

Responsible Investment Policy

March 2021

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) POLICY STATEMENT

At ARGUS Stockbrokers Ltd., we integrate analysis of Environmental, Social, and Governance (ESG) factors into our investment process. We are long-term investors, seeking to invest in companies with sustainable businesses focused on creating long-term value. For over 20 years, we have worked relentlessly to help both local institutional and retail investors pursue their investment objectives - regardless of shifting market conditions. The Board of ARGUS Stockbrokers Ltd oversees and is ultimately responsible for our firm's ESG practices. We believe our policy of ESG integration and active ownership adds value for our clients.

At ARGUS Stockbrokers Ltd., we employ a disciplined approach to selecting investments on a blended combination of both macroeconomic (top down) and microeconomic (bottom up) factors characterized by intensive bottom-up research, price discipline for entry/ exit, and a team decision-making process.

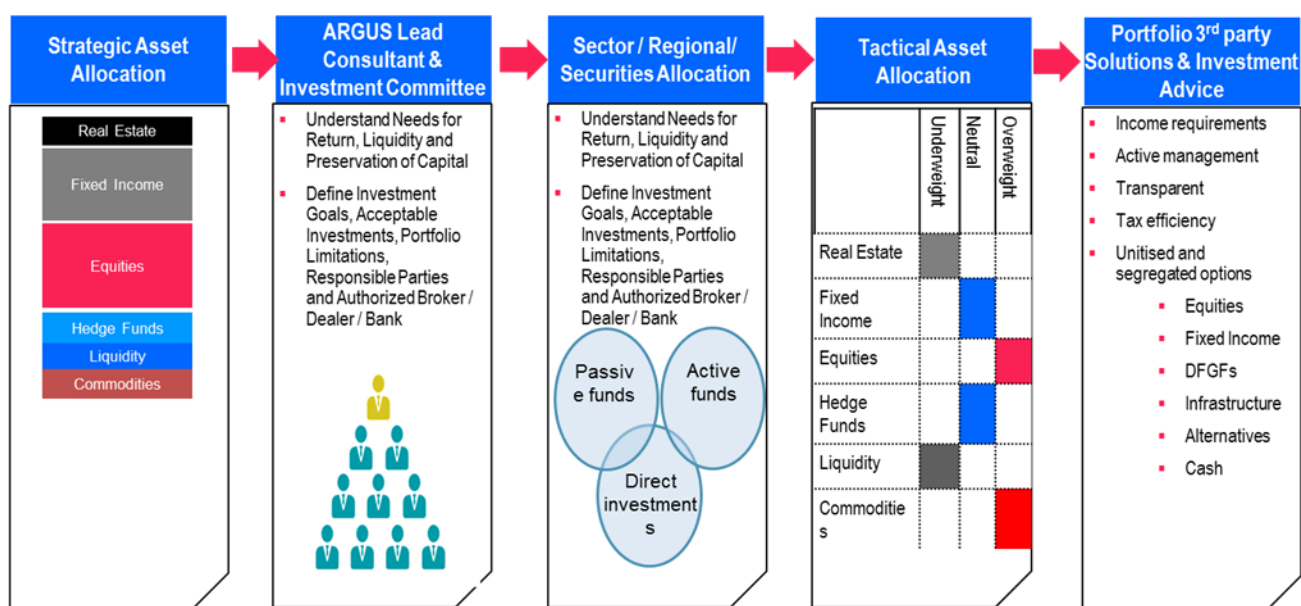
INTEGRATING ESG FACTORS INTO OUR INVESTMENT APPROACH

At ARGUS, we define ESG Integration as the consistent consideration of material ESG factors into our investment research process to enhance clients' long-term risk-adjusted returns. The initial assessment of ESG issues for individual companies is the responsibility of our members of the research and analysis team that has substantial contribution to the process. Their work encompasses a broad set of factors that could materially impact a company's outlook. Material ESG factors include climate change risks, social inequality, regulatory risks, and consumer preferences, among others. For each particular investment, based on 3rd party research resources, our team identifies and applies critical opportunities and risks, which may include ESG factors. We recognize that ESG factors are increasingly essential inputs when evaluating global economies, markets, sectors, and their respective industries. However, integrating ESG factors into our investment approach does not mean that ESG information is the primary consideration for an investment decision. On the other hand, by including ESG considerations, it can certainly help us to make investment decisions.

INVESTMENT PROCESS

The provision of portfolio management and investment advisory is part of our integrated services primarily offered to our institutional clients as well as several high-net worth individuals. Based on ARGUS’s operations and staffing, these services are provided from the members of the advisory and asset management divisions on a daily basis.

Figure 1: Investment consultancy and advisory review

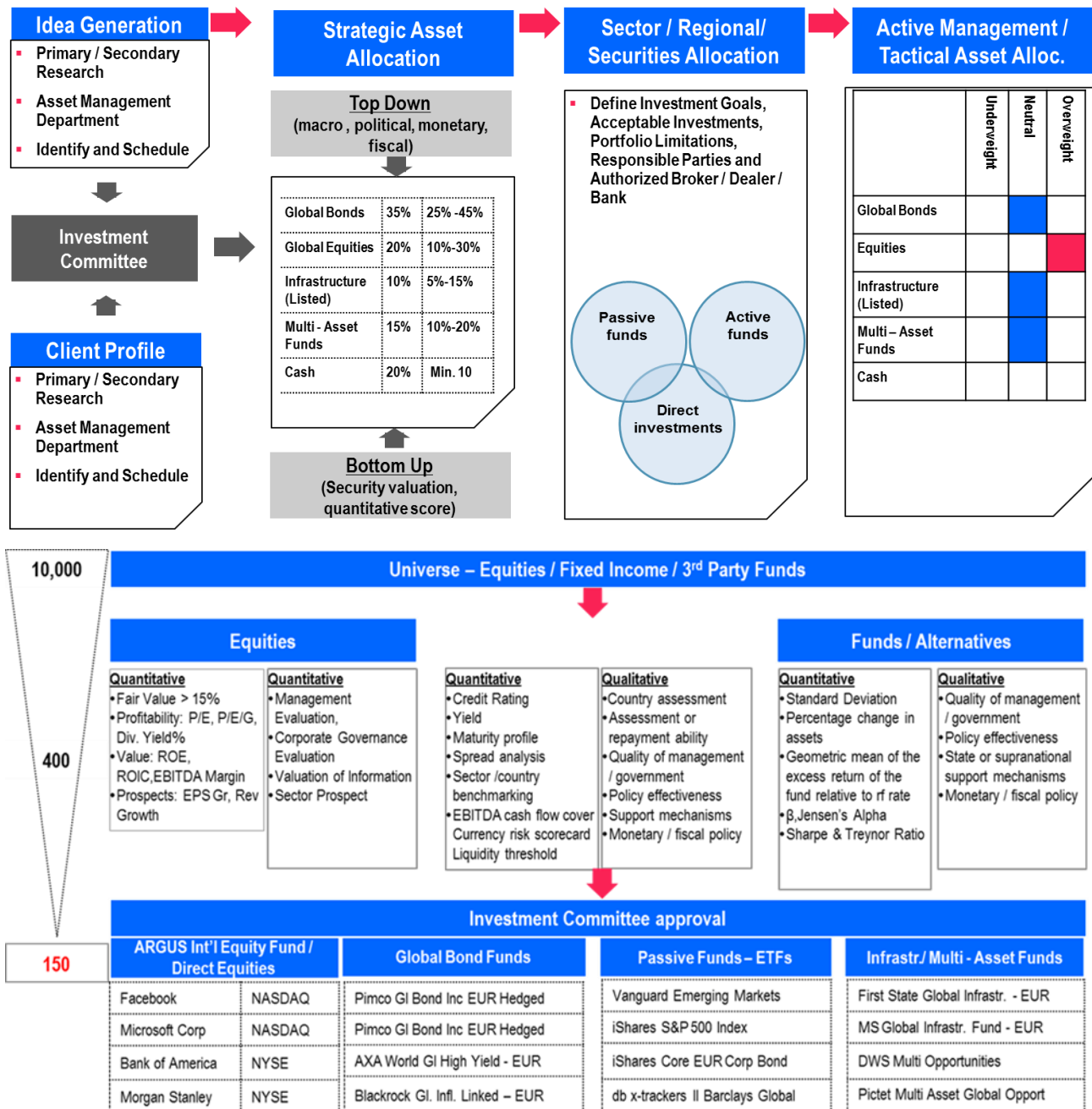


For each investment asset class (e.g. Equities), two members are selected that are responsible for the continuous monitoring of the relevant markets and continuous formation of investment proposals and advice. **An investment can be rejected for a number of reasons including aspects relating to ESG.** These proposals are submitted by the managers to the investment committee, and after approval, they become available to the rest of the managers who can utilize and direct them to their clients. This ensures not only accuracy, but also immediate provision of investment consultation / advice to clients by the responsible contact person / Lead Consultant.

PORTFOLIO CONSTRUCTION PROCESS

The investment methodology, portfolio construction process and the provision of investment consultancy (advisory) services by ARGUS is detailed in the following diagram: It has to be noted that whilst managers are responsible for servicing clients the decision making, selection, policy and principles of the service offering is a team effort ultimately controlled by the Investment Committee.

Figure 2: Portfolio construction and investment consultancy (advisory) process



RESPONSIBLE INVESTMENT POLICY

March 2021

An Investment Strategy and Process supported by sustainable investment beliefs:

Identify companies based on our Quantitative Criteria / ESG considered in assessing sustainability.

Identify companies based on our Qualitative Criteria / ESG considered in corporate governance.

- a. Integrating ESG factors helps us to achieve better risk-adjusted returns.
- b. We are long-term forward-looking investors considering economic models that focus on low-carbon and sustainable growth.
- c. A successful economic future relies on sustainable investment practices.

Key Challenging areas of action in the future

The following areas are challenging and critical in our approach moving forward:



- a. Our goal is to identify sectors, industries and companies that are part of the solution encouraging their growth.
- b. Divest capital from those companies that we feel they are at risk from structural changes or diverge from investor preferences.
- c. Invest in 3rd party managers that can exercise investor stewardship via proxy voting and engagement activity with companies, regulators and governments.
- d. Continued enhancement of our knowledge and perspectives on the key challenges that will allow us to optimize our ability to make well-informed decisions.

ESG RISKS AND OPPORTUNITIES

Our research team is responsible to complete an ESG risks and opportunities checklist and highlight material ESG factors; a required part of their duties when presenting recommendations to our Investment Committee. A further input regarding global sectors complements this analysis. ARGUS Stockbrokers Ltd also subscribes to dedicated third-party ESG, proxy, and governance research to supplement our due diligence.

ESG factors are different for each company, and the evaluation of these factors does not lend itself to explicit rules or metrics. Instead, we assess a company's performance on ESG in the context of its respective industry, domicile, and history. For ARGUS own mutual funds, we do not apply exclusionary ESG screens in our investment process – there are “neither approved lists” nor list of prohibited investments. For separately managed accounts, however, we adhere to specific ESG-driven restrictions when directed to do so by a client.

As long-term investors, we weigh valuation against risks and opportunities for each company and issuer separate, and we believe material ESG factors can have a meaningful impact on current and future valuations. Each of our portfolio reflects a series of individual investment decisions that take ESG and many other factors into consideration. In some cases, we may invest in a company that has an ESG issue if we believe the company is making progress or if the issue is overly discounting the company's valuation.

IN CLOSING

At ARGUS Stockbrokers Ltd., we believe that we have a responsibility to conduct thorough research on ESG variables, look for material factors that could impact our investment outcomes. **As long-term investors, ESG considerations are an integral part of our investment process.**