




Gateway		Reason for interaction
<p>LEA 02</p> <p>Monetary</p> <p>Type of engagement</p> <p>Individual/ internal staff engagements</p> <p>Collaborative engagements</p> <p>Service provider engagements</p>	<p>Reason for interaction</p> <p><input checked="" type="checkbox"/> To support investment decisionmaking in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To encourage corporate transition for clients who need to understand or</p> <p><input checked="" type="checkbox"/> To engage through ESG disclosure</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via internal staff</p> <p><input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues</p> <p><input type="checkbox"/> To encourage corporate transition for clients who need to understand or</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via collaborative engagements</p> <p><input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues</p> <p><input type="checkbox"/> To encourage corporate transition for clients who need to understand or</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage via service providers</p>	

RI TRANSPARENCY REPORT

2020

Futuregrowth Asset Management

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the reporting period specified above. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information.

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Usage restrictions

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OO 01.1	Select the services and funds you offer
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Select the services and funds you offer	% of asset under management (AUM) in ranges
Fund management	<input type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> >50%
Fund of funds, manager of managers, sub-advised products	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Other	<input checked="" type="radio"/> 0% <input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> >50%
Total 100%	

OO 01.2	Additional information. [Optional]
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Futuregrowth is a specialist investment company, which manages the full range of interest bearing and developmental investments in an ethical and sustainable way.

Our team of investment experts manages approximately **R194 billion** of assets across the full scope of debt products, from core funds through to yield enhanced funds, as well as a range of developmental impact funds (across a variety of asset classes).

We strive to keep our promises to clients through fundamental analysis that supports strong investment views. Our investment process uses a combination of value adding tools, including interest rate management and fundamental credit & ESG analysis, to add yield to clients' funds.

Futuregrowth provides debt and equity finance facilities to organisations looking to raise funds in the capital markets.

With a track-record of more than 25 years in the market we have the requisite skills set and the investment team is well positioned to:

- structure transactions that add value to both its clients and investee companies, and
- construct diverse portfolios that enhance returns, reduce risk volatility and produce relatively stable outperformance over time.

Futuregrowth is dedicated to the development and empowerment of South Africa and its people, with many of our investment offerings geared towards making a meaningful difference to our world. With this in mind the company continually strives to identify opportunities that will enrich the lives of our people through delivering economic and social returns that really matter.

OO 02.1	Select the location of your organisation's headquarters.
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South Africa

OO 02.2	Indicate the number of countries in which you have offices (including your headquarters).
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- 1
- 2-5
- 6-10
- >10

OO 02.3	Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).
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85

OO 02.4	Additional information. [Optional]
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Futuregrowth is a specialist asset management company, which manages a full range of interest bearing and developmental investment funds.

| Our team of investment experts manages assets across the full scope of fixed income products, from core funds through to yield enhanced funds, as well as a range of developmental impact funds.

| Our investment process uses a combination of value adding tools, including interest rate management and credit analysis, to add performance to clients' funds.

| Futuregrowth provides debt and equity finance facilities to organisations looking to raise funds in the capital markets.

- With over 25 years track-record in the market and the development of the requisite skills set, the investment team is well positioned to structure transactions that add value to both its clients and investee companies, and
- Construct diverse portfolios that enhance returns, reduce risk volatility and produce relatively stable outperformance over time.

| Futuregrowth is dedicated to the development and empowerment of South Africa and its people, with many of our investment offerings geared towards making a meaningful difference to our world. With this in mind, the company continually strives to identify opportunities that will enrich the lives of our people through delivering economic and social returns that really matter. The suite of developmental impact funds consists of the following products:

- Futuregrowth Infrastructure & Development Bond Fund
- Futuregrowth Development Equity Fund
- Futuregrowth Community Property Fund
- Futuregrowth Agri-Fund
- Futuregrowth Power Debt Fund
- Futuregrowth Inflation-linked Power Debt
- Futuregrowth Infrastructure & Development ILB
- Futuregrowth Development Balanced Fund

| The Agri Fund is managed by Futuregrowth Asset Management and UFF as a specialist agricultural fund advisor.

| The property asset management component of the Community Property Fund is managed by Capital Land Property Asset Management.

OO 03	Mandatory	Descriptive	General																																																
OO 03.1	Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.																																																		
	<input type="radio"/> Yes <input checked="" type="radio"/> No																																																		
OO 03.3	Additional information. [Optional]																																																		
	We do not have any subsidiaries, but UFF is specialist fund advisor with a dedicated focus on the agricultural sector in Africa, they act as a fund advisor on behalf of the Agri fund. They are a PRI signatory and signed up to the Farmland principles during 2012.																																																		
OO 04	Mandatory	Gateway/Peering	General																																																
OO 04.1	Indicate the year end date for your reporting year.																																																		
	31/12/2019																																																		
OO 04.2	Indicate your total AUM at the end of your reporting year.																																																		
	Total AUM 194,493,370,701 ZAR 13251044948 USD																																																		
OO 04.4	Indicate the assets which are subject to an execution and/or advisory approach. Provide this figure based on the end of your reporting year																																																		
	<input checked="" type="checkbox"/> Not applicable as we do not have any assets under execution and/or advisory approach																																																		
OO 05	Mandatory to Report, Voluntary to Disclose	Gateway	General																																																
OO 05.1	Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes and investment strategies:																																																		
	<table border="1"> <thead> <tr> <th></th> <th>Internally managed (%)</th> <th>Externally managed (%)</th> </tr> </thead> <tbody> <tr> <td>Listed equity</td> <td><10%</td> <td>0</td> </tr> <tr> <td>Fixed income</td> <td>>50%</td> <td>0</td> </tr> <tr> <td>Private equity</td> <td><10%</td> <td>0</td> </tr> <tr> <td>Property</td> <td>0</td> <td><10%</td> </tr> <tr> <td>Infrastructure</td> <td>0</td> <td>0</td> </tr> <tr> <td>Commodities</td> <td>0</td> <td>0</td> </tr> <tr> <td>Hedge funds</td> <td>0</td> <td>0</td> </tr> <tr> <td>Fund of hedge funds</td> <td>0</td> <td>0</td> </tr> <tr> <td>Forestry</td> <td>0</td> <td>0</td> </tr> <tr> <td>Farmland</td> <td>0</td> <td><10%</td> </tr> <tr> <td>Inclusive finance</td> <td><10%</td> <td>0</td> </tr> <tr> <td>Cash</td> <td><10%</td> <td>0</td> </tr> <tr> <td>Money market instruments</td> <td>0</td> <td>0</td> </tr> <tr> <td>Other (1), specify</td> <td>0</td> <td>0</td> </tr> <tr> <td>Other (2), specify</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Internally managed (%)	Externally managed (%)	Listed equity	<10%	0	Fixed income	>50%	0	Private equity	<10%	0	Property	0	<10%	Infrastructure	0	0	Commodities	0	0	Hedge funds	0	0	Fund of hedge funds	0	0	Forestry	0	0	Farmland	0	<10%	Inclusive finance	<10%	0	Cash	<10%	0	Money market instruments	0	0	Other (1), specify	0	0	Other (2), specify	0	0
	Internally managed (%)	Externally managed (%)																																																	
Listed equity	<10%	0																																																	
Fixed income	>50%	0																																																	
Private equity	<10%	0																																																	
Property	0	<10%																																																	
Infrastructure	0	0																																																	
Commodities	0	0																																																	
Hedge funds	0	0																																																	
Fund of hedge funds	0	0																																																	
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Farmland	0	<10%																																																	
Inclusive finance	<10%	0																																																	
Cash	<10%	0																																																	
Money market instruments	0	0																																																	
Other (1), specify	0	0																																																	
Other (2), specify	0	0																																																	
OO 06	Mandatory	Descriptive	General																																																
OO 06.1	Select how you would like to disclose your asset class mix.																																																		
	<input type="radio"/> as percentage breakdown <input checked="" type="radio"/> as broad ranges																																																		
OO 06.3	Indicate whether your organisation has any off-balance sheet assets [Optional].																																																		
	<input type="radio"/> Yes <input checked="" type="radio"/> No																																																		
OO 06.5	Indicate whether your organisation uses fiduciary managers.																																																		
	<input checked="" type="radio"/> Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets. <input type="radio"/> No, we do not use fiduciary managers.																																																		
OO 07	Mandatory to Report, Voluntary to Disclose	Gateway	General																																																

OO 07.1 Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Internally managed	48.6	SSA
	37.7	Corporate (financial)
	13.1	Corporate (non-financial)
	0.6	Securitised

OO 08 Mandatory to Report, Voluntary to Disclose Peering General

OO 08.1 Provide a breakdown of your organisation's externally managed assets between segregated mandates and pooled funds or investments.

Asset class breakdown	Segregated mandate(s)	Pooled fund(s) or pooled investment(s)	Total of the asset class (each row adds up to 100%)
[g] Property	<input checked="" type="checkbox"/> 0% <input type="checkbox"/> <10% <input type="checkbox"/> 10-50% <input type="checkbox"/> >50 %	<input type="checkbox"/> 0% <input type="checkbox"/> <10% <input type="checkbox"/> 10-50% <input checked="" type="checkbox"/> >50 %	100%
[j] Farmland	<input type="checkbox"/> 0% <input type="checkbox"/> <10% <input type="checkbox"/> 10-50% <input checked="" type="checkbox"/> >50 %	<input checked="" type="checkbox"/> 0% <input type="checkbox"/> <10% <input type="checkbox"/> 10-50% <input type="checkbox"/> >50 %	100%

OO 08.2 Additional information. [Optional]

The two externally managed funds are listed below.

The **Futuregrowth Community Property** Composite is a portfolio specialising in the acquisition of new and existing shopping centres, which cater to the needs of underserved communities throughout South Africa and forms part of Futuregrowth's suite of developmental investments. The benchmark is CPI + 4%.

The fund aims to outperform the CPI by 4% per annum before the deduction of taxes and fees and with income reinvested over a rolling 3-year period. The Composite seeks to provide investors with a low cost, high value property investment that focuses on emerging market retail property growth in underserved rural communities and high density urban centres.

The Composite has purchased and developed 32 shopping centres located in rural and township areas countrywide over the past 20 years. These centres are located in seven of the nine provinces, providing retail services and products to a primary target market of approximately 10 million people.

Futuregrowth Agri-Funds, portfolios specialising in the investment of agricultural land, biological assets, agricultural infrastructure and other related farming implements, form part of Futuregrowth's suite of developmental investments. There are currently three funds in our suite of agricultural funds. Fund 1 is closed, Fund 2 is in drawdown phase and Fund 3 is open for investment. The benchmark is CPI + 10%.

The fund aims to outperform the CPI by 10% per annum before the deduction of taxes and fees and with income reinvested over a rolling 3-year period.

The funds' investments are in the actual farmland and infrastructure, which is leased to an approved operator to manage and run the farm. The farmland will be developed and managed in partnership with these large-scale agricultural operators to further enhance its value. All farms acquired have further development potential. According to a planned expansion programme, the Funds invest capital into farms to develop additional arable land. This may include the acquisition of adjacent farmland.

OO 09 Mandatory Peering General

OO 09.1 Indicate the breakdown of your organisation's AUM by market.



OO 09.2 Additional information. [Optional]

Our business

Futuregrowth Asset Management is a specialist investment company that manages around **R194 billion** of assets on behalf of our investors. Our large team of investment experts manages the full scope of interest bearing products, from money market funds to yield enhanced bonds, as well as a range of development funds. / Investment strategy As asset managers we aim to maximise long-term investment performance for our clients, which we do by identifying, sourcing and managing all potential sources of outperformance in our funds. Key tools are our interest rate strategy and asset selection process.

Interest rate strategy

Our approach to interest rate management is driven by fundamental economic factors, although we also consider many other market influences, including the potential impact of non-fundamental drivers. We use a top-down approach to formulate our macroeconomic view in conjunction with a bottom-up approach to price instruments. Together this forms our best investment view, which guides our investment strategy.

Implementation of the strategy includes optimising the mix of interest-bearing assets (cash, variable rate, fixed rate and inflation linked bonds), duration size and yield

curve position, that once combined, will drill down to stock selection.

Asset selection

Our asset selection process is designed to add yield to client funds by analysing and taking advantage of the opportunities provided in the lending markets. Using mainly a bottom up approach to analysis of borrowers, potential deals in both the listed and unlisted sectors are independently assessed. Key elements in the process are pricing for risk, and terms and covenants negotiated to protect clients' investments.

When seeking assets in the development equity space, we use our existing knowledge of companies and markets to identify long-term opportunities in unlisted equity.

Ongoing analysis of the relevant debt and equity instruments, including both economic and environment, social and governance (ESG) factors, is conducted.

The above sources of outperformance are blended with the aim of reaching the best possible outcome depending on the mandate and the needs of our clients. We are constantly seeking better ways to generate sustainable returns for our clients.

A word on sustainable investing

We consider that investors play a key role in the capital allocation mechanism of the economy, and our fund investors are part and parcel of South Africa's long-term development. We manage our business in a long-term, sustainable manner, we seek to assess each investee company in terms of their own sustainable practices - including consideration of the counterparty's character, products and practices. We believe a responsible investor channels capital suitably to sustainable enterprises.

OO 10	Mandatory	Gateway	General
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OO 10.1 Select the active ownership activities your organisation implemented in the reporting year.

Listed equity – engagement
<input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors.
Listed equity – voting
<input checked="" type="checkbox"/> We cast our (proxy) votes directly or via dedicated voting providers <input type="checkbox"/> We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf
Fixed income SSA – engagement
<input checked="" type="checkbox"/> We engage with SSA bond issuers on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with SSA bond issuers on ESG factors. Please explain why you do not.
Fixed income Corporate (financial) – engagement
<input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.
Fixed income Corporate (non-financial) – engagement
<input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.
Fixed income Corporate (securitised) – engagement
<input checked="" type="checkbox"/> We engage with companies on ESG factors via our staff, collaborations or service providers. <input type="checkbox"/> We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

OO 11	Mandatory	Gateway	General
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OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

Listed equity
<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
Fixed income - SSA
<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
Fixed income - corporate (financial)
<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
Fixed income - corporate (non-financial)
<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
Fixed income - securitised
<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
Private equity
<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.

Inclusive finance
<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.
Cash
<input checked="" type="checkbox"/> We address ESG incorporation. <input type="checkbox"/> We do not do ESG incorporation.

OO 11.2 Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

Asset class	ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes		
Property	<table border="1"> <thead> <tr> <th style="background-color: #0070C0; color: white;">Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</th> </tr> </thead> <tbody> <tr> <td> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </td> </tr> </tbody> </table>	Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Property - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes			
<input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input type="checkbox"/> We invest only in pooled funds and external manager appointment is not applicable <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation			
Farmland	<table border="1"> <thead> <tr> <th style="background-color: #0070C0; color: white;">Farmland - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</th> </tr> </thead> <tbody> <tr> <td> <input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation </td> </tr> </tbody> </table>	Farmland - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes	<input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation
Farmland - ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes			
<input type="checkbox"/> We incorporate ESG into our external manager selection process <input type="checkbox"/> We incorporate ESG into our external manager appointment process <input checked="" type="checkbox"/> We incorporate ESG into our external manager monitoring process <input type="checkbox"/> We do not do ESG incorporation			

OO 11.4 Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

In response to **OO11.2 (Property)**: Capital Land is the fund advisor and property manager for our property fund. They have implemented green building principles in the retail centres e.g. energy efficient lighting, solar on some properties, recycling initiatives. In addition, all new property investments must adhere to EIA regulations and approvals. Monitoring is done on an ongoing basis and reported to the investment committee and Board.

In response to **OO11.2 (Farmland)**: UFF is specialist fund advisor with a dedicated focus on the agricultural sector in Africa, they act as a fund advisor on behalf of the Agri fund for Futuregrowth Asset Management. Our farmland assets are managed in line with the PRI farming principles and ESG considerations and monitoring is done on an ongoing basis and reported to the investment committee and Board.

OO 12	Mandatory	Gateway	General
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OO 12.1 Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

Core modules
<input checked="" type="checkbox"/> Organisational Overview <input checked="" type="checkbox"/> Strategy and Governance
RI implementation directly or via service providers
Direct - Listed Equity incorporation
<input checked="" type="checkbox"/> Listed Equity incorporation
Direct - Listed Equity active ownership
<input checked="" type="checkbox"/> Engagements <input checked="" type="checkbox"/> (Proxy) voting
Direct - Fixed Income
<input checked="" type="checkbox"/> Fixed income - SSA <input checked="" type="checkbox"/> Fixed income - Corporate (financial) <input checked="" type="checkbox"/> Fixed income - Corporate (non-financial) <input checked="" type="checkbox"/> Fixed income - Securitised
Direct - Other asset classes with dedicated modules
<input checked="" type="checkbox"/> Private Equity <input checked="" type="checkbox"/> Inclusive Finance
RI implementation via external managers

<input type="checkbox"/>	Indirect - Selection, Appointment and Monitoring of External Managers
<input checked="" type="checkbox"/>	Property
<input type="checkbox"/>	Closing module
<input checked="" type="checkbox"/>	Closing module

OO LE 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO LE 01.1	Provide a breakdown of your internally managed listed equities by passive, active - quantitative (quant), active - fundamental and active - other strategies.
10	<input type="text"/> Passive
0	<input type="text"/>
90	<input type="text"/> Active - quantitative (quant)
	<input type="text"/> Active - fundamental and active - other

OO FI 01	Mandatory to Report, Voluntary to Disclose	Gateway	General
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OO FI 01.1	Provide a breakdown of your internally managed fixed income securities by active and passive strategies
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SSA	<input type="text"/> Passive
	10
	<input type="text"/> Active - quantitative (quant)
0	
<input type="text"/> Active - fundamental and active - other	
90	
Corporate (financial)	<input type="text"/> Passive
	0
	<input type="text"/> Active - quantitative (quant)
0	
<input type="text"/> Active - fundamental and active - other	
100	
Corporate (non-financial)	<input type="text"/> Passive
	0
	<input type="text"/> Active - quantitative (quant)
0	
<input type="text"/> Active - fundamental and active - other	
100	
Securitised	<input type="text"/> Passive
	0
	<input type="text"/> Active - quantitative (quant)
0	
<input type="text"/> Active - fundamental and active - other	
100	

OO FI 03	Mandatory	Descriptive	General
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OO FI 03.1	Indicate the approximate (+/- 5%) breakdown of your SSA investments, by developed markets and emerging markets.
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SSA	<input type="text"/> Developed markets
	0
<input type="text"/> Emerging markets	
100	

OO FI 03.2	Indicate the approximate (+/- 5%) breakdown of your corporate and securitised investments by investment grade or high-yield securities.
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Type	Investment grade (+/- 5%)	High-yield (+/- 5%)	Total internally managed
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Corporate (financial)	<input checked="" type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%	<input type="checkbox"/> >50% <input checked="" type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%	100%
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OO PE 01	Mandatory	Descriptive	General
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OO PE 01.1 Provide a breakdown of your organisation's internally managed private equity investments by investment strategy.

Investment strategy	Percentage of your internally managed private equity holdings (in terms of AUM)
Venture capital	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input checked="" type="checkbox"/> <10% <input type="checkbox"/> 0%
Growth capital	<input checked="" type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input type="checkbox"/> 0%
(Leveraged) buy-out	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input checked="" type="checkbox"/> <10% <input type="checkbox"/> 0%
Distressed/Turnaround/Special Situations	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0%
Secondaries	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0%
Other investment strategy, specify (1)	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0%
Other investment strategy, specify (2)	<input type="checkbox"/> >50% <input type="checkbox"/> 10-50% <input type="checkbox"/> <10% <input checked="" type="checkbox"/> 0%
Total 100%	

OO PE 01.2 Additional information. [Optional]

The Futuregrowth Development Equity (DEF) Composite

A portfolio specialising in equity and related investments in socially responsible projects and businesses or developmental assets, forms part of Futuregrowth's suite of developmental investments.

Objective

The Composite aims to outperform the benchmark with a nominal return of 18-22% per annum before the deduction of taxes and fees and with income reinvested over a rolling 3-year period.

Composition

The Composite invests mainly in unlisted equity and participating instruments, but allows up to 20% in debt instruments. Although the Composite invests principally in unlisted transactions, relevant listed instruments are not excluded.

The Composite provides investors with a cost effective and flexible channel to participate in the infrastructure and development equity asset class. Investors benefit from the exclusive ability to access an existing pool of stable assets, access to a flow of developmental transactions, a lower than market fee and the ability to play a role in creating a new pool of risk capital for South African development.

In order to retain adequate liquidity and flexibility, and in the course of managing new investments, asset maturities and sales and fund-flows, the Composite usually maintains a high degree of liquid and/or non-developmental assets.

Social Impact

The Composite aims to provide investors with a vehicle that facilitates infrastructural, social, environmental and economic development in southern Africa, while maintaining a high degree of exposure to developmental assets, and delivers on a variety of social impact requirements such as job creation, affordable housing, access to services and healthcare.

OO PE 02	Mandatory to Report, Voluntary to Disclose	Descriptive	General
OO PE 02.1 Indicate the level of ownership you typically hold in your private equity investments.			
<input type="radio"/> a majority stake (>50%) <input type="radio"/> 50% stake <input checked="" type="radio"/> a significant minority stake (between 10-50%) <input type="radio"/> a minority stake (<10%) <input type="radio"/> a mix of ownership stakes			
OO PE 02.2 Additional information. [Optional]			
The Development Equity Fund usually holds a significant minority stake in companies.			
OO Checks			Checks
<input checked="" type="checkbox"/> If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.			

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2 Indicate the components/types and coverage of your policy.

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach	<input checked="" type="checkbox"/> Applicable policies cover all AUM <input type="checkbox"/> Applicable policies cover a majority of AUM <input type="checkbox"/> Applicable policies cover a minority of AUM
<input checked="" type="checkbox"/> Formalised guidelines on environmental factors	
<input checked="" type="checkbox"/> Formalised guidelines on social factors	
<input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors	
<input checked="" type="checkbox"/> Fiduciary (or equivalent) duties	
<input checked="" type="checkbox"/> Asset class-specific RI guidelines	
<input type="checkbox"/> Sector specific RI guidelines	
<input checked="" type="checkbox"/> Screening / exclusions policy	
<input checked="" type="checkbox"/> Other, specify (1) RI Policy includes screening & engagement.	
<input type="checkbox"/> Other, specify(2)	

SG 01.3 Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)

Other description (1)

The Investment Policy, RI policy, Climate Statement contains a combination of the above information.

Other RI considerations, specify (2)

SG 01.4 Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Futuregrowth's purpose is to protect and grow investors' savings through skill and diligence in a way that engenders trust and sustainably enriches people's lives, while being a positive force in society, markets and for all our stakeholders". Futuregrowth's ESG framework integrates environmental, social and governance issues into the investment analysis and decision process with the view of mitigating and pricing for overall portfolio risk.

Investment strategy

As fiduciary asset managers we aim to maximise long-term investment performance for our clients, which we do by identifying, sourcing and managing all potential sources of outperformance in our funds. Key tools are our interest rate strategy and asset selection process.

a) Interest rate strategy: Our approach to interest rate management is driven by fundamental economic factors, although we also consider many other market influences, including the potential impact of non-fundamental drivers. We use a top-down approach to formulate our macroeconomic view in conjunction with a bottom-up approach to price instruments.

b) Asset selection: Our asset selection process is designed to add yield to client funds by analysing and taking advantage of the opportunities provided in the lending markets, using mainly a bottom up approach to analysis of borrowers.

SG 01.5 Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Investment Approach

Our Responsible Investment approach is a subset of our investment policy which covers:

Preamble: Our view on what constitutes RI/ESG Philosophy: We believe all investors - including responsible or socially responsible investors - should earn appropriate returns for risks taken. Thus, our policy and strategy for responsible investing exists within the framework of achieving appropriate returns for risks borne and satisfying clients' expressed desires or policies.

Our commitment: Futuregrowth's ESG framework integrates environmental, social and governance issues into the investment analysis and decision process with the view of mitigating and pricing for overall portfolio risk.

ESG Integration is covered under Annexure A of the RI policy

The purpose of integrating ESG Active Ownership & Engagement Listed & Unlisted Equity Listed & Unlisted Fixed Income Evaluation & Monitoring

Investment Policy Statement :

The "Definitions and Notes" is an Appendix to our Investment Guidelines, herein we state that: "Nothing herein or in any related documents hereto prohibits the Investment Manager from screening the Fund's investments for environmental, social, governance ("ESG") or developmental factors, or from applying responsible investment ("RI") criteria, (either positive or negative), provided that the overall goals of the Fund as expressed herein and any related documents hereto are paramount, and the risk limits specified are adhered to."

No

SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

We have identified physical and transition climate-related risks and opportunities and factored them into our fundamental analysis as part of our ESG risk tools and analysis. In cases where we identified a material risk, this would affect the rating and pricing of the underlying issuers/investee companies.

Some of the physical climate-related risks we identified and their associated impacts included the following:

1. Agriculture sector where our clients have exposure and were affected by the disruption to operations and trade arising from severe/ extreme weather events in particular. For example, in South Africa we've had severe storms, droughts across the country which has resulted in water scarcity. We assessed the water risk related to the agri investment, in some cases the businesses had sufficient mitigation strategies (e.g. water wells) in place to counter the low rainfall and in some cases there were none. In addition, our clients are invested in assets that have exposure to other climate events (e.g. red-tide effect) due to global warming and has resulted in a write-down to the value of the investment.

2. Energy and resource security that arise from climate change has also been factored in by assessing issuers/investees in terms of materiality to their operations and how this affects their profitability e.g. in companies that are water resource dependent, we have assessed alternative water sources availability and water security in the respective region.

3. Infrastructure and property sectors have also been affected due to climate related events e.g. flooding causing damage to infrastructure and properties. We assess insurance coverage and ongoing maintenance of infrastructure and properties to ensure that these are maintained and up to date so that climate events like hailstorms, flooding will have a minimal impact.

Some of the transition-related climate risks and opportunities we identified include the following:

As part of our decision to transition to a low-carbon economy, we engage issuers/investee companies in carbon intensive industries or sectors that have inherent exposure to climate related risks, to determine their efforts to identify the risk, a strategy to mitigate and to report on progress in these areas on a regular basis.

Opportunities in this area include:

In an effort to transition our client portfolios to a low-carbon economy, we have invested a total of R8 billion in the renewable energy sector in South Africa. Our exposure is across a variety of wind, solar and CSP projects located across South Africa.

No

SG 01.7 CC Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

Describe the associated timescales linked to these risks and opportunities.

Physical risks:

In reference to points above, the timescale were all within the short-to-medium term.

Transition risks:

In reference to the points above, the timescale were all with medium-to-longer-term.

No

SG 01.8 CC Indicate whether the organisation publicly supports the TCFD?

Yes

No

SG 01.9 CC Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

Not an "organisation" wide but "investment wide", which aims to identify and manage material climate-related risks and opportunities relating to the investments we undertaken behalf of our client funds.

No

SG 1.10 CC Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

SG 02 **Mandatory** **Core Assessed** **PRI 6**

SG 02.1 Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

Policy setting out your overall approach

URL/Attachment

- URL
<https://www.futuregrowth.co.za/media/3130/futuregrowth-ri-policy.pdf>
- Attachment (will be made public)

- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Fiduciary (or equivalent) duties
- Asset class-specific RI guidelines
- Screening / exclusions policy
- Engagement policy
- (Proxy) voting policy

URL/Attachment	
<input checked="" type="checkbox"/> URL	https://www.futuregrowth.co.za/media/1270/futuregrowth-corporate-governance-proxy-voting-policy.pdf
<input type="checkbox"/> Attachment (will be made public)	
<input type="checkbox"/> Other, specify (1)	
<input type="checkbox"/> We do not publicly disclose our investment policy documents	

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment	
<input checked="" type="checkbox"/> URL	https://www.futuregrowth.co.za/media/3130/futuregrowth-ri-policy.pdf
<input type="checkbox"/> Attachment	

- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- ESG incorporation approaches

URL/Attachment	
<input checked="" type="checkbox"/> URL	https://www.futuregrowth.co.za/media/3130/futuregrowth-ri-policy.pdf
<input type="checkbox"/> Attachment	

- Active ownership approaches

URL/Attachment	
<input checked="" type="checkbox"/> URL	https://www.futuregrowth.co.za/media/3130/futuregrowth-ri-policy.pdf
<input type="checkbox"/> Attachment	

- Reporting

URL/Attachment	
<input checked="" type="checkbox"/> URL	http://www.futuregrowth.co.za/media/1268/futuregrowth-ri-policy.pdf
<input type="checkbox"/> Attachment	

- Climate change

URL/Attachment	
<input checked="" type="checkbox"/> URL	https://www.futuregrowth.co.za/our-investments/responsible-investing/
<input type="checkbox"/> Attachment	

- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- We do not publicly disclose any investment policy components

SG 02.3 Additional information [Optional].

In reference to SG 02.2 - Climate Change:

Futuregrowth's approach to climate risk

In accord with the requirements of regulation 28, Futuregrowth seeks to assess all risks, including ESG risks, as part of our fundamental investment process, and to integrate such considerations into a risk: return framework. Further, we have chosen to have a position on climate risk which incorporates our belief that global warming is a real factor affecting investments (risks and returns) and the sustainability of the country (and the world) for all citizens. Thus, our Responsible Investment (RI) philosophy includes the goal of reducing carbon-emitting investments.

As a PRI signatory, we are aware of the mandatory PRI reporting requirements of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) that comes into effect in 2020, and we are committed to supporting the TCFD principles as part of our overall RI strategy.

SG 03	Mandatory	Core Assessed	General
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SG 03.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2 Describe your policy on managing potential conflicts of interest in the investment process.

Step 1: Identify the conflict of interest

- Are my interests and those of Futuregrowth aligned with my clients needs?
- Am I acting independently, professionally and objectively towards my client?
- Am I acting in the best interests of my client or in the best interests of Futuregrowth?

Step 2: Reporting the identified conflict of interest

- The employee must report the conflict of interest to the Head of Compliance. This must be done in writing or via email.
- The Head of Compliance must record the conflict of interest in the Conflict of Interest Register.
- The Compliance Officer must schedule a meeting, consisting of the CIO, MD and any other appropriate employees.

Step 3: Managing the reported conflict of interest

The CIO, MD, Head of Compliance and other appropriate employees, must evaluate the conflict of interest and decide on the possible actions that must be taken.

No

SG 04	Voluntary	Descriptive	General
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SG 04.1 Indicate if your organisation has a process for identifying and managing incidents that occur within investee entities.

Yes
 No

SG 04.2 Describe your process on managing incidents

All issues/incidents would be taken to our weekly team meeting, if there's a material change in the terms of the loan, covenant terms etc, then this would need to be escalated to our Credit/Investment committees for consideration or approval. Incidents are escalated depending on the nature of the incident - if it relates to portfolio companies, we include it on our "investments at risk" schedule, which records the nature of the change and records the appropriate action taken in relation to the event. This is also closely monitored by the Head of Credit & Equity and reported to the respective credit/investment committees for ratifying any decisions and or changes to the terms of the loan. In addition, all investments at risk are then also reported to the Futuregrowth Board on a quarterly basis.

SG 05	Mandatory	Gateway/Core Assessed	General
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SG 05.1 Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 06	Voluntary	Descriptive	General
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SG 06.1 List the main responsible investment objectives that your organisation set for the reporting year.

Responsible investment processes

Provide training on ESG incorporation

Key performance indicator

Training, lectures and education on Responsible Investing & ESG

Progress achieved

- Jan-19 Old Mutual: Governance Standards and JSE Bond Market Reform
- Feb-19 GSB: Role of Governance in Investing in Africa
 - CFA webinar: JSE Bond Market Reform: Taming the Sharks
- Mar-19 Just Share: PRI reflections
 - ACA Spotlight: State of SOEs, their impact on the SA economy
 - Trialogue: EY sustainability forum: Integrated thinking
- April-19 S&P Global's Annual SA Conference: Making governance real
- May-19 CFA & Finweek Collective Insight: Impact investing
 - Old Mutual: SOE governance, bond reform
- Jun-19 Africa Congress of Accountants: Integrated thinking
 - European Pension Fund Investment Forum: Prescribed Assets
 - IMC: SOE governance, bond reform
- Jul-19 HEC lecture GSB: Sustainable investing
 - Rotterdam EMBA lecture: Sustainable investing
 - Finpas 25th celebration: FG stance on SOE Governance
- Aug-19 10th annual Serious Social Investing Conference SIBs
 - Old Mutual: Prescribed assets and the long-term implications for SA
- Sept-19 CFA Society South Africa Impact Investing seminar at Leaderex: ESG and listed-market standards
- Oct-19 ENS Africa: corporate crisis seminar: Futuregrowth: crisis case study
 - PRI Africa Investor Forum: Active ownership
- Nov-19 Pension Fund - NEC Meeting: Prescribed Assets
 - RISK South Africa: ESG - restoring trust
 - Actuarial sessions: Strengthening investors' role in corporate oversight
 - Impact Investing Africa: Complexities of valuing E & S outcomes
 - Governance: The key to success of State-Owned Enterprises

- Provide training on ESG engagement
- Improved communication of ESG activities within the organisation

- Improved engagement to encourage change with regards to management of ESG issues

Key performance indicator
Engagement to encourage sustainable change.
Progress achieved
<p>During the past year we engaged unlisted and listed issuers on various ESG related issues. Some of these included:</p> <ul style="list-style-type: none"> Property sector engagement on board composition, risk management - in some cases we have agreed on timeframes to implement recommendations appropriate for the company. Retail sector engagement on board diversity, director tenure and transformation - this is ongoing. SOE engagement on governance and DMTN changes - some success but still ongoing with some of the SOE's. In addition, we have undertaken an engagement via ASISA to materially improve listings standards for JSE listed debt. Improvements include better governance reporting and stronger investor protections. This is an industry initiative with ASISA and Futuregrowth has been an active participant.

- Improved ESG incorporation into investment decision making processes

Key performance indicator
Enhance our investment process to incorporate ESG criteria across various fixed income asset classes and listed and private equity.
Progress achieved
<p>We have continued to enhance our process to incorporate ESG criteria across various fixed income asset classes and listed and private equity:</p> <p>1. State Owned Entities (SOE)</p> <p>The learnings on our SOE governance review which we published during the first quarter of 2018.</p> <p>http://www.futuregrowth.co.za/newsroom/futuregrowth-s-soe-governance-review-18-months-on/</p> <p>http://www.futuregrowth.co.za/media/2373/futuregrowth_so-e-governance-unmasked_electronic.pdf</p> <p>This followed our August 2016 announcement to the public and clients that we were suspending all further lending to 6 SOE's pending a full governance review. This suspension was partially lifted (with conditions and additional reporting) to certain of the SOEs.</p> <p>2. Listed debt;</p> <p>We considered ESG-related issues across our listed debt portfolios and this is evident in our Listed Credit Committee minutes and credit reports. We voted on all debt that requires noteholder voting and engagement.</p> <p>3. Unlisted Debt;</p> <p>We considered ESG-related issues across all of our unlisted issuers and this is evident in our Unlisted Credit Committee minutes and credit reports. We engaged in this area around governance improvements in particular, and in most cases made recommendations for borrowers to improve their governance.</p> <p>4. Listed & Unlisted (Private) Equity</p> <p>We considered ESG-related issues across a range of our listed & unlisted equity portfolios, this is evident in our Investment Committee minutes and investment reports.</p>

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

Financial performance of investments
<input type="checkbox"/> Increase portfolio performance by consideration of ESG factors <input checked="" type="checkbox"/> Other, specify (1)
other description (1)
Improved financial performance of investments by applying ESG incorporation into investment decision-making to understand the material ESG risks and ensure a risk-adjusted returns.
Key performance indicator
Focus on key material ESG risks.
Progress achieved
Long-term sustainable performance of underlying issuers held.
<input type="checkbox"/> Other, specify (2) <input type="checkbox"/> Other, specify (3) <input type="checkbox"/> None of the above

ESG characteristics of investments
<input type="checkbox"/> Over or underweight companies based on ESG characteristics <input type="checkbox"/> Improve ESG ratings of portfolio <input type="checkbox"/> Setting carbon reduction targets for portfolio <input checked="" type="checkbox"/> Other, specify (1)
Other description (1)
Improved financial performance of investments by applying ESG incorporation into investment decision making to understand the material ESG risks and ensure risk adjusted returns.
Key performance indicator
Focus on key material ESG characteristics.
Progress achieved
Evident in discussions and documented in credit and investment reports submitted to the Credit and Investment committees.

- Other, specify (2)
- Other, specify (3)
- None of the above

Other activities

- Joining and/or participation in RI initiatives

Key performance indicator

Collaboration and awareness raising of RI/ESG in various educational/speaker engagements.

Progress achieved

Refer to point above on ESG training/educational/speaker engagements in SG.06.1

- Encouraging others to join a RI initiative

- Documentation of best practice case studies

Key performance indicator

A combination of thought leadership and case studies.

Progress achieved

1. PRI and CFA during September 2018 entitled
 - "GUIDANCE AND CASE STUDIES FOR ESG INTEGRATION: EQUITIES AND FIXED INCOME"
 - https://www.unpri.org/uploads/e/f/w/guidanceandcasestudiesforesgintegrationequitiesandfixedincome_155501.pdf
2. PRI case study contribution during late 2018 but only published during Jan 2019 entitled,
 - "ESG, CREDIT RISK AND RATINGS: PART 3 - FROM DISCONNECTS TO ACTION AREAS."
 - <https://www.unpri.org/credit-ratings/esg-credit-risk-and-ratings-part-3-from-disconnects-to-action-areas-/3996.article>

- Using case studies to demonstrate engagement and ESG incorporation to clients

Key performance indicator

Documentation of best practice SOE governance review

Progress achieved

- 1. Futuregrowth SOE report gives grisly details of 'governance degradation'**
<http://www.futuregrowth.co.za/newsroom/futuregrowth-soe-report-gives-grisly-details-of-governance-degradation/>
http://www.futuregrowth.co.za/media/2373/futuregrowth_soe-governance-unmasked_electronic.pdf
- 2. PRI and CFA during September 2018 entitled**
 "GUIDANCE AND CASE STUDIES FOR ESG INTEGRATION: EQUITIES AND FIXED INCOME"
https://www.unpri.org/uploads/e/f/w/guidanceandcasestudiesforesgintegrationequitiesandfixedincome_155501.pdf
- 3. PRI case study contribution during late 2018 but only published during Jan 2019 entitled,**
 "ESG, CREDIT RISK AND RATINGS: PART 3 - FROM DISCONNECTS TO ACTION AREAS."
<https://www.unpri.org/credit-ratings/esg-credit-risk-and-ratings-part-3-from-disconnects-to-action-areas-/3996.article>

- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

SG 07	Mandatory	Core Assessed	General
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SG 07.1 Indicate the internal and/or external roles used by your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for responsible investment.

Roles

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Internal Roles (triggers other options)

Select from the below internal roles

- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 Head of Credit & Equity Team
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment

- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment

SG 07.2 For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

Progress is monitored and reported to the Head of Credit & Equity in terms of overseeing progress. To ensure that ESG integration is applied to all new issuers/investments, we record this as part of our Credit & Investment Committee Minutes and will followed up on as part of our annual review process on an annual basis for all existing issuers. An update on RI/ESG practices are reported on a quarterly basis to the Board on progress and implementation.

SG 07.3 Indicate the number of dedicated responsible investment staff your organisation has.

1

SG 07.4 Additional information. [Optional]

There is one dedicated staff member responsible for overseeing the RI/ESG strategy and ensuring ESG integration is applied by analysts and portfolio managers who then is accountable to the Head of Credit & Equity & CIO.

The actual application of ESG is conducted at a company level is applied by the analyst and forms part of the fundamental analysis and forms part of their responsibility and annual key performance review.

SG 07 CC Mandatory to Report, Voluntary to Disclose Descriptive General

SG 07.5 CC Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues

- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6 CC For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

The Board has an oversight role and monitors the objectives. The Board meets on a quarterly basis and would receive all investment related updates, this would include an RI/ESG update e.g., investment process or issuer related.

SG 07.7 CC For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

Management-level roles play an important role in assessing and managing the climate-related issues for each counterparty. The process is as follows;

- Management would report to Investment Exco and the Board on progress, updates and problems.
- Management stay informed throughout the process since they would be part of the investment decision making forum and would also play a role in monitoring these related issues. All outstanding items are logged as Matters Arising requiring formal follow-up and feedback, these are reported to the Credit/Investment Committee and monitored as follow-up items until the item is cleared.

SG 07.8 CC Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other
- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

SG 08	Voluntary	Additional Assessed	General
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SG 08.1 Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

Board members/Board of trustees

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO), Investment Committee

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Other C-level staff or head of department

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance
- None of the above

SG 08.1b RI in personal development and/or training plan

- Responsible investment included in personal development and/or training plan
- None of the above

Portfolio managers

SG 08.1a RI in objectives, appraisal and/or reward

- Responsible investment KPIs and/or goals included in objectives
- Responsible investment included in appraisal process
- Variable pay linked to responsible investment performance

<input type="checkbox"/>	None of the above
SG 08.1b	RI in personal development and/or training plan
<input type="checkbox"/>	Responsible investment included in personal development and/or training plan
<input checked="" type="checkbox"/>	None of the above
Investment analysts	
SG 08.1a	RI in objectives, appraisal and/or reward
<input checked="" type="checkbox"/>	Responsible investment KPIs and/or goals included in objectives
<input checked="" type="checkbox"/>	Responsible investment included in appraisal process
<input type="checkbox"/>	Variable pay linked to responsible investment performance
<input type="checkbox"/>	None of the above
SG 08.1b	RI in personal development and/or training plan
<input checked="" type="checkbox"/>	Responsible investment included in personal development and/or training plan
<input type="checkbox"/>	None of the above
Dedicated responsible investment staff	
SG 08.1a	RI in objectives, appraisal and/or reward
<input checked="" type="checkbox"/>	Responsible investment KPIs and/or goals included in objectives
<input checked="" type="checkbox"/>	Responsible investment included in appraisal process
<input type="checkbox"/>	Variable pay linked to responsible investment performance
<input type="checkbox"/>	None of the above
SG 08.1b	RI in personal development and/or training plan
<input checked="" type="checkbox"/>	Responsible investment included in personal development and/or training plan
<input type="checkbox"/>	None of the above

SG 09	Mandatory	Core Assessed	PRI 4,5
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SG 09.1	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Regularly acted as a public spokesperson on Responsible Investment and actively promoted involvement in through the following local networks:

- Local PRI South African network - during 2019 we sponsored one of the local PRI events in South Africa
- We participated as a speaker at the local PRI event in South Africa
- ASISA RI Standing Committee
- Just Share Activist Group - Advisory Board Member during 2018
- Just Share Activist Group - ongoing collaboration on promoting RI practices
- Fossil Free South Africa - ongoing collaboration on promoting RI practices e.g. during 2019 we also sponsored one of their events.

During 2019, we participated in 27 speaking events that promoted RI locally. We have a list of conferences and events for this period to substantiate, there's insufficient space to include in this section due to the word limit.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AVCA: Sustainability Committee
- France Invest – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change
- CDP Forests
- CDP Water

CFA Institute Centre for Financial Market Integrity

Your organisation's role in the initiative during the reporting period (see definitions)

Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We participated in local CFA events held in South Africa that promoted RI and ESG practices.

- Feb-19, CFA webinar, Andrew Canter, Topic: JSE Bond Market Reform: Taming the Sharks
- May-19, CFA/Finweek Collective Insight Round Table Discussion II, Angelique Kalam, Topic: Round table on impact investing & the multiplier effect
- Sept-19, CFA Society South Africa Impact Investing seminar at Leaderex, Andrew Canter, Topic: ESG, governance, and listed-market standards

Climate Action 100+

Your organisation's role in the initiative during the reporting period (see definitions)

Basic

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
We are in the process of signing up for this initiative in support of Climate Action 100+	
<input checked="" type="checkbox"/>	Code for Responsible Investment in SA (CRISA)
Your organisation's role in the initiative during the reporting period (see definitions)	
Advanced	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
We are supporters of the CRISA code and publically endorse the principles, we publically post our annual compliance statement and we apply the CRISA principles as part of our ESG integration strategy in our investment process. Please refer to the link to our annual CRISA disclosure.	
https://www.futuregrowth.co.za/media/3131/futuregrowth-crisa-disclosure-2019-final.pdf	
<input type="checkbox"/>	Council of Institutional Investors (CII)
<input type="checkbox"/>	Eumedion
<input type="checkbox"/>	Extractive Industries Transparency Initiative (EITI)
<input type="checkbox"/>	ESG Research Australia
<input type="checkbox"/>	Invest Europe Responsible Investment Roundtable
<input type="checkbox"/>	Global Investors Governance Network (GIGN)
<input checked="" type="checkbox"/>	Global Impact Investing Network (GIIN)
Your organisation's role in the initiative during the reporting period (see definitions)	
Moderate	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
We provide input to the various annual GIIN surveys related to our Impact Funds.	
<input type="checkbox"/>	Global Real Estate Sustainability Benchmark (GRESB)
<input checked="" type="checkbox"/>	Green Bond Principles
Your organisation's role in the initiative during the reporting period (see definitions)	
Advanced	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
During 2019, we engaged with the local market on green bond principles, a few of these are highlighted below:	
<ul style="list-style-type: none"> Engagement with the South African stock exchange on green bond principles, appetite, barriers, challenges and opportunities. Engagement with various industry participants e.g. research/academic institutions and investors on green bond principles, barriers and opportunities. Engagement with various local banks, corporate institutions, DFIs on green bond principles, barriers and opportunities pre them launching and bringing to the market a Kenyan Green Bond, Growth Point Green Bond, ALCB Green Bond 	
<input type="checkbox"/>	HKVCA: ESG Committee
<input type="checkbox"/>	Institutional Investors Group on Climate Change (IIGCC)
<input type="checkbox"/>	Interfaith Center on Corporate Responsibility (ICCR)
<input type="checkbox"/>	International Corporate Governance Network (ICGN)
<input type="checkbox"/>	Investor Group on Climate Change, Australia/New Zealand (IGCC)
<input checked="" type="checkbox"/>	International Integrated Reporting Council (IIRC)
Your organisation's role in the initiative during the reporting period (see definitions)	
Advanced	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	
We keep ahead of new developments affecting integrated reporting and have engaged during the past year on various elements of integrated reporting. We have during the past year spoken on a few panels relating to Integrated Reporting locally which forms part of the IIRC.	
<ul style="list-style-type: none"> Mar-19, Dialogue/ EY sustainability forum, Topic: Integrated thinking before integrated reporting – why lack of strategic alignment diminishes the value of integrated reports for investors Jun-19, Africa Congress of Accountants Congress, Topic: Integrated thinking - a tool for managing resources for the benefit of Africa 	
<input type="checkbox"/>	Investor Network on Climate Risk (INCR)/CERES
<input type="checkbox"/>	Local Authority Pension Fund Forum
<input type="checkbox"/>	Principles for Financial Action in the 21st Century
<input type="checkbox"/>	Principles for Sustainable Insurance
<input type="checkbox"/>	Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
<input type="checkbox"/>	Responsible Finance Principles in Inclusive Finance
<input type="checkbox"/>	Shareholder Association for Research and Education (Share)
<input type="checkbox"/>	United Nations Environmental Program Finance Initiative (UNEP FI)
<input type="checkbox"/>	United Nations Global Compact
<input checked="" type="checkbox"/>	Other collaborative organisation/initiative, specify
We are members of the Association for Savings and Investment South Africa (ASISA), which represents the majority of South Africa's investment managers.	
Your organisation's role in the initiative during the reporting year (see definitions)	
Advanced	
Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]	

Futuregrowth is very active on numerous ASISA working groups and committees that provide an opportunity for collaboration and transformation in the financial services industry. Some of the committees and working group representations are listed below:

- Responsible Investment
- Bond/Fixed Income/Money Market
- Enterprise Development
- Infrastructure

During 2018, 2019 and currently, we have been working alongside ASISA in driving Bond Market Reform and have been instrumental in engaging the various role-players alongside ASISA during this process.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

SG 09.2	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
Indicate approximately what percentage (+/- 5%) of your externally managed assets under management are managed by PRI signatories.			
3%			

SG 10	Mandatory	Core Assessed	PRI 4
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SG 10.1	Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.
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Yes

SG 10.2	Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.
---------	--

- Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)

Description

During 2019, we conducted 4 trustee training sessions on RI/ESG/Sustainable Investing to our Pension Fund clients.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Provided financial support for academic or industry research on responsible investment

Description

During 2019, we participated in numerous academic industry research mostly by participating in interviews with local post graduate students, conducting research for their thesis on RI/ESG/Sustainable Investing.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Provided input and/or collaborated with academia on RI related work

Description

We participate annually in the Bertha GSB impact fund survey.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

- Encouraged better transparency and disclosure of responsible investment practices across the investment industry

Description

In an effort to promote improved transparency and disclosure in the SA bond market, we have via the media on an ongoing basis raised awareness and promoting responsible investment best practice. See the link for an example of our bond market reform activities: <https://www.futuregrowth.co.za/newsroom/watch-andrew-canter-on-how-to-strengthen-the-bond-market/> Please also refer to our newsroom for more examples. <http://www.futuregrowth.co.za/newsroom/>

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Spoke publicly at events and conferences to promote responsible investment

Description

During 2019, we participated in 27 speaking events that promoted RI locally. We have a list of conferences and events for this period to substantiate, there's insufficient space to include in this section due to the word limit.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Wrote and published in-house research papers on responsible investment

Description

Refer to our website for all articles on the topic RI/ESG/Climate/Sustainable Investing and search by date for 2019 by clicking on the newsroom link below. <http://www.futuregrowth.co.za/newsroom/> There is insufficient space to include the numerous articles on this topic in this section due to the word limit.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Encouraged the adoption of the PRI

Description

During 2019, we encouraged the adoption of the PRI and RI through our collaboration and sponsorship with the PRI South African Network. 1. Staff attended the PRI events locally 2. We sponsored the local event in South Africa 3. Futuregrowth participated as a speaker at the local event in South Africa 4. Futuregrowth participated in a PRI case study that was published in Feb 2019 <https://www.futuregrowth.co.za/newsroom/shifting-perceptions-esg-credit-risk-ratings/> 5. In addition, we conducted 4 trustee training sessions on RI/ESG where we promoted the adoption of the PRI principles.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)

Wrote and published articles on responsible investment in the media

Description

Refer to our website for all articles on the topic RI/ESG/Governance/Climate/Sustainable Investing and search by date for 2019. There is insufficient space to include the numerous articles on this topic in this section due to the word limit. <http://www.futuregrowth.co.za/newsroom/>

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

A member of PRI advisory committees/ working groups, specify

Description

For the local PRI SA chapter there is no working group, but we have participation in the PRI Africa Discussion Forum.

Frequency of contribution

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

On the Board of, or officially advising, other RI organisations (e.g. local SIFs)

Description
Promoted RI through involvement in the following local networks: 1) Local PRI South African network, 2) Local PRI Africa Discussion Forum 3) ASISA RI Standing Committee 4) CRISA Review Working Group (RWG)

Frequency of contribution
<ul style="list-style-type: none"> <input checked="" type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad hoc <input type="radio"/> Other

Other, specify

No

SG 10.3	Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]		
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During 2019, we promoted RI through the following, as substantiated in the sections above.

1) Provided or supported education or training programmes for clients:

- Encouraged better transparency and disclosure of responsible investment practices across the investment industry.
- Through our work and involvement with our local industry association for investment managers called the Association for Savings & Investment in South Africa (ASISA), we are involved in many working groups from the Responsible Investment Working Group; Definitions Working Group; and Bond/Fixed Income Working Group

3) Spoke publicly at events and conferences to promote responsible investment

- Please refer to prior section which listed the 27 speaking engagements.

4) Wrote and published in-house research papers on responsible investment

- Contributed towards and published articles relating to responsible investments issues, various case studies on RI/ESG/Governance which can be found in section above which refers you to the newsroom for the list of articles.

5) Encouraged the adoption of the PRI

- We are involved in numerous initiatives that promote responsible investment practices. Namely, through our support of the local ASISA involvement, supporter of CRISA and involvement on the PRI Network South Africa and general awareness raising with asset owners

SG 11	Voluntary	Additional Assessed	PRI 4,5,6
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SG 11.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.		
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Yes

If yes
<input type="checkbox"/> Yes, individually <input checked="" type="checkbox"/> Yes, in collaboration with others

SG 11.2	Select the methods you have used.
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- Endorsed written submissions to governments, regulators or public policy-makers developed by others
- Drafted your own written submissions to governments, regulators or public-policy markers
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

SG 11.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.
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- Yes, publicly available
- No

No

SG 11.4	Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.
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During 2019 we engaged on the following:

- Final round of drafts paper input on Sustainable Investments via the ASISA RI Standing Committee.
- JSE engagement on bond listing requirements directly and via ASISA

SG 12	Mandatory	Core Assessed	PRI 4
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SG 12.1	Indicate whether your organisation uses investment consultants.
<input type="checkbox"/> Yes, we use investment consultants <input checked="" type="checkbox"/> No, we do not use investment consultants.	
SG 12.5	Indicate whether your organisation considers any of the following responsible investment factors in the monitoring of fiduciary managers
<input type="checkbox"/> Including responsible investment as a standard agenda item at performance review meetings <input type="checkbox"/> Discussing whether the fiduciary manager has acted in accordance with your organisation's overall investment beliefs/ strategy/ policy on responsible investment and ESG factors <input checked="" type="checkbox"/> Reviewing the fiduciary manager's PRI Transparency or Assessment reports <input checked="" type="checkbox"/> Reviewing the fiduciary manager's responsible investment reporting (excluding PRI generated reports) <input type="checkbox"/> Reviewing ESG characteristics/factors used by the fiduciary manager in portfolio construction <input checked="" type="checkbox"/> Reviewing the fiduciary manager's incorporation approaches of ESG through-out asset classes <input checked="" type="checkbox"/> Reviewing the impact of ESG factors on financial performance <input type="checkbox"/> Encouraging your fiduciary managers to consider joining responsible investment initiatives/organisations or participate in educational or collaborative projects with other investors <input type="checkbox"/> Including responsible investment criteria as a formal component of overall manager performance evaluation <input type="checkbox"/> Reviewing the fiduciary manager's ESG incorporation in external managers' selection, appointment, monitoring <input type="checkbox"/> Reviewing how ESG materiality is defined by the fiduciary manager <input type="checkbox"/> Other general aspects of your monitoring; specify <input type="checkbox"/> We do not consider responsible investment in the monitoring processes for fiduciary managers.	
SG 12.6	Describe the approach you take to monitoring your fiduciary managers and the reason(s) for this approach [Optional].
The monitoring of our external managers are done through board and investment committee meetings where regular updates are provided on existing investments and for the approval of any new investments held in our agri and community property portfolios.	

SG 13	Mandatory	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).			
<input type="checkbox"/> Yes, in order to assess future ESG factors <input checked="" type="checkbox"/> Yes, in order to assess future climate-related risks and opportunities				
<table border="1"> <tr> <td>Describe</td> </tr> <tr> <td>Yes, this is done to assess climate-related risks and ESG risks and the impact that these may have on financial forecasts, which in turn impact our investment/valuation models. This is conducted at an individual counter-party and not asset class e.g. we assessed the risks linked to our Agri exposure.</td> </tr> </table>		Describe	Yes, this is done to assess climate-related risks and ESG risks and the impact that these may have on financial forecasts, which in turn impact our investment/valuation models. This is conducted at an individual counter-party and not asset class e.g. we assessed the risks linked to our Agri exposure.	
Describe				
Yes, this is done to assess climate-related risks and ESG risks and the impact that these may have on financial forecasts, which in turn impact our investment/valuation models. This is conducted at an individual counter-party and not asset class e.g. we assessed the risks linked to our Agri exposure.				
<input type="checkbox"/> No, our organisation does not currently carry out scenario analysis and/or modelling				
SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.			
<table border="1"> <tr> <td>We do the following</td> </tr> <tr> <td> <input type="checkbox"/> Allocation between asset classes <input type="checkbox"/> Determining fixed income duration <input type="checkbox"/> Allocation of assets between geographic markets <input type="checkbox"/> Sector weightings <input checked="" type="checkbox"/> Other, specify We consider ESG issues as part of our fixed income sectors allocation. </td> </tr> <tr> <td><input type="checkbox"/> We do not consider ESG issues in strategic asset allocation</td> </tr> </table>		We do the following	<input type="checkbox"/> Allocation between asset classes <input type="checkbox"/> Determining fixed income duration <input type="checkbox"/> Allocation of assets between geographic markets <input type="checkbox"/> Sector weightings <input checked="" type="checkbox"/> Other, specify We consider ESG issues as part of our fixed income sectors allocation.	<input type="checkbox"/> We do not consider ESG issues in strategic asset allocation
We do the following				
<input type="checkbox"/> Allocation between asset classes <input type="checkbox"/> Determining fixed income duration <input type="checkbox"/> Allocation of assets between geographic markets <input type="checkbox"/> Sector weightings <input checked="" type="checkbox"/> Other, specify We consider ESG issues as part of our fixed income sectors allocation.				
<input type="checkbox"/> We do not consider ESG issues in strategic asset allocation				
SG 13.3	Additional information. [OPTIONAL]			
We have strategically decided to avoid any carbon intensive investments, this includes any new coal developments and instead have an exposure of approximately R8bn invested in low carbon assets like renewable energy in South Africa.				

SG 13 CC	Mandatory to Report, Voluntary to Disclose	Descriptive	General
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SG 13.4 CC	Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.		
<input type="checkbox"/> Initial assessment <input checked="" type="checkbox"/> Incorporation into investment analysis			
<table border="1"> <tr> <td>Describe</td> </tr> <tr> <td>This forms part of our fundamental analysis and ongoing review of companies when we consider ESG risks, these also include climate-related risks. If the risks are material, and materially impact future cashflows, this will affect the rating and pricing of our investment decision.</td> </tr> </table>		Describe	This forms part of our fundamental analysis and ongoing review of companies when we consider ESG risks, these also include climate-related risks. If the risks are material, and materially impact future cashflows, this will affect the rating and pricing of our investment decision.
Describe			
This forms part of our fundamental analysis and ongoing review of companies when we consider ESG risks, these also include climate-related risks. If the risks are material, and materially impact future cashflows, this will affect the rating and pricing of our investment decision.			
<input type="checkbox"/> Inform active ownership <input checked="" type="checkbox"/> Other			
<table border="1"> <tr> <td>specify</td> </tr> <tr> <td>Bondholder activism and engagement</td> </tr> </table>		specify	Bondholder activism and engagement
specify			
Bondholder activism and engagement			
<table border="1"> <tr> <td>Describe</td> </tr> <tr> <td>In addition to the fundamental analysis which includes the ESG and climate risk analysis, depending on how material the issue, we would engage the company to ensure these risks are being addressed.</td> </tr> </table>		Describe	In addition to the fundamental analysis which includes the ESG and climate risk analysis, depending on how material the issue, we would engage the company to ensure these risks are being addressed.
Describe			
In addition to the fundamental analysis which includes the ESG and climate risk analysis, depending on how material the issue, we would engage the company to ensure these risks are being addressed.			

SG 13.5 CC Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

specify

The analyst would use the information to inform the credit or investment committee for approval or changes to the risk rating e.g. credit rating

SG 13.6 CC Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes
- No

Please explain the rationale

Not explicitly, but we do consider these risks at a sector level as far as we have line of sight, this could in some instances mean beyond the investment timeframe. Currently we are only evaluating the risks in terms of the length and term of our current exposure.

SG 13.7 CC Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8 CC Indicate the climate scenarios your organisation uses.

Provider	Scenario used	
IEA		
IEA		
IEA		
IEA		
IEA		
IRENA		
Greenpeace		
Institute for Sustainable Development		
Bloomberg		
IPCC		
IPCC		
IPCC		
IPCC		
Other	<input checked="" type="checkbox"/> Other (1)	Other (1) please specify: Paris_2°C or lower scenario
Other		
Other		

SG 14 Mandatory to Report, Voluntary to Disclose Additional Assessed PRI 1

SG 14.1 Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

In addition, further tipping points and trends we consider: <https://www.futuregrowth.co.za/newsroom/responsible-investing-in-2019-some-tipping-points-and-some-not/>

- Other, specify(2)
- None of the above

SG 14.2 Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.	
Total AUM	
	8,000,000,000 ZAR
	545048704 USD

Specify the framework or taxonomy used.	
We have developed our internal green taxonomy, the renewable energy investments would be classified in the energy sector and categorised under renewable energy/solar/wind/concentrated solar power (CSP). Our client funds have have approximately R8 billion exposure to renewable energy.	

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description	
Sought climate disclosure by companies, if material then we require action from the company to mitigate/or reduce as part of their long-term strategy.	

- None of the above

SG 14.3	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.
---------	--

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify

other description	
Refer to responses in (13.1) and (13.4)	

- None of the above

SG 14 CC	Voluntary	General
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SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.
------------	--

- Processes for climate-related risks are integrated into overall risk management

Please describe	
The process for identifying, assessing and managing climate-related risks are integrated into overall investment process by considering the following;	
<ul style="list-style-type: none"> • Determine the materiality of the climate-related risks related to the specific investment and the potential impact on current and future revenues, cashflows, liabilities and operational impact. • If material, then this will have an impact on the credit rating and pricing. • Engage the issuer to determine the level of mitigation strategies implemented to address these risks. • Assess whether the risks are sufficiently mitigated, in some cases this will result in a repricing and/or rerating of the issuer to capture the risks. 	

- Processes for climate-related risks are not integrated into overall risk management

SG 14.9 CC	Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.
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- Yes
- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
---------	--

SG 15.3

Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology
- Renewable energy

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- 4Percentage of AUM (+/-5%) per asset class invested in the area
- Fixed income - Securitised
- Private equity
- Property
- Farmland
- Inclusive finance
- Cash

Brief description and measures of investment

Invested in renewable energy e.g. wind and solar technologies in South Africa as part of the local renewable energy programme.

- Green buildings
- Sustainable forestry
- Sustainable agriculture

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- 0.1Percentage of AUM (+/-5%) per asset class invested in the area
- Fixed income - Securitised
- Private equity
- Property
- Farmland
- 1Percentage of AUM (+/-5%) per asset class invested in the area
- Inclusive finance
- Cash

Brief description and measures of investment

Our client funds are invested in a variety of agri businesses and in addition, they also hold direct farmland in the Futuregrowth Agri-Fund. This is a portfolio specialising in the investment of agricultural land, biological assets, agricultural infrastructure and other related farming implements, and forms part of Futuregrowth's suite of developmental investment funds.

In addition, we have exposure via debt to agri type investments.

In both cases, the measurement would be around sustainable agri practices e

- Microfinance
- SME financing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- 1.2Percentage of AUM (+/-5%) per asset class invested in the area
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Farmland
- Inclusive finance
- Cash

Brief description and measures of investment

We have exposure to the SME funding sector, that provides access to finance in the South African (emerging) market to those who previously were unable to access funding due to social, economic or regulatory/legal constraints e.g. the measurement would be amount of funding

provided primarily to entrepreneurs or SME's.

Social enterprise / community investing

Affordable housing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
 - 2.4Percentage of AUM (+/-5%) per asset class invested in the area
- Fixed income - Securitised
- Private equity
- Property
- Farmland
- Inclusive finance
- Cash

Brief description and measures of investment

Provide access to finance in the low income & affordable housing market.

Education

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
 - 0.1Percentage of AUM (+/-5%) per asset class invested in the area
- Fixed income - Securitised
- Private equity
- Property
- Farmland
- Inclusive finance
- Cash

Brief description and measures of investment

Investments held in education are measured either by the number of enrolments at the institution or the number of students funded.

Global health

Water

Asset class invested

- Listed equity
- Fixed income - SSA
 - 1.2Percentage of AUM (+/-5%) per asset class invested in the area
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Farmland
- Inclusive finance
- Cash

Brief description and measures of investment

Providing access to finance by partnering with local water boards in South Africa, the measurement would be the type of water infrastructure funded, the utility funded and the provision of access to water.

Other area, specify

No

Files: link

SG 16	Mandatory	Descriptive	General
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SG 16.1 Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
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Inclusive finance	This sector, would follow a similar approach as reported on the fixed income, where we integrate ESG into the investment analysis process. This forms part of our fundamental analysis when we screen for ESG issues as part of our credit process. All new funding requests would be part of our creditsubmission and would require Credit Committee approval. We have direct access to the CFO/CEO if we need to engage on any material issues.
Cash	This sector, would follow a similar approach as reported on the fixed income, where we integrate ESG into the investment analysis process. This forms part of our fundamental analysis when we screen for ESG issues as part of our credit process. All new funding requests would be part of our creditsubmission and would require Credit Committee approval. We have direct access to the CFO/CEO if we need to engage on any material issues.

SG 17	Mandatory	Descriptive	General
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SG 17.1 Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Farmland	<ul style="list-style-type: none"> The fund advisors of our Agri Fund investments, UFF Asset Management, currently provides detailed ESG reporting on all farmland transactions that is compliant with IFC standards. They are required to provide the ESG reporting for our quarterly and annual reports to our third-party clients. In order to comply with GLOBALG.A.P., all our farms use Integrated Pest Management (IPM) Systems, which are tailored to local climate and conditions, and aim to prevent infestation or intervene without poisons where possible. UFF is also a signatory to the UN PRI Principles and Farmland Principles.

SG 18	Voluntary	Descriptive	General
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SG 18.1 Indicate whether any specific features of your approach to responsible investment are particularly innovative.

Yes

SG 18.2 Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

Listed Debt

During 2019 we refined our ESG for the listed sector, customising our ranking to include deeper ESG metrics per sector, during 2019 we customised the following sectors e.g. Telecoms, Banking, Property to reflect the specific sector related ESG indicators, this then forms part of our credit ranking table measured against credit, financial and non-financial indicators per sector and peer group. The outcome of the ranking exercise would then influence the issuer rating in comparison to its peers.

Unlisted Debt & Equity

We have developed an in-house ESG screening and baseline assessment tool for use with unlisted private debt and private equity. We are active in our engagement strategy within these asset classes and believe that through our proactive dialogue with both companies and clients we are able to raise awareness around issues of sustainability.

In addition to the ESG tool which is a tick-box approach, we use a variety of credit heuristics that form part of our credit analysis process.

State Owned Entities (SOEs)

A key area we have developed during 2016-2019 was the governance of the State Owned Entities (SOE) sector, we have developed a SOE ESG scorecard/heuristics to address the specific local issues that are relevant to the SOE sector. We continue to engage and implement this across a range of SOEs during 2019 with much success.

We have also published our research findings and shared this with the broader investment market make this body of work publically available.

http://www.futuregrowth.co.za/media/2373/futuregrowth_soe-governance-unmasked_electronic.pdf

No

SG 19	Mandatory	Core Assessed	PRI 2, 6
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SG 19.1 Indicate whether your organisation typically discloses asset class specific information proactively. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

Selection, Appointment and Monitoring

Do you disclose?

- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

Disclosure to clients/beneficiaries

Disclosure to clients/beneficiaries

- How responsible investment considerations are included in manager selection, appointment and monitoring processes
- Details of the responsible investment activities carried out by managers on your behalf
- E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership
- Other

Ad-hoc/when requested

Listed equity - Incorporation

Do you disclose?

- We do not proactively disclose it to the public and/or clients/beneficiaries
- We disclose to clients/beneficiaries only.

We disclose it publicly

<input checked="" type="checkbox"/> Yes	The information disclosed to clients/beneficiaries is the same
<input type="checkbox"/> No	

Disclosure to public and URL	
Disclosure to public and URL	
<input type="checkbox"/> Broad approach to ESG incorporation	
<input checked="" type="checkbox"/> Detailed explanation of ESG incorporation strategy used	
Quarterly or more frequently	
http://www.futuregrowth.co.za/media/1268/futuregrowth-ri-policy.pdf https://www.futuregrowth.co.za/our-investments/responsible-investing/	

Listed equity - Engagement

Do you disclose?	
<input type="checkbox"/> We do not disclose to either clients/beneficiaries or the public.	
<input checked="" type="checkbox"/> We disclose to clients/beneficiaries only.	
<input type="checkbox"/> We disclose to the public	

Disclosure to clients/beneficiaries	
Disclosure to clients/beneficiaries	
<input checked="" type="checkbox"/> Details on the overall engagement strategy	
<input type="checkbox"/> Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals	
<input checked="" type="checkbox"/> Number of engagements undertaken	
<input checked="" type="checkbox"/> Breakdown of engagements by type/topic	
<input type="checkbox"/> Breakdown of engagements by region	
<input type="checkbox"/> An assessment of the current status of the progress achieved and outcomes against defined objectives	
<input checked="" type="checkbox"/> Examples of engagement cases	
<input type="checkbox"/> Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)	
<input type="checkbox"/> Details on whether the provided information has been externally assured	
<input type="checkbox"/> Outcomes that have been achieved from the engagement	
<input type="checkbox"/> Other information	
Ad-hoc/when requested	

Listed equity - (Proxy) Voting

Do you disclose?	
<input type="checkbox"/> We do not disclose to either clients/beneficiaries or the public.	
<input type="checkbox"/> We disclose to clients/beneficiaries only.	
<input checked="" type="checkbox"/> We disclose to the public	

<input type="checkbox"/> Yes	The information disclosed to clients/beneficiaries is the same
<input checked="" type="checkbox"/> No	

Disclosure to public and URL	Disclosure to clients/beneficiaries
Disclosure to public and URL	Disclosure to clients/beneficiaries
<input checked="" type="checkbox"/> Disclose all voting decisions	<input checked="" type="checkbox"/> Disclose all voting decisions
<input type="checkbox"/> Disclose some voting decisions	<input type="checkbox"/> Disclose some voting decisions
<input type="checkbox"/> Only disclose abstentions and votes against management	<input type="checkbox"/> Only disclose abstentions and votes against management
Annually	Ad hoc/when requested
https://www.futuregrowth.co.za/media/3083/proxy-voting-summary-2019-record.pdf	

Fixed income

Do you disclose?	
<input type="checkbox"/> We do not disclose to either clients/beneficiaries or the public.	
<input type="checkbox"/> We disclose to clients/beneficiaries only.	

We disclose to the public

The information disclosed to clients/beneficiaries is the same
<input checked="" type="radio"/> Yes <input type="radio"/> No

Disclosure to public and URL	
Disclosure to public and URL	
<input type="radio"/> Broad approach to RI incorporation <input checked="" type="radio"/> Detailed explanation of RI incorporation strategy used	
Quarterly	
https://www.futuregrowth.co.za/media/3134/pri_transparency-report_futuregrowth-asset-management_2019.pdf https://www.futuregrowth.co.za/media/3053/futuregrowth-infrastructure-development-bond-fund_developmental-social-impact-report_-30-september-2019-final-web.pdf	

Private equity

Do you disclose?	
<input type="radio"/> We do not disclose to either clients/beneficiaries or the public. <input type="radio"/> We disclose to clients/beneficiaries only. <input checked="" type="radio"/> We disclose to the public	
The information disclosed to clients/beneficiaries is the same	
<input type="radio"/> Yes <input checked="" type="radio"/> No	

Disclosure to public and URL	Disclosure to clients/beneficiaries
Disclosure to public and URL	Disclosure to clients/beneficiaries
<input type="checkbox"/> ESG information in relationship to our pre-investment activities <input type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input type="checkbox"/> Information on our portfolio companies' ESG performance <input checked="" type="checkbox"/> Other	<input type="checkbox"/> ESG information in relationship to our pre-investment activities <input checked="" type="checkbox"/> ESG information in relationship to our post-investment monitoring and ownership activities <input checked="" type="checkbox"/> Information on our portfolio companies' ESG performance <input checked="" type="checkbox"/> Other
Specify	Specify
Refer to our 2019 transparency report which outlines our approach to PE. https://www.futuregrowth.co.za/media/3134/pri_transparency-report_futuregrowth-asset-management_2019.pdf	Refer to our 2019 transparency report which outlines our approach to PE. https://www.futuregrowth.co.za/media/3134/pri_transparency-report_futuregrowth-asset-management_2019.pdf
Biannually	Biannually
https://www.futuregrowth.co.za/media/3057/futuregrowth-development-equity-fund-jan-sept-2019-web-version.pdf	

SG Checks

Checks

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

SAM 08.1 Describe how you ensure that best RI practice is applied to managing your assets

Encourage improved RI practices with existing investment managers

Measures	
Evidence of ESG integration and examples of risks and how these are mitigated.	

Move assets over to investment managers with better RI practices

Other, specify

Adhering to specific "impact" requirements as determined by these mandates.

Measures	
The two mandates in question have specific impact mandate outcomes that need to be fulfilled, the external managers have to meet these mandate requirements and objectives, these are monitored and reported on at investment committee and board meetings.	

None of the above

SAM 09.1 Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

Add Example 1

Topic or issue	Environmental: Energy
Conducted by	Internal staff
Asset class	Property
Scope and process	Risks: Business disruptions due to load shedding. Increase in Eskom electricity prices, putting pressure on tenants' business. Loss of income.
Outcomes	Mitigation/Opportunity: Rooftop solar. Assist landlord and tenants in reducing electricity costs. Ensures business continuity for tenants. Increased income for investors, substituting Eskom for portion of electricity.

Add Example 2

Topic or issue	Environmental: Water
Conducted by	Internal staff
Asset class	Property
Scope and process	Risks: Inaccurate billings to tenants. Lower rate of utility cost recoveries. Loss of income.
Outcomes	Opportunity: Smart water meter installations Mitigation/Opportunity SMART Metre technology. Accurate billings. Higher utility recovery rates. Increased income for investors.

Add Example 3

Topic or issue	Environmental: Water access
Conducted by	Internal staff
Asset class	Property
Scope and process	Risk Unreliable municipal water supply.
Outcomes	Mitigation/Opportunity Utilise ground water to supply the centre and ensure continuous water supply. Nkomazi: We drilled deeper on our two existing boreholes and drilled an additional borehole during the quarter. The additional borehole is not yet operational and we are in the process of moving the pump from a dry borehole to the new borehole. Kuyasa: We drilled a new borehole and found water towards the end of last year but we still need to assess potential yield and quality before we decide to install infrastructure to feed the centre.

Add Example 4

Topic or issue	Social: transport infrastructure upgrade
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Conducted by	Internal staff
Asset class	Property
Scope and process	<p>Taxi rank upgrade (completed November 2019 to Heidelberg centre)</p> <p>Risk Inadequate commuter facilities could deter shoppers. Tenants lost due to increased demand to be close to the town centre and main taxi rank.</p>
Outcomes	<p>Mitigation/Opportunity Increase capacity of current taxi rank. Provide ablutions and taxi offices. Relocate taxi rank to within 45 meters of the centre (from 170 meters).</p>

- Add Example 5
- Add Example 6
- Add Example 7
- We are not able to provide examples

SAM Checks			Checks
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If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

LEI 01	Mandatory	Gateway	PRI 1
LEI 01.1	Indicate which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities, and the breakdown of your actively managed listed equities by strategy or combination of strategies.		
	<input type="checkbox"/> Screening alone (i.e., not combined with any other strategies) <input type="checkbox"/> Thematic alone (i.e., not combined with any other strategies) <input type="checkbox"/> Integration alone (i.e., not combined with any other strategies) <input type="checkbox"/> Screening and integration strategies <input type="checkbox"/> Thematic and integration strategies <input type="checkbox"/> Screening and thematic strategies <input checked="" type="checkbox"/> All three strategies combined <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-top: 5px;">Percentage of active listed equity to which the strategy is applied – you may estimate +/- 5% 100%</div> <input type="checkbox"/> We do not apply incorporation strategies		
LEI 01.3	If assets are managed using a combination of ESG incorporation strategies, briefly describe how these combinations are used. [Optional]		
	<p>ESG screening: We screen for ESG criteria to identify, mitigate and price for ESG risks and would screen for ESG issues to determine any risk to our exposure.</p> <p>ESG integration: ESG integration forms part of our investment strategy and process and applied in our fundamental analysis of a company.</p> <p>Thematic: Same as above, the listed equity instruments are held in one of our developmental funds and have a bias to invest in certain developmental sectors e.g. renewable energy, affordable housing etc.</p>		
LEI 02	Voluntary	Additional Assessed	PRI 1
LEI 02.1	Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.		
	<input checked="" type="checkbox"/> Raw ESG company data <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> Company-related analysis or ratings <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> Sector-related analysis or ratings <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input type="checkbox"/> Country-related analysis or ratings <input checked="" type="checkbox"/> Screened stock list <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input type="checkbox"/> In-house – specialised ESG analyst or team <input type="checkbox"/> In-house – analyst or portfolio manager <input checked="" type="checkbox"/> ESG issue-specific analysis or ratings <ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG research provider <input checked="" type="checkbox"/> Sell-side <input checked="" type="checkbox"/> In-house – specialised ESG analyst or team <input checked="" type="checkbox"/> In-house – analyst or portfolio manager <input type="checkbox"/> Other, specify		
LEI 02.2	Indicate whether you incentivise brokers to provide ESG research.		
	<input type="radio"/> Yes <input checked="" type="radio"/> No		
LEI 02.4	Additional information. [Optional]		
	<p>In reference to LEI 02.2 above.</p> <p>We do not incentivise brokers, we currently use publically available, free research and a combination of paid research available in the local market.</p>		
LEI 03	Voluntary	Additional Assessed	PRI 1
LEI 03.1	Indicate whether your organisation has a process through which information derived from ESG engagement and/or (proxy) voting activities is made available for use in investment decision-making.		
	<input checked="" type="checkbox"/> Engagement		

- We have a systematic process to ensure the information is made available.
- We occasionally make this information available.
- We do not make this information available.

(Proxy) voting

- We have a systematic process to ensure the information is made available.
- We occasionally make this information available.
- We do not make this information available.

LEI 03.2 Additional information. [Optional]

In reference to **LEI 03.1** on "engagement" all activities relating to material matters are noted in investment reports for approval at our Investment Committee and any follow-up or decisions affecting investment decisions will be minuted and actioned accordingly.

We subscribe to the ISS Proxy Voting Platform and all our proxy votes are registered on this system and the analyst or portfolio manager has access to all upcoming company proxy voting which is made available to them beforehand.

LEI 04	Mandatory	Descriptive	PRI 1
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LEI 04.1 Indicate and describe the type of screening you apply to your internally managed active listed equities.

- Negative/exclusionary screening
 - Product
 - Activity
 - Sector
 - Country/geographic region
 - Environmental and social practices and performance
 - Corporate governance

Description
For our developmental mandates we have specific exclusions e.g. no gambling, tobacco etc

- Positive/best-in-class screening
 - Product
 - Activity
 - Sector
 - Country/geographic region
 - Environmental and social practices and performance
 - Corporate governance

Description
For our developmental mandates we have specific positive screened sectors e.g. investing in infrastructure development, renewable energy, affordable housing, these are all examples of positive screened sectors.

Norms-based screening

LEI 04.2 Describe how you notify clients and/or beneficiaries when changes are made to your screening criteria.

LE forms approximately 1% of total AUM, we don't notify clients of changes to our screening criteria for LE formally, instead, this is usually done during client report-backs or during the due diligence process when we have to provide an update on our ESG integration process.

LEI 05	Mandatory	Core Assessed	PRI 1
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LEI 05.1 Indicate which processes your organisation uses to ensure ESG screening is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products.
- Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies.
- External research and data used to identify companies to be excluded/included is subject to internal audit by ESG/RI staff, the internal audit function or similar.
- Third-party ESG ratings are updated regularly to ensure that portfolio holdings comply with fund policies.
- Trading platforms blocking / restricting flagged securities on the black list.
- A committee, body or similar with representatives independent of the individuals who conduct company research reviews some or all screening decisions.
- A periodic review of internal research is carried out.
- Review and evaluation of external research providers.
- Other; specify

The analyst has to ensure that as part the fundamental analysis a non-financial (ESG) analysis is conducted as part of the due diligence process.

None of the above

LEI 05.2 Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your ESG screening strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 06	Voluntary	Additional Assessed	PRI 1
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LEI 06.1	Indicate which processes your organisation uses to ensure fund criteria are not breached.
<input checked="" type="checkbox"/> Systematic checks are performed to ensure that stocks meet the fund's screening criteria <input checked="" type="checkbox"/> Automated IT systems prevent investment managers from investing in excluded stocks or those that do not meet positive screening criteria <input type="checkbox"/> Audits of fund holdings are undertaken regularly by internal audit function <input type="checkbox"/> Periodic auditing/checking of the organisations RI funds by external party <input checked="" type="checkbox"/> Other, specify <p style="margin-left: 20px;">We have a compliance department that ensures breaches are reported, corrected and communicated to clients invested in our funds.</p> <input type="checkbox"/> None of the above	

LEI 06.2	If breaches of fund screening criteria are identified, describe the process followed to correct those breaches.
<p>Traded breaches are automatically detected by our Statpro system, on a daily basis. We do not apply materiality to the definition of a breach and we operate up to 6 decimals. Breaches are required to be rectified immediately.</p> <p>In terms of process. Once a breach is identified on Statpro, an email is sent to the relevant portfolio manager from the compliance team, via the Statpro system. The portfolio manager is required to immediately rectify the breach. Statpro automatically tracks the age of each breach, it will identify any breaches that have not been rectified by the portfolio manager.</p> <p>Breaches are reported to the Executive Committee (Exco) on a monthly basis and to the Futuregrowth Board of Directors on a quarterly basis and breaches are reported to clients.</p>	

LEI 07	Mandatory	Descriptive	PRI 1
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LEI 07.1	Indicate the type of sustainability thematic funds or mandates your organisation manages.
<input type="checkbox"/> Environmentally themed funds <input type="checkbox"/> Socially themed funds <input checked="" type="checkbox"/> Combination of themes	

LEI 07.2	Describe your organisation's processes relating to sustainability themed funds. [Optional]
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1. Defining developmental investments	
Futuregrowth defines developmental investing (impact or thematic funds) as that which provides investors with both commercial returns and tangible social and developmental impact. In South Africa, the primary development focus is around the provision of basic services and infrastructure development.	
2. Our range of thematic (impact) funds	
<p>a. Development Equity Fund: The Futuregrowth Development Equity Fund has a small exposure to listed equity instruments and a majority of unlisted privately held equity in the fund. A portfolio specialising in equity and related investments in socially responsible projects and businesses or developmental assets, forms part of Futuregrowth's suite of developmental investments. The benchmark is CPI + 10%.</p> <p>b. Power Debt Fund: The Futuregrowth Power Debt Fund, a portfolio specialising in the investment of renewable energy projects and supporting industries, forms part of Futuregrowth's suite of developmental investments. The benchmark is the South African STeFI Composite Index.</p> <p>c. Agri-Fund: The Futuregrowth Agri-Fund, a portfolio specialising in the investment of agricultural land, biological assets, agricultural infrastructure and other related farming implements, forms part of Futuregrowth's suite of developmental investments. The benchmark is CPI + 10%.</p> <p>d. Community Property Fund: The Futuregrowth Community Property Fund has been acquiring and expanding shopping centres since 1996, catering to the needs of underserved rural and township communities throughout South Africa. It is a flagship fund among our suite of developmental investments, with R2.1bn properties under management. The target return is CPI + 4%.</p> <p>e. Infrastructure & Development Bond Fund : The Futuregrowth Infrastructure & Development Bond Fund is a specialist yield enhanced bond portfolio, forms part of Futuregrowth's suite of developmental investments. The Composite targets high returns through a combination of moderate credit concentration limits, active interest rate risk management and active off-benchmark bets. The benchmark is the All Bond Index.</p> <p>f. Development Balanced Fund: The Futuregrowth Development Balanced Fund is a balanced portfolio providing investors with social impact by investing in a range of developmental investments, forms part of Futuregrowth's suite of developmental investments. The Composite has exposure to a range of asset classes from listed equity (Momentum SRI Tracker); bonds (Futuregrowth Infrastructure & Development Bond); unlisted property (Futuregrowth Community Property); unlisted equity (Futuregrowth Development Equity); inflation-linked bonds (Futuregrowth Power Inflation-Linked Bond) and cash. The benchmark is a composite weighting of the underlying funds' benchmarks.</p>	
3. Our philosophy	
Futuregrowth is dedicated to the development and empowerment of South Africa and its people, with many of our products geared towards supporting change. We are passionate about improving the lives of all South Africans and so we're always striving to identify opportunities that will not only yield optimal financial returns for stakeholders, but also make recognised contributions to society. Our belief is that thriving communities result in thriving businesses, therefore, business can and should develop the communities in which they operate. We also believe that while providing a retirement benefit for members is critically important, so too is improving the lives of individuals and their families while they are still working.	
4. Our process	
Futuregrowth has a track-record of over 24 years of investing in developmental investments and the current capability is supported by the investment process. We use a fundamental investment approach with active decision making and judgment applicable in all processes including all our developmental funds.	
5. Our team	
The team consists of a diverse group of professionals ranging from portfolio managers, credit analysts, client reporting, marketing and business development experts. The team leverages off the existing investment process and taps into resources from the interest rate and credit teams. A dedicated resource oversees all aspects of the Responsible Investment (RI) function within the company.	

LEI 08	Mandatory	Core Assessed	PRI 1
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LEI 08.1	Indicate the proportion of actively managed listed equity portfolios where E, S and G factors are systematically researched as part of your investment analysis.
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ESG issues	Proportion impacted by analysis
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Environmental	Environmental
	<input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90%
Social	Social
	<input type="radio"/> <10% <input type="radio"/> 10-50% <input checked="" type="radio"/> 51-90% <input type="radio"/> >90%
Corporate Governance	Corporate Governance
	<input type="radio"/> <10% <input type="radio"/> 10-50% <input type="radio"/> 51-90% <input checked="" type="radio"/> >90%

LEI 08.2 Additional information. [Optional]

We have improved since the previous reporting years and have been more consistent in applying the screening within the listed equity universe, the LE component in the overall Development Equity Fund is very small and this makes up a very small percentage of our total AUM.

LEI 09 Mandatory Core Assessed PRI 1

LEI 09.1 Indicate which processes your organisation uses to ensure ESG integration is based on robust analysis.

- Comprehensive ESG research is undertaken or sourced to determine companies' activities and products
 - Companies are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
 - Third-party ESG ratings are updated regularly
 - A periodic review of the internal research is carried out
 - Structured, regular ESG specific meetings between responsible investment staff and the fund manager or within the investments team
 - ESG risk profile of a portfolio against benchmark
 - Analysis of the impact of ESG factors on investment risk and return performance
 - Other; specify
- In reference to the above point "Companies are given the opportunity..." if a material risk is identified, we will engage the company on these issues.
- None of the above

LEI 09.2 Indicate the proportion of your actively managed listed equity portfolio that is subject to comprehensive ESG research as part your integration strategy.

- <10%
- 10-50%
- 51-90%
- >90%

LEI 09.5 Describe how ESG information is held and used by your portfolio managers.

- ESG information is held within centralised databases or tools, and it is accessible by all relevant staff
- ESG information or analysis is a standard section or aspect of all company research notes or industry/sector analysis generated by investment staff
- Systematic records are kept that capture how ESG information and research were incorporated into investment decisions
- Other; specify
- None of the above

LEI 09.6 Additional information. [Optional]

In reference to the point above in **LE 9.5**, "Systematic records are kept that capture how ESG information and research was incorporated into investment decision." all records are kept in our investment reports presented to the Investment Committee, and noted in the meeting minutes of ESG issues that were raised.

LEI 10 Mandatory to Report, Voluntary to Disclose Core Assessed PRI 1

LEI 10.1 Indicate which aspects of investment analysis you integrate material ESG information into.

- Economic analysis

Proportion of actively managed listed equity exposed to investment analysis

- <10%
- 10-50%
- 51-90%
- >90%

- Industry analysis

Proportion of actively managed listed equity exposed to investment analysis

<10%
 10-50%
 51-90%
 >90%

Quality of management

Proportion of actively managed listed equity exposed to investment analysis

<10%
 10-50%
 51-90%
 >90%

Analysis of company strategy

Proportion of actively managed listed equity exposed to investment analysis

<10%
 10-50%
 51-90%
 >90%

- Portfolio weighting
- Security sensitivity and/or scenario analysis
- Fair value/fundamental analysis
- Other, specify

LEI 11	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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LEI 11.1 Indicate if you manage passive listed equity funds that incorporate ESG factors in the index construction methodology.

Yes
 No

LEI Checks			Checks
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If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

LEA 01.1 Indicate whether your organisation has an active ownership policy (includes engagement and/or voting).

Yes

LEA 01.2 Attach or provide a URL to your active ownership policy.

- Attachment provided:
 URL provided:
<http://www.futuregrowth.co.za/media/1268/futuregrowth-ri-policy.pdf>

LEA 01.3 Indicate what your active engagement policy covers:

General approach to Active Ownership

- Conflicts of interest
- Alignment with national stewardship code requirements
- Assets/funds covered by active ownership policy
- Expectations and objectives
- Engagement approach

Engagement

- ESG issues
- Prioritisation of engagement
- Methods of engagement
- Transparency of engagement activities
- Due diligence and monitoring process
- Insider information
- Escalation strategies
- Service Provider specific criteria
- Other; (specify)

The items above are not found in one engagement policy but found in a combination of policies e.g. RI, Conflict & Proxy Voting policies

(Proxy) voting approach

Voting

- ESG issues
- Prioritisation and scope of voting activities
- Methods of voting
- Transparency of voting activities
- Regional voting practice approaches
- Filing or co-filing resolutions
- Company dialogue pre/post-vote
- Decision-making processes
- Securities lending processes
- Other; (specify)

- Other
 None of the above

No

LEA 01.4 Do you outsource any of your active ownership activities to service providers?

Yes
 No

LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual / Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input type="checkbox"/> We do not engage via collaborative engagements

Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence it) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> We do not engage via service providers
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LEA 03	Mandatory	Core Assessed	PRI 2
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LEA 03.1	Indicate whether your organisation has a formal process for identifying and prioritising engagements.
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Yes

LEA 03.2	Indicate the criteria used to identify and prioritise engagements for each type of engagement.
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Type of engagement	Criteria used to identify/prioritise engagements		
Individual / Internal staff engagements	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: #0070C0; color: white;">Individual / Internal staff engagements</th> </tr> <tr> <td> <input type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input type="checkbox"/> Exposure (size of holdings) <input type="checkbox"/> Responses to ESG impacts that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Client request <input type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our individual engagements </td> </tr> </table>	Individual / Internal staff engagements	<input type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input type="checkbox"/> Exposure (size of holdings) <input type="checkbox"/> Responses to ESG impacts that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Client request <input type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our individual engagements
Individual / Internal staff engagements			
<input type="checkbox"/> Geography/market of the companies <input checked="" type="checkbox"/> Materiality of the ESG factors <input type="checkbox"/> Exposure (size of holdings) <input type="checkbox"/> Responses to ESG impacts that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Client request <input type="checkbox"/> Breaches of international norms <input type="checkbox"/> Other; (specify) <input type="checkbox"/> We do not outline engagement criteria for our individual engagements			
Collaborative engagements	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="background-color: #0070C0; color: white;">Collaborative engagements</th> </tr> <tr> <td> <input type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors <input type="checkbox"/> Ability to have greater impact on ESG issues <input type="checkbox"/> Ability to add value to the collaboration <input type="checkbox"/> Geography/market of the companies targeted by the collaboration <input type="checkbox"/> Materiality of the ESG factors addressed by the collaboration <input type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Alleviate the resource burden of engagement <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other; (specify) <input checked="" type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers </td> </tr> </table>	Collaborative engagements	<input type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors <input type="checkbox"/> Ability to have greater impact on ESG issues <input type="checkbox"/> Ability to add value to the collaboration <input type="checkbox"/> Geography/market of the companies targeted by the collaboration <input type="checkbox"/> Materiality of the ESG factors addressed by the collaboration <input type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Alleviate the resource burden of engagement <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other; (specify) <input checked="" type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers
Collaborative engagements			
<input type="checkbox"/> Potential to enhance knowledge of ESG issues through other investors <input type="checkbox"/> Ability to have greater impact on ESG issues <input type="checkbox"/> Ability to add value to the collaboration <input type="checkbox"/> Geography/market of the companies targeted by the collaboration <input type="checkbox"/> Materiality of the ESG factors addressed by the collaboration <input type="checkbox"/> Exposure (size of holdings) to companies targeted by the collaboration <input type="checkbox"/> Responses to ESG impacts addressed by the collaboration that have already occurred <input type="checkbox"/> Responses to divestment pressure <input type="checkbox"/> Follow-up from a voting decision <input type="checkbox"/> Alleviate the resource burden of engagement <input type="checkbox"/> Consultation with clients/beneficiaries <input type="checkbox"/> Consultation with other stakeholders (e.g. NGOs, trade unions, etc.) <input type="checkbox"/> Other; (specify) <input checked="" type="checkbox"/> We do not outline engagement criteria for our collaborative engagement providers			

No

LEA 04	Mandatory	Core Assessed	PRI 2
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LEA 04.1	Indicate whether you define specific objectives for your organisation's engagement activities.
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Individual / Internal staff engagements	<input checked="" type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input type="radio"/> We do not define specific objectives for engagement activities carried out by internal staff
Collaborative engagements	<input type="radio"/> All engagement activities <input type="radio"/> Majority of engagement activities <input type="radio"/> Minority of engagement activities <input checked="" type="radio"/> We do not define specific objectives for engagement activities carried out through collaboration

LEA 05	Mandatory	Core Assessed	PRI 2
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LEA 05.1	Indicate whether you monitor and/or review engagement outcomes.
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Individual / Internal staff engagements	<input checked="" type="checkbox"/> Yes, in all cases <input type="checkbox"/> Yes, in a majority of cases <input type="checkbox"/> Yes, in a minority of cases <input type="checkbox"/> We do not monitor, or review engagement outcomes when the engagement is carried out by our internal staff.
Collaborative engagements	<input type="checkbox"/> Yes, in all cases <input type="checkbox"/> Yes, in a majority of cases <input type="checkbox"/> Yes, in a minority of cases <input checked="" type="checkbox"/> We do not monitor, or review engagement outcomes when the engagement is carried out through collaboration.

LEA 05.2 Indicate whether you do any of the following to monitor and/or review the progress of engagement activities.

Individual / Internal staff engagements	<input type="checkbox"/> Define timelines/milestones for your objectives <input checked="" type="checkbox"/> Track and/or monitor progress against defined objectives and/or KPIs <input type="checkbox"/> Track and/or monitor the progress of action taken when original objectives are not met <input checked="" type="checkbox"/> Revisit and, if necessary, revise objectives on a continuous basis <input type="checkbox"/> Other, specify
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LEA 06 Mandatory Additional Assessed PRI 2,4

LEA 06.1 Indicate whether your organisation has an escalation strategy when engagements are unsuccessful.

Yes

LEA 06.2 Indicate the escalation strategies used at your organisation following unsuccessful engagements.

- Collaborating with other investors
- Issuing a public statement
- Filing/submitted a shareholder resolution
- Voting against the re-election of the relevant directors
- Voting against the board of directors or the annual financial report
- Submitting nominations for election to the board
- Seeking legal remedy / litigation
- Reducing exposure (size of holdings)
- Divestment
- Other, specify

No

LEA 07 Voluntary Additional Assessed PRI 1,2

LEA 07.1 Indicate whether insights gained from your organisation's engagements are shared with investment decision-makers.

Type of engagement	Insights shared
Individual / Internal staff engagements	<input checked="" type="checkbox"/> Yes, systematically <input type="checkbox"/> Yes, occasionally <input type="checkbox"/> No
Collaborative engagements	<input type="checkbox"/> Yes, systematically <input type="checkbox"/> Yes, occasionally <input checked="" type="checkbox"/> No

LEA 07.2 Indicate the practices used to ensure that information and insights gained through engagements are shared with investment decision-makers.

- Involving investment decision-makers when developing an engagement programme
 - Holding investment team meetings and/or presentations
 - Using IT platforms/systems that enable data sharing
 - Internal process that requires portfolio managers to re-balance holdings based on interaction and outcome levels
 - Other, specify
- Insights and outcomes are shared and presented to the Investment Committee by the analyst to determine the impact on the underlying portfolio company.
- None

LEA 07.3 Indicate whether insights gained from your organisation's engagements are shared with your clients/beneficiaries.

Type of engagement	Insights shared
Individual/Internal staff engagements	<input checked="" type="checkbox"/> Yes, systematically <input type="checkbox"/> Yes, occasionally <input type="checkbox"/> No

Collaborative engagements	<input type="radio"/> Yes, systematically <input type="radio"/> Yes, occasionally <input checked="" type="radio"/> No
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LEA 07.4 Additional information. [Optional]

In reference to **LEA 07.1** above relating to individual or internal staff engagements, the insights gained from engagements are shared with the investment team and if it is a "matter arising" following an Investment Committee meeting (IC), this item will be addressed at the IC meeting and minutes are kept.

LEA 08 Mandatory Gateway PRI 2

LEA 08.1 Indicate whether you track the number of your engagement activities.

Type of engagement	Tracking engagements
Individual/Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input type="radio"/> Yes, we track the number of collaborative engagements in full <input type="radio"/> Yes, we partially track the number of our collaborative engagements <input checked="" type="radio"/> We do not track

LEA 08.2 Additional information. [Optional]

In reference to LEA 08.1 - all individual/internal staff engagements are tracked via our Matters Arising as outcomes following our Investment Committee review of a portfolio company.

LEA 09 Mandatory to Report, Voluntary to Disclose Core Assessed PRI 2

LEA 09.1 Indicate the proportion of companies in your listed equities portfolio with which your organisation engaged during the reporting year.

	We did not complete any engagements in the reporting year.	Number of companies engaged (avoid double counting, see explanatory notes)	Proportion of companies engaged with, out of total listed equities portfolio
Individual / Internal staff engagements	<input type="checkbox"/> We did not complete any engagements in the reporting year.	2	2

LEA 09.2 Indicate the breakdown of engagements conducted within the reporting year by the number of interactions (including interactions made on your behalf).

No. of interactions with a company	% of engagements
One interaction	<input checked="" type="radio"/> >76% <input type="radio"/> 51-75% <input type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
2 to 3 interactions	<input type="radio"/> >76% <input type="radio"/> 51-75% <input checked="" type="radio"/> 11-50% <input type="radio"/> 1-10% <input type="radio"/> None
More than 3 interactions	<input type="radio"/> >76% <input type="radio"/> 51-75% <input type="radio"/> 11-50% <input type="radio"/> 1-10% <input checked="" type="radio"/> None
Total	100%

LEA 09.5 Additional information. [Optional]

The engagement related to the following areas:

- Transformation or lack thereof at the management and leadership.in particular their plan to address the issue.
- Lack of independent non-executive directors (since the majority of the directors are not independent but the company has classified them as independent).

LEA 10 Voluntary Additional Assessed PRI 2

LEA 10.1 Indicate which of the following your engagement involved.

- Letters and emails to companies
- Meetings and/or calls with board/senior management

- In a minority of cases
- In a majority of cases
- In all cases
- Meetings and/or calls with the CSR, IR or other management
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Visits to operations
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Visits to supplier(s) in supplier(s) from the company's supply chain
- Participation in roadshows
 - In a minority of cases
 - In a majority of cases
 - In all cases
- Other

LEA 11	Voluntary	Descriptive	PRI 2
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LEA 11.1 Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.

Add Example 1

ESG Topic	<input checked="" type="checkbox"/> General ESG <input checked="" type="checkbox"/> Health and Safety <input checked="" type="checkbox"/> Other governance <input checked="" type="checkbox"/> Other
Conducted by	Individual / Internal
Objectives	Social: Determine the company engagement strategy and process to address community protests and unrest affecting operations.
Scope and Process	Engagement with board and executive directors to communicate our concerns but also to understand the strategy and risk management process to minimise these risks.
Outcomes	Ongoing

Add Example 2

ESG Topic	<input checked="" type="checkbox"/> Climate Change <input checked="" type="checkbox"/> Health and Safety <input checked="" type="checkbox"/> Water risks
Conducted by	Individual / Internal
Objectives	Environmental: Risk to the agriculture and the impact of climate change. The objective was to understand the mitigants in place to address these risks and ongoing engagement to ensure that improvements in internal operations and processes are implemented.
Scope and Process	Engagement with board and executive directors to communicate our concerns but also to understand the strategy and risk management process to minimise these risks.
Outcomes	Other

Add Example 3

ESG Topic	<input checked="" type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Other governance
Conducted by	Individual / Internal
Objectives	Governance/Audit/Remuneration: The objective for engaging was to understand the rationale for the high auditor and remuneration fees.
Scope and Process	Engagement with board and executive directors to communicate our concerns and to understand the rationale for the high fees.
Outcomes	Increased understanding / information

- Add Example 4
- Add Example 5
- Add Example 6

- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

LEA 12	Mandatory	Descriptive	PRI 2
LEA 12.1	Indicate how you typically make your (proxy) voting decisions.		
Approach			
<input type="radio"/> We use our own research or voting team and make voting decisions without the use of service providers. <input checked="" type="radio"/> We hire service providers who make voting recommendations and/or provide research that we use to guide our voting decisions.			
Based on			
<input type="radio"/> The service-provider voting policy we sign off on <input checked="" type="radio"/> Our own voting policy <input type="radio"/> Our clients' requests or policies <input type="radio"/> Other (explain)			
<input type="radio"/> We hire service providers who make voting decisions on our behalf, except in some pre-defined scenarios where we review and make voting decisions. <input type="radio"/> We hire service providers who make voting decisions on our behalf.			
LEA 12.2	Provide an overview of how you ensure that your agreed-upon voting policy is adhered to, giving details of your approach when exceptions to the policy are made.		
<p>Futuregrowth needs to examine each resolution offered and the context in which it applies. We therefore do not automatically vote in favour of proposed resolutions, but first consider our clients investment needs and social objectives. For that reason, there may be rare instances in which clients' shares may not be voted in strict adherence to these guidelines. We will also not vote in strict accordance with these guidelines if we receive specific instructions to the contrary from our clients.</p> <p>In cases where Futuregrowth, via its clients, manages more than 5% of the equity market capitalisation of a company, and the issues to be discussed at the Annual General Meeting are of a material nature, we may consider physically attending and voting at the meeting instead of voting via proxy.</p> <p>On occasions, new issues may arise which are not covered by these guidelines. In such cases we will evaluate these proposals against the spirit of good corporate governance as outlined in King III, the Companies Act of 2008 and best international practice, after which we would update this document.</p> <p>Conflict of interest</p> <p>Futuregrowth owes a fiduciary duty to its clients, the guiding principle motivating our entire business is to make client interests our top priority. Fund managers have a duty to put the interests of their clients over and above self-interest. The fundamental relationship between Futuregrowth and its clients is one of trust; accordingly, our reputation and integrity must always be beyond reproach.</p> <p>Where Futuregrowth exercises voting rights on behalf of clients, it owes a duty to exercise the voting powers in the best long-term interests of its clients. In exceptional circumstances where there is a variance in the vote from the Proxy Voting Guidelines, which could lend itself to potential conflict of interest; Futuregrowth will immediately have discussions with our clients to determine how the proxy should be voted.</p> <p>Share option incentive schemes</p> <p>Share incentive schemes can transfer significant amounts of wealth from shareholders to executives and directors. Futuregrowth will therefore review each remuneration plan with respect to share option schemes on a case by case basis. These schemes should be designed to provide incentives as opposed to risk free rewards.</p> <p>Excessive dilution - Futuregrowth will generally not support incentive plan amendments if the total potential dilution of share capital resulting from the vesting of share options exceeds 3% per annum. Exceeding this dilution level causes unnecessary reduction in the value of current shareholders holdings and dilutes their voting rights. In addition, Futuregrowth will also not support plans that authorise share schemes representing 15% or more in the case of small companies (market capitalisation less than R2bn), and 10% for larger companies, of the outstanding shares. Exceptions may be based on a company's need to recruit and maintain highly qualified people in very competitive labour markets e.g. Information Technology.</p> <p>Share incentive schemes with dilutions approaching our maximum levels should meet at least one of the following criteria:</p> <ul style="list-style-type: none"> • The plan is open to all employees, • The company is a growth company, • The company is in a difficult financial position, and • The company compensation policy is below competitive levels for the industry. <p>There may be isolated instances in which a slightly higher dilution above these thresholds may be in the best interest of shareholders. We will vote on this on a case by case basis.</p>			
LEA 12.3	Additional information.[Optional]		
We will vote our own policy, but will adhere to client's recommendations/guidelines if we receive specific instructions to the contrary from our clients.			
LEA 14	Voluntary	Additional Assessed	PRI 2
LEA 14.1	Does your organisation have a securities lending programme?		
<input type="radio"/> Yes <input checked="" type="radio"/> No			
LEA 14.2	Describe why your organisation does not lend securities.		
We have no mandate in this area.			
LEA 15	Mandatory	Descriptive	PRI 2
LEA 15.1	Indicate the proportion of votes participated in within the reporting year in which where you or the service providers acting on your behalf raised concerns with companies ahead of voting.		
<input type="radio"/> 100%			

- 99-75%
- 74-50%
- 49-25%
- 24-1%
- Neither we nor our service provider(s) raise concerns with companies ahead of voting

LEA 15.2 Indicate the reasons for raising your concerns with these companies ahead of voting.

- Vote(s) concerned selected markets
- Vote(s) concerned selected sectors
- Vote(s) concerned certain ESG issues
- Vote(s) concerned companies exposed to controversy on specific ESG issues
- Vote(s) concerned significant shareholdings
- Client request
- Other

Explain

A combination of issues strategy, ESG e.g. related to board composition, remuneration, risk etc.

LEA 16 **Mandatory** **Core Assessed** **PRI 2**

LEA 16.1 Indicate the proportion of votes where you, and/or the service provider(s) acting on your behalf, communicated the rationale to companies for abstaining or voting against management recommendations. Indicate this as a percentage out of all eligible votes.

- 100%
- 99-75%
- 74-50%
- 49-25%
- 24-1%
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers did not abstain or vote against management recommendations

LEA 16.2 Indicate the reasons why your organisation would communicate to companies, the rationale for abstaining or voting against management recommendations.

- Vote(s) concern selected markets
- Vote(s) concern selected sectors
- Vote(s) concern certain ESG issues
- Vote(s) concern companies exposed to controversy on specific ESG issues
- Vote(s) concern significant shareholdings
- Client request
- Other

Explain

To engage the company beforehand to explain the rationale for our vote and to promote industry best practice on the matter.

LEA 16.3 In cases where your organisation does communicate the rationale for abstaining or voting against management recommendations, indicate whether this rationale is made public.

- Yes
- No

LEA 16.4 Additional information. [Optional]

In reference to LE16.3 above, usually the engagement is in person during a meeting, via a call or roadshow.

LEA 17 **Mandatory** **Core Assessed** **PRI 2**

LEA 17.1 For listed equities in which you or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information

Votes cast (to the nearest 1%)

100%

Specify the basis on which this percentage is calculated

- Of the total number of ballot items on which you could have issued instructions
- Of the total number of company meetings at which you could have voted
- Of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

LEA 17.3 Additional information. [Optional]

In reference to **LEA 17.1** above, we have voted on all (100%) of our LE exposure.

LEA 18 **Voluntary** **Additional Assessed** **PRI 2**

LEA 18.1	Indicate whether you track the voting instructions that you or your service provider on your behalf have issued.
<input checked="" type="checkbox"/> Yes, we track this information	
LEA 18.2	Of the voting instructions that you and/or third parties on your behalf have issued, indicate the proportion of ballot items that were:
Voting instructions Breakdown as percentage of votes cast	
For (supporting) management recommendations 83%	
Against (opposing) management recommendations 17%	
Abstentions 0%	
<input type="checkbox"/> No, we do not track this information	
LEA 18.3	In cases where your organisation voted against management recommendations, indicate the percentage of companies which you have engaged.
5	

LEA 19	Mandatory	Core Assessed	PRI 2
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LEA 19.1	Indicate whether your organisation has a formal escalation strategy following unsuccessful voting.
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
LEA 19.2	Indicate the escalation strategies used at your organisation following abstentions and/or votes against management.
<input type="checkbox"/> Contacting the company's board <input type="checkbox"/> Contacting the company's senior management <input type="checkbox"/> Issuing a public statement explaining the rationale <input type="checkbox"/> Initiating individual/collaborative engagement <input type="checkbox"/> Directing service providers to engage <input type="checkbox"/> Reducing exposure (holdings) / divestment <input checked="" type="checkbox"/> Other	
<input type="text" value="Specify"/>	
The escalation process includes raising the issue at the Investment Committee to approve the best course of action.	
LEA 19.3	Additional information. [Optional]
In reference to LEA 19.2: In some cases the analyst to make recommendation and this is done on a case-by-case basis.	

LEA 20	Voluntary	Descriptive	PRI 2
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LEA 20.1	Indicate whether your organisation, directly or through a service provider, filed or co-filed any ESG shareholder resolutions during the reporting year.
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
LEA 20.2	Indicate the number of ESG shareholder resolutions you filed or co-filed.
898	
LEA 20.3	Indicate what percentage of these ESG shareholder resolutions resulted in the following:
Went to vote 100% Were withdrawn due to changes at the company and/or negotiations with the company 0% Were withdrawn for other reasons 0% Were rejected/not acknowledged by the company 0%	
LEA 20.4	Of the ESG shareholder resolutions that you filed or co-filed and that were put to a vote (i.e., not withdrawn), indicate the percentage that received approval:
70	
LEA 20.5	Describe the ESG shareholder resolutions that you filed or co-filed, and the outcomes achieved.
Some examples of resolutions included the following: <ul style="list-style-type: none"> Place Authorised but Unissued Shares under Control of Directors Approve Remuneration Policy Approve Remuneration Implementation Report The outcome we wanted to achieve was to alert the company to the areas within these that didn't comply with industry best practice.	
LEA 20.6	Describe whether your organisation reviews ESG shareholder resolutions filed by other investors.
We don't review ESG shareholder resolutions by other investors, but we do review industry research and recommendations which provides best practices on these matters.	

LEA 21	Voluntary	Descriptive	PRI 2
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LEA 21.1	Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.
<input checked="" type="checkbox"/> Add Example 1	

ESG Topic	<input checked="" type="checkbox"/> Executive Remuneration <input checked="" type="checkbox"/> Other governance
Conducted by	Individual/Internal
Objectives	Approval of the Remuneration Policy and the Remuneration Implementation Report <ul style="list-style-type: none"> Align short, medium and long-term incentives to the strategic objectives of the company.
Scope and Process	Engagement and monitoring to bring about changes in practices.
Outcomes	Company changed practice

Add Example 2

ESG Topic	<input checked="" type="checkbox"/> Shareholder rights <input checked="" type="checkbox"/> Other governance
Conducted by	Individual/Internal
Objectives	To determine the rationale and transparency regarding the process. <ul style="list-style-type: none"> Place Authorised but Unissued Shares under Control of Directors
Scope and Process	Engagement on the issue to determine rationale.
Outcomes	Increased understanding / information

- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

If there are any messages below, please review them before continuing. If there are no messages below, please save this page and continue.

FI 01.1 Indicate (1) Which ESG incorporation strategy and/or combination of strategies you apply to your actively managed fixed income investments; and (2) The proportion (+/- 5%) of your total actively managed fixed income investments each strategy applies to.

SSA	Screening alone	0
	Thematic alone	0
	Integration alone	0
	Screening + integration strategies	0
	Thematic + integration strategies	0
	Screening + thematic strategies	0
	All three strategies combined	100
	No incorporation strategies applied	0
	Corporate (financial)	Screening alone
Thematic alone	0	
Integration alone	0	
Screening + integration strategies	0	
Thematic + integration strategies	0	
Screening + thematic strategies	0	
All three strategies combined	100	
No incorporation strategies applied	0	
Corporate (non-financial)	Screening alone	0
Thematic alone	0	
Integration alone	0	
Screening + integration strategies	0	
Thematic + integration strategies	0	
Screening + thematic strategies	0	
All three strategies combined	100	
No incorporation strategies applied	0	

Securitised	0	Screening alone
	0	Thematic alone
	100	Integration alone
	0	Screening + integration strategies
	0	Thematic + integration strategies
	0	Screening + thematic strategies
	0	All three strategies combined
	0	No incorporation strategies applied

FI 01.2 Describe your reasons for choosing a particular ESG incorporation strategy and how combinations of strategies are used.

We use a combination of screening, integration and thematic strategies applied to a majority of our investments. For some mandates with a developmental mandate the thematic option is applied, but across all others a combination of screening and integration strategies are applied.

- Screening: We use positive/best-in-class screening of investment in sectors, companies or projects selected for positive ESG performance relative to industry peers, this mostly relates to our developmental (impact) funds
- ESG integration: This is applied across the whole universe of FI and our developmental asset classes.
- Thematic: Within our range of developmental and non-developmental we have a large focus on investment in themes or assets specifically related to sustainability (e.g. renewable energy, sustainable agriculture, affordable housing, SME finance).

FI 02	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 1
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FI 02.1 Indicate which ESG factors you systematically research as part of your analysis on issuers.

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Environmental data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Social data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Governance data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

FI 02.2 Indicate what format your ESG information comes in and where you typically source it

- Raw ESG company data
 - ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – FI analyst, PM or risk team
 - Other, specify
- ESG factor specific analysis
 - ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – FI analyst, PM or risk team
 - Other, specify
- Issuer-level ESG analysis
 - ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – FI analyst, PM or risk team
 - Other, specify
- Sector-level ESG analysis
 - ESG research provider
 - Sell-side
 - In-house – specialised ESG analyst or team
 - In-house – FI analyst, PM or risk team
 - Other, specify
- Country-level ESG analysis

FI 02.3	Provide a brief description of the ESG information used, highlighting any differences in sources of information across your ESG incorporation strategies.
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For unlisted (private) companies, we engage executive management directly and they would provide updated information and have an opportunity to correct and provide further clarity, for listed companies we only use public available information and in most cases there is limited productive engagement.

FI 03	Mandatory	Additional Assessed	PRI 1
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FI 03.1	Indicate how you ensure that your ESG research process is robust:
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- Comprehensive ESG research is undertaken internally to determine companies' activities; and products and/or services
- Issuers are given the opportunity by you or your research provider to review ESG research on them and correct inaccuracies
- Issuer information and/or ESG ratings are updated regularly to ensure ESG research is accurate
- Internal audits and regular reviews of ESG research are undertaken in a systematic way.
- A materiality/sustainability framework is created and regularly updated that includes all the key ESG risks and opportunities for each sector/country.
- Other, specify

specify description

For private companies, we engage executive management directly and they would provide updated information, for listed companies we only use public available information.

None of the above

FI 03.2	Describe how your ESG information or analysis is shared among your investment team.
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- ESG information is held within a centralised database and is accessible to all investment staff
- ESG information is displayed on front office research platforms
- ESG information is a standard item on all individual issuer summaries, research notes, 'tear sheets', or similar documents
- Investment staff are required to discuss ESG information on issuers as a standard item during investment committee meetings
- Records capture how ESG information and research was incorporated into investment decisions
- Other, specify
- None of the above

FI 03.3	Additional information. [Optional]
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In reference to FI 03.1

A materiality/sustainability framework (ranking) is created and regularly updated that includes all the key ESG risks and opportunities per sector, these indicators for ESG are ranked against other financial and credit metrics and indicators.

FI 04	Mandatory	Gateway	PRI 1
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FI 04.1	Indicate the type of screening you conduct.
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	SSA	Corporate (financial)	Corporate (non-financial)
Negative/exclusionary screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Positive/best-in-class screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Norms-based screening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 04.2	Describe your approach to screening for internally managed active fixed income
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In a majority of our portfolios we apply positive screening to our investments, in some cases for specific mandates e.g. for specific developmental funds we apply negative screening.

FI 05	Voluntary	Additional Assessed	PRI 1
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FI 05.1	Provide examples of how ESG factors are included in your screening criteria.
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Example 1

Type of fixed income
<input type="checkbox"/> SSA <input checked="" type="checkbox"/> Corporate (financial) <input type="checkbox"/> Corporate (non-financial)
ESG factors
<input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class

Description of how ESG factors are used as the screening criteria
<p>In our developmental (impact/thematic) funds we use negative screening and exclude investments in microlenders in these mandates.</p> <p>Extract from news article:</p> <p>New blow for microlenders</p> <p>GRAMEEN bank founder Muhammad Yunus, widely considered the father of modern microcredit, issued a stern warning on Friday about how microlending could become "abusive" and be misused by lenders.</p> <p>This came in a week when Futuregrowth Asset Management said it would "wind down" its exposure to microlenders, including Capitec, African Bank and other unsecured lenders, on "moral grounds".</p> <p>This move is likely to invite greater scrutiny of the role these banks have played in granting credit to poorer South Africans already trapped in a debt spiral.</p> <p>With South Africa failing to create a meaningful number of jobs while cash-strapped consumers continue to struggle to repay loans, some experts have warned that the microcredit bubble could pop, raising the risk of social unrest.</p> <p>Futuregrowth Asset Management CEO Andrew Canter said that after 20 years of seeing personal unsecured lending as a "net social good" because it provided people with access to finance, his company had concluded after much soul-searching that the industry was no longer developmental.</p> <p>Full article found here, https://www.businesslive.co.za/bd/companies/financial-services/2013-10-06-new-blow-for-microlenders/</p>

Example 2

Type of fixed income
<input checked="" type="checkbox"/> SSA <input checked="" type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Screening
<input type="checkbox"/> Negative/ exclusionary <input checked="" type="checkbox"/> Positive/ best-in-class
Description of how ESG factors are used as the screening criteria
<p>We use positive screening as part of our investment process by identifying sectors that promote social, infrastructure & economic development e.g. investment in infrastructure (water, roads, health, education), affordable housing, agriculture, renewable energy, as well as funding Development Finance Institutions (DFIs) that facilitate social & infrastructure development.</p>

Example 3

Type of fixed income
<input checked="" type="checkbox"/> SSA <input checked="" type="checkbox"/> Corporate (financial) <input checked="" type="checkbox"/> Corporate (non-financial)
ESG factors
<input checked="" type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Governance
Screening
<input checked="" type="checkbox"/> Negative/ exclusionary <input type="checkbox"/> Positive/ best-in-class
Description of how ESG factors are used as the screening criteria
<p>We use negative screening in our in a range of our developmental (impact/thematic) funds and exclude investments in a range of sectors and industries e.g. gambling, tobacco, coal, mining etc.</p>

Example 4

Example 5

FI 06	Mandatory	Core Assessed	PRI 1
FI 06.1	Indicate which systems your organisation has to ensure that fund screening criteria are not breached in fixed income investments.		
Type of screening	Checks		

Negative/exclusionary screening	<input type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="border: 1px solid black; background-color: #0070C0; color: white; padding: 2px;">other description</div> Mandate breaches are picked up by our compliance and mandate monitoring. <input type="checkbox"/> None of the above
Positive/best-in-class screening	<input type="checkbox"/> Analysis is performed to ensure that issuers meet screening criteria <input type="checkbox"/> We ensure that data used for the screening criteria is updated at least once a year. <input type="checkbox"/> Automated IT systems prevent our portfolio managers from investing in excluded issuers or bonds that do not meet screening criteria <input checked="" type="checkbox"/> Audits of fund holdings are undertaken yearly by internal audit or compliance functions <input checked="" type="checkbox"/> Other, specify <div style="border: 1px solid black; background-color: #0070C0; color: white; padding: 2px;">other description</div> Mandate breaches are picked up by our compliance and mandate monitoring. <input type="checkbox"/> None of the above

FI 07	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1
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FI 07.1	Indicate what proportion of your thematic investments are (totalling up to 100%):
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<input type="checkbox"/> Green/SDG bonds linked to environmental goals <input type="checkbox"/> Social/SDG bonds linked to social goals <input type="checkbox"/> Sustainability/SDG bonds (combination of green and social linked to multiple SDG categories) <input checked="" type="checkbox"/> Other
<div style="border: 1px solid black; background-color: #0070C0; color: white; padding: 2px;">Specify</div> Approximately 23% of our investments in Fixed Income are invested in sustainability, green economy, thematic sectors that support the SDGs 23%

FI 07.2	Describe your organisation's approach to thematic fixed income investing
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Definition
We define developmental investing (impact/thematic) as that which provides investors with both commercial returns and tangible social and developmental impact. In South Africa, the primary development focus is around the provision of basic services and infrastructure development.

Our Philosophy
Futuregrowth is dedicated to the development and empowerment of South Africa and its people, with many of our products geared towards supporting change. We are passionate about improving the lives of all South Africans and so we're always striving to identify opportunities that will not only yield optimal financial returns for stakeholders, but also make recognised contributions to society. Our belief is that thriving communities result in thriving businesses, therefore, business can and should develop the communities in which they operate.

We also believe that while providing a retirement benefit for members is critically important, so too is improving the lives of individuals and their families while they are still working.

Our Process
Futuregrowth has approximately a 24 year track-record of investing in developmental (impact/thematic) investments and the current capability is supported by the investment process. We use a fundamental investment approach with active decision making and judgment applicable in all processes including all our developmental funds.

FI 08	Mandatory	Core Assessed	PRI 1
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FI 08.1	Indicate whether you encourage transparency and disclosure relating to the issuance of themed bonds as per the Green Bonds Principles, Social Bond Principles, or Sustainability Bond Guidelines..
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<input checked="" type="checkbox"/> We require that themed bond proceeds are only allocated to environmentally or socially beneficial projects <input checked="" type="checkbox"/> We require the issuer (or 3rd party assurer) to demonstrate a process which determines the eligibility of projects to which themed bond proceeds are allocated <input checked="" type="checkbox"/> We require issuers to demonstrate a systematic and transparent process of disbursing themed bond proceeds to eligible projects until all funds are allocated <input checked="" type="checkbox"/> We require issuers to report at least once per year on the projects to which proceeds have been allocated including a description of those projects <input type="checkbox"/> Other, specify <input type="checkbox"/> None of the above
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FI 08.2	Describe the actions you take when issuers do not disburse bond proceeds as described in the offering documents.
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We had no instances like this to date, we have found that engaging prior to investing in green/social impact bonds that there should be clear parameters (as outlined above) should be agreed upon and documented in the legal agreements, this should include the reporting and green/social outcomes.

FI 09	Mandatory	Additional Assessed	PRI 1
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FI 09.1	Indicate how you assess the environmental or social impact of your thematic investments.
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<input checked="" type="checkbox"/> We require issuers to report at least once per year on specific environmental or social impacts resulting from our themed investments <input type="checkbox"/> We ensure independent audits are conducted on the environmental or social impact of our investments <input type="checkbox"/> We have a proprietary system to measure environmental and social impact <input type="checkbox"/> We measure the impact of our themed bond investments on specific ESG factors such as carbon emissions or human rights

Other, specify

We have a proprietary methodology to measure environmental and social impact and currently in the process improving the process around assessing, monitoring and reporting.

None of the above

FI 09.2 Additional information. [Optional]

In reference to **FI 09.1** above on measuring impact, refer below.

Measuring Impact & Reporting

Futuregrowth recognises that different investments have different on-the-ground impact. For example, funding the provision of low-income housing has a much higher impact than holding a listed parastatal bond. And an investor, in addition to earning suitable risk-adjusted returns, may also want recognition for such a high-impact investment.

Measuring developmental impact is highly subjective. Futuregrowth classes all our developmental investments into High, Medium or Low impact, depending on the actual nature of the investments and/or funds. For example:

- High impact: infrastructure project finance, access to finance for the previously "unbanked", social infrastructure (health care, education, etc).
- Medium impact: investor engagement.
- Low impact: environmentally-screened ethical investments.

FI 10 Mandatory Descriptive PRI 1

FI 10.1 Describe your approach to integrating ESG into traditional financial analysis.

OUR APPROACH

Futuregrowth believes that engagement with investee companies on matters of ESG is appropriate to ensure long-term sustainability for all stakeholders. We believe in collaboration with investee companies and engaging with management to encourage companies to think about their approach to integrating, disclosing and reporting on ESG issues.

We believe that our role within the investment community is to encourage companies to aspire to responsible ways of doing business, by engaging and collaborating with them. We will jointly aspire to change the landscape of the investment community and be more responsible corporate citizens.

INCORPORATING ESG INTO AN INVESTMENT PROCESS

We believe that investment processes may profitably and suitably include the analyses of environmental, social and governance factors (ESG) in the assessment of investments.

Futuregrowth's ESG framework integrates ESG issues into the investment analysis and decision process with the view of mitigating overall portfolio risk.

The ESG framework seeks to achieve the following outcomes:

- Screen investments using the ESG factors as part of the due diligence process; Evaluate ESG risks;
- Monitor the ESG activities of companies;
- Measure how companies improve over time;
- Engage with companies when risks are identified;
- Report to stakeholders on ESG issues in our investments in a transparent and accountable manner.

FI 10.2 Describe how your ESG integration approach is adapted to each of the different types of fixed income you invest in.

SSA

We apply fundamental analysis but would include a more prominent focus and Governance and Social issues.

Refer to a recent case study on the subject, which displays our process in apply ESG to the various SSA's in Fixed Income. Below is an excerpt from the (Guidance and Case Studies for ESG Integration: Equities and Fixed Income, authored by the CFA Institute and the PRI), please refer to the link below for the full case study.

<http://www.futuregrowth.co.za/newsroom/guidance-and-case-studies-for-esg-integration-equities-and-fixed-income/>

RESPONSIBLE INVESTING IN DEBT CAPITAL MARKETS: UNPACKING GOVERNANCE FOR SOES

Futuregrowth Asset Management has been a substantial funder of national development through its investment in the debt issued by many of South Africa's state-owned enterprises (SOEs). SOEs, by their very nature as publicly funded entities, are not subject to the same market discipline or shareholder oversight as other entities. Recent corporate failures (African Bank Limited, Steinhoff International Holdings NV), as well as serious allegations of malfeasance at certain SOEs (as revealed by South Africa's Public Protector), have demonstrated the need for appropriate and strong governance checks and balances—applied equally to both public and private companies. In addition, the assessments of S&P Global Ratings (a subsidiary of Standard & Poor's Financial Services LLC) and Fitch Ratings Ltd., which place South Africa's sovereign debt at one level above a rating of junk, have raised concerns that the government debt guarantees to SOEs (which totaled ZAR467 billion at the end of March 2017) pose significant risks to South Africa's deficit and economic and ratings outlook (see Figure 1).

Corporate (financial)

We have adapted our process for listed and private companies as outlined below.

1. Corporate (financial) - Listed

- We use a combination of methods and information sources, we rely on publicly available information e.g. company Integrated Annual Report, in addition external ESG and sector research and lastly internal research and fundamental analysis on the company.
- We have adapted the process by developing a propriety sector specific ESG ranking and rating tool that incorporates sector specific metrics and indicators to develop comparative ESG analysis.

2. Corporate (financial) - Private

- We use a combination of methods and information sources, we rely on publically available information e.g. news-flow our internal ESG scorecard which the company completes, in addition, sector research and our own internal fundamental analysis.
- We are also constantly adapting our proprietary ESG analysis and tools.

Corporate (non-financial)

We have adapted our process for listed and private companies as outlined below.

1. Corporate (financial) - Listed

- We use a combination of methods and information sources, we rely on publicly available information e.g. company Integrated Annual Report, in addition external ESG and sector research and lastly internal research and fundamental analysis on the company.
- We have adapted the process by developing a propriety sector specific ESG ranking and rating tool that incorporates sector specific metrics and indicators to develop comparative ESG analysis.

2. Corporate (financial) - Private

- We use a combination of methods and information sources, we rely on publically available information e.g. news-flow our internal ESG scorecard which the company completes, in addition, sector research and our own internal fundamental analysis.
- We are also constantly adapting our proprietary ESG analysis and tools.

Securitized
The securitisations would follow the same process as mentioned above, we would adapt the process to those which are applicable for securitisations.

FI 11	Mandatory	Core Assessed	PRI 1
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FI 11.1	Indicate how ESG information is typically used as part of your investment process.
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	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
ESG analysis is integrated into fundamental analysis	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust the internal credit assessments of issuers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG analysis is used to adjust forecasted financials and future cash flow estimates.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis impacts the ranking of an issuer relative to a chosen peer group.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
An issuer's ESG bond spreads and its relative value versus its sector peers are analysed to find out if all risks are priced in.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The impact of ESG analysis on bonds of an issuer with different durations/maturities are analysed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sensitivity analysis and scenario analysis are applied to valuation models to compare the difference between base-case and ESG-integrated security valuation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ESG analysis is integrated into portfolio weighting decisions.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Companies, sectors, countries and currency and monitored for changes in ESG exposure and for breaches of risk limits.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
The ESG profile of portfolios is examined for securities with high ESG risks and assessed relative to the ESG profile of a benchmark.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, specify in Additional Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 12	Mandatory	Additional Assessed	PRI 1
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FI 12.1	Indicate the extent to which ESG issues are reviewed in your integration process.
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	Environment	Social	Governance												
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FI 12.2	Please provide more detail on how you review E, S and/or G factors in your integration process.
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SSA
<p>This forms part of our credit due diligence process and our annual review process when we review apply fundamental analysis and integrate ESG screening as part of this process for all new and existing issuers.</p> <p>We apply fundamental analysis but would include a more prominent focus and Governance and Social issues.</p> <ul style="list-style-type: none"> • Water Boards: Engaged the Water Boards on governance matters relating to the outcome of the annual review. As part of the ESG annual review focused on the board, governance practices and water quality. Governance within the water boards present a real risk to the continued stability of the water boards e.g. irregular expenditure • SOEs: Continuing with the one-on-one engagements with a various SOEs to improve their DMTNs. <p>Refer to a recent case study on the subject, which displays our process in apply ESG to the various SSA's in Fixed Income. Below is an excerpt from the (Guidance and Case Studies for ESG Integration: Equities and Fixed Income, authored by the CFA Institute and the PRI), please refer to the link below for the full case study.</p>

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Futuregrowth Asset Management has been a substantial funder of national development through its investment in the debt issued by many of South Africa's state-owned enterprises (SOEs). SOEs, by their very nature as publicly funded entities, are not subject to the same market discipline or shareholder oversight as other entities. Recent corporate failures (African Bank Limited, Steinhoff International Holdings NV), as well as serious allegations of malfeasance at certain SOEs (as revealed by South Africa's Public Protector), have demonstrated the need for appropriate and strong governance checks and balances—applied equally to both public and private companies. In addition, the assessments of S&P Global Ratings (a subsidiary of Standard & Poor's Financial Services LLC) and Fitch Ratings Ltd., which place South Africa's sovereign debt at one level above a rating of junk, have raised concerns that the government debt guarantees to SOEs (which totaled ZAR467 billion at the end of March 2017) pose significant risks to South Africa's deficit and economic and ratings outlook (see Figure 1).

Corporate (financial)
<p>This forms part of our credit due diligence and annual review process when we review and apply fundamental analysis and integrate ESG screening as part of this process for all new and existing issuers.</p> <p>One of the sectors we focused on as part of an annual sector review was the South African Banks (we covered the big 5 banks locally). There was a focus on governance, some of the areas covered included a range of issues e.g. risk management, regulatory risks, board composition etc.</p> <ul style="list-style-type: none"> • Most of the banks complied with the strict King IV requirements • On average most of the banks have around 16 member boards: Long tenures resulting in fewer independent directors in Futuregrowth's view. • Individual boards reflects a strong mix skills: financial, business and legal skills represented by the number of CA's, MBA's and LLB qualifications: A common theme is a lack of board members with a depth of IT and risk management experience. • Subject to a high degree of regulatory oversight, which requires data governance and IT systems to comply with regulatory requirements: Highly exposed to IT related risks (e.g. cyber-crime; IT security, protection of personal customer information; etc.).

Corporate (non-financial)
<p>This forms part of our credit due diligence and annual review process when we review and apply fundamental analysis and integrate ESG screening as part of this process for all new and existing issuers.</p> <p>One of the sectors we focused on as part of an annual sector review was the Affordable Housing Property sector.</p> <p>Affordable Housing: Risk analysis and engagement on affordable housing projects (an example of some of the issues):</p> <ul style="list-style-type: none"> • Board independence & diversity • Succession planning • Risk assessment and framework • Human capital & skills development since we identified key man dependence • Transformation & BEE plan

Securitised
<p>Securitisations forms part of our credit due diligence and our annual review process when we review and apply fundamental analysis and integrate ESG screening as part of this process, for all new and existing issuers and would apply the above processes to the securitisations, as its applicable and will vary according to the sector the securitisation is exposed.</p> <ul style="list-style-type: none"> • For securitisations where we also have direct exposure to the parent company, the same ESG analysis applied at the borrower holding level would be applicable at the securitisation. • In instances where we only have exposure to the securitisation; this process is still being refined in terms of the applicable criteria and remains a work in progress.

FI 13	Voluntary	Descriptive	PRI 1
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FI 13.1	Describe your RI approach for passively managed fixed income assets.
Our passive funds make up less than 5% of total AUM, we follow a similar approach to our fixed income process (but in this case the focus would be more on screening the parent company/guarantor) and a larger focus on the governance.	

FI 14	Mandatory to Report, Voluntary to Disclose	Core Assessed	PRI 2
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FI 14.1	Indicate the proportion of your fixed income assets on which you engage. Please exclude any engagements carried out solely in your capacity as a shareholder.											
SSA	<table border="1"> <tr> <th style="background-color: #0070C0; color: white;">Category</th> <th style="background-color: #0070C0; color: white;">Proportion of assets</th> </tr> <tr> <td rowspan="4" style="background-color: #0070C0; color: white;">SSA</td> <td><input checked="" type="checkbox"/> >50%</td> </tr> <tr> <td><input type="checkbox"/> 26-50%</td> </tr> <tr> <td><input type="checkbox"/> 5-25%</td> </tr> <tr> <td><input type="checkbox"/> More than 0%, less than 5%</td> </tr> <tr> <td style="background-color: #0070C0; color: white;">FI 14.2</td> <td style="background-color: #0070C0; color: white;">Indicate your motivations for conducting engagement (SSA fixed income assets).</td> </tr> <tr> <td colspan="2"> <ul style="list-style-type: none"> ✓ To gain an understanding of ESG strategy and/or management ✓ To encourage improved/increased ESG disclosure ✓ To influence issuer practice (or identify the need to influence) on ESG issue </td> </tr> </table>	Category	Proportion of assets	SSA	<input checked="" type="checkbox"/> >50%	<input type="checkbox"/> 26-50%	<input type="checkbox"/> 5-25%	<input type="checkbox"/> More than 0%, less than 5%	FI 14.2	Indicate your motivations for conducting engagement (SSA fixed income assets).	<ul style="list-style-type: none"> ✓ To gain an understanding of ESG strategy and/or management ✓ To encourage improved/increased ESG disclosure ✓ To influence issuer practice (or identify the need to influence) on ESG issue 	
Category	Proportion of assets											
SSA	<input checked="" type="checkbox"/> >50%											
	<input type="checkbox"/> 26-50%											
	<input type="checkbox"/> 5-25%											
	<input type="checkbox"/> More than 0%, less than 5%											
FI 14.2	Indicate your motivations for conducting engagement (SSA fixed income assets).											
<ul style="list-style-type: none"> ✓ To gain an understanding of ESG strategy and/or management ✓ To encourage improved/increased ESG disclosure ✓ To influence issuer practice (or identify the need to influence) on ESG issue 												
Corporate (financial)	<table border="1"> <tr> <th style="background-color: #0070C0; color: white;">Category</th> <th style="background-color: #0070C0; color: white;">Proportion of assets</th> </tr> <tr> <td rowspan="4" style="background-color: #0070C0; color: white;">Corporate (financial)</td> <td><input type="checkbox"/> >50%</td> </tr> <tr> <td><input checked="" type="checkbox"/> 26-50%</td> </tr> <tr> <td><input type="checkbox"/> 5-25%</td> </tr> <tr> <td><input type="checkbox"/> More than 0%, less than 5%</td> </tr> <tr> <td style="background-color: #0070C0; color: white;">FI 14.2</td> <td style="background-color: #0070C0; color: white;">Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets)</td> </tr> <tr> <td colspan="2"> <ul style="list-style-type: none"> ✓ To gain an understanding of ESG strategy and/or management ✓ To encourage improved/increased ESG disclosure ✓ To influence issuer practice (or identify the need to influence) on ESG issue </td> </tr> </table>	Category	Proportion of assets	Corporate (financial)	<input type="checkbox"/> >50%	<input checked="" type="checkbox"/> 26-50%	<input type="checkbox"/> 5-25%	<input type="checkbox"/> More than 0%, less than 5%	FI 14.2	Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets)	<ul style="list-style-type: none"> ✓ To gain an understanding of ESG strategy and/or management ✓ To encourage improved/increased ESG disclosure ✓ To influence issuer practice (or identify the need to influence) on ESG issue 	
Category	Proportion of assets											
Corporate (financial)	<input type="checkbox"/> >50%											
	<input checked="" type="checkbox"/> 26-50%											
	<input type="checkbox"/> 5-25%											
	<input type="checkbox"/> More than 0%, less than 5%											
FI 14.2	Indicate your motivations for conducting engagement (Corporate, Financial fixed income assets)											
<ul style="list-style-type: none"> ✓ To gain an understanding of ESG strategy and/or management ✓ To encourage improved/increased ESG disclosure ✓ To influence issuer practice (or identify the need to influence) on ESG issue 												

Corporate (non-financial)	<input checked="" type="checkbox"/> >50% <input type="checkbox"/> 26-50% <input type="checkbox"/> 5-25% <input type="checkbox"/> More than 0%, less than 5%				
	<table border="1"> <tr> <td style="background-color: #0070C0; color: white;">FI 14.2</td> <td style="background-color: #0070C0; color: white;">Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets)</td> </tr> <tr> <td colspan="2"> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue </td> </tr> </table>	FI 14.2	Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets)	<input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue	
FI 14.2	Indicate your motivations for conducting engagement (Corporate, non-financial fixed income assets)				
<input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue					
Securitised	<input type="checkbox"/> >50% <input type="checkbox"/> 26-50% <input checked="" type="checkbox"/> 5-25% <input type="checkbox"/> More than 0%, less than 5%				
	<table border="1"> <tr> <td style="background-color: #0070C0; color: white;">FI 14.2</td> <td style="background-color: #0070C0; color: white;">Indicate your motivations for conducting engagement (Securitized fixed income assets).</td> </tr> <tr> <td colspan="2"> <input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue </td> </tr> </table>	FI 14.2	Indicate your motivations for conducting engagement (Securitized fixed income assets).	<input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue	
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<input checked="" type="checkbox"/> To gain an understanding of ESG strategy and/or management <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input checked="" type="checkbox"/> To influence issuer practice (or identify the need to influence) on ESG issue					

FI 14.3	Additional information.[OPTIONAL]
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In response to **FI 14.1** above, we note that engagement in most cases for corporate (financial) and corporate (non-financial) have largely been in the private sector for these two categories.

FI 15	Mandatory to Report, Voluntary to Disclose	Additional Assessed	PRI 1,2
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FI 15.1	Indicate how you typically engage with issuers as a fixed income investor, or as both a fixed income and listed equity investor. (Please do not include engagements where you are both a bondholder and shareholder but engage as a listed equity investor only.)
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Type of engagement	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
Individual/Internal staff engagements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Service provider engagements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.2	Indicate how your organisation prioritises engagements with issuers.
----------------	--

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
Size of holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Credit quality of the issuer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Duration of holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Quality of transparency on ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Specific markets and/or sectors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Specific ESG themes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Issuers in the lowest ranks of ESG benchmarks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Issuers in the highest ranks of ESG benchmarks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Specific issues considered priorities for the investor based on input from clients and beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.3	Indicate when your organisation conducts engagements with issuers.
----------------	--

	SSA	Corporate (financial)	Corporate (non-financial)	Securitized
We engage pre-investment.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage post-investment.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage proactively in anticipation of specific ESG risks and/or opportunities.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage in reaction to ESG issues that have already affected the issuer.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage prior to ESG-related divestments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.4	Indicate what your organisation conducts engagements with issuers on.
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	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We engage on ESG risks and opportunities affecting a specific bond issuer or its issuer.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage on ESG risks and opportunities affecting the entire industry or region that the issuer belongs to.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We engage on specific ESG themes across issuers and industries (e.g., human rights).	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.5 Indicate how your organisation ensures that information and insights collected through engagement can feed into the investment decision-making process.

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
Ensuring regular cross-team meetings and presentations.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sharing engagement data across platforms that is accessible to ESG and investment teams.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Encouraging ESG and investment teams to join engagement meetings and roadshows.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Delegating some engagement dialogue to portfolio managers/credit analysts.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Involving portfolio managers when defining an engagement programme and developing engagement decisions.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Establishing mechanisms to rebalance portfolio holdings based on levels of interaction and outcomes of engagements.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Considering active ownership as a mechanism to assess potential future investments.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other, describe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We do not ensure that information and insights collected through engagement can feed into the investment decision-making process.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 15.6 Additional information. [OPTIONAL]

In reference to FI 15.5 above, engagement is largely driven by the analyst allocated to the sector and issuer, they will then include other members of the credit analytical team and portfolio manager on occasion.

FI 16 Mandatory to Report, Voluntary to Disclose Additional Assessed PRI 1,2

FI 16.1 Indicate if your publicly available policy documents explicitly refer to fixed income engagement separately from engagements in relation to other asset classes.

Yes

FI 16.2 Please attach or provide a URL to your fixed income engagement policy document. [Optional]

<http://www.futuregrowth.co.za/our-investments/responsible-investing/>

No

FI 16.3 Additional information [OPTIONAL]

In reference to FI 16.1 above, our FI engagement policy is found within our RI policy.

FI 17 Mandatory to Report, Voluntary to Disclose Additional Assessed General

FI 17.1 Indicate whether your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or performance.

	SSA	Corporate (financial)	Corporate (non-financial)	Securitised
We measure whether incorporating ESG impacts portfolio risk.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
We measure whether incorporating ESG impacts portfolio returns.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
We measure the ESG performance/profile of portfolios (relative to the benchmark).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 17.2 Describe how your organisation measures how your incorporation of ESG analysis in fixed income has affected investment outcomes and/or ESG performance. [OPTIONAL]

ESG analysis is there to identify and price for potential risks in an investment. This is conducted through our fundamental risk analysis, if there is a material risk as outlined above, then the investment will be affected by adjusting the credit rating and this will affect the pricing. We engage the company on improvements, risks are monitored over time and reviewed, if there is an improvement over time then the credit rating will be adjusted to reflect the improvement.

FI 18 Voluntary Descriptive PRI 1,2

FI 18.1 Provide examples of how your incorporation of ESG analysis and/or your engagement of issuers has affected your fixed income investment outcomes during the reporting year.

Example 1

SSA

ESG issue and explanation	Continuing with the one-on-one engagements with a various SOEs to improve their DMTNs. This follows our body of work around SOE governance, which we started in 2016, which is still ongoing in terms of engaging for improved market transparency including reporting.
Engagement	
Impact on investment decision or performance	Continuing with the one-on-one engagements with a various SOEs to improve their DMTNs, which will result in better protections for investors.

Example 2

Corporate (financial)	
ESG issue and explanation	<p>As part of our ESG integration and analysis, we conducted a Bank sector review of the big 5 banks in South Africa, we concluded on the following:</p> <ul style="list-style-type: none"> • Individual boards reflects a strong mix skills: financial, business and legal skills represented by the number of CA's, MBA's and LLB qualifications: A common theme is a lack of board members with a depth of IT and risk management experience. • Subject to a high degree of regulatory oversight, which requires data governance and IT systems to comply with regulatory requirements: Highly exposed to IT related risks (e.g. cyber-crime; IT security; protection of personal customer information; etc.).
Integration	
Impact on investment decision or performance	We consider these medium to long-term risks for the banking sector. We continue to engage, monitor change or lack of change, which could negatively/positively affect the credit ratings for the banks.

Example 3

Corporate (non-financial)	
ESG issue and explanation	<p>As part of our ESG integration and analysis, we conducted a Retail sector annual review based which included ESG integration & engagement with retailers on the issues of board diversity, tenure and transformation.</p> <ul style="list-style-type: none"> • Board diversity: lack of boar diversity in terms of representing the South African demographics. • Board tenure: long director tenures impact the independence, comprised risk management and oversight. • Transformation: A medium to long-term risk to the industry is not having sufficient transformation relating to BBBEE, this remains a risk and could have an impact in terms of licence to operate in the South African context.
Integration	
Impact on investment decision or performance	Medium to long-term risks for the retail industry. We continue to engage, monitor change or lack of change, which could negatively/positively affect the credit rating.

Example 4

Example 5

PE 01	Voluntary	Descriptive	PRI 1-6
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PE 01.1 Provide a brief overview of your organisation's approach to responsible investment in private equity.

The Development Equity Fund (DEF), which invests in private equity assets, is managed in a fiduciary manner by Futuregrowth who are responsible for investment process, governance, administration and reporting. It is not a typical Private Equity fund model, since a "Private Equity" model may be deemed inappropriate for the development equity asset class.

Private Equity model funds tend to have aggressive incentive fees and short time horizons that rush the manager to make both investments and realisations (notwithstanding deal flow and the life-cycle of the underlying assets). The funds are limited-life, and fees on undrawn commitments together with aggressive incentive fees give rise to inherent conflicts between managers and clients. Often, they require:

- very constrained risk mandates,
- lock-in periods for investors,
- active investor involvement in decision making and governance, and
- expensive and specialised third-party administration, accounting, reporting and valuations.

Furthermore, private equity managers often lack the scale of larger asset managers and are usually restricted to managing a small number of funds at any time, which gives rise to shifting attentions due the business imperative to raise new funds. Taken in combination, these restrictive mandates, complex governance, approval and reporting processes, distorted time horizons and aggressive time-based fees, are likely to distract the manager from investment matters and social impact requirements, and impair fund investment opportunities. This combination of factors reduces the willingness of retirement funds to participate in Private Equity model funds, notwithstanding that the asset class itself may offer suitable risk adjusted returns.

Futuregrowth favour the "Fiduciary Manager" model that relies on the investment processes, governance structures and administration processes of an independent asset manager with scale, and where the clients' interests are paramount. By avoidance of mis-incentive, conflict, and short time horizons, this model avoids excess governance costs and constraints, and allows the manager to build the fund and investment process as a going-concern with a long time horizon. This allows more focus on investment-related issues whilst also gearing the capacity of the manager's organisation and reducing costs for the benefit of both parties. The avoidance of conflict allows the fund to have a broader risk mandate (as is suitable to the asset class) to facilitate deal flow and fund diversity.

While liquidity of investors' interests must always be related to the underlying fund holdings, investors' liquidity and decision flexibility should be materially improved by the use of an open-ended model as opposed to a Private Equity model. In the Fiduciary Manager model the clients' first source of control is in defining the mandate of the fund, and the clients' ultimate control is to withdraw his funds from the Manager without cost or material contractual restraint.

PE 02	Mandatory	Core Assessed	PRI 2
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PE 02.1 Indicate whether your organisation's investment activities are guided by a responsible investment policy / follow responsible investment guidelines.

Our investment activities are guided by a responsible investment policy

PE 02.2 Describe how your organisation outlines expectations on staff and portfolio companies' approach towards ESG issues in investment activities.

Our investment activities are guided by a responsible investment policy, in addition, the mandate that governs the investments in private equity assets, outlines The responsible investment guidelines and the developmental (impact) mandate outlines the targeted sectors (positive screened) and those that are excluded (negative screened) sectors.

- The guidelines define relevant thematic sectors for the investment universe
- Futuregrowth favour the "Fiduciary Manager" model that relies on the investment processes, governance structures and administration processes of an independent asset manager with scale, and where the clients' interests are paramount. By avoidance of misincentive, conflict, and short time horizons, this model avoids excess governance costs and constraints, and allows the manager to build the fund and investment process as a going-concern with a long time horizon. This allows more focus on investment-related issues whilst also gearing the capacity of the manager's organisation and reducing costs for the benefit of both parties. The avoidance of conflict allows the fund to have a broader risk mandate (as is suitable to the asset class) to facilitate deal flow and fund diversity.

- Our investment activities are not guided by a responsible investment policy
- We do not have a responsible investment policy

PE 03	Mandatory	Core Assessed	PRI 1,4,6
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PE 03.1 Indicate if your most recent fund placement documents (private placement memorandums (PPM) or similar) refer to responsible investment.

Yes

PE 03.2 Indicate how your most recent fund placement documents (PPM or similar) refer to the following responsible investment:

- Policy and commitment to responsible investment
- Approach to ESG issues in pre-investment processes
- Approach to ESG issues in post-investment processes
- Approach to ESG reporting

PE 03.3 Describe how your organisation refers to responsible investment in fund placement documents (PPMs or similar). [Optional]

This is outlined in the investment guidelines and mandate for our Developmental Equity Fund, which invests in private equity assets, please refer to PE.02.2.

- No
- Not applicable as our organisation does not fundraise

PE 04	Voluntary	Additional Assessed	PRI 4
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PE 04.1 Indicate whether your organisation made formal commitments to responsible investment in the, Limited Partnership Agreement (LPA) of your most recent fund(s), or through side letters when requested by investors.

Yes

If yes

- In LPA, incorporated in the original draft as standard procedure
- In LPA, as requested by investors
- In side letter(s)
- Other

	Please Specify												
	Yes, it is reflected in our investment guidelines, definitions and notes of our agreements for the Developmental Equity Fund.												
<input type="radio"/> No													
PE 04.2	Additional information. [OPTIONAL]												
	This would be the policy of insurance and investment guidelines												
PE 05	Mandatory	Gateway	PRI 1										
PE 05.1	During due-diligence indicate if your organisation typically incorporates ESG issues when selecting private equity investments.												
	<input checked="" type="radio"/> Yes												
PE 05.2	Describe your organisation's approach to incorporating ESG issues in private equity investment selection.												
	Yes, in a majority of instances we typically incorporate ESG issues when selecting private equity investments. This would be quite a similar process to our due diligence conducted in the credit process mentioned in the Fixed Income section of this report. To assist us with a baseline ESG assessment, we would send the company our ESG scorecard; this would be overlaid with the analyst's knowledge of the sector and company performance against its peers. The analyst would include the outcome from this in an investment report. If there is a material ESG concern, then this would be addressed at our Investment Committee (IC) and depending on the issue, this might require a further follow-up or commitment from the company until IC approves the transaction.												
	<input type="radio"/> No												
PE 06	Mandatory	Core Assessed	PRI 1,3										
PE 06.1	Indicate what type of ESG information your organisation typically considers during your private equity investment selection process.												
	<input checked="" type="checkbox"/> Raw data from target company <input checked="" type="checkbox"/> Benchmarks against other companies <input checked="" type="checkbox"/> Sector level data/benchmarks <input type="checkbox"/> Country level data/benchmarks <input checked="" type="checkbox"/> Reporting standards, industry codes and certifications <input type="checkbox"/> International initiatives, declarations or standards <input checked="" type="checkbox"/> Engagements with stakeholders (e.g. customers and suppliers) <input type="checkbox"/> Advice from external resources <input checked="" type="checkbox"/> Other, specify <p style="margin-left: 20px;">As part of our ESG process and assessment, there is a larger focus on governance e.g. risk management, board composition and risk management.</p> <input type="checkbox"/> We do not track this information												
PE 06.2	Describe how this information is reported to, considered and documented by the Investment Committee or similar.												
	The information is reported in an investment report to the Investment Committee (IC), each transaction is reflected in our minutes and all follow-ups are documented in our "matters arising" until the items are cleared..												
PE 07	Voluntary	Additional Assessed	PRI 1,2										
PE 07.1	During deal structuring, what is the process for integrating ESG-related considerations into the deal documentation and/or the post-investment action plan?.												
	<input checked="" type="radio"/> Yes												
	<table border="1"> <tr> <td></td> <td>If yes</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Formally/through a post-investment action plan or value enhancement plan</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Verbally/through dialogue</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Other, specify</td> </tr> <tr> <td></td> <td>In the legal agreements we would specify our requirement to review the ESG at least annually post the investment and require reporting from the company.</td> </tr> </table>				If yes	<input type="checkbox"/>	Formally/through a post-investment action plan or value enhancement plan	<input type="checkbox"/>	Verbally/through dialogue	<input checked="" type="checkbox"/>	Other, specify		In the legal agreements we would specify our requirement to review the ESG at least annually post the investment and require reporting from the company.
	If yes												
<input type="checkbox"/>	Formally/through a post-investment action plan or value enhancement plan												
<input type="checkbox"/>	Verbally/through dialogue												
<input checked="" type="checkbox"/>	Other, specify												
	In the legal agreements we would specify our requirement to review the ESG at least annually post the investment and require reporting from the company.												
PE 07.2	Describe the nature of these improvements and provide examples (if any) from the reporting year												
	These could include recommendations to improve the board composition i.e. ratio of independent versus non-independent directors, independent chair, or to improve the risk management process.												
	<input type="radio"/> We do not set expectations for portfolio companies on ESG-related considerations												
PE 08	Voluntary	Additional Assessed	PRI 1										
PE 08.1	Indicate how ESG issues impacted your private equity investment selection processes during the reporting year.												
	<input checked="" type="checkbox"/> ESG issues helped identify risks <input checked="" type="checkbox"/> ESG issues helped identify opportunities for value creation. <input checked="" type="checkbox"/> ESG issues led to the abandonment of potential investments. <input checked="" type="checkbox"/> ESG issues were considered but did not have an impact on the investment selection process <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not track this potential impact												
PE 08.2	Indicate how ESG issues impacted your private equity investment deals during the reporting year.												
	<input checked="" type="checkbox"/> ESG issues impacted the investment in terms of price offered and/or paid <input checked="" type="checkbox"/> ESG issues were included in the post-investment action plan/100-day plan <input checked="" type="checkbox"/> ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants												

- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- We do not track this potential impact

PE 09	Mandatory	Gateway/Core Assessed	PRI 2
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PE 09.1 Indicate whether your organisation incorporates ESG issues in investment monitoring of portfolio companies.

Yes

PE 09.2 Indicate the proportion of portfolio companies where your organisation included ESG performance in investment monitoring during the reporting year.

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies

PE 09.3 Indicate ESG issues for which your organisation typically sets and monitors targets (KPIs or similar) and provide examples per issue.

Environmental

- Example 1**
Environmental impact e.g. energy efficiency for companies where environmental issues are material for that sector.
- Example 2 (optional)**
Risk management process
- Example 3 (optional)**
Compliance with local regulation, laws and codes related to environmental issues.

Social

- Example 1**
Human Capital: Labour & staff management related to sectors that are affected by ongoing protests and strikes.
- Example 2 (optional)**
Lack of diversity and transformation related to the Board of Directors.
- Example 3 (optional)**
Stakeholder engagement: social issues relating to local communities and stakeholder engagement affecting local communities.

Governance

- Example 1**
Board composition relating to board diversity and independence.
- Example 2 (optional)**
Remuneration policy and incentives e.g. short-term and long-term incentives.
- Example 3 (optional)**
Auditor independence and rotation.

We do not set and/or monitor against targets

No

PE 09.4 Additional information. [Optional]

In relation to **PE 09.3** above, we monitor against ESG issues as part of our ongoing monitoring and annual review process, but this is not done against specific targets/KPIs. Unless in some instances where we have engaged companies on specific ESG issues and made recommendations that required action against specific timelines.

PE 10	Mandatory	Core Assessed	PRI 2
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PE 10.1 Indicate if your organisation tracks the proportion of your portfolio companies that have an ESG/sustainability-related policy (or similar guidelines).

Yes

PE 10.2 Indicate what percentage of your portfolio companies has an ESG/sustainability policy (or similar guidelines).

- >90% of portfolio companies
- 51-90% of portfolio companies
- 10-50% of portfolio companies
- <10% of portfolio companies
- 0% of portfolio companies

No

PE 10.3 Additional information. [Optional]

We track this information as part of our ESG review, on the private equity companies we have found approximately 50% of companies, especially those who are well established have ESG/sustainability-related policies in place, but the smaller portfolio companies have a lack of formalised process and policies in place.

PE 11	Voluntary	Additional Assessed	PRI 2
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PE 11.1	Indicate the types of actions taken by your portfolio companies to incorporate ESG issues into operations and what proportion of your portfolio companies have implemented these actions.
<input checked="" type="checkbox"/> Allocate responsibility for ESG issues to board/senior management <ul style="list-style-type: none"> <input type="radio"/> >90% of portfolio companies <input checked="" type="radio"/> 51-90% of portfolio companies <input type="radio"/> 10-50% of portfolio companies <input type="radio"/> <10% of portfolio companies <input type="radio"/> We do not track this information <input checked="" type="checkbox"/> Composition of board ensure ESG expertise <ul style="list-style-type: none"> <input type="radio"/> >90% of portfolio companies <input type="radio"/> 51-90% of portfolio companies <input checked="" type="radio"/> 10-50% of portfolio companies <input type="radio"/> <10% of portfolio companies <input type="radio"/> We do not track this information <input checked="" type="checkbox"/> Consider ESG issues in risk management processes <ul style="list-style-type: none"> <input type="radio"/> >90% of portfolio companies <input checked="" type="radio"/> 51-90% of portfolio companies <input type="radio"/> 10-50% of portfolio companies <input type="radio"/> <10% of portfolio companies <input type="radio"/> We do not track this information <input type="checkbox"/> Define performance targets for applicable ESG issues in operations <input type="checkbox"/> Identify and engage external parties or stakeholders that could add value or decrease risk through ESG issues <input checked="" type="checkbox"/> Developing/implementing an environmental/social management system (ESMS) or similar <ul style="list-style-type: none"> <input type="radio"/> >90% of portfolio companies <input type="radio"/> 51-90% of portfolio companies <input checked="" type="radio"/> 10-50% of portfolio companies <input type="radio"/> <10% of portfolio companies <input type="radio"/> We do not track this information <input type="checkbox"/> Other actions, specify <input type="checkbox"/> None of the above	

PE 11.2	Describe how your organisation contributes to the portfolio companies' resourcing and management of ESG issues.
<p>We have contributed to the portfolio companies in a variety of ways; this would be dependent on the size, age and expertise of the company in the following areas:</p> <ul style="list-style-type: none"> • Through individual engagements with boards and/or with senior management on ESG risks identified and how this is being managed and mitigated by portfolio companies. • Through this engagement process, the company would then identify their material ESG risks and weaknesses, in a majority of instances, these companies recognised that implementing changes would be beneficial and would ensure the sustainability of the company in future. 	

PE 12	Voluntary	Descriptive	PRI 2,3
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PE 12.1	Indicate the type and frequency of reports you request and/or receive from portfolio companies covering ESG issues.
<input checked="" type="checkbox"/> Overarching portfolio company reports (or similar) where management disclosure, financial and ESG data are integrated <ul style="list-style-type: none"> <input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad-hoc/when requested, specify <input type="checkbox"/> Standalone reports highlighting targets and/or KPIs covering ESG issues <input checked="" type="checkbox"/> Other, specify <p>We require an update on specific ESG issues as part of our annual review process or ad-hoc basis as required.</p> <ul style="list-style-type: none"> <input type="radio"/> Quarterly or more frequently <input type="radio"/> Biannually <input checked="" type="radio"/> Annually <input type="radio"/> Less frequently than annually <input type="radio"/> Ad-hoc/when requested, specify <input type="checkbox"/> No reporting on ESG issues requested and/or provided by portfolio companies	

PE 12.2	Describe what level of reporting you require from portfolio companies, and indicate what percentage of your assets are covered by ESG reporting. [OPTIONAL]
<p>We request reporting in the following areas, these are a few examples but we would be more specific for each sector focussing on specific sector risks/issues:</p> <ul style="list-style-type: none"> • Governance: Board composition, risk management, governance compliance and process in relation to regulation, codes and responsible investment principles. Non-compliance (fines, breaches, regulatory non-compliance). • Social: Human resources & labour issues: compliance with local regulation and laws (evidence of policies and practices). Health & safety compliance and standards e.g. certifications, policies (how this is adhered to and effected). 	

- **Environmental:** Compliance with environmental laws and regulation e.g. environmental impact assessments (EIA's), non-compliance reporting, energy efficiency, climate reporting and water stewardship.

PE 13	Voluntary	Additional Assessed	PRI 2
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PE 13.1 Indicate whether during the reporting year your organisation disclosed information on ESG issues to potential buyers prior to exit for private equity investments.

- We included ESG issues in pre-exit information
- We did not include ESG issues in pre-exit information
- N/A, we did not have any exits in the reporting year

PE 13.2 Apart from disclosure, describe how your organisation considers ESG issues at exit.

Refer to the response in PE 13 above.
 This is not a formalised documented process, but we would consider the following:

- The intent of, and alignment of interests with, potential buyers;
- Analysis of potential conflicts of interest at exit.

PE 14	Voluntary	Additional Assessed	PRI 1,2
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PE 14.1 Indicate whether your organisation measures how your approach to responsible investment in Private Equity investments has affected financial and/or ESG performance.

- We measure whether our approach to ESG issues impacts the financial performance of investments

Describe the impact on:	Impact
Financial performance of investments	<input type="radio"/> Positive <input checked="" type="radio"/> Negative <input type="radio"/> No impact

- We measure whether our approach to ESG issues impacts the ESG performance of investments

Describe the impact on:	Impact
ESG performance of investments	<input type="radio"/> Positive <input checked="" type="radio"/> Negative <input type="radio"/> No impact

- None of the above

PE 14.2 Describe how you are able to determine these outcomes.

We measure both the impact of ESG issues on the financial and ESG performance of investments.

- The impact of climate change on our agriculture and aquaculture investments included these considerations. For both sector the outcomes were determined by considering the negative impact related to the climate related issues e.g. global warming increasing red tide occurrence, climate change impact on weather conditions resulting in flooding and drought in some regions affecting these assets.
- These issues had a negative impact on the financial performance and ESG performance of these assets, which resulted in an impact on the profitability of the company.

PE 15	Mandatory to Report, Voluntary to Disclose	Descriptive	PRI 1,2
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PE 15.1 Provide examples of ESG issues that you identified in your potential and/or existing private equity investments during the reporting year.

- Add Example 1

Investment Stage	Investment monitoring				
ESG issues	<table border="1"> <thead> <tr> <th>ESG issues</th> </tr> </thead> <tbody> <tr> <td> <input checked="" type="checkbox"/> Environmental Detail impact assessments are prepared for each major project prior to commencement to ensure all risks are defined, understood and properly mitigated. </td> </tr> <tr> <td> <input checked="" type="checkbox"/> Social Allocation of 30% of contracts to local contractors in line with PPPFA has resulted in a significant increase in the interaction with local communities. </td> </tr> <tr> <td> <input checked="" type="checkbox"/> Governance Move towards a more diverse board with a majority of non-executive representation that has independent oversight. </td> </tr> </tbody> </table>	ESG issues	<input checked="" type="checkbox"/> Environmental Detail impact assessments are prepared for each major project prior to commencement to ensure all risks are defined, understood and properly mitigated.	<input checked="" type="checkbox"/> Social Allocation of 30% of contracts to local contractors in line with PPPFA has resulted in a significant increase in the interaction with local communities.	<input checked="" type="checkbox"/> Governance Move towards a more diverse board with a majority of non-executive representation that has independent oversight.
ESG issues					
<input checked="" type="checkbox"/> Environmental Detail impact assessments are prepared for each major project prior to commencement to ensure all risks are defined, understood and properly mitigated.					
<input checked="" type="checkbox"/> Social Allocation of 30% of contracts to local contractors in line with PPPFA has resulted in a significant increase in the interaction with local communities.					
<input checked="" type="checkbox"/> Governance Move towards a more diverse board with a majority of non-executive representation that has independent oversight.					
Sector(s)	Toll road concession				
Impact (or potential impact) on the investment	<p>Environmental: lack of risk management and compliance can have short and medium term impact that can result in fines and unexpected operational costs.</p> <p>Social: lack of productive engagement can have short-term impact on operations e.g. protests</p> <p>Governance: lack of independent oversight is a key risk to the business.</p>				

Activities undertaken to influence the investment and its response	Engagement to understand the company's mitigation strategy and systems to isolate and mitigate these risk.
--	--

Add Example 2

Investment Stage	Initial screening		
ESG issues	<table border="1"> <tr> <th>ESG issues</th> </tr> <tr> <td> <input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <p style="margin-left: 20px;">Student riots pose a risk; mitigated through good service delivery & maintenance, quality of product, location (not directly exposed to campus riots as competitor's residences).</p> <input type="checkbox"/> Governance </td> </tr> </table>	ESG issues	<input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <p style="margin-left: 20px;">Student riots pose a risk; mitigated through good service delivery & maintenance, quality of product, location (not directly exposed to campus riots as competitor's residences).</p> <input type="checkbox"/> Governance
ESG issues			
<input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Social <p style="margin-left: 20px;">Student riots pose a risk; mitigated through good service delivery & maintenance, quality of product, location (not directly exposed to campus riots as competitor's residences).</p> <input type="checkbox"/> Governance			
Sector(s)	Student accommodation		
Impact (or potential impact) on investment	Student riots pose a risk and can have a negative impact on the asset (student accommodation) which could result in an negative impact on financial performance of the portfolio company.		
Activities undertaken to influence the investment and its response	During our initial screening we felt that the risks were being managed, but this required ongoing hands-on management and engagement.		

- Add Example 3
- Add Example 4
- Add Example 5

PE 15.2 Describe how you define and evaluate the materiality of ESG factors.

Materiality of ESG risks are any risks that could negatively impact revenues and the future sustainability of a company in the short-to-medium term. ESG risks and the materiality are different for each sector and company and we evaluate on a case-by-case basis.

PE 16 Mandatory to Report, Voluntary to Disclose Descriptive PRI 6

PE 16.1 Describe your organisation's approach to disclosing ESG incidents in private equity investments to your investor clients (LPs).

During a due diligence conducted by asset consultants (employed by the client i.e. asset owner), this would be disclosed and usually this information on occasion is requested. We demonstrate this through examples and case studies relating to specific companies using real-life examples and issues pertaining to ESG that has arisen during the past reporting period.

IFD 01	Voluntary	Descriptive	PIIF General
IFD 01.1	Indicate if you have a distinct mission and investment objective for your investment in inclusive finance.		
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
IFD 01.2	Describe your inclusive finance mission and investment objective.		
	<p>Our investment objective is to fund companies with a primary objective that promote and supports SME's or entrepreneurs, or to provide funding for individuals for education, home ownership or job creation. Some examples of these include funding intermediaries for sector specific funding e.g.</p> <ul style="list-style-type: none"> • Taxi finance (mini-bus transport) • Affordable housing (funding entrepreneurs/SMEs to purchase units) 		

IFD 02	Voluntary	Descriptive	PIIF General
IFD 02.1	Provide a brief description of the governance and management structures and processes you have in place for your responsible investment activities and implementation of the PIIF.		
	<p>The process regarding governance and management structures and processes for Principles for Investors in Inclusive Finance (PIIF) is same as the process we apply in our other fixed income asset classes when we consider ESG integration and analysis as part of our fundamental analysis.</p>		
	<input type="checkbox"/> I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .png, .bmp and .gif)		

IFD 03	Voluntary	Descriptive	PIIF General
IFD 03.1	Indicate if you set social targets for your organisation, specific to inclusive finance.		
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
IFD 03.2	Additional information.		
	<p>We do have outcomes we would like to see in place, not necessarily targets; some of these include the following:</p> <ul style="list-style-type: none"> • Providing access to financial and/or nonfinancial services to greater numbers previously disadvantaged individuals across sectors e.g. affordable housing, taxi finance, access to finance to SMME's and entrepreneurs resulting in job creation. 		

IFD 04	Mandatory to Report, Voluntary to Disclose	Gateway	PIIF General
IFD 04.1	Of your total assets invested directly in inclusive finance, indicate what percentage is invested in the following:		
Equity	<input type="checkbox"/> 0% <input type="checkbox"/> <20% <input checked="" type="checkbox"/> 20-40% <input type="checkbox"/> 41-60% <input type="checkbox"/> 61-80% <input type="checkbox"/> >80%		
Debt	<input type="checkbox"/> 0% <input type="checkbox"/> <20% <input type="checkbox"/> 20-40% <input type="checkbox"/> 41-60% <input checked="" type="checkbox"/> 61-80% <input type="checkbox"/> <20% <input type="checkbox"/> >80%		
Guarantees	<input checked="" type="checkbox"/> 0% <input type="checkbox"/> <20% <input type="checkbox"/> 20-40% <input type="checkbox"/> 41-60% <input type="checkbox"/> 61-80% <input type="checkbox"/> >80%		
	<input checked="" type="checkbox"/> 0% <input type="checkbox"/> <20% <input type="checkbox"/> 20-40% <input type="checkbox"/> 41-60% <input type="checkbox"/> 61-80% <input type="checkbox"/> >80%		
Total	100%		

IFD 05.1	Of your total assets invested directly in inclusive finance, indicate what percentage is invested in the following:	
Microfinance		<20%
SME finance (provide your definition of SME)	Any public entity, appropriately registered legal entity or project whose primary purpose is to provide, facilitate, finance, manage or otherwise support the establishment and continuity	>80%
0%		
Total	100%	

IFD 09.1	Indicate if you support the introduction of services tailored to the following client groups.	
Client groups	Yes/No	
The very poor	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Describe how you support the introduction of such services.</p> <p>Through the intermediary institutions we fund, e.g. taxi finance which forms 80% of national transportation for the majority of country's poor and low income earners.</p> <p>>80%</p> <input checked="" type="checkbox"/> We track at the investee level but do not aggregate this information <input type="checkbox"/> We do not track at the investee level
The poor	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Describe how you support the introduction of such services.</p> <p>Through the intermediary institutions we fund, e.g. taxi finance, which forms 80% of national transportation for the majority of country's poor and low income earners.</p> <p>>80%</p> <input checked="" type="checkbox"/> We track at the investee level but do not aggregate this information <input type="checkbox"/> We do not track at the investee level
Low income clients	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Describe how you support the introduction of such services.</p> <p>Through our funding we support SMME financiers that provide funding to SMME's to access finance to develop rental accommodation in inner cities for earners.</p> <p>>80%</p> <input checked="" type="checkbox"/> We track at the investee level but do not aggregate this information <input type="checkbox"/> We do not track at the investee level

IFD 09.2	Indicate if you collect data regarding the percentage or number of total active clients that are:	
	Rural	<input checked="" type="checkbox"/> Yes 20-40% <input type="checkbox"/> No
	Urban	<input checked="" type="checkbox"/> Yes 61-80% <input type="checkbox"/> No
	Female	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

IFD 10.1	Indicate if you provide technical assistance to your investees.	
	<input type="checkbox"/> Yes	

No

IFD 10.2 Additional information.

We provide funding to intermediaries who then on lend to SMMEs or entrepreneurs, the borrower (intermediary) in this case would provide some sort of assistance to the end user in terms of providing technical and project management assistance in some cases.

IFD 14 Mandatory Core Assessed PIIF 3

IFD 14.1 In relation to your direct portfolio in debt, indicate if you provide investment in local currency.

- Yes
>80%
 No

IFD 14.3 Additional information. [Optional]

In reference to IFD 14.2 above, we only invest in our local currency being South African Rand (ZAR) as per our client mandate restrictions.

IFD 15 Mandatory Descriptive PIIF 3

IFD 15.1 In relation to your direct portfolio in debt, indicate what percentage have a maturity (from the point of investment) of the specified duration:

- 12 months or fewer
 13 to 24 months
 25 to 60 months
>80%
 Over 60 months

IFD 15.2 Indicate if you have a set limit regarding the maximum fixed income investment exposure of the investees in which you invest. [Optional]

- Yes
 No

IFD 15.3 Additional information. [Optional]

In reference to IFD 15.2. Yes, we have a maximum investment exposure to sectors.

IFD 16 Mandatory Core Assessed PIIF 3

IFD 16.1 In relation to your direct portfolio in equity (as reported in IFD 04), indicate the average holding period of an equity investment.

- 12 months or fewer
 13 to 24 months
 25 to 60 months
 Over 60 months

IFD 16.2 Indicate if you have specific policies or procedures in relation to responsible approaches to exit.

- Yes

IFD 16.3 Indicate if you publish policies or procedures in relation to responsible approaches to exit. Provide a URL. [Optional]

- No

IFD 16.4 Indicate if you have specific policies or procedures on Return on Equity (ROE) targets or caps in relation to your equity investments.

- Yes

IFD 16.5 Indicate if you publish policies or procedures on Return on Equity (ROE) targets or caps in relation to your equity investments. Provide a URL. [Optional]

- No

IFD 16.7 Indicate if you have a set limit regarding the maximum equity investment exposure of the investees in which you invest.

- Yes
 No

IFD 16.8 Additional information. [Optional]

Yes, the maximum equity investment exposure is outlined in the investment guidelines.

IFD 17 Mandatory Core Assessed PIIF 3

IFD 17.1 Indicate if you adopt the following practices:

- For fixed income investments: Use the Lenders' Guidelines for Setting Covenants in Support of Responsible Microfinance as an example or reference document.

Indicate if these practices are formalised in written policies and procedures.

- Yes
 No

- Ensure that the investee understands the terms, covenants and their implications prior to signing loan / shareholder documentation.

Describe your process.
This would be outlined in the term sheet, legal or shareholder agreement and the investee has an opportunity to review and provide input before finalised.

Indicate if these practices are formalised in written policies and procedures.

Yes
 No

Foster trust and proactive dialogue with investees through straightforward discussions on issues such as a covenant breach.

Describe your process.
Our term-sheets and shareholder agreements states that investee companies should notify Futuregrowth of a potential breach of covenants or terms, prior engagement is encouraged.

Indicate if these practices are formalised in written policies and procedures.

Yes
 No

In the case of material covenant breach, create/participate in a voluntary workout group where applicable, with the goal to help the investee remain a going concern whenever possible.

Indicate if these practices are formalised in written policies and procedures.

Yes
 No

For fixed income investments: Train your staff on effective monitoring and covenant waiver negotiations to manage deteriorating conditions, and transition a non-performing loan from loan origination staff to specialised workout staff.

Indicate if these practices are formalised in written policies and procedures.

Yes
 No

Encourage investee skills-building on financial projections, scenario planning and stress-testing for management, and on financial expertise and governance for Directors.

Indicate if these practices are formalised in written policies and procedures.

Yes
 No

Other (explain)
 None of the above

IFD 17.2 Additional information. [Optional]

In reference to **IFD 17.1** above where noted "yes, that these practices formalised", this is not necessarily a policy, but could be a legal agreement or other related policies etc.

IFD 18 Mandatory Gateway PIIF 4

IFD 18.1 Indicate if you use the following tools for social performance reporting:

During due diligence.

Yes
 No
 We don't track social performance

For monitoring and reporting purposes.

Yes
 No
 We don't track social performance

Describe the approaches used and frequency of use.
In reference to **IFD 18** above, we don't make use of any external tools to monitor social performance but rely on our own proprietary impact measuring and reporting to be able to report on sector exposures.

During due diligence.

Yes
 No
 We don't track social performance

For monitoring and reporting purposes.

Yes
 No
 We don't track social performance

Describe the approaches used and frequency of use.

In reference to IFD 18 above, we don't make use of any externally developed tools to monitor social performance but rely on our own proprietary impact measuring and reporting to be able to report on social impact, social metrics etc.

During due diligence.
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> We don't track social performance
For monitoring and reporting purposes.
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> We don't track social performance
Describe the approaches used and frequency of use.
In reference to IFD 18 above, we don't make use of any externally developed tools to monitor social performance but rely on our own proprietary impact measuring and reporting to be able to report on social impact, social metrics etc.

IFD 19	Mandatory	Descriptive	PIIF 4
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IFD 19.1	Indicate if you require the retail institutions in which you invest to have an independent financial rating.
<input type="radio"/> Always <input checked="" type="radio"/> In a majority of cases <input type="radio"/> In a minority of cases <input type="radio"/> No	

IFD 19.2	Indicate if you require the retail institutions in which you invest to have an independent social rating.
<input type="radio"/> Always <input type="radio"/> In a majority of cases <input type="radio"/> In a minority of cases <input checked="" type="radio"/> No	

IFD 19.3	Indicate if you require the retail institutions in which you invest to have an independent social audit.
<input type="radio"/> Yes <input checked="" type="radio"/> No	

IFD 19.4	Additional information. [Optional]
In reference to point IFD 19 we would rate the company on our own internal credit and financial ratings for listed and private issuers, in most cases listed issuers would have a financial rating.	

IFD 20	Mandatory	Core Assessed	PIIF 4
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IFD 20.1	In relation to your due diligence on and monitoring and reporting of corporate governance among investees, indicate if you assess:
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Pre-investment
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Not for all of our investments in inclusive finance

Post-investment
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Not for all of our investments in inclusive finance

Describe what you look at and, if post-investment, the frequency of assessment. [Optional]
Post investment we would conduct an annual review, this forms part of our ongoing monitoring and analysis and the ESG review would form part of this process. Refer to our ESG process as mentioned in FI section.

Pre-investment
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Not for all of our investments in inclusive finance

Post-investment
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Not for all of our investments in inclusive finance

Describe what you look at and, if post-investment, the frequency of assessment. [Optional]
Post investment we would conduct an annual review, this forms part of our ongoing monitoring and analysis and the ESG review would form part of this process. Refer to our ESG process as mentioned in FI section.

Pre-investment	
<input type="radio"/> Yes	
<input type="radio"/> No	
<input checked="" type="checkbox"/> Not for all of our investments in inclusive finance	
Post-investment	
<input type="radio"/> Yes	
<input type="radio"/> No	
<input checked="" type="checkbox"/> Not for all of our investments in inclusive finance	

IFD 21	Voluntary	Descriptive	PIIF 4
IFD 21.1	Indicate if you provide training or assistance for your investees on corporate governance.		
<input type="radio"/> Yes			
<input checked="" type="checkbox"/> No			

IFD 22	Voluntary	Descriptive	PIIF 4
IFD 22.1	In relation to your direct portfolio in equity (as reported in IFD 04), indicate what percentage of investees you either have board seats with, or with which have selected a board member.		
<input type="radio"/> 0%			
<input checked="" type="checkbox"/> <20%			
<input type="radio"/> 20-40%			
<input type="radio"/> 41-60%			
<input type="radio"/> 61-80%			
<input type="radio"/> >80			
<input type="radio"/> We do not track this information			
IFD 22.3	For those equity investments where you do not hold board seats, indicate how you attain or maintain influence.		
We receive monthly management accounts and board packs.			

IFD 23	Mandatory	Descriptive	PIIF 4
IFD 23.1	Indicate if you have a procedure to integrate the consideration of environmental issues in your investment decision processes.		
<input checked="" type="checkbox"/> Yes			
<input type="radio"/> For all inclusive finance investments			
<input checked="" type="checkbox"/> For a majority of inclusive finance investments			
<input type="radio"/> For a minority of inclusive finance investments			
IFD 23.2	Describe how your procedure to integrate the consideration of environmental issues in your investment decisions processes affect decisions pre-investment. [Optional]		
We have a proprietary ESG tool which we would have the company complete, in addition, we incorporate any sector/industry specific issues as part of our ESG review process. The process and procedure for integrating ESG would follow the same process as mentioned in the FI section.			
IFD 23.3	Describe how your procedure to integrate the consideration of environmental issues in your investment decisions processes affect decisions post-investment. [Optional]		
As part of our annual review process, we would do ongoing monitoring and request and update from the company on specific ESG issues, this would form part of our annual review process and credit submission to the Credit Committee.			
<input type="radio"/> No			
IFD 23.4	Indicate if you request your investees to comply with an environmental exclusion list.		
<input type="radio"/> Yes, for all investees			
<input type="radio"/> Yes, for a majority of investees			
<input type="radio"/> Yes, for a minority of investees			
<input checked="" type="checkbox"/> No			

IFD 24	Voluntary	Additional Assessed	PIIF 4
IFD 24.1	Indicate if you have anti-corruption policies.		
<input type="radio"/> Yes, published			
<input checked="" type="checkbox"/> Yes, but not published			
<input type="radio"/> No			
IFD 24.2	Indicate if you have internal whistle-blowing policies.		
<input type="radio"/> Yes, published			
<input checked="" type="checkbox"/> Yes, but not published			
<input type="radio"/> No			
IFD 24.3	Indicate if you review whether your investees have anti-corruption policies as part of your due diligence process.		
<input checked="" type="checkbox"/> Yes			

No

IFD 24.4 Indicate if you review whether your investees have internal whistle-blowing policies as part of your due diligence process.

Yes
 No

IFD 24.5 Additional information.

- In reference to IFD 24.1 on anti-corruption: as a subsidiary of Old Mutual we are subject to their policy.
- In reference to IFD 24.2 on whistle-blowing: as a subsidiary of Old Mutual we are subject to their policy.
- In reference to IFD 24.3 and 24.4: This is applied to certain FI sectors e.g. SOEs as part of our due diligence we assess whether investees meet all regulatory, local laws and request instances and disclosure of non-compliance and disclosure of politically exposed persons (PEP) associations and conflicts.

IFD 25 Voluntary Additional Assessed PIIF 5

IFD 25.1 Indicate how your mission and investment objectives communicated to stakeholders (e.g. investees, investors).

Publicly
<http://www.futuregrowth.co.za/our-investments/>
 Selected stakeholders only
 On request only

IFD 25.2 Additional information.

We fully disclose our philosophy, process, policies, criteria, products and services to investees and stakeholders. All this information is available on our website.

IFD 26 Mandatory Core Assessed PIIF 5

IFD 26.1 Other than the PRI/PIIF, indicate if you provide your investors and/or the public with information aligned with industry standards.

Yes

IFD 26.2 Do you provide information aligned with:

- The MIV Disclosure Guidelines
- The Impact Reporting & Investment Standards (IRIS)
 - Yes, to our investors only
 - Yes, to the public
- Other, specify
Regulation 28 FSCA CRISA SDGs
 - Yes, to our investors only
 - Yes, to the public

No

IFD 26.3 Additional information. [Optional]

In reference to **IFD 26.1** related to IRIS reporting, this is not strictly in accordance with IRIS standards but we produce in-house impact reporting to investors based on some of these guidelines.

In addition to other alignment of industry standards, we provide reporting based on local South African Regulation 28 ESG and FSCA sustainability reporting. In addition, reporting and disclosure on the Code for Responsible Investing in South Africa (CRISA) to our clients, with high-level reporting available to the public on our website.

IFD 27 Mandatory Core Assessed PIIF 5

IFD 27.1 Indicate if you encourage the retail institutions in which you invest to ensure that the following are transparent and fully explained to their clients (i.e. those seeking financial services from them) in a form they can understand.

Pricing

Yes

IFD 27.2 Indicate how you ensure this for pricing and provide examples.

A few years ago we gave input to the national credit regulator in terms of standardising the terms for the industry which includes pricing. We continue to engage the market around improving standards and protections for our clients.

No

Other terms and conditions

Yes

IFD 27.3 Indicate how you ensure this for other terms/conditions and provide examples.

Transparency around fees and hidden costs is an example where we continue to engage and provide input in terms of ensuring fairness to the consumer.

No

IFD 28 Mandatory Core Assessed PIIF 6

IFD 28.1 Indicate if the social performance of investees affects your:

Investment decision making

Yes

IFD 28.2 Explain how social performance of investees affects investment decision making.

The social performance can become a risk and translate into financial risk e.g. financing taxis (social unrest could affect the route availability and in turn impact the ability of the borrower to service the loan).

No

Portfolio management

Yes

No

IFD 29	Voluntary	Additional Assessed	PIIF 6
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IFD 29.1 Indicate if your staff have monetary incentives or performance objectives related to responsible investment in inclusive finance.

Yes

No

IFD 29.2 Additional information.

In reference to IFD 29.1: staff have performance objectives related to responsible investment across the investment process, not limited and isolated to inclusive finance.

IFD 30	Voluntary	Additional Assessed	PIIF 6
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IFD 30.1 Indicate if you collect data regarding the social outcomes of your investees' work.

Yes

No

IFD 30.2 Additional information.

The data and metrics are used to provide our clients with updates on the social outcomes of a sector or investment; these are reported either in our bi-annual impact reports, presentations to clients or client meetings etc.

Please refer to page 16 of this report, which provides more detail on the social outcomes and metrics.

https://www.futuregrowth.co.za/media/3053/futuregrowth-infrastructure-development-bond-fund_developmental-social-impact-report_-30-september-2019-final-web.pdf

IFD 31	Voluntary	Additional Assessed	PIIF 6
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IFD 31.1 Indicate if you incentivise investees to track social performance.

Yes

No

IFD 31.3 Additional information.

No, we don't incentivise investees to track social performance, but we are in the process of updating our process in this regard to ensure greater buy-in and provision of social metrics.

IFD 32	Mandatory	Core Assessed	PIIF 7
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IFD 32.1 Select which of the following collaborative initiatives your organisation has supported or participated in, and the role you played.

The Principles for Investors in Inclusive Finance

Yes

No

The Smart Campaign

Yes

No

Social Performance Task Force

Yes

No

Financial Inclusion Equity Council (formerly CMEF)

Yes

No

European Microfinance Platform (eMFP)

Yes

No

Global Impact Investors Network (GIIN)

Yes

Basic

Moderate

Advanced

No

Other network, association memberships and/or specific collaboration related to the promotion of inclusive finance, specify

Yes

If yes then please specify

South African Impact Investing National Task Force

Basic

Moderate

Advanced

No

IFD 32.2

If you have indicated that your organisation was involved in any of the above, please provide a brief commentary. [Optional]

Local South African Impact Investing National Task Force is a cross-sectoral initiative aimed at building the eco-system in order to accelerate the deployment of capital that optimises financial, social and environmental returns.

The vision is to achieve socio-economic justice in South Africa by building an inclusive and sustainable economy.

<http://impactinvestingsouthafrica.co.za/>

IFD 33

Voluntary

Additional Assessed

PIIF 7

IFD 33.1

Indicate if you encourage your investees to be a member of/endorse the following:

Social Performance Task Force

Yes

No

The Smart Campaign

Yes

No

Other network and association memberships and/or specific collaboration related to the promotion of inclusive finance. (specify)

Yes

No

IFD 34

Voluntary

Additional Assessed

PIIF 7

IFD 34.1

Indicate if you encourage your investees to participate in initiatives which contribute to the development of industry benchmarks.

MIX Market

Yes

No

MFTransparency

Yes

No

Universal Standards for Social Performance Management

Yes

No

Other, specify

Yes

No

CM1 01	Mandatory	Additional Assessed	General
CM1 01.1	Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:		
<input type="checkbox"/> Third party assurance over selected responses from this year's PRI Transparency Report <input type="checkbox"/> Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year <input type="checkbox"/> Third party assurance or audit of the correct implementation of RI processes (that have been reported to the PRI this year) <input type="checkbox"/> Internal audit of the correct implementation of RI processes and/or accuracy of RI data (that have been reported to the PRI this year) <input checked="" type="checkbox"/> Internal verification of responses before submission to the PRI (e.g. by the CEO or the board) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Whole PRI Transparency Report has been internally verified <input type="checkbox"/> Selected data has been internally verified <input checked="" type="checkbox"/> Other, specify <p style="margin-left: 20px;">Internal verification of responses before submission to the PRI by the following: Head: Futuregrowth Sustainable Investment Practices Head: Futuregrowth Compliance Head: Futuregrowth Credit & Equity.</p> <input type="checkbox"/> None of the above			
CM1 02	Mandatory	Descriptive	General
CM1 02.1	We undertook third party assurance on last year's PRI Transparency Report		
<input type="radio"/> Whole PRI Transparency Report was assured last year <input type="radio"/> Selected data was assured in last year's PRI Transparency Report <input checked="" type="radio"/> We did not assure last year's PRI Transparency report <input type="radio"/> None of the above, we were in our preparation year and did not report last year.			
CM1 03	Mandatory	Descriptive	General
CM1 03.1	We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:		
<input type="checkbox"/> We adhere to an RI certification or labelling scheme <input type="checkbox"/> We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year's PRI Transparency Report <input type="checkbox"/> ESG audit of holdings <input checked="" type="checkbox"/> Other, specify <p style="margin-left: 20px;">We currently do not carry out third-party assurance on our process or part thereof, but we are open to provide verification to the PRI.</p> <input type="checkbox"/> None of the above			
CM1 04	Mandatory	Descriptive	General
CM1 04.1	Do you plan to conduct third party assurance of this year's PRI Transparency report?		
<input type="radio"/> Whole PRI Transparency Report will be assured <input type="radio"/> Selected data will be assured <input checked="" type="radio"/> We do not plan to assure this year's PRI Transparency report			
CM1 04.3	Additional information [OPTIONAL]		
In reference to CM 04.1 above, we do not plan to assure this year's PRI Transparency report but this is being considered for future reporting.			
CM1 07	Mandatory	Descriptive	General
CM1 07.1	Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report . and if this applies to selected data please specify what data was reviewed		
<input type="checkbox"/> CEO or other Chief-Level staff <input type="checkbox"/> The Board <input type="checkbox"/> Investment Committee <input checked="" type="checkbox"/> Compliance Function <input checked="" type="checkbox"/> RI/ESG Team <input checked="" type="checkbox"/> Investment Teams <input type="checkbox"/> Legal Department <input type="checkbox"/> Other (specify)			
CM1 07.2	Additional information [OPTIONAL]		
Internal verification of responses before submission to the PRI by the following: Head: Futuregrowth Sustainable Investment Practices Head: Futuregrowth Compliance Head: Futuregrowth Credit & Equity.			