

Ox Capital Management Stewardship Policy

June 2024

A.1.1 Introduction

Our corporate purpose is to help our clients to achieve their financial goals through specialist investment management strategies. We believe that companies which are on a positive trajectory towards sustainability are better positioned to mitigate risks and take advantage of emerging opportunities.

We are a boutique investment management firm managing emerging markets strategies. We believe that ESG integration is crucial when investing in emerging markets economies due to their fast pace of development and the opportunity to add value through constructive engagement as these companies grow and develop. We favour sustainable companies because we believe they are better positioned to deliver positive long-term sustainable returns.

Having good ESG practices is an important social licence for sustainable conduct of business. Although direct real-world impact is not necessarily the primary goal of our funds, we believe that through our investment approach we are able to have a positive impact on our investee companies and the communities which they serve.

A.1.2 Purpose

At Ox Capital we believe companies with better ESG practices can create greater shareholder value in the long term. Further, companies with better ESG practices typically have better management practices, more sustainable profitability, and trade on a premium valuation.

The purpose of the Stewardship Policy is to set out Ox Capital's approach and general framework for Stewardship.

This Policy will outline:

- Ox Capital's commitment to engagement and stewardship.

- Key issues on which Ox Capital engages with investee companies
- How Ox Capital engages with investee companies
- Ox Capital's policy on voting
- Stewardship and sustainability conflicts of interest
- Reporting

A.1.3 Commitment to engagement

Our overall Stewardship objective is to maximise overall value to clients. We believe that companies with good governance practices, sustainable business models and a good track record of business ethics will ultimately lead to better value.

Our engagement activity centres on constructive interactions with portfolio companies to encourage better ESG practices, as we believe companies that are on a positive trajectory towards sustainability are better positioned to mitigate risks and take advantage of emerging opportunities.

A.1.4 Alignment with the PRI Principles of Active Ownership:

As part of our commitment to active ownership, Ox Capital is a signatory to the Principles for Responsible Investment (PRI).

The PRI is the overarching framework of our ESG philosophy and as such, we commit to the following:

- We will incorporate ESG issues into our investment analysis and decision-making processes.
- We will be active owners and incorporate ESG issues into our ownership policies and practices.
- We will seek appropriate disclosure on ESG issues from entities in which we invest.
- We will promote acceptance and implementation of the PRI within the investment industry.

- We will work to enhance our effectiveness in implementing the PRI.
- We will report on our activities and progress towards implementing the PRI.

Our commitment to the PRI Principle is to seek to be active owners, and is demonstrated through our engagement activities across our portfolio of investee companies.

Ox Capital’s stewardship goals include:

- Engagement with all companies in which we have invested, and those in which we might consider investing. Engagements will cover all aspects of the company relevant to its prospects including material ESG issues.

- Considering outcomes of engagements when making decisions regarding the ownership of that company.
- Lodging proxy votes at meetings where we have the authority and where it is practicable to do so, with all the issues of corporate governance given due consideration.
- Seeking improvement in ESG performance by investees companies, engaging them on their own approaches to managing material ESG risks and opportunities in line with our own policies and guidelines.
- Maintenance of records of company engagement.

A.1.5 ESG Integration

ESG Summary

ENVIRONMENTAL		SOCIAL		GOVERNANCE		
	Factors to Consider	Investment Implication (YES/NO)		Factors to Consider	Investment Implication (YES/NO)	
A	Sustainability Management Practices		A	Occupational Health & Safety Standards	A	Board Structure
B	Carbon Emission Reduction Policy		B	Child Labour Risk Management	B	Operational Risk Management
C	Other Environmental Considerations		C	Other Social Considerations	C	Director Incentive
					D	Executive Remuneration
					E	Other Governance Considerations

A.1.6 How Ox Capital engages with investee companies?

A.1.6.1 Resourcing of Engagement Activity

Engagement is undertaken by the portfolio managers and analysts who are responsible for the research and due diligence undertaken on the portfolio company. These team members are also supported by the Ox Capital ESG officer who is also across their company engagements and available to support in active ownership activities. In addition to this, the Ox Capital team has access to the Fidante ESG team to guide them on ESG best practices in the industry.

A.1.6.2 Due diligence and monitoring process

We prioritise ESG issues based on their materiality to the industry or region in which the company operates. Companies highly exposed to a particular ESG factor are assessed on their management of these risks. We review their board and management, processes, procedures, policies and any controversies they have been involved in that may indicate their management of these ESG issues is insufficient. We also look closely at their strategy for moving towards a more sustainable business model.

We document the relevant set of ESG issues in an ESG note document for each company that is in the

portfolio. We then track engagements companywide in an ESG engagement log document, within our shared files. This includes a record of the topic engaged on and the outcome of activities.

Ox Capital also reviews MSCI upgrade and downgrade information on an annual basis as part of their process of monitoring ESG practices. This helps to inform the progress being made by investee companies on their positive ESG trajectory.

A.1.6.3 Prioritisation of Engagement Activity

We prioritise material ESG issues for engagement where we feel that material exposure to an ESG risk or risks is not being adequately managed or communicated, or company strategy is not sufficiently considering opportunities and discussing them with their shareholders.

We aim to engage all of our investee companies on developing adequate oversight, processes, policies and controls around climate change risks and opportunities, identifying and mitigating risks of modern slavery in their operations and supply chains, and board diversity including gender diversity.

We encourage our investee companies, wherever practicable, to disclose their climate risks in line with the TCFD framework.

A.1.6.4 Methods of engagement

Ox Capital undertake engagement through various forums:

- Meetings with company management/Board (in-person and virtually)
- Meetings with company ESG representatives (predominately virtually)
- Emails and letters to investee companies on material issues e.g., modern slavery, as well as timely ESG information and strategic direction.

A.1.6.5 Monitoring of engagement outcomes

We monitor our engagements and the commitments made by investee companies as part of that engagement. We follow up to ensure that the relevant changes have been made. If the company does not honour the commitment this will trigger our escalation process outlined below.

A.1.6.6 Escalation strategies

If a company's response to engagement activity does not satisfy our concerns regarding ESG and other material risks, we may take any of the following actions:

- Seek to collaborate with other investors on this issue; or
- Reduce the valuation accordingly and:
 - Reduce position; or
 - Exit the position

A.1.6.7 Approach to collaborative engagements

We will seek to engage in a collaborative way with other investors on important ESG issues. We will look to join collaborative engagement groups on relevant ESG topics where we think we can add value.

A.1.7 Proxy Voting

We currently maintain a written Proxy Voting Policy which is reviewed on an ongoing basis, and more formally, by Ox Capital's Board at least annually. The policy details Ox Capital's approach to proxy voting in relation to such issues as Board Independence, Committee Memberships and Director Remuneration and the social factors that may be material to the investee company. In accordance with this policy, we provide regular reporting on our voting activities.

A.1.8 Reporting

Ox Capital tracks and monitors its engagement activity via a centralised database where engagements are logged and tracked. Reporting on engagement activity will be provided to clients on request.

Ox Capital discloses its proxy voting activities via the Fidante proxy voting dashboard which can be found on the Fidante website.

A.1.9 Sustainability Conflicts of Interest

In accordance with regulatory requirements, Ox Capital maintains a Conflict of Interest Policy to ensure that any actual, potential and/or perceived conflicts of interest that may arise are identified, prevented, managed and disclosed in the best interests of clients. Conflicts of interest can occur both between Ox Capital and its clients, a staff member and a client, and between clients. This extends to conflicts that may arise as a result of Ox Capital's Stewardship Activities.

When engaging with investee companies, conflicts of interest may arise. Sustainability conflicts can arise when:

- Investment managers have business relations with the same companies they engage with or whose AGMs where we have voting rights;
- A company that is selected for engagement or voting might also be related to a parent company or subsidiary of the investor;
- When the interests of clients or beneficiaries also diverge from each other.

In managing our engagements, our aim is to protect and pursue the best interests of clients and the integrity of financial markets. The disclosure of actual, potential or perceived conflicts is best practice and if a sustainability conflict of this nature was present as a result of Ox Capital's stewardship activity this would be recorded in the conflicts of interest register.

All Ox Capital staff are required to complete annual conflicts of interest training to ensure they have the appropriate understanding to identify and report conflicts of interest which can then be prevented or managed pursuant to its conflicts of interest framework.