GQG PARTNERS

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Environmental, Social & Governance (ESG) Policy
(Effective May 2021)

1. Purpose

This Environmental, Social & Governance Investment Policy (Policy) defines GQG Partners LLC's (GQG) approach to integrating ESG considerations into investment decisions.

2. Scope

This ESG approach applies to GQG investments.

3. The role of ESG in the Investment Process

GQG believes that ESG factors can materially impact the value of its investments. Therefore, GQG is committed to considering material ESG factors in its research and due diligence process on issuers and to reasonably monitor its investments to the extent practicable under the circumstances.

4. Process

GQG endeavors to invest in companies with sustainable franchises that we believe will continue to generate growth in earnings as a result of the barriers to entry for their businesses. Our research efforts are focused on understanding the drivers of growth, the headroom for continued growth and any potential threats to that growth.

ESG considerations are one key to understanding the potential threats to growth. We therefore integrate ESG analysis throughout our investment process.

We do not believe that a separate ESG research team would enhance our understanding of these non-financial risks; rather, we believe each analyst must consider ESG factors holistically when researching companies. Furthermore, we do not believe that it is possible to completely separate financial and non- financial risks; rather the full range of risks should be considered when assessing the long-term growth expectations for a company and the threats to the sustainability of its earnings. We utilize a variety of research techniques, ranging from credit analysis to equity analysis, including understanding the "ecosystem" of the companies in which we invest. Each of these research layers is designed to build a holistic view of the risks and opportunities resulting from both financial and non-financial factors.

4.1 *Screening*

Our investment process commences with a qualitative scoring and ranking process that is designed to generate a short list of around 350 companies across all sectors that exhibit classic attributes of quality, such as high and stable return on equity/return on assets (ROE/ROA). We believe that highly levered companies (relative to their peers) are indicative of a governance culture that is not in the long-term interests of shareholders. We therefore screen out companies at this stage where the high ROE/ROA can be attributed to excessive leverage.

We subscribe to Sustainalytics for reputational and ESG research and company ESG scores are integrated into this initial screening process. Companies falling within the Sustainalytics “Severe” ESG Risk Category are subject to additional scrutiny before consideration in the portfolio.

Generally, GQG does not make any a priori exclusions for companies involved in pre-defined activities. Rather GQG relies on its fundamental research process. We believe our thorough analysis, including non-traditional analysis as described in 5.3 below, makes it unlikely that a company with unethical or questionable business practices would fit our selection criteria for quality and long-term sustainability.

GQG will make accommodations for clients who have dedicated mandates to exclude companies in which they do not wish to be invested. For certain portfolios, we utilize exclusionary screens to identify and prohibit investment in companies involved in the sale of tobacco and controversial weapons.

5.1.1 Exclusionary Policies

Tobacco Exclusionary Policy

- For certain portfolios, GQG has adopted a policy on tobacco to avoid companies that are manufacturers of tobacco-based products.
- GQG uses the MSCI ESG Business Involvement Screening Research to identify companies that are involved in the tobacco business

Controversial Weapons Exclusionary Policy

- For certain portfolios, GQG has adopted a policy to exclude any companies involved in the production of controversial weapons.
- In these portfolios, no investments will be made in companies associated with the production of controversial weapons such as anti-personnel mines, cluster munitions, depleted uranium and biological or chemical weapons (i.e., companies screened out by the MSCI Ex-Controversial Weapons Index).

Please refer to Section 7 for additional information on the sources of our Exclusionary Lists.

ESG Analysis:

4.2 *Traditional Analysis*

A minimum of two analysts, including our Chief Investment Officer, will research every name that is being considered for inclusion in the portfolio. This core component of research is focused on developing an understanding of the revenue growth and sustainability of earnings over the next five years and, thereafter, the continued headroom for growth. We seek to invest in companies that generate high quality earnings and where we can demonstrate those earnings are sustainable as a result of high barriers to entry. Our research therefore puts considerable emphasis on understanding the potential threats to the sustainability of earnings growth. ESG considerations are key to this understanding.

4.3 *Non-Traditional Analysis*

GQG also incorporates non-traditional research on companies by employing analysts with specific expertise to identify factors that may not be apparent via traditional research means. These analysts have specific expertise including:

- Investigative journalism. Our research team includes three analysts with experience in investigative journalism. These analysts develop an understanding of the eco-system within which companies operate. The analysts will gather information by, among other things, interviewing a company's former employees, regulators, unions, and suppliers to gauge social concerns including labor management, employee safety practices, and corporate governance issues. This process allows us to build an understanding of the corporate culture of the company. This also can be a leading indicator for human resources and compensation related issues, environmental impacts (via unexpected expenses and legal fees), and broader governance issues. We believe our emphasis on understanding corporate culture is a key differentiator in our ability to identify ESG risks at companies.

- Accounting analysis. One analyst can conduct a detailed analysis of a company's accounting policies, disclosures and leverage use to provide meaningful insight into the governance culture of the company. In our experience, a company's management that utilizes aggressive accounting policies are more focused on short-term stock price performance than long-term sustainability of the business. Additionally, a review of financial incentives for executives and overall company compensation relative to the industry is a window into human resource policies.

- Credit analysis. A credit analyst on the team can provide insight into how the credit markets view investable companies. This, in conjunction with the accounting analysis mentioned above, may provide additional insights into a company's governance culture that may not be apparent from traditional analysis.

4.4 *Portfolio Construction*

Position sizing is a function of our confidence in the sustainability of a portfolio company's earnings. Given that we believe that non-financial risks such as ESG considerations can impact earnings, these risks are a material component of our position sizing decisions.

4.5 *Portfolio Monitoring & Risk Management*

The analyst team monitors portfolio holdings on an on-going basis from an ESG perspective. The team seeks to identify ESG risks such as changes in corporate structure, board or management changes, controversies or regulatory or reputational risks. Through the subscription of Sustainalytics, the team receives alerts of any significant downgrades in ESG risk scores as well as any controversies or significant events. This information would be assessed in light of the overall investment thesis and reflected in position sizing if necessary.

5. ESG Considerations

5.1 *Governance*

We believe good governance is the starting point when considering ESG risks. Sustainable corporate behavior must be led from the top. A company that has implemented the highest quality governance structure will implement policies that are aligned with the long-term interests of its shareholders.

Truly independent directors, who recognize their role in guiding management on its responsibility to all stakeholders, will positively impact the sustainability of the company. Prior to investing in a company, we will evaluate the corporate governance of the firm and its alignment with minority shareholders, taking into consideration the composition and experience of the board.

Conservative accounting policies demonstrate that management is focused on long-term performance of the company rather than short-term stock performance that often favors management incentive plans.

A company with high governance standards will pay attention to potential regulatory changes, ensuring that the company's policies are aligned with best practices. It is important to pay particular attention to remuneration and incentive programs to ensure they are aligned with the long-term goals of the company, not just next quarter's performance.

5.2 *Environmental*

Environmental issues are typically long lived. Their impact may not be immediate or meaningful in the short term for the companies we hold. However, as long-term investors, we must be mindful of longer-term issues that may manifest themselves over our investment time horizon.

In a rapidly changing world, environmental risks often manifest themselves as regulatory risks. Companies that are not cognizant of their responsibilities in regard to the environment may find themselves having to rapidly realign their business practices as a result of regulatory changes.

Corporate history is littered with failed businesses that did not recognize their environmental responsibilities. A failure to do so can expose the business to highly risky class action suits, increased regulatory costs or litigations, severely damaged brand value and a rapidly depleted customer base.

Conversely, a constructive attitude towards environmental risks can also have a meaningful impact on the cost base of the company.

GQG is committed to monitoring and managing climate risks within our portfolios. We measure the carbon footprint of our investment strategies.

5.3 *Social*

Social issues are the most challenging to assess. They tend to be soft, are contextual, and forecasting the impact is subjective. As discussed earlier, we will examine certain social aspects of various prospective investments. We assess a company's labor standards and employee safety standards and consider workforce related issues to pose a material threat to a company's sustainable earnings growth. Our analysts with non-traditional backgrounds in investigative journalism are responsible for vetting workforce practices. These analysts will gather information by interviewing a company's former employees, competitors, suppliers, regulators, and others in order to gauge social concerns, including labor management and employee safety practices, and corporate governance concerns. We also understand that positive workforce practices and labor relations can enhance a company's sustainability and are an indication of strong corporate governance practices.

Through discussions with former employees, independent contractors, suppliers, regulators, and union representatives, we are able to build an understanding of the culture of the company, and develop a thesis on these more nuanced social considerations. We believe this provides us unique insights into the company's attitudes toward broader social issues and social risk factors.

6. Sovereign Analysis

Our stock selection is driven by bottom-up considerations rather than macro factors. However, we see macro threats within specific countries as a negative indicator. In particular, poor governance at a sovereign level will cause us to develop a negative attitude towards the market. Poor fiscal discipline, lack of central bank independence or political interference into corporate activity are indicative of increasing risks to the sustainability of businesses in that country. Additionally, we are acutely aware of the risks associated with investing in emerging markets and monitor political risks associated with our investments. If the deterioration of political stability would affect our investment thesis in a particular name, this acts as a "switch-off" and we would exit the position.

7. Sources for ESG Information

GQG primarily relies on its internal research conducted by its traditional and non-traditional research analysts.

We believe communicating with management can be an effective method adding additional context to our research to determine the effectiveness of management, competitiveness in the industry and headroom, and the direction and sustainability of the company. Our communications with management seek long-term insights on the sustainability of earnings rather than on quarterly earnings announcements. Analysts covering a particular company regularly communicate with management teams via ad hoc conference calls and will participate in quarterly earnings calls and annual shareholder meetings. Analysts also occasionally meet with management onsite or with representatives at conferences or investor road shows. Although we find management communications can offer valuable insight to a company, we maintain a level of skepticism since we understand the motivations of management in putting their best foot forward.

This research is supplemented with the services of independent external service providers. Currently, we partner with the following providers for ESG research and reporting:

- Sustainalytics: General ESG research, carbon intensity, controversy research, portfolio analytics
- MSCI ESG Research: General ESG research, Exclusionary Lists, sustainable benchmarks.

- ISS-Ethix: Proxy voting, engagement, stewardship reporting
- Bloomberg: General ESG information
- Style Analytics: Portfolio analytics
- Morningstar: Portfolio exposure research, portfolio analytics

8. Engage

8.1 *Engagement*

GQG will engage with companies' management on ESG issues where we deem the engagement would be useful and productive. We also engage with companies as part of our research process and continuous monitoring of portfolio companies in accordance with our Stewardship Policy.

8.2.1 Individual Engagements

If deemed appropriate, we may engage with individual companies on certain ESG risks. Examples of individual engagement may include enhanced disclosure, board structure and diversity, labor management, or remuneration issues.

8.2.2 Thematic Engagement

On a periodic basis, we will engage with several companies held in the same portfolio on a specific ESG issue. Examples of our thematic engagement activities are diversity and inclusion on boards and in executive management and enhanced ESG disclosures or Task Force on Climate-Related Financial Disclosures (TCFD) reporting.

8.2.3 Collaborative Engagement

At times, GQG will join other investors in collaborative engagement initiatives. With the support of ISS, GQG will identify companies that have failed to respect established ESG norms in areas including corruption, human rights, labor rights violations or environmental concerns), and companies facing credible allegations in these areas. The purpose of these engagements is to encourage companies to make improvements in such ESG areas. We believe that this collaborative approach, with combined assets under management, can be more influential in effecting change.

8.2 *Proxy Voting*

Our proxy voting decisions are driven by the best interest of our clients by maximizing value and made in accordance with our Proxy Voting Policy.

8.2.1 Voting

As a member of the UN PRI, GQG aims to cast votes at shareholder meetings held by its portfolio companies when it is deemed to be in the best interest of its shareholders. To augment this process, we use ISS Shareholder Services ("ISS") as an additional source of information. While we find ourselves voting with ISS on the majority of the issues, we do not blindly follow their lead and will vote against their recommendations on occasion. Upon written request, Clients can take responsibility for voting their own proxies, or can give us instructions on how to vote their respective shares. We also are able to provide clients quarterly proxy voting reports upon request.

8.2.2 Voting Principles

GQG has chosen to vote in accordance with the UNPRI's responsible investment principles alongside other UN PRI signatories and other similarly aligned investment managers. We leverage ISS' Sustainability Policy. Key policy highlights are:

- Board – Board competence, performance – including on ESG topics, and independence
- Compensation – Alignment of pay and performance, presence of problematic compensation practices, shareholder value transfer
- Social & Environmental – Generally support shareholder proposals advocating ESG disclosure or universal norms/codes of conduct.

9. Promote

9.1 *Stewardship*

As long-term owners of our companies, we recognize the rights and responsibilities that come with equity ownership. Our core objective is to maximize the long-term returns to our investors and we believe that this is best achieved through ownership of companies with long-term sustainable earnings growth. Companies that act in the best interests of their shareholders are companies that have due regard for their other stakeholders. We make stewardship reports available to clients upon request.

9.2 *Adherence to Responsible Investment Initiatives*

9.2.1 Untied Nationals Principles for Responsible Investment (UN PRI)

GQG is a signatory to the UN PRI. The UN PRI is an international network of investors working together to understand the investment implications of ESG factors. The UN PRI supports its signatories in incorporating these factors into their investment and ownership decisions.

The UN PRI's principles include:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosures of ESG issues by the entities in which we invest.

- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

Each year, GQG completes the assessment questionnaire of the UN PRI to measure its incorporation of the six principles. The results of this assessment are published on the UN PRI website.

9.3 *Reporting*

GQG prepares and produces upon request ESG Investment Reports which may include following items:

- Proxy voting activity / Stewardship
- Engagement activity and outcomes
- Participation in collaborative engagements
- ESG portfolio risks versus the benchmarks
- Portfolio carbon emissions and carbon intensity
- Exposures to fossil fuels, stranded assets and climate change risks

10. Oversight

Accountability for this Policy lies with the Chief Investment Officer. This Policy will be reviewed annually.