




LEA 02	Discipline: Mandatory	Principle: PRI 1, 2, 3
<p>Type of engagement</p> <p>Individual/ internal staff engagements</p>	<p>Reason for interaction</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input checked="" type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure <input type="checkbox"/> To engage internal staff <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure 	
<p>Collaborative engagements</p>	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure 	
<p>Service provider engagements</p>	<ul style="list-style-type: none"> <input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues <input type="checkbox"/> To influence corporate practice or identify the need for additional or enhanced ESG disclosure 	

RI TRANSPARENCY REPORT

2016

BT Financial Group

About this report

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

This report is an export of the individual Signatory organisation's response to the PRI during the 2016 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

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

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

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

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

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

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Private							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	Additional information about organisation	✓	Public							✓
OO 11	RI activities for listed equities	✓	Public							✓
OO 12	RI activities in other asset classes	✓	Public							✓
OO 13	Modules and sections required to complete	✓	Public							✓

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04	RI goals and objectives	✓	Public							✓
SG 05	Main goals/objectives this year	✓	Private							✓
SG 06	RI roles and responsibilities	✓	Public							✓
SG 07	RI in performance management, reward and/or personal development	✓	Private							✓
SG 08	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 09	Promoting RI independently	✓	Public				✓			
SG 10	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 11	ESG issues in strategic asset allocation	✓	Private	✓						
SG 12	Long term investment risks and opportunity	✓	Private	✓						
SG 13	Allocation of assets to environmental and social themed areas	✓	Private	✓						
SG 14	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 15	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
SG 16	RI/ESG in execution and/or advisory services	✓	Private	✓	✓					
SG 17	Innovative features of approach to RI	✓	Private							✓
SG 18	Internal and external review and assurance of responses	✓	Private							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Role of investment consultants/fiduciary managers	✓	Public				✓			
SAM 02	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 03	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
SAM 04	ESG incorporation strategies	✓	Public	✓	✓					
SAM 05	Selection processes (LE and FI)	✓	Public	✓						✓
SAM 06	Appointment considerations (LE and FI)	✓	Private				✓			
SAM 07	Monitoring processes (LE and FI)	✓	Public	✓						
SAM 08	Percentage of (proxy) votes cast	✓	Public		✓					
SAM 09	Selection processes (PE, PR and INF)	✓	Public	✓						✓
SAM 10	Appointment considerations (PE, PR and INF)	✓	Private				✓			
SAM 11	Monitoring processes (PE, PR and INF)	✓	Public	✓						✓
SAM 12	Percentage of externally managed assets managed by PRI signatories	✓	Public	✓						✓
SAM 13	Examples of ESG issues in selection, appointment and monitoring processes	✓	Private		✓					
SAM 14	Disclosure of RI considerations	✓	Public							✓

Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
LEI 02	Reporting on strategies that are <10% of actively managed listed equities	🔒	n/a							✓
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Private	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Private	✓						
LEI 06	Types of screening applied	✓	Public	✓						
LEI 07	Processes to ensure screening is based on robust analysis	✓	Public	✓						
LEI 08	Processes to ensure fund criteria are not breached	✓	Private	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 11	Processes to ensure integration is based on robust analysis	✓	Private	✓						
LEI 12	Aspects of analysis ESG information is integrated into	✓	Private	✓						
LEI 13	ESG issues in index construction	✓	Private	✓						
LEI 14	How ESG incorporation has influenced portfolio composition	✓	Private	✓						
LEI 15	Measurement of financial and ESG outcomes of ESG incorporation	✓	Private	✓						
LEI 16	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 17	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagement methods	✓	Private		✓					
LEA 13	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 14	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 15	Examples of ESG engagements	✓	Private		✓					
LEA 16	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 17	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 18	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 19	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 20	Confirmation of votes	✓	Private		✓					
LEA 21	Securities lending programme	✓	Private		✓					
LEA 22	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 23	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 24	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 25	Shareholder resolutions	✓	Private		✓					
LEA 26	Examples of (proxy) voting activities	✓	Private		✓					
LEA 27	Disclosing voting activities	✓	Public		✓				✓	

Direct - Fixed Income				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
FI 01	Breakdown by passive,active strategies	✓	Private							✓
FI 02	Option to report on <10% assets	🔒	n/a							✓
FI 03	Breakdown by market and credit quality	✓	Private							✓
FI 04	Incorporation strategies applied	✓	Public	✓						
FI 05	ESG issues and issuer research	✓	Private	✓						
FI 06	Processes to ensure analysis is robust	✓	Public	✓						
FI 07	Types of screening applied	✓	Public	✓						
FI 08	Negative screening - overview and rationale	🔒	n/a	✓						
FI 09	Examples of ESG factors in screening process	✓	Private	✓						
FI 10	Screening - ensuring criteria are met	✓	Public	✓						
FI 11	Thematic investing - overview	✓	Private	✓						
FI 12	Thematic investing - themed bond processes	✓	Public	✓						
FI 13	Thematic investing - assessing impact	✓	Public	✓						
FI 14	Integration overview	✓	Public	✓						
FI 15	Integration - ESG information in investment processes	✓	Public	✓						
FI 16	Integration - E,S and G issues reviewed	✓	Public	✓						
FI 17	ESG incorporation in passive funds	🔒	n/a	✓						
FI 18	Engagement overview and coverage	✓	Private		✓					
FI 19	Engagement method	✓	Private	✓	✓					
FI 20	Engagement policy disclosure	✓	Private	✓	✓					
FI 21	Financial/ESG performance	✓	Private							✓
FI 22	Examples - ESG incorporation or engagement	✓	Private	✓	✓					
FI 23	Communications	✓	Public		✓				✓	

BT Financial Group

Reported Information

Public version

Organisational Overview

PRI disclaimer

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

Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1

Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Fund of funds, manager of managers, sub-advised products

% of assets under management (AUM) in ranges

- <10%
- 10-50%
- >50%

Other, specify

Execution and advisory services

OO 02

Mandatory

Peering

General

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).

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

OO 02.3

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

FTE

170

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

The number of staff quoted above is an approximate number of the equivalent full-time employees involved directly in the investment decision-making process of BT Financial Group and BT Investment Management, as well as supporting roles in administration, marketing and human resources.

OO 03	Mandatory	Descriptive	General
--------------	------------------	--------------------	----------------

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

Yes

OO 03.2	List your subsidiaries that are separate PRI signatories and indicate if you would like to report their RI activities in your organisation's consolidated report.
----------------	---

Name of PRI signatory subsidiary (Up to six subsidiaries may be reported)	RI implementation reported here on a consolidated basis
J O Hambro Capital Management Group	<input type="radio"/> Yes <input checked="" type="radio"/> No
Hastings Funds Management	<input type="radio"/> Yes <input checked="" type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No
	<input type="radio"/> Yes <input type="radio"/> No

No

OO 04	Mandatory	Gateway/Peering	General
--------------	------------------	------------------------	----------------

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

31/12/2015

OO 04.2	Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on, and advisory/execution only assets.
----------------	---

	trillions	billions	millions	thousands	hundreds
Total AUM		70	913	500	000
Currency	AUD				
Assets in USD		51	922	830	926

OO 04.3

Indicate the total AUM at the end of your reporting year for subsidiaries you have excluded from your report

	trillions	billions	millions	thousands	hundreds
Total AUM		38	546	000	000
Currency	AUD				
Assets in USD		28	223	362	842

OO 04.4

Indicate the total assets at the end of your reporting year subject to an execution and/or advisory approach.

	trillions	billions	millions	thousands	hundreds
Total AUM		126	000	000	000
Currency	AUD				
Assets in USD		92	257	139	991

OO 06

Mandatory

Descriptive

General

OO 06.1

To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as percentage breakdown
- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
Listed equity	10-50%	10-50%
Fixed income	10-50%	<10%
Private equity	0	0
Property	<10%	<10%

Infrastructure	0	<10%
Commodities	0	0
Hedge funds	<10%	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	10-50%	<10%
Other (1), specify	0	0
Other (2), specify	0	0

OO 06.2 Publish our asset class mix as per attached image [Optional].

OO 10	Voluntary	Descriptive	General
--------------	------------------	--------------------	----------------

OO 10.1 Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

BT Financial Group Australia (BTFG) is the wealth management arm of The Westpac Group (Westpac), with operations covering the manufacture and distribution of investment, superannuation and retirement products; margin lending and broking; investment platforms such as Wrap and master trusts; private banking; financial planning; and general and life insurance. Combined funds under management and administration total A\$174 billion (at 31 December 2015).

More information concerning Westpac's approach to sustainability, including a position statement articulating BTFG's approach to responsible investment, can be found at <http://www.westpac.com.au/about-westpac/sustainability-and-community>.

Funds management operations within BTFG are can be broadly split into two areas:

- i. BT Investment Management (BTIM); and
- ii. Advance Asset Management (Advance), BTFG's 100%-owned fund of fund multi-manager business.

During 2015 the Westpac Group reduced its shareholding in BTIM, and now owns 31% of BTIM shares on issue (prior to this the Westpac Group was the majority shareholder).

BTIM in turn owns J O Hambro Capital Management (JOHCM), an investment management firm based in the U.K. JOHCM is a separate signatory to the PRI and the BTFG response contained here excludes responses on behalf of the JOHCM business.

BTIM is listed on the Australian Securities Exchange (ASX code: BTT) and manages over A\$41 billion (31 December 2015) for investors. BTIM's strategy is to bring together multiple investment boutiques, run by experienced fund managers who have a real financial interest in the decisions they make, and the returns they generate for our clients.

Advance manages over A\$29 billion for investors as at 31 December 2015. The core of the investment philosophy is that an active multi-strategy, multi-manager process is the most effective investment strategy to deliver sustainable long-term returns and to preserve our clients' capital within any market environment.

BT Financial Group is an investment manager signatory to the PRI, reflecting the emphasis of responsible investment in its investment management division. Through its growing funds of funds business it also undertakes ESG integration activities akin to an asset owner signatory and these are also reported on under this framework.

Gateway asset class implementation indicators

OO 11	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 11.1

Select your direct or indirect ESG incorporation activities your organisation implemented, for listed equities in the reporting year.

- We incorporate ESG in our investment decisions on our internally managed assets
- We address ESG incorporation in our external manager selection, appointment and/or monitoring processes
- We do not incorporate ESG in our directly managed listed equity and/or we do not address ESG incorporation in our external manager selection, appointment and/or monitoring processes.

OO 11.2

Select your direct or indirect engagement activities your organisation implemented for listed equity in the reporting year.

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

OO 11.3

Select your direct or indirect voting activities your organisation implemented for listed equity in the reporting year

- We cast our (proxy) votes directly or via dedicated voting providers
- We require our external managers to vote on our behalf
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

OO 12	Mandatory	Gateway	General
-------	-----------	---------	---------

OO 12.1

Select internally managed asset classes where you implemented responsible investment into your investment decisions and/or your active ownership practices (during the reporting year)

- Fixed income – SSA
- Fixed income – corporate (financial)
- Fixed income – corporate (non-financial)
- Fixed income – securitised
- Property
- Hedge funds
- Cash
- None of the above

OO 12.2

Select externally managed assets classes where you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes (during the reporting year)

- Fixed income – SSA
- Fixed income – corporate (financial)
- Fixed income – corporate (non-financial)
- Fixed income – securitised
- Property
- Infrastructure
- Cash
- None of the above

OO 13**Mandatory****Gateway****General**

You will need to make a selection in OO 13.1 only if you have any voluntary modules that you can choose to report on.

OO 13.1

You are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list below.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity incorporation

- Listed Equity incorporation

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

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

Direct - Other asset classes with dedicated modules

- Property

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property

Closing module

- Closing module

BT Financial Group

Reported Information

Public version

Strategy and Governance

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.

Responsible investment policy

SG 01

Mandatory

Core Assessed

General

SG 01.1

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

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input 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 type="checkbox"/> Asset class-specific guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate what norms have you used to develop your RI policy.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)

other (1) description

Principles for Responsible Investment

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

SG 01.4	Provide a brief description of the key elements of your investment policy that covers your responsible investment approach [Optional].
----------------	--

It articulates BTFG's approach to responsible investing and provides a framework for understanding and managing environmental, social and corporate governance ("ESG") impacts, risks and opportunities across the portfolios within BTFG. The approach is driven by four key principles:

1. Consideration of ESG factors in the investments process can help drive positive financial outcomes.
2. We make solutions available to our customers to empower them to manage their own environmental and social impacts
3. As institutional investors and custodians of our customers' money, we have a responsibility to be active owners.
4. Transparency counts.

No

SG 01.5	Additional information [Optional].
----------------	------------------------------------

BTFG's approach to responsible investing is available at <http://btfg.com.au/about-bt-financial-group/corporate-sustainability/documents/BTFG-responsible-investment-position-statement.pdf>

SG 02	Mandatory	Core Assessed	PRI 6
--------------	------------------	----------------------	--------------

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide URL and an attachment of the document.
----------------	--

- Policy setting out your overall approach

	URL
--	-----

<http://btfg.com.au/about-bt-financial-group/corporate-sustainability/documents/BTFG-responsible-investment-position-statement.pdf>

- Formalised guidelines on environmental factors

	URL
--	-----

<http://www.westpac.com.au/about-westpac/sustainability-and-community/environment/our-approach/>

- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Screening / exclusions policy
- Engagement policy
- (Proxy) voting policy

	URL
--	-----

<http://www.btfng.com.au/about-bt-financial-group/regulatory-reporting/documents/BT-Super-proxy-voting-policy.pdf>

We do not publicly disclose our investment policy documents

SG 02.2	Additional information [Optional].
----------------	------------------------------------

BTIM's proxy voting policy is available at https://btim.com.au/wp-content/uploads/2014/08/BTIM_CorporateGovernance_ProxyVotingPolicy.pdf

SG 03	Mandatory	Core Assessed	General
--------------	------------------	----------------------	----------------

SG 03.1	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
----------------	---

Yes

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

The Westpac Conflicts of Interest Policy sets out the principles that BTFG follows for dealing with actual, potential or perceived conflicts that may arise. The Policy describes how to:

- Identify Conflicts of Interest;
- Assess and evaluate those conflicts;
- Implement appropriate responses; and
- Maintain appropriate documentation.

The BTFG Conflicts Management Framework exists as a supplementary document to the Westpac Group Conflicts of Interest Policy and describes the procedures in place within BTFG to manage actual or perceived conflicts of interest. This framework applies to all Advance and includes directors, employees, contractors and consultants.

BTIM employs an overarching Conflicts of Interest Policy, which is intended to identify, monitor and manage conflicts of interest. The policy sets out the procedure for managing potential conflicts, including, for example:

- participation in dealings that involve an actual or perceived conflict with the interests of a customer or a position which unfairly puts the interests of one customer before another's, regardless of the size or nature of that relationship; and
- where acting as a trustee, ensuring that employees make decisions in that capacity having regard to the fiduciary obligation to act in the best interests of the fund members.

No

Objectives and strategies

SG 04	Mandatory	Gateway/Core Assessed	General
--------------	------------------	------------------------------	----------------

SG 04.1

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

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

Governance and human resources

SG 06

Mandatory

Core Assessed

General

SG 06.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify
- Other role, specify

SG 06.3

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

Number

3

Promoting responsible investment

SG 08

Mandatory

Core Assessed

PRI 4,5

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

SG 08.1

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

Select all that apply

- Principles for Responsible Investment

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

- Basic
 Moderate
 Advanced

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

Adrian Trollor, an RI specialist, is a member of the Australian Network Steering Committee.

- AFIC – La Commission ESG
 Asian Corporate Governance Association
 Australian Council of Superannuation Investors
 BVCA – Responsible Investment Advisory Board
 CDP Climate Change

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

- Basic
 Moderate
 Advanced

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

BTFG is a CDP Carbon Action signatory

- CDP Forests
 CDP Water

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

- Basic
- Moderate
- Advanced
- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- 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)

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

- Basic
- Moderate
- Advanced

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

Both BTFG and BTIM are active members of the IGCC. BTIM Portfolio Manager Rajinder Singh is a member of the management committee and holds the position of Treasurer. IGCC's Management Committee oversees the work of the IGCC Secretariat and IGCC Member Workgroups. During 2015 BTFG and BTIM were Gold Sponsors of the IGCC Climate Change Investment and Finance Summit.

- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Financial Action for the 21st Century
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

The Responsible Investment Association of Australasia (RIAA) is the peak industry body for professionals working in responsible investment in Australia and New Zealand.

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

- Basic
- Moderate
- Advanced

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

BTIM and BTFG are members of RIAA. BTIM holds the RIAA 'Certified by' designation. BTIM has 5 funds with the designation. For more information, refer to: <http://www.responsibleinvestment.org/certification-program/who-is-certified/find-an-asset-manager/bt-investment-management/> BTFG (Advance) continued its ongoing sponsorship of the 2015 RI Benchmark Report. RIAA's annual Responsible Investment Benchmark Report is the region's only comprehensive study on the size and growth of the Australasian responsible investment market. Widely used and cited by the financial services industry in Australasia and across the globe, the report is a trusted source charting all aspects of the rapidly expanding RI industry, and has been produced by RIAA for over 14 years.

- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

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

- Basic
- Moderate
- Advanced

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

Westpac are actively participating in a number of working groups, including the Portfolio Carbon Initiative, of which BTFG is participating in the Asset Owners Working Group.

- United Nations Global Compact

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

- Basic
- Moderate
- Advanced

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

Westpac is a founding signatory, and currently is a Board member of the Global Compact Network Australia. Westpac also Chair the Environmental Leadership Group.

In addition, Westpac are a signatory to the CEO Water Mandate and Womens Empowerment Principles.

- Other collaborative organisation/initiative, specify

BTFG continues to participate in the Asset Owners Disclosure Project.
<http://aodproject.net/>

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

- Basic
- Moderate
- Advanced

Other collaborative organisation/initiative, specify
 Australian Financial Services Council (FSC)

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

- Basic
- Moderate
- Advanced

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

BTFG and BTIM are active members of the FSC. BTFG's CEO Brad Cooper is the Deputy Chairman of the organisation. In respect of responsible investment, BTFG holds a position on the ESG Working Group.

Other collaborative organisation/initiative, specify
 Montreal Pledge

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

- Basic
- Moderate
- Advanced

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

BTFG is a signatory to the Montreal Pledge.

Other collaborative organisation/initiative, specify

SG 09	Mandatory	Core Assessed	PRI 4
-------	-----------	---------------	-------

SG 09.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

SG 09.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, 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
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

No

SG 09.3

Additional information. [Optional]

BTFG continued its ongoing sponsorship of the 2015 RI Benchmark Report. RIAA's annual Responsible Investment Benchmark Report is the region's only comprehensive study on the size and growth of the Australasian responsible investment market. Widely used and cited by the financial services industry in Australasia and across the globe, the report is a trusted source charting all aspects of the rapidly expanding RI industry, and has been produced by RIAA for over 14 years.

In 2015 BTFG's Chief Information Officer was a keynote speaker at the annual RIAA conference.

BTIM has held external presentations on the topic of ESG investing, which has been attended by a range of investors and advisers in the Superannuation industry. We have also presented on the issue of RI at a range of industry conferences.

In 2015 BTFG and BTIM were Gold Sponsors of the IGCC Investment and Finance Summit.

Implementation not in other modules

SG 14

Mandatory

Descriptive

General

SG 14.1

Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Property	<p>BTIM is a member of IGCC. We engage on climate change issues, promoting climate awareness; climate adaptation and mitigation strategies when assessing property opportunities. For example, we promote AREITS to engage with local government on cyclone risk for North Queensland property assets.</p> <p>We actively engage with management and Boards on governance issues, and have used our voting rights to promote best ESG outcomes for our investors in the property sector.</p>

BT Financial Group

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

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

Overview

SAM 01

Mandatory

Core Assessed

PRI 4

SAM 01.1

Indicate whether your organisation uses investment consultants and/or fiduciary managers.

- Yes, we use investment consultants

SAM 01.2

Indicate how your organisation uses investment consultants in the selection, appointment and/or monitoring of external managers.

- We use investment consultants in our selection and appointment of external managers

Asset class

- Listed Equity (LE)
 Fixed income- SSA
 Fixed income- Corporate(financial)
 Fixed income- Corporate (non-financial)
 Fixed income- Securitised
 Property (PR)

- We use investment consultants in our monitoring of external managers

Asset class

- Listed Equity (LE)
 Fixed income- SSA
 Fixed income- Corporate(financial)
 Fixed income- Corporate (non-financial)
 Fixed income- Securitised
 Property (PR)

SAM 01.3

Indicate if your organisation considers responsible investment in the selection, appointment and/or review processes for investment consultants.

- Responsible investment is included in the selection process for investment consultants
 Consultants' responsibilities in relation to responsible investment in manager selection, appointment and monitoring processes are included in our contractual agreements with them
 Responsible investment is considered when reviewing investment consultants' advice on manager selection and performance monitoring
 We do not consider responsible investment in the selection, appointment and/or review processes for investment consultants.
- Yes, we use fiduciary managers
 No

SAM 02

Mandatory

Gateway

General

SAM 02.1

Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - SSA	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - Corporate (financial)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - Corporate (non-financial)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - Securitised	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

SAM 02.2

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

BTIS considers managers' abilities to integrate and the degree of integration of responsible investment (RI) practices into investment processes as part of the manager selection assessment. Our consultant also undertakes this assessment. Specific terms regarding RI practices are included in investment mandates. Monitoring of managers is undertaken by both the investment team within BTIS and our consultants.

Listed equity (LE) and Fixed income (FI)

Overview

SAM 04**Mandatory****Gateway****PRI 1,2**

Appeal approved for this indicator

SAM 04.1

Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf:

Active investment strategies

Active investment strategies	LE	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Screening	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Passive investment strategies

Passive investment strategies	LE				
Screening	<input type="checkbox"/>				
Thematic	<input type="checkbox"/>				
Integration	<input checked="" type="checkbox"/>				
None of the above	<input type="checkbox"/>				

SAM 04.2 Additional information. [Optional]

Screening is implemented in some global and Australian equity mandates. Integration of ESG is expected but not a pre-requisite for all mandates. Integration in respect of passive investment strategies is undertaken through engagement and voting.

Note that we do not segregate managers across the SSA, Corporate (financial), Corporate (non-financial) and securitised dimensions. We generally employ managers to manage across these categories hence the consistent responses for this section and the rest of SAM.

Selection

SAM 05 Mandatory Core Assessed PRI 1-6

SAM 05.1 Indicate whether your organisation and/or your investment consultant typically do any of the following in the manager selection process for listed equity and/or fixed income.

General

	LE	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
Review the manager's responsible investment policies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss managers' governance and management of responsible investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Meet staff with responsible investment responsibilities to assess their skills and competence	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss minimum responsible investment expectations that managers must meet	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss the role managers have played in collaborative initiatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's responsible investment reporting to clients and/or the public, (excluding PRI)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the manager's PRI Transparency or Assessment reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the type of ESG reporting you expect	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assign specific weighting to ESG factors in your manager evaluation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other general aspects in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

	LE	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
Evaluate the quality and coverage of ESG research used by managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess how the manager incentivises brokers to provide ESG research	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Evaluate index providers' ESG incorporation when designing the index	<input checked="" type="checkbox"/>				
Other ESG incorporation issues in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Engagements

	LE	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
Discuss with the manager the historic interactions they have had with the investee entities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the comprehensiveness of managers' engagement processes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the role managers have played in influencing investee entities' ESG practices and performance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the escalation strategies the manager deploys in case of insufficient ESG performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss how information gained through engagement is incorporated into investment decision-making	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other engagement issues in your selection process,specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Proxy) voting

	LE
Discuss the managers' voting processes	<input checked="" type="checkbox"/>
Discuss how information gained through research for (proxy) voting is used in investment-decision making	<input type="checkbox"/>
Discuss whether the manager is able to deploy the asset owner's proprietary voting policy or aligning its voting policy with the asset owner's investment beliefs and strategy	<input checked="" type="checkbox"/>
Other (proxy) voting issues in your selection process, specify	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

SAM 05.2	Please describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes.
-----------------	---

The senior level of staff, including CIO have some experience in incorporating ESG factors into investment decision-making processes. They are supported by specialists as required.

Monitoring

SAM 07	Mandatory	Core Assessed	PRI 1
---------------	------------------	----------------------	--------------

SAM 07.1	Indicate whether your organisation and/or your investment consultant in the dialogue and monitoring of your external manager typically do any of the following.
-----------------	---

	General
--	---------

	LE	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Include responsible investment as a standard agenda item at performance review meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Highlight examples of good responsible investment practice by other managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss if the manager has acted in accordance with your overall investment beliefs on responsible investment and ESG issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss if the manager has acted in accordance with your organisation's overall strategy on responsible investment and ESG issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss if the manager has acted in accordance with your organisation's overall policy on responsible investment and ESG issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the manager's responsible investment reporting (excluding PRI)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the manager's PRI Transparency or Assessment reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review ESG characteristics of the portfolio	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the impact of ESG issues on financial performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other general aspects of your monitoring, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

	LE	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Request information on ESG incorporation in specific investment decisions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other ways you monitor ESG incorporation, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Engagements

	LE	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Review the ESG information relevant to the engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the number of engagements and their comprehensiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the type of role played (i.e. leading or supporting)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the outcomes and quantifiable impact of the engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the progress of ongoing engagements and/or outcomes of completed engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other ways you monitor engagement activities, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(Proxy) voting

	LE
Review the number or percentage of votes cast	<input checked="" type="checkbox"/>
Request an explanation of reasons for votes cast	<input type="checkbox"/>
Discuss whether companies were informed of the reasons for votes against management recommendations or abstentions/withheld votes	<input checked="" type="checkbox"/>
Review the number of resolutions on ESG issues filed or co-filed	<input type="checkbox"/>
Discuss the changes in company practice (outcomes) that have been achieved from voting activities	<input type="checkbox"/>
Other ways you monitor (proxy) voting activities, specify	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>

SAM 08	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

SAM 08.1 For the listed equities where you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.

We track or collect this information

Votes cast (to the nearest 5%)

%

95

Specify the basis on which this percentage is calculated

- Of the total number of ballot items on which they could have issued instructions
 - Of the total number of company meetings at which they could have voted
 - Of the total value of your listed equity holdings on which they could have voted
- We do not track or collect this information

SAM 08.2 Additional information. [Optional]

All meetings are voted with the only exception being Westpac Banking Group and related entities.

Private equity (PE), property (PR) and infrastructure (INF)

Selection

SAM 09

Mandatory

Core Assessed

PRI 1-6

SAM 09.1

In your manager selection process for the following assets, indicate whether your organisation and/or your investment consultant typically take any of the following actions.

General

	PR	
Used the PRI's LP DDQ during discussions with managers as part of your selection process	n/a	
Review the manager's/general partner's responsible investment policy	<input checked="" type="checkbox"/>	
Discuss the manager's governance and management of responsible investment	<input checked="" type="checkbox"/>	
Meet staff with responsible investment responsibilities to assess their skills and competence	<input checked="" type="checkbox"/>	
Discuss minimum responsible investment expectations that managers must meet	<input type="checkbox"/>	
Discuss the role managers have played in collaborative initiatives	<input type="checkbox"/>	
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input checked="" type="checkbox"/>	
Assess the external manager's reporting and how it will help you to monitor that it is acting consistent with the agreed-upon ESG-related policies and practices during the life of the fund	<input checked="" type="checkbox"/>	
Review the manager's responsible investment disclosure, excluding PRI reporting	<input checked="" type="checkbox"/>	
Review the manager's PRI Transparency or Assessment reports	<input type="checkbox"/>	
Assign specific weighting to ESG factors in your manager evaluation, specify in 09.2	<input type="checkbox"/>	
Other general aspects in your selection process, specify	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	

Investment selection (pre-investment) of underlying holding

	PR	
Assess the manager's policies, processes and systems for identifying ESG-related value drivers and managing material ESG-related risks pre-investment	<input checked="" type="checkbox"/>	
Other pre-investment aspects reviewed in your selection process, specify	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	

Investment monitoring (post-investment) of underlying holding

	PR	
Understand if and how the manager influences and supports its portfolio companies'/assets' management of ESG-related risks and pursuit of ESG-related opportunities	<input type="checkbox"/>	
Discuss examples of how managers have previously identified and addressed ESG issues in their portfolios on an ongoing basis	<input type="checkbox"/>	
Assess the manager's/general partner's approach to managing and disclosing material incidents at the manager / General Partner and underlying holdings	<input type="checkbox"/>	
Other post-investment aspects reviewed in your selection process, specify	<input type="checkbox"/>	
None of the above	<input checked="" type="checkbox"/>	

SAM 09.2

Provide additional information on how weighting of ESG factors in your manager evaluation are applied.

The responses in 09.2 refer to manager appointment in Advance's unlisted property fund of fund allocation. There were no allocations to PE and INF during the year.

SAM 09.3

Provide additional information relevant to your organisation's selection approach for non-listed assets. [Optional]

The responses in 09.2 refer to manager appointment in Advance's unlisted property fund of fund allocation. There were no allocations to PE and INF during the year.

The approach is applied consistently with that described for manager selection in the listed assets space, taking into account specific ESG issues pertinent to the sector.

Monitoring

SAM 11	Mandatory	Core Assessed	PRI 1-6
--------	-----------	---------------	---------

SAM 11.1 | Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager, typically do any of the following:

General

	PR	
Include responsible investment as a standard agenda item at performance review meetings	<input type="checkbox"/>	
Highlight examples of good responsible investment practice by other managers	<input type="checkbox"/>	
Review manager's responsible investment reporting excluding PRI	<input type="checkbox"/>	
Review the manager's PRI Transparency or Assessment reports	<input type="checkbox"/>	
Encourage your managers to consider joining responsible investment initiatives or organisations or participate in collaborative projects with other investors	<input checked="" type="checkbox"/>	
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input checked="" type="checkbox"/>	
Request information on whether your manager's approach to ESG issues has impacted financial performance	<input type="checkbox"/>	
Request information on whether your manager's approach to ESG issues has impacted ESG performance	<input type="checkbox"/>	
Other general aspects of your monitoring, specify	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	

Investment selection (pre-investment) of underlying holding

	PR	
Discuss how the analysis of ESG issues affected investment decisions during the reporting period	<input type="checkbox"/>	
Other ways ESG issues are incorporated in the pre-investment process, specify	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	

Investment monitoring (post-investment) of underlying holding

		PR
Request reports on the ESG characteristics of the manager's underlying holdings and discuss related developments that may impact holdings in the fund	<input type="checkbox"/>	
Request examples of ESG issues identified within the portfolio and action taken in response	<input type="checkbox"/>	
Request details of how ESG factors were considered when preparing to exit from investments	<input type="checkbox"/>	
Other ways ESG issues are monitored in the post-investment process, specify	<input type="checkbox"/>	
None of the above	<input checked="" type="checkbox"/>	

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

An analysis of the ESG risk of each potential holding is made prior to investment.

Outputs and outcomes

SAM 12	Mandatory to Report Voluntary to Disclose	Descriptive	PRI 1-6
---------------	--	--------------------	----------------

SAM 12.1	Indicate approximately what percentage (+/- 5%) of your externally managed assets are managed by PRI signatories.
-----------------	---

	%
--	---

75

SAM 12.2	Additional information. [Optional]
-----------------	------------------------------------

The above response relates to the coverage in the Advance fund of fund business.

In addition to the Advance investments business, BTFG offer an open-architectre platform for advisors and investors to access the investment funds of third party fund managers. Of the top 20 managers (by funds under advice (FUA)), 17 are PRI signatories and represent 93% of the FUA.

Communication

SAM 14	Mandatory	Core Assessed	PRI 6
---------------	------------------	----------------------	--------------

SAM 14.1	Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.
-----------------	---

Yes, we disclose information publicly

provide URL

<http://advance.com.au/downloads/flyers/Sustainable-Investing-Philosophy-Flyer.pdf>

SAM 14.2

Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.

Yes

SAM 14.3

Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

- How responsible investment considerations are included in manager selection, appointment and monitoring processes
- Details of the responsible investment activities carried out by managers on your behalf
- E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
- Other, specify

No

Yes, we disclose information to clients/beneficiaries only

We do not proactively disclose information to the public and/or clients/beneficiaries

BT Financial Group

Reported Information

Public version

Direct - Listed Equity Incorporation

PRI disclaimer

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

ESG incorporation in actively managed listed equities


Implementation processes

LEI 03	Mandatory	Gateway	PRI 1
--------	-----------	---------	-------


LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies (+/- 5%)
----------	--

ESG incorporation strategy (select all that apply)

- Screening alone (i.e. not combined with any other strategies)
- Thematic alone (i.e. not combined with any other strategies)
- Integration alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied	 95
---	--

- Screening + Integration strategies

Percentage of active listed equity to which the strategy is applied	 5
---	---

- Thematic + integration strategies
- Screening + thematic strategies
- All three strategies combined
- No incorporation strategies applied

	Total actively managed listed equities
--	--

100%

LEI 03.2	Describe your organisation's approach to incorporation and the reasons for choosing the particular ESG incorporation strategy/strategies.
----------	---

Integration covers all of BTIM's "mainstream" Australian equity strategies, where ESG form part of the fundamental analysis of individual companies.

Screening + integration strategies - these cover BTIM's range of Ethical and Sustainability strategies, where ESG factors play a more explicit role in the portfolio construction and decision making.

(A) Implementation: Screening

LEI 06

Mandatory

Descriptive

PRI 1

LEI 06.1

Indicate and describe the type of screening you apply to your internally managed active listed equities.

Type of screening

- Negative/exclusionary screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

Explicit ESG exclusions are undertaken for our range of Ethical and Sustainability strategies.

For our Ethical Funds, we will not invest in companies which:

- directly mine uranium for the purpose of weapons manufacture
- produce alcohol or tobacco
- manufacture or provide gaming facilities
- manufacture weapons and armaments
- have been subject to environmental and/or human rights prosecutions

For our range of Sustainability Funds, each company is assessed using a "triple bottom line" performance approach. Regnan evaluates Australian companies based on environmental and social criteria and BTIM evaluates companies on financial performance. Regnan conducts the initial screening process by assigning a 1-5 rating for environmental and social criteria (where one is the highest ranking and five is the lowest ranking) for each stock within the S&P/ASX 200 Index. Stocks that are rated four or five are excluded from the portfolio. The Fund may invest in companies which mine or use uranium primarily in relation to power generation but the Fund will not invest in companies which directly mine or use uranium for the purpose of weapons manufacture.

- Positive/best-in-class screening

Screened by

- Product
- Activity
- Sector
- Country/geographic region
- Environmental and social practices and performance
- Corporate governance

Description

Our Sustainability Fund applies the "best of sector" approach, therefore, it rewards 'best' companies in each sector and across all sectors - this encourages all sectors to improve. The Ethical Funds apply a positive screening approach, which promotes certain areas of investment. The positive screen identifies companies for active consideration, given their focus on the production of sustainable goods and services. The ethical screen is provided by Regnan Governance Research and Engagement, a leading independent research organisation. Examples of positively screened companies include those that derive greater than 20% of their revenue from sustainable technologies, products and services.

- Norms-based screening

LEI 06.2	Describe how the screening criteria are established, how often the criteria are reviewed and how you notify clients and/or beneficiaries when changes are made.
----------	---

Much of the screening criteria is discussed above. The criteria is reviewed typically on a monthly basis or if significant events occur that require more immediate consideration. Some clients will be notified or any changes as part of their reporting arrangements whilst others will be notified during our regular presentations to them.

LEI 07	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

LEI 07.1	Indicate which processes your organisation uses to ensure that screening is based on robust analysis.
----------	---

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar
- Company ESG information/ratings are updated regularly to ensure that portfolio holdings comply with fund policies
- A committee or body with representatives independent of the individuals who conduct company research reviews some or all screening decisions
- A periodic review of the quality of the research undertaken or provided is carried out
- Other, specify
- None of the above

(C) Implementation: Integration of ESG issues			
---	--	--	--

LEI 10	Mandatory	Core Assessed	PRI 1
--------	-----------	---------------	-------

LEI 10.1

Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues	
	Environmental	<div style="background-color: #0070C0; color: white; padding: 2px;">Environmental</div> <ul style="list-style-type: none"> <input checked="" type="radio"/> We systematically review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of environmental issues and investigate them accordingly <input type="radio"/> We do not review environmental issues
	Social	<div style="background-color: #0070C0; color: white; padding: 2px;">Social</div> <ul style="list-style-type: none"> <input checked="" type="radio"/> We systematically review the potential significance of social issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of social issues and investigate them accordingly <input type="radio"/> We do not review social issues
	Corporate Governance	<div style="background-color: #0070C0; color: white; padding: 2px;">Corporate Governance</div> <ul style="list-style-type: none"> <input checked="" type="radio"/> We systematically review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We occasionally review the potential significance of corporate governance issues and investigate them accordingly <input type="radio"/> We do not review corporate governance issues

Communication

LEI 17

Mandatory

Core Assessed

PRI 2,6

LEI 17.1

Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

LEI 17.5

Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to ESG incorporation.

- Broad approach to ESG incorporation
- Detailed explanation of ESG incorporation strategy used

LEI 17.6

Indicate how frequently you typically report this information.

- Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad-hoc/when requested
- We do not proactively disclose it to the public and/or clients/beneficiaries

LEI 17.7

Additional information. [Optional]

We provide it on an 'as needs' basis

BT Financial Group

Reported Information

Public version

Direct - Listed Equity Active Ownership

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.

Engagement

Overview

LEA 01

Mandatory

Core Assessed

PRI 2

LEA 01.1

Indicate whether your organisation has a formal engagement policy.

Yes

LEA 01.2

Indicate what your engagement policy covers:

- Conflicts of interest
- Prioritisation of engagements
- Transparency
- Environmental factors
- Social factors
- Governance factors
- Other, describe
- None of the above

LEA 01.4

Provide a brief overview of your organization's approach to engagement

Engagement is undertaken through both BTFG's fund of fund business, BT Investment Solutions and BT Investment Management (BTIM). Both organisations have an engagement relationship with Regnan which covers Australian listed securities.

BT Investment Solutions has an engagement relationship with hermes Equity Ownership Services covering engagement for global equities.

Regnan owners (of which BTIM is one) and clients collectively fostered the establishment of Regnan as a specialist engagement service to:

> benefit from specialised skills both in ESG aspects and in the practice of engagement for change.

> provide access to and influence with relevant decision makers in corporations and elsewhere.

> maximise the impact of the resources each client contributes.

> be efficient in the achievement of shared objectives - a benefit for investee companies also given they face increasing requests from shareholders for dialogue. Via Regnan companies can reach a large proportion of shareholders who prioritise ESG issues through a single interface. (MORE IN ADDITIONAL INFORMATION)

No

LEA 01.5	Additional information [optional]
-----------------	-----------------------------------

BTFG's priority in ESG engagement is improved long term investment outcomes for beneficiaries. Through Regnan and Hermes, BTFG accesses a collaborative engagement service that researches, identifies and prioritises ESG issues, and that acts for a collective of institutional investors in seeking assurances and/or behavioural changes from companies. Where appropriate, Advance and BTIM may augment this with their own engagement initiatives.

BTIM regularly engages directly with companies, their boards and management through its analysts and portfolio managers. As ESG is always a consideration, it is regularly discussed where relevant. However, we do not explicitly record the outcome of each meeting at this point. Policies relating to BTIM's ESG, Proxy voting, climate change and engagement policies are available directly on BTIM's website <http://www.btim.com.au/ShareholderCentre> and in BTIM's annual report, which is also available on-line.

Regnan documents engagement objectives based on its original research into the gap between ESG-related business risks and companies' response to these risks, and provides reporting against these objectives to Advance and BTIM for each company it engages. Key benefits of this approach include a critical mass of expert ESG resources to develop a pro-active rather than reactive ESG engagement agenda, and the ability to amplify our influence through collective action.

Advance's provider Hermes EOS engages with companies on clients' behalf on environmental, social, governance and strategic issues with the goal of achieving beneficial change with respect to risk management, value creation and fund reputation. Engagement is objective-driven and follows a structured, milestone-driven approach. Engagement interactions are sought at board and senior management level, liaising with other investors as appropriate. Work is carried out by a multinational team drawn from the major investment regions around the world. All corporate engagement work is sought to be complementary to and integrated with public policy and best practice engagement and voting work.

LEA 02	Mandatory	Gateway	PRI 1,2,3
---------------	------------------	----------------	------------------

LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries these interactions out.
-----------------	---

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> Other, specify Both Regnan and Hermes also engage on policy matters <input type="checkbox"/> We do not engage via service providers

LEA 02.2	Additional information. [Optional]
-----------------	------------------------------------

BTIM and BTFG engage across three dimensions:

1. Engagement service providers being Regnan (BTFG and BTIM) and Hermes (BTFG)
 - To influence corporate practice (or identify the need to influence) on ESG issues; AND
 - To encourage improved ESG disclosure
2. Through managers'
3. Directly. BTIM engages directly with companies on ESG matters, as part of their regular meetings with boards and management (as ESG is always a consideration, it is regularly discussed where relevant) as well as when specific ESG matters arise.

See LEA 1.5 for further information on the engagement service provided by Hermes EOS and Regnan.

Process

Process for engagements run internally

LEA 03	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
-----------------	---

- Yes
- No

LEA 03.3	Additional information. [Optional]
-----------------	------------------------------------

Whilst we do not follow a formal process, the role of analysts and portfolio manager and ESG specialists is to identify and prioritise engagement requirements where it is seen to be required. This is done more on an ad hoc, company by company, basis.

LEA 04	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 04.1	Indicate if you define specific objectives for your engagement activities.
-----------------	--

- Yes
- No

LEA 04.2 Indicate if you monitor the actions that companies take following your engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- No

LEA 04.3 Indicate whether your organisation defines milestones and goals for engagement activities carried out by internal staff.

- Yes
- No

Process for engagements conducted via collaborations

LEA 05

Mandatory

Core Assessed

PRI 2

LEA 05.1 Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

- Yes
- No

LEA 05.3 Additional information [Optional]

Whilst we do not follow a formal process, the role of analysts and portfolio managers and ESG specialists is to identify and prioritise engagement requirements (whether it be internally or through collaborative means) where it is seen to be required. This is done more on an ad hoc, company by company, basis.

LEA 06

Mandatory

Core Assessed

PRI 2

LEA 06.1 Indicate if the collaborative engagements in which you are involved have defined objectives.

- Yes
- No

LEA 06.2 Indicate if you monitor the actions companies take following your collaborative engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- No

LEA 06.3

Indicate whether your organisation defines milestones and goals related to engagement activities carried out via collaborations.

- Yes
- No

Process for engagements conducted with/on your behalf by service providers

LEA 07

Mandatory

Core Assessed

PRI 2,4

LEA 07.1

Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

- Yes

LEA 07.2

Indicate what role you play in engagements that your service provider conducts on your behalf.

- Discuss the topic (or ESG issue(s)) of engagement
- Discuss the rationale for engagement
- Discuss the objectives of the engagement
- Select the companies to be engaged with
- Discuss the frequency/intensity of interactions with companies
- Discuss progress towards the engagement objectives
- Monitor and review outcomes that have been achieved from the engagement
- Discuss next steps for engagement activity
- Participate directly in a sample of engagements with your service provider
- Other, specify

- No

LEA 07.3

Additional information. [Optional]

Both BTIM and Advance subscribe to Regnan's engagement services model and as such play a key role in the nature and scope of the engagements undertaken, along with other users of the service. Advance also subscribes to the Hermes EOS.

We actively monitor and review the activities of our service providers Regnan and Hermes EOS through quarterly calls and regular reports.

LEA 08

Mandatory

Core Assessed

PRI 2,6

LEA 08.1

Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

- The subject (or ESG issue(s)) of engagement
- The objectives of the engagement
- The rationale for engagement
- The frequency/intensity of interactions with companies
- Progress towards achieving engagement goals
- Outcomes that have been achieved from the engagement
- Next steps for engagement activity
- Other, specify
- None of the above

LEA 08.2	Additional information. [Optional]

General processes for all three groups of engagers

LEA 10	Mandatory	Gateway	PRI 2
--------	-----------	---------	-------

LEA 10.1 Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements
Service provider engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements

LEA 10.2

Additional information. [OPTIONAL]

This may include a discussion of:

- The systems in place to track progress of engagements
- A description of the information collected
- How regularly tracking systems are updated and to whom this information is provided
- Any auditing procedures to ensure information recorded is accurate

Regnan and Hermes EOS' regular reporting provides full disclosure on the number of engagements conducted on our behalf.

Communication**LEA 16****Mandatory****Core Assessed****PRI 2,6****LEA 16.1**

Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

LEA 16.5

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries.

Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

Our preference is undertaking non-public engagement with companies and will report on ESG activity relating to engagements of influence on an as needs basis.

LEA 16.6

Indicate how frequently you typically report engagements information

- Disclosed continuously (prior to and post engagements)
 - Disclosed quarterly or more frequently
 - Disclosed biannually
 - Disclosed annually
 - Disclosed less frequently than annually
 - Ad hoc/when requested
- We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 16.8 | Additional information. [Optional]

Our preference is undertaking non-public engagement with companies and will report on ESG activity relating to engagements of influence on an as needs basis.

(Proxy) voting and shareholder resolutions

Overview

LEA 17	Mandatory	Gateway	PRI 1,2,3
---------------	------------------	----------------	------------------

LEA 17.1 | Indicate whether your organisation has a formal voting policy.

Yes

LEA 17.2 | Indicate what your voting policy covers:

- Conflicts of interest
- Prioritisation of voting activities
- Transparency
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Securities lending process
- Other, describe
- None of the above

Attach document

[Proxy Voting Policy_FINAL 2015.pdf](#)

LEA 17.4	Provide a brief overview of your organization's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).
-----------------	--

BTIM regards corporate governance and the exercise of voting power as an important aspect of investment decision making. BTIM will not become involved in day-to-day management issues but recognises that it can influence company policy on matters of corporate governance by virtue of shareholdings under our management. In accordance with industry practices, and the Financial Services Council of Australia guidelines in particular, BTIM uses that influence for the benefit of its clients. Please refer to the link below. It contains BTIM's proxy voting policy plus a register of all proxies voted. <http://btim.com.au/CorporateGovernance>.

For the Advance multi-manager business, the Advance proxy voting policy can be obtained at: www.advance.com.au. Essentially, Advance outsources voting to underlying managers and monitors this voting through a reporting process in place with each of the underlying managers where voting responsibility exists. Advance reserves the right, and may on occasion, direct external managers on how they should vote.

No

Process

LEA 18	Mandatory	Descriptive	PRI 2
---------------	------------------	--------------------	--------------

LEA 18.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
-----------------	---

	Approach
--	----------

We use our own research or voting team and make our own voting decisions without the use of service providers.

	Based primarily on
--	--------------------

- our own voting policy
- our clients' requests or policy
- other, explain

We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.

We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

We hire service provider(s) that make voting decisions on our behalf.

LEA 18.2	Additional information.[Optional]
-----------------	-----------------------------------

The above response relates to the exercise of proxy voting by BTIM. In the case of Advance, voting is generally outsourced to investment managers except in the case of contentious issues within Australian equities whereby Advance may override voting and ensure voting is consistent across the portfolio, consistent with the Advance proxy voting policy.

LEA 22	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 22.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

Outputs and outcomes

LEA 23	Mandatory	Core Assessed	PRI 2
---------------	------------------	----------------------	--------------

LEA 23.1	For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.
-----------------	--

- We do track or collect this information

	Votes cast (to the nearest 1%)
--	--------------------------------

	%
--	---

97

	Specify the basis on which this percentage is calculated
--	--

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

LEA 23.2	If there are specific reasons why you did not vote certain holdings, explain these, and if possible, indicate the percentage of holdings affected by these factors. [Optional]
-----------------	--

The above response relates to the exercise of proxy voting by BTIM. In the case of BTFG's fund of fund business, Advance, the information is not tracked at this stage.

- We do not track or collect this information

Communication

LEA 27	Mandatory	Core Assessed	PRI 2,6
---------------	------------------	----------------------	----------------

LEA 27.1	Indicate if your organisation proactively discloses information on your voting activities.
-----------------	--

- We disclose it publicly

provide URL

<http://www.btim.com.au>

provide URL

<http://vds.issproxy.com/SearchPage.php?CustomerID=2519%20>

LEA 27.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

LEA 27.3

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 27.4

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
 - Continuously (soon after votes are cast)
 - Quarterly or more frequently
 - Biannually
 - Annually
 - Less frequently than annually
 - Ad-hoc/as requested
- No
- We disclose it to clients/beneficiaries only
 - We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA 27.8

Additional information. [Optional]

The above response relates to the exercise of proxy voting by BTIM on Australian shares. Advance's proxy voting public disclosure can be found at: <http://vds.issproxy.com/SearchPage.php?CustomerID=8870>

BT Financial Group

Reported Information

Public version

Direct - Fixed Income

PRI disclaimer

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

ESG incorporation in actively managed fixed income

Implementation processes

FI 04	Mandatory	Gateway	PRI 1
-------	-----------	---------	-------

FI 04.1 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.

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

FI 04.2	Describe your primary reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.
----------------	---

- For our Ethical Funds, we will not invest in companies which:
- directly mine uranium for the purpose of weapons manufacture
 - produce alcohol or tobacco
 - manufacture or provide gaming facilities
 - manufacture weapons and armaments
 - have been subject to environmental and/or human rights prosecutions

For sustainability funds, the selection process uses sustainability ratings from Regnan. Using a best of sector approach, stocks are assessed and ranked according to a range of sustainability criteria. Companies with poor sustainability ratings (of 4 or 5) are excluded from consideration for the Fund's investable universe.

FI 06	Mandatory	Additional Assessed	PRI 1
--------------	------------------	----------------------------	--------------

FI 06.1	Indicate how you ensure that your ESG research process is robust:
----------------	---

- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits of ESG research are undertaken in a systematic way
- ESG analysis is benchmarked for quality against other providers
- Other, specify
- None of the above

FI 06.2	Describe how your ESG information or analysis is shared among your investment team.
----------------	---

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

(A) Implementation: Screening

FI 07	Mandatory	Gateway	PRI 1
--------------	------------------	----------------	--------------

FI 07.1	Indicate the type of screening you conduct.
----------------	---

Select all that apply

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

FI 07.2 Describe the type of screening you apply to your internally managed active fixed income

Our service provider Regnan conducts all screening on our behalf. Regnan evaluates Australian companies based on environmental and social criteria and BTIM evaluates companies on financial performance. Regnan conducts the initial screening process by assigning a 1-5 rating for environmental and social criteria (where one is the highest ranking and five is the lowest ranking) for each company. Companies that are rated four or five are excluded from the portfolio.

FI 10 **Mandatory** **Core Assessed** **PRI 1**

FI 10.1 Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.

Type of screening	Checks
	<p>Positive/best-in-class screening</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Checks are performed to ensure that issuers meet screening criteria <input checked="" type="checkbox"/> Data used for the screening criteria is updated at least every 2 years <input checked="" type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit or compliance functions <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above

(B) Implementation: Thematic

FI 12 **Mandatory** **Core Assessed** **PRI 1**

FI 12.1	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles:
----------------	--

- We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects
- We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated
- We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated
- We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects
- Other, specify
- None of the above

FI 12.2	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.
----------------	--

We would look to re-assess and divest our investment.

FI 13	Mandatory	Additional Assessed	PRI 1
--------------	------------------	----------------------------	--------------

FI 13.1	Indicate how you assess the environmental or social impact of your thematic investments
----------------	---

- We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments
- We ensure independent audits are conducted on the environmental or social impact of our investments
- We have a proprietary system to measure environmental and social impact
- We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights
- Other, specify
- None of the above

(C) Implementation: Integration

FI 14	Mandatory	Descriptive	PRI 1
--------------	------------------	--------------------	--------------

FI 14.1	Describe your approach to integrating ESG into traditional financial analysis.
----------------	--

BT acknowledges the importance of building an understanding and analysis of ESG performance through the investment supply chain, from companies to analysts, asset managers and asset owners, and the UNPRI provides a valuable framework. BTIM's incorporates ESG factors into investment analysis and decision making for BTIM's SRI Funds, adopting a 'Best of Sector' investment approach to the ESG component of the Funds. In addition with reference to our mainstream funds, these issues form part of the fundamental analysis of individual companies. BTIM receives ESG ratings on companies from provider Regnan. Regnan is also a signatory to the UNPRI as a service provider. ESG factors offer investment insights which can assist our valuations of the intangible aspects of a company's business; this has been evidenced by the use of several qualitative factors in BTIM's mainstream Australian equity valuation process which has been in place already for a number of years. BT also implements ESG factors into a series of passively managed portfolios, utilising the sustainability ratings provided by Regnan.

Corporate (non-financial)

Our approach to managing the integration into our fixed income portfolio remains innovative today and we have seen few other products in the Australian market place combining ESG Research from a high calibre researcher of the likes of Regnan, integrated into processes.

FI 15	Mandatory	Core Assessed	PRI 1
-------	-----------	---------------	-------

FI 15.1	Indicate how ESG information is typically used as part of your investment process.
---------	--

Select all that apply

	Corporate (non-financial)
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>
ESG analysis is integrated into security weighting decisions	<input checked="" type="checkbox"/>
ESG analysis is integrated into portfolio construction decisions	<input checked="" type="checkbox"/>
ESG analysis is a standard part of internal credit ratings or assessment	<input checked="" type="checkbox"/>
ESG analysis for issuers is a standard agenda item at investment committee meetings	<input type="checkbox"/>
ESG analysis is regularly featured in internal research notes or similar	<input checked="" type="checkbox"/>
ESG analysis is a standard feature of ongoing portfolio monitoring	<input checked="" type="checkbox"/>
ESG analysis features in all internal issuer summaries or similar documents	<input type="checkbox"/>
Other, specify	<input type="checkbox"/>

FI 16	Mandatory	Additional Assessed	PRI 1
-------	-----------	---------------------	-------

FI 16.1	Indicate the extent to which ESG issues are reviewed in your integration process.
---------	---

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

Across both mainstream and the Sustainability / Ethical strategies, BT acknowledges the importance of building an understanding and analysis of ESG performance through the investment supply chain, from companies to analysts, asset managers and asset owners, and the UNPRI provides a valuable framework. BTIM's incorporates ESG factors into investment analysis and decision making for BTIM's SRI Funds, adopting a 'Best of Sector' investment approach to the ESG component of the Funds. In addition with reference to our mainstream funds, these issues form part of the fundamental analysis of individual companies. BTIM receives ESG ratings on companies from provider Regnan. Regnan is also a signatory to the UNPRI as a service provider. ESG factors offer investment insights which can assist our valuations of the intangible aspects of a company's business; this has been evidenced by the use of several qualitative factors in BTIM's mainstream Australian company valuation process which has been in place already for a number of years. BT also implements ESG factors into a series of passively managed portfolios, utilising the sustainability ratings provided by Regnan.

Communication

FI 23	Mandatory	Core Assessed	PRI 2,6
-------	-----------	---------------	---------

FI 23.1 Indicate if your organisation proactively discloses information on your approach to RI across all of your fixed income investments.

- We disclose it publicly
- We disclose it to clients and/or beneficiaries only

FI 23.5 Indicate the information your organisation proactively discloses to clients/ beneficiaries regarding your approach to RI incorporation.

- Broad approach to RI incorporation
- Detailed explanation of RI incorporation strategy used

FI 23.6 Indicate how frequently you typically report this information.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested
- We do not proactively disclose it to the public and/or clients/beneficiaries