

CAXTON

Caxton Associates LLP TCFD Entity Report

June 2025

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Introduction and Compliance Statement

As stewards of capital, we believe it is essential to assess both risk and return holistically across our investment universe. Our framework must evolve dynamically by incorporating additional factors deemed financially material. Considering ESG factors can enhance our understanding of the overall risk profile. Our approach is pragmatic, rooted in financial materiality, and focused on creating long-term value for our clients.

This report is published by Caxton Associates LLP (“Caxton”), authorised and regulated by the Financial Conduct Authority (“FCA”) underd Firm Reference Number: 504390, in compliance with the requirements of the FCA’s Environmental, Social and Governance sourcebook.



Benjamin Ohly

Chief Compliance Officer
30th June 2025

Governance

To guide our evolving approach to ESG risk and to help us unlock associated investment opportunities, we have established an ESG Working Group whose membership includes senior leadership.

Strategy

Our investment focus is firmly centred on financially material factors over our investment time horizons. We view the integration of such factors - and their associated risks - as a natural extension of a holistic investment process. Where these factors are expected to have limited influence on the price of financial instruments, they will not be considered as a matter of course.

The multi-strategy, multi-Portfolio Manager nature of our business means that no single investment framework can be applied uniformly across all teams or funds. As the financial materiality of ESG factors varies by strategy - from minimal to highly relevant - integration is more likely in the latter case. The perceived relevance of such factors may evolve over time, requiring dynamic integration into our process.

Risk Management

We believe it is our fiduciary duty to maintain maximum flexibility for integrating ESG into our investment decisions. However, ESG integration can, in some cases, enhance risk-adjusted returns and position our portfolios to benefit from long-term sustainability trends. Our ESG Working Group regularly reviews and refines our approach to ensure its continued relevance.

We believe that constructive engagement is a more effective mechanism for influencing corporate behaviour than divestment. We are a signatory to the United Nations-supported Principles for Responsible Investment (UN PRI) and we participate in collaborative industry initiatives and investor coalitions aligned with common objectives.

Metrics and Targets

Investment decisions at Caxton are solely made for financially material reasons and not for ESG-values driven reasons. Our main focus is to integrate ESG risks with the goal to maximize risk-return profiles of our capital allocations. Setting targets around mainstream climate-metrics such as Scope 1-3 GHG emissions is not relevant. Rather, these data points are considered as inputs into the investment process whenever relevant to facilitate informed capital allocation in line with maximising risk-return profiles.

The time horizon for which emission metrics are updated and published is typically longer than a trade's investment horizon and any disclosure would be less meaningful or inaccurate. We aim to consider the economic implications of the transition to a low-carbon economy as a whole and express views along the most attractive verticals at the most opportune moments in time.