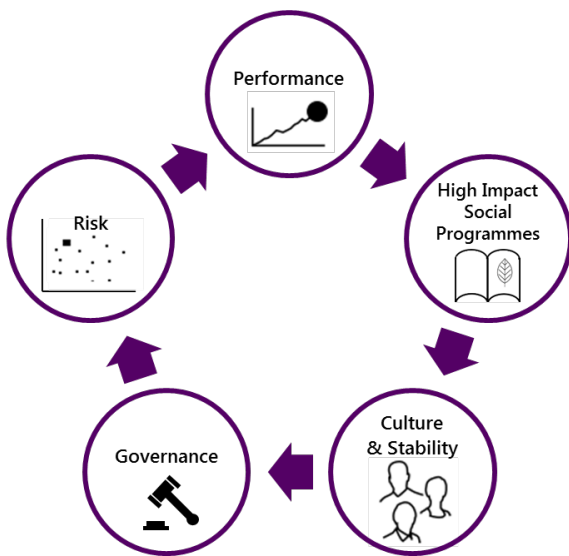




## Environmental, Social & Governance approach

### OVERVIEW

Aurum Fund Management Ltd. (“AFML”) is committed to considering environmental, social and governance (ESG) issues. ESG underpins the firm’s business philosophy which is built on five pillars that are essential elements to continued stability:



**Performance** – A proven investment philosophy achieving alpha-driven, uncorrelated, consistent returns over multiple market cycles.

**High Impact Social Programmes** - We are committed to contributing to a better world and to supporting a range of social and environmental projects. We also encourage charitable engagement amongst all our employees.

**Culture and Stability** - Continuity of people, process and philosophy ensures preservation of culture, cohesion and stability at Aurum.

**Governance** - Maintaining high ethical standards and integrity safeguards sound and reliable corporate governance.

**Risk** - A strong culture of risk management. Aurum utilises proprietary systems to help facilitate thorough initial and ongoing due diligence, enabling us to manage portfolios whilst mitigating business risk.

### ENVIRONMENTAL

AFML, its group companies (Aurum Funds Limited, “AFL”, and Aurum Research Limited, “ARL”) and its stakeholders support and have founded numerous charities that promote and protect the environment. The CIO of AFL and ARL is founder and trustee of Synchronicity Earth, an environmental charity that looks to create sustainable solutions to some of the world’s pressing conservation issues. In January 2002 AFML launched the Aurum Synchronicity Fund, a fund with the goal to deliver returns that go above and beyond financial returns. The fund provides investors with an opportunity to both make money and to make a difference - since 2002 it has generated over \$9.5million for over 100 organisations in nearly 40 countries.

AFML has supported the International Union for Conservation of Nature (IUCN) since 2012. IUCN “is the global authority on the status of the natural world and the measures needed to safeguard it”. For the past fifty years, IUCN has published a ‘Red List’ of threatened or endangered species of animals, plants and fungi. IUCN works with NGOs, local communities, scientists and policy makers to come up with solutions to environmental challenges.

In the offices of AFML and its subsidiaries, there is a strong recycling culture and an awareness of reducing operational carbon footprints. In 2014, AFML initiated Project Regeneration, a program run by Synchronicity Earth that supports local organisations in Southeast Asia, Latin America, the Caribbean and sub-Saharan Africa to restore severely degraded forest, wetland, riverine and coastal ecosystems.

### SOCIAL

Kevin Gundle, CEO of AFL and ARL, is a patron of One to One Children's Fund, which is a charity that aims to rebuild and transform the lives of vulnerable children by first identifying the greatest risks facing children and adolescents and then working with partners to pilot and deliver cost-effective interventions in healthcare, psychosocial services and education.

ARL has supported RedStart, the financial education and entrepreneurship programme for young people, since 2014. This support involves ARL employees hosting interactive educational sessions with young people (age 10-18) to help them build the knowledge and skills to successfully manage their financial futures from a young age.

ARL and AFL encourage employees' own charitable fundraising efforts, contributing to these through a donation matching scheme. In 2018 ARL and AFL also introduced an employee volunteering programme, whereby every full-time member of staff is allocated two days per year to volunteer at a range of London-based charities.

AFML is committed to achieving a working environment that is underpinned by fairness to all individuals, where diversity is recognised, encouraged and valued and the concept of individual responsibility is accepted by all. Whilst much can be achieved by legislative measures, real progress in improving equality of opportunity in employment can only be achieved with a continuing commitment, throughout the organisation in all disciplines and at all levels.

### GOVERNANCE

AFML remains a privately owned business and its organisational structure strives towards best practice in corporate governance. The Aurum group has longstanding and stable management teams who place a strong emphasis on regulation, governance and compliance. The management of the business is focused on having the right systems and controls in place to assure clients that we take the responsibility of managing their money seriously. The same rigour is applied to operating Aurum as a business as is applied to managing portfolios.

- 79% of staff have been with the Aurum group for more than five years.
- 38% of Aurum's funds' directors are women.
- 42% of staff are women.
- There are 2 independent directors on the boards of each of the funds advised by Aurum Fund Management Ltd.
- AFML has a history of investing in technology and has an in-house team of software developers who develop and continually upgrade our proprietary risk management, due diligence, investment monitoring and client reporting systems. This means that our systems are specific, dynamic and fully auditable.
- Aurum's independent operational due diligence ("ODD") team always seek appropriate levels of independent representation on the boards of funds that we invest in.

AFML has signed the United Nations Principles for Responsible Investment Initiative ("UNPRI") which asks its signatories to actively integrate ESG factors into the investment process. Furthermore, the UNPRI offers guidance and collaboration with our peers to work towards a more sustainable global financial system.

### INVESTMENTS

An alignment of AFML's interests with its clients' interests is at the heart of any investment decision. AFML believes that considering various aspects of ESG is an essential component to good investment decision-making. Our ODD process is designed to highlight issues which could exclude a fund based on ESG criteria.

ESG issues are incorporated into the investment decision-making process when AFML considers prospective investments and when performing monitoring of existing investments. The core focus of this assessment is on corporate governance. AFML requires manager personnel and fund directors to have adequate skills and background knowledge. Amongst other things, internal processes, control measures, risk tools, incentive systems and policies on proxy voting and conflicts of interests are reviewed. Aurum Research Limited's ODD team will veto an investment recommendation if a manager fails to meet AFML's standards. Additionally, close relationships with managers facilitate a constructive dialogue around the topic of ESG.

The investment strategies of AFML's funds and the funds we invest in are not, per se, run according to an explicit ethically or socially responsible style or according to a screening process of specific environmental and sustainable criteria. While AFML does not have an official exclusion policy with its underlying managers to the extent such a policy avoids investment in certain companies, AFML does monitor the largest investments in each fund's book. ARL's CIO has previously vetoed investment recommendations in funds that had significant exposure to securities that were considered morally and ethically questionable.

**Bespoke Portfolios** - In situations where AFML provides a bespoke portfolio for investors for whom ESG is a fundamental consideration, AFML would work with the investor to address this and ensure ESG targets are met.

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