



LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p><b>Type of engagement</b></p> <p>Individual/ internal staff engagements</p>	<p><b>Reason for interaction</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input checked="" type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in internal staff</li> </ul>	
<p>Collaborative engagements</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in collaborative engagements</li> </ul>	
<p>Service provider engagements</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> To support investment decisionmaking in &amp; company's material ESG issues</li> <li><input type="checkbox"/> To enhance corporate practice or identify the need to enhance corporate practice</li> <li><input type="checkbox"/> Other: specify</li> <li><input type="checkbox"/> We do not engage in service provider engagements</li> </ul>	

# RI TRANSPARENCY REPORT

## 2020

Arcano Group

## About this report

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

This report is an export of the individual Signatory organisation's response to the PRI during the 2020 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

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

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

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

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

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

# Principles Index

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

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

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	ESG incorporation strategies	🔒	n/a	✓						
SAM 02	Selection processes (LE and FI)	✓	Public	✓						
SAM 03	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	🔒	n/a		✓					
SAM 04	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 05	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 06	Monitoring on active ownership (listed equity/fixed income)	🔒	n/a	✓						
SAM 07	Percentage of (proxy) votes	🔒	n/a		✓					
SAM 08	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						
SAM 09	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓						✓
SAM End	Module confirmation page	✓	-							

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Incorporation strategies applied	✓	Public	✓						
FI 02	ESG issues and issuer research	✓	Private	✓						
FI 03	Processes to ensure analysis is robust	✓	Public	✓						
FI 04	Types of screening applied	✓	Public	✓						
FI 05	Examples of ESG factors in screening process	✓	Private	✓						
FI 06	Screening - ensuring criteria are met	✓	Public	✓						
FI 07	Thematic investing - overview	🔒	n/a	✓						
FI 08	Thematic investing - themed bond processes	🔒	n/a	✓						
FI 09	Thematic investing - assessing impact	🔒	n/a	✓						
FI 10	Integration overview	✓	Public	✓						
FI 11	Integration - ESG information in investment processes	✓	Public	✓						
FI 12	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 13	ESG incorporation in passive funds	🔒	n/a	✓						
FI 14	Engagement overview and coverage	✓	Private		✓					
FI 15	Engagement method	✓	Private	✓	✓					
FI 16	Engagement policy disclosure	✓	Private	✓	✓					
FI 17	Financial/ESG performance	✓	Private							✓
FI 18	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI End	Module confirmation page	✓	-							

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Responsible Property Investment (RPI) policy	✓	Public	✓					✓	
PR 02	Fund placement documents and RI	✓	Public	✓			✓		✓	
PR 03	Formal commitments to RI	✓	Private				✓			
PR 04	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 05	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 06	ESG issues impact in selection process	✓	Public	✓						
PR 07	ESG issues in selection, appointment and monitoring of third-party property managers	🔒	n/a				✓			
PR 08	ESG issues in post-investment activities	✓	Public		✓					
PR 09	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 10	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 11	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 12	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 13	Proportion of green leases or MOUs referencing ESG issues	✓	Private		✓					
PR 14	Proportion of assets engaged with on community issues	✓	Private		✓					
PR 15	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 16	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR End	Module confirmation page	✓	-							

Confidence building measures				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
CM1 01	Assurance, verification, or review	✓	Public							✓
CM1 02	Assurance of last year's PRI data	✓	Public							✓
CM1 03	Other confidence building measures	✓	Public							✓
CM1 04	Assurance of this year's PRI data	✓	Public							✓
CM1 05	External assurance	🔒	n/a							✓
CM1 06	Assurance or internal audit	🔒	n/a							✓
CM1 07	Internal verification	✓	Public							✓
CM1 01 End	Module confirmation page	✓	-							

# Arcano Group

## 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

Gateway/Peering

General

OO 01.1

Select the services and funds you offer

Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input checked="" type="radio"/> 10-50% <input type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

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

- Hedge funds
- Fund of hedge funds

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

Spain

OO 02.2

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

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

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

FTE

178

**OO 02.4** Additional information. [Optional]

The team includes the Chairman and CEO of Arcano Group as well as all the finance administration, IT, operations and legal professionals.

**OO 03** **Mandatory** **Public** **Descriptive** **General**

**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 04** **Mandatory** **Public** **Gateway/Peering** **General**

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2019

**OO 04.2** Indicate your total AUM at the end of your reporting year.

Include the AUM of subsidiaries, but exclude advisory/execution only assets, and exclude the assets of your PRI signatory subsidiaries that you have chosen not to report on in OO 03.2

	trillions	billions	millions	thousands	hundreds
Total AUM		3	983	469	794
Currency	EUR				
Assets in USD		4	390	983	921

Not applicable as we are in the fund-raising process

**OO 04.4** Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year

	trillions	billions	millions	thousands	hundreds
Total AUM			124	000	000
Currency	EUR				
Assets in USD			136	685	361

Not applicable as we do not have any assets under execution and/or advisory approach

OO 06	Mandatory	Public	Descriptive	General
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**OO 06.1** Select how you would like to disclose your asset class mix.

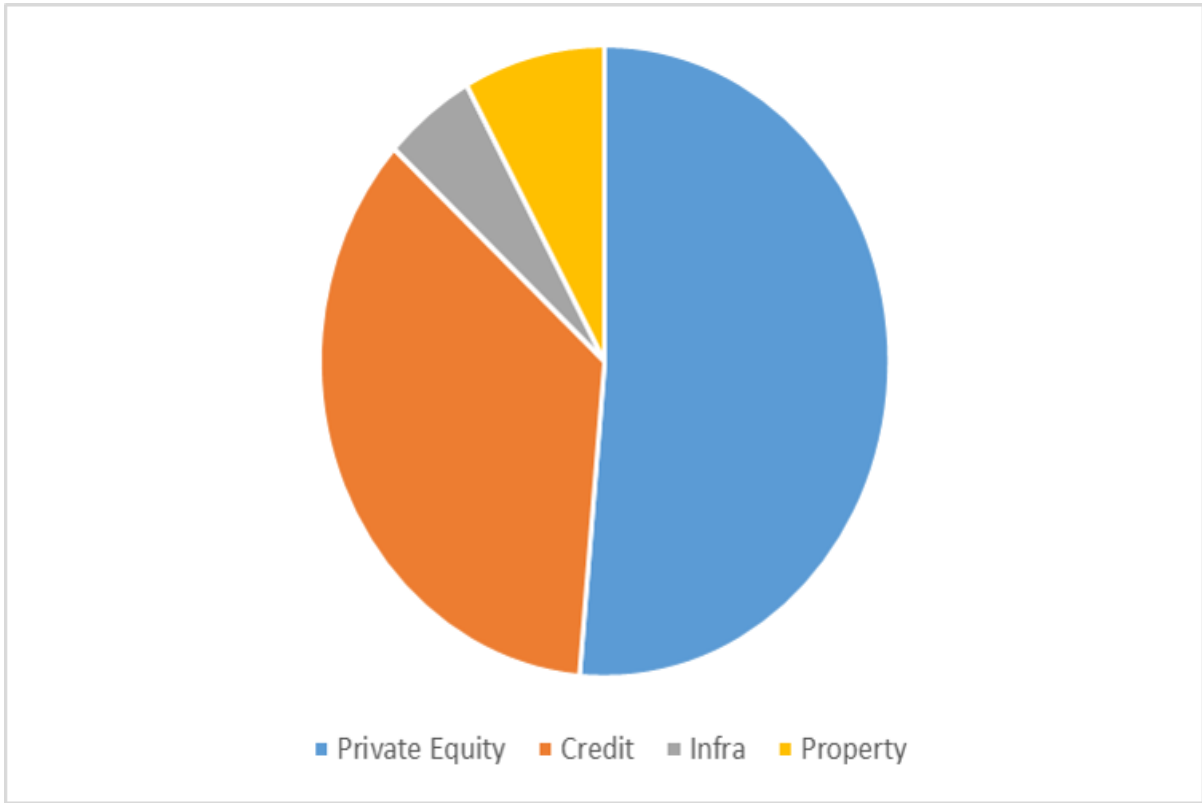
- as percentage breakdown
- as broad ranges

	Internally managed (%)	Externally managed (%)
--	------------------------	------------------------

Listed equity	0	0
Fixed income	10-50%	0
Private equity	0	>50%
Property	<10%	0
Infrastructure	0	<10%
Commodities	0	0
Hedge funds	0	0
Fund of hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Money market instruments	0	0
Other (1), specify	0	0
Other (2), specify	0	0

OO 06.2

Publish asset class mix as per attached image [Optional].



OO 06.3

Indicate whether your organisation has any off-balance sheet assets [Optional].

- Yes
- No

OO 06.5

Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

OO 09

Mandatory

Public

Peering

General

OO 09.1

Indicate the breakdown of your organisation's AUM by market.

Developed Markets

95

Emerging Markets

05



**Asset class implementation gateway indicators**

<b>OO 10</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>General</b>
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**OO 10.1** Select the active ownership activities your organisation implemented in the reporting year.

Fixed income Corporate (non-financial) – engagement

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

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

Fixed income - corporate (non-financial)

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

Property

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

**OO 11.2** Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes
Private equity	<div data-bbox="395 342 1474 423" style="background-color: #0070C0; color: white; padding: 5px;">Private equity - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</li> <li><input type="checkbox"/> We do not do ESG incorporation</li> </ul>
Infrastructure	<div data-bbox="395 656 1474 736" style="background-color: #0070C0; color: white; padding: 5px;">Infrastructure - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</div> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager selection process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager appointment process</li> <li><input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process</li> <li><input type="checkbox"/> We do not do ESG incorporation</li> </ul>

**OO 11.4** Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

Within Arcano Asset Management, both the Private Equity and Infrastructure investment strategies are focused primarily on fund investments (primaries and secondaries) as well as co-investments. As a result, it will be crucial for the teams to understand, prior to investing, what the manager's ESG policy is and how they plan to analyze, manage, monitor and report on ESG criteria. Particularly during each companies' ownership phase, it will be essential to discuss how the Manager will integrate environmental, social and governance aspects in their underlying companies as a tool for risk mitigation and value creation. In addition to the teams' ESG efforts during the initial investment decision process, it is relevant to note that our ESG policy extends throughout the entire investment and monitoring process.

Initial Screening: Arcano Asset Management does not consider any Fund whose prior portfolio investments nor current strategy includes potential investments violating the principles of the United Nations Global Compact [Link]. Furthermore, Arcano Asset Management excludes from its investments any Fund whose investment strategy includes companies operating in the restricted sectors indicated by the International Finance Corporation (IFC) [Link].

Specifically for the Infrastructure strategy, Arcano does not invest in managers in which the majority of their portfolio is attributable to power plants driven by fossil fuels. However, if such allocation is marginal and the particular fossil-fuel driven technology is used as a "renewable energy enabler" (e.g. small-scale gas reciprocating engines used to alleviate the intermittency introduced by renewables), this scenario would not immediately lead to its exclusion from potential investments. Nevertheless and to the extent possible, Arcano would try to avoid investments driven by fossil fuels by refraining from investing completely in the fund or by negotiating side letters to carve such investments out.

Due Diligence: Arcano has defined a well-structured ESG evaluation process, based on quantitative and qualitative criteria, which provides a rating for each of our underlying managers and allows us to categorize them based on a scale of 0 to 4 reflecting absolute (0 being the worst performers and 4 being the best performers). This rating system will allow us to clearly identify the outliers either at the bottom of the scale or at the top of the scale (benchmark leaders will drive us to system optimization and ongoing improvement).

The objective of the evaluation is: (i) to understand what the managers' ESG commitment is; and (ii) verify how effectively ESG considerations are integrated throughout the entire investment process (including monitoring and reporting plans). This evaluation is led by the investment team, in parallel to the investment due diligence, following a tailored ESG questionnaire for each manager. The questionnaires' answers will be processed and analyzed via conference calls/meetings with the managers and verified through different external sources specific for each evaluation criterion. Once the ESG evaluation is completed, each manager will achieve its own standardized rating.

The rating obtained by each Manger is included and discussed during the Investment Committee meeting as well as any other relevant element of analysis. The lower ESG rating granted to a particular Manager does not automatically rule it out from investment consideration, as long as there is clear ESG policy or specific measures being implemented which demonstrate the Managers' clear intention to improve.

Monitoring: Arcano monitors its investments through continuous communication with the Managers throughout the life of the investment. Additionally, Arcano oversees the ESG aspects of portfolio companies through 1) an alert system provided by Internet browsers and 2) a third party, aimed at identifying and managing the financial, regulatory, and reputation risk of the organizations. If Arcano detects any serious ESG incident in any of the portfolio companies, it contacts the manager immediately to properly understand the causes of the event.

Reporting: Arcano encourages managers to disclose two types of indicators: (i) specific and material to each of the portfolio companies according to the sector they operate in; and (ii) common indicators to all industries and sectors.

OO 12	Mandatory	Public	Gateway	General
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**OO 12.1** Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Fixed Income

- Fixed income - Corporate (non-financial)

Direct - Other asset classes with dedicated modules

- Property

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- Private Equity
- Infrastructure

Closing module

- Closing module

**Peering questions**

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

Provide a breakdown of your internally managed fixed income securities by active and passive strategies

<b>Corporate (non-financial)</b>	Passive	0
	Active - quantitative (quant)	0
	Active - fundamental and active - other	100
	<b>Total</b>	<b>100%</b>

OO FI 03

Mandatory

Public

Descriptive

General

Update: this indicator has changed from "Mandatory to report, voluntary to disclose" to "Mandatory". **Your response to this indicator will be published in the Public Transparency Report.** This change is to enable improved analysis and peering.

OO FI 03.2

Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.

Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
Corporate (non-financial)	<input type="radio"/> >50% <input type="radio"/> 10-50% <input checked="" type="radio"/> <10% <input type="radio"/> 0%	<input checked="" type="radio"/> >50% <input type="radio"/> 10-50% <input type="radio"/> <10% <input type="radio"/> 0%	<b>100%</b>

If you are invested in private debt and reporting on ratings is not relevant for you, please indicate below

OO FI 03.2 is not applicable as our internally managed fixed income assets are invested only in private debt.

# Arcano Group

## Reported Information

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### Strategy and Governance

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## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

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

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

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

SG 01.4

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

The private sector is the main engine of economic development in society, making 90% of employment globally and providing products and services that have a definitive impact on the lives of people and the planet. Generating decent employments, respecting human rights, protecting the environment, creating new products and services that serve underserved markets are some of the effects that a company can have when carrying out its activity. In Arcano Asset Management, we are fully aware of these impacts, and we consider that those companies that are capable of generating a more inclusive and sustainable economic growth are the ones that tend to produce more value in the long term for the different stakeholders, including shareholders. Therefore, as investors in a large number of companies, mostly through funds, Arcano Asset Management considers that the most significant responsibility with its stakeholders in general and with its clients, in particular, lies in:

- Conduct business and operations with the highest ethical standards.
- Ensuring that the Arcano integrates the leading social, environmental, and governance concerns into investment decisions to manage risk, protect value, and make it grow.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

The principles that guide responsible investment in Arcano are the same ones that inspire the firm every day to carry out its business activity:

- A united and independent team committed to responsibly implementing investment decisions
- Backed by the trust that our clients have placed in us over the years
- Implementing continuous improvements by incorporating best practices in ESG during the analysis and selection of investments and
- Through constant innovation, both in terms of integration and development of ESG products.

The responsible investment policy is reviewed every year and approved by the Corporate Social Responsibility Committee integrated by Arcano's top senior management.

No

SG 02

Mandatory

Public

Core Assessed

PRI 6

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

SG 02.1

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

Policy setting out your overall approach

URL/Attachment

URL

URL

<https://www.arcanopartners.com/gestion-de-activos/unpri/>

Attachment (will be made public)

Asset class-specific RI guidelines

URL/Attachment

URL

URL

<https://www.arcanopartners.com/gestion-de-activos/unpri/>

Attachment (will be made public)

Screening / exclusions policy

URL/Attachment

URL

URL

<https://www.arcanopartners.com/gestion-de-activos/unpri/>

Attachment (will be made public)

We do not publicly disclose our investment policy documents

**SG 02.2**

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

<https://www.arcanopartners.com/gestion-de-activos/unpri/>

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

<https://www.arcanopartners.com/gestion-de-activos/unpri/>

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

<https://www.arcanopartners.com/gestion-de-activos/unpri/>

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

<https://www.arcanopartners.com/gestion-de-activos/unpri/>

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

<https://www.arcanopartners.com/gestion-de-activos/unpri/>

Attachment

Reporting

URL/Attachment

URL

URL

<https://www.arcanopartners.com/gestion-de-activos/unpri/>

Attachment

Climate change

URL/Attachment

URL

URL

<https://www.arcanopartners.com/gestion-de-activos/unpri/>

Attachment

We do not publicly disclose any investment policy components

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

Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
---------	---

As an independent asset manager, Arcano is focused exclusively on providing the highest risk-adjusted returns to its investors. We have implemented necessary internal policies that assure that all of our investors are treated fairly. In order to avoid any potential conflicts of interest, all revenue sharing agreements are executed exclusively for the benefit of the Funds and not for the benefit of Arcano. The structure of Arcano is geared towards avoiding conflicts of interest:

- Investors interests are perfectly aligned with those of the investment professionals. Investment professionals' compensation is dependent to the overall success of the Fund (Carried Interest). Moreover, the management company commits between 1-2% of the Funds.
- All Investment Committee decisions are made by a unanimous vote. This means that every member would have to be satisfied of the propriety of the decision being made.
- Within the investment activity our policy covers potential conflicts of interest between existing and new investment vehicles.
- Every transaction that might imply a potential conflict of interest requires the previous approval of Compliance and Risk Management, who reports quaterly to the Board of Directors on this matter.

No

## Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
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**SG 05.1**

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

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

**SG 05.2**

Additional information. [Optional]

Arcano has a CSR Committee integrated by Arcano's top senior management and the ESG Lead manager. This Committee meets twice a year to establish CSR and responsible investment targets for the year and to monitor their degree of achievement. This Committee can be convened extraordinarily at any time. Additionally, Arcano has a team in charge of integrating ESG issues into investment decisions. This team meets regularly to monitor and incorporate the best practices in the market for responsible investment.

## Governance and human resources

**SG 07****Mandatory****Public****Core Assessed****General****SG 07.1**

Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

### Roles

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

### Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify  
COO



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

**SG 07.2**

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Arcano has a CSR Committee integrated by Arcano's top senior management and the ESG Lead manager. This Committee meets twice a year to establish the Corporate Social Responsibility and responsible investment objectives for the year and to monitor their degree of achievement. This Committee can be convened in an extraordinary manner at any time. Additionally, Arcano has a team in charge of integrating ESG issues into investment decisions. This team meets regularly to monitor and incorporate the best practices in the market for responsible investment.

**CSR Committee main responsibilities: (President, CEO, COO, and Private Equity, Credit and Property Managing Partners)**

- The final decision on the reputational, social, environmental and governance risk and opportunities for the investments
- Ensure that effectively ESG integration processes into the investment process
- Resolve ESG incidents that may arise at the investment and operations level
- Review the effectiveness and implementation of ESG policies on a semi-annual basis

**ESG Lead Manager main responsibilities:**

- Work in collaboration with the investment team to facilitate the understanding and integration of material ESG factors into their investment decisions
- Provide advice to the Investment Committee when necessary from an independent point of view
- Sharing and integrating best practices in responsible investment

**ESG Lead by investment strategy main responsibilities: (Portfolio Managers)**

- Analysis and integration of ESG issues in the decision-making process
- Promote transparency and ESG integration into the investments
- Monitor and report any ESG incidents

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

Number

5

**SG 07.4** Additional information. [Optional]

Acano believes that the only way to incorporate ESG issues in the investment decisions is by building capacity and knowledge in each investment team and adapting it to each strategy. For this reason, Arcano has recently created a new position: CSR / ESG Lead Manager. This person is a fully dedicated ESG professional who is in charge of the responsible investment efforts in Arcano.

Acano Asset Management has established a governance structure that seeks to ensure that the different Investment Committee oversees the ESG analysis. To this end, Arcano has appointed a leader within each team who is responsible for integrating ESG issues into their respective investment strategies. This team works directly with Arcano ESG Lead Manager.

## Promoting responsible investment

**SG 09** Mandatory Public Core Assessed PRI 4,5

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

### Select all that apply

Principles for Responsible Investment

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

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

- Arcano maintains a fluid relationship with the Head of PRI Southern Europe
- Arcano has contributed to the organization whenever necessary.
- Arcano has developed an internal ESG Dashboard based on the 'Limited Partners' Responsible Investment Due Diligence Questionnaire' published by PRI
- The COO attended the 2019 PRI in Person event.
- The ESG team attended several PRI webinars.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Climate Action 100+
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- ESG Research Australia
- Invest Europe Responsible Investment Roundtable
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)

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

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Arcano joined the initiative for Real Estate and Sustainable Infrastructure investment strategies

- Green Bond Principles
- HKVCA: ESG Committee
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action in the 21st Century
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

Foro Impacto

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

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.  
[Optional]

Arcano has signed a partnership with Foro Impacto, Technical Secretary of the National Advisory Board for Impact Investment (Spain NAB) which has been a member of the Global Steering Group for Impact Investment since June 2019. In this context, Arcano will lead, along with other institutions, a working group that seeks to attract new private and public investors to this type of investment, as well as to disseminate the best practices to manage and measure impact.

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Ashoka

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

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Arcano wanted to contribute to strengthening the ecosystem of entrepreneurs and companies that provide impact solutions by signing, in 2019, an alliance with Ashoka; an international organization focused on supporting social leaders. Because of this alliance, Arcano Emprendedores Sociales was born, as a shared value Corporate Social Responsibility program between our firm and society. Through Arcano Emprendedores Sociales, we want to use our knowledge and resources (financial and human) as an asset manager and financial advisory firm through integral support to social entrepreneurs.

- Other collaborative organisation/initiative, specify

Investor Agenda: Accelerating Action for a Low-Carbon World

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

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In the framework of the COP25 World Climate Summit held in December 2019 Arcano, along with almost 500 investors, signed a global declaration addressed to governments asking them to reach the Paris agreements, accelerate private investment for the energy transition and commit to improving climate-related financial reporting (Task Force on Climate-related Financial Disclosures or "TCFD").

<http://theinvestoragenda.org/wp-content/uploads/2019/12/191201-GISGCC-FINAL-for-COP25.pdf>

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

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

- Yes

**SG 10.2** Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description
-------------

Arcano promotes responsible investment internally and externally. Internally, Arcano requests from managers all the necessary information to integrate ESG issues into investment decisions. All investment strategies incorporate a section in the investment memos that specifically addresses ESG issues affecting the investment.

Externally, Arcano promotes responsible investment with investors and managers through meetings and conferences. At the annual conferences, Arcano not only reports on its responsible investment efforts but also promotes this type of investment among investors and managers.

Additionally, during 2019 the Arcano's COO provided training on the new European regulation on sustainable finance to ASCRI members.

Frequency of contribution
---------------------------

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Provided financial support for academic or industry research on responsible investment

Description
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The Arcano's collaboration with Foro Impacto includes the preparation of a report on measuring the impact on investments.

The Arcano's collaboration with Ashoka includes the elaboration of a report about the impact of the support on the social entrepreneur.

Frequency of contribution
---------------------------

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Provided input and/or collaborated with academia on RI related work

Description
-------------

In 2019, Arcano participated in the elaboration of the Guide for Responsible Investment in the Private Equity and Venture Capital sector in Spain, published in 2020 by The Spanish Venture Capital & Private Equity Association (ASCRI)

#### Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Encouraged better transparency and disclosure of responsible investment practices across the investment industry

#### Description

In the framework of the COP25 World Climate Summit held in December 2019 Arcano, along with almost 500 investors, signed a global declaration addressed to governments asking them to reach the Paris agreements, accelerate private investment for the energy transition and commit to improving climate-related financial reporting (Task Force on Climate-related Financial Disclosures or "TCFD").

Arcano encourages responsible investment with investors and managers through meetings and conferences.

#### Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Spoke publicly at events and conferences to promote responsible investment

#### Description

At the annual conference, Arcano not only reports on its responsible investment efforts but also promotes this type of investment among investors and managers. At the last Investor Day, Arcano gave attendees a book to promote impact investing.

#### Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Wrote and published in-house research papers on responsible investment

Encouraged the adoption of the PRI

Description

Arcano encourages the adoption of the PRI with managers

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Description

Arcano participated in the "Intermediation Commission" of Foro Impacto, which is one of the three Commissions that are preparing a report on the situation of impact investing in Spain and how to drive forward measures to increase this kind of investments. The definitive document has been published in the 2Q of 2019.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Wrote and published articles on responsible investment in the media
- A member of PRI advisory committees/ working groups, specify
- On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
- Other, specify

No

Outsourcing to fiduciary managers and investment consultants

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

SG 12.1 Indicate whether your organisation uses investment consultants.

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



## ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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### SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities
- No, our organisation does not currently carry out scenario analysis and/or modelling

### SG 13.3

Additional information. [OPTIONAL]

Arcano is implementing climate ESG factors monitoring in Arcano Earth Fund. In the future, this might led to the creation of scenario analysis for this asset class.

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

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

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

### SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			221	870	000
Currency	EUR				
Assets in USD			244	567	589

Specify the framework or taxonomy used.

Arcano Earth Fund monitors:

- 1- MW of new capacity of clean energy introduced into the grid
- 2- MWh of clean energy produced
- 3- Number of household powered with clean energy.
- 4-Tonnes of CO2 reduced (i.e. displacement of CO2 that would have otherwise been produced by fossil fuels)

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

**SG 14.3**

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

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

**SG 14.5**

Additional information [Optional]

Concrete climate-related risk and opportunities have been implemented specifically in Arcano Earth Fund that invests in renewable energy investments. Side Letters are negotiated specifically to provide the Fund data on the aforementioned.

## Communication

**SG 19**

**Mandatory**

**Public**

**Core Assessed**

**PRI 2, 6**

**SG 19.1**

Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

**Selection, Appointment and Monitoring**

**Do you disclose?**

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

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

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p><b>Disclosure to public and URL</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes</li> <li><input type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf</li> <li><input type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership</li> <li><input type="checkbox"/> Other</li> </ul>	<p><b>Disclosure to clients/beneficiaries</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> How responsible investment considerations are included in manager selection, appointment and monitoring processes</li> <li><input checked="" type="checkbox"/> Details of the responsible investment activities carried out by managers on your behalf</li> <li><input checked="" type="checkbox"/> E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership</li> <li><input type="checkbox"/> Other</li> </ul>
<p><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input checked="" type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad-hoc/when requested</li> </ul>	<p><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input checked="" type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad-hoc/when requested</li> </ul>
<p><b>URL</b></p> <p><a href="https://www.arcanopartners.com/gestion-de-activos/unpri/">https://www.arcanopartners.com/gestion-de-activos/unpri/</a></p>	

Fixed income

Do you disclose?

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p><b>Disclosure to public and URL</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Broad approach to RI incorporation</li> <li><input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used</li> </ul>	<p><b>Disclosure to clients/beneficiaries</b></p> <ul style="list-style-type: none"> <li><input type="radio"/> Broad approach to RI incorporation</li> <li><input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used</li> </ul>
<p><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly</li> <li><input type="checkbox"/> Biannually</li> <li><input checked="" type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad hoc/when requested</li> </ul>	<p><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly</li> <li><input type="checkbox"/> Biannually</li> <li><input checked="" type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad hoc/when requested</li> </ul>
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Property

Do you disclose?

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

The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL	Disclosure to clients/beneficiaries
<p><b>Disclosure to public and URL</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> ESG information on how you select property investments</li> <li><input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments</li> <li><input type="checkbox"/> Information on your property investments' ESG performance</li> <li><input type="checkbox"/> Other</li> </ul>	<p><b>Disclosure to clients/beneficiaries</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> ESG information on how you select property investments</li> <li><input checked="" type="checkbox"/> ESG information on how you monitor and manage property investments</li> <li><input checked="" type="checkbox"/> Information on your property investments' ESG performance</li> <li><input type="checkbox"/> Other</li> </ul>
<p><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input checked="" type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad-hoc/when requested</li> </ul>	<p><b>Frequency</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Quarterly or more frequently</li> <li><input type="checkbox"/> Biannually</li> <li><input checked="" type="checkbox"/> Annually</li> <li><input type="checkbox"/> Less frequently than annually</li> <li><input type="checkbox"/> Ad-hoc/when requested</li> </ul>
<p><b>URL</b></p> <p><a href="https://www.arcanopartners.com/gestion-de-activos/unpri/">https://www.arcanopartners.com/gestion-de-activos/unpri/</a></p>	

Arcano Group

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

## 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.

## Selection

SAM 02	Mandatory	Public	Core Assessed	PRI 1
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<b>SAM 02.1</b>	Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers
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										Private equity	Infrastructure
Your organisation's investment strategy and how ESG objectives relate to it										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG incorporation requirements										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG reporting requirements										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
No RI information covered in the selection documentation										<input type="checkbox"/>	<input type="checkbox"/>

	You selected an `Other` option in table SAM 02.1 above, please specify
--	--

Arcano has defined a well-structured ESG evaluation process, based on quantitative and qualitative criteria, which provides a rating for each of our underlying managers and allows us to categorize them based on a scale of 0 to 4 reflecting absolute (0 being the worst performers and 4 being the best performers). This rating system will allow us to clearly identify the outliers either at the bottom of the scale or at the top of the scale (benchmark leaders will drive us to system optimization and ongoing improvement). The rating is based on four pillars of evaluation:

- Pillar 1: Level of the commitment of the senior management to the ESG issues
- Pillar 2: Amount of internal resources allocated internally to integrate ESG issues in their investments
- Pillar 3: Ability to manage risk and identify ESG opportunities in their investments throughout each phase of the investment process:

- Screening
- Investing
- Ownership& Monitoring

Pillar 4: Ability to generate, report, and disclose ESG results in their investments

<b>SAM 02.2</b>	Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach
-----------------	--

	Strategy
--	----------

										Private equity	Infrastructure
Assess the time horizon of the investment manager's offering vs. your/beneficiaries' requirements										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the quality of investment policy and its reference to ESG										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the investment approach and how ESG objectives are implemented in the investment process										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's firm-level vs. product-level approach to RI										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the ESG definitions to be used										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other										<input type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above										<input type="checkbox"/>	<input type="checkbox"/>

ESG people/oversight

										Private equity	Infrastructure
Assess ESG expertise of investment teams										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the oversight and responsibilities of ESG implementation										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review how is ESG implementation enforced /ensured										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's RI-promotion efforts and engagement with the industry										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other										<input type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above										<input type="checkbox"/>	<input type="checkbox"/>

Process/portfolio construction/investment valuation



										Private equity	Infrastructure
Review the process for ensuring the quality of the ESG data used										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree the use of ESG data in the investment decision making process										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree the impact of ESG analysis on investment decisions										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree ESG objectives (e.g. risk reduction, return seeking, real-world impact)										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree manager's ESG risk framework										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree ESG risk limits at the portfolio level (portfolio construction) and other ESG objectives										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review how ESG materiality is evaluated by the manager										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review process for defining and communicating on ESG incidents										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review and agree ESG reporting frequency and detail										<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other, specify										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above										<input type="checkbox"/>	<input type="checkbox"/>

If you select any `Other` option(s), specify

We also reviewed how active is the manager in promoting responsible investment and what is the ESG integration governance structure

For infrastructure only:

Strategy:

Negative screen: We do not invest in Managers in which the majority of their portfolio is attributable to power plants driven by fossil fuels. However, if such allocation is marginal and the particular fossil-fuel driven technology is used as a "renewable energy enabler, this scenario would not immediately lead to its exclusion of potential investments. Nevertheless, as much as possible, Arcano would try to avoid investments driven by fossil fuels.  
 Positive Screen: We have a particular focus on targeting development/pre-construction stages in order to ensure that new build is being introduced to the economy.

ESG People/Oversight:

Presence of ESG-focused personnel in the team. A detailed review of her/his CV is performed. Assessment of her/his participation in ESG-related events.

Process/portfolio construction:

We ensure that Sustainable Infrastructure metrics will be part of the monitoring process

**SAM 02.3**

Indicate the selection process and its ESG/RI components

- Review ESG/RI responses to RfP, RfI, DDQ etc.
- Review responses to PRI's Limited Partners' Responsible Investment Due Diligence Questionnaire (LP DDQ)
- Review publicly available information on ESG/RI
- Review assurance process on ESG/RI data and processes
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers covering ESG/RI themes
- Site visits to potential managers offices
- Other, specify

Additionally, we review the public information that exists about the GP, their ESG reports and whether they have integrated the ESG criteria into their portfolio monitoring system do reference calls

**SAM 02.4**

When selecting external managers does your organisation set any of the following:

											Private equity	Infrastructure
ESG performance development targets											<input type="checkbox"/>	<input checked="" type="checkbox"/>
ESG score											<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG weight											<input type="checkbox"/>	<input type="checkbox"/>
Real world economy targets											<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other RI considerations											<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above											<input type="checkbox"/>	<input type="checkbox"/>

You selected an 'Other' option in table SAM 02.4 above, please specify

Additionally, we review the public information that exists about the GP, their ESG reports and whether they have integrated the ESG criteria into their portfolio monitoring system

**SAM 02.5**

Describe how the ESG information reviewed and discussed affects the selection decision making process.[OPTIONAL]

In case a GPs' management of ESG-issues is not satisfactory, Arcano does not intend to automatically exclude it from investment. In certain cases Arcano may decide to invest but to engage with the GP in order to encourage and support improved ESG integration in the management of the Fund.

**Appointment**

<b>SAM 04.1</b>	Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process
-----------------	--

- Sets standard benchmarks or ESG benchmarks
- Defines ESG objectives and/ or ESG related exclusions/restrictions
- Sets incentives and controls linked to the ESG objectives
- Requires reporting on ESG objectives
- Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
- Other, specify (1)
- Other, specify (2)
- None of the above

<b>SAM 04.2</b>	Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.
-----------------	---

	Asset class
--	-------------

- Private equity

	Benchmark
--	-----------

- Standard benchmark, specify  
 Arcano benchmarks the manager's track record of a fund it is considering committing to against its peers and by quartile for both MOIC and IRR. These benchmarks are usually generated by Preqin and Cambridge Associates and the selection depends of the data available from each one.
- ESG benchmark, specify  
 When we invest in private equity funds, we encourage managers to join UNPRI. This action allows us to monitor the evaluation of their responsible investment policies and to benchmark against other managers. This is not mandatory but recommended.

	ESG Objectives
--	----------------

- ESG related strategy, specify  
 Arcano Asset Management includes in the legal documents accompanying the investment agreement, an explicit clause encouraging the manager to incorporate ESG issues in its investment decisions.
- ESG related investment restrictions, specify  
 Arcano Asset Management does not consider any Fund whose prior portfolio investments nor current strategy includes potential investments violating the principles of the United Nations Global Compact [Link]. Furthermore, Arcano Asset Management excludes from its investments any Fund whose investment strategy includes companies operating in the restricted sectors indicated by the International Finance Corporation (IFC) [Link].
- ESG integration, specify  
 Arcano encourages the manager to perform an ESG analysis of risks and opportunities of its portfolio companies
- Engagement, specify  
 Arcano encourages the manager to perform at a plan of ESG improvements at a portfolio level

Voting, specify

Promoting responsible investment

Arcano will see that investee funds have a Social Responsible Investment policy or guidelines that drive their investment activity not only considering financial returns but also a contribution to stakeholders

ESG specific improvements

Other, specify

ESG guidelines/regulation, principles/standards, specify

Arcano encourages all managers to adhere to the most common responsible investment standards such as UNPRI

#### Incentives and controls

We do not set incentives and controls

#### Reporting requirements

Ad-hoc/when requested

Annually

Bi-annually

Quarterly

Monthly

Infrastructure

#### Benchmark

Standard benchmark, specify

For Infrastructure Funds: Net IRR target of the potential GP must be greater than or equal to 7.0%.

ESG benchmark, specify

When we invest in Infrastructure funds, in addition to UNPRI, we encourage managers to adhere to GRESB, a specific ESG standard for Real Assets. This is not mandatory but recommended

#### ESG Objectives

ESG related strategy, specify

Arcano Asset Management includes in the legal documents accompanying the investment agreement, an explicit clause encouraging the manager to incorporate ESG issues in its investment decisions. Additionally, Arcano ask adhering to PRI's Infrastructure Investor Responsible Investment Guidelines

ESG related investment restrictions, specify

Arcano Asset Management does not consider any Fund whose prior portfolio investments nor current strategy includes potential investments violating the principles of the United Nations Global Compact [Link]. Furthermore, Arcano Asset Management excludes from its investments any Fund whose investment strategy includes companies operating in the restricted sectors indicated by the International Finance Corporation (IFC) [Link].

Additionally, Arcano does not invest in Managers in which majority of their portfolio is attributable to power plants driven by fossil fuels. However, if such allocation is marginal and the particular fossil-fuel driven technology is used as a "renewable energy enabler" (e.g. small-scale gas reciprocating engines used to alleviate the intermittency introduced by renewables), this scenario would not immediately lead to its exclusion of potential investments. Nevertheless, as much as possible, Arcano would try to avoid investments driven by fossil fuels by refraining from investing completely in the Manager or by negotiating side letters to carve such investments out.

- ESG integration, specify

Arcano encourages the manager to perform an ESG analysis of risks and opportunities of its portfolio companies. Arcano also asks for a specific team dedicated to ESG compliance (this will subsume all related ESG issues such as ESG materiality reports, fulfilling commitments to CO2 reduction, etc)

- Engagement, specify

Arcano encourages the manager to perform at a plan of ESG improvements at a portfolio level

- Voting, specify

- Promoting responsible investment

Arcano will see that investee funds have a Social Responsible Investment policy or guidelines that drive their investment activity not only considering financial returns but also a contribution to stakeholders

- ESG specific improvements

(1) Growth in MWh produced from clean energy and new MW capacity brought to the grid, (2) Increase in number of households powered by clean energy, (3) Tonnes of CO2 reduced (i.e. displacement of CO2 that would have otherwise been produced by fossil fuels)

- Other, specify

- ESG guidelines/regulation, principles/standards, specify

Arcano encourages all managers to adhere to the most common responsible investment standards such as UNPRI or GRESB

#### Incentives and controls

- We do not set incentives and controls

#### Reporting requirements

- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly

#### SAM 04.3

Indicate which of these actions your organisation might take if any of the requirements are not met

- Discuss requirements not met and set project plan to rectify
- Place investment manager on a “watch list”
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify
- No actions are taken if any of the ESG requirements are not met

#### SAM 04.4

Provide additional information relevant to your organisation’s appointment processes of external managers. [OPTIONAL]

Responsible investing requires constant innovation, one of Arcano Partners’ core values driving all investment strategies across Arcano Asset Management. Arcano Partners believes the key to the successful integration of ESG criteria across different investment strategies, is to have a well-structured and systematized process. The analysis frameworks and methodologies implemented allow us to evaluate each investment’s strengths and weaknesses from an integral point of view. These different tools help us analyze each investment, not only from risk management and mitigation perspective but also from an environmental, social and governance value creation standpoint.

## Monitoring

SAM 05

Mandatory

Public

Core Assessed

PRI 1

SAM 05.1

When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

										Private equity	Infrastructure
ESG objectives linked to investment strategy (with examples)										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund										<input type="checkbox"/>	<input checked="" type="checkbox"/>
Compliance with investment restrictions and any controversial investment decisions										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG portfolio characteristics										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
How ESG materiality has been evaluated by the manager in the monitored period										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Information on any ESG incidents										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Metrics on the real economy influence of the investments										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
PRI Transparency Reports										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
PRI Assessment Reports										<input type="checkbox"/>	<input checked="" type="checkbox"/>
RI-promotion and engagement with the industry to enhance RI implementation										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Changes to the oversight and responsibilities of ESG implementation										<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other general RI considerations in investment management agreements; specify										<input type="checkbox"/>	<input type="checkbox"/>
None of the above										<input type="checkbox"/>	<input type="checkbox"/>

**SAM 05.2**

When monitoring external managers, does your organisation set any of the following to measure compliance/progress

											Private equity	Infrastructure
ESG score											<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG weight											<input type="checkbox"/>	<input type="checkbox"/>
ESG performance minimum threshold											<input type="checkbox"/>	<input type="checkbox"/>
Real world economy targets											<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other RI considerations											<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above											<input type="checkbox"/>	<input type="checkbox"/>

If you select any `Other` option(s), specify

Arcano oversees the ESG issues of portfolio companies through 1) an alert system provided by Internet browsers and 2) a third party, aimed at identifying and managing the financial, regulatory, and reputation risk of the organizations.

Infra:

Since Arcano Earth Fund has an explicit purpose of contributing to the mitigation of the effects of climate change, the investment makes additional efforts to analyze the contribution of the investment to the drive towards a low-carbon economy. To this end, Arcano requests the managers to provide additional environmental information. Arcano includes this clause in the legal documents accompanying the investment agreement. The indicators required by Arcano are:

- MW of installed capacity introduced into the grid
- MWh of clean energy produced
- Number of households running on clean energy
- Tons of CO2 reduced

**SAM 05.3**

Provide additional information relevant to your organisation`s monitoring processes of external managers. [OPTIONAL]

Arcano monitors its investments through fluid communication with the managers throughout the life of the investment. If Arcano detects any serious ESG incident in any of the portfolio companies, it contacts the manager immediately to understand in depth the causes of the event and to be able to explain to the investors.

**Outputs and outcomes**

<b>SAM 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1,6</b>
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**SAM 09.1**

Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

Add Example 1

Topic or issue	Lack of clear ESG policy
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Private equity <input type="checkbox"/> Infrastructure
Scope and process	Arcano was performing Due Diligence on a manager whose investment strategy seemed to fit very well with our investment focus. However, once we asked to discuss their ESG policy and how they integrated these aspects into their investment process, it was clear to us that their policy was simply a statement on a piece of paper and nothing could be shown on past actions implemented in previous decision-making processes. Furthermore, there was no real intention of changing that. This was one of the reasons for dropping the investment.
Outcomes	Arcano did not commit to the Fund

Add Example 2



Topic or issue	Gas-fired power plant in portfolio opt out
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Private equity <input checked="" type="checkbox"/> Infrastructure
Scope and process	<p>Arcano was approached by a fund manager that planned to target majority of its investments in renewable energy but around c.20% of its portfolio was reserved for "Renewable Enabling" technology, namely gas fired power plants and battery storage. While it is true that gas-fired power plants (as do battery storage) help balance grid intermittency introduced by the increasing penetration of renewables, Arcano negotiated an opt out for all gas-fired power plants. Doing so would result in Arcano's even higher exposure to renewable energy and battery storage technologies and of course, avoid investments in fossil fuels.</p> <p>Arcano successfully negotiated through a side letter to be "excused" from the fund manager's potential investments in any gas-fired power plants.</p>
Outcomes	Arcano successfully negotiated through a side letter to be "excused" from the fund manager's potential investments in any gas-fired power plants.

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- We are not able to provide examples

# Arcano Group

## Reported Information

### Public version

### Direct - Fixed Income

## 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.

## ESG incorporation in actively managed fixed income

### Implementation processes

FI 01	Mandatory	Public	Gateway	PRI 1
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<b>FI 01.1</b>	Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.
----------------	---

Corporate (non-financial)	Screening alone	84
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	16
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	0
	No incorporation strategies applied	0
	100%	

<b>FI 01.2</b>	Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.
----------------	---

Credit strategies are geared towards investing in high-yield, short-term bonds, loans, and direct credit in European non-financial companies.

Arcano Asset Management raised in 2018 "Low Volatility Income Fund" becoming the first Spanish fund manager to launch a fixed income fund with ESG criteria. In 2019, the fund policy obtained the LuxFLAG label, which recognizes those funds that incorporate this type of integration analysis in their investment decisions.

In the rest of the strategies, Arcano concentrates its ESG greatest efforts in its initial investment decision while paying attention to the later stages of the investment process. During the pre-investment process, Arcano adopts a screening approach. By adopting a screening approach, the funds aim at i) limiting their investable universe within the European corporate non-financial, excluding sectors and practices that do not comply with internally set long term ESG goals ii) allowing for higher allocations to sectors/companies with better or improving ESG performance compared to other sectors/companies with a deteriorating ESG performance and iii) setting the basis for ongoing monitoring of issuers' ESG performance.

<b>FI 01.3</b>	Additional information [Optional].
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The analysis is performed by dedicated investment analysts, not a separate ESG department. Analysts benefit from the support of an ESG Lead Manager to help increase the proficiency of our team's understanding and consideration of ESG factors in our analysis. Members of the investment team are sector focused and are directly responsible for the ESG due diligence performed on individual companies.

Main sources of data for the due diligence include:

- Analysts direct conversations with companies' management
- Companies disclosure, press relating to company-specific ESG issues
- Independent ESG due diligence performed on companies
- Banks/broker/dealers research

<b>FI 03</b>	<b>Mandatory</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
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<b>FI 03.1</b>	Indicate how you ensure that your ESG research process is robust:
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- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify

specify description
---------------------

- ESG team holds regular meetings with team members to give updates on recent findings and sensibize on risks to be on the watch for
- None of the above

**FI 03.2** Describe how your ESG information or analysis is shared among your investment team.

- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify  
  - Access to an external independent ESG Data Provider
  - None of the above

**FI 03.3** Additional information. [Optional]

In addition to our internal ESG due diligence, we partner with external independent ESG Data Providers to supplement our existing processes.

**(A) Implementation: Screening**

<b>FI 04</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 1</b>
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**FI 04.1** Indicate the type of screening you conduct.

Select all that apply

			<b>Corporate (non-financial)</b>	
Negative/exclusionary screening			<input checked="" type="checkbox"/>	
Positive/best-in-class screening			<input checked="" type="checkbox"/>	
Norms-based screening			<input checked="" type="checkbox"/>	

**FI 04.2** Describe your approach to screening for internally managed active fixed income

Arcano excludes from investment consideration any company that is violating the principles of the United Nations Global Compact. Additionally, Arcano Asset Management excludes from its investments those companies that belong to the sectors indicated by the International Finance Corporation (IFC)

Additionally, for "Low Volatility Income Fund" Arcano Issuers are excluded based on the below criteria:

Any consolidated group to which the relevant obligor belongs whose Primary Business Activity is:

- The speculative extraction of oil and gas, thermal coal mining or the generation of electricity using coal; or
- The production of or trade in weapons and firearms; or (b) the production of or trade in components or services that have been specifically designed for military purposes or for the functioning of weapons and firearms; or
- The production of hazardous substances, ozone-depleting substances, or endangered or protected wildlife threatening substances of which production or trade is banned by applicable global conventions and agreements;

- Pornography or prostitution;
- Tobacco or tobacco-related products;
- Gambling;
- Subprime lending or payday lending activities;

The positive screening allows the funds to give higher allocations to sectors/companies with better or improving ESG performance compared to other sectors/companies with a deteriorating ESG performance.

FI 06	Mandatory	Public	Core Assessed	PRI 1
FI 06.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.			

Type of screening	Checks
<b>Negative/exclusionary screening</b>	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px;">other description</div> <p>Checks and reviews are performed on an ongoing basis by our team in LOVEI</p> <input type="checkbox"/> None of the above
<b>Positive/best-in-class screening</b>	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px;">other description</div> <p>Checks and reviews are performed on an ongoing basis by our team in LOVEI</p> <input type="checkbox"/> None of the above
<b>Norms-based screening</b>	<input checked="" type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="background-color: #0070C0; color: white; padding: 2px;">other description</div> <p>Checks and reviews are performed on an ongoing basis by our team in LOVEI</p> <input type="checkbox"/> None of the above

**(C) Implementation: Integration**

FI 10	Mandatory	Public	Descriptive	PRI 1
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<b>FI 10.1</b>	Describe your approach to integrating ESG into traditional financial analysis.
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As a long term credit investor in European corporates, the Arcano Low Volatility European Income Fund's (LoVEI) approach to ESG matters develops along two broad axis:

- 1- Integrating ESG screening, monitoring and engagement as a way to recognize, analyze and tackle factors of long term risk that may affect the financial performance of portfolio companies
- 2- Putting an ESG focus at the very core of the investment philosophy as a way to fostering a better capital allocation that not only takes into account short term financial return, but aims at creating a better society for the next generation

LoVEI's commitment to a responsible approach to credit investment is part of the broader ESG commitment of the firm. Indeed, Arcano prides itself to be the first Spanish Asset Manager to be UNPRI (United Nations Principles for Responsible Investment) compliant, being an UNPRI signatory since 2009, and having implemented ESG policies for more than 10 years. This ESG policy has being granted the LuxFLAG

<b>FI 10.2</b>	Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.
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	Corporate (non-financial)
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LoVEI's approach to portfolio construction is based on the three main categories of ESG investing as set out by the Global Sustainable Investment Alliance:

- ESG Integration: ESG is fully integrated into the investment decision process, with ESG matters described and discussed within any analyst's recommendation and in all Investment Committees. ESG screening is applied to 100% of portfolio holdings and potential investments. The Arcano ESG score assigned to each line is discussed in the committee and voted by consensus. This is exactly the same approach that the committee takes towards investment decisions.
- Negative screening: Any potential investment that does not pass our negative screening is immediately eliminated from the eligible universe.
- Positive/best-in-class screening: The assignment of an Arcano ESG score to every single company in the portfolio allows sectors/companies with better or improving ESG performance to have a higher weight compared to other sectors/companies with a poor or deteriorating ESG performance

<b>FI 11</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 1</b>
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<b>FI 11.1</b>	Indicate how ESG information is typically used as part of your investment process.
----------------	--

Select all that apply



			Corporate (non-financial)
ESG analysis is integrated into fundamental analysis			<input checked="" type="checkbox"/>
ESG analysis is used to adjust the internal credit assessments of issuers.			<input checked="" type="checkbox"/>
ESG analysis is used to adjust forecasted financials and future cash flow estimates.			<input type="checkbox"/>
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.			<input checked="" type="checkbox"/>
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.			<input type="checkbox"/>
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.			<input type="checkbox"/>
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.			<input type="checkbox"/>
ESG analysis is integrated into portfolio weighting decisions.			<input checked="" type="checkbox"/>
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.			<input checked="" type="checkbox"/>
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.			<input checked="" type="checkbox"/>
Other, specify in Additional Information			<input type="checkbox"/>

**FI 11.2** Additional information [OPTIONAL]

Every instrument in the portfolio is assigned an Arcano ESG risk score. The scores range from 0 - 100, with 0 classified as the best possible score (no ESG risk). The ESG risk score takes into account both external scores and internal research. The main steps used in assigning an Arcano ESG scores are detailed below:

- The score assigned to every issuer by external independent ESG Data Providers is used as the base for our ESG risk assessment.
- Based on analysts' interaction with the company and on all internally gathered ESG information, the investment committee may propose a downward or upward adjustment of up to 20 points to the external independent ESG score. This is meant to reflect our appreciation of the 3 following: the quality, the improvement and the transparency of the company's ESG risk and opportunities

**FI 12** **Mandatory** **Public** **Additional Assessed** **PRI 1**

**FI 12.1** Indicate the extent to which ESG issues are reviewed in your integration process.

	Environment	Social	Governance
Corporate (non-financial)	<input checked="" type="radio"/> Environmental <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Social <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all	<input checked="" type="radio"/> Governance <input type="radio"/> Systematically <input type="radio"/> Occasionally <input type="radio"/> Not at all

**FI 12.2** Please provide more detail on how you review E, S and/or G factors in your integration process.

Corporate (non-financial)

We use 5-step approach to ESG portfolio construction in Arcano Low Volatility European Income Fund's (LoVEI)

- 1- Data gathering
- 2- Apply Arcano exclusionary screening
- 3- Assign Arcano ESG Scores
- 4- Calculate ESG weights
- 5- Monitoring and engagement

**FI 12.3** Additional information.[OPTIONAL]

Please for further details review the following link: [arcanopartners.com/gestion-de-activos/iicsgestionadas/arcanolowvolatility/](http://arcanopartners.com/gestion-de-activos/iicsgestionadas/arcanolowvolatility/)

# Arcano Group

## Reported Information

### Public version

#### Direct - Property

## 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.

## Overview

PR 01	Mandatory	Public	Core Assessed	PRI 1-6
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**PR 01.1** Indicate if your organisation has a Responsible Property Investment (RPI) policy.

Yes

**PR 01.2** Provide a URL or attach the document

URL

<https://www.arcanopartners.com/gestion-de-activos/unpri/>

Attach Document

No

**PR 01.3** Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy. [Optional]

Arcano Asset Management's strategy in Real Estate focuses on the acquisition and development of real estate assets that have a high potential to generate cash flows (Value-Added Strategy). According to this type of strategy, Arcano's greatest efforts in responsible investment are focused on the acquisition and development of the asset since both the final state and its subsequent management affect the occupants, owners, investors, and the local community.

## Fundraising of property funds

PR 02	Mandatory	Public	Core Assessed	PRI 1,4,6
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**PR 02.1** Indicate if your most recent fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

**PR 02.2** Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes

PR 02.3

Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

Our responsible investment policy is integrated into the funds' documents. They describe our approach and commitment to responsible investing. Besides, Arcano includes a description of the Responsible Investment governance structure to integrate ESG factors into investment decisions through a dedicated team. Specifically, Arcano has constituted a committee that discusses all the aspects related to ESG such as the impact of ESG in assets under management or quarterly review of challenges and goals proposed.

- No
- Not applicable as our organisation does not fundraise

### Pre-investment (selection)

PR 04

Mandatory

Public

Gateway/Core Assessed

PRI 1

PR 04.1

Indicate if your organisation typically incorporates ESG issues when selecting property investments.

- Yes

PR 04.2

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.

The consideration of ESG factors comes up at the beginning of the investment process. The due diligence utilizes a checklist approach, to identify ESG risks and opportunities that currently or may potentially appear over the investment horizon. These risks and opportunities are studied when assessing asset pricing; Arcano considers crucial the potential to effectively manage these risks and recommendations on whether to proceed with the acquisition or not.

ESG issues are taken into account in the Investment Committee Reports to dispose of an asset if these issues could not be managed in a manner beneficial to our ESG standards. When advisable, Arcano carries out environmental due diligence in the pre-acquisition phase. Additionally, the Fund always bears in mind considerations related to potential ESG aspects in the design of future projects and products in which are willing to invest. Always taking into consideration the requirements of the different asset classes.

PR 04.3

Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.

- Environmental

Environmental example 1, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 1, description

Concerning energy efficiency, we analyze to obtain the LEED standard for offices. In residential, we try as much as possible to achieve efficient buildings.

Environmental example 2, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 2, description

Concerning indoor environmental quality, we also analyze to get WELL Certification

Environmental example 3, select one

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply, Flooding, GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other
- Flooding
- GHG emissions

Environmental example 3, description

Access to transportation is also taken into account in our investment decisions, and LEED also requires it.

- Social

Social example 1, select one

- Building safety and materials
- Health, safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 1, description [OPTIONAL]

We demand that all materials comply with the European Union's technical requirements in terms of safety.

Social example 2, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 2, description [OPTIONAL]

We also analyze if we should get the WELL Certification for any investment opportunity

Social example 3, select one

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Social example 3, description [OPTIONAL]

Accessibility is also taken into account in our investment decisions

- Governance



#### Governance example 1, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

#### Governance example 1, description

During our investment selection process, we review whether there are any legal or regulatory fines or any severe environmental problems affecting the asset.

#### Governance example 2, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

#### Governance example 2, description

We also ensure that our collaborators operate following the principles and values of Arcano.

Governance example 3, select one

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Governance example 3, description

We also ensure that our collaborators operate following the principles and values of Arcano.

No

PR 06	Mandatory	Public	Core Assessed	PRI 1
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<b>PR 06.1</b>	Indicate if ESG issues impacted your property investment selection process during the reporting year.
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- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

<b>PR 06.2</b>	Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.
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- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

<b>PR 06.3</b>	Additional information.
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Most of our properties have suffered delays in either construction or project execution due to modifications that have taken place in order to comply with Arcano ESG standard of Green Properties, especially for office buildings.

Additionally, we have noticed during the sale process the impact of selling properties that comply with ESG in terms of Price and especially in terms number of interested acquirers.

## Post-investment (monitoring and active ownership)

### Overview

<b>PR 08</b>	<b>Mandatory</b>	<b>Public</b>	<b>Gateway</b>	<b>PRI 2</b>
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<b>PR 08.1</b>	Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.
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Yes

<b>PR 08.2</b>	Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.
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- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and major renovations.
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

<b>PR 08.3</b>	Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.
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Once selected the parties, when the Company decides to invest in new construction or renovation projects, always follows a sustainability strategy that includes climate change adaptation, energy consumption, waste management, building safety, etc. Our organization also includes ESG issues in monitoring and divestment properties. Ongoing detailed investment analysis is undertaken on our investments to consider the impact of ESG factors on sustainable investment performance.

No

## Property monitoring and management

<b>PR 09</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2,3</b>
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**PR 09.1** Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

**PR 09.2** Indicate which ESG targets your organisation and/or property managers typically set and monitor

- Environmental

Target/KPI	Progress Achieved
Respect the biodiversity that exists in the territory Green lease	Achieved 100% in the asset with the use of plants adapted to the local climate Green clause to be included in the agreement signed

- Social

Target/KPI	Progress Achieved
Provide health and safety training	Achieved 100% in all of our assets

- Governance
- We do not set and/or monitor against targets

**PR 09.3** Additional information. [Optional]

Arcano analyzes and monitors ESG aspects in all the refurbishment at an asset level. Many of these objectives are part of the requirements imposed by the European Union as part of the Building’s regulation. Besides, depending on the asset, we try to go beyond the law and assess several additional ESG aspects, including adherence to sustainability standards (LEED, BREEAM, WELL Building Standard), whose compliance we monitor throughout the investment.

**Property developments and major renovations**

<b>PR 11</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>PR 11.1</b>	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.
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- >90% of active developments and major renovations
- 51-90% of active developments and major renovations
- 10-50% of active developments and major renovations
- <10% of active developments and major renovations
- N/A, no developments and major renovations of property assets are active

(by number of active property developments and refurbishments)

<b>PR 11.2</b>	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.
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- Environmental site selection requirements
- Environmental site development requirements
- Sustainable construction materials
- Water efficiency requirements
- Energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Health and wellbeing of residents
- Construction contractors comply with sustainability guidelines
- Resilient building design and orientation
- Other, specify

<b>PR 11.3</b>	Additional information. [Optional]
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Arcano complies strictly with all European and local regulations regarding building construction and renovation. All of them include strict ESG requirements

<b>Occupier engagement</b>				
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<b>PR 12</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>PR 12.1</b>	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
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- >90% of occupiers
- 50-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

**PR 12.2**

Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.

- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Health and wellbeing of residents
- Offer green leases
- Other, specify

**PR 12.3**

Additional information. [Optional]

Arcano will collaborate with the tenant in order to obtain a "Green Lease".

# Arcano Group

## Reported Information

### Public version

### Confidence building measures

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## Confidence building measures

CM1 01	Mandatory	Public	Additional Assessed	General
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**CM1 01.1** Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:

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

**CM1 01.2** Additional information [OPTIONAL]

The information is reviewed by a senior member of the Investment Department of each Investment Department. Our ESG Lead Manager has reviewed the correct implementation of RI processes

All the information is checked and verified by the COO.

CM1 02	Mandatory	Public	Descriptive	General
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**CM1 02.1** We undertook third party assurance on last year's PRI Transparency Report

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year's PRI Transparency Report
- We did not assure last year's PRI Transparency report
- None of the above, we were in our preparation year and did not report last year.

CM1 03	Mandatory	Public	Descriptive	General
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**CM1 03.1** We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:

- We adhere to an RI certification or labelling scheme



**CM1 03.2** Which scheme?

- National SRI label based on the EUROSIF Transparency guidelines
- B-corporation
- UK Stewardship code
- GRESB

**% of total AUM the scheme applies**

- < 25%
- 25-50 %
- 50-70 %
- >75 %
- Commodity type label (e.g. BCI)
- Social label
- Climate label
- RIAA
- Other

**Specify**

Arcano Asset Management raised in 2018 "Low Volatility Income Fund" becoming the first Spanish fund manager to launch a fixed income fund with ESG criteria. Today, the fund policy has the LuxFLAG label, which recognizes those funds that incorporate this type of integration analysis in their investment decisions.

**% of total AUM the scheme applies**

- < 25%
- 25-50 %
- 50-70 %
- >75 %
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report
- ESG audit of holdings
- Other, specify
- None of the above

**CM1 04**

**Mandatory**

**Public**

**Descriptive**

**General**

**CM1 04.1** Do you plan to conduct third party assurance of this year's PRI Transparency report?

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

**CM1 04.3** Additional information [OPTIONAL]

Arcano plans to assure PRI Transparency report. Whether this decision is implemented in 2020 or later will depend on the objective to be set by the Board of Directors in this matter and it is not decided yet.

**CM1 07**

**Mandatory**

**Public**

**Descriptive**

**General**

**CM1 07.1**

Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed

**Who has conducted the verification**

CEO or other Chief-Level staff

Sign-off or review of responses

Sign-off

Review of responses

The Board

Investment Committee

Sign-off or review of responses

Sign-off

Review of responses

Compliance Function

RI/ESG Team

Investment Teams

Legal Department

Other (specify)