



# RESPONSIBLE INVESTMENT POLICY

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# Introduction

In addition to traditional financial metrics, there also exists a wide collection of environmental, social and corporate governance (ESG) considerations, many of which can have the potential to impact on financial returns and the performance of organisations.

As a credit manager seeking to consistently generate risk-adjusted returns for our investors, Alexander Funds (Alexander) has a strong interest in identifying any opportunities or threats to asset and issuer performance as an integral element to our overall investment process.

Our objective under the Policy is to consider all relevant ESG risks on both individual security and portfolio construction decisions with the aim of providing investors with sustainable investment returns.

We believe that specific assessment of relevant and material ESG factors at a security level and holistically at a portfolio level is a critical element to risk management that ultimately ensures investors funds are managed in a sustainable and responsible manner.

## Our Approach



### Identify

Identify issuers and industries with specific ESG risks



### Assess

Assess the ESG risk and suitability of each issuer and asset



### Monitor

Monitor the direction and pace of change for identified issuers

## Our Process

Alexander has adopted a combined ESG Integration and Exclusionary Screening approach to Responsible Investment. We achieve this through:

- Our Investment Committee, which considers ESG risk at an individual security and portfolio level (ESG Integration); and
- Identifying specific industries and activities that pose ESG risks that AFM do not believe can be justified or effectively mitigated - organisations materially involved in the production of these industries are automatically excluded from consideration



## Fundamental Issuer Research

We consider relevant ESG risks for individual securities and overall portfolio construction. In defining relevant ESG risks we consider the following;

### **Alexander's corporate values**

We consider our values of alignment, fewer, deeper relationships, diversity and collaboration and transparency in each investment decision

### **Our UNPRI Obligations**

As UNPRI Signatories, we ensure that any change in portfolio holdings still meets our obligations

### **Investor ESG Priorities**

We work with clients and industry leaders to identify their top ESG concerns and prioritise based on their requirements

# ESG Considerations

## Current ESG elements which are considered by Alexander's Investment Committee

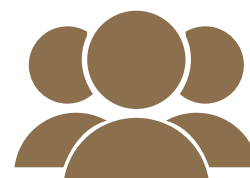
### Environmental

Organisations, companies and lenders who look to minimise carbon emissions and the sustainability of companies involved in the further extraction and development of non-renewable energy.



### Social

Organisations, companies and lenders that encourage diversity & inclusion, maintain ethical supply chains and value & support their staff and communities



### Governance

Sufficient levels of transparency and disclosure to make an informed assessment of ESG compatibility, alignment in remuneration structures and thorough audit and financial reporting disclosure



## Exclusionary Screening

### Excluded Organisations:

Any organisation materially involved in the production of:

- Tobacco
- Weapons
- Pornography

### Strict Portfolio Limits:

Gaming/Gambling (10% Maximum)

Alcohol production, distribution & retailing (10% Maximum)

Fossil Fuel exploration, extraction & processing (10% Maximum)

**20% Maximum Exposure across all of the above industries**

# WANT MORE INFORMATION?

Contact us via

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