



Forstrong Global

# Responsible Investment Policy

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## 1. Background & Purpose of the Policy

Forstrong Global is a leading investment firm providing asset management solutions through a boutique structure to individuals, retail advisors and institutional clients. Our mission is to identify global investment opportunities to deliver safer, more predictable returns. At the same time, we aim to conduct our business with the highest integrity.

The purpose of our Responsible Investment Policy (Policy) is to formalize our practice of integrating Environmental, Social and Governance (ESG) Factors into the investment decision making process to ensure that we are aligned with our clients, their beneficiaries, and our collective long-term interests. At the same time, ESG fits squarely with our commitment to excellence in top-down investment analysis.

We believe that Environmental, Social and Governance (ESG) Factors directly and materially impact investment outcomes. As long-term, global macro investors, we believe that a concerted and consistent focus on ESG throughout an investing lifecycle allows us to avoid undue risk and better identify opportunities.

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## 2. Principles for Responsible Investment

We believe that responsible investment in the mainstream investment decision-making process is best embodied by the United Nations Principles for Responsible Investment (PRI). To confirm our approach to responsible investing, we became a signatory to the PRI in 2022 and committed to six voluntary, guiding principles:

1. Incorporate ESG issues into investment analysis and decision-making processes.
2. Be active owners and incorporate ESG issues into our ownership policies and practices.
3. Seek appropriate disclosure on ESG issues by the entities in which we invest.
4. Promote acceptance and implementation of the Principles within the investment industry.



5. Work together to enhance our effectiveness in implementing the Principles.
6. Report on our activities and progress towards implementing the Principles.

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### 3. Scope

This policy applies to all Accounts managed by Forstrong Global.

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### 4. Definitions

Environmental Factors refer to issues impacting the natural environment, including but not limited to climate change, greenhouse gas emissions, resource depletion, water scarcity, waste and pollution, biodiversity and deforestation.

Social Factors refer to issues affecting employees, customers, suppliers or society at large including but not limited to human rights, bribery and corruption, human capital management, diversity and inclusion, workplace health and safety, managing operations in conflict zones and community relations.

Governance Factors refer to issues regarding how companies are 'governed' including but not limited to board composition and skills, executive remuneration, board diversity and structure, tax, accounting and audit practices.

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### 5. Responsible Investment Guidelines & Approach

As global macro strategists, our investment philosophy necessitates a more holistic approach to ESG investing than is commonly employed. As opposed to bottom-up managers who assess individual companies/ issuers through their respective ESG framework, Forstrong's top-down focus requires a fundamental analysis and understanding of the ESG conditions, issues and aspirations of the asset classes we invest in.

Incorporating ESG analysis into our top-down investment approach helps us to identify more sustainable long-term growth opportunities



and better manage risk. For example, we aim to identify countries, sectors and thematic investments that have established or improving ESG Factors. Forstrong's Investment Committee actively monitors and mitigates ESG risks that could become material to long-term performance.

Forstrong's top-down global macro investment approach assesses the relative merits of asset classes in countries around the world. The assessment is a rigorous and multi-faceted process; incorporating both quantitative and qualitative factors across short, medium and long-term time horizons. The factor analysis is ultimately aggregated into a composite score which dictates the relative attractiveness of each asset class and guides the positioning of our strategies.

Given its impact on growth sustainability described above, ESG analysis is a critical input in the long-term component of the investment process. The analysis encompasses both quantitative and qualitative inputs, as a data-driven framework helps structure the assessment of ESG conditions and gauge changes over time, while qualitative oversight is required to evaluate difficult to quantify issues and determine overall impact.

The Forstrong Investment Committee updates this analysis on a quarterly basis, while monitoring and reviewing positioning on a continuous basis during the interim periods.

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## 7. Engagement & Active Ownership Procedures/ Approaches

Forstrong's macro strategies do not invest in single name companies, instead they invest in index based Exchange Traded Funds (ETFs). As such, Forstrong is not directly responsible for proxy voting or active engagement of the underlying companies within the ETF. To the extent possible, Forstrong engages our sub-advisors to promote the inclusion of ESG Factors into their investment processes, policies and practices where they are not employed today.

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## 8. Reporting & Governance

Forstrong is committed to transparency with our clients. As a Signatory to the UNPRI we intend to meet our reporting commitments with the organization and offer an annual report to our clients. We intend to make this report publicly available via our website and anticipate our inaugural report will be available in the end of 2023 to summarize our activities as engaged responsible investors.

**Accountability:** Forstrong's [Chief ESG Officer](#) drives the firm's ESG strategy and helps the investment team deepen their integration. Forstrong's ESG Governance Committee meets quarterly and is responsible for reviewing the firm's ESG policy annually, approving our ESG integration plan, and evaluating best practices. This group reports regularly to Forstrong's Senior Leadership.

**Culture:** Our employees are a cornerstone of our ESG program. We identify and hire talented professionals committed to upholding strong ethical standards. Our employees support the communities in which we live and work through the "Strong Communities" initiative, which offers volunteer opportunities and charitable giving programs.

**Board Oversight:** Our commitment to ESG considerations begins with Forstrong's Board of Directors, which oversees our approach to ESG matters in our corporate and asset management activities. The Board will be updated on a regular basis on our ESG strategy, objectives, and related activities to ensure we remain accountable to our commitments.