

Active Ownership Policy

Introduction

This policy describes the SGH Group¹ (SGH) approach to ensure Environmental, Social and Governance (ESG) risks and opportunities are appropriately considered as part of our investment practices.

Commitment and approach

As active owners, we acknowledge that we may influence the impact of ESG issues as we support and promote long-term success. At SGH, we focus our active ownership activity in our engagement with companies and exercising voting rights.

Engagement

At SGH, we participate in active share ownership, demonstrated by the way we engage with companies we invest in or may consider investing in. Through engagement with companies, we are seeking to improve company sustainability. A key input in our investment selection process is an assessment of the quality of the board and senior management. To develop that knowledge, SGH engages with company management at regular intervals, and prioritises active dialogues where positions are significant, and issues are viewed as material.

Investment teams engage with companies throughout their investment process on a broad range of issues including a company's strategy, financial and non-financial performance, risk management, corporate governance, sustainability initiatives, and capital structure. Engagement takes place one on one which we find an effective way to articulate our views to a company's management.

Importantly, regular engagement with companies provides opportunities to gather information for the purpose of:

- monitoring and tracking the performance of our investments
- investment and proxy voting decision making
- understanding management's commitment to ESG integration
- gathering insights into the robustness of management's approach to reporting ESG data

Proxy Voting

We consider proxy voting rights to be an important power, which if exercised diligently can enhance client returns over the long term. We intend, wherever possible and practical, to vote on every resolution put to shareholders. Our primary objective when voting will be maximising the value of our clients' investments.

Proxy Voting Principles

Ultimately, the decision to exercise proxy voting rights rests with the Portfolio Manager. In exercising its voting discretion, SGH may consider the following:

- The nature of the resolution at hand
- Ensuring companies act in the best interests of shareholders
- Improve corporate governance of investee companies
- The ability of SGH to influence the outcome of a resolution
- Whether SGH's participation will advance investment objectives

All proxy voting decisions are made via consultation within the investment teams. Consultation may also be sought with the ESG Committee. In addition, the SGH Group may utilise the services of a proxy voting research company to provide information to aid in the decision-making process.

¹ SG Hiscock & Company Limited and its subsidiary, DMP Asset Management Ltd (DMPAM or DMP), are collectively the SGH Group (SGH).



Voting Officer

SGH has appointed a Group Voting Officer for all portfolios that invest in Australian listed securities whose role is to:

- a. Ensure votes have been lodged on behalf of all SGH funds
- b. Ensure Portfolio Managers have lodged votes on behalf of institutional clients.
- c. Monitor upcoming AGMs
- d. Provide Group voting statistics for disclosure purposes

The Compliance Officer provides a report annually to the Board as to adherence to the Active Ownership Policy.

Application of this policy

This policy applies to all SGH Group products (including private client Managed Discretionary Accounts).

Policy review

This policy is reviewed annually by the SGH ESG Committee and approved by the SGH Group Board.