



RI TRANSPARENCY REPORT

2019

Frontier Advisors

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.

Usage restrictions

Public Transparency Reports are the intellectual property of PRI. In no case, can this report or any content of it be sold to other parties.

Third party organisations who have accessed Transparency reports outside of the Data Portal and intend to use those require the prior written consent of PRI (other than for internal use or research or for the sole benefit of the organisation whose report this refers to).

OO 01	Mandatory	Descriptive
OO 01.1	Select the location of your organisation's headquarters.	
	Australia	
OO 01.2	Indicate the number of countries in which you have offices (including your headquarters).	
	<input checked="" type="radio"/> 1 <input type="radio"/> 2 - 5 <input type="radio"/> 6 - 10 <input type="radio"/> 11 - 50 <input type="radio"/> >50	
OO 01.3	Indicate the regions where you have offices.	
	<input type="checkbox"/> Africa/Middle East <input type="checkbox"/> Asia (excluding Japan & Korea) <input checked="" type="checkbox"/> Australasia <input type="checkbox"/> Canada <input type="checkbox"/> Continental Europe <input type="checkbox"/> Japan & Korea <input type="checkbox"/> Nordic <input type="checkbox"/> South America <input type="checkbox"/> UK & Ireland <input type="checkbox"/> US	
OO 01.4	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).	
	55	
OO 01.5	Additional information.[OPTIONAL]	
	<p>Frontier Advisors is Australia's leading independent asset consultant. We have been successfully advising Australian institutional investors for over two decades. With some of the nation's leading analysts and advisors in our team, we provide advice to institutional investors across the superannuation, charity, public sector and higher education sectors.</p> <p>Frontier has four shareholders: AustralianSuper, Cbus, HESTA and FIRST Super. We now have over 60 people working in our team and more than A\$320 billion in assets under advice.</p> <p>Frontier provides a truly differentiated proposition for the Australian institutional investment market. To evolve with the changing needs of our client base, we have professionals with extensive specialist experience to focus on in-depth research into key areas such as equities, property, debt and infrastructure. At the same time, we have continued to develop and harness broad generalist consulting skills. This balance of specialist and generalist skills, combined with exceptional client service skills, delivers a flexible offering for our clients.</p> <p>Specifically with regard to ESG, we continue to develop our approach, further integrating ESG factors into the advice we provide to clients. We are also continually working to embed the assessment of key ESG risks and opportunities into our investment and manager research and actively engage with the funds management industry on these issues. Managers' approach to ESG forms a significant part of due diligence by each Research Team. We seek to understand if managers are genuine in the incorporation of ESG matters, and ESG incorporation is formally assessed as part of our manager ratings process. We recognise that there is no "one size fits all" approach for ESG with tailored advice provided across the client base, given the diversity in our clients' ESG philosophy and level of specialisation within their internal teams.</p>	

OO 02	Mandatory	Descriptive
-------	-----------	-------------

OO 02.1	Indicate the year end date for your reporting year.	
	31/12/2018	

OO 03	Mandatory	Gateway
-------	-----------	---------

OO 03.1	Indicate which of the following categories reflect your core offering or main business activity:	
	<input type="checkbox"/> Reporting <input type="checkbox"/> Active Ownership Services <input checked="" type="checkbox"/> Investment consultancy <input type="checkbox"/> Research and Data Provision <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	

OO 03.2	Indicate any other business activities that your organisation offers. Indicate whether you wish to report on these business areas.	
	<input type="checkbox"/> Reporting <input type="checkbox"/> Active Ownership Services <input type="checkbox"/> Research and Data provision <input type="checkbox"/> Other, specify (3) <input type="checkbox"/> Other, specify (4)	

None of the above

OO 05

Mandatory to Report, Voluntary to Disclose

Gateway

Private

SG 01.1

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

Frontier's summary Responsible Investment Philosophy is stated as follows:

"We integrate responsible investment into our process to identify and manage material Environmental, Social and Governance (ESG) risks and investment opportunities, because ESG factors impact investment performance sustainability."

The Responsible Investment Philosophy forms part of Frontier's Investment Philosophy. Frontier considers the combination of "traditional" and responsible investment considerations to represent the full extent of investment factors that investors must address to achieve long-term investment performance objectives.

Frontier's Responsible Investment Policy ("the Policy") sets out the way responsible investment is integrated into its investment research and advisory efforts.

Frontier has been working with our clients and the investment management community on these issues since the late 1990's. While our fundamental philosophy remains unchanged, our research approach has been continually evolving as our clients and the funds management industry develop and change the way that they address these issues.

All ideas, managers and investments must justify their place in a portfolio across risk, return and cost dimensions. Risk and opportunities come in various forms and need to be identified, assessed and managed. ESG assessment forms an integral part of our research and advice. ESG risks and opportunities are a specific subset and are worthy of separate review. We believe the identification and management of ESG risks and opportunities can assist investors to achieve their long-term goals.

Research adds value, drives innovation and confirms investment strategies. We use both quantitative tools and qualitative views to inform our research and advice and to add value for our clients. And of course, implementation matters.

SG 01.2

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

Yes

SG 01.3

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

Policy setting out your overall ESG/RI approach

Public availability

URL

Attachment

Frontier Responsible Investment Policy FINAL.pdf

Not publicly available

Formalised guidelines on environmental factors

Formalised guidelines on social factors

Formalised guidelines on corporate governance factors

Formalised guidelines on engagement approach

Formalised guidelines on (proxy) voting approach

Other, specify (1)

Other, specify (2)

None of the above

SG 01.4

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

Regular employee training on RI/ESG

Regular RI/ESG policy awareness building for employees

Establishment of policy review committee/team

Remuneration linked to achieving ESG objectives

Annual performance incentives

Other, specify (1)

Other, specify (2)

Other, specify (3)

No

SG 02.1	Indicate what frameworks and guidelines you have used to develop your organisation's policies. Tick all that apply.
<input checked="" type="checkbox"/> UN Principles for Responsible Investment <input checked="" type="checkbox"/> UN Global Compact Principles <input type="checkbox"/> UN Guiding Principles on Business and Human Rights <input checked="" type="checkbox"/> Universal Declaration of Human Rights <input checked="" type="checkbox"/> UN Sustainable Development Goals <input checked="" type="checkbox"/> International Bill of Human Rights <input checked="" type="checkbox"/> International Labour Organisation Conventions <input type="checkbox"/> IFC Performance Standards <input type="checkbox"/> United Nations Convention Against Corruption <input type="checkbox"/> OECD Principles of Corporate Governance <input type="checkbox"/> OECD Guidelines for Multinational Enterprises <input type="checkbox"/> GRI standards <input checked="" type="checkbox"/> Other, specify (1) The Paris Pledge <input type="checkbox"/> Other, specify (2) <input type="checkbox"/> Other, specify (3) <input type="checkbox"/> None of the above	

SG 02.2	Additional information. [OPTIONAL]
<p>At the time of writing, Frontier Advisors is developing its approach to assisting clients with respect to the Australian Modern Slavery Act 2018 which was recently passed by the Australian Parliament. It is anticipated that Frontier will look to rely on multiple documents in doing so, beyond human rights frameworks as already noted. These may include the "Modern Slavery: Risks, Rights and Responsibilities" as commissioned by the Australian Council of Superannuation Investors (ACSI) and/or any frameworks produced by the Responsible Investment Association of Australia's Human Rights Working Group.</p>	

SG 03	Mandatory	Descriptive
--------------	------------------	--------------------

SG 03.1	Indicate whether you offer standard, off the shelf, policies to clients as part of your product offerings, and/or whether you create tailored versions for individual clients.
----------------	---

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

SG 03.2	Provide a brief description of the key elements, any variations, or exceptions applying to these policies.
<p>Frontier is the only major independent institutional advisor in Australia. Frontier has a firm conviction around the importance of unconflicted advice. Frontier does not offer investment products, has no commercial affiliation with investment managers or banks, and we do not receive any commissions for our advice.</p> <p>Our owners direct us to focus solely on investment advice and research. Their primary interest in owning Frontier has always been, and remains, ensuring a strong and truly independent asset consulting practice exists to serve Australian institutional investors.</p>	

SG 04	Mandatory	Descriptive
--------------	------------------	--------------------

SG 04.1	Briefly describe how you include ESG/RI factors as part of your business offerings.
----------------	--

How you include ESG/RI factors

Frontier's Responsible Investment Group was established in 2017 to assist with the delivery of one of Frontier's Major Projects for 2017 related to ESG, managed within Frontier' Investment Committee. The Responsible Investment Group was subsequently established as a permanent business unit in 2018. At the delegation of the Investment Committee, the Responsible Investment Group is responsible for thought leadership in, and oversight of Frontier's efforts on responsible investment.

SG 04.2 Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for ESG/RI within the organisation.

Roles present in your organisation	Oversight/accountability for ESG/RI	Implementation of ESG/RI
Board	<input checked="" type="checkbox"/> Board - Oversight/accountability for ESG/RI	<input type="checkbox"/> Board - Implementation of ESG/RI
Directors	<input checked="" type="checkbox"/> Directors - Oversight/accountability for ESG/RI	<input type="checkbox"/> Directors - Implementation of ESG/RI
Chief Executive Officer (CEO), Chief Financial Officer (CFO)	<input checked="" type="checkbox"/> Chief Executive Officer (CEO), Chief Financial Officer (CFO) - Oversight/accountability for ESG/RI	<input type="checkbox"/> Chief Executive Officer (CEO), Chief Financial Officer (CFO) - Implementation of ESG/RI
Chief Operating Officer (COO), Chief Information Officer (CIO)	<input type="checkbox"/> Chief Operating Officer (COO), Chief Information Officer (CIO) - Oversight/accountability for ESG/RI	<input type="checkbox"/> Chief Operating Officer (COO), Chief Information Officer (CIO) - Implementation of ESG/RI
Other chief-level staff	<input checked="" type="checkbox"/> Other chief-level staff - Oversight/accountability for ESG/RI Please specify Director of Consulting, Director of Research and Director of Investment Strategy	<input checked="" type="checkbox"/> Other chief-level staff - Implementation of ESG/RI Please specify The Directors of Consulting, Research and Investment Strategy are all voting members of the Responsible Investment Group
Other heads of department	<input checked="" type="checkbox"/> Other heads of department - Oversight/accountability for ESG/RI Please specify Chair of Responsible Investment Group	<input type="checkbox"/> Other heads of department - Implementation of ESG/RI
Dedicated ESG/RI staff	<input type="checkbox"/> Dedicated ESG/RI staff - Oversight/accountability for ESG/RI	<input type="checkbox"/> Dedicated ESG/RI staff - Implementation of ESG/RI
Other role, specify (1)	<input checked="" type="checkbox"/> Other role (1) - Oversight/accountability for ESG/RI Please specify Climate change specialist	<input checked="" type="checkbox"/> Other role (1) - Implementation of ESG/RI Please specify Attends meetings on a scheduled, six-monthly basis specifically to report on any relevant technical issues around climate change that will support the climate change research process
Other role, specify (2)	<input type="checkbox"/> Other role (2) - Oversight/accountability for ESG/RI	<input type="checkbox"/> Other role (2) - Implementation of ESG/RI
Other role, specify (3)	<input type="checkbox"/> Other role (3) - Oversight/accountability for ESG/RI	<input type="checkbox"/> Other role (3) - Implementation of ESG/RI
None of the above	<input type="checkbox"/> None of the above - Oversight/accountability for ESG/RI	<input type="checkbox"/> None of the above - Implementation of ESG/RI

SG 04.3 Indicate how you ensure ESG/RI expertise for the roles where there are RI oversight/accountability or implementation responsibilities.

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

Frontier's regular internal program of ESG often features external ESG/RI specialists provided by fund manager, advocacy groups etc

- Other, specify (2)
- Other, specify (3)
- Other, specify (4)

SG 04.4 Indicate whether your organisation has any ESG/RI linked incentives for its employees.

Yes

SG 04.5 Describe the ESG/RI linked incentives.

The Chair of the Responsible Investment Group has a proportion of their financial incentives explicitly linked to meeting Objectives and Targets established annually for the Responsible Investment Group by the Investment Committee. These Objectives and Targets include measures based on quality, idea generation, revenues, research and efficiency and internal communications.

Given responsible investment activities are fully-integrated into Frontier's activities, all research and client consulting staff are indirectly incentivised on the quality of ESG integration as part of their overall incentive structures.

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

SG 05 Mandatory to Report, Voluntary to Disclose

Descriptive

Private

SG 06 Mandatory

Descriptive

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

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

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

Frontier provides ESG/RI training/educational services on request to clients, typically for the benefit of trustee directors but from time to time for the executive as well.

Main components of this service include running ESG beliefs workshops, pursuant to developing client ESG/RI policies - these often involve a substantial training element. Other examples include workshops and discussion groups focused on specific ESG topics/factors. All training is tailored to client requirements.

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

Training sessions have been provided for educational purposes.

SG 07 Mandatory

Descriptive

SG 07.1 Describe how your organisation applies, advances and promotes the PRI Principles.

Frontier became a signatory of the PRI in October 2006 as a professional service partner. While not a steward or manager of assets, on becoming a signatory, Frontier has publicly committed to providing, developing and promoting services that support its clients' implementation of the Principles.

In signing the PRI, Frontier commits to encouraging investment managers and related service providers to further consider ESG issues in the management of monies on behalf of our clients where consistent with their fiduciary duties.

Principle 1:

Frontier works with clients to understand and clarify their ESG investment beliefs and objectives. This defines matters that are most important for the client and assists with the development of the client's investment philosophy and strategic asset allocation.

In designing an overall investment strategy the sensitivity to climate change risks are examined along with other risk factors.

We incorporate ESG considerations into our manager selection and manager monitoring process. A fund manager's approach to ESG forms a significant part of our due diligence both at the time of initial manager assessment, and as part of an ongoing review.

Principle 2:

Frontier regularly engages with fund managers to ensure active ownership policies are in place and as part of our regular monitoring of these managers we assess whether their active ownership practises are in line with their stated policies.

Principle 3:

As part of our regular monitoring of managers, we regularly request disclosure by managers with respect to their ESG practices.

Principle 4:

For Frontier clients considering becoming PRI signatories, we have provided details with respect to the requirements of the PRI, as well as outlining the key benefits of becoming a signatory.

Principle 5:

Frontier regularly encourages investment managers and related service providers to further consider ESG issues in the management of monies on behalf of our clients where consistent with their fiduciary duties. One example relates to Frontier collaborating with the Clean Energy Finance Corporation with respect to decarbonisation targets as well as introducing the organisation to some of our clients who are PRI signatories.

Principle 6:

Frontier regularly undertakes and publishes research or written thought pieces across a range of ESG related topics.

SG 08	Mandatory	
-------	-----------	--

SG 8.1	Indicate which of the following actions your organisation has taken to promote responsible investments during the reporting year, independently of collaborative initiatives.
--------	---

- Provided or supported education or training programmes for clients, investment managers, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoken publicly at events and conferences to promote responsible investment
- Written and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Written and published articles on responsible investment in the media
- Policy engagements and other interactions
- Other, specify
- None of the above

SG 8.2	Additional information. [OPTIONAL]
--------	------------------------------------

Frontier is a member of the Global Investment Research Alliance (GIRA). GIRA is an innovative information sharing alliance between regional, like-minded and independent investment advisory firms. Frontier and Segal Marco Advisors are the foundation members, creating the Alliance in 2013, with UK-based firm, LCP, joining in 2014.

GIRA provides each partner with access to an expanded manager research database, with all three databases accessible remotely and online. Regular contact between sector team counterparts, onsite meetings, joint manager meetings, research forums and joint venture research projects all contribute to enhanced global awareness and a sharing of ideas and concepts from a broad international pool of investment professionals.

Frontier has engaged with its GIRA partners on ESG matters in order to broaden its perspective on how ESG integration is considered in different global jurisdictions. Frontier believes these insights can provide useful context in providing RI advisory services to its clients (e.g. understanding regulatory developments in ESG outside Australia).

SG 09	Mandatory	Descriptive
-------	-----------	-------------

SG 09.1	Indicate which of the following long-term trends are addressed in your product outputs.
---------	---

- Changing demographics

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

Frontier has conducted detailed research into the demographics outlook for the globe and the potential impact on the economy, interest rates and investment returns. Our research included analysis of labour force participation, productivity growth, consumption, investment and savings patterns. The output of this research was factored into our long-term outlook for asset classes, which flows through to the advice we provide to clients as part of their investment policy and strategic asset allocation reviews.

- Climate change

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

Frontier has developed a Climate Change Module into Prism, within our proprietary portfolio analytics system. This is part of an ongoing objective to assist clients in considering environmental issues in their portfolio at the strategic asset allocation level. The Climate Change Module specifically aims to better understand the potential impacts of climate change on investment portfolios with regard to the return impacts of different but plausible scenarios.

We are continually in the process of reviewing our climate change modelling to take into account more recent changes in the relative cost profile of renewable energy and updated estimates with respect to the potential physical impacts of climate change.

Most recently, Frontier has looked to explicitly factor in long-term climate physical and mitigation dynamics into its determination of long-term expected asset class returns.

- Resource scarcity
- Technology developments
- Other, specify (1)

Inequality

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

Frontier has conducted in-depth research into the potential impacts of global dynamics around inequality on long-term economic growth and therefore, asset class returns. Frontier views inequality as a drag on sustainable economic growth.

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

SG 10	Mandatory	
-------	-----------	--

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

✓ Yes, we do

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

Board of trustee meetings

Frequency
<input type="radio"/> Daily
<input type="radio"/> Weekly
<input type="radio"/> Monthly
<input checked="" type="radio"/> Quarterly
<input type="radio"/> Bi-annually
<input type="radio"/> Annually
<input type="radio"/> Ad-hoc basis
<input type="radio"/> Other, specify

Investment committee meetings

Frequency
<input type="radio"/> Daily
<input type="radio"/> Weekly
<input checked="" type="radio"/> Monthly
<input type="radio"/> Quarterly
<input type="radio"/> Bi-annually
<input type="radio"/> Annually
<input type="radio"/> Ad-hoc basis
<input type="radio"/> Other, specify

Trustee training workshops

Frequency
<input type="radio"/> Daily
<input type="radio"/> Weekly
<input type="radio"/> Monthly
<input type="radio"/> Quarterly
<input type="radio"/> Bi-annually
<input type="radio"/> Annually
<input checked="" type="radio"/> Ad-hoc basis
<input type="radio"/> Other, specify

Formal regular meetings outside of committee meetings

Frequency
<input type="radio"/> Daily
<input checked="" type="radio"/> Weekly
<input type="radio"/> Monthly
<input type="radio"/> Quarterly
<input type="radio"/> Bi-annually
<input type="radio"/> Annually
<input type="radio"/> Ad-hoc basis
<input type="radio"/> Other, specify

Informal meetings or calls

Frequency
<input checked="" type="radio"/> Daily
<input type="radio"/> Weekly
<input type="radio"/> Monthly
<input type="radio"/> Quarterly
<input type="radio"/> Bi-annually
<input type="radio"/> Annually
<input type="radio"/> Ad-hoc basis
<input type="radio"/> Other, specify

Other, specify (1)

- Other, specify (2)
- Other, specify (3)
- No, we do not

SG 10.3 Additional information. [OPTIONAL]

In our meetings with our clients, we provide all areas of investment advice and support, and as required this includes ESG/RI advice and implementation.

SG 11 Mandatory Descriptive

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

Describe

Frontier's focus is the provision of investment and related advice and research. This, along with our commitment to independence, defines what we do.

We are dedicated to being innovative and delivering market leading professional services to our clients looking for a long-term competitive edge. We work as a team in partnership with our clients, pioneering creative business and investment solutions, which have regard for ESG/RI given that the identification and management of ESG risks and opportunities can assist investors to achieve their long-term goals.

This is not relevant for my organisation

SG 12 Mandatory Descriptive

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

Describe

Frontier recognises there is no "one size fits all" approach for ESG, with there being diversity in the ESG philosophy and level of specialisation of investors. This need to tailor responsible investment advice is one of Frontier's foundational responsible investment beliefs.

Frontier's approach is always to work closely with clients to understand and clarify their ESG investment beliefs and objectives to ensure advice will be provided which is appropriate to a client's unique set of objectives, constraints and values.

Frontier prides itself on providing frank and fearless advice and may, if circumstances dictate, recommend against intended courses of action relating to responsible investment by the client if we deem these to compromise the long-term sustainability of investment performance.

This is not relevant for my organisation

SG 13 Mandatory Descriptive

SG 13.1 Indicate whether you seek feedback from clients on your RI/ESG services and product offerings

Yes

SG 13.2 Describe how you use this feedback in your RI/ESG services and product offerings.

Frontier has established a Client Relationship Management (CRM) committee, from which members meet with clients on more formal basis to receive feedback on all aspects on our services, which includes and ESG/RI advice provided. Typically, such feedback is directed to the Responsible Investment Group to ensure that feedback which may be relevant to Frontier's broader client base may be efficiently addressed as part of the Group's role in driving overall responsible investment activity at Frontier.

Additionally, Frontier client teams frequently meet with internal client staff where regular feedback on our advice and services are regularly provided. Any feedback from our clients is used to improve the advice and services we provide to our client base.

No

SG 14 Mandatory Descriptive

SG 14.1 Indicate whether your organisation has a policy for managing potential conflicts of interest.

Yes

SG 14.2 Describe how you manage potential conflicts of interest.

Frontier's business model and pure focus on investment advice and research means there are no areas where conflicts of interest arise in relation to our advice, related parties and revenue structures, or our own investment products and ideas.

Frontier's Conflict of Interest Policy sets out the framework for monitoring and managing conflicts of interest within the business. This includes procedures for ensuring client sensitive or privileged information is kept confidential within the relevant teams, including the process for quarantining electronic and other information received from, or known about, a client and their activities. Frontier will not act or advise on both sides of a transaction, nor will it advise a client where a promoter is on both sides of a transaction or proposal due to the inability to fairly and transparently verify a market price and the obvious conflict of the third party promoter.

SG 14.3 Describe how you ensure that company employees do not derive any personal gain from the use of information collected during your work process.

Frontier sometimes receives information which, if disclosed, might materially affect the price or value of Financial Products. This is "inside information". The general principle of Frontier's Conflicts of Interests Policy is that employees are prohibited from dealing in any Financial Products in relation to which Frontier holds inside information. Further, employees have an additional specific restriction in relation to their superannuation and pension accounts such that, where the employees' pension fund is also a Frontier client, then switching is only permitted within 30 days of the fund's notification of its annual/six monthly reports except with the prior approval.

No

IC 01	Mandatory	Gateway
IC 01.1	Indicate whether your services include any of the following.	
	<input type="checkbox"/> Custodial services <input checked="" type="checkbox"/> Investment policy development <input checked="" type="checkbox"/> Strategic asset allocation <input checked="" type="checkbox"/> Investment research <input checked="" type="checkbox"/> Manager selection and monitoring <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify (2)	
IC 01.2	Describe how you ensure that your clients understand your service offerings and fee structure.	
	<p>Frontier enters into a service agreement with each of its clients, which clearly outlines the services to be undertaken, with the agreed fee outlined in the contract. Any out of contract services to be provided will be discussed with the client ahead of the work being completed, with the scope of the work and fees to be charged outlined separately.</p>	
IC 02	Mandatory to Report, Voluntary to Disclose	
	Private	
IC 03	Mandatory	
IC 03.1	Indicate whether you provide fiduciary management services.	
	<input type="radio"/> Yes, we do <input checked="" type="radio"/> No, we do not	
IC 04	Voluntary	Descriptive
	Private	
IC 06	Mandatory	Descriptive
IC 06.1	Indicate whether you incorporate ESG into your investment policy development services.	
	<input checked="" type="radio"/> Yes, we systematically do <input type="radio"/> Yes, we occasionally do <input type="radio"/> No, we do not. Plans exist to start incorporating ESG into our investment policy development services in the next reporting year <input type="radio"/> No, we do not	
IC 06.2	Describe how you incorporate ESG factors and RI-considerations when advising clients on investment policy development.	
	<input checked="" type="checkbox"/> Reviewing clients' existing beliefs, investment strategy and policy in relation to ESG <input checked="" type="checkbox"/> Aligning the investment policy with the client's overall ESG strategy and beliefs <input checked="" type="checkbox"/> Helping clients define ESG investment objectives and incorporating them into policies <input type="checkbox"/> Considering short-, mid- and long term time horizon of overall ESG objectives outlined in the investment policy <input checked="" type="checkbox"/> Aligning the policy with the relevant ESG/RI regulations and public policies <input checked="" type="checkbox"/> Determining the client's ESG risk-profile and materiality to inform the investment policy <input checked="" type="checkbox"/> Providing education/training and case studies if the client has not publicly committed to an ESG strategy or beliefs, and seek to incorporate ESG in the client's investment policy <input checked="" type="checkbox"/> Researching ESG trends, terminology and current debate to help create an up-to-date investment policy <input checked="" type="checkbox"/> Comparing ESG investment policies of peers in the market <input checked="" type="checkbox"/> Engaging the client organisations' executives, Board and any other stakeholders in the ESG investment policy development <input checked="" type="checkbox"/> Outlining the internal governance structure responsible for overseeing and implementing the investment policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify (2) <input type="checkbox"/> Other, specify (3)	
IC 07	Mandatory	Descriptive
IC 07.1	Indicate whether you incorporate ESG into your strategic asset allocation process.	
	<input checked="" type="radio"/> Yes, we systematically do <input type="radio"/> Yes, we occasionally do <input type="radio"/> No, we do not. Plans exist to start incorporating ESG into our strategic asset allocation services in the next reporting year <input type="radio"/> No, we do not	
IC 07.2	Indicate how you incorporate ESG into your strategic asset allocation services.	
	<input checked="" type="checkbox"/> Incorporating climate change-specific factors into analysis of expected returns and risk levels across asset classes <input checked="" type="checkbox"/> Incorporating other environmental considerations into analysis of long-term expected returns and risk levels across asset classes e.g. biodiversity, water usage, waste and hazardous materials	

- Incorporating social considerations into analysis of long-term expected returns and risk levels across asset classes
- Incorporating governance considerations into analysis of long-term expected returns and risk levels across asset classes
- Incorporating ESG when advising on target percentages for allocation in asset classes
- Aligning the strategic asset allocation with the client's ESG investment policy, ESG investment objectives and ESG risk profile
- Other, specify(1)
- Other, specify(2)
- Other, specify(3)

IC 07.4 Additional information. [OPTIONAL]

Frontier's Capital Markets and Asset Allocation Team (CMAAT) integrates ESG considerations into the development of its long-term capital market assumptions on an annual basis. The CMAAT draws on ESG research from across the broader business including Frontier's sector Research Teams. ESG factors deemed material (e.g. transition to a lower-carbon economy), are considered alongside traditional factors, (e.g. productivity growth), in determining the long-term expected returns, risk, correlations etc. of major asset classes. These metrics are key inputs into portfolio modelling which is an important tool in determining a client's strategic asset allocation.

IC 08	Voluntary	Descriptive
Private		

IC 09 Mandatory

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

While Frontier does not provide implemented consulting services, we do maintain an internal Model Portfolio with a long-term horizon which is expected to meet an illustrative return target in keeping with that of a typical client (hurdle over inflation). Frontier's Capital Markets and Asset Allocation Team (CMAAT) maintains a register of changes it makes to both strategic and dynamic allocations (medium term, circa one-to-three years) within the Model Portfolio framework. The value-add of dynamic asset allocation calls are reported to and formally reviewed by Frontier's Investment Committee on a periodic basis.

IC 10 Mandatory

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

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

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

Investment research activities

- Asset level research
- Portfolio level research
- Performance monitoring
- Mandate design
- Benchmark selection
- Equity research
- Credit research
- Quant research
- Sector research

Describe how you incorporate ESG

Responsible investment research is primarily undertaken by Frontier's Research Teams, reflecting the differing relative materiality of ESG factors across asset classes/capital markets. A Research Team may collaborate on responsible investment research with other business units including but not limited to, other Research Teams, the Responsible Investment Group, Client Teams, the Quantitative Solutions Group and the Governance, Advice, Risk, Decisions and Strategy Team, on an as-needs basis. Where relevant, a Research Team may draw on externally-produced responsible investment intelligence to supplement its proprietary analysis. Each Research Team formally reports on material responsible investment matters across all major asset classes/capital markets on at least an annual basis. More generally, where deemed material, asset class/capital markets research reports will include consideration and analysis of relevant responsible investment issues.

- Thematic research

Describe how you incorporate ESG

At the delegation of Frontier's Investment Committee, the Responsible Investment Group has primary responsibility to formulate and drive the responsible investment research agenda. This process is continually informed by Frontier's interactions on responsible investment issues with a broad range of industry stakeholders including clients, investment managers and responsible investment advocacy groups. Given the large number and wide variety of ESG factors, the formulation of Frontier's responsible investment research agenda also considers the materiality of these factors. ESG factors expected to have a material impact on the long-term performance of client portfolios are prioritised for research. Materiality in this context may variously refer to the expected scale of risk and/or opportunity, the prevalence of an ESG factor within the economy, and/or the degree to which Frontier assesses an ESG factor can reasonably be managed by clients. Frontier is further directed by the UN Sustainable Development Goals which in aggregate are viewed as providing tangible and detailed guidance on the likely evolution of development-related policies and capital funding requirements to achieve them. Frontier focuses on those goals which it believes it can have a material influence on behalf of clients at a given time.

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

IC 11	Mandatory	Descriptive
-------	-----------	-------------

IC 11.1	Describe how you measure, track or otherwise demonstrate your value on investment research activities.
---------	--

The measurement and tracking of Frontier's research value-add incorporates both internal monitoring and governance processes, as well as sourcing data/feedback externally from clients and industry bench-marking surveys.

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

Frontier's internal monitoring and governance processes permit the measurement and tracking of Frontier's value-add in areas of research where quantitative data is readily available. These would typically include Frontier's dynamic asset allocation positions (versus an internal long-term Model Portfolio), and the relative performance of Frontier's highly-rated investment managers relative to peers and relevant indices.

Frontier also relies heavily on feedback from its clients via regular, informal interactions, as well as via a formal Client Relationship Management process. Such feedback is reviewed on an ongoing basis by Frontier's senior management, forming a key input into improving its overall research services.

Formal industry bench-marking surveys also provide Frontier with valuable intelligence with respect to the value-add it provides to clients. The most prominent of these is the Peter Lee Associates annual Investment Management survey which seeks the opinions on asset consultants from over 100 institutional investors. In 2016, 2017, and again in 2018 Frontier was ranked first in more than half of the specific categories rated and in the overall Relationship Strength Index.

IC 12	Mandatory	Gateway
-------	-----------	---------

IC 12.1	Indicate whether you incorporate ESG factors into your manager selection and monitoring services.
---------	---

	Manager selection service
--	---------------------------

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

	Manager monitoring service
--	----------------------------

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

IC 12.3	Additional information. [OPTIONAL]
---------	------------------------------------

Responsible investment considerations are formally integrated into Frontier's investment manager assessment, monitoring and engagement processes. The objective of integrating responsible investment in Frontier's investment manager research effort is to identify, assess and communicate the relative credibility and capabilities between investment products with respect to ESG. Manager research is primarily undertaken by Frontier's Research Teams as the materiality of ESG factors will differ across asset classes and types of investment product. Where relevant, a Research Team may draw on externally-produced responsible investment intelligence to supplement its proprietary analysis. Each product is assigned one, three or five stars which communicates the Research Team's summary view on the investment manager's capability in responsible investment relative to its peers.

The number of stars assigned correspond to the following definitions:

- One Star: no or very weak ESG consideration in the investment process.
- Three Stars: ESG considerations are broadly in line with peers.
- Five Stars: the manager is above peers in considering ESG in its investment process.

Responsible investment considerations are formally incorporated into annual reviews of investment products. The objective is to review, update (as required) and/or re-confirm the Research Team's current assessment of the investment manager's responsible investment capability with respect to the product. A focus of the review is to document the evolution of the investment manager's responsible investment approach over the prior 12 months. The review also accounts for the evolution of responsible investment integration in the product's peer group over the same period to determine the Manager's relative level.

Responsible investment considerations are also integrated and recorded where relevant within investment manager interactions outside the formal annual review cycle, e.g. update meetings, ESG surveys.

Research Teams actively engage with investment managers on an ongoing basis to encourage improvement across all facets of their operations. This formally includes the integration of responsible investment considerations. The objective is to have investment managers continually deliver progressively better services to Frontier's clients over time.

As part of the ongoing monitoring of investment products, the Research Teams document their responsible investment engagement activities over time. The relative progress of such engagement activities for a given investment manager compared to peers may ultimately impact the number of stars a product is assigned for its responsible investment capabilities.

IC 13	Mandatory
-------	-----------

IC 13.1	Indicate what activities you undertake during the process of selecting a manager.
---------	---

	Research and screening
--	------------------------

- Conducting ESG due diligence

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

Strategy

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

ESG people/oversight

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

Process/portfolio construction

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

Selection process and reviewing documentation

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

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

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

IC 13.3 Additional information. [OPTIONAL]

IC 14 Mandatory Descriptive

IC 14.1 Describe how you incorporate asset owners' investment principles into the manager selection process.

Given that the investment beliefs our clients differ, our advice with respect to manager selection will be tailored accordingly. For instance, clients wishing to exclude particular investments/sectors, we will work with them in identifying the most suitable manager that can apply the relevant exclusion list.

IC 15 Mandatory Descriptive

IC 15.1 Briefly describe how you include ESG factors in your due diligence process for manager selection.

Consistent with Frontier's broader investment product rating process, the responsible investment assessment process is multi-faceted, drawing on a range of quantitative and qualitative inputs determined as being material by the relevant Research Team. Such inputs are sourced variously as needed, although direct discussions and case studies with the investment manager are a standing element of the process as these support a greater depth of understanding

relative to sole reliance on manager-supplied documentation. The required commentary to be provided in support of the number of stars assigned, is incorporated as a boilerplate in Frontier's product ratings template to ensure consistency in coverage across research teams. The number of stars assigned and supporting commentary are reviewed, updated and confirmed as part of a periodic refreshing of the ratings document. Typical areas of assessment include the following, with individual Research Teams determining the materiality of each with respect to the specific product. Emphasis is placed more on the appropriateness and suitability of the investment manager's responsible investment approach in the context of its overall strategy rather than on strict and potentially arbitrary metrics. Research Teams also integrate asset class/product-specific responsible investment considerations where deemed material. Responsible Investment/ESG Philosophy, Policy and Culture Responsible Investment Resourcing Integration of Responsible Investment into the Investment Process Stewardship Collective Activity Climate Change Reporting and Client Service

IC 15.2 Additional information. [OPTIONAL]

The following is a (non-exhaustive) list of Frontier's areas of assessment with respect to the responsible investment capabilities of investment managers. Not all will be applicable for all products.

Responsible Investment/ESG Philosophy, Policy and Culture

- Evolution and articulation of responsible investment beliefs and/or philosophy
- Evidence and composition of a formal responsible investment policy
- Evidence and nature of a responsible investment culture
- Expected future responsible investment developments/strategies

Responsible Investment Resourcing

- Internal responsible investment leadership and reporting structure
- Responsible investment roles and responsibilities
- Evolution and composition of internal responsible investment resourcing
- Alignment structures relating to responsible investment objectives
- External responsible investment resourcing
- Procurement and use of responsible investment data sources

Integration of Responsible Investment into the Investment Process

- Articulation of responsible investment rationale and objectives
- Processes to determine ESG factor materiality
- Evolution and nature of responsible investment integration (as applicable) in:
 1. Idea sourcing and generation
 2. Research, analysis and valuation
 3. Decision making
 4. Investment execution
 5. Portfolio construction
 6. Asset management
 7. Risk management
 8. Performance attribution
 9. Other investment process steps as required
- Adoption/use of existing responsible investment frameworks (e.g. Sustainable Development Goals, Sustainability Accounting Standards Board)
- Expected future responsible investment process enhancements
- Evidence of depth and consistency of responsible investment integration
- Evidence of value add arising from responsible investment integration

Stewardship

- Articulation of engagement strategy
- Articulation of asset management strategy
- Composition of proxy voting policy
- Use of external proxy voting resources
- Articulation of approach to measure outcomes of stewardship activity

Collective Activity

- Evolution and articulation of collective activity approach
- Details of responsible investment-related memberships and/or affiliations
- Nature of main obligations as a member and/or affiliate
- Evidence of/examples illustrating nature of participation in collective activity
- Articulation of approach to measure outcomes of collective activity

Climate Change

- Articulation of climate strategy and policy
- Evolution and nature of climate integration in investment process steps
- Adoption of existing climate frameworks (e.g. Taskforce for Climate-related Financial Disclosures)

Reporting and Client Service

- Evolution of responsible investment reporting
- Evidence of/examples illustrating responsible investment reporting capabilities
- Capability and capacity to generate tailored responsible investment reports (e.g. impact)

IC 16 Mandatory Descriptive

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

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

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

	Reviewing and evaluating information from the investment manager as part of the monitoring process		
	<input checked="" type="checkbox"/> ESG objectives linked to investment strategy <input checked="" type="checkbox"/> Investment restrictions and any controversial investment decisions <input checked="" type="checkbox"/> ESG incorporation objectives <input checked="" type="checkbox"/> ESG portfolio characteristics <input checked="" type="checkbox"/> How ESG materiality has been evaluated by the manager in the monitored period <input checked="" type="checkbox"/> Information on any ESG incidents <input checked="" type="checkbox"/> Metrics on the real economy influence of the investments <input type="checkbox"/> PRI Transparency Reports <input checked="" type="checkbox"/> PRI Assessment Reports <input type="checkbox"/> Other general RI considerations in investment management agreements, specify <input type="checkbox"/> None of the above		
IC 16.2	Describe how you raise and manage concerns when monitoring investment managers on ESG factors.		
	Concerns with respect to an investment manager's ESG credentials and capabilities are raised directly with the manager as part of Frontier's standard process of providing feedback. Frontier aims to maintain open and transparent dialogue with managers across all facets of its due diligence including ESG/RI, which is in keeping with its status as a PRI signatory.		
IC 16.3	Additional information. [OPTIONAL]		
	<p>Research Teams actively engage with investment managers on an ongoing basis to encourage improvement across all facets of their operations. This formally includes the integration of responsible investment considerations. The objective is to have investment managers continually deliver progressively better services to Frontier's clients over time.</p> <p>As part of the ongoing monitoring of investment products, Frontier's Research Teams document their responsible investment engagement activities over time. The relative progress of such engagement activities for a given investment manager compared to peers may ultimately impact the number of stars a product is assigned for its responsible investment capabilities.</p>		
IC 17	Mandatory	Descriptive	
IC 17.1	Indicate whether you report back to asset owners on your manager selection and/or monitoring activities.		
	<input checked="" type="radio"/> Yes, we systematically do <input type="radio"/> Yes, we occasionally do <input type="radio"/> No, we do not		
IC 17.2	If yes, describe how you report back and the frequency.		
	All contact with managers is documented, with clients having access to the meeting notes from the manager meetings. Managers are met with as part of the regular reporting requirements as set out in client contracts and we will also meet more frequently on an as needs basis. As part of the sector annual review process, separate manager reviews are also completed and provided to clients. The ESG ratings of managers are available on Frontier's database, which all clients have access to.		
IC 18	Mandatory	Descriptive	
IC 18.1	Describe how you measure, track or otherwise demonstrate your value on manager selection and monitoring services.		
	Frontier measures the performance of our Buy and Neutral Plus managers across the various asset classes. We also monitor the performance of standard mandates relative to those with ESG exclusions.		
IC 19	Voluntary	Descriptive	
	Private		