

Responsible Investing Policy

1. INTRODUCTION

This policy presents guidelines for responsible investing and ownership practices at Lima Mbeu Investment Managers (Pty) Ltd ('Lima Mbeu').

2. APPLICABILITY

This Policy applies to all mandates that include equity as a component and will be used as a risk management tool to protect client interests.

3. RESPONSIBILITY

The person responsible for the execution of this policy shall be the Chief Investment Officer.

4. DEFINITION OF RESPONSIBLE INVESTING

Responsible Investing is an investment strategy that incorporates:

- Environmental issues, social issues, and corporate governance (abbreviated as ESG issues) and
- active ownership.

The objective of Responsible Investing is to generate long term competitive financial returns, whilst driving positive societal impacts. Lima Mbeu believes that both active ownership and ESG issues can affect the performance of investment portfolios. The application of explicit ESG factors is incorporated into our investment process.

5. ESG INTEGRATION

Lima Mbeu uses Responsible Investing as a risk management tool and does not apply negative screening when evaluating companies. Central to our goal of managing portfolios with a risk-conscious mindset is the recognition that governance is the most important ESG factor to incorporate, to achieve our objectives.

6. ACTIVE OWNERSHIP

Our Policy is to communicate our concerns on selected issues, through actively engaging the company's leadership.

- 6.1. Concerns are raised to the Board of directors through a formal letter or meetings with management.
- 6.2. If our concerns are not resolved satisfactorily, we will then communicate our dissatisfaction through proxy voting.
- 6.3. If proxy voting does not yield the desired outcome, then Lima Mbeu will not hold an overweight position in the company, relative to the benchmark index.

It is our Policy not to communicate stock-specific, responsible investing issues, to the general public. We will disclose proxy voting records to clients or prospective clients upon request.

7. RESPONSIBLE INVESTING GUIDELINES

Lima Mbeu's Responsible Investing guidelines draw on the critical elements of the United Nations-backed Principles of Responsible Investment (UNPRI) and the Code for Responsible Investing in South Africa (CRISA). We emphasize evaluating governance, and the following principles are embedded in our portfolio construction process:

- 7.1. Hold at underweight or zero weight companies that have the following governance issues:
 - 7.1.1. Evidence of aggressive accounting.
 - 7.1.2. Inadequate disclosure and transparency.
 - 7.1.3. Pending investigations and lawsuits that may have a material impact on the company's earnings (at least 5% impact on earnings)
- 7.2. Hold at 0% weight companies where there is evidence of accounting irregularities.

8. GOVERNANCE STRUCTURES

These Responsible Investing guidelines are governed through Lima Mbeu's investment committee, which includes all members of the investment team and is chaired by the Chief Investment Officer. Lima Mbeu's investment analysts are responsible for incorporating the above-mentioned guidelines into their research and analysis tasks.

9. APPROVAL

Any variation to the Policy must be approved by the Board.