



# RI TRANSPARENCY REPORT

2019

Prometeia Advisor Sim

## About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2019 reporting period. It shows your responses to mandatory indicators, as well as responses to voluntary indicators that your organisation has agreed to make public. You will be able to access the public RI Transparency report of your organisation and that of other signatories on the [PRI website](#).

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

## Understanding the Index

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

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

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

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

# Index

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

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

## Investment Consultancy

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

# Prometeia Advisor Sim

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

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

## Basic Information

OO 01

Mandatory

Public

Descriptive

OO 01.1 Select the location of your organisation's headquarters.

Italy

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

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

OO 01.3 Indicate the regions where you have offices.

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

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

FTE

47

## Reporting Year

OO 02

Mandatory

Public

Descriptive

OO 02.1 Indicate the year end date for your reporting year.

31/12/2018

## Signatory category and services

OO 03

Mandatory

Public

Gateway

OO 03.1

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

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

OO 03.2

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

- Reporting
- Active Ownership Services
- Research and Data provision
- Other, specify (3)
- Other, specify (4)
- None of the above

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## Policy on ESG beliefs

SG 01	Mandatory	Public	Gateway
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**SG 01.1** Describe how your organisation's philosophy incorporates environmental, social and governance factors, and the link to your business offerings.

Prometeia Advisor Sim is an independent financial consulting firm whose core business is advising institutional clients in managing their assets.

Prometeia is a fully owned subsidiary of the Prometeia Group, with 800 employees and offices in Italy and abroad (Istanbul, Moscow, London and Cairo).

Prometeia Advisor Sim embraces the UN Principles for Responsible Investment (UNPRI) since May 2015.

Prometeia Group adheres to the Forum per la Finanza Sostenibile (Sustainable Finance Forum) since February 2016.

Prometeia Advisor Sim takes part on Italian Observatory for Sustainable Finance (OIFS) since November 2017.

Prometeia Group has joined the UN Global Compact in October 2018.

In 2018 the Group asked EcoVadis to evaluate his corporate social responsibility. EcoVadis is one of the most important international companies in corporate sustainability ratings and monitors twenty-one criteria grouped into four macro-themes: environment, fair labor & human rights, ethics, and sustainable procurement. Among the consulting companies, Prometeia is ranked in the 30% top performers.

As the leading investment consultant firm in Italy, in Prometeia Advisor Sim (Prometeia) we recognize the strategic relevance of our position in pursuing long-term value creation for our clients and the moral obligation of advising the adoption and implementation of sustainable investment among institutional investors.

Prometeia's mission is to guide institutional clients to long-term value creation, not only by avoiding market risks but also by identifying investment opportunities in line with clients goals and mission. In accordance with its mission, Prometeia is committed to advising on SRI themes and offering integrated sustainable solutions to fulfill clients necessity.

Prometeia provides solutions to the challenges of sustainable development, we embedded sustainability in our operations and promote it throughout our services. However, it must be considered that the final choice is always up to the client.

At Prometeia, sustainability has a double application: it can be seen as corporate sustainability and as investment advisory sustainability. Prometeia promotes since a long time sustainable development in all its operations and activities. It is from our corporate vision that we establish investment objectives, set goals and action plans that will also have an influence on sustainable advisory. Here some direct sustainable achievements: reducing CO2 emissions, reducing paper use, reducing waste, reducing energy consumption, employees wellbeing, corporate welfare, diversity inclusion. We have a long-standing commitment to incorporating sustainable factors into the investment process. This commitment is outlined in our sustainable policy and is guided by international sustainability principles and best practices. Our first selection of sustainable mandate was in June 2008.

**SG 01.2** Indicate whether you have policies that formalise the incorporation of your ESG beliefs in your business offerings.

Yes

**SG 01.3** Indicate the components/types of your internal policy and provide the URL and/or an attachment of the document/s if they are publicly available.

### Policy components/types

- Policy setting out your overall ESG/RI approach

Public availability

- URL  
 Attachment  
 Not publicly available
- Formalised guidelines on environmental factors  
 Formalised guidelines on social factors  
 Formalised guidelines on corporate governance factors  
 Formalised guidelines on engagement approach

Public availability

- URL  
 Attachment  
 Not publicly available
- Formalised guidelines on (proxy) voting approach  
 Other, specify (1)  
 Other, specify (2)  
 None of the above

**SG 01.4**

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

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

**SG 01.5**

Additional information [OPTIONAL]

Policy and integrated sustainable methodology framework on specific services are not publicly available in order to protect Prometeia's competitive advantages.

**SG 02**

**Mandatory**

**Public**

**Descriptive**

**SG 02.1**

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

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

**SG 02.2**

Additional information. [OPTIONAL]

All Prometeia policy and guidelines are inspired by international best practices and are in compliance with European Regulations.

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

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

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

### SG 03.2

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

Prometeia has set sustainable investment standards in accordance with different strategies as identified by the UNPRI: Negative/exclusionary, Norms-based, Positive/best in class, Sustainability themed investing, Integration of ESG issues, Active ownership and engagement.

The application of the strategies slightly differs in relation to asset class and sectors. As well, all strategies are not standing alone ideas but can be combined in a more comprehensive and complex approach.

In assisting clients toward the adoption of sustainable portfolios, Prometeia also offers support for policy and guidelines construction. Typically this service requires a high level of interaction with the clients to better identify the scope of the policy and its compliance with regulatory requirements.

In addition to off the shelf standards previously mentioned, Prometeia offers tailored versions of sustainability strategic allocation and other services to better accomplish client's investment objectives. One client's asset allocation, for example, will never be alike to another one in terms of sustainable themes, asset class and risk exposure.

SG 04	Mandatory	Public	Descriptive
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SG 04.1	Briefly describe how you include ESG/RI factors as part of your business offerings.
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**Business area**

	Investment Consultancy
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	How you include ESG/RI factors
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Prometeia's commitment to sustainability goes beyond offering sustainable advisory solutions as it is an embedded responsibility that we pursue in all our activities and services.

Prometeia believes that sustainable investment is a powerful keystone to achieving sustainable development.

Sustainability is embedded into the investment decision process at all its stages: macro consideration, market analysis, corporate analysis, screening of the investment universe, portfolio management selection, asset allocation and risk control.

The world is facing new challenges like climate change, wealth inequalities, data security, resource scarcity that can powerfully influence performance over time. We believe it is our fiduciary duty to map all risks and opportunities associated with an investment. We want to deeply understand the interconnection between factors and how this may affect investment performance.

SG 04.2	Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for ESG/RI within the organisation.
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Roles present in your organisation	Oversight/accountability for ESG/RI	Implementation of ESG/RI
Board	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Directors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Chief Executive Officer (CEO), Chief Financial Officer (CFO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chief Operating Officer (COO), Chief Information Officer (CIO)	<input type="checkbox"/>	<input type="checkbox"/>
Other chief-level staff	<input type="checkbox"/>	<input type="checkbox"/>
Other heads of department	<input type="checkbox"/>	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; display: inline-block;">Please specify</div> Heads of Consulting, Head of fund selection, Head of risk management
Dedicated ESG/RI staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other role, specify (1)	<input type="checkbox"/>	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; display: inline-block;">Please specify</div> Analysts
Other role, specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

**SG 04.3**

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

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

**SG 04.4**

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

- Yes

**SG 04.5**

Describe the ESG/RI linked incentives.

The CEO oversees the SRI team that is managed by an SRI specialist who is in charge of coordinating all the team members.

All team members work in different departments reinforcing the idea that sustainability is not a stand-alone practice.

The team's aim is to work across functions while implementing Prometeia sustainable commitments through a structured managing process.

Part of the team members annual performance and remuneration rewards are evaluated on the matter of Sustainability achievements. In addition, the participation of managers and directors to external conferences, working groups and category association meetings is highly encouraged as a valid approach to training and as a way of sharing our experience and contributing on the making of fast-evolving best practices.

We encourage everyone to take part in the success of the Sustainable Development Goals of the United Nations. Beside distributing the lazy guide to SDGs, we hope to build our own guide based on how everyday corporate endeavors of our employees can become part of the change. All employees will report on specific sustainable performance indicators and we will reward those who have actively participated in the challenge and remarkably improved their performance over time.

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

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

**SG 06.1** Indicate whether you provide training/educational services on ESG/RI. Tick all that apply.

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

**SG 06.2** Describe the main components of your training/educational services on ESG/RI and any variations depending on the group you provide training/education to.

Internal training on Sustainability takes place for the team members and targeted groups of employees on specific occurrences. In 2017 external resources had been reached for training employees on sustainable investment strategies and operational sustainability. In 2018 all employees took an online ESG course, which has been accredited to the highest educational standard. At the end of the training, the employees have received a certificate they can store within their curriculum vitae.

We have internally published and shares numerous studies on the issue, building awareness among our teams and clients.

In addition, the participation of team members, managers and directors to external conferences, working groups and category association meetings is highly encouraged as a valid approach to training and as a way of sharing our experience and contributing to the making of quickly evolving practices.

We write and publish our experience and new ideas on responsible investment in our newsletter Anteo and whenever we are called to contribute to external articles.

**SG 06.3** Describe whether these training/educational services include any commercial elements.

Yes, some of the conferences also include commercial elements, even this aspect is fundamental to our activities: we need to be always up to date on products and strategies of asset managers and other financial institutions.

<b>SG 07</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
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**SG 07.1** Describe how your organisation applies, advances and promotes the PRI Principles.

**PRINCIPLE 1 - WE WILL INCORPORATE ESG ISSUES INTO INVESTMENT ANALYSIS AND DECISION-MAKING PROCESSES.**

Sustainability is embedded into the investment decision process at all its stages: macro consideration, market analysis, corporate analysis, screening of the investment universe, portfolio management selection, asset allocation and risk control.

**PRINCIPLE 2 - WE WILL BE ACTIVE OWNERS AND INCORPORATE ESG ISSUES INTO OUR OWNERSHIP POLICIES AND PRACTICES.**

All our policy and guidelines are inspired by international best practices and are in compliance with European Regulations. Following the UN Global Compact 10 Principles, Prometeia corporate sustainability relies on: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. Prometeia will set objectives and goals every year to reduce its footprint and improve its positive impact.



**PRINCIPLE 3 - WE WILL SEEK APPROPRIATE DISCLOSURE ON ESG ISSUES BY THE ENTITIES IN WHICH WE INVEST.**

Prometeia has developed a proprietary framework to analyze the sustainability of asset managers, investment funds and issuers. In addition, the firm constantly engages with all financial institutions to implement transparency within the industry.

**PRINCIPLE 4 - WE WILL PROMOTE ACCEPTANCE AND IMPLEMENTATION OF THE PRINCIPLES WITHIN THE INVESTMENT INDUSTRY.**

Prometeia systematically promotes the inclusion of the UNPRI's considerations into investment decision making to clients. We have internally published and shared numerous studies on sustainable investment, building awareness among clients. We sponsor events and conference on the issue and we train our employees. We organize SRI focus on our training InFormazione we conduct every year with all our clients.

**PRINCIPLE 5 - WE WILL WORK TOGETHER TO ENHANCE OUR EFFECTIVENESS IN IMPLEMENTING THE PRINCIPLES.**

The participation of employees, manager and directors to external conferences, working groups and category association meetings is highly encouraged as a valid approach to training while actively contributing with our own experience on the making of fast-evolving best practices.

**PRINCIPLE 6 - WE WILL EACH REPORT ON OUR ACTIVITIES AND PROGRESS TOWARDS IMPLEMENTING THE PRINCIPLES.**

Prometeia reports its responsible investment achievement and development yearly on its sustainability report. In addition, as part of Prometeia Group, it publishes a sustainability report aligned with GRI framework.

<b>SG 08</b>	<b>Mandatory</b>	<b>Public</b>	
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<b>SG 8.1</b>	Indicate which of the following actions your organisation has taken to promote responsible investments during the reporting year, independently of collaborative initiatives.
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- Provided or supported education or training programmes for clients, investment managers, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoken publicly at events and conferences to promote responsible investment
- Written and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Written and published articles on responsible investment in the media
- Policy engagements and other interactions
- Other, specify
- None of the above

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

**SG 09.2**

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

The world is facing new challenges like climate change, wealth inequalities, data security, resource scarcity that can powerfully influence performance over time. We believe it is our duty to map all risks and opportunities associated with an investment. We want to deeply understand the interconnection between factors and how this may affect investment performance. That is why we integrate sustainable themes in our research and analysis.

At the same time we want to align the mission of our clients to their investment goals, therefore we provide tailor-made investment advisory solution satisfying their needs.

Our asset allocation committee defines investments views every month, which will be applied to each investment advisory with a tailored approach. One client advisory will never be alike to another client advisory in term of asset allocation, asset class, risk and sustainable theme exposure.

We offer clients macro and financial views for short and long term scenario, we study sustainable trends and analyze how those trends relates to the client's portfolios. But it is up to clients to choose what matters the most to them.

- Climate change

**SG 09.2**

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

Please see 9.1

- Resource scarcity

**SG 09.2**

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

Please see 9.1

- Technology developments

**SG 09.2**

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

Please see 9.1

- Other, specify (1)

please see below

**SG 09.2**

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

Our sustainable themes:

1. access to services: healthcare, education, finance
2. food and agriculture
3. buildings and infrastructure
4. wealth inequalities
5. data security and technology
6. demographic changes
7. climate change
8. resources' scarcity

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

SG 10	Mandatory	Public	
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SG 10.1	Indicate whether you interact with asset owner clients.
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- Yes, we do

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

- Board of trustee meetings

	Frequency
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- Daily
- Weekly
- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc basis
- Other, specify

normally monthly, but often ad-hoc basis

- Investment committee meetings

	Frequency
--	-----------

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

- Trustee training workshops

### Frequency

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

### Frequency

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

### Frequency

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

#### SG 10.3

Additional information. [OPTIONAL]

We strongly believe in building a trustworthy relationship with clients.

Thanks to highly skilled professionals with deep knowledge of the reference market, our teams usually build a relationship that lasts for many years.

By constantly talking to clients, we optimize our contribution to assuring the greatest achievement. Always being updated on clients activities allow us to have a broad vision on the investment advisory and clients investment development.

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

In accordance with its mission, Prometeia is committed to advising on responsible investment, offering integrated sustainable solutions to fulfill clients necessity. We want to align the mission of our clients to their investment goals, therefore we provide tailor-made investment advisory solution satisfying their needs.

Through a careful dialogue, we define together with the client the objectives of sustainability, risk, and return of the portfolio. Once established them, it is possible for us to combine the client's specific needs and sustainable vision with the current and coming portfolio's asset allocation.

This is not relevant for my organisation

SG 11.2	Additional information. [OPTIONAL]
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For example, more and more often institutional investors are willing to know green bonds and invest.

We provide evidence that investing in a green bond is just like investing in a 'normal' bond from a financial perspective but in addition, it generates also a positive impact on the environment. Some clients are fascinated by these new instruments and want to know all the details about their investment. Green bonds allow great transparency and thanks to the green bond report we are able to provide supportive evidence of the environmental impact generated through the investment. Not all green bonds are the same in terms of the investment objectives, and we try to align the use of proceeds that best fits with the client's mission.

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

The interest of asset owners in integrating responsible and sustainable considerations into their portfolios is fastly growing. We rarely encounter rejection, perhaps more often perplexity that sustainable finance can be consistent with client financial objectives and responsible values. We believe this is due to the fact that only recently sustainable investment products have been developed in all asset classes with a positive integration of market opportunity approach rather than an ethical exclusion. This change in the portfolio manager mindset is not yet fully being perceived by asset owners. Therefore asset owners still think of sustainability as an ethical exclusion with a lower financial return. When we encounter this situation, we provide further information and educational insights on sustainable investment to our clients.

This is not relevant for my organisation

SG 13	Mandatory	Public	Descriptive
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**SG 13.1**

Indicate whether you seek feedback from clients on your RI/ESG services and product offerings

Yes

**SG 13.2**

Describe how you use this feedback in your RI/ESG services and product offerings.

We value client satisfaction as the cornerstone of our success.

Annually we ask clients to complete a questionnaire of advisory satisfaction on:

9. service quality
10. respect of deadline
11. team availability and professional capabilities
12. the effectiveness of operational support

We want to know how our clients evaluate our performance and what we can improve on. Our aim is to keep improving by implementing clients' feedback and adjusting our approach to clients' demand.

No

**SG 14**

**Mandatory**

**Public**

**Descriptive**

**SG 14.1**

Indicate whether your organisation has a policy for managing potential conflicts of interest.

Yes

**SG 14.2**

Describe how you manage potential conflicts of interest.

In our conflict of interests policy, we identify those conflicts of interest that could arise with clients or among clients. In the policy, we refer to both the process of identifying possible conflicts and to the adequacy of the measures adopted to prevent them. In fact, we have developed a management policy system to better prevent and handle conflicts. If a conflict occurs and the adopted measures are not sufficient to ensure, with reasonable certainty, that the risk of damaging the client's interests is avoided, we promptly provide detailed disclosure to the client.

Policy revision is carried out annually. Any policy change is promptly notified to all our employees and clients.

**SG 14.3**

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

We have set up organizational procedures and operational safeguards aimed at preventing and handling the occurrence of conflicts of interest.

All employees in charge of providing services to clients have the obligation to promptly communicate any situation that may generate, even potentially, in a new conflict of interest to their direct manager and to the compliance department.

Since a long time all employees are required to act honoring the Code of Ethics, the Code of Conduct and the Model of Organization, Management and Control aligned with Legislative Decree no. 231/2001.

No

# Prometeia Advisor Sim

## Reported Information

### Public version

### Investment Consultancy

## PRI disclaimer

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## Investment Consultancy

IC 01

Mandatory

Public

Gateway

IC 01.1

Indicate whether your services include any of the following.

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

IC 01.2

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

Prometeia Sim commits to provide accurate, adequate and timely information to enable clients to understand all services and fees.

We provide one to one meetings, conference call and ad hoc presentations to assure our clients understand the strategic contribution of our services in optimizing their goals.

Detailed information on fee breakdown is presented in a clear and transparent way in the offer documents.

IC 03

Mandatory

Public

IC 03.1

Indicate whether you provide fiduciary management services.

- Yes, we do
- No, we do not

## Investment policy development

IC 06

Mandatory

Public

Descriptive

IC 06.1

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

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



**IC 06.2**

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

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

**IC 06.4**

Additional information. [OPTIONAL]

In assisting clients toward the adoption of sustainable portfolios, Prometeia offers support for policy and guidelines construction.

## Strategic asset allocation

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

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

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

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

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

**IC 07.4** Additional information. [OPTIONAL]

One client's asset allocation will never be alike to another one in terms of sustainable themes, asset class and risk exposure. We propose sustainable strategies based on customized SRI parameters in accordance with client's mission and regulatory compliance. We offer clients macro and financial view for short and long-term scenario, we study sustainable trends and analyze how those trends relates to the clients' portfolios.

<b>IC 09</b>	<b>Mandatory</b>	<b>Public</b>	
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**IC 09.1** Describe how you measure, track or otherwise demonstrate your value on asset allocation activities.

We periodically verify the degree of alignment of client portfolios to our strategic allocation. While we also consider the value of our advisory on tactical allocation on the base of the additional performance generated. Anyway, at least once a year, we verify the strategic asset allocation of each clients to better adapt it to the evolving market context.

**IC 09.2** Additional information. [OPTIONAL]

Additionally, we often conduct "what if analysis". This analysis is an evaluation of portfolio performance based on two different scenarios: the one actually implemented by the clients and the one that we advised on. The two, in fact, don't always perfectly combine as the client decisions may differ from those suggested.

**Investment research**

<b>IC 10</b>	<b>Mandatory</b>	<b>Public</b>	
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**IC 10.1**

Indicate whether you incorporate ESG into your investment research services.

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

**IC 10.2**

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

## Investment research activities

- Asset level research

## Describe how you incorporate ESG

ESG issues are taken into account with an integrated approach on asset class macro consideration, evaluating those ESG issues and trends that have an influence on asset allocation

- Portfolio level research

## Describe how you incorporate ESG

ESG issues are taken into account with an integrated approach on the portfolio, even for those that do not have a sustainability policy

- Performance monitoring

## Describe how you incorporate ESG

We are developing additional performance analysis for those portfolios that have a clear commitment to sustainability portfolio management

- Mandate design

## Describe how you incorporate ESG

For those clients who ask for an ESG mandate, we provide support and additional analysis in structuring the mandate

- Benchmark selection

## Describe how you incorporate ESG

Additional indicators on the benchmark construction are taken into account when selecting an ESG benchmark

- Equity research

## Describe how you incorporate ESG

ESG criteria are taken into account with an integrated approach to equity research at a macro, sector and company level

- Credit research

Describe how you incorporate ESG

ESG criteria are taken into account with an integrated approach to equity research at a macro, sector and company level

- Quant research

Describe how you incorporate ESG

All analysis combines a qualitative and quantitative approach, therefore quant research applies with a proprietary framework to all research activities

- Sector research

Describe how you incorporate ESG

Additional considerations of ESG issues are taken into account with a sector specified approach based on different indicators weight in relation to the sector

- Thematic research

Describe how you incorporate ESG

Analysis of asset class, portfolios, sector and companies, also include a thematic approach on ESG issues and trends that can influence the investment.

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

**IC 10.4** Additional information. [OPTIONAL]

In order to implement its Sustainability commitments and be more effective, Prometeia relies also on an external support system. Specifically to research, Prometeia buys research from different ESG providers on a global scale.

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

Specifically to research, we believe there is a strong connection between research and investment return. If the research is good it often leads to positive investment return.

**IC 11.2** Additional information. [OPTIONAL]

## Manager selection and monitoring

IC 12

Mandatory

Public

Gateway

IC 12.1

Indicate whether you incorporate ESG factors into your manager selection and monitoring services.

### Manager selection service

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

### Manager monitoring service

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

IC 12.3

Additional information. [OPTIONAL]

We incorporate ESG factors whenever clients ask for this or to assist clients toward the adoption of sustainable portfolios where the asset allocation allows it

## SELECTION

IC 13

Mandatory

Public

IC 13.1

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

### Research and screening

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

### Strategy

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

### ESG people/oversight

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

### Process/portfolio construction

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

### Selection process and reviewing documentation

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

### IC 13.2

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

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

We not only consider ESG score of portfolios, we extent our evaluation to the asset management company, portfolios management team and to the strategy.

None of the above

IC 14	Mandatory	Public	Descriptive
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IC 14.1	Describe how you incorporate asset owners' investment principles into the manager selection process.
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Our goal is to successfully satisfy client demand. We achieve so by talking to clients and understanding their unique investment perspective. We are proud of the highly personalized solutions that we are able to offer to clients after engaging with them and understanding their needs. We provide investment solutions in accordance with their goals. Sustainable investment has allowed us in recent years to better align clients' mission and investment objective.

IC 14.2	Additional information. [OPTIONAL]
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Our approach in summary:

- understand clients' needs
- analyze current portfolio
- develop tailor-made solutions in accordance with clients goals
- asset allocation (strategical and tactical) and often integrated with Asset & Liability Management approach
- ongoing performance monitoring and result measurement

IC 15	Mandatory	Public	Descriptive
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IC 15.1	Briefly describe how you include ESG factors in your due diligence process for manager selection.
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In case of ESG mandate, in according with the client we ask some ESG questions in the Request for Proposal (RFP). To these answers we attribute a shared weight with the client in the overall evaluation framework.

For the funds, sicav and Etf we developed a proprietary methodology to assess the sustainability of asset managers and fund's strategies, which is periodically under review to better capture all the market evolution trends. The outcome of the assessment is an overall score that combines different score as in our process we include multiple sustainable aspects as explained below.

IC 15.2	Additional information. [OPTIONAL]
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We have developed a proprietary methodology to assess the sustainability of asset manager and investment instruments.

Our goal is to understand which investment is really making a difference in term of sustainable innovation that have a clear impact on investment performance.

The outcome is an integrated financial and sustainable assessment of the investment.

In our process, we consider different aspects:

- asset manager overall sustainable development and commitment
- the complexity of the sustainability research and its integration in the investment process
- sustainable team structure and field of operation
- fund strategy' s degree of sophistication
- portfolio managers team: experience and sustainable knowledge
- risk manager integration with the portfolio managers team

- engagement activities
- sustainable reporting
- fund external label

IC 16	Mandatory	Public	Descriptive
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**IC 16.1** Indicate whether you set any of the following to measure compliance/progress, or use the following information to review and evaluate the investment manager.

Setting measures for the investment manager as part of the monitoring process

- ESG score
- ESG weight
- Real economy targets
- Other RI considerations
  - analysis of the reports
- None of the above

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

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

**IC 16.2** Describe how you raise and manage concerns when monitoring investment managers on ESG factors.

We have seen a growing number of asset managers providing reports on their sustainability effort, either at company or portfolio level.

We believe this trend is due to the fact that institutional investors and consulting firms have increasingly raised concerns about transparency and want to connect the puzzle of the added value of a sustainable strategy on the 'profitability' of the results.

From our experience, asset managers are more willing to spend time and effort on sustainable reporting if it increases their chance of raising AuM. At the same time, investors are more willing to trust a sustainable strategy if this strategy can somehow be verified quantitatively and qualitatively thanks to reporting..

It is a positive enforcing loop where we, as a consulting firm, take an active participation by asking for more and more reporting and transparency to asset managers in order to evaluate and verify their data.



IC 17	Mandatory	Public	Descriptive
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**IC 17.1** Indicate whether you report back to asset owners on your manager selection and/or monitoring activities.

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

**IC 17.2** If yes, describe how you report back and the frequency.

We always report our assessment both to asset managers and to asset owners. We sent a formal evaluation right after we have concluded our analysis.

IC 18	Mandatory	Public	Descriptive
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**IC 18.1** Describe how you measure, track or otherwise demonstrate your value on manager selection and monitoring services.

Specifically to managers selection and monitoring, we believe there is a strong connection between asset managers' selection and investment return. If the selection is good it leads to positive investment return and to a constructive relationship.

Through our selection and monitoring process we are able to evaluate the performance of the asset manager over time.

In case of asset management mandate, we monitoring the performance since inception and the risk of the portfolio with a lot of typical indicators of financial evaluation.

In case of funds/sicav, with our proprietary methodology we monitor every month the results and the positioning with respect to competitors, in term of performance, risk and many other indicators.

But it is thanks to a solid relationship that we can constantly interface with asset managers, share visions and act in the interest of our clients.