



PUBLIC RI REPORT

2021 PILOT

Garcia Hamilton & Associates, L.P.

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About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities. **Public RI Reports** provide accountability and transparency on signatories' responsible investment activities and support dialogue within signatories' organisations, as well as with their clients, beneficiaries and other stakeholders.

This **Public RI Report** is an export of the signatory's responses to the PRI Reporting Framework during the 2021 reporting period. It includes the signatory's responses to mandatory indicators, as well as responses to voluntary indicators that the signatory has agreed to make public.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

PRI disclaimer

This document presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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Senior Leadership Statement (SLS)

Senior leadership statement

Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- o **Why does your organisation engage in responsible investment?**
- o **What is your organisation’s overall approach to responsible investment?**
- o **What are the main differences between your organisation’s approach to responsible investment in its ESG practice and in other practices, across asset classes?**

As a minority- and women-owned firm, at Garcia Hamilton & Associates, L.P. (GH&A) we look at life through a different lens. Many of our team members are first generation Americans and first-generation college graduates and have been given a hand up, making the principles of responsible investing (RI) a natural fit for the firm. It is this experience and philosophy that frames our investment approach, which seeks to incorporate RI factors such as climate effects, corporate governance, and diversity and inclusion (D&I) into the portfolio. By integrating RI considerations and materiality into our investment process we not only protect our earth and natural resources but also avoid injecting unquantifiable event risk and unnecessary volatility into the portfolio. We do not need to invest in these securities to meet our goal to outperform the benchmark net of fees over a full market cycle.

We only invest in high-quality fixed income securities – U.S. Treasuries, federal agency securities, agency guaranteed MBS, and corporate securities rated A- or better by 2 rating agencies. Since inception, we have utilized ESG as a negative check off, such as alcohol, tobacco, gambling, guns, stem cells, fossil fuels, and defense companies. We also do not purchase BBBs, foreign bonds, and small issues. This has not changed over time. After applying this screen, our investable corporate universe shrinks to approximately 75 issuers. We then utilize a positive ESG check off to evaluate securities at the point of purchase using traditional financial and quantitative metrics analysis as well as qualitative assessments to differentiate among securities and identify at any ESG risks and opportunities.

We have chosen to not “reinvent the wheel” and utilize the third-party research of industry experts in our ESG evaluation. The reports from these providers assist the investment team in its overall process of identifying, assessing, and prioritizing ESG factors and risks and provides a base to further study/research these securities for continued inclusion in the portfolio. We assign weights to these metrics according to our own RI priorities and then calculate a weighted average score for each security. We then stratify the peer universe into our internal ESG Scale and within each Scale component we evaluate an issuers’ current and planned initiatives to meet or exceed our internal thresholds.

Our consistent commitment since the firm’s inception to RI principals, both in the investments we seek and the way we manage our firm, is the bedrock of our philosophy and has differentiated GH&A from our peer universe. We do not see ESG as a way to create a new product or pick up market share but as a reflection of our own firm beliefs and corporate governance.

Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- **Discuss your organisation’s progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.**
- **Reflect on your performance with respect to your organisation’s responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:**
 - **refinement of ESG analysis and incorporation**
 - **stewardship activities with investees and/or with policy makers**
 - **collaborative engagements**
 - **attainment of responsible investment certifications and/or awards**

Diversity Equity Inclusion and Justice (DEIJ) permeates everything we do, from the management of the firm to the way we manage investments. GH&A is proud to be 100% employee owned and MBE certified – approximately 90% held by minority and women Partners and 65% held by minority Partners. Diversity is who we are – 89% of firm employees and 73% of the investment team are women and/or minority – and a testament to our success and growth.

Fundamentally, we believe that diverse solutions lead to better, more competitive results for institutional clients and we understand the importance of corporate governance and DEIJ initiatives in the asset management industry. To that end, GH&A professionals play senior leadership roles throughout the industry in collaborative engagements as well as stewardship activities with policy makers that continue to move the needle on important DEIJ initiatives.

Gilbert Garcia, Managing Partner, serves as a member of two Securities and Exchange Commission (SEC) FACA Committees: the Fixed Income Market Structure Advisory Committee (FIMSA) and the Asset Management Advisory Committee (AMAC). In his role in the AMAC Committee, he has focused on ESG and D&I, and has taken a leadership role in the AMAC D&I Subcommittee which will soon unveil formal recommendations to the SEC Commissioners to create more transparency and improve D&I in the industry. He has also worked with the Subcommittee to focus on the data and disclosure used for ESG investing to create better transparency for investors.

GH&A has also collaborated with a variety of organizations to promote corporate governance and DEIJ initiatives in the industry, including the recruitment and retention of women and minorities.

- Stephanie Roberts, Partner, serves on the Board of NASP (National Association of Securities Professionals), a non-profit that brings together minority and women professionals in asset management and banking to advocate for more diversity in the industry. The organization recently awarded Mr. Garcia, Managing Partner, the Maynard Holbrook Jackson, Jr. Award for his DEIJ advocacy and community service.

- GH&A is active with the Diverse Asset Managers Initiative (DAMI) which is committed to raising awareness among institutional investors on the opportunities of investing with diverse-owned managers. Our work with DAMI and other advocacy organizations to push the U.S. Congress for legislation on more D&I transparency, culminated in the recent introduction of the Diversity Data Accountability Act which would amend Dodd-Frank to mandate regulated entities disclose their diversity data and enhance transparency/accountability.

- Mr. Garcia serves on the Board of Directors (since 1987) and is an alum (1983) of SEO (Sponsors for Educational Opportunity), a non-profit with programs serving underserved and underrepresented students including the nation's premier professional development program providing Black, Hispanic, and Native American undergrads with internships in banking, asset management, and private equity.

- We are committed to mentoring future generations of women and minority youth in the industry and host our own firm paid internship program for 20 undergraduates.

We believe the commitment to ESG, corporate governance, and DEI starts with the asset manager and its own internal practices, not just the securities the manager evaluates for the portfolio. At GH&A we practice what we preach, to ensure ESG, corporate governance, and DEI is reflected in our professionals, investments, stewardship, community engagement, and vendors.

Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

GH&A is committed to transparency in corporate governance, and to that end, we are currently working with national and state elected officials to continue to advance our firm's commitment to responsible investment by advocating for more legislation around transparency including data collection and business practices in the asset management industry. Over the next two years, we will continue to work with leaders across the country to add legislative Amendments to require more transparency from institutional plans and consultants to disclose diversity data. We believe these efforts will lead to better, more diverse solutions for institutional investors and will go a long way to closing the income gap.

Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment.

Name	Gilbert A. Garcia
Position	Managing Partner
Organisation's name	Garcia Hamilton & Associates, L.P.

● This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by Garcia Hamilton & Associates, L.P. in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of Garcia Hamilton & Associates, L.P.'s responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

Organisational Overview (OO)

Organisational information

Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(S) Fiduciary management or other outsourced discretionary fund allocation

(1) This is our only (or primary) type

Subsidiary information

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries that are also PRI signatories in their own right?

(A) Yes

(B) No

Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

Assets under management

All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries US\$ 16,726,331,862.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only US\$ 0.00

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.

Percentage of AUM

(A) Listed equity – internal 0.0%

(B) Listed equity – external 0.0%

(C) Fixed income – internal 100.0%

(D) Fixed income – external 0.0%

(E) Private equity – internal 0.0%

(F) Private equity – external 0.0%

(G) Real estate – internal 0.0%

(H) Real estate – external 0.0%

(I) Infrastructure – internal 0.0%

(J) Infrastructure – external 0.0%

(K) Hedge funds – internal 0.0%

(L) Hedge funds – external 0.0%

(M) Forestry – internal 0.0%

(N) Forestry – external 0.0%

(O) Farmland – internal 0.0%

(P) Farmland – external 0.0%

(Q) Other – internal, please specify: 0.0%

(R) Other – external, please specify: 0.0%

(S) Off-balance sheet – internal 0.0%

(T) Off-balance sheet – external 0.0%

ESG strategies

Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 FI	CORE	OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active fixed income?

	(1) Fixed income – SSA	(2) Fixed income – corporate	(3) Fixed income – securitised
(A) Screening alone	0.0%	0.0%	0.0%
(B) Thematic alone	0.0%	0.0%	0.0%
(C) Integration alone	0.0%	0.0%	0.0%
(D) Screening and integration	100.0%	100.0%	100.0%
(E) Thematic and integration	0.0%	0.0%	0.0%
(F) Screening and thematic	0.0%	0.0%	0.0%
(G) All three strategies combined	0.0%	0.0%	0.0%

(H) None	0.0%	0.0%	0.0%
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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 FI	CORE	OO 6 FI	N/A	PUBLIC	Fixed income	1

What type of screening is applied to your internally managed active fixed income?

	(1) Fixed income – SSA	(2) Fixed income – corporate	(3) Fixed income – securitised
(A) Positive/best-in-class screening only	0.0%	0.0%	0.0%
(B) Negative screening only	0.0%	0.0%	0.0%
(C) A combination of positive/best-in-class and negative screening	100.0%	100.0%	100.0%

Stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 FI	CORE	OO 5, OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	2

Does your organisation conduct stewardship activities for your fixed income assets?

	(4) Active – SSA	(5) Active – corporate	(6) Active – securitised
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(E) We did not conduct this stewardship activity for this strategy/asset type

ESG incorporation

Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

	(1) ESG incorporated into investment decisions	(2) ESG not incorporated into investment decisions
(F) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>
(H) Fixed income – securitised	<input checked="" type="radio"/>	<input type="radio"/>

Voluntary reporting

Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

(1) Yes, report on the module

ISP: Investment and Stewardship Policy



(B) Fixed income – SSA



(C) Fixed income – corporate



(D) Fixed income – securitised



ESG/sustainability funds and products

Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

Percentage

(D) Fixed income – active

100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16.1	CORE	OO 16	ISP 52	PUBLIC	Labelling and marketing	GENERAL

What percentage of your total assets (per asset class) carry a formal ESG/RI certification or label? Percentage figures can be rounded to the nearest 5%.

Coverage of ESG/RI certification or label:

(B) Fixed income

0.0%

Climate investments

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PUBLIC	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

0.0%

Investment and Stewardship Policy (ISP)

Responsible investment policy & governance

Responsible investment policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1

Does your organisation have a formal policy or policies covering your approach to responsible investment? Your approach to responsible investment may be set out in a standalone guideline, covered in multiple standalone guidelines or be part of a broader investment policy. Your policy may cover various responsible investment elements such as stewardship, ESG guidelines, sustainability outcomes, specific climate-related guidelines, RI governance and similar.

- (A) Yes, we do have a policy covering our approach to responsible investment
- (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Approach to stewardship
- (F) Approach to sustainability outcomes
- (G) Approach to exclusions
- (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- (I) Definition of responsible investment and how it relates to our fiduciary duty
- (J) Definition of responsible investment and how it relates to our investment objectives
- (K) Responsible investment governance structure
- (L) Internal reporting and verification related to responsible investment
- (M) External reporting related to responsible investment
- (N) Managing conflicts of interest related to responsible investment
- (O) Other responsible investment aspects not listed here, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6

Indicate which of your responsible investment policy elements are publicly available and provide links.

- (A) Overall approach to responsible investment. Add link(s):
- (B) Guidelines on environmental factors. Add link(s):
- (C) Guidelines on social factors. Add link(s):
- (D) Guidelines on governance factors. Add link(s):

https://garciahiltonassociates.com/investment-process/

(E) Approach to stewardship. Add link(s):

https://garciahiltonassociates.com/investment-process/

(G) Approach to exclusions. Add link(s):

https://garciahiltonassociates.com/investment-process/

(H) Asset class-specific guidelines that describe how ESG incorporation is implemented. Add link(s):

https://garciahiltonassociates.com/investment-process/

(I) Definition of responsible investment and how it relates to our fiduciary duty. Add link(s):

https://garciahiltonassociates.com/investment-process/

(J) Definition of responsible investment and how it relates to our investment objectives. Add link(s):

https://garciahiltonassociates.com/investment-process/

(K) Responsible investment governance structure. Add link(s):

https://garciahiltonassociates.com/investment-process/

(L) Internal reporting and verification related to responsible investment. Add link(s):

(N) Managing conflicts of interest related to responsible investment. Add link(s):

https://garciahiltonassociates.com/investment-process/

(P) Our responsible investment policy elements are not publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your policy elements on overall approach to responsible investment and/or guidelines on environmental, social and governance factors?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors

AUM coverage of all policy elements in total:

100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1

Which elements does your exclusion policy include?

- (A) Legally required exclusions (e.g. those required by domestic/international law, bans, treaties or embargoes)
- (B) Exclusions based on our organisation's values or beliefs (e.g. regarding weapons, alcohol, tobacco and/or avoiding other particular sectors, products, services or regions)
- (C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 5	CORE	Multiple, see guidance	N/A	PUBLIC	Responsible investment policy	1

What percentage of your total assets under management are covered by your asset class-specific guidelines that describe how ESG incorporation is implemented?

AUM Coverage:

(B) Fixed Income 100.0%

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1

Do your organisation's board, chief-level staff, investment committee and/or head of department have formal oversight and accountability for responsible investment?

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff, please specify:
 Managing Partner
- (E) Head of department, please specify department:

(F) None of the above roles have oversight and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1

In your organisation, which internal or external roles have responsibility for implementing responsible investment?

- (A) Board and/or trustees
- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO))
- (C) Investment committee
- (D) Other chief-level staff [as specified]
- (E) Head of department [as specified]
- (F) Portfolio managers
- (G) Investment analysts
- (H) Dedicated responsible investment staff
- (I) Investor relations
- (J) External managers or service providers
- (K) Other role, please specify:
- (L) Other role, please specify:
- (M) We do not have roles with responsibility for implementing responsible investment.

People and capabilities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General

What formal objectives for responsible investment do the roles in your organisation have?

	(4) Other chief-level staff [as specified]	(6) Portfolio managers	(7) Investment analysts	(9) Investor relations
(A) Objective for ESG incorporation in investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Objective for ESG performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Other objective related to responsible investment [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(G) No formal objectives for responsible investment exist for this role	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please specify for "(F) Other objective related to responsible investment".

Client and consultant ESG reporting and due diligence

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 8.2	CORE	ISP 8	N/A	PUBLIC	People and capabilities	General

Which responsible investment objectives are linked to variable compensation for roles in your organisation?

RI objectives linked to variable compensation for roles in your organisation:

(4) Other chief-level staff

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(6) Portfolio managers

(A) Objective on ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(7) Investment analysts

(A) Objective for ESG incorporation in investment activities

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(9) Investor relations

(F) Other objective related to responsible investment (as specified in ISP 8 option F)

(G) We have not linked any RI objectives to variable compensation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 9	CORE	N/A	N/A	PUBLIC	People and capabilities	General

How frequently does your organisation assess the responsible investment capabilities and training needs among your investment professionals?

- (A) Quarterly or more frequently
- (B) Bi-annually
- (C) Annually
- (D) Less frequently than annually
- (E) On an ad hoc basis
- (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

Strategic asset allocation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1

Does your organisation incorporate ESG factors into your strategic asset allocation?

- (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
- (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
- (C) No, we do not incorporate ESG considerations into our strategic asset allocation
- (D) Not applicable, we do not have a strategic asset allocation process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 10.1	CORE	ISP 10	N/A	PUBLIC	Strategic asset allocation	1

For what proportion of assets do you incorporate ESG factors into your strategic asset allocation process?

(A) We incorporate ESG factors into calculations for expected risks and returns of asset classes (1) for all of our assets

Stewardship

Stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 11	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship policy	2

What percentage of your assets under management does your stewardship policy cover?

(B) Fixed income 100.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

- (A) Key stewardship objectives
- (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
- (C) Prioritisation approach depending on entity (e.g. company or government)
- (D) Specific approach to climate-related risks and opportunities
- (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)

- (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
- (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
- (H) Approach to collaboration on stewardship
- (I) Escalation strategies
- (J) Conflicts of interest
- (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
- (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa
- (M) None of the above elements are captured in our stewardship policy

Stewardship policy implementation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2

How is your stewardship policy primarily applied?

- (A) It requires our organisation to take certain actions
- (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
- (C) It creates permission for taking certain measures that are otherwise exceptional
- (D) We have not developed a uniform approach to applying our stewardship policy

Stewardship objectives

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2

For the majority of assets within each asset class, which of the following best describes your primary stewardship objective?

(2) Fixed income

(A) Maximise the risk–return profile of individual investments

(B) Maximise overall returns across the portfolio

(C) Maximise overall value to beneficiaries/clients

(D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact)

Stewardship prioritisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2

What key criteria does your organisation use to prioritise your engagement targets? For asset classes such as real estate, private equity and infrastructure, you may consider this as key criteria to prioritise actions taken on ESG factors for assets, portfolio companies and/or properties in your portfolio. Select up to 3 options per asset class from the list.

(2) Fixed income

(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property

(B) The materiality of ESG factors on financial and/or operational performance

(C) Specific ESG factors with systemic influence (e.g. climate or human rights)

(D) The ESG rating of the entity

(E) The adequacy of public disclosure on ESG factors/performance

(F) Specific ESG factors based on input from clients

(G) Specific ESG factors based on input from beneficiaries

(H) Other criteria to prioritise engagement targets, please specify:

(I) We do not prioritise our engagement targets

Please specify for "(H) Other criteria to prioritise engagement targets".

The firm's long standing responsible investing considerations (e.g. negative screens) and the firm's focus on corporate governance/DEIJ factors in the asset management industry (e.g. diversity disclosures and data).

Collaborative stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 18	CORE	Multiple, see guidance	ISP 18.1	PUBLIC	Collaborative stewardship	2

Which of the following best describes your organisation's default position, or the position of the service providers/external managers acting on your behalf, with regards to collaborative stewardship efforts such as collaborative engagements?

- (A) We recognise that stewardship suffers from a collective action problem, and, as a result, we actively prefer collaborative efforts
- (B) We collaborate when our individual stewardship efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation
- (D) We do not have a default position but collaborate on a case-by-case basis
- (E) We generally do not join collaborative stewardship efforts

Escalation strategies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 20	CORE	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2

If initial stewardship approaches were deemed unsuccessful, which of the following measures are excluded from the potential escalation actions of your organisation or those of the service providers/external managers acting on your behalf?

(2) Fixed income

(A) Collaboratively engaging the entity with other investors

(B) Filing/co-filing/submitting a shareholder resolution or proposal

(C) Publicly engaging the entity (e.g. open letter)

(D) Voting against the re-election of one or more board directors

(E) Voting against the chair of the board of directors

(F) Voting against the annual financial report

(G) Divesting or implementing an exit strategy

(H) We do not have any restrictions on the escalation measures we can use

Engaging policymakers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2

How does your organisation, or the external investment managers or service providers acting on your behalf, engage with policymakers for a more sustainable financial system?

- (A) We engage with policymakers directly
- (B) We provide financial support, are members of and/or are in another way affiliated with third-party organisations, including trade associations and non-profit organisations, that engage with policymakers
- (C) We do not engage with policymakers directly or indirectly

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?

- (A) We participate in "sign-on" letters on ESG policy topics. Describe:
 In 2020, we signed on to a PRI letter to the SEC on proposed changes to the proxy voting process and Rule 14a-8 which could limit the ability to build support for ESG proposals.
- (B) We respond to policy consultations on ESG policy topics. Describe:
- (C) We provide technical input on ESG policy change. Describe:
- (D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. Describe:
 Fundamentally, we believe that diverse solutions lead to better, more competitive results for institutional clients and we understand the importance of corporate governance and DEIJ initiatives in the asset management industry. To that end, GH&A professionals have proactively engaged financial regulators on financial regulatory topics regarding ESG disclosure. Gilbert Garcia, Managing Partner, serves as a member of two Securities and Exchange Commission (SEC) committees: the Fixed Income Market Structure Advisory Committee (FIMSA) and the Asset Management Advisory Committee (AMAC). In his role, he has focused on ESG and DEIJ, and has taken a leadership role in the AMAC D&I Subcommittee which will soon unveil recommendations to the SEC Commissioners to create more transparency and improve D&I in the industry. He has also worked with the Subcommittee to focus on the data and disclosure used for ESG investing to create better transparency for investors.
- (E) We proactively engage regulators and policymakers on other policy topics. Describe:
- (F) Other methods used to engage with policymakers. Describe:

GH&A is active with the Diverse Asset Managers Initiative (DAMI) which is committed to raising awareness among institutional investors on the opportunities of investing with diverse-owned managers. We work with DAMI and other advocacy organizations to push the U.S. Congress for legislation on D&I transparency, culminated in the recent introduction of the Diversity Data Accountability Act which would amend Dodd-Frank to mandate regulated entities disclose their diversity data and enhance transparency/accountability.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.2	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

Do you have governance processes in place (e.g. board accountability and oversight, regular monitoring and review of relationships) that ensure your policy activities, including those through third parties, are aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

● (A) Yes, we have governance processes in place to ensure that our policy activities are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI. Describe your governance processes:

The Firm’s Management Committee that includes Gilbert Garcia, Managing Partner, Janna Hamilton, Partner/Marketing & Client Services, Ruby Munoz Dang, Partner/Director of Marketing and Client Services, and Kevin Lunday, Chief Operating Officer provide oversight and regularly monitor and review relationships to ensure our policy activities are aligned with our position on responsible investing and our commitment to the Principles of the PRI. The Management Committee has worked together for over 10 years and collectively has 125 years of industry experience.

○ (B) No, we do not have these governance processes in place. Please explain why not:

Engaging policymakers – Policies

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2

Do you have policies in place that ensure that your political influence as an organisation is aligned with your position on sustainable finance and your commitment to the 6 Principles of the PRI?

● (A) Yes, we have a policy(ies) in place. Describe your policy(ies):

GH&A has followed a consistent investment philosophy since inception that focuses on the preservation of principal while maintaining high current income – and has always included responsible investment considerations. We are proud to be 100% employee owned and MBE certified – approximately 90% held by minority and women Partners and 65% held by minority Partners. Diversity is who we are – 89% of firm employees and 73% of the investment team are women and/or minority – and a testament to our success and growth. Fundamentally, we believe that diverse solutions lead to better, more competitive results for institutional clients and we understand the importance of corporate governance and DELJ initiatives in the asset management industry. To that end, GH&A professionals play senior leadership roles throughout the industry in collaborative engagements as well as stewardship activities with policy makers that continue to move the needle on important DELJ initiatives. We believe the commitment to responsible investment, corporate governance, and DELJ starts with the asset manager and its own internal corporate governance practices, not just the securities the manager evaluates for the portfolio. At GH&A we practice what we preach, to ensure ESG, corporate governance, and DELJ is reflected in our professionals, investments, stewardship, community engagement, and vendor relationships. These are just a few ways that we ensure our internal policies are aligned with our position on sustainable finance and our commitment to the 6 Principles of the PRI.

○ (B) No, we do not a policy(ies) in place. Please explain why not:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 24.1	CORE	ISP 24	N/A	PUBLIC	Engaging policymakers – Policies	2

Is your policy that ensures alignment between your political influence and your position on sustainable finance publicly disclosed?

(A) Yes. Add link(s):

<https://garciahamiltonassociates.com/investment-process/>

○ (B) No, we do not publicly disclose this policy(ies)

Engaging policymakers – Transparency

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2

During the reporting year, did your organisation publicly disclose your policy engagement activities or those conducted on your behalf by external investment managers/service providers?

(A) We publicly disclosed details of our policy engagement activities. Add link(s):

<https://garciahamiltonassociates.com/>

(B) We publicly disclosed a list of our third-party memberships in or support for trade associations, think-tanks or similar that conduct policy engagement activities with our support or endorsement. Add link(s):

<https://garciahamiltonassociates.com/>

(C) No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:

(D) Not applicable, we did not conduct policy engagement activities

Climate change

Public support

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 26	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Paris Agreement?

(A) Yes, we publicly support the Paris Agreement Add link(s) to webpage or other public document/text expressing support for the Paris Agreement:

As an investment management firm with a long-standing commitment to responsible investment, GH&A supports the Paris Agreement.

We believe the commitment to sustainability and climate change starts with the asset manager and its own internal corporate governance practices, not just the securities the manager evaluates for the portfolio. At GH&A we practice what we preach, to ensure sustainability practices are reflected in our investments, stewardship, community engagement, and vendor relationships.

GH&A has a variety of initiatives in place that promote environmentally focused practices into the general operation of the Firm. Our offices in Houston, TX are located in Five Houston Center, an Energy Star Labeled building and we actively participate in the building's recycling program and use recycled products and paper when not otherwise required by our clients. We have operated in this location since 2003 and the building continues to make energy efficient updates, including major renovations and updates in 2018. GH&A uses Iron Mountain for our paper recycling and shredding services which over the last year has led to the following environmental benefits: 3,113,200 lbs. of CO2 emissions avoided, 10,750 Cubic Yards of landfill space conserved, 36,077 trees preserved, 58,933,650 Gallons of water saved, and 4,859,000 kWh of electricity saved. In 2020, the Firm moved to primarily electronic reporting to save trees and reduce emissions by working to convert clients into electronic communication versus printed materials. The Firm is committed to processes that address long-term environmental risks and will continue to seek and implement new processes to improve its environmental footprint.

We support and donate to a variety of initiatives that alleviate environmental issues, including the Air Alliance Houston – a nonprofit with the mission is to reduce air pollution in the Houston region and protect public health and environmental integrity through research, education, and advocacy – the Houston region's leading environmental health and air quality nonprofit; and the Clinton Foundation – the Foundation's the Clinton Climate Initiative develops scalable projects that can be tailored to local conditions while also serving as innovative models for tackling global climate change, providing real-world demonstrations of how we can cut emissions while compressing the timeframe for delivering real progress.

Regarding our portfolio, we utilize traditional financial and quantitative metrics analysis as well as qualitative assessments to identify environmental risks and opportunities and inform buy/sell/hold decisions. The Firm uses both internal and external resources to acquire data, information and analyses on sustainability factors facing our corporate universe. GH&A collects historic and peer level data on our corporate securities from Bloomberg ESG disclosure metrics including CDP Climate Score, an annual proprietary questionnaire measuring an organizations' integration of a climate change strategy that is intended to reduce emissions of GHG's (Green House Gases). The data from this third-party provider assists the investment team in its overall evaluation process and provides a base to further study/research these securities for continued inclusion in our portfolio. Corporate securities are evaluated based on improving or declining factors such as climate change. If a security within our investment universe fails to maintain a positive environmental trajectory, it will receive diminished consideration for future investments.

GH&A is committed to the goal of the Paris Agreement to limit global warming and to the working in collaboration with the PRI and its signatories on the issue of climate change.

(B) No, we currently do not publicly support the Paris Agreement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 27	CORE	N/A	N/A	PUBLIC	Public support	General

Does your organisation publicly support the Task Force on Climate-Related Financial Disclosures (TCFD)?

(A) Yes, we publicly support the TCFD Add link(s) to webpage or other public document/text expressing support for the TCFD:

As an investment management firm with a long-standing commitment to responsible investment, GH&A supports the Task Force on Climate-Related Financial Disclosures (TCFD). We utilize the third-party research of industry experts in our ESG evaluation including Bloomberg ESG disclosure metrics which incorporate TCFD disclosures. The reports from these third-party providers assist the investment team in its overall evaluation process and provides a base to further study/research these securities for continued inclusion in our portfolio. The TCFD in addition to our traditional financial and quantitative metrics analysis and qualitative assessments allow our investment team to identify ESG risks and opportunities to inform buy/sell/hold decisions. TCFD disclosures increase transparency around climate-related risks which are incorporated considerations in our investment process.

(B) No, we currently do not publicly support the TCFD

Governance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 28	CORE	N/A	N/A	PUBLIC	Governance	General

How does the board or the equivalent function exercise oversight over climate-related risks and opportunities?

(A) By establishing internal processes through which the board or the equivalent function are informed about climate-related risks and opportunities. Specify:

The Management Committee established and regularly reviews internal processes through which the Committee is informed about responsible investment risks and opportunities. In addition to regular Committee meetings, at a minimum monthly, the firm has weekly investment meetings regularly attended by the Management Committee which are conducted by one or more portfolio managers and help the firm stay abreast of changes and updates to the portfolio, including responsible investment risks and opportunities.

(B) By articulating internal/external roles and responsibilities related to climate. Specify:

The Management Committee, led by Managing Partner Gilbert Garcia, are the final decision makers on new and existing hires including internal roles and responsibilities related to responsible investment. The firm does not use consultants or external investment managers.

(C) By engaging with beneficiaries to understand how their preferences are evolving with regard to climate change. Specify:

(D) By incorporating climate change into investment beliefs and policies. Specify:

As part of our investment beliefs and policies, the firm has utilized the negative responsible investment screens such as alcohol, tobacco, gambling, and defense companies. We also do not purchase lower quality securities, such as foreign companies/Yankees and BBBs. By integrating responsible investment considerations and materiality into our investment process, we avoid injecting unnecessary volatility and risk into the portfolio that often comes from investing in these controversial issuers. We do not feel that we need to invest in these securities and take the additional risks associated with these securities in order to meet our objective to outperform the benchmark net of fees. This has not changed over time. The Management Committee monitors our firm policies and ensures that our investment beliefs continue to be reflected not only in the investments we make for the portfolio but also reflected in our professionals, stewardship, community engagement, and vendor relationships.

(E) **By monitoring progress on climate-related metrics and targets. Specify:**

The Management Committee receives regular reports from the investment team on the portfolio, including responsible investment metrics and targets. The Committee participates in weekly investment team meetings that primarily discuss the five key market factors, (i.e. sentiment, monetary, economic, valuation & inflation) that serve as the foundation of our investment process and fixed income strategy. During this meeting, the team discusses topics such as macroeconomic conditions, market trends, market outlook, headline news, portfolio performance, individual securities, and potential developments pertaining to our ESG assessment, and many other critical topics. An additional key component of this weekly meeting is the review and discussion of target portfolio characteristics. Sustainability risk and opportunities are documented in the Firm's proprietary ESG spreadsheet that is produced for these meetings.

(F) **By defining the link between fiduciary duty and climate risks and opportunities. Specify:**

As high-quality investors, we understand the role of fixed income is to anchor the portfolio so the client can take risks elsewhere. The Management Committee ensures that we continually reinforce in our communications with clients and consultants that our role as a fiduciary is linked to the integration of responsible investment considerations and materiality in our investment process.

(G) Other measures to exercise oversight, please specify:

(H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General

What is the role of management in assessing and managing climate-related risks and opportunities?

(A) **Management is responsible for identifying climate-related risks/opportunities and reporting them back to the board or the equivalent function. Specify:**

Gilbert Garcia, Managing Partner has the final decision-making responsibility for all portfolios, including identifying responsible investment risks/opportunities and reporting them back to the firm's Management Committee. Mr. Garcia interacts throughout the day with the fixed income team on the positioning of the portfolio. The fixed income team works with Mr. Garcia on the timing of portfolio changes as well as security selection and trade executions, including responsible investment considerations/factors.

(B) **Management implements the agreed-upon risk management measures. Specify:**

Management has agreed to evaluate issuers and organization when debt is under consideration for investment utilizing a materiality map consistent with the current SASB Materiality categories which consists of 24 elements at this time. These materiality factors are combined across the products third-party vendors utilized by GH&A to create a trackable proprietary scale which is tracked daily. This scale is used to evaluate current and potential holdings as one of several key factors when determining eligibility and weightings within a portfolio or strategy.

(C) **Management monitors and reports on climate-related risks and opportunities. Specify:**

All members of our portfolio management team are engaged in our responsible investing efforts and are committed to ensuring the proper implementation of our philosophy and process, including monitoring and reporting on responsible investing risks and opportunities. Portfolio managers are generalists; however, they do focus on certain sectors, and also serve as traders. Karen Tass, Partner/Portfolio Manager, covers the corporate sector, Jeffrey Detwiler, Partner/Portfolio Manager, covers the short-term markets, and Benjamin Monkiewicz, Partner/Portfolio Manager, covers agencies and mortgage-backed securities. Don Elsenbrock, Partner/Portfolio Manager, serves as the Strategist creating investment tools that (1) assist in anticipating major turns in economic activity and (2) are inputs into the construction of the portfolio for which we set target portfolio ranges for duration, yield curve, sector allocation, and sector duration contribution. Our Portfolio Managers spend about 30-50% of their time on research while the balance is spent on trading and portfolio maintenance. Our Strategist spends the majority of his time on pure research and takes the lead on ESG research. Our portfolio managers utilize a proprietary ESG report which helps determine and define the responsible investment risks or opportunities across a broad spectrum of sustainability metrics. The ESG report is maintained by our Strategist and updated daily.

(D) **Management ensures adequate resources, including staff, training and budget, are available to assess, implement and monitor climate-related risks/opportunities and measures. Specify:**

The Firm's Management Committee that includes Gilbert Garcia, Managing Partner, Janna Hamilton, Partner/Marketing & Client Services, Ruby Munoz Dang, Partner/Director of Marketing and Client Services, and Kevin Lunday, Chief Operating Officer is responsible for ensuring adequate resources, including staff, training and budget, are available to assess, implement and monitor responsible investment risks/opportunities and measures. The Firm is profitable. For the past several years, the Firm has retained profits into the working capital of the Firm. As a result, GH&A possesses a significant cash balance to cover new staffing additions and resources when needed.

- (E) Other roles management takes on to assess and manage climate-related risks/opportunities, please specify:
- (F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30	CORE	N/A	Multiple, see guidance	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified within its investment time horizon(s)?

(A) **Specific financial risks in different asset classes. Specify:**

Since inception, we have sought to eliminate the negative impact of organizations with a track record of poor stewardship across the full spectrum of ESG initiatives and actively support those who have offered the best opportunity to improve within the areas of concern. We actively identify asset classes that have innate operational risks that maintain inseparable financial risk directly linked to ESG and RI initiatives. Asset classes such as ABS and CMBS that are limited to the use or support of activities directly in opposition to ESG and RI initiatives supported by GH&A are effectively eliminated from the investable universe within our investment process. Further, such assets within these classes whose issuer or trust cannot exercise authority or alter the operational procedures within their respective parent organization are eliminated as candidates for investment. Organization with a demonstrated track record of improvement or initiatives for change are given enhanced consideration within our investment process.

We only purchase high quality, U.S. fixed income securities that are large issuance from corporations with healthy balance sheets, able to withstand the transition into a more climate focused operating environment.

(B) **Specific sectors and/or assets that are at risk of being stranded. Specify:**

Since inception, we have sought to eliminate the negative impact of organizations with a track record of poor stewardship across the full spectrum of ESG initiatives and actively support those who have offered the best opportunity to improve within the areas of concern. We actively seek to identify and reduce the exposure to the risks of such organizations. We have identified industries within each sector whose long-term primary source of operational revenue and cash flow are extensively limited to the support and continued use of carbon-based energy supplies and offer no evidence of positive organizational change or adaptability in their operations and business plans for the future. Further, we have identified issuers within different industries which lag or do not actively seek to meet a variety of Social initiatives such as diversity and inclusion, in addition to Governance and transparency benchmarks we view as critical to continued viability in the current global economic environment.

(C) **Assets with exposure to direct physical climate risk. Specify:**

Since inception, we have sought to eliminate the negative impact of organizations with a track record of poor stewardship across the full spectrum of ESG initiatives and actively support those who have offered the best opportunity to improve within the areas of concern. Issuers and organizations which conduct operations and offer products that offer solutions to the direct effect of climate risk, such as Energy and Energy service companies are scrutinized to determine their immediate and future ability to offer profitable solutions to the reduction of these risks. Issuers and organizations which can provide mediation and elimination of the direct risks and their associated after effects are given enhanced consideration within the investment process and the opportunities of organizational change are tracked and incorporated in the assessment of each opportunity.

(D) **Assets with exposure to indirect physical climate risk. Specify:**

Since inception, we have sought to eliminate the negative impact of organizations with a track record of poor stewardship across the full spectrum of ESG initiatives and actively support those who have offered the best opportunity to improve within the areas of concern. Issuers and organizations which conduct operations and offer products that offer solutions to the indirect effect of climate risk, such as Bank and Financial service companies are scrutinized to determine their immediate and future ability to offer profitable lending or financing solutions to facilitate the reduction of these risks. Issuers and organizations which can provide services that further the mediation and elimination of the indirect risks and their associated aftereffects are given enhanced consideration within the investment process and the opportunities of organizational change are tracked and incorporated in the assessment of each opportunity.

(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:

Since inception, we have sought to eliminate the negative impact of organizations with a track record of poor stewardship across the full spectrum of ESG initiatives and actively support those who have offered the best opportunity to improve within the areas of concern. We target issuers and organizations which conduct operations and offer products that offer solutions that will affect positive impact across a range of climate scenarios. Banks and Financial Services entities have a unique opportunity to offer financial services promoting the financing and lending activities of positive initiatives affecting climate issues, as well as, offer risk management and mitigation services to minimize the social impact of the transition implicit in each scenario.

(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:

Since inception, we have sought to eliminate the negative impact of organizations with a track record of poor stewardship across the full spectrum of ESG initiatives and actively support those who have offered the best opportunity to improve within the areas of concern. We have identified organizations in the Banking, Home Building, Construction, Paper and Packaging and Electrical Equipment sectors which incorporate industry leading practices and technologies that will enable them to offer products and services designed to meet the needs of the variety of newly recognized standards and practices adapted to meet the climate challenge. These investment priorities will allow for the realization of investment performance which is consistent with our firm's responsible investment values and goals.

(G) Other climate-related risks and opportunities identified. Specify:

(H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General

For each of the identified climate-related risks and opportunities, indicate within which investment time-horizon they were identified.

	(1) 3–5 months	(2) 6 months to 2 years	(3) 2–4 years	(4) 5–10 years
(A) Specific financial risks in different asset classes [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(D) Assets with exposure to indirect physical climate risk [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	(5) 11–20 years	(6) 21–30 years	(7) >30 years	
(A) Specific financial risks in different asset classes [as specified]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Assets with exposure to direct physical climate risk [as specified]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) Assets with exposure to indirect physical climate risk [as specified]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 31	CORE	N/A	N/A	PUBLIC	Strategy	General

Which climate-related risks and opportunities has your organisation identified beyond its investment time horizon(s)?

(A) Specific financial risks in different asset classes. Specify:

Since inception, we have sought to eliminate the negative impact of organizations with a track record of poor stewardship across the full spectrum of ESG initiatives and actively support those who have offered the best opportunity to improve within the areas of concern. We actively identify asset classes that have innate operational risks that maintain inseparable financial risk directly linked to ESG and RI initiatives. Asset classes such as ABS and CMBS that are limited to the use or support of activities directly in opposition to ESG and RI initiatives supported by GH&A are effectively eliminated from the investable universe within our investment process. Further, such assets within these classes whose issuer or trust cannot exercise authority or alter the operational procedures within their respective parent organization are eliminated as candidates for investment. Organization with a demonstrated track record of improvement or initiatives for change are given enhanced consideration within our investment process.

We only purchase high quality, U.S. fixed income securities that are large issuance from corporations with healthy balance sheets, able to withstand the transition into a more climate focused operating environment.

(B) Specific sectors and/or assets that are at risk of being stranded. Specify:

Since inception, we have sought to eliminate the negative impact of organizations with a track record of poor stewardship across the full spectrum of ESG initiatives and actively support those who have offered the best opportunity to improve within the areas of concern. We actively seek to identify and reduce the exposure to the risks of such organizations. We have identified industries within each sector whose long term primary source of operational revenue and cash flow are extensively limited to the support and continued use of carbon based energy supplies and offer no evidence of positive organizational change or adaptability in their operations and business plans for the future. Further, we have identified issuers within different industries which lag or do not actively seek to meet a variety of Social initiatives such as diversity and inclusion, in addition to Governance and transparency benchmarks we view as critical to continued viability in the current global economic environment.

(C) Assets with exposure to direct physical climate risk. Specify:

Since inception, we have sought to eliminate the negative impact of organizations with a track record of poor stewardship across the full spectrum of ESG initiatives and actively support those who have offered the best opportunity to improve within the areas of concern. Issuers and organizations which conduct operations and offer products that offer solutions to the direct effect of climate risk, such as Energy and Energy service companies are scrutinized to determine their immediate and future ability to offer profitable solutions to the reduction of these risks. Issuers and organizations which can provide mediation and elimination of the direct risks and their associated after effects are given enhanced consideration within the investment process and the opportunities of organizational change are tracked and incorporated in the assessment of each opportunity.

(D) Assets with exposure to indirect physical climate risk. Specify:

Since inception, we have sought to eliminate the negative impact of organizations with a track record of poor stewardship across the full spectrum of ESG initiatives and actively support those who have offered the best opportunity to improve within the areas of concern. Issuers and organizations which conduct operations and offer products that offer solutions to the indirect effect of climate risk, such as Bank and Financial service companies are scrutinized to determine their immediate and future ability to offer profitable lending or financing solutions to facilitate the reduction of these risks. Issuers and organizations which can provide services that further the mediation and elimination of the indirect risks and their associated aftereffects are given enhanced consideration within the investment process and the opportunities of organizational change are tracked and incorporated in the assessment of each opportunity.

(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:

Since inception, we have sought to eliminate the negative impact of organizations with a track record of poor stewardship across the full spectrum of ESG initiatives and actively support those who have offered the best opportunity to improve within the areas of concern. We target issuers and organizations which conduct operations and offer products that offer solutions that will affect positive impact across a range of climate scenarios. Banks and Financial Services entities have a unique opportunity to offer financial services promoting the financing and lending activities of positive initiatives affecting climate issues, as well as, offer risk management and mitigation services to minimize the social impact of the transition implicit in each scenario.

(F) **Specific sectors and/or assets that contribute significantly to achieving our climate goals. Specify:**

Since inception, we have sought to eliminate the negative impact of organizations with a track record of poor stewardship across the full spectrum of ESG initiatives and actively support those who have offered the best opportunity to improve within the areas of concern. We have identified organizations in the Banking, Home Building, Construction, Paper and Packaging and Electrical Equipment sectors which incorporate industry leading practices and technologies that will enable them to offer products and services designed to meet the needs of the variety of newly recognized standards and practices adapted to meet the climate challenge. These investment priorities will allow for the realization of investment performance which is consistent with our firm's responsible investment values and goals.

(G) Other climate-related risks and opportunities identified, please specify:

(H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

Strategy: Scenario analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General

Does your organisation use scenario analysis to assess climate-related investment risks and opportunities? Select the range of scenarios used.

(A) An orderly transition to a 2°C or lower scenario

(B) An abrupt transition consistent with the Inevitable Policy Response

(C) A failure to transition, based on a 4°C or higher scenario

(D) Other climate scenario, specify:

(E) **We do not use scenario analysis to assess climate-related investment risks and opportunities**

Sustainability outcomes

Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- (A) No, we have not identified the sustainability outcomes from our activities
- (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1

What frameworks/tools did your organisation use to identify the sustainability outcomes from its activities? Indicate the tools or frameworks you have used to identify and map some or all of your sustainability outcomes.

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
- (G) Other framework/tool, please specify:
 - Internal ESG proprietary tool/spreadsheet
- (H) Other framework/tool, please specify:
- (I) Other framework/tool, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1

At what level(s) did your organisation identify the sustainability outcomes from its activities?

- (A) At the asset level
- (B) At the economic activity level
- (C) At the company level
- (D) At the sector level
- (E) At the country/region level
- (F) At the global level
- (G) Other level(s), please specify:
- (H) We do not track at what level(s) our sustainability outcomes were identified

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

How has your organisation determined your most important sustainability outcome objectives?

- (A) Identifying sustainability outcomes that are closely linked to our core investment activities
- (B) Consulting with key clients and/or beneficiaries to align with their priorities
- (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
- (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
- (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
- (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
- (G) Understanding the geographical relevance of specific sustainability outcome objectives
- (H) Other method, please specify:
- (I) We have not yet determined our most important sustainability outcome objectives

Transparency & Confidence-Building Measures

Information disclosed – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 46	CORE	OO 16	N/A	PUBLIC	Information disclosed – ESG assets	6

For the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets, what information about your ESG approach do you (or the external investment managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

Client reporting – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 48	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – ESG assets	6

What ESG information is included in your client reporting for the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets?

- (A) Qualitative analysis, descriptive examples or case studies
- (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- (C) Progress on our sustainability outcome objectives
- (D) Stewardship results
- (E) Information on ESG incidents, where applicable
- (F) Analysis of ESG contribution to portfolio financial performance
- (G) We do not include ESG information in client reporting for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)

(L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

Client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 50	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – All assets	6

What ESG information is included in your client reporting for the majority of your assets under management?

- (A) Qualitative ESG analysis, descriptive examples or case studies
- (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- (C) Progress on our sustainability outcome objectives
- (D) Stewardship results
- (E) Information on ESG incidents where applicable
- (F) Analysis of ESG contribution to portfolio financial performance
- (G) We do not include ESG information in client reporting for the majority of our assets under management

Frequency of client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 51	CORE	Multiple, see guidance	N/A	PUBLIC	Frequency of client reporting – All assets	6

For the majority of each asset class, how frequently do you report ESG-related information to your clients?

(B) Fixed income

(1) Quarterly

Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?

- (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- (C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report
- (D) **Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report**
- (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)
- (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- (I) **Responses related to our RI practices documented in this report have been internally reviewed before submission to the PRI**
- (J) None of the above

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6

Who has reviewed/verified the entirety of or selected data from your PRI report?

- (A) Board and/or trustees (4) report not reviewed

- (B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO)) (3) parts of the report

- (C) Investment committee (4) report not reviewed

(D) Other chief-level staff, please specify:

Partner/Director of Marketing and Client Services

(1) the entire report

(E) Head of department, please specify:

Not applicable

(4) report not reviewed

(F) Compliance/risk management team

(1) the entire report

(G) Legal team

(4) report not reviewed

(H) RI/ ESG team

(1) the entire report

(I) Investment teams

(2) most of the report

Fixed Income (FI)

Pre-investment phase

Materiality analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 10	FI 1.1	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify material ESG factors for its fixed income assets?

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, we have a formal process to identify material ESG factors for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion

(E) No, we do not have a formal process to identify material ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1.1	CORE	FI 1	N/A	PUBLIC	Materiality analysis	1

How does your current investment process incorporate material ESG factors?

	(1) SSA	(2) Corporate	(3) Securitised
(A) The investment process incorporates material governance factors <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The investment process incorporates material environmental and social factors <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The investment process incorporates the effect of material ESG factors on revenues and business operations <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 10	FI 2.1	PUBLIC	ESG risk management	1

How are material ESG factors incorporated into your portfolio risk management process?

	(1) SSA	(2) Corporate	(3) Securitised
(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other method of incorporating ESG factors into risk management process, please specify below:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not have a process to incorporate ESG factors into our portfolio risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please specify for "(D) Other method of incorporating ESG factors into risk management process".

The Firm's risk management practices begin with our investment philosophy. Due to our practice of only investing in high-quality, large global issues, within a diversified fixed income portfolio that incorporates RI considerations, we systematically control our risk exposure to the idiosyncratic credit characteristics of individual issuers. We further limit the exposure of any single issuer by limiting their weight in the portfolio. Corporate securities are generally limited to a 5% maximum per issuer. ESG considerations can play a role in determining the percent held per issuer or percent reinvested in an issuer. Therefore, we maintain a diversified portfolio that reflects our responsible investing principles.

We seek to manage risk by investing in high-quality securities and by closely monitoring the portfolio on a daily basis using our proprietary reports, including our internal proprietary ESG report, as well as risk controls generated by APX and Bloomberg. In addition, the portfolios are continuously monitored for market exposure, guideline changes, cash needs, brokerage activity, ESG risks, and compliance. Material ESG risks are determined, prioritized, and addressed in the daily information we evaluate on our investable universe as part of our daily Bloomberg research process. We continually evaluate materiality and apply this information to our universe. The Firm uses both internal and external resources to acquire data, information and analyses on ESG factors facing our universe. The reports from our third-party providers assist the investment team in its overall evaluation process and provides a base to further study/research these securities for continued inclusion in our portfolio.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2.1	CORE	FI 2	N/A	PUBLIC	ESG risk management	1

For what proportion of your fixed income assets are material ESG factors incorporated into your portfolio risk management process?

(1) SSA

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto (1) for all of our assets

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits (1) for all of our assets

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors (1) for all of our assets

(D) Other method of incorporating ESG factors into risk management process (1) for all of our assets

(2) Corporate

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto (1) for all of our assets

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits (1) for all of our assets

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors (1) for all of our assets

(D) Other method of incorporating ESG factors into risk management process (1) for all of our assets

(3) Securitised

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto (1) for all of our assets

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits (1) for all of our assets

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors (1) for all of our assets

(D) Other method of incorporating ESG factors into risk management process (1) for all of our assets

ESG incorporation in asset valuation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 10	FI 3.1	PUBLIC	ESG incorporation in asset valuation	1

How do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

	(1) SSA	(2) Corporate	(3) Securitised
(A) We incorporate it into the forecast of cash flow, revenues and profitability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(C) We do not incorporate the evolution of ESG factors into our fixed income asset valuation process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3.1	CORE	FI 3	N/A	PUBLIC	ESG incorporation in asset valuation	1

In what proportion of cases do you incorporate the evolution of ESG factors into your fixed income asset valuation process?

(1) SSA

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer

(1) in all cases

(2) Corporate

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer

(1) in all cases

(3) Securitised

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer

(1) in all cases

ESG incorporation in portfolio construction

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5	CORE	OO 10	FI 5.1	PUBLIC	ESG incorporation in portfolio construction	1

How do ESG factors influence your portfolio construction?

	(1) SSA	(2) Corporate	(3) Securitised
(A) The selection of individual assets within our portfolio is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) Other expressions of conviction, please specify below:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please specify "(E) Other expressions of conviction".

Since inception, the firm has utilized negative ESG screens such as alcohol, tobacco, gambling, and defense companies and also does not purchase BBBs, foreign bonds, and small issues. This has not changed over time.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 5.1	CORE	FI 5	N/A	PUBLIC	ESG incorporation in portfolio construction	1

In what proportion of cases do ESG factors influence your portfolio construction?

(1) SSA

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(E) Other expressions of conviction (1) in all cases

(2) Corporate

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(E) Other expressions of conviction (1) in all cases

(3) Securitised

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(E) Other expressions of conviction (1) in all cases

ESG incorporation in assessment of issuers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 10	N/A	PUBLIC	ESG incorporation in assessment of issuers	1

When assessing issuers'/borrowers' credit quality, how does your organisation incorporate material ESG risks in the majority of cases?

	(1) SSA	(2) Corporate	(3) Securitised
(A) In the majority of cases, we incorporate material governance-related risks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) In addition to incorporating governance-related risks, in the majority of cases we also incorporate material environmental and social risks	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(C) We do not incorporate material ESG risks for the majority of our credit quality assessments of issuers/borrowers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

ESG performance

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 10	N/A	PUBLIC	ESG performance	1

In the majority of cases, how do you assess the relative ESG performance of a borrower within a peer group as part of your investment process?

	(1) SSA	(2) Corporate	(3) Securitised
(A) We use the relative ESG performance of a borrower to adjust the internal credit assessments of borrowers by modifying forecasted financials and future cash flow estimates	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We use the relative ESG performance of a borrower to make relative sizing decisions in portfolio construction	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We use the relative ESG performance of a borrower to screen for outliers when comparing credit spreads to ESG relative performance within a similar peer group	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We consider the ESG performance of a borrower only on a standalone basis and do not compare it within peer groups of other benchmarks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not have an internal ESG performance assessment methodology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	CORE	OO 10	FI 9.1	PUBLIC	ESG risk management	1

For your corporate fixed income, does your organisation have a framework that differentiates ESG risks by issuer country and sector?

- (A) Yes, it differentiates ESG risks by country/region (for example, local governance and labour practices)
- (B) **Yes, it differentiates ESG risks by sector**
- (C) No, we do not have a framework that differentiates ESG risks by issuer country/region and sector

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9.1	CORE	FI 9	N/A	PUBLIC	ESG risk management	1

For what proportion of your corporate fixed income assets do you apply your framework for differentiating ESG risks by issuer country/sector?

	(1) for all of our corporate fixed income assets	(2) for the majority of our corporate fixed income assets	(3) for a minority of our corporate fixed income assets
(B) We differentiate ESG risks by sector	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Securitised products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 10	N/A	PUBLIC	Securitized products	1

How do you incorporate ESG factors into the financial analysis of securitised products?

- (A) We analyse ESG risks and returns for both the issuer or debtor and the underlying collateral or asset pool
- (B) We perform ESG analysis that covers the issuer or debtor only
- (C) We perform ESG analysis that covers the underlying collateral or asset pool only
- (D) We do not incorporate ESG factors into the financial analysis of securitised products

Post-investment phase

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

	(1) SSA	(2) Corporate	(3) Securitised
(A) Our regular reviews include quantitative information on material ESG risks specific to individual fixed income assets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not conduct reviews that incorporate ESG risks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 13	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do you regularly identify and incorporate ESG incidents into the investment process for your fixed income assets?

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) We do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Time horizons

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	CORE	OO 10	N/A	PUBLIC	Time horizons	1

In the majority of cases, how does your investment process account for differing time horizons of holdings and how they may affect ESG factors?

	(1) SSA	(2) Corporate	(3) Securitised
(A) We take into account current risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We take into account medium-term risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We take into account long-term risks	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We do not take into account differing time horizons of holdings and how they may affect ESG factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Long-term ESG trend analysis

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 15	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1

Do you continuously monitor a list of identified long-term ESG trends related to your fixed income assets?

	(1) SSA	(2) Corporate	(3) Securitised
(A) We monitor long-term ESG trends for all of our assets	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>

(B) We monitor long-term ESG trends for the majority of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) We monitor long-term ESG trends for a minority of our assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) We do not continuously monitor long-term ESG trends in our investment process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Reporting/Disclosure

ESG screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 21	CORE	OO 6 FI	N/A	PUBLIC	ESG screens	6

How do you ensure that clients and/or beneficiaries understand ESG screens and their implications?

(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to list of ESG screens: https://garciahiltonassociates.com/investment-process/	(1) for all of our fixed income assets subject to ESG screens
(B) We publish any changes in ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to ESG screen changes: https://garciahiltonassociates.com/investment-process/	(1) for all of our fixed income assets subject to ESG screens
(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries	(1) for all of our fixed income assets subject to ESG screens

Engagement

Engaging with issuers/borrowers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 22	CORE	OO 9 FI	FI 22.1	PUBLIC	Engaging with issuers/borrowers	2

At which stages does your organisation engage with issuers/borrowers?

	(1) SSA	(2) Corporate	(3) Securitised
(A) At the pre-issuance/pre-deal stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) At the pre-investment stage	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) During the holding period	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) At the refinancing stage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) When issuers/borrowers default	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sovereign bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 23	CORE	OO 9 FI	N/A	PUBLIC	Sovereign bonds	2

For the majority of your sovereign bond engagements, which non-issuer stakeholders do you engage with to promote your engagement objectives?

- (A) Non-ruling parties
- (B) Originators and primary dealers
- (C) Index and ESG data providers
- (D) Multinational companies/state-owned enterprises (SOEs)
- (E) Supranational organisations
- (F) Credit rating agencies (CRAs)
- (G) Business associations
- (H) Media

(I) NGOs, think tanks and academics

(J) Other non-issuer stakeholders, please specify:

Government regulatory agencies and committees (i.e. U.S. Securities and Exchange Commission (SEC))

(K) We do not engage with any of the above stakeholders for the majority of our sovereign bond engagements