



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 strong 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 Funds ("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 Alexander does not believe can be justified or effectively mitigated - organisations materially involved in the production of these industries are automatically excluded from consideration.
- Our ESG Committee also meet annually to raise and discuss any new industries or activities that could pose risk to our ESG stance.



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.

Screening

Excluded:

Any organisation materially involved in the production of production, distribution and supply of:

- Tobacco
- Weapons
- Pornography
- Cannabis
- Cryptocurrency
- Fur



Actively Monitored:

The ESG Committee will continuously monitor and review these sectors for exclusion to assess their materiality and sustainability impact. At present, there is no significant or sustainable impact identified in either investing or not investing in these sectors:

- Logging
- Palm oil



Strict Portfolio Limits:

20% Maximum Exposure across all of the below industries:

- Gaming/Gambling (10% Maximum)
- Alcohol production, distribution & retailing (10% Maximum)
- Fossil Fuel exploration, extraction & processing (10% Maximum)

These exposure limits will be reviewed at least annually by the Investment Committee and the ESG Committee.

For more information, contact us via:
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