

Responsible Investing Policy

Definition

Responsible investment is defined as the integration of environmental, social and corporate governance (ESG) considerations into the investment management processes and ownership practices in the belief that these factors can have an impact on financial performance.

Aeon Investment Management's motive for developing a responsible investment policy is to set a clear framework for integrating Economic, Social and Governance (ESG) issues into investment decision making. We believe that an analysis of ESG factors, in combination with fundamental research, delivers insight that enhances investment decisions and returns. By incorporating ESG factors we have greater conviction in valuation and risk-reward assessment and we are better able to identify security mispricing.

Responsible Investment Guidelines

Aeon Investment Management aims to identify companies whom have a positive effect on the South African society through Product & Service delivery, Employment, Corporate Social Responsibility and Black Ownership.

1. Business and Product

- Does the company engage in ethical business practises?
- Does the product add value to the consumer?
- Does the company offer products and/or services which meet the needs of low income consumers?

2. Employment Creation and Labour Practices

- Has the company consistently created jobs over the past years?
- Does the company have expansion plans that include an increased workforce in the coming year(s)?
- Do they have positive employee practices?
- Do they ensure their suppliers meet local ethical labour standards?

3. Corporate Social investing and it Effectiveness

- What is their allocation to CSR initiatives as a percentage of earnings?
- Are the CSR initiatives undertaken by the company directed to sustainable projects that will benefit the community in the long run?

4. Black Ownership and Management

- What percentage of the company is owned by black individuals?
- What percentage of the company is owned by black employees?
- Is the black ownership broad based, or concentrated among a few individuals?
- What percentage of senior management is comprised of black individuals?
- What percentage of the board is comprised of black individuals?
- Is the BEE shareholding at the holding company level?

5. Environmental

- Does the company engage in practises that are considered destructive?
- Is the pollution or harmful effects of the company being offset by community improvement and growth?
- Does the company have a plan to reduce its environmental effect going forward?

Responsible investment procedures/approaches

ESG integration

Aeon Investment Management's approach to responsible investment is Environmental, Social & Governance integration. The objective of the ESG integration is to protect and enhance the value of our long-term investments. Central to our investment philosophy is the explicit recognition that sustainability factors directly affect long-term business profitability. By incorporating ESG factors we have greater conviction in valuation and risk-reward assessment and we are better able to identify security mispricing.

We have an in-house analyst who keeps track of corporate governance issues of companies listed on the Johannesburg Stock Exchange (JSE). The analyst reports to Asief Mohamed, Chief Investment Officer, who is actively involved in environmental, social and governance engagement. We aim to consider a broad

range of ESG issues. Environmental issues we consider are climate change, water scarcity, pollution, packaging and sourcing of raw materials. The Social issues we consider are diversity, work place health and safety, product standards, community relationships and staff turnover metrics. The Governance issues we consider are disclosure, director independence, qualification and experience, remuneration benchmarking, board tenure and attendance. Our Analysts also read integrated reports of companies in our coverage and we consider economic, social and governance issues in valuation methodologies.

Screening

Aeon Investment Management does not have negative screening when assessing companies.

Active ownership

Aeon Investment Management votes for all proxy resolutions for shares held in our portfolios and we provide full detail of our voting record quarterly on our website (<http://www.aeonim.co.za/proxyvoting.asp>). Aeon IM voting policy covers Corporate Governance, Environmental and Social issues. The policy incorporates principles from the United Nations Principles for Responsible Investment (see below), King III Code, CRISA (see below), as well as any client mandate restrictions and guidelines.

UN PRI Six Principles

" 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 on our activities and progress towards implementing the Principles."

CRISA Five Principles

"Principle 1: An institutional investor should incorporate sustainability considerations, including ESG, into its investment analysis and investment activities as part of the delivery of superior risk-adjusted returns to the ultimate beneficiaries.

Principle 2: An institutional investor should demonstrate its acceptance of ownership responsibilities in its investment arrangements and investment activities.

Principle 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.

Principle 4: An institutional investor should recognise the circumstances and relationships that hold a potential for conflicts of interest and should pro-actively manage these when they occur.

Principle 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."

Aeon Investment Management takes advantage of public results presentation and public conference platforms to address matters relating to economic, social and governance issues. We actively research and monitor corporate governance practices and take advantage of platforms that we come into contact with management to address economic, social and governance issues.

Asief Mohamed, the Chief Investment Officer (CIO) for Aeon Investment Management also makes submissions and proposals to parliament, in relation to economic, social and governance issues, through a number of organisations that he is affiliated to.

Reporting

Aeon Investment Management discloses all RI policies on the Aeon Investment Management website (<http://www.aeonim.co.za/srioutline.asp>) which is updated every quarter. We also report our proxy voting record to clients on a quarterly basis.

Asief Mohamed