



The Charter

2025

AREF STANDARDS & GUIDANCE

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Prepared by:
**AREF CORPORATE
GOVERNANCE
COMMITTEE**

1. Purpose of the Charter

One of AREF's key aims is to ensure that its members ('**Members**') offer consistently high products and services to investors by adopting the highest possible standards of transparency and corporate governance.

The purpose of this Charter is to set forth guiding principles to support Members in maintaining the highest standards of transparency and corporate governance.

2. Guiding Principles

Members shall exercise their best judgement and act in accordance with the following principles:

- **Stakeholder focused: Ensure stakeholders, including investors, are at the centre of the entity's management.**
 - Identify and understand stakeholder requirements, expectations and concerns.
 - Ensure effective engagement with stakeholders throughout the life of the entity, as appropriate.
- **Integrity: Act with integrity and ensure that investors are treated fairly.**
 - Managers¹ should act in the best interests of all investors.
 - There should be clear and transparent oversight of the entity.
 - Managers should operate their wider business with integrity and on a sound basis.
- **Accountability: Promote accountability in all aspects of entity management and administration.**
 - There should be an explicitly stated entity structure, investment objectives and risk control parameters established.
 - Appropriate operational policies and procedures should be in place to ensure accountability for manager actions.
 - A clear alignment of interest between managers and investors should be demonstrated.
- **Transparency: Promote openness in decision-making processes, communication and reporting with investors and with business operations.**
 - Managers should maintain clear communication with investors.
 - All investors should receive the same information to ensure fairness.
 - All relevant entity documentation should be provided to investors in a timely manner.
 - Valuation methodology and frequency should be clearly stated.

¹ Term covers all those responsible for managing an entity and can include an investor advisor or operator, for example.

- **Resilience: Build resilience to financial market, economic, social, and environmental shocks.**
 - Ensure sufficient processes around strategic planning, risk management and adaptability to mitigate the impact of a wide range of economic and market events and to ensure sustainability throughout the lifetime of the Member as an entity.
 - Ensure appropriate strategies and measures are implemented to ensure fund longevity is aligned with investor time horizons.
 - Update and regularly review all processes, where applicable.
 - The manager should ensure appropriate diversification of underlying assets.

- **Sustainability: Have regard for practices which promote sustainable investing, including the transition to net zero by 2050.**
 - Managers should have clear and robust climate risk management practices, including an appropriate strategy, governance, metrics and targets, as appropriate.
 - Collaborate with key stakeholders (tenants, property managers, key suppliers) to reduce environmental impacts, transition to net zero and promote stronger communities.

- **Collaboration: Foster partnerships between industry players, government agencies, and other stakeholders to address common challenges and achieve shared goals.**
 - Managers are encouraged to actively support AREF's lobbying efforts on behalf of industry members and to share evolving good practice for the benefit of the wider industry.

- **Innovation: Encourage continuous improvement and the adoption of new strategies to drive progress and enhance outcomes for investors.**
 - Foster a culture of innovation to improve efficiency, effectiveness and address any unfulfilled investor needs.
 - Recognise and promote successful innovative products and services that benefit investors and the wider investment community.

- **Diversity, Equity and Inclusion: Embrace diversity and promote equal opportunities for all individuals within the industry, regardless of background or identity.**
 - Managers should have internal policies and procedures (Diversity, Equity and Inclusion Policies and Procedures) that promote a diverse, equal opportunity and inclusive workplace.
 - Leadership must champion diversity and inclusion, setting the tone for the entire organisation.

- **Regulatory compliance: Ensure adherence to relevant laws and regulations to maintain legal standards and protect investors.**
 - Managers should ensure entity structure, objectives, reporting and oversight functions of the Member comply with the relevant legal and regulatory frameworks.

3. Adherence with the guiding principles

Members are expected to consider the outlined principles and uphold the ethos of the Charter.

With an aim to maintain integrity and effectiveness of the Charter's guiding principles, AREF provides investors the opportunity to lodge complaints if they perceive that Members are not aligning with these guidelines. This includes situations where stakeholders, including investors, are not placed at the core of Members' management, integrity is compromised, accountability is lacking, transparency is not maintained, resilience is not built, sustainability practices are neglected, collaboration is absent, innovation is overlooked, diversity, equity, and inclusion are not prioritised, or regulatory compliance is not upheld.

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