PRI Principles for Responsible Investment

RI TRANSPARENCY REPORT

2013/14

Martin Currie Investment Management

UNEP Finance Initiative Changing finance, financing change | United Nations Global Compact

An investor initiative in partnership with UNEP Finance Initiative and UN Global Compact

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 2013-14 reporting cycle. 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. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six Principles for Responsible Investment. It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
🏳	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

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Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	🔒	n/a							✓
OO 08	Breakdown of AUM by market	✓	Public							✓
OO 09	Additional information about organisation	✓	Public							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	🔒	n/a							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Public							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Public							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Public	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Public							✓
OA 19	Internal and external review and assurance of responses	✓	Public							✓

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Direct - Listed Equity Incorporation				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEI 01	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Public	✓						
LEI 02	Description of ESG incorporation	✓	Public	✓						
LEI 03	Percentage of each incorporation strategy	✓	Public	✓						
LEI 04	Type of ESG information used in investment decision	✓	Public	✓						
LEI 05	Information from engagement and/or voting used in investment decision-making	✓	Public	✓						
LEI 06	Types of screening applied	🔒	n/a	✓						
LEI 07	Processes to ensure screening is based on robust analysis	🔒	n/a	✓						
LEI 08	Processes to ensure fund criteria are not breached	🔒	n/a	✓						
LEI 09	Types of sustainability thematic funds/mandates	🔒	n/a	✓						
LEI 10	Description of ESG integration	✓	Public	✓						
LEI 11	Review ESG issues while researching companies/sectors	✓	Public	✓						
LEI 12	Processes to ensure integration is based on robust analysis	✓	Public	✓						
LEI 13	Aspects of analysis ESG information is integrated into	✓	Public	✓						
LEI 14	ESG issues in index construction	🔒	n/a	✓						
LEI 15	How ESG incorporation has influenced portfolio composition	✓	Public	✓						
LEI 16	Incorporation of ESG issues has improved financial/ESG performance and reduced risk	✓	Public	✓						
LEI 17	Examples of ESG issues that affected your investment view / performance	✓	Private	✓						
LEI 18	Disclosure of approach to ESG incorporation	✓	Public		✓				✓	

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Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	✓	Public		✓		✓			
LEA 08	Monitor / discuss service provider information	✓	Public		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Public	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 14	Examples of ESG engagements	✓	Private		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Public		✓					
LEA 20	Securities lending programme	✓	Public		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Private		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓				✓	

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Reported Information

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Organisational Overview

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Basic Information

OO 01 | Mandatory | Gateway/Peering | General

OO 01.1 Select the services you offer.

☑ Fund management

% of assets under management (AUM) in ranges

- ○ <10%
- ○ 10-50%
- ◉ >50%

☐ Fund of funds, manager of managers, sub-advised products

☐ Other, specify

☐ Execution and advisory only services

OO 01.2 Additional information. [Optional]

Founded in 1881, we have a long history in finance, investing in global equities in the 1920s and developing our Asian and emerging-market capabilities thereafter. Today we manage active-equity portfolios for a global client base of financial institutions, charities, foundations, endowments, pension funds, family offices, government agencies and investment funds.

OO 02 | Mandatory | Peering | General

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

United Kingdom

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

- ○ 1
- ○ 2-5
- ◉ 6-10
- ○ >10

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

FTE

195

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PRI Principles for Responsible Investment

OO 02.4 Additional information. [Optional]

Our headquarters are based in Edinburgh, Scotland. We also have offices in London, Melbourne, New York, Singapore and Zurich.

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.

- ○ Yes
- ◉ No

OO 04 Mandatory | Gateway/Peering | General

OO 04.1 Indicate the year end date for your reporting year.

31/12/2013

OO 04.2 Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		9	217	000	000
Currency	USD				
Assets in USD		9	217	000	000

OO 04.3 Indicate the level of detail you would like to provide about your asset class mix.

- ◉ Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- ○ Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06 Mandatory | Descriptive | General

OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- ◉ Publish our asset class mix as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	100	0
Fixed income – corporate	0	0
Fixed income – government	0	0

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Fixed income – other	0	0
Private debt	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as broad ranges

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png,.bmp and .gif)

OO 08 | **Mandatory to Report Voluntary to Disclose** | **Peering** | **General**

OO 08.1 Indicate the breakdown of your organisation's AUM by market.

Market breakdown	% of AUM
Developed Markets	○ 0% ○ <10% ○ 10-50% ◉ >50 %
Emerging, Frontier and Other Markets	○ 0% ○ <10% ◉ 10-50% ○ >50 %

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OO 09	Voluntary	Descriptive	General

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OO 09.1	Provide any additional information about your organisation, its mission, strategies, activities or investments which are important to contextualise your responsible investment activities.

Martin Currie is an independent, privately-owned business founded in 1881. We have a long history in finance, investing in global equities in the 1920s and developing our Asian and emerging-market capabilities thereafter. Today we manage £5.6 billion/US$9.2 billion in active equity portfolios for a global client base of financial institutions, charities, foundations, endowments, pension funds, family offices, government agencies and investment funds. Our headquarters are based in Edinburgh, Scotland. We also have offices in London, Melbourne, New York, Singapore and Zurich.

Our approach to investing is simple; we focus on companies. Our integrated investment floor seeks out those companies that we believe have the fundamentals to deliver material outperformance on a medium to long-term view. By incorporating analysis of governance and sustainability factors into every company we research, we believe we develop a deeper understanding of the companies we invest in, therefore developing higher conviction in their ability to outperform over the longer term. Once identified, we then mould these ideas into well-balanced portfolios. Our portfolio construction reduces and controls macro-factor sensitivity, allowing client portfolios to derive maximum value from our stock insights, and returns to be delivered in a predictable and sustainable fashion.

As a private company we do not endure the same short term pressure in terms of business growth that many of our competitors do. As such our planning is orientated to the overall quality of our business with the focus on our primary objective of delivering investment excellence in our core competency of active equity management. We believe that if we deliver on this core objective then our business will grow over time.

In February 2014 we published an update to our long-term strategic plan first published in 2010. Every employee across the firm received a copy and is responsible for its delivery. We are happy to discuss our most recent update to the plan with prospective and existing clients.

Below we summarise the key points.

Our core principles

- Our vision for the business is unchanged - to be an active equity manager that delivers consistent, superior returns for clients globally.
- We are an independent and private company. Our independence is defined by our freedom from the competing priorities of large organisations and our singular focus on our clients' needs. We actively encourage employee ownership, believing that this aligns our interests with our clients and helps us to attract and retain talented people
- Our culture, business processes and risk management disciplines will all reinforce our clients' interests. This is reflected, for example, in our proven commitment to managing the capacity of our strategies to protect the interests of existing clients.
- Managing risk is integral to all of our jobs, rather than being delegated to a separate, centralised function.
- Our business culture will continue to be fair, open and inclusive. We are widely recognised as an employer of choice, and we want to maintain Martin Currie as a challenging and rewarding place to build a career.

Investment excellence

The delivery of investment excellence is central to what we offer our clients. This means a clearly-articulated investment proposition that:

- Delivers long-term outperformance against clients' chosen benchmarks within pre-determined risk tolerances. Short-term underperformance is to be expected on occasions when market conditions are hostile to our long-term proposition.

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- Uses a robust and consistent process, with sufficient flexibility and flair to manage volatility and change. To protect our clients' capital, our risk management is proactive and forward-looking.
- Responsible investing or ESG forms a key part of our investment process. We consider a variety of ESG factors to better understand their impact on the companies we research.
- Generates superior stock ideas and demonstrates expert portfolio-construction skills.
- Operates in a team environment that allows us to generate outperformance by making connections between sectors and through geography.
- Is delivered by skilled professionals who are confident and committed. Above all, they demonstrate sound judgement and the ability to learn and grow.

We ensure that the resources of the firm are appropriate to serve our existing clients and meet our growth plans for the business. Our ownership structure and culture enable us to attract and retain talented people.

The responsibility for the creation and implementation of our plans sits with our executive committee that is chaired by our chief executive officer, Willie Watt.

Gateway asset class implementation indicators

OO 10	Mandatory	Gateway	General

OO 10.1 Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.

☑ We incorporate ESG issues into investment decisions on our internally managed assets

☑ We engage with companies on ESG issues via our staff, collaborations or service providers

☑ We cast our (proxy) votes directly or via service providers

☐ None of the above

OO 12	Mandatory	Gateway	General

OO 12.1 The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.

Core modules

☑ Organisational Overview

☑ Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

	Direct - Listed Equity incorporation

☑ Listed Equity incorporation

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	Direct - Listed Equity active ownership

☑ Engagements

☑ (Proxy) voting

Closing module

☑ Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

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Overarching Approach

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PRI Principles for Responsible Investment

Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General

OA 01.1 Indicate if you have a responsible investment policy.

- (●) Yes
- ( ) No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- (●) Yes
- ( ) No

OA 01.3 Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

As an equity only house our responsible investment policy applies to all equity investments made on the behalf of our clients. We believe that sustainability or Environmental, Social and Governance (ESG) factors create risks and opportunities for investors. We believe it is in the interests of our clients to consider these factors when making an investment in a company, and for the companies themselves to manage these appropriately.

We believe the sustainability of a company's business model is critical to maintaining its competitive industrial positioning and strong capital returns. In addition, companies that exhibit strong governance and are well managed are more likely to be successful, long term investments. We believe our sustainability approach helps identify good management teams, understand their motivation and determine whether their interests are aligned with minority investors.

ESG factors and their consideration form a key part of our sustainability analysis. We incorporate these factors into our financial modelling and they form part of our engagement process with management.

Our responsible investment policy is approved by the Investment Executive and is reviewed on an annual basis.

OA 02	Mandatory	Core Assessed	PRI 6

OA 02.1 Indicate if your responsible investment policy is publicly available.

- (●) Yes

OA 02.2 Provide a URL to your responsible investment policy.

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	URL

http://www.martincurrie.com/home/about_us/our_policies/

○ No

OA 02.3	Indicate if your other policies or guidance documents related to responsible investment are publicly available.

◉ Yes

◉ Yes, all

○ Yes, some

OA 02.4	List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Governance Oversight and Proxy Voting	http://www.martincurrie.com/home/about_us/our_policies/
Governance and Sustainability	http://www.martincurrie.com/home/about_us/governance_and_sustainability/

○ No

OA 03	Mandatory	Core Assessed	PRI 1,2

OA 03.1	Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

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Policy components/types	Coverage by AUM
☑ Policy setting out your overall approach ☑ (Proxy) voting policy ☑ Engagement/active ownership policy ☑ Specific guidelines on corporate governance ☐ Specific guidelines on environmental issues ☐ Specific guidelines on social issues ☐ Asset class-specific guidelines ☐ Screening/exclusion policy ☐ Other, specify ☐ Other, specify	◉ Applicable policies cover all AUM ○ Applicable policies cover a majority of AUM ○ Applicable policies cover a minority of AUM

OA 03.3 Additional information. [Optional]

Our sustainability and ESG related work is fully integrated into our investment process and we consider sustainability and ESG factors when analysing the investment case for a company. Whilst responsibility for analysis resides with individual research specialists and portfolio managers, David Sheasby, an investment director in our global portfolio management team, has specific responsibility for overseeing this aspect of our research process.

All stock research is required to consider the material and relevant Governance, Social and Environmental factors that could impact the ability of the company to generate sustainable returns. As such the investment team has day-to-day responsibility for responsible investment activities.

Investment performance forms a core part of the reward structure for our investment team. This encompasses, but does not specifically target responsible investment performance. The process also considers contributions and behaviours and this is used as a basis for allocation of a discretionary bonus pool by the Head of Investment. Responsible investment forms a part of this.

OA 04 | **Mandatory** | **Core Assessed** | **General**

OA 04.1 Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

◉ Yes

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OA 04.2	Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

Martin Currie has a clear conflicts of interest policy.

The Investment team is responsible for:

- ensuring that all investment decisions, without exception, are in the interest of their clients and that sufficient records are maintained to evidence this
- observing specific conflict policies without exception, including cross trades, IPO and secondary trade allocations, liquidity management, contradictory positions, front running and shareholder voting.
- ensuring ongoing compliance with a client's investment policy and restrictions, and ensuring that action is taken to correct any tolerance breaches in accordance with client requirements.

For proxy voting:

Martin Currie recognises that there is a potential conflict of interest when we vote for a proxy solicited by a company with which we, or our portfolio managers, have a material business or personal relationship. In this context, the member of the investment team has a duty to disclose any potential, actual or apparent material conflict of interest relating to a proxy vote. Generally, a conflict is unlikely to arise if the vote is in accordance with the ISS/NAPF guidelines. However, if a member of the investment team wishes to vote contrary to the guidelines in relation to a company with which we have any material business or personal relationship, the matter must be referred to the Investment Executive for independent consideration. We would consider a potential conflict of interest to exist where Martin Currie or relevant staff has a material personal or business relationship with the proponent, issuer or other relevant participants in the proxy proposal.

In the event that a portfolio manager is materially conflicted they are obligated to disclose the conflict of interest and provide their justification for voting contrary to the guidelines to the Investment Executive for independent consideration. The Investment Executive are required to provide approval before the vote can be carried out. If the Investment Executive are unable to approve the vote one of the following courses of action will be taken:

- vote such proxy according to the specific recommendation of ISS;
- abstain; or
- request that the Client votes such proxy.

In the event that Martin Currie is materially conflicted, the Firm will

- vote such proxy according to the specific recommendation of ISS;
- abstain; or
- request that the Client votes such proxy.

All such instances shall be formally approved by the compliance team, taking into consideration what action is appropriate in the specific circumstances and in the interests of the Client(s).

○ No

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PRI Principles for Responsible Investment

Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General

OA 05.1 Indicate if your organisation sets objectives for its responsible investment activities.

- ◉ Yes

  OA 05.2 Indicate how frequently your organisation sets or revises objectives for responsible investment.

  - ◉ At least once per year
  - ○ Less than once per year

  OA 05.3 Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

  - ○ Quarterly
  - ○ Biannually
  - ◉ Annually
  - ○ Every two years or less
  - ○ It is not reviewed

- ○ No

OA 05.4 Additional information. [Optional]

We aim to continually develop and enhance our approach to sustainability and as such set out clear objectives for our responsible investment activities. These objectives have included developing training programs for the investment team, enhancing the recording and monitoring of our engagement programs and increasing our participation in relevant collaborative engagement programs.

OA 06	Voluntary	Descriptive	General

OA 06.1 List your three main responsible investment objectives you had set for the reporting year. For each, indicate any key performance indicators you set to measure your progress and also indicate your progress towards achieving your objectives.

☑ Add responsible investment objective 1

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Objective 1	Establish and conduct a specific Governance and Sustainability training module for our Talent Development Program
Key performance indicators	Test cases completed and feedback provided A deeper understanding of the benefits of ESG integration demonstrated
Describe the progress achieved	All members of the Talent Development Program successfully completed the program - this will be repeated for future Talent Development Program candidates

☑ Add responsible investment objective 2

Objective 2	Enhance activity in collective engagement
Key performance indicators	Play a leading role in relevant collective engagement initiatives
Describe the progress achieved	We joined the steering committee of the UNPRI collective engagement on fracking

☑ Add responsible investment objective 3

Objective 3	To broaden participation in engagement activities regarding proxy voting
Key performance indicators	The quantity, quality and extent of engagement activities specifically regarding proxy voting
Describe the progress achieved	A considerable increase in the activity and the quality of relevant engagement

OA 06.2

List your three main objectives for responsible investment implementation for the next reporting year and indicate any key performance indicators you intend to use to measure your progress.

☑ Add responsible investment objective 1 for the next reporting year

Objective 1 for the next reporting year	To improve the recording of engagement activities
Key performance indicators	Create a database that allows easy access and follow through on engagement activities

☑ Add responsible investment objective 2 for the next reporting year

Objective 2 for the next reporting year	Enhance activity in collective engagement
Key performance indicators	Play a leading role in relevant collective engagement initiatives

☑ Add responsible investment objective 3 for the next reporting year

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Objective 3 for the next reporting year	To look at management incentivisation regarding ESG issues
Key performance indicators	Produce a report looking at the alignment of company management incentives and ESG objectives

Governance and human resources

OA 07	Voluntary	Descriptive	General

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OA 07.1	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.

Martin Currie embraces best practice in corporate governance and, as such, its parent company, Martin Currie (Holdings) Ltd, has appointed a board of directors charged with the responsibility for providing oversight of the activities and internal controls within the company. The board meets at least quarterly to review financial performance and strategy which includes the setting of company goals, objectives, budgets and other plans.

The roles of the chairmen and the chief executive are separate, clearly defined and periodically approved by the board. Executive directors are subject to re-appointment by rotation. Each contributes to strategy and enhances the board's capabilities and expertise.

Independent, non-executive directors chair, and compose the membership of, the audit, risk, remuneration and nominations committees of the board. These committees have the following key responsibilities:

Audit committee

- Oversight and challenge of financial reporting
- In conjunction with the risk committee (see below), keep under review the effectiveness of the company's internal control and risk management systems
- Oversight of matters raised by internal and external auditors

Risk committee

- Monitoring the effectiveness of the firm's risk management and risk culture
- Overseeing the procedures and mechanisms in place within the firm to identify and control risks
- Reviewing information from management to obtain comfort that risks are being managed appropriately
- Advising the board on the firm's risk profile, risk appetite and the amount of surplus regulatory capital that the firm should hold

Nominations committee

- Identifying suitable non-executive directors
- Advising the board on appointment of additional board directors
- Succession planning at board level

Remuneration committee

- Determining executive directors' pay and bonuses
- Setting chief executive's objectives
- Appraising chief executive
- Providing input to targets for employee's share ownership

Risk is an inherent part of Martin Currie's business, and the extent to which risks are properly identified, assessed, monitored and managed is critical to its reputation, financial integrity and future profitability. Martin Currie's objective is not to completely eliminate risk, but to manage it to an acceptable level while balancing risk with reward. Effective risk management assists in the delivery of strategic objectives; protecting the value of Martin Currie by managing the potential threats and adding value by enhancing its ability to take advantage of opportunities. To achieve this, a robust risk management framework is in place that includes the design, by management, of suitable systems and controls and that facilitates informed risk-based decision making.

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Our sustainability and ESG related work is fully integrated into our investment process and we consider sustainability and ESG factors when analysing the investment case for a company. Whilst responsibility for analysis resides with individual research specialists and portfolio managers, David Sheasby, an investment director in our global portfolio management team, has specific responsibility for overseeing this aspect of our research process.

All stock research is required to consider the material and relevant Governance, Social and Environmental factors that could impact the ability of the company to generate sustainable returns. As such the investment team has day-to-day responsibility for responsible investment activities.

Investment performance forms a core part of the reward structure for our investment team. This encompasses, but does not specifically target responsible investment performance.

For both investment managers and analysts, there is a qualitative element to their performance based remuneration (PBR) which recognises the positive contribution that they make to the investment team and the wider business. Examples include time that is spent mentoring or coaching, providing support to business projects, cross-team collaboration, adherence to responsible investing guidelines and contribution to client servicing or business-development activity. The quantum of the discretionary element is determined by the head of investment, who makes individual allocations following discussion with the investment team heads. The Remuneration Committee of the Martin Currie board has sign-off on all awards.

☐ I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General

OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

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	Roles present in your organisation

☑ Board members or trustees

- ☐ Oversight/accountability for responsible investment
- ☐ Implementation of responsible investment
- ☑ No oversight/accountability or implementation responsibility for responsible investment

☑ Chief Executive Officer (CEO), Chief Investment Officer (CIO), 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

☑ 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

☐ External managers or service providers

☐ Other role, specify

☐ Other role, specify

OA 08.2	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

	Number

8

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OA 08.3	Additional information. [Optional]

ESG is driven by our investment floor but involves resource from across Martin Currie particularly from our operations team who are responsible for monitoring ESG portfolio restrictions and managing the proxy voting process.

Our sustainability and ESG related work is fully integrated into our investment process and we consider sustainability and ESG factors when analysing the investment case for a company. Whilst responsibility for analysis resides with individual research specialists and portfolio managers, David Sheasby, an investment director in our global portfolio management team, has specific responsibility for overseeing this aspect of our research process.

All stock research is required to consider the material and relevant Governance, Social and Environmental factors that could impact the ability of the company to generate sustainable returns. As such the investment team has day-to-day responsibility for responsible investment activities.

OA 09	Voluntary	Additional Assessed	General

OA 09.1	Indicate if your organisation's performance management, reward and/or personal development processes have a responsible investment element.

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

- ☑ Responsible investment KPIs and/or goals included in objectives
- ☑ Responsible investment included in appraisal process
- ☑ Variable pay linked to responsible investment performance
- ☐ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Portfolio managers

- ☑ Responsible investment KPIs and/or goals included in objectives
- ☑ Responsible investment included in appraisal process
- ☑ Variable pay linked to responsible investment performance
- ☑ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Investment analysts

- ☑ Responsible investment KPIs and/or goals included in objectives
- ☑ Responsible investment included in appraisal process
- ☑ Variable pay linked to responsible investment performance
- ☑ Responsible investment included in personal development and/or training plan
- ☐ None of the above

Dedicated responsible investment staff

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☑ Responsible investment KPIs and/or goals included in objectives

☑ Responsible investment included in appraisal process

☑ Variable pay linked to responsible investment performance

☑ Responsible investment included in personal development and/or training plan

☐ None of the above

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OA 09.3	Provide any additional information on your organisation’s performance management, reward and/or personal development processes in relation to responsible investment.

Martin Currie's overriding objective is to ensure alignment of interests with clients, while providing incentives that attract and retain exceptional people. This is closely linked with our capacity management process, which ensures we control the capacity of our investment strategies to maintain liquidity and protect performance potential for our clients.

Remuneration for investment personnel blends three components: basic salary, performance bonus and equity in the firm. We review each in turn:

Basic salary (short-term focus)

Martin Currie benchmarks all salaries to comparable positions through a syndicate survey of asset management firms who share data on a confidential basis. This ensures that basic salaries remain competitive on an international basis.

Performance Bonus Pool (medium-term focus)

Each portfolio has an agreed performance target, typically expected to be delivered over a rolling three year measurement period. Performance based remuneration (PBR) is paid on a sliding scale for performance between a representative benchmark or proxy and a strategy's performance target. It is paid as a percentage of the gross revenue earned by the firm for the strategy. As such this model is equally applicable to mandates with a management fee or those subject to a performance fee. The sliding scale used is not a straight line but is heavily geared to achieving the outperformance objective or getting very close to it, as we wish to ensure that our rewards closely match our clients' objectives.

Additionally, it is important that performance is achieved within the appropriate risk framework. Portfolios see a deconstruction of return to identify the low factor risk/high active share characteristics that we expect of a Martin Currie portfolio. Where portfolios reflect characteristics outwith these expectations this leads to a revision to the additional discretionary pot potentially available to the team. The discretionary element of compensation is also subject to revision in line with the perception of contribution to the overall delivery of the whole investment team.

Lastly, for both investment managers and analysts, there is a qualitative element to their PBR which recognises the positive contribution that they make to the investment team and the wider business. Examples include time that is spent mentoring or coaching, providing support to business projects, cross-team collaboration, adherence to responsible investing guidelines and contribution to client servicing or business-development activity. The quantum of the discretionary element is determined by the head of investment, who makes individual allocations following discussion with the investment team heads. The Remuneration Committee of the Martin Currie board has sign-off on all awards.

This process ensures both a strong correlation between performance and reward, while allowing senior management discretion to adjust reward to reflect other factors such as behaviours and the management of risk.

Equity in Martin Currie (long-term focus)

Employee-ownership is an important part of Martin Currie's proposition and equity ownership is encouraged to all permanent employees, helping us to attract and retain talented individuals.

The ultimate incentivisation is through equity participation in the long-term success of the business. The full potential of this is only achieved by meeting clients' long-term aspirations for

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performance and client service.

Employees can acquire Martin Currie equity in three ways:

- We pay part of any bonus in equity.
- Employees can purchase shares in any 'open-period', of which there are typically two per annum.
- We in incentivise employees via share-options.

Promoting responsible investment

OA 10	Mandatory	Core Assessed	PRI 4,5

OA 10.1

Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

◉ Yes

OA 10.2

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.

Select all that apply

☐ Asian Corporate Governance Association
☐ Association for Sustainable & Responsible Investment in Asia
☐ Australian Council of Superannuation Investors
☐ CDP Climate Change
☐ CDP Forests
☐ CDP Water
☐ CFA Institute Centre for Financial Market Integrity
☐ Council of Institutional Investors (CII)
☐ Eumedion
☐ Extractive Industries Transparency Initiative (EITI)
☐ Global Investors Governance Network (GIGN)
☐ Global Real Estate Sustainability Benchmark (GRESB)
☐ Institutional Investors Group on Climate Change (IIGCC)
☐ Interfaith Center on Corporate Responsibility (ICCR)
☐ International Corporate Governance Network (ICGN)
☐ Investor Group on Climate Change, Australia/New Zealand (IGCC)
☐ Investor Network on Climate Risk (INCR)/CERES
☐ Local Authority Pension Fund Forum
☑ Principles for Responsible Investment

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

☐ Basic

☐ Moderate

☑ Advanced

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

We joined the steering committee of the UNPRI collective engagement on fracking.

☐ Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

☐ Shareholder Association for Research and Education (Share)

☐ United Nations Environmental Program Finance Initiative (UNEP FI)

☐ United Nations Global Compact

☑ Other collaborative organisation/initiative, specify

Association of British Insurers

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

☑ Basic

☐ Moderate

☐ Advanced

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

We have only recently had the opportunity to join this organistion in its collaborative engagement program.

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

☐ Other collaborative organisation/initiative, specify

○ No

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OA 10.3 Additional information. [Optional]

We believe monitoring and engagement are an essential part of being a shareholder in a company. It allows us to improve our understanding of investee companies and their governance structures, so that our investment and voting decisions may be better informed. The materiality and immediacy of a given issue will generally determine the level of our engagement.

The majority of engagement is private.

We hold regular meetings with the management of the companies in which we invest to discuss strategy, sustainability and performance, and to review management processes against the principles and best practice.

We monitor collaborative engagement programs - for example those run by the UNPRI or the ABI and will look to prioritise those where we believe an issue is relevant and material. An issue where the impact on the potential value of an investment is large or where the timescale is short will be given high priority. In general the analyst responsible for the stock will set the priorities for engagement.

Martin Currie is on the steering Committee for the UNPRI collaborative engagement on Fracking disclosure. The objective of this collaborative engagement is to improve disclosure and adoption of best practice in those companies involved in the fracking industry- notably community support, water quality and use, air emissions and the governance of procedures as the key areas of concern.

OA 11 | **Mandatory** | **Core Assessed** | **PRI 4**

OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

◉ Yes

OA 11.2 Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

☑ Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations

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

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

☑ Spoke publicly at events and conferences to promote responsible investment

☑ Wrote and published in-house research papers on responsible investment

☐ Encouraged the adoption of the PRI

☐ Other, specify

○ No

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OA 11.3	Additional information. [Optional]

In respect of the commitments of being a PRI signatory, we implicitly and explicitly include ESG factors within our investment process, where material to the investment case. We support the development of ESG-related tools, metrics, and analyses; encourage investment service providers such as brokers and research firms to integrate ESG factors into their own analysis; liaise with academics and other research providers on this theme; and incorporate ESG factors into training for our investment professionals.

We have:

- Developed a training module for our Talent Development Program to deepen the understanding of the benefits of ESG integration
- Made presentations to clients and to advisers to explain our approach to ESG and the UNPRI
- Answered questionnaires from clients and advisers to provide more in-depth understanding where requested
- Engaged with companies on ESG matters referencing our membership of the UNPRI
- Voted on specific ESG related issues to encourage better practices at companies
- Had articles published in financial press advocating the advantages of incorporating ESG into our investment process
- Published an extensive guide on our approach to Goverance and Sustainability
- Suggested areas of research on ESG to investment banks
- Made ESG considerations part of our broker selection and evaluation
- Appointed a senior dedicated resource in the investment team to enhance our responsible investment strategy
- Worked with academics to encourage formation of a local network focused on responsible investment

OA 12	Voluntary	Additional Assessed	PRI 4,5,6

OA 12.1	Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

◉ Yes

☑ Yes, individually

☐ Yes, in collaboration with others

OA 12.2	Select the methods you have used.

☐ Endorsed written submissions to governments, regulators or standard-setters developed by others

☐ Drafted your own written submissions to governments, regulators or standard-setters

☑ Participated in face-to-face meetings with government members or officials to discuss policy

☐ Other, specify

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OA 12.3	Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

○ Yes, publicly available

◉ No

○ No

OA 12.4	Additional information.

We have engaged with a number of government and other agencies over the past year focusing on areas that were material to the region concerned.

For example we engaged with the Ministry of Environmental Protection in Shanghai. We discussed:

- Energy savings initiatives - Government plans to introduce tiered pricing for water and electricity usage at the household level
- The increase in the rural environmental budget
- Nuclear power - the ongoing commitment of the Government to nuclear but with higher safety standards
- The new Environmental impact assessment law which forms part of the current 5 year plan
- The new environmental protection taxes which have been introduced
- Clean air and water initiatives and mechanisms for monitoring

In Colombia we met with ANLA, the Colombian government agency responsible for extractive industries and infrastructure.

We also engage with some of the organisations that are looking to encourage change on ESG issues. For example in Russia we were the first investors to engage with Greenpeace and with Rozprirodnadzor. We discussed Energy policy and focused on the regulatory monitoring of oil and gas companies and the concerns about a lack of knowledge and experience in these companies to deal with environmental issues.

ESG issues in asset allocation

OA 13	Voluntary	Descriptive	PRI 1

OA 13.1	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between geographic markets.

○ Yes

◉ No

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OA 13.3	Additional information.

Our approach to investing is simple; we focus on companies - we do not make specific asset allocation decisions between geographies. Our integrated investment floor seeks out those companies that we believe have the fundamentals to deliver material outperformance on a medium to long-term view. By incorporating analysis of governance and sustainability factors into every company we research, we believe we develop a deeper understanding of the companies we invest in, therefore developing higher conviction in their ability to outperform over the longer term. Once identified, we then mould these ideas into well-balanced portfolios. Our portfolio construction reduces and controls macro-factor sensitivity, allowing client portfolios to derive maximum value from our stock insights, and returns to be delivered in a predictable and sustainable fashion.

Innovation

OA 18	Voluntary	Descriptive	General

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OA 18.1	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.

Our approach is innovative in regards to the extent in which ESG factors are embedded in our investment process. ESG is not an 'optional added extra' for specific clients but is fundamental to our understanding of the companies in which we invest. Responsible investment forms a key part of our investment process. As fundamental active investment managers, we consider a variety of ESG factors to better understand their impact on companies we research. All analysts producing stock research are required to consider the material and relevant ESG factors that could impact the ability of the company to generate sustainable returns. These factors are essentially those factors that can have a material impact on a company's cash flows, balance sheet, reputation and ultimately, corporate value.

We not only engage with the management of companies, we also engage in a raft of other stakeholders for each particular business. These include government agencies focusing on areas that are material to a particular region and company. For example, we were in contact with the Ministry of Environmental Protection in China - we understand we are the only asset manager to do so. In Colombia we met with ANLA, the Colombian government agency responsible for extractive industries and infrastructure.

We also engage with some of the organisations that are looking to encourage change on ESG issues. For example, in Russia we were the first investors to engage with Greenpeace. We discussed Energy policy and focused on the regulatory monitoring of oil and gas companies and the concerns about a lack of knowledge and experience in these companies to deal with environmental issues.

Assessing governance and sustainability factors is complex. It requires resource, sophisticated qualitative analytical skills and subsequent application of this knowledge. At Martin Currie we provide a broad spectrum of responsible investment training to our investment team. We have a dedicated resource in David Sheasby, our Head of investment governance and sustainability who works with individual analysts on how to incorporate responsible investment more explicitly into analysis. We also use the UNPRI Academic Network to identify key areas of new research and to engage with them on potential new approaches. As well as our own in-house research, our investment team integrates sustainability and governance research from a range of external resources. We also use our external data providers to provide some input and training for the investment team - this has focused on ESG rating methodology as well as on industry and company-specific research. The data and research from our external providers are used in assessing which factors are relevant and material to a particular company. This is combined with our own research, which includes extensive engagement with companies. This first-hand insight allows us to obtain relevant material data and ascertain the key sustainability factors that will have an impact on a company's performance.

Our deep fundamental approach allows integration of these factors - we are able to model specific outcomes or can readily incorporate more general factors into the cost of capital, revenue growth or costs.

Assurance of responses

OA 19	Voluntary	Additional Assessed	General

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OA 19.1	Indicate whether your reported information has been reviewed, validated and/or assured by internal and/or external parties.

◉ Yes

OA 19.2	Indicate who has reviewed, validated and/or assured your reported information.

☑ Reviewed by Board, CEO, CIO or Investment Committee

☑ Validated by internal audit or compliance function

☐ Assured by an external independent provider, specify name

OA 19.3	Describe the steps you have taken to review, validate and/or assure the content of your reported information.

In compiling this report input has been sought from the various areas of expertise within Martin Currie. This has included the investment team, the company secretarial team, the compliance team, (who have provided input on corporate structure and procedures), the middle office team (who process and record proxy voting instructions) and the marketing team (who have been able to provide corporate data and corporate commentary). This report has been subject to peer review in the investment team and has also been checked by our compliance team and the head of investment.

○ No

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Martin Currie Investment Management

Reported Information

Public version

Direct - Listed Equity Incorporation

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.

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PRI Principles for Responsible Investment

Overview

LEI 01	Mandatory to Report Voluntary to Disclose	Gateway/Peering	PRI 1

LEI 01.1	Provide a breakdown of your internally managed listed equities by passive, quantitative, fundamental and other active strategies. For strategies that account for less than 10% of your internally managed listed equities, indicate if you would still like to report your activities.

Strategies

☐ Passive

☐ Active – quantitative (quant)

☑ Active – fundamental and other active strategies

	% of internally managed listed equities

○ <10%

○ 10-50%

◉ >50%

LEI 01.2	Additional information. [Optional]

Martin Currie is an independent, privately-owned business founded in 1881. We have a long history in finance, investing in global equities in the 1920s and developing our Asian and emerging-market capabilities thereafter. Today we manage £5.6 billion/US$9.2 billion - all in active equity portfolios for a global client base of financial institutions, charities, foundations, endowments, pension funds, family offices, government agencies and investment funds.

LEI 02	Voluntary	Descriptive	PRI 1

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LEI 02.1	Provide a brief overview of how you incorporate ESG issues in listed equity investments.

Responsible investment or ESG forms a key part of our investment process. As fundamental active investment managers, we consider a variety of ESG factors to better understand their impact on companies we research. All analysts producing stock research are required to consider the material and relevant Governance, Social and Environmental factors that could impact the ability of the company to generate sustainable returns. These factors are essentially those factors that can have a material impact on a company's cash flows, balance sheet, reputation and ultimately, corporate value. They reflect the growing pressures that all companies are under from their key stakeholders. Regulators, customers, suppliers, investors, local communities and employees, all present companies with a number of challenges that ultimately have to be addressed by management.

- Regulators - regulation is increasingly pervasive across all sectors and geographies. Tightening labour laws, environmental standards and capital requirements are some of the issues that management need to address.
- Customers - changing societal expectations of good corporate practice and an explosion in the use of social media has allowed for the rapid dissemination of negative news flow following bad practice.
- Suppliers - companies are increasingly held responsible for the activities of their supply chain such as the failure to adequately monitor supplier's behaviour in key areas of environmental performance and the treatment of labour.
- Investors - a growing demand for a more responsible approach to investment has led to rapid growth in collaborative initiatives such as the UNPRI. As a result, companies are increasingly required to provide transparent and verifiable evidence of their performance across a range of ESG indicators.

These factors may be incorporated in our analysis and modeling in a number of ways, for example:

- Changes to the cost of capital
- Changes to the revenue assumptions
- Changes to the cost base
- Changes to the tax rate

ESG incorporation in actively managed listed equities

Implementation processes

LEI 03	Mandatory	Gateway/Core Assessed	PRI 1

LEI 03.1	Indicate (1) which ESG incorporation strategy and/or combination of strategies you apply to your actively managed listed equities and (2) the breakdown of your actively managed listed equities by strategy or combination of strategies.

ESG incorporation strategy (select all that apply)

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☐ Screening alone (i.e. not combined with any other strategies)

☐ Thematic alone (i.e. not combined with any other strategies)

☑ Integration alone (i.e. not combined with any other strategies)

Percentage of active listed equity to which the strategy is applied (estimate +/- 10%)	% 100

☐ Screening + Integration strategies

☐ Thematic + integration strategies

☐ Screening + thematic strategies

☐ All three strategies combined

☐ No incorporation strategies applied

Total actively managed listed equities

100%

LEI 03.2 Describe your primary reasons for choosing a particular ESG incorporation strategy.

We believe that sustainability or Environmental, Social and Governance (ESG) factors create risks and opportunities for investors. We believe it is in the interests of our clients to consider these factors when making an investment in a company, and for the companies themselves to manage these appropriately.

We believe the sustainability of a company's business model is critical to maintaining its competitive industrial positioning and strong capital returns. In addition, companies that exhibit strong governance and are well managed are more likely to be successful, long term investments. We believe our sustainability approach helps identify good management teams, understand their motivation and determine whether their interests are aligned with minority investors.

ESG factors and their consideration form a key part of our sustainability analysis. We incorporate these factors into our financial modeling and they form part of our engagement process with management.

LEI 04 | **Voluntary** | **Additional Assessed** | **PRI 1**

LEI 04.1 Indicate what ESG information you use in your ESG incorporation strategies and who provides this information.

Type of ESG information

☑ Raw ESG company data

Indicate who provides this information

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☑ ESG research provider

☑ Sell-side

☐ In-house – specialised ESG analyst or team

☐ In-house – analyst or portfolio manager

☑ Company-related analysis or ratings

Indicate who provides this information

☑ ESG research provider

☑ Sell-side

☐ In-house – specialised ESG analyst or team

☐ In-house – analyst or portfolio manager

☑ Sector-related analysis or ratings

Indicate who provides this information

☑ ESG research provider

☑ Sell-side

☐ In-house – specialised ESG analyst or team

☐ In-house – analyst or portfolio manager

☐ Country-related analysis or ratings

☑ Screened stock list

Indicate who provides this information

☑ ESG research provider

☐ Sell-side

☑ In-house – specialised ESG analyst or team

☐ In-house – analyst or portfolio manager

☑ Issue-specific analysis or ratings

Indicate who provides this information

☑ ESG research provider

☑ Sell-side

☐ In-house – specialised ESG analyst or team

☐ In-house – analyst or portfolio manager

☐ Other, specify

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LEI 04.2	Provide a brief description of the ESG information used, highlighting any differences of sources of information across your ESG incorporation strategies.

Our ESG research is obtained from a range of resources. We do not do maintenance research, we focus on factors that are material to the investment case. We expect all providers of our external analysis to consider ESG issues when they are material to the investment case.

We source dedicated external research on ESG factors, including:

MSCI ESG Research - MSCI covers most of the MSCI ACWI constituents and produces industry research focusing on key ESG risks and opportunities by industry with a focus on financial implications, and company reports based on how individual companies are performing based on these risks and opportunities and ranking them relative to peers. They also produce an assessment of corporate performance against internationally accepted normative standards of behaviour, with the UN Global Compact supporting effective benchmarking.

Goldman Sachs Sustain - this covers 1400 stocks globally providing both data and broader research on ESG factors. The measures of ESG performance is based on about 70 publicly disclosed data points with about 20-25 applied to each industry. This enables an assessment to be made on peer rankings within an industry.

CLSA Asia ex Japan research provides ESG themed research as part of its general research offering - this includes reports on corporate governance and environmental issues, for example water usage or alternative energy, which help frame the risks and opportunities.

ISS - ISS produce research reports which focus on voting recommendations for shareholders meetings. These provide useful insight into the corporate governance for the companies covered.

Eurasia - this is a leading global political risk group who provide research on, for example, leadership change, regulatory change, taxation reform, resource nationalisation, environmental legislation etc.

Codrington Corporate Governance in Japan - this is a service which we will use on an ad-hoc basis to look at particular governance issues where they arise

These external providers are paid through a mixture of 'soft' (broker commission) and 'hard' (annual subscription). The data provided by the external parties is based on publicly available data and cleaned by the groups providing the data.

Within Asia, corporate governance is deeply embedded within our process and a key driver of added value in our portfolios. As well as the research providers highlighted above we also work with a third party who do commissioned forensic accounting work on our behalf in Asia. This is invaluable in scrutinising published data.

Our extensive engagement with companies also allows us to obtain relevant material data - this is integrated into our own research.

As fundamental active investment managers, we consider a variety of ESG factors to better understand their impact on companies we research. All analysts producing stock research are required to consider the material and relevant Governance, Social and Environmental factors that could impact the ability of the company to generate sustainable returns. These factors are essentially those factors that can have a material impact on a company's cash flows, balance sheet, reputation and ultimately, corporate value. The data and research from our external providers are used in assessing what factors are relevant and material to a particular company.

We have recently established a new research portal at Martin Currie. All our research, which

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includes specific commentary on ESG factors that may affect a company, will be published on this portal ensuring that it is readily available to the wider organisation.

For some clients we operate on the basis of specific sector exclusions (directed by the client) which vary by client and can change over time depending on the requirements of the clients. The most common exclusions are no involvement in tobacco products, alcohol, armaments, nuclear and contraception. The wording of client mandates varies but generally the exclusion will be based upon either the core activity of the company or a specific percentage of sales. For these restrictions we operate a negative screening process to eliminate companies from the investable universe.

We also have clients who screen the equity universe themselves based on their own criteria and then provide us either with a list of stocks that have passed or have failed their criteria. If a company we are researching as a potential opportunity has not been included we will request this specific company to be screened.

LEI 04.3	Indicate if you incentivise brokers to provide ESG research.

◉ Yes

LEI 04.4	Describe how you incentivise brokers.

There are a number of brokers who already provide good quality ESG research but we expect any research provided by the sell side to take account of material ESG factors that might influence the investment case for a particular company. We regularly review the quality and value of the research we receive from brokers, consider how they incorporate these material ESG factors and provide feed-back on a regular basis.

○ No

LEI 05	Voluntary	Additional Assessed	PRI 1

LEI 05.1	Indicate if 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.

☑ 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.

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LEI 05.2	Additional information. [Optional]

We believe monitoring and engagement are an essential part of being a shareholder in a company. It allows us to improve our understanding of investee companies and their governance structures, so that our investment and voting decisions may be better informed. The materiality and immediacy of a given issue will generally determine the level of our engagement.

ESG is not an 'optional added extra' for specific clients but is fundamental to our understanding of the companies in which we invest. Responsible investment forms a key part of our investment process. As fundamental active investment managers, we consider a variety of ESG factors to better understand their impact on companies we research. All analysts producing stock research are required to consider the material and relevant ESG factors that could impact the ability of the company to generate sustainable returns. These factors are essentially those factors that can have a material impact on a company's cash flows, balance sheet, reputation and ultimately, corporate value. Information relating to these factors are considered routinely as part of investment decision making.

We have recently established a new research portal at Martin Currie. All our research, which includes specific commentary on ESG factors that may affect a company, and any engagement regarding ESG factors that has taken place will be published on this portal ensuring that it is readily available to the wider investment team.

For clients who have delegated responsibility for voting on their holdings to Martin Currie the investment team is responsible for ensuring votes are instructed in line with intentions. We assess voting matters on a case-by-case basis, taking into account a company's circumstances but are guided by our over-arching principles on good corporate governance. Information relating to these factors are also considered routinely as part of investment decision making. All proxy voting research, which includes specific commentary on ESG factors that may affect a company, and any engagement regarding proxy voting matters is readily available to the wider investment team.

(C) Implementation: Integration of ESG issues

LEI 10	Voluntary	Descriptive	PRI 1

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LEI 10.1	Describe how you integrate ESG factors into investment decision making processes.

ESG is not an 'optional added extra' for specific clients but is fundamental to our understanding of the companies in which we invest. Responsible investment forms a key part of our investment process. As fundamental active investment managers, we consider a variety of ESG factors to better understand their impact on companies we research. All analysts producing stock research are required to consider the material and relevant Governance, Social and Environmental factors that could impact the ability of the company to generate sustainable returns. These factors are essentially those factors that can have a material impact on a company's cash flows, balance sheet, reputation and ultimately, corporate value.

LEI 11	Mandatory	Core Assessed	PRI 1

LEI 11.1	Indicate if E, S and G issues are reviewed while researching companies and/or sectors in active strategies.

ESG issues	Coverage/extent of review on these issues
Environmental	◉ We systematically review the potential significance of environmental issues and investigate them accordingly ○ We occasionally review the potential significance of environmental issues and investigate them accordingly ○ We do not review environmental issues
Social	◉ We systematically review the potential significance of social issues and investigate them accordingly ○ We occasionally review the potential significance of social issues and investigate them accordingly ○ We do not review social issues
Corporate Governance	◉ We systematically review the potential significance of corporate governance issues and investigate them accordingly ○ We occasionally review the potential significance of corporate governance issues and investigate them accordingly ○ We do not review corporate governance issues

LEI 11.2	Additional information. [Optional]

Because responsible investment forms a key part of our investment process we will systematically consider those ESG factors that we believe could have a material impact on the ability of a company to generate sustainable returns. These factors are essentially those factors that can have a material impact on a company's cash flows, balance sheet, reputation and ultimately, corporate value and may be environmental, social or governance issues.

LEI 12	Voluntary	Descriptive	PRI 1

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LEI 12.1	Indicate which processes your organisation uses to ensure that ESG integration is based on a 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

☑ Company information and/or ratings on ESG are updated regularly

☑ A periodic review of the quality of the research undertaken or provided is carried out

☐ Other, specify

☐ None of the above

LEI 12.2	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 was incorporated into investment decisions

☐ Other, specify

☐ None of the above

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LEI 12.3	Additional information.

Our ESG external research is obtained from a range of resources. These providers are regularly reviewed with a focus on the quality, coverage, timeliness and accuracy of the reports produced.

We source dedicated external research on ESG factors, including:

MSCI ESG Research - MSCI covers most of the MSCI ACWI constituents and produces industry research focusing on key ESG risks and opportunities by industry with a focus on financial implications, and company reports based on how individual companies are performing based on these risks and opportunities and ranking them relative to peers. They also produce an assessment of corporate performance against internationally accepted normative standards of behaviour, with the UN Global Compact supporting effective benchmarking.

Goldman Sachs Sustain - this covers 1400 stocks globally providing both data and broader research on ESG factors. The measures of ESG performance is based on about 70 publicly disclosed data points with about 20-25 applied to each industry. This enables an assessment to be made on peer rankings within an industry.

CLSA Asia ex Japan research - this provides ESG themed research as part of its general research offering - this includes reports on corporate governance and environmental issues, for example water usage or alternative energy, which help frame the risks and opportunities.

ISS - ISS produce research reports which focus on voting recommendations for shareholders meetings. These provide useful insight into the corporate governance for the companies covered.

We will share the output of these external providers as well as our own insights with companies to ensure that information used is accurate. We will engage with external research providers where we identify inconsistences or inaccuracies.

Our extensive engagement with companies also allows us to obtain relevant material data - this is integrated into our own research.

All analysts producing stock research are required to consider the material and relevant Governance, Social and Environmental factors that could impact the ability of the company to generate sustainable returns. These factors are recorded in standard dedicated section of our bespoke stock analysis template. This includes a specific section requiring an explanation on how these factors have been incorporated into the analysis.

For stocks held in portfolios these are updated at least annually.

All the investment team are able to access data and reports provided by our external research suppliers.

We have recently established a new research portal at Martin Currie. All our research, which includes specific commentary on ESG factors that may affect a company, will be published on this portal ensuring that it is readily available to the wider organisation.

LEI 13	Voluntary	Additional Assessed	PRI 1

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LEI 13.1	Indicate into which aspects of investment analysis you integrate ESG information.

☐ (Macro) economic analysis

☑ Industry analysis

- ◉ Systematically
- ○ Occasionally

☑ Analysis of company strategy and quality of management

- ◉ Systematically
- ○ Occasionally

☐ Idea generation

☐ Portfolio construction

☑ Fair value/fundamental analysis

- ◉ Systematically
- ○ Occasionally

LEI 13.2	Indicate which methods are part of your process to integrate ESG information into fair value/fundamental analysis.

☑ Adjustments to income forecasts (sales, earnings, cash flows)

☑ Adjustments to valuation tools (discount rates, return forecasts, growth rates)

☑ Other adjustments to fair value projections, specify

We will also look at scenario analysis to asses the potential impact of other risks

☐ Other, specify

LEI 13.3	Additional information.

All analysts producing stock research are required to consider the material and relevant Governance, Social and Environmental factors that could impact the ability of the company to generate sustainable returns.

These factors may be incorporated in our analysis and modeling in a number of ways, for example:

- Changes to the cost of capital
- Changes to the revenue assumptions
- Changes to the cost base
- Changes to the tax rate

Outputs and outcomes

LEI 15	Voluntary	Descriptive	PRI 1

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LEI 15.1	Indicate how your ESG incorporation strategies have influenced the composition of your portfolio(s) or investment universe.

☑ Integration of ESG issues

	Select which of these effects followed your ESG integration:

☐ Reduce or prioritise the investment universe

☐ Overweight/underweight at sector level

☐ Overweight/underweight at stock level

☑ Buy/sell decisions

☐ Other, specify

LEI 15.2	Additional information.

All analysts producing stock research are required to consider the material and relevant Governance, Social and Environmental factors that could impact the ability of the company to generate sustainable returns.

These factors may be incorporated in our analysis and modeling in a number of ways, for example:

- Changes to the cost of capital
- Changes to the revenue assumptions
- Changes to the cost base
- Changes to the tax rate

The consideration of these factors can therefore have a material influence on our assessment of the investment case for a particular company. We constantly monitor those companies that our clients have exposure to and a change in factors that impact these companies can therefore potentially trigger a review and change of view of the investment case.

LEI 16	Voluntary	Descriptive	PRI 1

LEI 16.1	Indicate if you believe that incorporating ESG factors has: (a) Impacted funds' financial performance; (b) Reduced funds' risk or volatility; (c) Improved funds' ESG performance.

	a) Impacted funds' financial performance

		Integration of ESG issues	
		○ Yes ○ No	

	b) Reduced funds' risk or volatility

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		Integration of ESG issues	
		◉ Yes ○ No	

c) Improved funds' ESG performance

		Integration of ESG issues	
		◉ Yes ○ No	

LEI 16.2 Describe how you are able to determine these outcomes and your actual performance.

ESG research is fully integrated into our process. All analysts producing stock research are required to consider the material and relevant ESG factors that could impact the ability of the company to generate sustainable returns.

Our portfolios are always built from the bottom up based on where we identify the best risk / return opportunities. Our focus on sustainability in an environment where credit is more expensive and less available, for example, has resulted in our portfolios, built up from individual ideas, generally displaying stronger credit metrics than the market as a whole.

Our consideration of ESG factors enhances our understanding and levels of conviction in the ideas we are researching but also may highlight where we do not believe the risks presented are fully reflected in a company's share price. Our extensive work on corporate governance in Asia, for example, suggested there were risks associated with a number of the Variable Interest Entity (VIE) structures used by some Chinese companies to list in the US.

On a company by company basis we have also incorporated the ESG factors that we have identified into our modeling of the company. These factors can be incorporated in our analysis and modeling in a number of ways, for example:

- Changes to the cost of capital
- Changes to the revenue assumptions
- Changes to the cost base
- Changes to the tax rate

This may therefore impact how we view a new idea, or where new information comes to light on existing holding, may cause us to re-appraise the holding.

Communication

LEI 18	Mandatory	Core Assessed	PRI 2,6

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LEI 18.1 Indicate if your organisation proactively discloses information on your approach to ESG incorporation in listed equity.

◉ We disclose it publicly

Provide URL

http://www.martincurrie.com/home/about_us/governance_and_sustainability/

LEI 18.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

○ Yes

◉ No

LEI 18.3 Indicate the information your organisation proactively discloses to clients/ beneficiaries and/or the public regarding your approach to ESG incorporation.

Reporting to public	Reporting to clients/beneficiaries
◉ Broad approach to ESG incorporation	○ Broad approach to ESG incorporation
○ Detailed explanation of ESG incorporation strategy used	◉ Detailed explanation of ESG incorporation strategy used

LEI 18.4 Indicate how frequently you typically report this information.

Reporting to public	Reporting to clients/beneficiaries
○ Quarterly or more frequently	○ Quarterly or more frequently
○ Between quarterly and annually	◉ Between quarterly and annually
◉ Less frequently than annually	○ Less frequently than annually
○ Other, specify	○ Other, specify

○ We disclose it to clients and/or beneficiaries only

○ We do not proactively disclose it to the public and/or clients/beneficiaries

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Martin Currie Investment Management

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

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PRI Principles for Responsible Investment

Engagement

Overview

LEA 01	Voluntary	Descriptive	PRI 2

LEA 01.1	Provide a brief overview of your organisation's approach to engagement.

We believe monitoring and engagement are an essential part of being a shareholder in a company. It allows us to improve our understanding of investee companies and their governance structures, so that our voting decisions may be better informed. The materiality and immediacy of a given issue will generally determine the level of our engagement.

To identify areas in which there are governance concerns we use a range of resources - our own fundamental research, ESG specific research, research by investment banks and external governance specialists.

The main objectives of our engagement activities are:

- to enhance our conviction in investee companies
- to understand management incentives
- to identify and share best practice
- ultimately to improve corporate practice

LEA 02	Mandatory	Gateway	PRI 1,2,3

LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.

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Type of engagement	Reason for interaction
Individual/Internal staff engagements	☑ To support investment decision-making (e.g. company research) ☑ To influence corporate practice (or identify the need to influence) on ESG issues ☑ To encourage improved ESG disclosure ☐ Other, specify ☐ We do not engage via internal staff
Collaborative engagements	☐ To support investment decision-making (e.g. company research) ☑ To influence corporate practice (or identify the need to influence) on ESG issues ☑ To encourage improved ESG disclosure ☐ Other, specify ☐ We do not engage via collaborative engagements
Service provider engagements	☑ To support investment decision-making (e.g. company research) ☐ To influence corporate practice (or identify the need to influence) on ESG issues ☑ To encourage improved ESG disclosure ☐ Other, specify ☐ We do not engage via service providers

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LEA 02.2	Additional information. [Optional]

We believe monitoring and engagement are an essential part of being a shareholder in a company. It allows us to improve our understanding of investee companies and their governance structures, so that our investment and voting decisions may be better informed. The materiality and immediacy of a given issue will generally determine the level of our engagement.

- We hold regular meetings with the management of the companies in which we invest to discuss strategy, sustainability and performance, and to review management processes against the principles and best practice outlined above.
- At a minimum we would expect companies to comply with the accepted corporate governance standard in their domestic market or to explain why doing so is not in the interest of shareholders.
- We believe that well-managed companies will report on material social and environmental risks and opportunities and explain how these are managed. As these are often not voting issues, we may engage directly with the company management or board where we believe there is the potential for a material impact on shareholder returns.
- We adopt a case-by-case approach to engaging on material governance, environmental or social issues. We will engage with management in an appropriate manner and make a record of this engagement - this may be by conference call, letter or by seeking access to the board chair or directors.
- We also aim to participate in collaborative engagement where appropriate.
- Where we believe that shareholder value is threatened or is not being realised, we may request that the board takes appropriate action. In most cases a robust private dialogue with executive management, non-executive directors and company advisors is our preferred way to protect our clients' interests. We will also engage with the chairman of the board or the Senior Independent Director where appropriate.

ISS, one of our service providers will also engage on our behalf. ISS' proxy research team often interacts with company representatives, institutional shareholders, shareholder proponents and other parties in order to gain deeper insight into key issues. The issues discussed can range from general policy perspectives to specific voting items. ISS analysts engage with corporate issuers, dissident shareholders, and sponsors of shareholder proposals. The purpose of such engagement is for ISS to obtain, or communicate, clarification about governance and voting issues, in order to ensure that their research and policy-driven recommendations are based on the most comprehensive and accurate information available.

Process

Process for engagements run internally

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 engagement activities carried out by internal staff.

◉ Yes

LEA 03.2	Describe how you identify and prioritise engagements.

Our focus is always on relevance and materiality when looking at ESG factors. Our frame of reference for identifying issues are our Corporate Governance Policy for Investee Companies which outlines our approach to corporate governance and what we see as best practice and our Responsible Investment Policy. Where companies deviate from these policies or do not conform to what see as best practice we will look to engage with the board or the management of the company. The materiality and immediacy of a given issue will generally determine the level of our engagement and the priority we will attach to it. An issue where the impact on the potential value of an investment is large or where the timescale is short will be given high priority. In general the analyst responsible for the stock will set the priorities for engagement however our external service providers, for example ISS, will also highlight particular issues that they believe should be focused on. They will again identify issues based on their policy framework and will prioritise based on materiality and immediacy.

We will engage with management in an appropriate manner and make a record of this engagement - this may be by conference call, letter or by seeking access to the board chair or directors or through our service providers such as ISS.

○ No

LEA 04	Mandatory	Core Assessed	PRI 2

LEA 04.1	Indicate if you define specific objectives for your engagement activities.

◉ Yes

- ○ Yes, for all engagement activities
- ◉ Yes, for the majority of engagement activities
- ○ Yes, for a minority of engagement activities

○ No

LEA 04.2	Indicate if you monitor the actions that companies take following your engagements.

◉ Yes

- ○ Yes, in all cases
- ◉ Yes, in the majority of cases
- ○ Yes, in the minority of cases

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LEA 04.3	Describe how you monitor and evaluate the progress of your engagement activities.

Our process on tracking engagement is overseen by David Sheasby our head of investment governance and sustainability.

If we perceive there to be material risk to an investment case and we receive an unsatisfactory response, we will usually sell the shares to protect our clients' assets.

The investment team meets on a daily basis with a focus on read-across from one company to another - this ensures that lesson learned from any engagement on a particular issue are disseminated quickly and effectively to the broader team. Our internal research portal also provides access to all company research and company contact by one analyst for the broader team.

○ No

Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2

LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.

◉ Yes

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LEA 05.2	Describe how you identify and prioritise collaborative engagements.

We believe monitoring and engagement are an essential part of being a shareholder in a company. It allows us to improve our understanding of investee companies and their governance structures, so that our investment and voting decisions may be better informed. The materiality and immediacy of a given issue will generally determine the level of our engagement.

The majority of engagement is private.

We also aim to participate in collaborative engagement where appropriate.

We monitor collaborative engagement programs - for example those run by the UNPRI or the ABI and will look prioritise those where we believe an issue is relevant and material. An issue where the impact on the potential value of an investment is large or where the timescale is short will be given high priority. In general the analyst responsible for the stock will set the priorities for engagement.

○ No

LEA 05.3	Additional information.[Optional]

Martin Currie is on the steering Committee for the UNPRI collaborative engagement on Fracking disclosure. The objective of this collaborative engagement is to improve disclosure and adoption of best practice in those companies involved in the fracking industry- notably community support, water quality and use, air emissions and the govern acne of procedures as the key areas of concern.

We believe there is an investment opportunity from being a responsible company and adopting the best available technology and procedures. We believe the benefits may include a better reputation, sustainable earnings, greater productivity and efficicency and lower costs. We found an overall lack of disclosure in the industry around the related risks from fracking.

The engagement will aim to improve companies' disclosure and encourage the adoption of best practices in several areas:

- Governance - Board oversight/policies/procedures/R&D
- Water management - Use and contamination
- Air emissions
- Community - Impact and consent

LEA 06	Mandatory	Core Assessed	PRI 2

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LEA 06.1 Indicate if the collaborative engagements in which you are involved have defined objectives.

- (●) Yes
  - (●) Yes, for all collaborative engagement activities
  - ( ) Yes, for the majority of collaborative engagement activities
  - ( ) Yes, for a minority of collaborative engagement activities
- ( ) No

LEA 06.2 Indicate if you monitor the actions companies take following your collaborative engagements.

- (●) Yes
  - (●) Yes, in all cases
  - ( ) Yes, in the majority of cases
  - ( ) Yes, in the minority of cases

LEA 06.3 Describe how you monitor and evaluate the progress of your collaborative engagement activities.

Martin Currie is on the steering Committee for the UNPRI collaborative engagement on Fracking disclosure. The objective of this collaborative engagement is to improve disclosure and adoption of best practice in those companies involved in the fracking industry- notably community support, water quality and use, air emissions and the govern acne of procedures as the key areas of concern.

We believe there is an investment opportunity from being a responsible company and adopting the best available technology and procedures. We believe the benefits may include a better reputation, sustainable earnings, greater productivity and efficiency and lower costs. We found an overall lack of disclosure in the industry around the related risks from fracking.

The engagement will aim to improve companies' disclosure and encourage the adoption of best practices in several areas:

- Governance - Board oversight/policies/procedures/research and development
- Water management - Use and contamination
- Air emissions
- Community - Impact and consent

The companies identified for engagement in this program are assessed and then will be monitored with reference to a selection of best practices and related indicators.

- ( ) No

Process for engagements conducted with/on your behalf by service providers

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LEA 07	Mandatory	Core Assessed	PRI 2,4

LEA 07.1 Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

◉ Yes

LEA 07.2 Indicate what role you play in engagements that your service provider conducts on your behalf.

☑ Specify the issues for the engagement

☐ Specify the objectives for the engagement

☐ Select the companies to be engaged with

☐ Participate directly in the engagements with your service provider

☑ Actively monitor and review the activities of the service provider

☐ Other, specify

○ No

LEA 07.3 Additional information. [Optional]

Our principle outsourced engagement service is through ISS. The ISS Policy is updated at least annually, taking into account emerging issues and trends, the evolution of market standards, and regulatory changes. The policy considers market-specific recommended best practices, transparency, and disclosure when addressing issues such as board structure, director accountability, corporate governance standards, executive compensation, shareholder rights, corporate transactions, and social/environmental issues. ISS takes account of feedback and input from its clients. We provide input to this process to help ISS set priorities for future engagement.

ISS, one of external service providers, will engage with companies, typically on governance issues, and provides written research reports on the result of this engagement. The engagement by ISS will clearly indicate the rationale and objective of the engagement and the next steps in the engagement. We will also follow up directly with a company where we do not believe the engagement has had the desired impact. If this is then followed by a vote against management we will then assess the degree to which changes are made by the company to address the issues identified.

LEA 08	Mandatory	Core Assessed	PRI 2,6

LEA 08.1 Indicate whether you monitor and/or discuss the following information provided to you by your service provider

Please select all that apply

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☑ The subject (or ESG issue(s)) of engagement

☑ The objectives of the engagement

☑ The rationale for engagement

☑ The frequency/intensity of interactions with companies

☐ Progress towards achieving engagement goals

☑ Outcomes that have been achieved from the engagement

☑ Next steps for engagement activity

☐ Other, specify

☐ None of the above

LEA 08.2	Additional information. [Optional]

ISS, one of external service providers, will engage with companies, typically on governance issues, and provides written research reports on the result of this engagement. The engagement by ISS will clearly indicate the rationale and objective of the engagement and the next steps in the engagement. We will also follow up directly with a company where we do not believe the engagement has had the desired impact. If this is then followed by a vote against management we will then assess the degree to which changes are made by the company to address the issues identified.

ISS takes account of feedback and input from its clients. We provide input to this process to help ISS set priorities for future engagement.

General processes for all three groups of engagers

LEA 09	Voluntary	Additional Assessed	PRI 1,2

LEA 09.1	Indicate if the insights gained from your engagements are shared with your internal or external investment managers as input for consideration in investment decisions.

Type of engagement	Insights shared
Individual/Internal staff engagements	◉ Yes, systematically ○ Yes, occasionally ○ No
Collaborative engagements	◉ Yes, systematically ○ Yes, occasionally ○ No
Service provider engagements	◉ Yes, systematically ○ Yes, occasionally ○ No

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LEA 09.2	Additional information.

Our focus is always on relevance and materiality when looking at ESG factors. Our ESG engagement forms part of our broader engagement with companies described in previous sections. Where we have identified a particular issue the objective of engagement is set by the analyst responsible for the stock. We record these engagements on our internal research. Responsibility for tracking these engagements lies with the analyst responsible for the company analysis. The review process is looked at on a case-by-case basis and will depend on the immediacy and materiality of the issue. There is a mandatory annual review of all research relating to companies held in portfolios which will include any engagements on material issues but typically they are reviewed more frequently.

ISS, one of external service providers, will also engage with companies, typically on governance issues, and provides written research reports on the result of this engagement. This research is stored centrally and can be accessed by the whole investment team. If this is then followed by a vote against management we will then assess the degree to which changes are made by the company to address these issues.

The investment team meets on a daily basis with a focus on read-across from one company to another - this ensures that lesson learned from any engagement on a particular issue are disseminated quickly and effectively to the broader team. Our internal research portal also provides access to all company research and company contact by one analyst for the broader team.

Our process on tracking engagement is overseen by David Sheasby our head of investment governance and sustainability

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2

LEA 10.1	Indicate if you track the number of companies you engage with.

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Type of engagement	Tracking engagements
Individual / Internal staff engagements	◉ Yes, we track the number of our engagements in full ○ Yes, we partially track the number of our engagements ○ No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers ○ No, we do not track and cannot estimate our engagements
Collaborative engagements	◉ Yes, we track the number of our engagements in full ○ Yes, we partially track the number of our engagements ○ No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers ○ No, we do not track and cannot estimate our engagements
Service provider engagements	○ Yes, we track the number of our engagements in full ◉ Yes, we partially track the number of our engagements ○ No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers ○ No, we do not track and cannot estimate our engagements

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LEA 10.2	Additional information. [Optional]

Our process on tracking engagement is overseen by David Sheasby our head of investment governance and sustainability.

Our focus is always on relevance and materiality when looking at ESG factors. Our ESG engagement forms part of our broader engagement with companies described in previous sections. Where we have identified a particular issue the objective of engagement is set by the analyst responsible for the stock. We record these engagements on our internal research. Responsibility for tracking these engagements lies with the analyst responsible for the company analysis. The review process is looked at on a case-by-case basis and will depend on the immediacy and materiality of the issue. There is a mandatory annual review of all research relating to companies held in portfolios which will include any engagements on material issues but typically they are reviewed more frequently.

Our internal research portal also provides access to all company research and company contact by one analyst for the broader team.

Where we are involved in collaborative engagement, for example with the UNPRI on the fracking disclosure, we will play an active role and will therefore monitor the engagement in full. In this particular case for example we are on the steering committee and are leading the engagement with a number of the companies identified in the program

ISS, one of external service providers, will also engage with companies, typically on governance issues, and provides written research reports on the result of this engagement. This research is stored centrally and can be accessed by the whole investment team. We only monitor the ISS engagements on companies that are relevant to or clients portfolios.

Communication

LEA 15	Mandatory	Core Assessed	PRI 2,6

LEA 15.1	Indicate whether your organisation proactively discloses information on its engagements.

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

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LEA 15.6	Additional information. [Optional]

We believe monitoring and engagement are an essential part of being a shareholder in a company and as such forms a key part of our investment process. It allows us to improve our understanding of investee companies and their governance structures, so that our investment and voting decisions may be better informed.

The majority of engagement is private.

We disclose our engagement activities to our clients as requested - this varies in both detail and extent depending on the requirements of the client. We will also disclose some of our engagement activities in our annual Stewardship return.

(Proxy) voting and shareholder resolutions

Overview

LEA 16	Voluntary	Descriptive	PRI 2

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LEA 16.1	Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).

There are five principal areas which Martin Currie addresses in operating its voting policy:

1. Board structure and election of directors
2. Directors remuneration
3. Audit and appointment of auditors
4. Reporting and financial disclosure
5. Technical issues - particularly shares without pre-emption rights

The framework for how we vote in any particular case is our Governance oversight on Investee Company and proxy voting policy.

Best Practice

We summarise below what we regard as best practice for the companies in which we invest. These determine how we engage and interact with investee companies and influence how we will cast our votes.

Leadership

- Every company should be headed by an effective board, which is collectively responsible for the long term success of the company.
- There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business. No one individual should have unfettered powers of decision.
- The chairman is responsible for leadership of the board and ensuring its effectiveness on all aspects of its role.
- As part of their role as members of a unitary board, non- executive directors should constructively challenge and help develop proposals on strategy.

Effectiveness

- The board and its committees should have the appropriate balance of skills, experience, independence and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively.
- There should be a formal, rigorous and transparent procedure for the appointment of new directors to the board.
- All directors should be able to allocate sufficient time to the company to discharge their responsibilities effectively.
- All directors should receive induction on joining the board and should regularly update and refresh their skills and knowledge.
- The board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.
- The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.
- All directors should be submitted for re- election at regular intervals, subject to continued satisfactory performance.

Accountability

- The board should present a balanced and understandable assessment of the company's position and prospects.
- The board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The board should maintain sound risk management and internal control systems.

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- The board should establish a formal and transparent process to review the company's corporate reporting, risk management and internal control principles.
- The board should maintain an appropriate relationship with the company's auditor.

Remuneration

- Levels of remuneration should be sufficient to attract, retain and motivate directors of the quality required to run the company successfully, but a company should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.
- There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding their own remuneration.

Relations with shareholders

- There should be a dialogue with shareholders based on the mutual understanding of objectives. The board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place.
- The board should use the AGM to communicate with investors and to encourage dialogue.

It is Martin Currie's policy to exercise voting rights in line with our global corporate governance guidelines and in the best interests of our clients.

We make use of external research in deciding how to cast our votes. In general, our voting is undertaken in accordance with the Institutional Shareholder Services ('ISS') Corporate Governance Policy, which itself is based on the NAPF guidelines.

Martin Currie's starting point is to vote in accordance with the recommendations of ISS, where these are supported by our internal research. We assess voting matters on a case-by-case basis, taking into account a company's circumstances but are guided by our over-arching principles on good corporate governance. We recognise that regulatory frameworks vary across markets and that corporate governance practices vary internationally and so will normally vote on specific issues in line with the proxy guidelines for the relevant market. Where we believe that the recommendation made by ISS is not in the best interests of our clients, we vote against the ISS recommendation.

Where a proposal is inconsistent with these principles and guidelines, ISS usually recommend that we vote against the proposals. In these circumstances, we may take any of the following actions:

- Accept the ISS recommendation and vote against the proposal;
- Engage directly with the company management to discuss the proposals;

Where we believe it to be in the best interests of clients, we may vote contrary to the ISS guidelines. In such circumstances, the rationale is subject to review by a second portfolio manager and records of this are retained.
Where we also believe the ISS recommendations are not taking account of the particular circumstances of a company or market we may engage with ISS to discuss the recommendation.

Process

LEA 17	Mandatory	Descriptive	PRI 2

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LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.

Approach

○ We use our own research or voting team and make our own voting decisions without the use of service providers.

◉ We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.

Based primarily on

◉ the service provider voting policy signed off by us

○ our own voting policy

○ our clients requests or policy

○ other, explain

○ We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.

○ We hire service provider(s) which make voting decisions on our behalf.

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LEA 17.2	Additional information.[Optional]

Our Proxy Voting Policy is designed to enhance shareholders' long-term economic interests. In general, our voting is undertaken in accordance with the Institutional Shareholder Services ('ISS') Corporate Governance Policy, which itself is based on the NAPF guidelines.

The ISS Policy is updated at least annually, taking into account emerging issues and trends, the evolution of market standards, and regulatory changes. The policy considers market-specific recommended best practices, transparency, and disclosure when addressing issues such as board structure, director accountability, corporate governance standards, executive compensation, shareholder rights, corporate transactions, and social/environmental issues. These guidelines are reviewed by Martin Currie at least annually to ensure they continue to be an appropriate.

ISS also provide voting recommendations for Martin Currie in accordance with their Policy. In making these recommendations, consideration is given to company-specific circumstances. ISS also consider historical operating and investment performance, company disclosure (and proponent/dissident disclosure, if applicable), the company's governance structure and historical practices, and its industry. As appropriate, ISS engages with public issuers, shareholders, activists, and other stakeholders to seek additional information and to gain insight and context in order to provide informed vote recommendations. This engagement process enhances dialogue and promotes a higher level of understanding between investors and the companies in which they invest.

Martin Currie's starting point is to vote in accordance with the recommendations of ISS, where these are supported by our internal research. We assess voting matters on a case-by-case basis, taking into account a company's circumstances but are guided by our over-arching principles on good corporate governance. We recognise that regulatory frameworks vary across markets and that corporate governance practices vary internationally and so will normally vote on specific issues in line with the proxy guidelines for the relevant market. Where we believe that the recommendation made by ISS is not in line with our global corporate governance guidelines or not in the best interests of our clients, we will vote against the ISS recommendation.

LEA 19	Voluntary	Descriptive	PRI 2

LEA 19.1	To ensure that your (proxy) votes are cast and reach their intended destination on time, indicate if you did the following.

☑ Obtain confirmation that votes have been lodged:

- ○ for a majority of votes
- ◉ for a minority of votes

☐ Participate in projects to improve the voting trail and/or to obtain vote confirmation

☐ None of the above

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LEA 19.2	Provide additional information on your organisation's vote confirmation efforts.

When we receive notification of an impending vote the investment team how are responsible making the voting decision are made aware of the cut-off date for instructing any vote to be cast.

We run a weekly sample check on votes cast to confirm that votes have been cast and that they have been cast in line with the voting instruction.

LEA 20	Voluntary	Additional Assessed	PRI 2

LEA 20.1	Indicate if your organisation has a securities lending programme.

- ○ Yes
- ◉ No

LEA 20.3	Additional information. [Optional]

We do not a have a securities lending program - however a number of our clients may themselves choose to engage in stock lending.

LEA 21	Mandatory	Core Assessed	PRI 2

LEA 21.1	Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.

- ◉ Yes, in most cases
- ○ Sometimes, in the following cases:
- ○ No
- ○ Not applicable as we and/or our service providers do not abstain or vote against management recommendations

LEA 21.2	Additional information. [Optional]

Our view is that informing management of the the rationale when we decide to abstain or vote against management recommendations is best practice and forms part of our standard procedure. Where possible we will try to engage with management ahead of a vote, explaining the rationale for our decision and giving them the opportunity to respond.

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Outputs and outcomes

LEA 22	Mandatory	Core Assessed	PRI 2

LEA 22.1 For listed equities where you and/or your service provider has 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%)

%

94

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

Communication

LEA 26	Mandatory	Core Assessed	PRI 2,6

LEA 26.1 Indicate if your organisation proactively discloses information on your voting activities.

◉ We disclose it publicly

provide URL

http://www.martincurrie.com/home/about_us/our_policies/

LEA 26.2 Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

○ Yes

◉ No

LEA 26.3 Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

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Reporting to the public	Reporting to clients/beneficiaries
Indicate how much of your voting record you disclose	**Indicate how much of your voting record you disclose**
○ All voting decisions	○ All voting decisions
○ Some voting decisions	◉ Some voting decisions
○ Only abstentions and opposing vote decisions	○ Only abstentions and opposing vote decisions
◉ Summary of votes only	○ Summary of votes only
Indicate what level of explanation you provide	**Indicate what level of explanation you provide**
○ Explain all voting decisions	○ Explain all voting decisions
○ Explain some voting decisions	◉ Explain some voting decisions
○ Only explain abstentions and votes against management	○ Only explain abstentions and votes against management
◉ No explanations provided	○ No explanations provided

LEA 26.4 Indicate how frequently you typically report voting information.

Reporting to the public	Reporting to clients/beneficiaries
○ Continuously (primarily before meetings)	○ Continuously (primarily before meetings)
○ Continuously (soon after votes are cast)	○ Continuously (soon after votes are cast)
◉ Quarterly or more frequently	◉ Quarterly or more frequently
○ Between quarterly and annually	○ Between quarterly and annually
○ Less frequently than annually	○ Less frequently than annually
○ Other, specify	○ Other, specify

○ We disclose it to clients/beneficiaries only

○ We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

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