



CLIMATE TRANSPARENCY REPORT 2019

Alder Capital Investment Management

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-AC3C8C8A-774C-4137-94B6-B4C7657E9F39/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	✓	Public				
SG 01.12 CC	-	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	-	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	✓	Public				
SG 14.6 CC	-	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	-	Public				
SG 15.1	✓	Public				
SG 15.2	-	Public				
SG 15.3	-	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS

Name	Alder Capital Investment Management
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 0.1 - 0.99 billion AUM
Main Asset Class	>50% 'Other' Internally Managed
Signed PRI Initiative	2018
Region	Europe
Country	n/a
Disclosure of Voluntary Indicators	55% from 38 Voluntary indicators

Alder Capital Investment Management

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.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

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

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 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"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input type="checkbox"/> Screening / exclusions 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 if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Alder Capital operate our ESG policy with the following categories.

1. Principals
2. Governance
3. Execution
4. Information Sharing
5. Risk Management and Compliance
6. Credit and Counterparty Risk
 - Market Risk
 - Operational Risk
 - Settlement Risk
 - Compliance Risk
 - Legal Risk
 - Confirmation & Settlement

7. Office Environment

As an organisation Alder Capital are committed to adhering to and improving on the categories we have created.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

1. Principals We will strive for the highest ethical standards and create a strong culture of ethical and professional conduct with regards to Market activities through the following:

Ethics training by relevant staff, employee code of conduct, senior management to be highly visible to all personnel in articulating and modelling the desired practices, values, and conduct.

2. Governance. We will have remuneration and promotion structures that promote market practices and behaviours that are consistent with our ethical and professional conduct expectations. We will have appropriate policies and procedures to handle and respond to potentially improper practices and behaviours effectively.

3. Execution.

We handle orders fairly and with transparency in line with the capacities in which we act.

We will not request transactions, create orders, or provide prices with the intent of disrupting market functioning or hindering the price discovery process.

We will identify and resolve trade discrepancies as soon as practicable to contribute to a well-functioning Market.

As a firm relying on trading algorithms, we will provide adequate disclosure regarding how they operate.

4. Information Sharing

We will clearly and effectively identify and appropriately limit access to Confidential Information.

We will communicate in a manner that is clear, accurate, professional, and not misleading.

We will provide personnel with clear guidance on approved modes and channels of communication.

5. Risk Management and Compliance

We will have frameworks for risk management and compliance.

We will abide by all applicable law and regulation and have an appropriate compliance framework in place.

We will maintain an appropriate risk management framework with systems and internal controls to identify and manage the risks we face.

We will have practices in place to limit, monitor, and control the risks related to Market trading activity.

We will have processes in place to independently review the effectiveness of and adherence to the risk management and compliance functions.

6. Credit and Counterparty Risk We will have adequate processes to manage counterparty credit risk exposure, including where appropriate, the use of appropriate netting and collateral arrangements, such as legally enforceable master netting agreements and credit support arrangements.

Market Risk

We will have processes to measure, monitor, report, and manage market risk in an accurate and timely way

We will have independent processes in place to mark-to-market trading positions to measure the size of our profit and loss and the market risk arising from trading positions.

Operational Risk

We will have business continuity plans (BCPs) in place that are appropriate to the nature, scale, and complexity of our business and that can be implemented quickly and effectively in the event of large-scale disasters, loss of access to significant trading platforms, settlement, or other critical services, or other market disruptions.

Settlement Risk

We will take prudent measures to manage and reduce Settlement Risks, including prompt resolution measures to minimise disruption to trading activities

Compliance Risk

We will keep a timely, consistent, and accurate record of our market activity to facilitate appropriate levels of transparency and auditability and have processes in place designed to prevent unauthorised transactions.

We will perform "know-your-customer" (KYC) checks on our counterparties to ascertain that our transactions are not used to facilitate money laundering, terrorist financing, or other criminal activities.

Legal Risk

We will have processes in place to identify and manage legal risks arising in relation to our Market activities.

Confirmation & Settlement

We will establish consistency between our operating practices, documentation, and policies for managing credit and legal risk.

We will institute a robust framework for monitoring and managing capacity in both normal and peak conditions.

7. Office Environment

Energy saving policy.

Staff wellness.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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Due to nature of Alder Capital's business being primarily a Currency Manager, we have no way of implementing climate-related risk and opportunities that affect our investment strategies. Should we find somewhere where we feel we can do something then we try and implement this.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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- Yes
- No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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- Yes
- No

	Explain the rationale
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We were not familiar with the TCFD (Task Force on Climate-related Financial Disclosures) up until recently, so we are not (yet) a signatory to this. Having read the detail on this, it is something we do support but have yet to implemented this as a policy. We welcome the ideas behind TCFD and intend publically supporting.

SG 01.10 CC	Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.
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- Yes
- No

SG 01.11 CC	Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.
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Due to the nature of Alder Capital's business being primarily a Currency Manager, we have no way of implementing climate-related risk and opportunities that affect our investment strategies. We do have office energy savings policies, promote recycling and actively discourage wastage in our day to day work. We have looked at potentially trading in indices where climate related indices feature, however this a new market and not something we can do something with at the moment.

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

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

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- We do not publicly disclose our investment policy documents

SG 02.2	Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.
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- Governance structure of organisational ESG responsibilities
- Reporting
- We do not publicly disclose any investment policy components

Governance and human resources

SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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	Board members or trustees
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

	Investor relations
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
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Climate related issues are not easily adapted due to the nature of our business, however we are aware of this and have included it on our agenda.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

SG 13.3 Additional information. [OPTIONAL]

This is currently not a consideration, however this survey has prompted it to be included on the agenda of the investment committee meetings.

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1 Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

Resource scarcity and climate change have an impact of commodities and the commodity currencies that we trade.

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

SG 14.2 Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

Monitoring movements in the commodity market and the impact this has on the commodity currencies like AUD and CAD

None of the above

SG 14.3 Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

Please explain why not

We are not active in markets where we can apply these measures.

SG 14.5 Additional information [Optional]

Our Currency Program is (and has been) uncorrelated to equities for the last 18 years. Long term downward trends in equities have historically resulted in strong returns for our Currency Program. Our Program can help reduce risk in a portfolio and improve returns. So we consider climate-related trends and the impact on market risk. As yet we have not built a model for measuring climate related risks specifically.

SG 14 CC	Voluntary	Public	General
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SG 14.8 CC Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management
- Process for climate-related risks is not integrated into our overall risk management

Please describe

Alder Capital currently have not intergrated climate related risks into the overall risk management of our Programs.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes
- No