

ALL WEATHER
INVESTING IN POSITIVE OUTCOMES



RESPONSIBLE
INVESTMENT POLICY

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ALL WEATHER CAPITAL

RESPONSIBLE INVESTMENT POLICY

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Responsible investment philosophy and objectives

AWC seeks to be a leader in Responsible Investing.

All Weather Capital's investment philosophy is that of responsible investing for sustainable shareholder value creation. We also believe that companies that take account of ESG factors in how they conduct their operations are more likely to have sustainable business practices that create lasting results to benefit all stakeholders and will meet our investment objectives. Consistent with both of these objectives, AWC Responsible Investment Policy outlines our approach to managing investments on behalf of our clients in a responsible manner and which includes ESG matters. The policy forms the foundation of how we, approach, identify, integrate, engage and report on ESG factors within our investment process. It seeks to both uncover opportunities and evaluate potential risks within a disciplined investment process.

As members of United Nation-Backed Principles for Responsible Investment (UNPRI), and CRISA, our approach to corporate sustainability is based on UN Sustainable Development Goals and our commitment to achieve a more sustainable future. Thus, we embrace the core principles as follow:

- We seek to achieve shareholder value creation by investing responsibly
- We will incorporate ESG issues into investment analysis and portfolio management processes.
- We will be active owners and seek to engage, and advocate for change with the investee companies.
- We will seek appropriate disclosure on ESG issues in the companies we invest in
- We will promote acceptance and implementation of the principles within the investment industry
- We will work together with investee companies to enhance our effectiveness in implementing the principles
- We will each report on our activities and progress towards implementing the principles.

Approach to Responsible Investing

- The approach to implement RI is shaped by AWC's investment strategy. We identify and rate material ESG issues which rating is taken into account in our investment process and which informs our engagements and voting of companies we invest in.
- We recognize ESG risks are diverse and often difficult to identify and quantify. Varying degrees of ESG risks differ in materiality where it pertains to different companies and different sectors, and so, the impact on valuation is different. It is for this reason that we do not base our decision to invest in companies solely on the outcomes of ESG views. We would, rather, hold companies for which we have identified ESG risk exposure once they have passed through our fundamental research process and we believe that the share price sufficiently accounts for the ESG issues we have identified.
- We typically do not exclude companies or sectors. However, should the investment process show a negative impact on AWCs return objectives, or have a material negative effect on our reputation, it may be excluded after approval from senior oversight managers. Further exclusion may come as a request from a client.

ESG Integration

- We see integration of RI to be the explicit inclusion of ESG considerations into financial analysis and portfolio decision making. This enables ESG risks and opportunities to be identified and factored into the risk/return assessment for an investment.
- Our process allows us to identify and rate ESG risks (as part of the AWC's ESG Framework review and fundamental analysis of stocks). The ratings are incorporated into our fundamental valuations. This flows into a ranking table which drives stock selection and portfolio inclusion.

Active ownership

- AWC uses its rights and position of ownership to influence the activities or behaviour of companies we invest in on behalf of our clients. We do so via **engagement** with the company itself and other stakeholders where necessary, and via our **voting activities**. On occasion and with senior management oversight, AWC undertakes **advocacy** with the aim to influence broader issues, to promote ESG opportunities or highlight ESG risks.
- Engagement
The investment team engages directly with company management and, on occasion, the chairman of the Board. We believe this provides invaluable insights of how the company leaders perceive and addresses risks. It further provides a forum for the company to answer specific questions, and for us to raise any areas of concerns, particularly in cases where we differ from the company's course of action
 - The focus of engagement may be on specific resolutions, specific ESG issues, engagement on broader ESG themes or on building ongoing relationships.
 - Engagement priorities and approach depend on a variety of factors which may include our ability to influence, the nature of the issue, geographic location of the company, and the weight in our portfolio.
 - Our engagement mechanism is typically one on one meetings,, written correspondence or telephonically
 - Should contentious issues arise, AWC will seek input from external stakeholders (such as sector regulators) to make an informed decision
- Proxy voting
Voting at AGMs provides us with the opportunity to exercise shareholder rights (according to our fiduciary duties) and to influence and encourage best practice and sustainable business practices in companies we invest in.
 - AWC has internal benchmarks that guide our approach to proxy voting to ensure consistent application across all companies. On occasion, AWC may take an active approach on voting on specific themes, such as carbon emissions – this with oversight from oversight senior management.
 - While our own research (conducted by our fundamental and ESG analysts) is an integral part of the framework's input, we also draw on external research (Brokers, external ESG platforms and public information)
 - Alt is our policy to vote all shares, and on all resolutions. We use a third party service to process proxy voting instructions electronically.
 - We will, on occasion, inform companies of resolutions we will do not approve of, this to provide reasons for our voting activity and encourage change.
 - A record of all proxies is kept
 - Conflicts of interest - AWC applies with regulation and guidelines relating to potential and/perceived conflicts. internal processes ensure that these are well managed, with oversight from the senior managers.

Monitoring

There is ongoing monitoring and evaluation of ESG flags identified in our process. We follow up with management to measure progress on these issues.

Reporting and Disclosures

- AWC keeps a record of all engagements with investee companies as well as a record of all proxy votes. While AWC does not disclose specific company votes or individual engagement publicly, a broad record of our voting activity, as well as articles published in the Media relating to ESG issues are posted on our website. Company specific information is made available to clients on request
- AWC participates the UNPRI annual report back. AWC's assessment report is disclosed on our website.
- These records are available on on website

Internal Governance Processes

Application of the Policy

- The Responsible Investing Policy applies to all AWC's directors, senior management and members of the investment team
- AWC invests in different equity funds. We aim to apply our policy across all the funds we invest across. We further are cognizant of any mandate specific requests around ESG, and accommodate, where possible, as per client requests.

Accountability for RI at AWC

- The CIO and Head of Research have oversight over AWC's Responsible Investing process.
- The Head of research is responsible for driving ESG integration by investment professionals,
- The investment professionals are primarily responsible for implementing the outcomes of our ESG analysis into the stock's valuations and various portfolios
- A dedicated ESG analyst is responsible for the day to day implementation of the Responsible Investing and ESG process, including voting, engagement with investee companies and record keeping

Incentivisation and Training

- We include RI outcomes as part of the investment team's performance criteria.
- We facilitate team development in this field via providing access to ESG conferences, global and local brokers interactions, and access to global ESG analysis platforms.

AWC's in-house Responsible Investing Practice

AWC operates in the same manner as it expects of its investee companies. AWC continuously seeks to identify opportunities to incorporate responsible investing practices across our activities and to influence all stakeholders we do business with.

Appendix

UNITED NATIONS-BACKED PRINCIPLES FOR RESPONSIBLE INVESTMENT (UNPRI)

"The UNPRI have set six Principles for Responsible Investment which are a voluntary and aspirational set of investment principles that offer a menu of possible actions for the incorporation of ESG issues into investment practice."

The core objective is for signatories to contribute to developing a more sustainable global financial system.

The principles are as follows:

Principle 1

We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2

We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3

We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4

We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5

We will work together to enhance our effectiveness in implementing the Principles.

Principle 6

We will each report our activities and progress towards implementing the Principles.

CODE FOR RESPONSIBLE INVESTING IN SOUTH AFRICA (CRISA)

The Code for Responsible Investing in South Africa (CRISA) gives guidance on the how institutional investor should execute investment analysis and investment activities and exercise rights so as to promote sound governance.

There are five key principles:

1. An institutional investor should incorporate sustainability considerations, including environmental, social and governance into its investment analysis and investment activities as part of the delivery of superior risk-adjusted returns to the ultimate beneficiaries.
2. An institutional investor should demonstrate its acceptance of ownership responsibilities in its investment arrangements and investment activities.
3. Where appropriate, institutional investors should consider a collaborative approach to promote acceptance and implementation of the principles of CRISA and other codes and standards applicable to institutional investors.
4. An institutional investor should recognise the circumstances and relationships that hold a potential for conflicts of interest and should proactively manage these when they occur.
5. Institutional investors should be transparent about the content of their policies, how the policies are implemented and how CRISA is applied to enable stakeholders to make informed assessments.