

# AlphaFixe Green Bond Fund



The **AlphaFixe Green Bond Fund** offers an innovative solution for the active management of green bonds, making it possible to participate in the development of a low-carbon economy, without diminishing performance objectives. Fixed income securities are mainly intended to finance climate change mitigation and adaptation projects.

The selected investments must comply with the green bond selection criteria established by AlphaFixe Capital's proprietary validation process, **AlphaGreen**. These criteria are based on the Green Bond Principles and the Climate Bonds Standard (CBS). Bonds that are considered green are either self-labeled or climate aligned bonds, the latter being companies or projects from which 90 % of the revenues are generated by activities with positive impact on the environment.

Our controlled risk management system, which includes non-financial risks (Environmental, Social & Governance), is combined with our 6 different sources of added value in order to create an optimal portfolio.

## HIGHLIGHTS :

**Environmental Integrity** | The **AlphaGreen** proprietary validation process ensures the positive environmental impact of each bond.

**Geographic Diversification** | Global green bonds are hedged in Canadian dollars.

**Credit Management** | Our fundamental approach focuses on selecting good quality credits and capital preservation.

**Benchmark** | FTSE Universe Bond Index

**Value added objective** | 0.50% on a 4-year moving average

## INVESTMENT GUIDELINES:

**Portfolio Duration** | +/- 2 years versus the benchmark

Sector Allocation	<b>Sovereign Bonds</b>   Maximum 100%
	<b>Supranational Bonds</b>   Maximum 50%
	<b>Provincial Bonds</b>   Maximum 75%
	<b>Regional Government Bonds</b>   Maximum 50%
	<b>Corporate Bonds</b>   Maximum 2 times the weight of the index
	<b>Bank Loans</b>   Maximum 8%

**AlphaGreen** validated bonds | Minimum 85%

**Risk Budget** | 4.5 year deviation in dollar duration versus the benchmark

## Management style and approach:

We aim to offer an investment strategy with **true active management**, by using 6 sources of added value (duration, curve, sector allocation, security selection, off-benchmark securities and relative value of the sovereign curves).

In order for the Fund to evolve in a similar risk / return environment as the FTSE Universe Bond Index, global bonds are hedged in Canadian dollars.

When establishing the strategy, AlphaFixe performs in-depth and cyclical analysis aimed to project economic and financial data. Our approach in selecting debt securities is based on fundamental analysis with emphasis on capital preservation. All is based on a controlled risk management, particularly through the use of AlphaFixe's internal management system.

## Investment Team :

### Environmental Integrity



**Simon Senécal, M.Sc., SIPC**  
Director, Responsible Investment  
13 yrs, 2 yrs



**Paul-Marie Vigneau, M.Env., SIPC**  
Analyst, Responsible Investment  
1 yr, 1 yr

### Credit Analysis



**Sébastien Rhéaume, CPA, CA, CFA**  
Managing Director  
28 yrs, 11 yrs



**Michel Bourque, CPA, CGA, CFA**  
Senior Portfolio Manager, Partner  
21 yrs, 3 yrs

