

MAITRI ASSET MANAGEMENT RESPONSIBLE INVESTMENT APPROACH ("RI Approach")

Signatory of:



Maitri Asset Management Pte Ltd

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Responsible Investing in Our DNA

Maitri Asset Management (“Maitri”) is evolved from a single family office, and we are deeply rooted in our principles, melding our in-depth business knowledge with financial expertise. Responsible investing is in our DNA as the Ishk Tolaram Foundation (“the Foundation”) is the single largest beneficiary of Maitri.

Twenty-five percent of our earnings goes to the Foundation which provides access to quality education, healthcare and skills training to underserved individuals in Indonesia, Nigeria, Singapore and Estonia. Therefore, we are mindful to make investments that are in line with the values of the Foundation.

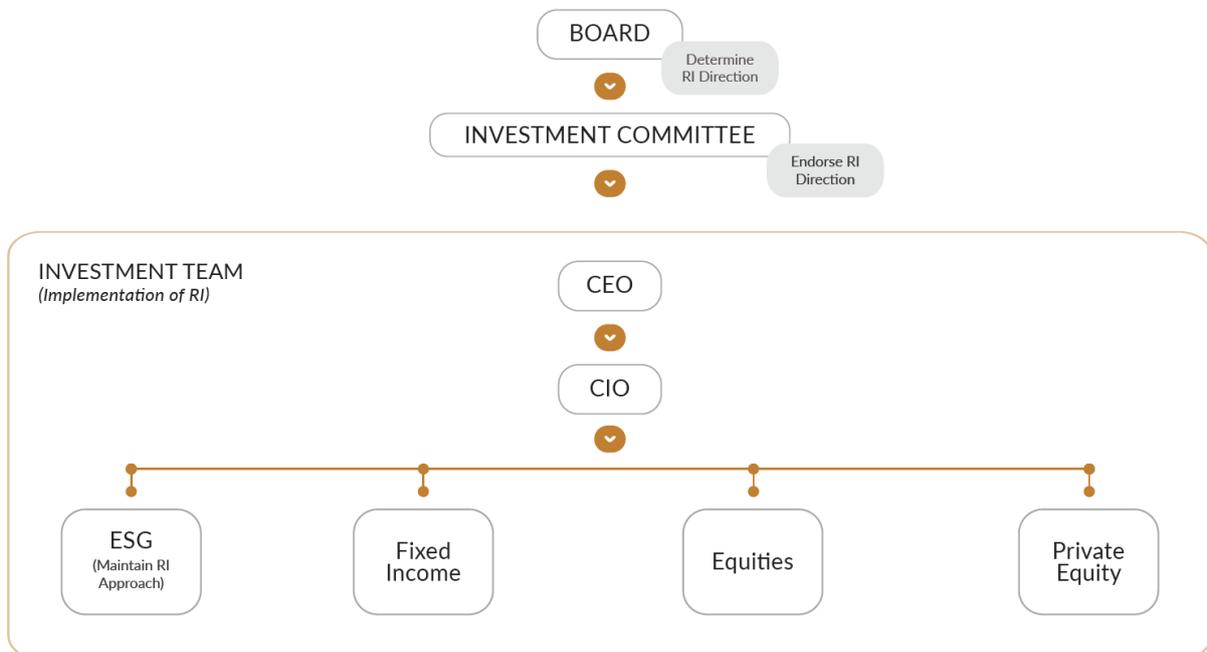
Overview

The Board sets the direction of RI for Maitri while the Investment Committee endorses the RI Approach, which is developed by the ESG (“Environment, Social, and Governance”) Team in consultation with the Investment Team.

Maitri adopts a two-tier RI Approach which is proprietary. It comprises of a negative screen and an ESG integration investment framework, as investing in these sectors is not aligned with Maitri’s desire to be a responsible investment manager. The negative screen applies to Maitri’s entire portfolio.

The proprietary ESG integration investment framework applies specifically to Maitri’s Sustainable Multi-asset Absolute Return Strategy Fund (“Sustainable M.A.R.S. Fund”), and Sustainable Liquid Income Fund (“SLIQ”) – collectively referred to as our Sustainable Funds – as a form of enhanced risk management and identification of potential opportunities. This framework comprises of a proprietary list of coal sector companies which are excluded from our Sustainable Funds.

Responsible Investment Governance Structure





Collaboration Initiatives

Maitri is a signatory of United Nations-supported Principles for Responsible Investments (“UNPRI”), and the Singapore Stewardship Principles (“SSP”) because of our belief in the synergy from collaborating with like-minded investors. We are committed to being responsible investors and advocating responsible investing. The development of our RI Approach is guided by investment stewardship principles as put forth by the UNPRI and the SSP.

We strongly believe in doing our part to further the climate change agenda, and therefore are supporters of the Net Zero Asset Managers Initiative, Climate Action 100+, The Investor Agenda, Task Force on Climate-related Financial Disclosures (“TCFD”), and are active members in the Asia Investor Group on Climate Change (“AIGCC”).

As participants of the United Nations Global Compact (“UNGC”), we uphold the Ten Principles and have identified ways that our investment activities can contribute directly and indirectly to the Sustainable Development Goals (“SDGs”).

Maitri is also a certified B Corp company that meets the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.

Negative Screening

The six negative sectors which are applied across all of Maitri’s funds and asset classes are as follows:

- Adult entertainment,
- Alcohol,
- Gambling,
- Recreational cannabis,
- Tobacco, and
- Weapons (including but not limited to controversial weapons, military contracting, riot control, and small arms).

Any investment where more than 10% of its revenue (or other suitable financial indicator) is generated from the production of negative sector goods will be deemed to be caught by this screen. It is critical that the intention of the investment is not to expand in the negative screen sectors. Any changes to the negative screen sectors will be updated in our monthly factsheets.

Proprietary ESG Integrated Investment Framework

The ESG integrated investment framework applies to Maitri’s Sustainable Funds. This framework acts as a form of enhanced risk management as well as opportunity identification.

The aim is to improve the assessment of risks and opportunities in the portfolios by considering ESG issues.

As a commitment to climate change and the Paris Agreement, in addition to applying Maitri’s six negative screens to our Sustainable Funds, they also exclude coal companies where

- >30% of their revenue (or other suitable financial indicator) is generated from either the extraction of thermal coal, and/or the use of thermal coal in power production, or
- they have disclosed plans for new coal-fired power plants.

Key climate metrics of our Sustainable Funds are tracked and reported to the Investment Team on a weekly basis.



Investment Monitoring and Corporate Engagement

At Maitri, the ESG Team plays an active role in investment selection and monitoring existing investments in the portfolios across securities, sectors and asset classes in accordance with our investment process.

Where it is determined that there is (i) insufficient ESG disclosures available from a potential investment, or (ii) a significant controversial event in a sector or investee of an existing investment, Maitri will engage with the investee to understand the investee's management approach to address critical issues.

The responses will be tracked, and results reported to the Investment Team. The Investment Team, jointly with the ESG Team, will then decide whether any changes need to be made on the position of the target company within our Sustainable Funds.

Corporate Voting

Maitri believes in using our voting rights to influence our investees to improve their ESG performance as well as other relevant directives in the best interest of our clients. For listed equity positions in our Sustainable Funds, at the time of the notification of the annual general meetings or extraordinary meetings, Maitri will review the agenda items and vote towards ESG proposals as aligned with our values, if any and when appropriate. This can include an evaluation of the boards' historical stances towards ESG issues.

Voting will be done by Maitri's ESG Team in joint consultation with the Investment Team. The votes will be tracked, and results reported to the Investment Team. The Investment Team, jointly with the ESG Team, will then decide whether any changes need to be made on the position of the target company within our Sustainable Funds.

We may, at our discretion, communicate with the target company or make clarifications on the rationale of our vote.

External Managers Policy

While Maitri is an active manager, from time to time, we make investments in portfolios managed by External Managers. Maitri expects our External Managers to understand and acknowledge our Responsible Investment Approach, and adhere to investment restrictions in our 6 negative sectors.

It is our practice to issue ESG Due Diligence Questionnaires ("ESG DDQ") to External Managers prior to investments, as well as at least once a year for post-investment review. We encourage our External Managers to participate fully in responding to the ESG DDQ, and to support responsible investment principles.

Managing Conflicts of Interest

Maitri recognises that conflicts of interest can arise in the course of our investment activities. We will take all reasonable steps to prioritise our clients' and/or beneficiaries' interests over our own interest in accordance with Maitri's internal compliance manual.

Disclosure

As part of our accountability to key external stakeholders, Maitri responds to the annual UNPRI Transparency Report, UNGC Communication on Progress, as well as publishes a standalone annual Sustainability Report to disclose the progress of our journey.