

Stewardship Policy

Document Control

a. Version Control / Revision History

This document has been through the following revisions:

Version	Date of Approval	Remarks / Key changes / Reason for Update
1	April 2021	Initial version

b. Authorisation

This document requires the following approvals:

Authorisation	Name
Initial Version	Board
Revisions	Managing Directors

Background

The purpose of this policy is to describe the approach taken by Longwave Capital Partners Pty Ltd (Longwave) in respect of stewardship. The policy should be read in conjunction with our ESG policy and proxy voting policy.

Longwave's Stewardship Objective

At Longwave, we believe that stewardship is an integral part of our fiduciary duty. We approach stewardship with the objective of maximising long-term returns for our investors and meet our responsibilities to shareholders, employees as well as to the community and the environment.

Longwave's Stewardship Approach

Governance of Stewardship

The responsibilities in the implementation and execution of Longwave's stewardship efforts fall with the investment team comprising of the portfolio managers and analysts. Longwave's portfolio managers and analysts are responsible for ESG integration into the investment process. As a result of our ESG analysis, it will have a direct impact on the valuation derived for each stock, further details are outlined in our ESG policy.

On certain ESG related issues, Longwave may decide to exclude related companies from the investable universe. ESG exclusions whether they are additions or removals must be reviewed and approved by the Board of Directors.

Proxy voting and engagement efforts are discussed on a weekly basis during the Investment Team's stock discussion meeting. During the meeting, the team will discuss and decide the course of action for contentious proxy voting items and any significant ESG issues surrounding a company. In addition, Longwave publishes a bi-annual proxy voting report which highlights stewardship efforts/results during the year.

Corporate Engagement

We believe engaging in an active dialogue with companies or entities that we invest in is an important activity as it gives us the opportunity to improve our understanding of their business and their approach to environmental, social and governance matters. Given the size of our portfolio, we engage companies on a case-by-case basis. Typically, engagement activities are driven by a need to further understand a business or to raise our concerns surrounding the conduct of the company. In instances where we find a lack of response from management or an issue where we have significant concerns, we would escalate the matter to the board of the company and reflect our concern via our proxy voting.

Conflicts of Interest

As Investment Managers, we owe a duty to act in the best interests of our clients. It is a duty to give preference to the interest of our client over our own personal interests. We maintain a conflict-of-interest policy which addresses the responsibility and process when conflicts of interest occur. Refer to our Conflicts of Interest policy for further detail.

Stewardship Tools

To assist us in executing our stewardship responsibilities, we use a number of third-party tools to achieve our goals.

In regards to proxy voting, we use Institutional Shareholder Services (ISS) – Proxy Exchange which provides in-depth research surrounding proposed proxy voting items. The research provided in ISS – Proxy Exchange acts as another data point for our assessment of the proposed proxy voting. Ultimately, the team member responsible for the voting will assess publicly available information such as annual reports and sustainability reports in conjunction with ISS research to determine how an item will be voted.

The Investment Team uses Calibre a third-party research management system, which stores all stock-level ESG assessments performed. Investment team members have access to all ESG information stored in Calibre.

ESG Prioritisation

We also prioritise our stewardship efforts on companies that have a lack of disclosure surrounding their ESG efforts as it directly impacts our ability to assess these companies. Longwave is a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD), and will seek disclosure that follows the principles laid out by the TCFD, in all areas of ESG. Disclosure should be:

- relevant
- specific and complete
- clear, balanced, and understandable
- consistent over time
- comparable among companies within a sector industry or portfolio
- reliable, verifiable, and objective
- provided on a timely basis

Longwave will engage with investee companies where there is lack of adherence to these principles.

Longwave will prioritise governance issues in relation to our stewardship efforts as we view governance of a company as a major factor impacting potential and actual company financial performance.

In addition, for companies that have significant revenues sources from tobacco, armament, or pornographic activities they will be added to our restricted securities list and Longwave funds will be prevented from making any investment.

Regarding other ESG issues, we determine our stewardship efforts on a case-by-case basis.