

Cachalia Capital Climate Change Investment Policy

1. Introduction

Climate change has become a huge issue in today's world and affects our everyday lives. It is vital that asset managers understand the importance and relevance of climate change in the context of the investment process and how asset owners can incorporate this into responsible investment policies, investment process and stewardship practices.

At Cachalia Capital, we understand how climate change will have significant physical and economic impacts on human and business activity. It affects all asset types and sectors. As a result, has an impact in the portfolio return, asset valuations and asset allocation processes of asset with diversified, global portfolios. We understand that adhering to a Climate Change Investment Policy can protect the portfolios that we manage by protecting clients from climate-related risks and identifying new opportunities.

2. Philosophy

We subscribe to the principles set out in organisations such as the Principles of Responsible Investing (PRI), Code for Responsible Investing in South Africa (CRISA), Sustainable Development Goals (SDGs) and so on. We are not yet signatories of these organisations but do have aspirations to be signatories in the near future.

¹ UNPRI: <https://www.unpri.org/download?ac=5205>

¹ Cachalia Capital Proxy Voting Policy is available on request

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3. Climate Change Policy Implementation

Cachalia Capital adheres to the following principals to ensure that it takes climate changes into consideration when making investment decision:

1. Incorporate climate change issues into investment analysis and decision-making processes
2. We will be active owners and incorporate climate change issues into our ownership policies and practices.
3. Disclosure on climate change issues by the entities in which we invest.
4. We will promote acceptance and implementation of the principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the principles.
6. We will each report on our activities and progress towards implementing the principles

4. Accountability

Each analyst is responsible for incorporating Climate change matters into their research analysis when conducting valuation research on a company. Any material Climate change issues that arise are discussed in our research meeting and appropriate action(s) taken by the portfolio manager with analyst input.

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Due to the size of our board, three directors, we do not have a dedicated Climate Change committee. Instead, the portfolio manager (and managing director) reports directly to the board on Climate Change matters.

5. Reporting

We are committed to transparently report on all our investment activities as well as how we implement responsible investing. We report back regularly to our clients and these report backs include a portion of our approach to responsible investing. Furthermore, we also engage consultants and participate in industry surveys concerning responsible investing.

⁶ SDG: <https://sustainabledevelopment.un.org/topics/sustainabledevelopmentgoals>