

## Principles for Responsible Investment (PRI)

Annual disclosure as at 31 December 2019

### 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 identify and price for any risks, improve the analysis of our investments and to promote improving standards of practice.

### PRI annual disclosure

We believe that the PRI 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 is a signatory to the PRI and endorses the Code for Responsible Investment in South Africa (CRISA). Below is a summary of Futuregrowth's disclosure based on our application of the PRI principles.

PRI principles	Futuregrowth's application of these principles
<p><b>Principle 1</b> We will <b>incorporate ESG</b> issues into investment analysis and decision-making processes.</p>	<p>Our Responsible Investment (RI) Policy outlines our commitment to responsible investment practices and ESG integration into investment analysis and decision-making processes.</p> <p>Our investment process includes ESG integration into listed and unlisted investments (this includes State Owned Enterprises (SOEs) entities).</p>
<p><b>Principle 2</b> We will be <b>active owners</b> and incorporate ESG issues into our ownership policies and practices.</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"> <li>- File shareholder resolutions;</li> <li>- Attend annual general meetings and other relevant meetings; and</li> <li>- Exercise voting rights and engage in proxy voting issues.</li> </ul> <p>Our active engagement strategy follows two broad paths:</p> <ul style="list-style-type: none"> <li>- To engage and promote change within the capital markets, as bondholders and equity investors; and</li> <li>- To engage issuers on material ESG matters.</li> </ul>
<p><b>Principle 3</b> We will seek appropriate <b>disclosure</b> on ESG issues by the entities in which we invest.</p>	<p>We will seek appropriate disclosure on ESG issues by the entities in which we invest by engaging investee companies to report and disclose material ESG issues. In addition, we will disclose and report on ESG issues and our progress towards implementing the principles.</p>



	<p>This can be evidenced in the following reports, please visit our RI page on our website to access the following reports:</p> <p><a href="https://www.futuregrowth.co.za/our-investments/responsible-investing/">https://www.futuregrowth.co.za/our-investments/responsible-investing/</a></p> <ul style="list-style-type: none"> <li>- RI Policy</li> <li>- PRI Transparency Report</li> <li>- CRISA Annual Disclosure</li> </ul>
<p><b>Principle 4</b> We will <b>promote acceptance</b> and <b>implementation</b> of the Principles within the investment industry.</p>	<p>As a responsible investor we promote acceptance of the Principles through our support and engagement with the industry and investee companies, privately and sometimes publicly, on sustainability issues.</p> <p>We continue to work steadfastly to improve South Africa’s debt capital market standards.</p>
<p><b>Principle 5</b> We will <b>work together</b> to enhance our effectiveness in implementing the Principles.</p>	<p>We work together and collaborate with the industry on RI and ESG matters.</p> <p>We collaborate with the industry on RI and ESG matters. These include:</p> <ul style="list-style-type: none"> <li>- Industry bodies like e.g. ASISA, Chartered Financial Analyst (CFA) SA etc.; and</li> <li>- Representation on a few industry working groups e.g. ASISA Bond committee, ASISA Infrastructure Working Group, ASISA RI Committee and PRI Awareness &amp; Recruitment Working Group and the CRISA Review Working Group.</li> </ul>
<p><b>Principle 6</b> We will each <b>report</b> on our activities and progress towards implementing the Principles.</p>	<p>We will disclose and report on ESG issues and our progress towards implementing the principles.</p> <p>This can be evidenced in the following reports, please visit our RI page on our website to find the latest copy of our the following reports:</p> <p><a href="https://www.futuregrowth.co.za/our-investments/responsible-investing/">https://www.futuregrowth.co.za/our-investments/responsible-investing/</a></p> <ul style="list-style-type: none"> <li>- RI Policy</li> <li>- PRI Annual Disclosure</li> <li>- PRI Transparency Report</li> <li>- CRISA Annual Disclosure</li> </ul>

For further information, please contact:

**Angelique Kalam**

Manager: Sustainable Investment Practices

Tel: 021 659 5483

Email: [angeliquek@futuregrowth.co.za](mailto:angeliquek@futuregrowth.co.za)

