



Introduction

RWC Partners is an independent provider of investment services and is an organisation that aims to achieve alignment with clients, long-term stability and maintaining a high level of professionalism. This is under-pinned by an ownership structure that includes broad employee share participation that reinforces the long-term commitment to the progress of the organisation. RWC's investment teams co-invest alongside clients, creating a natural alignment of interests. RWC's organisational model is focused on experienced, accomplished and well-supported fund managers operating with a high degree of investment autonomy, free from un-necessary restrictions, and a focus on achieving superior investment returns. Our active investment heritage is built on a foundation of innovation, original thought and high conviction investing.

We believe that an important foundation of the services we offer our clients is our ability to be responsible investors. Our responsible investing guidelines, set out in this document, are based on our overarching aims to ensure we fulfil our fiduciary duties and meet the evolving requirements of our clients.

While return on investment remains of prime importance to investors, there is a growing recognition of the importance of considering environmental, social and governance issues in making investment decisions. Some investors have long understood that neglecting these considerations can raise risks of financial loss in their portfolios. Unethical or neglectful behaviour by a company in one of these areas can harm those who invest in a company's shares as well as the environment or society in which a company is located. We believe that applying ESG best practices, such as environmental and product safety, workplace diversity and strong corporate governance, can contribute to long-term investment return while helping to manage risks.

As part of this commitment, RWC Partners has allocated one of the members of its business leadership team, Head of Investment Strategy Arthur Grigoryants, to lead on ESG related matters. As part of his role, Arthur defines the strategy and direction on our responsible investment approach for the organisation and assists the individual investment teams with integration of ESG aspects into their respective processes.

Approach

RWC has a decentralised investment approach where its investment teams have a high degree of autonomy with regards to their investment process and, as such, the approach to incorporation of ESG considerations adopted by each investment team will differ accordingly. Our approach therefore has been to formulate our environmental, social and governance incorporation strategy to take account of diversity while building a firm-wide framework that is consistent, robust and scalable over time.

The degree and nature of integration of ESG considerations into individual investment teams' processes may differ due to a number of factors. Some of the most common ones are as follows:



- The applicability of ESG factors to team's investment process, style and the nature of inefficiencies that it aims to explore;
- The insufficient length of holding period that minimises the impact of any engagement activity;
- The availability of an instrument (with the voting rights) to engage with individual companies on ESG issues;
- Availability of relevant information and access to expertise on the range of ESG issues.

In line with their investment freedoms, each investment management team is responsible for determining the potential financial impact and applicability of ESG considerations on their respective investments fields. We believe this is the best way to ensure meaningful and genuine integration of ESG aspects into the investment process.

In addition to this organisation-level policy, each investment team's process documentation further describes their approach to ESG and details the way and extent to which those aspects are incorporated in the investment approach. We will encourage our clients who are interested to know more about responsible investment aspects of what we do to review both this policy and the investment team-level ESG related documents to formulate a holistic view on the issue.

We are able and willing to engage in discussion with our clients about their specific requirements. We have responded to client-specific demand for ESG-related and ethically driven exclusions at industry and sector level, and have developed investment strategies within bespoke portfolios.

Active ownership

We recognise that proxy votes are a valuable asset and must be exercised in the best interest of investors to enhance the long term financial performance of investments. We believe that the authority to vote can be delegated or retained but should always be voted in the best interests of investors.

As active investors, many of our teams interact intensively with company management. The close, ongoing conversations and in-depth understanding of their investments mean our teams are well-placed to engage directly on any areas of concern, including ESG-related risks. We fully support this pragmatic dialogue as it may impact the long term results of our clients' investments.

How we put principles into practice

We align ourselves with key industry initiatives that reflect our core values. Some examples are:

- RWC Partners signed up to the UK Stewardship Code in 2013. Although the Stewardship Code relates specifically to the UK, RWC seeks to apply the same principles in its overseas investments.
- Organisation-level ESG initiatives. Workplace diversity and inclusion, meritocracy, environmental awareness and charitable giving are at the core of our culture.
- Dedicated and customised ESG solutions via separate managed accounts or a mutual fund structure.
- Investment team-level ESG integration within investment process. Two of our investment teams have an explicit Active Ownership approach.

- Participation of some of our employees and partners in various relevant industry initiatives.

Corporate responsibility

We consider our own conduct and culture as an integral and critical part of our commitment to a broader issue of responsibility. We encourage every individual working with us to adhere to the highest ethical standards at work and in our local communities.

We as an organisation are committed to develop our capabilities to support our investment teams in incorporating environmental, social and governance aspects into their decision-making processes.

We also believe that RWC should strive to offer a stimulating and attractive place to work. Our focus on building a sustainable long term business that is aligned with its main stakeholders – clients, employees and shareholders – is a good foundation for these efforts. Within that stable framework we aim to continuously promote diversity and inclusion, social responsibility, talent nourishment, accountability and transparency.

We encourage our people to play an active role in the communities where they live and work. As part of this initiative we support participation of our employees in local volunteering activities and fund-raising events.

Reporting

We believe in the high standards of transparency and reporting as the basis of the trusted relationship between our investment professionals and our clients. RWC Partners is committed to providing infrastructure support, research resources, proxy voting services, engagement support and reporting, which allow our investment teams to strengthen their consideration of ESG aspects over time. RWC reports on its activities and progress as part of its annual financial reporting, in order for stakeholders to be informed on progress and developments.

Our guidelines will be reviewed regularly and updated to take account of improvements and refinements to our approach as well as to reflect changes in industry best practice.

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Changes in rates of exchange may cause the value of such investments to fluctuate. An investor may not be able to get back the amount invested and the loss on realisation may be very high and could result in a substantial or complete loss of the investment. In addition, an investor who realises their investment in a RWC-managed fund after a short period may not realise the amount originally invested as a result of charges made on the issue and/or redemption of such investment. The value of such interests for the purposes of purchases may differ from their value for the purpose of redemptions. No representations or warranties of any kind are intended or should be inferred with respect to the economic return from, or the tax consequences of, an investment in a RWC-managed fund. Current tax levels and reliefs may change. Depending on individual circumstances, this may affect investment returns. Nothing in this document constitutes advice on the merits of buying or selling a particular investment. This document expresses no views as to the suitability or appropriateness of the fund or any other investments described herein to the individual circumstances of any recipient.

AIFMD and Distribution in the European Economic Area ("EEA")

The Alternative Fund Managers Directive (Directive 2011/61/EU) ("AIFMD") is a regulatory regime which came into full effect in the EEA on 22 July 2014. RWC Asset Management LLP is an Alternative Investment Fund Manager (an "AIFM") to certain funds managed by it and by RWC Focus Asset Management Limited (each an "AIF"). The AIFM is required to make available to investors certain prescribed information prior to their investment in an AIF. The majority of the prescribed information is contained in the latest Offering Document of the AIF. The remainder of the prescribed information is contained in the relevant AIF's annual report and accounts. All of the information is provided in accordance with the AIFMD.

In relation to each member state of the EEA (each a "Member State"), this document may only be distributed and shares in a RWC fund ("Shares") may only be offered and placed to the extent that (a) the relevant RWC fund is permitted to be marketed to professional investors in accordance with the AIFMD (as implemented into the local law/regulation of the relevant Member State); or (b) this document may otherwise be lawfully distributed and the Shares may lawfully offered or placed in that Member State (including at the initiative of the investor).

Information Required for Distribution of Foreign Collective Investment Schemes to Qualified Investors in Switzerland

The representative and paying agent of the RWC-managed funds in Switzerland (the "Representative in Switzerland") is Société Générale, Paris, Zurich Branch, Talacker 50, Postfach 5070, 8021 Zurich. In respect of the units of the RWC-managed funds distributed in Switzerland, the place of performance and jurisdiction is at the registered office of the Representative in Switzerland.