

AIKYA

Stewardship Conflict of Interest Policy

Introduction

Aikya has a twin purpose:

1. To generate healthy long-term investment returns for our clients with strong downside protection.
2. To make a significant impact when it comes to the sustainable development problems facing Emerging Market countries by investing in responsibly managed high-quality companies.

We believe that both elements of our purpose are aligned. Generating healthy long-term investment returns with strong downside protection is only possible if we invest in high-quality companies that are well-positioned to solve sustainable development problems.

Aikya is founded on the principle that our interests are fully aligned with those of our clients. The duty of care to act in the best interests of our clients is deeply embedded within our culture. Any potential conflicts of interests in the stewardship activities at Aikya are minimised because of the following reasons:

1. We have a flat business structure with no subsidiaries or connected parties. We believe our simple structure minimizes any potential conflicts.
2. We manage a single Emerging Markets Equities strategy. This means that all our clients are in the same strategy, and therefore their interests are very much aligned.

Nevertheless, we recognize that in any business, conflicts of interest may arise. In order to identify potential conflicts and the appropriate steps for avoidance and remediation, we maintain a Stewardship Conflict-of-Interest Policy. This policy demonstrates that Aikya is committed to identifying, monitoring, and managing all actual and potential conflicts of interest that can arise between Aikya and our clients during our stewardship activities. The Conflicts of Interest Policy is reviewed by the stewardship committee on behalf of the Aikya board every year.

Active Engagement

We pursue an active engagement agenda with companies held in the portfolio. As part of the ongoing research process, the investment team regularly debate and update the engagement agenda for each company.

We engage for a few reasons: Firstly, we believe that owning shares in a business comes with both rights and responsibilities. Therefore, as part owners of the business, we have an obligation to engage with senior management to nudge them towards better behaviour, rather than divesting our holding. Secondly, we see sustainability topics as investment issues and do not separate the two; positive engagement on such issues becomes a powerful tool in driving shareholder value and enhancing the value of our client portfolios. How management teams respond to our engagement requests also gives us a good read on the quality of their stewardship.

Aikya Engagement and Proxy Voting statement is provided at the link below:

<https://aikya.co.uk/wp-content/uploads/2020/09/Engagement-and-Proxy-Voting-Statement.pdf>

Standard Operating Procedure to manage conflicts

All the conflicts linked to our stewardship activities are dealt with in the following manner:

1. Conflict identification: All Aikya investment analysts are trained to identify potential conflicts of

interest, including conflicts related to investment decision making, proxy voting and company engagement.

2. Assessment: Where a potential conflict is identified, this will be raised with compliance who will lead a discussion with the relevant investment analyst to determine the appropriate procedures and controls necessary to manage the conflict. From a stewardship perspective the aim is always to protect the independence of the decision-making process around stock selection, proxy voting and engagement.
3. Escalation to the Stewardship Committee: Where the view of the Chief Compliance Officer is that the conflict of interest cannot be adequately managed, the matter will be escalated to our Stewardship Committee.
4. Chair of the Stewardship Committee resolves the conflict in keeping best interest of clients in mind and ensuring Aikya's independence is not compromised.
5. At least annually, the Board is provided (by compliance) written reports of any conflicts of interest or potential conflicts of interest that may arise. This includes details of any situation giving rise to a conflict or potential conflict, an assessment analysis, and the measures being taken to mitigate said conflicts.
6. Periodically the Board analyses conflicts that have arisen, as well as potential conflicts of interest, and reviews the systems and controls in place for future prevention and mitigation.

Potential Conflicts in relation to Stewardship Activities

Below are a few areas of potential conflict that may come up during our company engagement and proxy-voting activities and how we manage them.

Potential Conflicts	How we manage the conflict
Individuals on the board of a company that we engage with or vote on, may have a commercial relationships with Aikya	We always vote in the best long-term interests of the investee company, and therefore in the interests of our clients, and will never compromise our independence. When such a conflict arises, we will report it to Aikya Compliance and the Chair of the Stewardship Committee, who may escalate it to the Board if the issue warrants further consideration.
Certain specific clients may seek to influence of our engagement/ voting, which could compromise our objectivity or independence	Whenever the investment team feels that there is an inappropriate influence being exerted which could compromise our independence, the matter is escalated to Aikya Compliance and the Chair of Stewardship Committee, who may raise this to the Board if needed.
Our engagement or voting may favour one client over another	Aikya run just one Emerging Markets Equities strategy, and therefore all clients are very well aligned
Aikya team members may have personal relationships with the companies we are engaging with or voting on	Any such conflict is immediately reported to Aikya compliance and the Chair of Aikya Stewardship Committee
Our engagement or voting could be in conflict with Pinnacle (ASX: PNI), a minority shareholder in Aikya	Aikya is genuinely independent and majority owned by the investment team
Conflicts related to securities lending activity	We do not engage in security lending

Annual Review

Aikya Stewardship Committee sets standards for identifying and reviewing material conflicts in our stewardship activities and updates this statement at least annually. Stewardship Committee also takes measures to remove or mitigate any adverse impacts of these conflicts in a manner which is in the best interest of clients.