

Document title:	Thai JV - Investment Management 5 – Investment Governance Code for Private Fund Management (“Investment Governance Policy”)
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Reference to BJB Policy	JBG-2064-00 Policy on Investment Process and Portfolio Management
Reference to SCB Policy	-
Approved by:	SCB-Julius Baer’s Board of Directors
Author:	Ms. Nattara Lenavat
Scope:	SCB-Julius Baer Group

CHANGE RECORD

Version	Author	Purpose / Change Reference	Date
1.00	Ms. Nattara Lenavat - Senior Fund Manager	First published document	Board Approval 26 March 2021
1.00	Ms. Nattara Lenavat - Senior Fund Manager	Annual review -Changed reference to BJB policy as D-1088-00 was replaced by JBG-2064-00 V.6.1 Policy on Investment Process and Portfolio Management dated 12/11/2021. This is informed by BJBS IM, email dated 22 Feb 2022.	8.03.2022 Endorsed by IC 7.04.2022 Endorsed by EXCOM 28.04.2022 Board Approval

SUMMARY

The Securities and Exchange Commission (“SEC”) has realized the important role of institutional investors in promoting responsible investment in accordance with the international practice, therefore the SEC has issued the Investment Governance Code (“I Code”) for Institutional Investors. Besides return and risk factors, the environmental, social, and governance (“ESG”) factors should be included in the investment process. SCB Julius Baer Securities Company Limited (“The company”), the legal entity dealing with private fund portfolio management, has adopted the said I Code details as indicated in this Investment Governance Policy. In addition, for responsible investment supported and implemented by Investment Manager of the private fund, please refer to Investment Management 2 – Policy on Investment Process and Portfolio Management.

Key aspects of this policy

- The Company, the investment manager of the private funds, supports responsible investment and implements the incorporation of the ESG factors on a best effort basis and where applicable into the investment analysis and decision-making process.

Violation of this guideline may result in disciplinary action.

1. RATIONALE AND PURPOSE

The SEC has realized the important role of institutional investors, therefore, has joined the global trend by adopting the Investment Governance Code (“I Code”). The I Code contains investment governance principles and guidance reflecting current international standards and best practices for responsible and effective stewardship over investments by Institutional Investors. Implementation of the I Code by Institutional Investors will enhance confidence by domestic and global markets clients and trust that investment decisions and management are done in their best interest. Moreover, the I Code promotes and contributes to a good corporate governance ecosystem, stimulates responsible and sustainable practices by listed companies, and fosters growth and development of the Thai capital market and the wider economy.

The Company commits to manage the portfolio professionally and with the necessary diligence according to the investment policy of the private fund. Adoption of investment governance practices will promote sustainable growth, development, and durable benefits in the long term. Besides return and risk factors, the ESG (Environmental, Social, and Governance) factors should be incorporated into the investment process. Therefore, the Company has adopted the said I Code details as indicated in Investment Governance Policy and implemented the responsible investment incorporation of the ESG factors on a best effort basis and where applicable into the investment analysis and decision-making process.

2. SCOPE

Investment Governance Policy applies to the Company as dealing with private fund portfolio management. The outsourced discretionary portfolio management is subject to the local regulation requirements and standards including the internal investment policy and procedures of the service provider itself.

3. ORGANIZATION AND RESPONSIBILITIES

Board of Directors

- Approve this Policy
- Delegate authorities to Investment Committee or Executive Committee to review and approve the review of Investment Governance Policy.
- Approve the review of Investment Governance Policy when there is material change proposed by Investment Committee or Executive Committee.
- Monitor the compliance with the Company’s Investment Governance Policy

Investment Committee (“IC”) or Executive Committee (“EXCOM”)

- Monitor and evaluate suitability of investment in accordance with the Investment Governance Policy and report to the BOD.
- Approve or set up further guidelines related to Investment Governance Policy such as enhanced monitoring or collaboration with other investors.
- Review Investment Governance Policy, when there is material change, obtain approval from the BOD.
- Approve the review of Investment Governance Policy when there is no material change proposed by Investment Management.

Investment Management

- Perform security selection in compliance with Investment Governance Policy.
- Implement Investment Governance Policy to investment process for the benefit of the Fund and report to IC or EXCOM where applicable.
- Prepare and maintain reports and documents to support the monitoring from relevant units.
- Communicate and cultivate investment governance culture within team.
- Communicate, promote, and publicly disclose Investment Governance Policy internally and externally.

Compliance

- Advise on the implementation of Investment Governance Policy to comply with SEC regulation.
- Monitoring on the action taken by Investment Management under Investment Governance Policy and report to IC or EXCOM and BOD.

4. INVESTMENT GOVERNANCE CODE (“I CODE”)

The Company adopts Thai SEC’s principles of the Investment Governance Code as follows:

Principle 1: Adopt a Clear Written Investment Governance Policy

- BOD assigns IC or EXCOM to supervise the implementation of Investment Governance Policy. BOD may approve the review of Investment Governance Policy proposed by IC or EXCOM when there is material change.
- Maintain organization structure with systems and controls that enable the BOD and/or IC or EXCOM to ensure that investments are managed in the best interest of the clients.

- Employing knowledgeable and capable staff and implementing an employee compensation architecture, motivation scheme, and evaluation process that support the implementation of Investment Governance Policy.
- Communicate and cultivate investment governance culture within the company.

Principle 2: Properly Prevent and Manage Conflicts of Interest (COI) and Prioritise Advancing the Best Interest of Clients

The Company has properly prevention measures to manage Conflicts of Interest to ensure that investment are managed in the best interest of clients and put the interests of clients as priority over the interests of the Company and its shareholders and business group companies.

- The Company has internal Conflicts of Interest Policy in place to identify and manage all relevant COI appropriately in order to meet its legal and regulatory obligations and to protect its reputation towards the legitimate expectations of clients, shareholders, employees, governments, regulatory bodies and the general public.
- In addition, the Company has internal Policies and Procedures in relation to management and mitigation of conflicts of interest including but not limited to compliance manual, codes of conducts, Personal Account Transactions, Mandates and Secondary Occupations, Remuneration, Gifts Entertainment and Anti-corruption, Outsourcing, Whistleblowing Policy. This is the Company's commitment to treat its clients fairly and with integrity and to comply with all legal and regulatory requirements.

Principle 3: Make Informed Investment Decisions and Engage in Active Ongoing Monitoring of Investee Companies

- For the private funds managed by the Company, the security selection is consistent with the investment policy and complies with SEC regulation. The Company believes that investing in the companies, which implement ESG standard to their business strategies, will result in durable returns on investment.
- The Company will take the best effort on consider and monitor the performance of the Investee Companies in private fund portfolio regularly such as considering both quality of company's reports and the disclosure of information, visiting the management of the companies, and exercising shareholder voting rights where applicable and reasonable to ensure that the Investee Companies perform their duties in accordance with the Corporate Governance Code ("CG Code"), leading to sustainable growth of the Investee Companies and durable returns on investment.

- In addition, Investment decisions will take into consideration the commitment of Investee Companies to ESG principles which include Corporate Governance, Social Responsibility and Environment.

Principle 4 : Apply Enhanced Monitoring of and Engagement with the Investee Companies if Monitoring pursuant to Principle 3 is Considered Insufficient

In case the investment monitoring according to the principle 3 is deemed insufficient for any of the specific concerns on the company, such as independence of directors, unreasonable remuneration, significant change in company's performance, governance issue, or any other issues which may result in significant effect to the Investee Company's performance. The Company may consider acting as appropriate including but not limited to:

- to inform Investee Company's Board of Directors in written on the concerned issue, or
- to meet Chairman of the Board of Directors and/or Director and/or Independent Director of the Investee Company, or
- to vote in shareholder meeting, as per internal voting policy, to solve the issue, or
- to request for the agenda in shareholder meeting, including change of director or management of the Investee Company, or

The Company may sell the security if it is considered the benefit of the Fund.

- In case the investment position for the Investee Company is less than 5% of NAV of the Fund, the Company may consider reducing the monitoring methods and adjusting the implementation of the Investment Governance Policy as deemed appropriate with the resource and the interest of the Fund.
- Other proper methods permitted by the regulations.

However, the Company will not seek for non-public information relating to the Investee companies and their securities which may have a material effect on the price of the Investee Company's securities. In case the Company received such non-public price-sensitive information, the Company will follow the internal policy and procedures to deal with such information including requirements of applicable laws and will not disclose and prevent the use of such information in violation of applicable laws.

Principle 5: Have a Clear Policy on Exercising Voting Rights and Disclosure of Voting Results

The Company disclose the internal voting policy and report the exercising of voting rights to its clients. Voting decisions should be made after careful consideration of all relevant information and concern with the best interests of the Fund. (See also Investment Management 1 – Voting Policy)

Principle 6: Act Collectively with Other Investors and Stakeholders as Appropriate

The Company may collaborate with other investors in order to achieve the objective of Investment Governance Policy. Before engaging with others, the Company will consider the alignment of the interest of the group, compliance with law and regulations, and the conflicts of interests. The Company may contact any individual investor or collaborate with other investors via organization/juristic person such as Association of Investment Management Company (AIMC).

Principle 7: Regularly Disclose the Investment Governance Policy and Compliance with the Policy

The Company will disclose the Investment Government Policy information on the company's website.

5. IMPLEMENTATION DATE

Investment Governance Policy enters effect as of 28 April 2022.

Bangkok, 28 April 2022.

Lalitphat Toranavikrai

Joseph Yarrow Kaleolani Caceres

Chief Executive Office

Head of Investment Solutions