



Purpose

The purpose of the Responsible Investment Policy (the “Policy”) is to outline and provide transparency on how we implement the five principles of the Code for Responsible Investing (CRISA) within our organisation. CRISA correlates with the UN-backed Principles for Responsible Investment (PRI) launched in March 2006. These principles encourage collaborative engagement to better incorporate environmental, social and governance issues in decision-making and ownership practices.

BlueAlpha is committed to the principles encapsulated by CRISA. Our investment philosophy and process lend themselves to intrinsic consideration of said principles and standards. We focus on buying high quality companies that create value for investors. Through value creation, these companies tend to be best-in-breed within their respective industries, with much focus on business sustainability. Therefore, Environmental, Social & Governance (ESG) issues are considered by investee companies at length, while we also ensure that we perform our own assessments of any pertinent issues.

Incorporating CRISA into our Process

Principle 1 – An institutional investor should incorporate sustainability considerations, including ESG, into its investment analysis and investment activities as part of the delivery of superior risk-adjusted returns to the ultimate beneficiaries.

BlueAlpha’s investment philosophy is centred around buying high-quality businesses with high cash-based returns, which are able to grow sustainably, thereby compounding their superior returns through time. These companies tend to exhibit superior features in qualitative spheres of assessment, including on ESG metrics. This policy has been developed throughout our 14-year history and has produced consistently superior returns throughout the earnings cycle. Our fundamental analysis of companies considered for investment include an assessment of how the companies ESG activities will impact sustainability of cash returns and growth. Our internal assessments is supported by sell-side research and third-party providers of ESG-related data.

Portfolio’s are ranked on an ESG factor analysis through third party models to flag issues that might require further investigation.

Principle 2 – An institutional investor should demonstrate its acceptance of ownership responsibilities in its investment arrangements and investment activities.

As our process incorporates mechanisms to monitor and detect material issues, whether sustainability- or ESG-related, we are able to escalate concerns, either directly to the companies or via our principal clients (mandate dependent). We also maintain a record of AGM’s and related company meetings, including our resolutions made in accordance with what we believe to be in the best interests of our investors. When voting takes place via our principal clients, we maintain a register of our recommendations.

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Incorporating CRISA into our Process (continued)

Principle 3 – Where appropriate, institutional investors should consider a collaborative approach to promote acceptance and implementation of the principles of CRISA and other codes and standards applicable to institutional investors.

We are committed to work with all stakeholders and industry members to assist with the 5 principals of CRISA. We continue to uphold and establish the CRISA code within our organisation and promote those principles through our investment process. BlueAlpha regularly interact with market participants on issues of ESG both where BlueAlpha has an interest in a company or where it is of interest to the broader market.

Principle 4 – An institutional investor should recognise the circumstances and relationships that hold a potential for conflicts of interest and should pro-actively manage these when they occur.

BlueAlpha's Conflict of Interest & Complaints Resolution Policies are readily available on our website. We are committed to open communication with our clients, and the investing public at large. While we strive to prevent any conflicts of interest, when they do arise, impacted parties are immediately notified and the matter is dealt with collaboratively.

Principle 5 – Institutional investors should be transparent about the content of their policies, how the policies are implemented and how CRISA is applied to enable stakeholders to make informed assessments.

BlueAlpha's operational and investing policies are available on request. Furthermore, we strive to communicate our implementation of our investment philosophy and process including the CRISA principles, as well as ESG and related measures via regular client report-backs. These are conducted at least annually, but usually on a quarterly basis.