

Code for Responsible Investing in South Africa (CRISA) annual disclosure

31 December 2018

Our philosophy on being a responsible investor

Futuregrowth is a fiduciary asset manager and we believe that environmental, social and governance (ESG) issues are important sustainability issues that should be considered as part of a holistic investment process.

Our commitment

We seek to invest our clients' funds in a responsible manner, consciously making an effort to be aware of these issues. The purpose of integrating ESG issues into our investment process is to improve the analysis of our investments, promote improving standards of practice and to assist the investment process in mitigating any risks.

CRISA annual disclosure as at 31 December 2018

We believe that the CRISA principles which considers ESG factors can be applied across all asset classes including fixed income where the majority of our assets under management is invested on behalf of our clients.

Futuregrowth endorses CRISA and is a signatory to the PRI. Below is a summary of Futuregrowth's disclosure based on our application of the CRISA principles.

| CRISA principles | Futuregrowth's application of these principles |
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| <p>Principle 1 Incorporation of ESG</p> | <p>Our Responsible Investment (RI) Policy outlines our commitment to RI practices and ESG integration.</p> <p>Our investment process includes ESG integration into listed and unlisted investments (this includes State Owned Enterprises entities).</p> |
| <p>Principle 2 Active ownership</p> | <p>Our active ownership philosophy is based on our framework of our Corporate Governance and Proxy Voting policies.</p> <p>Active ownership involves:</p> <ul style="list-style-type: none"> - File shareholder resolutions; - Attend annual general meetings and other relevant meetings; and - Exercise voting rights and engage in proxy voting issues. <p>Our active engagement strategy follows two broad paths:</p> <ul style="list-style-type: none"> - To engage and promote change within the capital markets, as bondholders and equity investors; and - To engage issuers on material ESG matters. |
| <p>Principle 3 Collaboration</p> | <p>We collaborate with the industry on RI and ESG matters. These include:</p> <ul style="list-style-type: none"> - Industry bodies like e.g. ASISA, Chartered Financial Analyst (CFA) SA etc.; and - Representation on a few industry working groups e.g. ASISA Bond committee, ASISA Infrastructure Working Group, ASISA RI Committee and PRI Awareness & Recruitment Working Group. |
| <p>Principle 4 Conflict of interest</p> | <p>Our Conflict of Interest Management Policy outlines key parameters within a framework to manage conflicts.</p> |



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| Principle 5 Disclosure | <p>We will disclose and report on ESG issues and our progress towards implementing the principles. This can be evidenced in the following reports:</p> <ul style="list-style-type: none">– RI Policy http://www.futuregrowth.co.za/media/1268/futuregrowth-ri-policy.pdf;– PRI Annual Disclosure http://www.futuregrowth.co.za/media/2539/futuregrowth-pri-disclosure-2018-final.pdf– PRI Transparency Report (Click on the Futuregrowth link to access the report) https://www.unpri.org/signatories/transparency-reports-2018/3350.article– CRISA Annual Disclosure http://www.futuregrowth.co.za/media/1267/futuregrowth-crisa-disclosure.pdf |
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