

Document Title:	Realm Responsible Investment Policy (RRIP)
Version:	1.1
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Date:	24/06/2021

Purpose

The Realm Responsible Investment Policy (RRIP) outlines the firm's approach to responsible investment (RI) which we define as the incorporation of environmental, social and governance (ESG) considerations into investment decisions.

Scope

The RRIP sets out the minimum standards for RI and it will apply to all investment staff and to all assets under management. It is noted that individual investment funds may have more stringent RI requirements (refer to appendix one).

Responsibilities

The RRIP is to be reviewed on an annual basis and be signed off by the Head of Risk and the firm Partners. The RRIP will also be updated as when required due to legal and regulatory reasons.

RI Values

The RRIP is framed by our belief that we have a fiduciary duty and a social responsibility to integrate ESG factors into our investment process. It is also formed by our view that organisations can better achieve long term success when they place a greater focus on sustainable practices (in both operations and work culture) and on corporate governance.

Fiduciary duty

The consideration of ESG factors can uncover an additional set of risks and opportunities beyond traditional bottom-up credit research. These factors can have a varying impact on investment returns over time and as such can deliver stronger risk-adjusted returns as well as preserve capital for our clients.

Social responsibility

We have a responsibility to support the stable transition toward long-term objectives that aim to provide a sustainable future for all. These long-term objectives include, but are not limited to, the United Nations Sustainable Development Goals (SDGs) and global net-zero emissions targets.

Negative Screening: we will not invest in companies exposed to the following sectors or engaged in the following activities:

- Weapons
- Tobacco
- Animal cruelty
- Pornography
- Human rights abuses

RI Framework

Our RI framework is an integral part of our investment process and comprises of the following four pillars:

1. Fundamental ESG Research:

- Separate analysis of the key ESG factors which could have an impact on a company's credit quality (probability of default and loss given default) and the demand for its bonds over time.
- Each company is assigned an ESG risk score based on a four-point scale from low, moderate, high, to very high.
- Examples of ESG factors include:

Environmental	Social	Governance
Climate change	Human capital management	Corporate Governance
- Carbon emissions	- Labour conditions (including supply chain)	- Ownership structure
- Fossil fuels	- Workplace culture & diversity	- Board structure & diversity
Pollution & waste	- Workplace health & safety	- Risk & compliance culture
Natural resources	- Modern Slavery	- Accounting standards
- Deforestation	Product Liability	Corporate Behaviour
- Biodiversity	- Product safety & quality	- Business Ethics
- Water & land use	- Responsible financing	- Anti-competitive practices
- Sustainable farming	- Privacy & data	- Bribery & corruption

2. Relative Value:

- The ESG risk score determines the level of ESG risk premium required in our fair value analysis to compensate the additional ESG risk taken in a company's bonds. I.e. the higher the ESG risk score the higher the ESG risk premium demanded.

3. Portfolio Overlay:

- Apply portfolio risk limits to manage the concentration risk to various ESG themes and risks. Sector limits apply on a portfolio basis and the exposure is calculated as the proportion of assets or revenue exposed (directly or indirectly). Sector definitions and limits include:
 - Fossil fuels (10%) – the extraction, exploration, production, refining, processing, storage, or distribution of fossil fuels (coal, oil, and gas).
 - Non-renewable and nuclear energy (10%) – the generation or retailing of non-renewable or nuclear energy.
 - Alcohol (10%) – the production, distribution, retail, licence or supply of alcoholic beverages, key products, and services.
 - Gambling (10%) – the provision of wagering services for money.

4. Engagement & Outreach:

- Engagement with companies to better understand its ESG risk management and voice investor concerns.
- Outreach – promote the acceptance and integration of ESG factors amongst the investor community and our clients.

RI REPORTING

Realm is a signatory to the Principles for Responsible Investment (PRI), a voluntary and aspirational set of investment principles established with the objective of developing a more sustainable global financial system. As a PRI signatory we commit to report on our ESG related activities and progress towards implementing the Principles on an annual basis.

APPENDICES

Appendix One: Fund Specific ESG requirements

Realm Short Term Income Fund

- Additional portfolio overlay:

Sector	Direct Exposure*	Indirect Exposure**
Mining	0%	2.5%
Fossil Fuels	0%	2.5%
Non-renewable and nuclear energy	0%	2.5%
Alcohol	0%	2.5%
Gambling	0%	2.5%

**Direct is defined as being core to the company's operations and the activity attributing to more than 20% of revenues.*

***Indirect is defined as non-core to the company's operations or the activity attributing to less than 20% of revenues.*