

Cape Town-based TriAlpha Investment Management, the specialist fixed income and alternative investment firm which manages and advises on more than R11 billion of assets, has hosted a series of environment, social and governance (ESG) workshops for all its underlying investment managers, following on from research that the firm undertook into the behavioural dynamics, practices and contextual issues relating to ESG integration.

TriAlpha's director of business development Russell Shanglee said the firm had received varying responses from their underlying managers relating to ESG awareness and readiness, leading them to host the workshops. "Some managers had sub-

TriAlpha's ESG workshops highlight mixed awareness and implementation



Russell Shanglee

stantial rubber on the road [with regards to ESG], while others were aware of the concept and its importance but had not made any progress. Others didn't

think that it would impact their businesses and would therefore not be taking any action," he said. "Given our institutional focus, the evolving regulatory and retirement fund governance environment surrounding the consideration of ESG factors in investment decision-making would of course oblige us to pay particular attention to the last two manager responses."

Shanglee noted that ESG integration was easier said than done for many managers, who continued to grapple with this mega-trend that could well help the alternative asset management industry to earn legitimacy. However, a one-size-fits-all

ESG-compliant or tick-box approach was not possible.

"We are encouraging our managers to employ systematic and methodical means to understand the non-financial drivers in the investment decision-making process, engage with each issue, monitor and then report on progress simply – all within the boundaries of their capacity constraints," he said. "Some of our managers have shown that it is possible and are already on this path. The workshops allowed us to share our experiences with our managers, have constructive conversations on investment policy and mandate implications, specify what our expectations are and also agree a time-line for action."