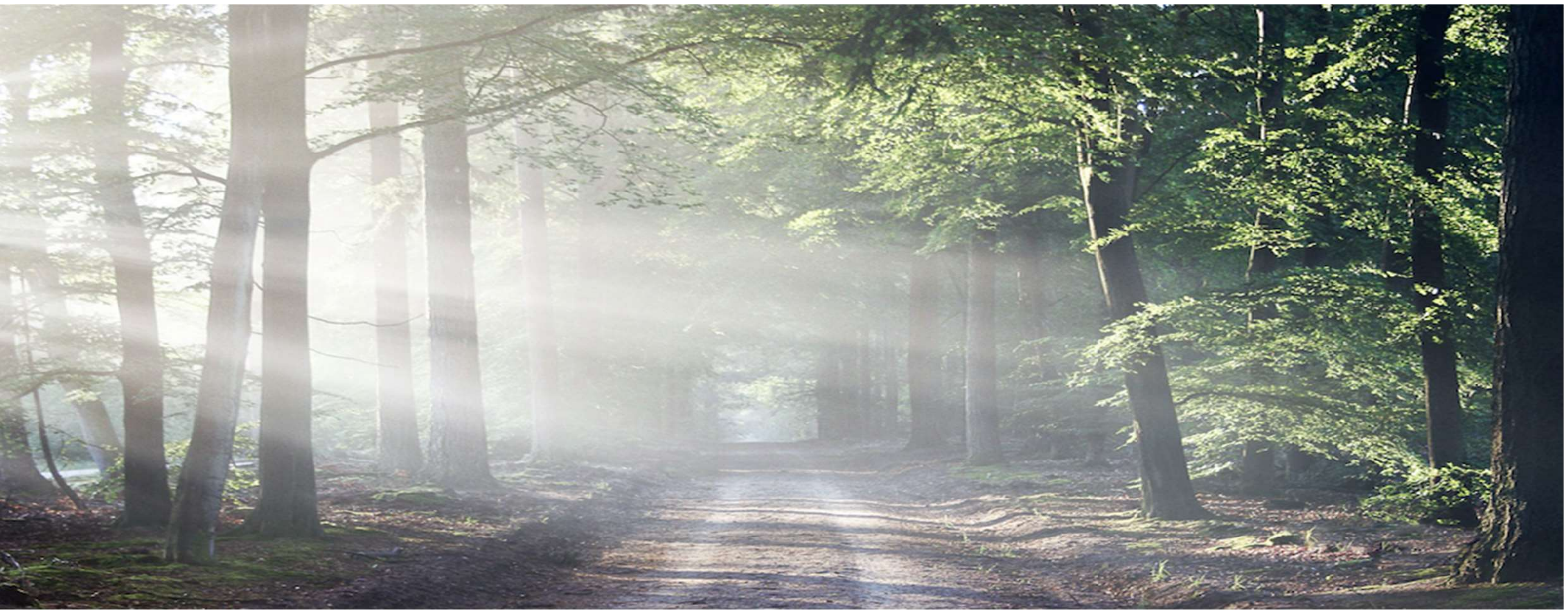

AYLETT & CO. RESPONSIBLE INVESTMENT (RI) POLICY

Purpose

The purpose of the Responsible Investment Policy is to give investors insight into how Aylett & Co. incorporates responsible investing into the management of assets entrusted to us by our clients. The factors relevant to this, namely environmental, social, and governance ("ESG") all play an important role in the sustainability of our investee companies. Our clients have entrusted us with their savings, we do not take this responsibility lightly.

Our fiduciary duty at Aylett & Co. is to generate superior investment performance for our investors. We define risk as the permanent loss of capital and our primary goal for all investments is not to lose money. Responsible investing and assessment of ESG are vital to achieving this goal as ESG risks can very well result in the permanent loss of capital if not appropriately identified and addressed.

Integration of ESG

Fundamental principles

We view responsible investing as a core part of our investment process and not a separate task, it is integral to how we assess a potential investment.

The reason is simple, we are long-term investors and seek to hold companies for many years. For us to own a company for many years it needs to generate sustainable long-term cash flows. Our research and modeling analysis is focused on identifying the sustainable long-term cash flows of a company which are very often different to the cash flows the company is earning today. If a company has significant ESG risks and is not managed in a sustainable way, our ability to forecast these cash flows is lower and the risks to the downside are greater. Inappropriately assessing or ignoring ESG risks could result in the impairment of the cash flows and thus the value of a company. As such it is impossible to separate ESG assessment from the underlying investment process, it has always been and will always be combined. It is also important to note that each company needs to be assessed on an individualised basis, they are all different and there is no one-size-fits-all approach that can be used.

While we do use outside research when relevant it is our opinion that the function of Responsible Investing cannot be outsourced.

Investment process

Our investment approach is long-term in nature, where we seek to own good companies run by competent management teams. ESG is one of the many factors we include when assessing whether a company has a place in our portfolios. We consider ESG at multiple levels in the investment process, firstly in the research and due diligence phase, secondly in the modelling, and finally in the portfolio itself.

ESG reporting is unfortunately in its infancy. Unlike financial accounts which abide by certain standards, currently, ESG reporting is predominantly self-reported on metrics chosen by the companies themselves. Too often we find the results similar to companies reporting adjusted earnings metrics where they only seem to flatter the company. Global standards are being discussed and we expect to see meaningful progress here in the coming years, but until such time that we have common standards, we need to make do with the resources we have.

This means investment research in the usual manner, using financial reports, sustainability reports (often published annually), broker research, expert interviews, trade journals and management and board discussions. We also make use of the Bloomberg ESG function as it allows us access to data collected by Bloomberg with rankings, peer analysis and the trajectory of change for the company over time. There is no perfect single strategy or data source but by building our knowledge across a variety of sources, and over a long period of time, we learn more and find answers to our questions. Continuous learning is a cornerstone of our investment process.

Once we have done the research, we build in the ESG learnings as we would any other risk or opportunity into the investment case. These factors are important in framing the investment and are a consideration in how we build forecasts and the valuation we ascribe to the company being assessed. Each company will have specific ESG factors built into the model and risk assessment. In its simplest form an investment can be distilled into discounting a stream of future cash flows at an appropriate rate. By building ESG into either the cash flows (if quantifiable) or the discount rate (if more uncertain), each investment has an explicit ESG adjustment already built into it.

All investments are discussed by the investment team at research meetings. In this discussion ESG factors are debated in depth. The feedback of the entire investment team is a vital part of improving our risk assessment process and framing the potential investment opportunity. A company's ESG characteristics change over time and as such ongoing monitoring also forms a key part of the analyst's role.

ESG also factors into the overall portfolio assessment by the portfolio managers. It is at the portfolio level that groupings of risk can be considered that are not considered at the individual investment level. If certain risks are highlighted it might be decided that a lower weighting is appropriate in the portfolio context.

We have always incorporated ESG into our investment process, even before it had the designation. However, we believe our entire investment process, including ESG, to be a journey and not a destination. As such we continue to learn, to work and to understand how to improve our processes and thus investment results.

Negative exclusions

We do not expressly exclude any companies at the outset due to ESG factors alone. The world is complex and ever-changing. Companies can have an impact in many ways, both positive and negative. The decision about what is right or wrong is inherently personal and we do not think it appropriate to be the final arbiter of this choice. Overlay this with the reporting weaknesses discussed earlier and the individualised nature of each company analysed and you can quickly see why broad exclusions serve little purpose. There is no screening tool that would adequately meet our standards here. However, where risks are highlighted, we

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manage this risk by requiring a larger margin of safety before investing or we would hold a smaller position size than we otherwise would.

Governance

We believe the most important ESG factor to be governance. Companies need strong oversight to be able to plan for the long term. As shareholders, we are not involved in the daily running of a company. If we are unable to trust the board and management of a company, we cannot trust anything else about the company. Poor or weak governance can, and often does, lead to the permanent destruction of capital. If we are able to influence changes in a poor governance structure, we do consider this as part of our assessment and whether we might own a company.

Company engagement

An important part of the ESG process is engagement with companies at both the board and management levels when there are issues we believe need addressing. We believe in working collaboratively with the management teams of our companies for the greater good of all stakeholders. Where we see major concerns, we are also open to working together with other industry participants to enhance our impact. These engagements are generally not once-off, we follow up on the concerns raised and track progress from the companies over time. By working with companies to improve outcomes we can lower potential risks and results in better outcomes for our investors.

Voting

We believe in active ownership on behalf of our investors, as such we vote on all relevant meetings and decisions for our investee companies. The guidelines we follow are available to all staff and proxy voting registers are maintained. It is our duty as owners of companies to apply our minds to all decisions and as such we do not outsource this duty to proxy voting services. It is, for this reason, why we also believe it impossible to outsource the ESG analysis and risk scoring, these are fundamental responsibilities for active ownership. We would never outsource the investment process; this includes the assessment of ESG risks.

Codes

We endorse the updated Code for Responsible Investment in South Africa 2 (“CRISA 2”) and its stated objective to reaffirm a framework of principles for stewardship and responsible investment as a key component of the South African governance framework.

This framework consists of 5 principles:

Principle 1: ESG integration

Investment arrangements and activities should reflect a systematic approach to integrating material environmental, social and governance (ESG) factors.

As described above in “Investment Process,” all investment decisions incorporate ESG research and analysis to ascertain the risks and sustainability of cash flows

Principle 2: Stewardship

Investment arrangements and activities should demonstrate the acceptance of ownership rights and responsibilities diligently enabling effective stewardship.

As described above in “Company engagement” and “Voting” we believe in being active owners, engaging with our investee companies as well as exercise our shareholder rights to vote on matters.

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Principle 3: Capacity Building and Collaboration

Acceptance and implementation of the principles of CRISA 2 and other applicable codes and

standards should be promoted through collaborative approaches (as appropriate) and targeted capacity building throughout the investment industry.

As described above in "Investment Process" all investment team members are actively involved in the consideration of ESG, both in their own coverage and for the portfolio. Where relevant we will also engage with other asset management firms and consultants on ESG.

Principle 4: Governance

Sound governance structures and processes should be in place (including at all levels of the organisation) to enable investment arrangements and activities that reflect and promote responsible investment and diligent stewardship, including proactively managing conflicts of interest.

We have a detailed Conflict of Interest Policy which addresses the avoidance of potential conflicts. Where conflicts cannot be avoided, the policy ensures that there are sufficient processes in place to mitigate these potential conflicts. It is not the aim of Aylett & Co. to avoid all potential conflicts of interest but rather to identify and effectively manage potential conflicts that may arise during the normal course of business.

Principle 5: Transparency

Investment organisations should ensure disclosures are meaningful, timeous and accessible to enable stakeholders to make informed assessments of progress towards the achievement of positive outcomes.

Our Responsible Investment Policy and Conflicts of Interest Policy are available on our website. Our Proxy Voting Policy and voting registers are available to staff, as well as to clients on request.

Policy approval and review

Aylett & Co. will review this policy annually or at such time as the senior management sees fit to revise its ESG policies and procedures.

This Policy has been considered and approved by the Directors and Senior Management of Aylett & Co.

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