

RI TRANSPARENCY REPORT

2020

Ardea Investment Management

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 reporting period specified above. 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.

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.

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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 type="radio"/> 10-50% <input checked="" type="radio"/> >50%
	Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
	Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
	Total 100%	

OO 02.1	Select the location of your organisation's headquarters.	
	Australia	
OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).	
	<input type="radio"/> 1 <input checked="" type="radio"/> 2-5 <input type="radio"/> 6-10 <input type="radio"/> >10	
OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).	
	17	

OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.	
	<input type="radio"/> Yes <input checked="" type="radio"/> No	

OO 04.1	Indicate the year end date for your reporting year.	
	30/06/2019	
OO 04.2	Indicate your total AUM at the end of your reporting year.	
	Total AUM 12,309,213,039 AUD 8338256113 USD	
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	
	<input checked="" type="checkbox"/> Not applicable as we do not have any assets under execution and/or advisory approach	

OO 05.1	Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:	
	Internally managed (%)	Externally managed (%)
Listed equity	0	0

Fixed income	100	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
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	Mandatory	Descriptive	General
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OO 06.1	Select how you would like to disclose your asset class mix.
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- as percentage breakdown
- as broad ranges

OO 06.3	Indicate whether your organisation has any off-balance sheet assets [Optional].
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- Yes
- No

OO 06.5	Indicate whether your organisation uses fiduciary managers.
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- 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 07	Mandatory to Report, Voluntary to Disclose	Gateway	General
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Private

OO 09	Mandatory	Peering	General
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OO 09.1	Indicate the breakdown of your organisation's AUM by market.
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100	Developed Markets
0	Emerging Markets
0	Frontier Markets
0	Other Markets

OO 10	Mandatory	Gateway	General
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OO 10.1	Select the active ownership activities your organisation implemented in the reporting year.
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	Fixed income SSA – engagement
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- We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers.
- We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.

	Please explain why you do not engage directly and do not require external managers to engage with companies on ESG factors.
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The applicability and likely impact of the active engagement fixed income SSA exposures is questionable where those exposures are to

entities such as the Australian Federal or state governments. We also raise whether it is ethically appropriate for a fund manager to effectively lobby government without specific direction on behalf of our investors. Our approach to ESG investing for SSA's is at the macro level (i.e. as ESG affects rates, inflation and volatility more generally), rather than as a stock selection decision

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.

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

Our process and philosophy focuses on using primarily credit derivatives to express stock selection views and on negative stock selection (i.e. shorting names). Aside from access difficulty and ability to influence generally, active stewardship would be contrary to the intent of short positions on poor ESG names. Our belief is that by shorting issuers, this creates pricing disadvantages for poor ESG names, which is the most effective form of active management in the context of our investment approach. In saying that to the extent we have long positions in corporate names (unusual), we may seek to actively engage with them. To date however there have been no examples of this because we have not been able to identify material ESG issues that we could reasonably engage upon.

OO 11 Mandatory Gateway General

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 - SSA

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

Fixed income - corporate (non-financial)

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

OO 12 Mandatory Gateway General

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 - SSA
- Fixed income - Corporate (non-financial)

Closing module

- Closing module


OO FI 01 Mandatory to Report, Voluntary to Disclose Gateway General

OO FI 01.1 Provide a breakdown of your internally managed fixed income securities by active and passive strategies

SSA	Passive	0
	Active - quantitative (quant)	0
	Active - fundamental and active - other	100
Corporate (non-financial)	Passive	35
	Active - quantitative (quant)	0
	Active - fundamental and active - other	65

OO FI 01.2 Additional information. [Optional]

It is difficult to classify Ardea's investing approach in this framework. We tend to use quantitative methods to identify opportunities but understand the fundamental or technical reasons why these opportunities might occur. Moreover, each strategy within fixed income can use different weightings towards different approaches.

OO FI 03	Mandatory	Descriptive	General
OO FI 03.1	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.		
SSA			
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
OO FI 03.3	Additional information. [Optional]		
	Most of our mandates are exclusively limited to high quality government or state government bonds.		
OO Checks			Checks
	<input checked="" type="checkbox"/> If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.		

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.

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM
<input checked="" type="checkbox"/> Formalised guidelines on environmental factors	
<input checked="" type="checkbox"/> Formalised guidelines on social factors	
<input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors	
<input checked="" 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)	

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.

Our overall investment proposition is to identify and quantify anomalies or incorrectly priced factors affecting fixed income markets. These anomalies may be short term or persist for years, in some cases.

Ardea’s philosophy with respect to ESG, is to integrate ESG influence into its overall investment process. There are two ways in which this is done:

- 1. Macro Portfolio Positioning**

With respect to high quality government and semi government exposures (SSA), ESG factors are considered not only from a credit risk perspective where ESG factors are used to screen for appropriately high quality entities only thus limiting credit considerations, but also from impact that ESG themes might have on the macro factors (real interest rates, inflation and term structure) that these securities also give exposure to.

- 2. Credit Stock Selection**

With respect to corporate issuers, ESG factors are also considered from a credit risk perspective, since here ESG factors are more relevant from a stock selection perspective. Our ESG Policy framework closely follows an approach recommended by the RI Academy to "Identify", "Assess" and "Integrate" ESG factors into our investment process.

We believe it is our fiduciary duty to integrate ESG into our investment decision making.

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]

Credit Stock Selection

Our ESG policies only apply to what we refer to as active investments in local currency credit risk.

We distinguish between SSA credit risk and corporate credit risk

For SSA exposure, Ardea limits the universe of country domiciles and associated government bonds to those which we believe represent negligible credit risk. The minimisation of credit risk reflects not only the defensive nature of our portfolios generally, but our investment philosophy to focus on macro and relative value strategies with respect to liquid government bonds rather than yield enhancement or issuer selection strategies. Although we believe that the rating agencies do take ESG considerations into account with respect to rating sovereign risk and government debt, we apply additional ESG related filters or screens which we believe enhance our ability to avoid material credit risk exposures or differences. Academic and investor research shows correlations between ESG factors and credit risks and demonstrates that corruption, governance and transparency factors and sovereign bonds performance are clearly correlated. As a result of this screen, SSA credit risk is regarded as a negligible differentiating factor and thus our strategies focus instead on macro portfolio positioning (e.g. interest rate risk) and relative value opportunities with respect to the high quality government bond universe.

For corporate exposures (and SSA exposures that do not meet the screen criteria), we integrate ESG factors into our stock selection process. We do not use ESG factors to exclusively screen the corporate universe as this would potentially exclude overall good value opportunities for our investors.

Derivative exposures which are appropriately cash collateralised are also not subject to ESG investment policies.

Short term investments (less than six months) in discount or similar securities rated A-1 or above by S&P (or equivalent) of issuers will not be subject

to our ESG integrated stock selection process for reasons of lack of materiality to performance.

Macro Portfolio Positioning

Our ESG policies with regard to macro positioning apply to all active investment decisions. Note these positions are expressed at a portfolio level e.g. the decision to be overweight inflation versus nominal instruments overall relative to the benchmark, even if they are made through one specific stock purchase.

Passive Investing

ESG policies do not apply to purely passive mandates where Ardea, in keeping with its mandate rules, is required to hold securities in direct proportion to a benchmark index.

No

SG 01 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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Private

SG 02	Mandatory	Core Assessed	PRI 6
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SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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Policy setting out your overall approach

	URL/Attachment
<input checked="" type="checkbox"/> URL	http://www.ardea.com.au/wp-content/uploads/Ardea-ESG-Policy.pdf
<input type="checkbox"/> Attachment (will be made public)	

Formalised guidelines on environmental factors

	URL/Attachment
<input checked="" type="checkbox"/> URL	http://www.ardea.com.au/wp-content/uploads/Ardea-ESG-Policy.pdf
<input type="checkbox"/> Attachment (will be made public)	

Formalised guidelines on social factors

	URL/Attachment
<input checked="" type="checkbox"/> URL	http://www.ardea.com.au/wp-content/uploads/Ardea-ESG-Policy.pdf
<input type="checkbox"/> Attachment (will be made public)	

Formalised guidelines on corporate governance factors

	URL/Attachment
<input checked="" type="checkbox"/> URL	http://www.ardea.com.au/wp-content/uploads/Ardea-ESG-Policy.pdf
<input type="checkbox"/> Attachment (will be made public)	

Fiduciary (or equivalent) duties

	URL/Attachment
<input checked="" type="checkbox"/> URL	http://www.ardea.com.au/wp-content/uploads/Ardea-ESG-Policy.pdf
<input type="checkbox"/> Attachment (will be made public)	

Asset class-specific RI guidelines

Screening / exclusions policy

	URL/Attachment
<input checked="" type="checkbox"/> URL	http://www.ardea.com.au/wp-content/uploads/Ardea-ESG-Policy.pdf
<input type="checkbox"/> 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.
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Your organisation's definition of ESG and/or responsible investment and it's relation to investments

	URL/Attachment
<input checked="" type="checkbox"/> URL	http://www.ardea.com.au/wp-content/uploads/Ardea-ESG-Policy.pdf

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

URL/Attachment
<input checked="" type="checkbox"/> URL http://www.ardea.com.au/wp-content/uploads/Ardea-ESG-Policy.pdf
<input type="checkbox"/> Attachment

- Time horizon of your investment

URL/Attachment
<input checked="" type="checkbox"/> URL http://www.ardea.com.au/wp-content/uploads/Ardea-ESG-Policy.pdf
<input type="checkbox"/> Attachment

- Governance structure of organisational ESG responsibilities

- ESG incorporation approaches

URL/Attachment
<input checked="" type="checkbox"/> URL http://www.ardea.com.au/wp-content/uploads/Ardea-ESG-Policy.pdf
<input type="checkbox"/> Attachment

- Active ownership approaches

URL/Attachment
<input checked="" type="checkbox"/> URL http://www.ardea.com.au/wp-content/uploads/Ardea-ESG-Policy.pdf
<input type="checkbox"/> Attachment

- Reporting

URL/Attachment
<input checked="" type="checkbox"/> URL http://www.ardea.com.au/wp-content/uploads/Ardea-ESG-Policy.pdf
<input type="checkbox"/> Attachment

- Climate change

- We do not publicly disclose any investment policy components

SG 03	Mandatory	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.
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- Yes

SG 03.2	Describe your policy on managing potential conflicts of interest in the investment process.
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Ardea manages its conflicts in accordance with a four-step conflicts management process that involves: 1. Identifying conflict situations including utilising a conflicts register. 2. Assessing the likelihood of the conflict compromising the quality of the financial services provided by Ardea. 3. Appropriately responding to the conflict situation. Once the impact of a conflict situation has been assessed, an appropriate response must be developed and implemented. An appropriate response will depend on the facts and circumstances surrounding the conflict situation. 4. Adequate disclosure of the conflict and Ardea's response to it.

- No

SG 04	Voluntary	Descriptive	General
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Private

SG 05	Mandatory	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.
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- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2	Additional information. [Optional]
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Our ESG process is integrated into our overall process and in effect, we constantly review our investment process looking for ways to improve it with respect to maximising our risk adjusted returns but we review it annually.

We are therefore open to new ESG investing approaches as we become aware of them and how these might be complimentary and an improvement on our existing approach.

Since ESG has different meanings to different people, objectives with regard to ESG may be determined on a case by case basis based upon clients' express wishes. We can be responsive therefore to tailored client requests (e.g. exclusions) in general however the objective of our ESG activities is to improve our risk adjusted returns for our clients.

SG 06	Voluntary	Descriptive	General
Private			

SG 07	Mandatory	Core Assessed	General
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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	
<input checked="" type="checkbox"/>	Board members or trustees
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input checked="" type="checkbox"/>	Internal Roles (triggers other options)
Select from the below internal roles	
<input checked="" type="checkbox"/>	Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input type="checkbox"/>	Other Chief-level staff or head of department, specify
<input checked="" type="checkbox"/>	Portfolio managers
<input checked="" type="checkbox"/>	Oversight/accountability for responsible investment
<input checked="" type="checkbox"/>	Implementation of responsible investment
<input type="checkbox"/>	No oversight/accountability or implementation responsibility for responsible investment
<input type="checkbox"/>	Investment analysts
<input type="checkbox"/>	Dedicated responsible investment staff
<input type="checkbox"/>	Investor relations
<input type="checkbox"/>	Other role, specify (1)
<input type="checkbox"/>	Other role, specify (2)
<input type="checkbox"/>	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.

Considering ESG factors is an integrated and natural part of our investment process. Macro fixed income alpha decisions are required to consider ESG megatrends, whereas our limited credit stock selection activity (<5%), also requires us to consider ESG risks as part of the risk grading fundamental analysis. In effect, failure not to do so may be to the detriment of long term performance. Accountability for failure to do so rests with the collective investment team. As Ardea is a small firm, key staff are board members and therefore oversight and implementation is effectively the same.

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

0

SG 07.4 Additional information. [Optional]

Incorporating ESG issues is a natural part of the investment process is properly overseen and implemented by the relevant portfolio managers. Indeed, we think having dedicated RI staff is a potential impediment to proper integration of ESG into decision making because it implies that it is separate from other risk factors in the investment decision making process.

SG 07 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
Private			

SG 08	Voluntary	Additional Assessed	General
Private			

SG 09	Mandatory	Core Assessed	PRI 4,5
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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.

Principles for Responsible Investment

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

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
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In 2016 we participated as a sub-committee member for the UNPRI Initiative for 'ESG in Credit Ratings'. We have since relinquished this role once the primary objective was achieved. We are now a signatory to the initiative.

- 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)
- 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
- 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

AFMA Markets Committee

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

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]
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We are a participant in the AFMA markets committee responsible for the governance and processes around determining short-term money market reference rates (BBSW/LIBOR). This process has greatly improved the transparency and quality of these rates which had earlier been called into question. We also continue to provide feedback on other aspects of market functioning to market regulators and other public bodies through direct liaison with these organisations.

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

SG 10	Mandatory	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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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.
<input checked="" type="checkbox"/> 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	Peer to Peer RI support for new and existing investment staff. All new credit staff are required to complete the PRI Academy course. Insights around RI are shared across the investment team. Ardea also works closely with Fidante's dedicated ESG Specialist to continuously develop its ESG integration process.
Frequency of contribution	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input checked="" type="radio"/> Ad hoc <input type="radio"/> Other
<input type="checkbox"/> Provided financial support for academic or industry research on responsible investment <input type="checkbox"/> Provided input and/or collaborated with academia on RI related work <input checked="" type="checkbox"/> Encouraged better transparency and disclosure of responsible investment practices across the investment industry	
Description	By publicly disclosing our ESG policy and process we encourage better disclosure from others in the industry.
Frequency of contribution	<input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other
<input type="checkbox"/> Spoke publicly at events and conferences to promote responsible investment <input type="checkbox"/> Wrote and published in-house research papers on responsible investment <input type="checkbox"/> Encouraged the adoption of the PRI <input type="checkbox"/> Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.) <input type="checkbox"/> Wrote and published articles on responsible investment in the media <input type="checkbox"/> A member of PRI advisory committees/ working groups, specify <input type="checkbox"/> On the Board of, or officially advising, other RI organisations (e.g. local SIFs) <input type="checkbox"/> Other, specify	
<input type="radio"/> No	

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]
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We are a small, specialist fixed income manager. Our ability to promote PRI beyond supporting collaborative initiatives is limited by resources.

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
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Private

SG 12	Mandatory	Core Assessed	PRI 4
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SG 12.1	Indicate whether your organisation uses investment consultants.
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- Yes, we use investment consultants
 No, we do not use investment consultants.

SG 12.7	Additional information [Optional].
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We do not use external managers (we are an external manager) and we are fixed income managers. It would be unusual for a firm such as ours to use investment consultants

SG 13	Mandatory	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.).
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- 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 14	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1
Private			
SG 14 CC	Voluntary		General
Private			
SG 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
Private			
SG 18	Voluntary	Descriptive	General
Private			
SG 19	Mandatory	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.		
	Fixed income		
	Do you disclose?		
	<input type="radio"/> We do not disclose to either clients/beneficiaries or the public.		
	<input type="radio"/> We disclose to clients/beneficiaries only.		
	<input checked="" type="radio"/> We disclose to the public		
	The information disclosed to clients/beneficiaries is the same		
	<input checked="" type="radio"/> Yes		
	<input type="radio"/> No		
	Disclosure to public and URL		
	Disclosure to public and URL		
	<input type="radio"/> Broad approach to RI incorporation		
	<input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used		
	Annually		
	http://www.ardea.com.au/wp-content/uploads/Ardea-ESG-Policy.pdf		
SG Checks			Checks

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

FI 01.1 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.

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

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

With respect to SSA strategies our focus is to add value to portfolios via macro portfolio positioning (e.g. duration and inflation risks) and relative value (non directional), not through credit factors. Thus, to ensure credit factors are there minimised via a high quality portfolio, we screen the universe for both fundamental (credit rating) and ESG related inputs. Beyond this point, we believe our SSA strategy is integrated with ESG considerations with respect to macro portfolio positioning only.

It is argued that incorporating ESG into investment process is a fiduciary responsibility of investment managers.[1] In some jurisdictions ESG investment goals are even embedded as director's statutory obligations. An integrated approach to ESG therefore sits comfortably with our fiduciary duties. It is more questionable whether screening and thematic based ESG processes are consistent with fiduciary duties, however since these approaches tend to exclude value from the equation of whether an investment is made or not, or in what weight (unless specifically directed by the client).

[1] Freshfields Bruckhaus Deringer (2009) "Fiduciary Responsibility: Legal and practical aspects of integrating environmental, social and governance issues into institutional investment." (pp 23-25)

CM1 01	Mandatory	Additional Assessed	General
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:		
<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified <input type="checkbox"/> Selected data has been internally verified <input checked="" type="checkbox"/> Other, specify <p style="margin-left: 20px;">Related party review of all responses to this year's PRI Transparency Report</p> <input type="checkbox"/> None of the above			
CM1 02	Mandatory	Descriptive	General
CM1 02.1	We undertook third party assurance on last year's PRI Transparency Report		
<input type="radio"/> Whole PRI Transparency Report was assured last year <input type="radio"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="radio"/> We did not assure last year's PRI Transparency report <input type="radio"/> None of the above, we were in our preparation year and did not report last year.			
CM1 03	Mandatory	Descriptive	General
CM1 03.1	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:		
<input type="checkbox"/> We adhere to an RI certification or labelling scheme <input type="checkbox"/> 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 <input type="checkbox"/> ESG audit of holdings <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> None of the above			
CM1 04	Mandatory	Descriptive	General
CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?		
<input type="radio"/> Whole PRI Transparency Report will be assured <input type="radio"/> Selected data will be assured <input checked="" type="radio"/> We do not plan to assure this year's PRI Transparency report			
CM1 07	Mandatory	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		
<input checked="" type="checkbox"/> CEO or other Chief-Level staff <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Sign-off <input checked="" type="checkbox"/> Review of responses <input type="checkbox"/> The Board <input type="checkbox"/> Investment Committee <input checked="" type="checkbox"/> Compliance Function <input checked="" type="checkbox"/> RI/ESG Team <input checked="" type="checkbox"/> Investment Teams <input type="checkbox"/> Legal Department <input type="checkbox"/> Other (specify)			
CM1 07.2	Additional information [OPTIONAL]		
The RI/ESG Team is a related party to the company who assists us in a consultancy capacity.			