Pathstone

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### Strategy and Governance

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## Policy on ESG beliefs

SG 01

Mandatory

Public

Gateway

SG 01.1

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

Pathstone's ESG and impact investing efforts are embedded within and across the organization. Nearly every advisor has experience working with portfolios that incorporate ESG factors. We also have a dedicated Impact Committee that serves as a resource for advisors who are delivering creative solutions to help meet their clients' individual needs in the space. Additionally, Pathstone's senior leadership views ESG investing as a core focus of the firm's business, and is deeply invested in ensuring its success. The firm is putting tremendous resources into the space, as evidenced by the development of an innovative investment platform-Pathstone Portfolio Platform (P-Cubed)- that offers a lower overall cost structure, while incorporating proxy voting, shareholder engagement, and a comprehensive ESG scoring framework.

### Impact Investing Services

Pathstone's mission is to craft custom solutions to help clients meet their goals and objectives. For clients that have a keen interest in aligning their investments with their values, Pathstone offers a complete portfolio solution that is able to incorporate ESG alignment within public equity and fixed income, private equity and credit, and hedged equity and credit.

ESG and impact investing is also fully integrated into Pathstone's client service. During quarterly reviews advisors will not only review performance and impact, but will also provide perspective on new opportunities and the overall ESG landscape. Additionally, Pathstone regularly releases informative communications specific to ESG and impact investing. These include the quarterly Sustainable Investing Highlights which provide ESG clients with insight into the performance and impact of current ESG strategies, new opportunities, and progress and developments made in the ESG and impact space as a whole, and the Annual Impact Report which provides an in-depth look into the progress, developments, and overall impact of our ESG strategies.

Pathstone's impact investing capabilities are also incorporated into the Pathstone Portfolio Platform (P-Cubed), which is a proprietary investment execution methodology that allows investors to hold diverse investments with customization in a single account. P-Cubed combines rigorous manager selection with the ability to achieve meaningful impact and the transparency provided by proprietary ESG scoring. P-Cubed provides clients with solutions across: ESG Management & Value Alignment, ESG Directed Proxy Voting, Shareholder Engagement, and Multi-Tiered All-Encompassing Reporting. In fact, our sophisticated reporting system incorporates ESG scoring at the manager and benchmark levels, and does so across the portfolio in order to help clients understand how their holdings are measured. In addition to reviewing individual investment strategies at the granular portfolio level, Pathstone also measures intentionality at the manager level by surveying each investment firm as to their intentions, their actions, and their measurement of impact and ESG. Our unique proprietary ESG scoring methodology accounts for equities, fixed income, hedge funds and private equity.

### Sectors and Areas of Focus

We believe that impact can be achieved-and measured-across a client's entire portfolio beyond private impact solutions, through investments in traditional fixed income, publicly traded stocks and hedged equity strategies. Our in-house research team identifies specific ESG managers spanning multiple asset classes for inclusion in the Pathstone Portfolio Platform (P-Cubed). Our dedicated research team integrates a deep focus on ESG and impact investing during their due diligence process, holding these strategies to very high investment standards. ESG and impact strategies undergo the same rigorous due diligence as traditional managers, with a focus on a manager's impact philosophy, process, and portfolio characteristics. ESG and impact investments are reviewed, approved and monitored by Pathstone's Investment Committee, which has the responsibility to oversee both impact and traditional investment strategies. We believe this highly discerning and rigorous approach to impact investing will benefit our clients by providing access to high-quality investment opportunities and meaningful impact.

We view shareholder advocacy as a core component of ESG and impact investing and recommend a number of ESG strategies that are highly engaged in this area. Further, we believe that clients, as asset owners, should have the opportunity to raise their voices on issues of concern, both with managers and portfolio investments, and we will actively support clients through this process.

Community investing is also an important component of ESG and impact investing and can be a meaningful way for clients to have local impact. Pathstone's research team has reviewed a number of

Community Development Financial Institution (CDFI) investment opportunities which may be suitable for select clients seeking to maximize their impact.

**SG 01.2**

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

Yes

**SG 01.3**

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

**Policy components/types**

Policy setting out your overall ESG/RI approach

Public availability

- URL
- Attachment
- Not publicly available

Formalised guidelines on environmental factors

Public availability

- URL
- Attachment
- Not publicly available

Formalised guidelines on social factors

Public availability

- URL
- Attachment
- Not publicly available

Formalised guidelines on corporate governance factors

Public availability

- URL
- Attachment
- Not publicly available

Formalised guidelines on engagement approach

Public availability

- URL
- Attachment
- Not publicly available
- Formalised guidelines on (proxy) voting approach

Public availability

- URL
- Attachment
- Not publicly available
- Other, specify (1)
- Other, specify (2)
- None of the above

**SG 01.4**

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

- Regular employee training on RI/ESG
  - Regular RI/ESG policy awareness building for employees
  - Establishment of policy review committee/team
  - Remuneration linked to achieving ESG objectives
  - Annual performance incentives
  - Other, specify (1)
  - Other, specify (2)
  - Other, specify (3)
- No

**SG 02**

**Mandatory**

**Public**

**Descriptive**

**SG 02.1**

Indicate what frameworks and guidelines you have used to develop your organisation's policies. Tick all that apply.

- UN Principles for Responsible Investment
- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- UN Sustainable Development Goals
- International Bill of Human Rights
- International Labour Organisation Conventions
- IFC Performance Standards
- United Nations Convention Against Corruption
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- GRI standards
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

**SG 03****Mandatory****Public****Descriptive****SG 03.1**

Indicate whether you offer standard, off the shelf, policies to clients as part of your product offerings, and/or whether you create tailored versions for individual clients.

	Off the shelf	Tailored
Asset class-specific RI guidelines	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sector-specific RI guidelines	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Screening/exclusions policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Engagement policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(Proxy) voting policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
RI guidelines set out within the Investment Policy Statement (IPS)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
RI guidelines set out in a freestanding RI policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Multi-year RI implementation project plan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conflict of interest management policy	<input type="checkbox"/>	<input type="checkbox"/>
Stockbroker allocation policy	<input type="checkbox"/>	<input type="checkbox"/>
Securities lending policy	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

**SG 03.2**

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

Pathstone recognizes that each client has their own goals and objectives, especially as it relates to ESG and impact investing, and is committed to tailoring advice, policies and plans to meet the needs of each situation and relationship. Although we don't vote proxies directly, we recommend investment management firms to clients that offer comprehensive and socially responsible proxy voting guidelines as well as shareholder engagement. Clients have the option of customizing their proxy voting and shareholder engagement to better align with their values and objectives.

**SG 04**

**Mandatory**

**Public**

**Descriptive**

**SG 04.1**

Briefly describe how you include ESG/RI factors as part of your business offerings.

## Business area

### Reporting

#### How you include ESG/RI factors

ESG/RI factors are incorporated into our reporting in a comprehensive manner as further described in other sections of this response.

### Investment Consultancy

#### How you include ESG/RI factors

Pathstone recognizes that each client has their own goals and objectives, especially as it relates to ESG and impact investing, and is committed to tailoring advice, policies and plans to meet the needs of each situation and relationship.

### Research and Data Provision

#### How you include ESG/RI factors

ESG/RI factors are incorporated into our research and data provision in a comprehensive manner as further described in other sections of this response.

### SG 04.2

Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for ESG/RI within the organisation.

Roles present in your organisation	Oversight/accountability for ESG/RI	Implementation of ESG/RI
Board	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chief Executive Officer (CEO), Chief Financial Officer (CFO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chief Operating Officer (COO), Chief Information Officer (CIO)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other chief-level staff	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; display: inline-block;">Please specify</div> Chief Compliance Officer	<input type="checkbox"/>
Other heads of department	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; display: inline-block;">Please specify</div> Head of Chief Investment Office	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; display: inline-block;">Please specify</div> Director, Investment Research
Dedicated ESG/RI staff	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other role, specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

**SG 04.3**

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

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

**SG 04.4**

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

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

**SG 04.6**

Describe how you ensure that your employees incorporate ESG/RI into services through other mechanisms than ESG/RI linked incentives.

Our commitment to this space runs deep and wide. We continue to dedicate significant resources to provide clients with creative solutions and help them best align their investments with their values and their mission.

Pathstone's ESG and impact investing efforts are embedded within and across the organization. Nearly every advisor has experience working with portfolios that incorporate ESG factors. We also have a dedicated Impact Committee that helps embed knowledge of ESG and Impact across all aspects of the organization, and serves as a resource for advisors who are delivering creative solutions to help meet their clients' individual needs in the space. Additionally, Pathstone's senior leadership views ESG investing as a core focus of the firm's business, and is deeply invested in ensuring its success.

**SG 06****Mandatory****Public****Descriptive****SG 06.1**

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

- Board/trustee training
- Investment manager training
- Regulatory bodies/authorities or public policy makers
- Corporate executive training
- ESG analyst training
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)
- None of the above

<b>SG 06.2</b>	Describe the main components of your training/educational services on ESG/RI and any variations depending on the group you provide training/education to.
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As part of our client service, and part of our own internal culture, we provide training and educational services to Board Members, Trustees and Corporate Executives, and analysts that seek to better understand ESG and responsible investing.

<b>SG 06.3</b>	Describe whether these training/educational services include any commercial elements.
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Our training services are always focused on delivering relevant content, and do not include promotional messages that are biased toward one service provider or another.

<b>SG 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
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<b>SG 07.1</b>	Describe how your organisation applies, advances and promotes the PRI Principles.
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Pathstone promotes and advances the PRI Principles through engagement with asset managers and clients. Pathstone asks managers if they engage in ESG integration and, if so, how they consider ESG factors. If a manager is a PRI signatory, Pathstone may ask how they implement their commitment. With clients, the firm highlights the value of ESG integration and active ownership. Pathstone may also highlight the firm's commitment to the PRI.

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

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

**SG 09.2** Explain how this long-term trend affects your product outputs.

Pathstone may consider changing demographics as a risk or opportunity when formulating strategic and tactical asset allocation advice, and when evaluating investment strategies. In some cases, the firm has opted to invest in strategies that are well positioned to benefit from changing demographics.

Climate change

**SG 09.2** Explain how this long-term trend affects your product outputs.

Pathstone recognizes that climate change presents a significant risk for investors, and it is extremely important that analysts and portfolio managers evaluate such risks alongside other risks when evaluating an investment opportunity. The firm has clients that are focused on the environment and climate solutions, and helps them to align their portfolio with their values. Many of our clients that are concerned with climate change have moved their investment portfolio to a lower carbon footprint, and in some cases clients have chosen to divest exposure to companies with fossil fuel reserves from their investment portfolios.

Resource scarcity

**SG 09.2** Explain how this long-term trend affects your product outputs.

We often recommend investment strategies that identify companies with environmental business advantages, which may relate to resource scarcity, and/or disruptive products or services that have greater efficiency or use of alternative resources that are renewable.

Technology developments

**SG 09.2** Explain how this long-term trend affects your product outputs.

Pathstone will often consider technology trends and developments when evaluating investment strategies. In some cases, particularly within high growth or venture capital strategies, Pathstone will recommend investments that can drive the development of new and disruptive technologies.

Other, specify (1)

Other, specify (2)

None of the above

**SG 10**

**Mandatory**

**Public**

**SG 10.1** Indicate whether you interact with asset owner clients.

Yes, we do

**SG 10.2** Indicate the typical frequency and type of interactions with your asset owner clients.

**Type of interaction**

Board of trustee meetings

Frequency

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

Frequency

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

Frequency

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

	Frequency
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- Daily
  - Weekly
  - Monthly
  - Quarterly
  - Bi-annually
  - Annually
  - Ad-hoc basis
  - Other, specify
- Informal meetings or calls

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

SG 11	Mandatory	Public	Descriptive
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SG 11.1	Describe how you typically align your organisation's philosophy and approach to ESG/RI with your investor clients' goals.
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Describe

Pathstone works with clients to meet their unique ESG and Impact goals. This is done through the development of an Investment Policy Statement and belief statements that incorporate ESG, establishing plans to thoughtfully and deliberately transition portfolios into alignment with client's ESG goals, tracking progress, and reporting on ESG and impact characteristics and outcomes. Pathstone places considerable emphasis on education and training related to ESG investing to ensure that clients' expectations are well understood and their objectives are appropriately incorporated within their portfolios.

In our view there are two important aspects to ESG and responsible investing, both of which are interrelated - the systematic integration of ESG into an investment process, and the overlay of a value set onto a portfolio.

ESG data can provide valuable insights that help discern the effectiveness of a management team, and the efficiency of a company's use of resources.

Investors are able to better align their portfolios in a manner that doesn't conflict with their broader objectives. For example, it may make sense for a hospital endowment to exclude tobacco stocks, or an environmental organization's investment portfolio to move toward a lower carbon footprint.

This is not relevant for my organisation

<b>SG 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
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<b>SG 12.1</b>	Describe what steps you take, if any, when your ESG recommendations are not in line with your investor clients' goals.
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Describe

We work with clients to understand their goals and objectives, and provide investment solutions that are designed to align with their goals. Certain clients will have goals that seek to incorporate values which go beyond a typical ESG lens. For example, a foundation with the environment as a mission may care deeply about climate change, and seek to exclude companies that hold fossil fuel reserves. Clients that embrace a value system that aligns with a religious beliefs may seek to have screens on companies whose business operations focus on products or services that conflict with their value system, and often choose to exclude such companies. In each instance, we will work with clients at the outset to best align their investment portfolio with their goals, and over time may adapt the recommended solution as their values, our understanding of their values, and the tools available to adjust the portfolio evolve.

This is not relevant for my organisation

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
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<b>SG 13.1</b>	Indicate whether you seek feedback from clients on your RI/ESG services and product offerings
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Yes

<b>SG 13.2</b>	Describe how you use this feedback in your RI/ESG services and product offerings.
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We are in continual contact with our clients regarding their portfolios and their objectives, and often receive feedback on our ESG research, education services, communications and ESG Scoring capabilities. In fact, one reason that we are able to take pride in our leadership position in the industry in this area, is because we have listened to our clients as they have expressed their interest to learn more, make a greater impact, and measure the results.

No

<b>SG 14</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
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<b>SG 14.1</b>	Indicate whether your organisation has a policy for managing potential conflicts of interest.
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Yes

<b>SG 14.2</b>	Describe how you manage potential conflicts of interest.
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Pathstone does not accept compensation from anyone other than our clients, so the firm has no incentive (such as a commission, a 12b-1 fee, or "soft dollar" payment) to select any particular fund or manager.

**SG 14.3**

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

Pathstone's policies on gifts prohibits employees from receiving direct or indirect compensation from a manager or anyone else that is more than a de minimis amount. In the event an employee receives material inside information about a company, the employee is prohibited from profiting from that information both by our compliance policy and by law.

No

# Pathstone

## Reported Information

### Public version

### Reporting

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## Type of reporting and assurance

REP 01	Mandatory	Public	Gateway
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**REP 01.1** Indicate the type of reporting that you prepare on behalf of clients. Tick all that apply.

- Integrated reporting
- RI reporting
- Sustainability reporting
- Financial reporting
- Other, specify (1)
- Other, specify (2)
- None of the above

**REP 01.2** Indicate whether your services include any variety of third party assurance or certification/labelling scheme of clients' ESG/RI data, processes or products.

- Yes
- No

**REP 01.4** Additional information. [OPTIONAL]

Pathstone's sophisticated reporting system incorporates ESG scoring at the manager and benchmark levels, and does so across the portfolio in order to help clients understand how their holdings are measured. In addition to reviewing individual investment strategies at the granular portfolio level, Pathstone also measures intentionality at the manager level by surveying each investment firm as to their intentions, their actions, and their measurement of impact and ESG.

## Reporting frameworks/standards/guidelines

REP 02	Mandatory	Public	
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**REP 02.1**

Indicate what reporting frameworks/ standards/ guidelines you typically use when preparing reports for clients. Tick all that apply.

- OECD Guidelines for Multinational Enterprises
- OECD Principles of Corporate Governance
- ILO
- ISO, specify
- UN Global Compact
- GRI
- SASB
- IIRC
- PRI
- CDP
- Stewardship code
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- Other, specify (1)
  - Proprietary Pathstone methodology
- Other, specify (2)

**REP 02.2**

Additional information. [OPTIONAL]

Pathstone recognizes climate change as a clear and material risk to our clients' investments. We integrate thoughtful environmental, social, and governance ("ESG") perspectives within our research process in order to better position portfolios across the dimensions of both asset allocation and manager selection. We seek to proactively adjust investment strategies to mitigate climate risk.

Pathstone has enhanced data collection on climate risk metrics, which has helped us understand different climate risk scenarios that are aligned with Task Force on Climate-related Financial Disclosures ("TCFD") and UN PRI Principles as well as the United Nations Sustainable Development Goals ("SDGs") targets and indicators. TCFD, UNPRI, and the SDGs inform our process as we construct portfolios. We believe such perspectives can help to not only mitigate investment risk but can also help identify better management teams.

In late 2019, we organized an ESG conference that brought together portfolio managers and clients to discuss trends shaping the ESG space. The conference allowed us to hear and discuss ESG-related concerns, and climate risk was of keen interest to participants. Furthermore, our thought leadership and communications have helped managers we recommend and clients we serve to better understand the principles and objectives of ESG, including the TCFD and the SDGs.

## Incorporating ESG

**REP 03****Mandatory****Public****REP 03.1**

Indicate whether you incorporate ESG factors into your reporting products for clients.

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

**REP 03.2** | If yes, describe how you typically incorporate E, S, and G factors into the reporting.

In addition to reviewing securities and individual investment strategies at the granular portfolio level for their ESG ratings, Pathstone also measures intentionality at the manager level by surveying each investment firm as to their intentions, their actions, and their measurement of impact and ESG.

## ESG in materiality analysis

**REP 04**

**Mandatory**

**Public**

**Descriptive**

**REP 04.1**

Indicate whether ESG is part of the materiality analysis you perform when preparing clients' reports.

- Yes, ESG is systematically part of the materiality analysis
- Yes, ESG is occasionally part of the materiality analysis
- No, ESG is not part of the materiality analysis

**REP 04.3**

Describe the process you undertake for materiality analysis. [OPTIONAL]

When we report to clients that have a specific mission or value alignment, such as the objective of excluding companies with fossil fuel reserves, we will report back periodically on the material exposure (if any) to the area of interest.

Pathstone

Reported Information

Public version

Investment Consultancy

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## Investment Consultancy

IC 01

Mandatory

Public

Gateway

**IC 01.1** Indicate whether your services include any of the following.

- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research
- Manager selection and monitoring
- Other, specify (1)
- Other, specify (2)

**IC 01.2** Describe how you ensure that your clients understand your service offerings and fee structure.

We have extensive dialogue with our clients regarding our service offerings. We provide a detailed matrix of investment and family office services that facilitate a clear understanding of what is included in our engagement. These materials are often available on our website and in comprehensive materials shared at client meetings.

**IC 01.3** Additional information. [OPTIONAL]

We are not a custodian, and do not select individual securities on behalf of clients, but have preferred custodial relationships established that allow us to better offer elegant solutions for implementing our asset allocation and manager selection advice at the most competitive pricing.

IC 03

Mandatory

Public

**IC 03.1** Indicate whether you provide fiduciary management services.

- Yes, we do

**IC 03.2** Describe how you incorporate ESG factors into your fiduciary management services.

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

We work with clients in both discretionary and non-discretionary capacities, and always strive to provide advice and management that is prudent and aligned with best practices. Since we seek to integrate ESG perspectives into our investment process, rather than treating it as a separate area of focus, we are incorporating ESG factors into services that are considered fiduciary management. See additional information below for a discussion of our advice and service and fiduciary management.

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

**IC 03.3**

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

We have found that ESG metrics enable firms to better identify effective managers, both of investment firms and of underlying companies. From a fiduciary perspective, we see the conversation is shifting from "why incorporate ESG, given the potential for reduced return", to "why not incorporate ESG, given its additional insight into potential risks". We feel a prudent approach that takes into account ESG perspectives is an appropriate approach.

No, we do not

**IC 03.4**

Additional information. [OPTIONAL]

(1) Pathstone advises on and/or manages assets that are subject to the supervision of a fiduciary, for example, private foundation assets where the foundation's governing body is subject to specific fiduciary duties. (2) We do not act as the named fiduciary of a retirement plan, private trust, or other entity. (3) As an SEC-registered investment adviser, we uphold a fiduciary duty to put our clients' interests ahead of our own.

## Investment policy development

**IC 06**

**Mandatory**

**Public**

**Descriptive**

**IC 06.1**

Indicate whether you incorporate ESG into your investment policy development services.

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

**IC 06.2**

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

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

## Strategic asset allocation

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

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

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

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

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

**IC 09**

**Mandatory**

**Public**

**IC 09.1** Describe how you measure, track or otherwise demonstrate your value on asset allocation activities.

Asset allocation decisions approved by the Investment Committee are tracked, and performance of these tactical decisions is monitored relative to a strategic allocation.

**Investment research**

**IC 10**

**Mandatory**

**Public**

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

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

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

Investment research activities

- Asset level research

Describe how you incorporate ESG

Our asset allocation advice is based upon both long-term capital market assumptions, as well as intermediate-term return forecasts. As part of this process, we incorporate ESG perspectives that are expected to impact return and risk, such as climate change and climate risk related to movement to a lower carbon economy.

- Portfolio level research

Describe how you incorporate ESG

Pathstone's review of individual investment strategies includes a review of individual holdings, the characteristics and composition of such holdings when grouped by size, style, valuation and sector, and in many cases this will include an in-depth review of exposure to specific issue areas related to ESG and responsible investing. In addition, we survey each recommended investment management firm to determine their intentions, their actions, and their measurement of ESG, Impact and SDG alignment within their portfolios.

- Performance monitoring

Describe how you incorporate ESG

In addition to monitoring portfolio's investment performance, Pathstone provides ESG scoring at the manager, asset class and portfolio level. Such scoring facilitates dialogue with investment managers, and enables clients to better understand how portfolio holdings compare to benchmarks along the dimensions of Environmental, Social and Governance (ESG) criteria.

- Mandate design

Describe how you incorporate ESG

At Pathstone, we are able to customize investment mandates by providing insight into exposure to specific issue areas that are of concern to clients, from both a negative "exclusion" approach and a positive "inclusion" perspective. This is in addition to incorporating ESG within our research process, and seeking to identify investment managers that incorporate ESG and responsible investing within their processes.

- Benchmark selection

Describe how you incorporate ESG

We work with clients to select the most appropriate benchmarks for individual strategies within their portfolio, as well as for their overall portfolio mandate. We work with clients to present the most useful information, and often incorporate both conventional indices and indices that incorporate ESG in their construction in order to have a more informed discussion.

- Equity research
- Credit research
- Quant research
- Sector research
- Thematic research
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

IC 11	Mandatory	Public	Descriptive
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IC 11.1 Describe how you measure, track or otherwise demonstrate your value on investment research activities.

As previously mentioned, Pathstone utilizes performance reporting capabilities that allow for the flexible segmentation of securities and managers and include roll-up analysis to assess overall strategies for

asset classes and portfolios, risk statistics for managers and asset classes, and actual vs. target portfolio allocation analysis. As changes are made to the portfolio, we document, track, and monitor all strategy and investment recommendations, in order to ensure complete accountability.

We evaluate the value of our investment research activities by reviewing the performance of all managers on the Pathstone platform to their asset class and asset style benchmark. Each manager we select for our platform is expected to fulfill a specific role within the overall allocation and more specifically its asset class. As a result, Pathstone builds expectations around that manager's performance in certain market cycles. We strive to select managers that will exceed these expectations and closely monitor the manager's investment process, as well as their performance relative to the appropriate benchmark.

In addition to broad benchmark comparisons, we use peer group comparisons. The manager peer group will be dependent on the asset class and type of investment product. For example, the peer group for a traditional large cap growth fund may be hundreds of funds whereas a specialized non-traditional hedge investment may have only a few similar products for comparison and/or benchmarking. Both our peer group and benchmark comparisons contain return and risk statistics. Risk metrics may include standard deviation, worst period, drawdown, alpha, Sharpe ratio, etc.

We also utilize attribution analysis to measure portfolios relative to their benchmarks and to measure the value added from stock, industry, capitalization, and style bets that individual managers are making in the portfolio. Drawing from the information gathered through attribution analysis, we can understand if the performance of a manager is driven by skill, and therefore repeatable, or by unintentional exposures to sectors of the market that outperformed.

## Manager selection and monitoring

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

### Manager selection service

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

### Manager monitoring service

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

## SELECTION

IC 13	Mandatory	Public	
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**IC 13.1**

Indicate what activities you undertake during the process of selecting a manager.

**Research and screening**

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

**Strategy**

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

**ESG people/oversight**

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

**Process/portfolio construction**

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

**Selection process and reviewing documentation**

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

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

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

Manager research will often include review of a strategy's exposure to issue areas of concern to responsible investors, compared to a relevant benchmark.

- None of the above

<b>IC 14</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
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**IC 14.1** Describe how you incorporate asset owners` investment principles into the manager selection process.

Pathstone is committed to delivering exceptional investment portfolio solutions to clients in order to best meet their objectives. We find that many of the best investment managers incorporate ESG and Impact within their investment research processes, and within the culture of their firms. Simply put, by identifying exceptional investment managers that incorporate ESG, we are effectively identifying better investment management firms.

Our integration of ESG research into our overall investment manager selection process allows the best ESG managers to rise to the top. In addition, we are able to offer comprehensive solutions to clients with an objective of an all-ESG portfolio, along with specific customization for their areas of interest. We pride ourselves on sourcing great ESG managers and those that are aligned with our clients’ thematic interests and principles. We strive to source the best ESG/impact strategies in each asset class to recommend to our clients. These strategies will often cover a range of ESG issues and impact themes, such as climate solutions, gender and income equality, and social justice. We are also able to source more targeted ESG or impact investments for specific clients where there is a specific mandate, and in many cases are able work with investment managers to exclude exposure to specific issue areas based on clearly defined parameters. In these cases, we will work with the client to understand their goals and objectives and ensure that the portfolio solution remains aligned with their return objective and risk tolerance, while also improving alignment with their principles. We have found that this mix of broad research and targeted, client-specific sourcing, along with portfolio customization, is effective in helping clients meet their objectives for both impact and financial returns.

<b>IC 15</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
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**IC 15.1** Briefly describe how you include ESG factors in your due diligence process for manager selection.

We speak with each of our recommended investment managers with regard to their incorporation of ESG into their investment process. We formally survey each investment firm each year regarding their

approach, including their intentions, their actions, and their measurement of results (our "IAM" survey), and track the results of these responses. We also have developed a proprietary ESG scoring framework, which we use to evaluate portfolios from a granular security-level perspective, aggregated to allow comparisons with relevant benchmark indexes. In addition, we are able to review portfolios for exposure to issue areas that are of concern to responsible investors, and compare these exposures with a relevant benchmark. These tools allow us to better understand investment strategies' strengths and weaknesses from an ESG perspective, and how these may change over time. As a result, we have more informed discussions with investment managers regarding their decisions and the value that they strive to add.

IC 16	Mandatory	Public	Descriptive
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IC 16.1	Indicate whether you set any of the following to measure compliance/progress, or use the following information to review and evaluate the investment manager.
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	Setting measures for the investment manager as part of the monitoring process
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- ESG score
- ESG weight
- Real economy targets
- Other RI considerations
- None of the above

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

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

IC 16.2	Describe how you raise and manage concerns when monitoring investment managers on ESG factors.
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We have regular calls and site visits with managers and review their ESG process and incorporation of these factors in their investment process. Our proprietary ESG scoring framework, combined with our Intentions Actions and Measurement (IAM) survey, inform these discussions.

IC 17	Mandatory	Public	Descriptive
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**IC 17.1**

Indicate whether you report back to asset owners on your manager selection and/or monitoring activities.

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

**IC 17.2**

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

We update asset owners on manager research activities during our client meetings. We provide ESG scoring within performance reports if this level of detail is desired by the client.

**IC 18****Mandatory****Public****Descriptive****IC 18.1**

Describe how you measure, track or otherwise demonstrate your value on manager selection and monitoring services.

As described earlier, we evaluate the value of our investment research activities by reviewing the performance of all managers on the Pathstone platform to their asset class and asset style benchmark. Each manager we select for our platform is expected to fulfill a specific role within the overall allocation and more specifically its asset class. As a result, Pathstone builds expectations around that manager's performance in certain market cycles. We strive to select managers that will exceed these expectations and closely monitor the manager's investment process, as well as their performance relative to the appropriate benchmark. In addition, we track investment portfolio performance along ESG dimensions within our proprietary ESG scoring framework, and monitor these scores relative to benchmark indices.

In addition to broad benchmark comparisons, we use peer group comparisons. The manager peer group will be dependent on the asset class and type of investment product. For example, the peer group for a traditional large cap growth fund may be hundreds of funds whereas a specialized non-traditional hedge investment may have only a few similar products for comparison and/or benchmarking. Both our peer group and benchmark comparisons contain return and risk statistics. Risk metrics may include standard deviation, worst period, drawdown, alpha, Sharpe ratio, etc.

We also utilize attribution analysis to measure portfolios relative to their benchmarks and to measure the value added from stock, industry, capitalization, and style bets that individual managers are making in the portfolio. Drawing from the information gathered through attribution analysis, we can understand if the performance of a manager is driven by skill, and therefore repeatable, or by unintentional exposures to sectors of the market that outperformed.

# Pathstone

## Reported Information

## Public version

## Research and Data Provision

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## Product level

RDP 01

Mandatory

Public

**RDP 01.1** Indicate your product type. Tick all that apply.

- Analysis
- Benchmarking reports
- ESG ratings
- Credit ratings
- ESG indices
- Raw data
- Second party opinion on green or social bonds
- Surveys
- Other, specify

**RDP 01.2** Indicate whether you make any of your products publicly available.

- Yes, all products
- Yes, some products
- No, we do not

## Research/process level

RDP 02

Mandatory

Public

**RDP 02.1** Indicate the types of sources you use for research and/or ratings of companies/sectors/geographies or similar. Tick all that apply.

- Your organisation`s independently collected data from public sources
- Regulatory sources
- Information from NGOs and other stakeholders
- In-person meetings or calls with company or industry representatives
- Primary data (self-reported from companies or other organisations)
- Secondary data (from other research provider databases)
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

**RDP 02.2** Indicate how ESG factors are incorporated into your research and/or rating methodology

- Identifying exposure and risk to ESG factors
- Considering responses to self-assessment questions on ESG
- Assessing current and future capacity to manage or mitigate ESG risks
- Assessing past and potential future performance on ESG factors
- Assessing alignment and compliance to different policies and regulations
- Assessing alignment and compliance explicitly to the Sustainable Development Goals (SDGs)
- Assessing current and future positive ESG impacts
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

**RDP 02.3** Describe how you define materiality and how this is captured in your research and/or rating methodology as well as final product.

We define materiality as a measurement's relevance or significance, pertaining specifically to how it will impact a company or strategy longer term. We seek to emphasize materiality through the use of sector relative rankings of securities, with each of the E, S and G dimensions measured separately. We also seek to emphasize environmental measurements, given the importance of this area, and seek to adjust for company size and regional biases in the data.

<b>RDP 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
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**RDP 04.1** Indicate how you ensure that your ESG assessment of companies/ sectors/ geographies or similar is up-to-date and that new information is incorporated or new assessments are conducted at reasonable intervals.

- Regular update cycles (annual or more frequent)
- Allowing assessments/ ratings to be adjusted at any time by your organisation
- On-going alerts systems in place for new events and information that might have implications on the original assessment/ ratings
- On-going monitoring of possible controversies and compliance to conventions, regulations and similar
- Providing tools for companies/ sectors or others to update the researcher, rating agency or data provider with new information
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

<b>RDP 05</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
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**RDP 05.1** Indicate how you typically ensure a balanced approach to your research methodology and assessing/rating of companies/sectors/geographies or similar. Tick all that apply and explain your approach to each option.

**Type of indicators**

- Balancing quantitative and qualitative indicators

#### Explain your approach

We incorporate both E, S and G data inputs, as well as employ a qualitative survey of investment management firms of their Intentions, Actions and Measurement. We also conduct a review of managers' investment processes and how they seek (or do not seek) to incorporate E, S, and G perspectives and UN SDGs into their investment processes.

- Balancing management/process oriented indicators and performance indicators
- Balancing reference to past and current performances, such as whether the rating object's performance is improving or deteriorating
- Balancing environmental, social and governance indicators

#### Explain your approach

We utilize E, S and G data which is sector relative within each pillar, adjusted for controversies, and then adjusted for biases of company size and geographic region.

- Balancing self-reported and public data

#### Explain your approach

In certain areas where public E, S and G data is less readily available or of lower quality, we may utilize self-reported perspectives of investment managers to help provide a useful overall portfolio assessment.

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

# Pathstone

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### Public version

### Confidence building measures

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