



STEWARDSHIP POLICY

786 INVESTMENTS LIMITED

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1. INTRODUCTION

1.1. Preface

At 786 Investments Limited, stakeholder interests are paramount. We are dedicated to delivering optimal returns for our customers through our funds. Committed to responsible practices, we've embraced the Stewardship guidelines from SECP.

In alignment with these guidelines, our Board of Directors has instated a comprehensive Stewardship Policy, overseeing our Management Company's activities. This policy covers voting, disclosure, monitoring, intervention, conflict resolution, and the integration of sustainability considerations into our investment processes. It also details scenarios in line with stewardship guidelines and the mechanisms for addressing them, assigning responsibility for implementation, review, and reporting.

1.2. Scope

The Investment Committee has the authority to set a lower threshold for necessary action under this stewardship policy.

In the event of any changes in applicable laws, rules, regulations, or Shariah guidelines that conflict with the requirements of this policy or impose more stringent criteria, the prevailing laws, rules, regulations, and Shariah guidelines will take precedence and must be adhered to.

1.3. Objective of the policy

The Stewardship policy is designed to align with SECP's stewardship guidelines, the amended NBFC Regulations, and to generate value for our valued investors by actively intervening in matters that mutually benefit the listed investee companies.

2. GUIDING PRINCIPLE(S) OF THE POLICY

The following Principles are established by the stewardship guidelines issued by SECP to guide stewardship activities

- Development of a comprehensive policy and guiding principles to uphold stewardship responsibilities.
- Formulation of a voting policy, encompassing proxy voting and transparent disclosure.
- Ongoing monitoring of listed portfolio companies with equity investments.
- Identification of circumstances necessitating intervention and methods for portfolio company assessment.
- Skillful management of conflicts of interest, with a focus on prioritizing investor interests.
- Integration of sustainability considerations into stewardship practices.
- Regular and transparent reporting of stewardship activities.

2.1. The Investment Committee (IC)

The Investment Committee (IC), comprising senior management, is responsible for investment decisions aligned with the fund's objectives, policy, and risk management. The IC, appointed by the Board of Directors, also oversees stewardship activities, ensuring policy compliance, making Environmental, Social and Governance (ESG)-aligned investment decisions, collaborating with investors, handling voting matters, monitoring performance, and approving stewardship activity reports.

3. POLICY STATEMENTS AND GUIDELINES

3.1- Conflict of Interest in Proxy Voting

- Investment Committee members must disclose any existing or potential conflicts of interest during proxy voting discussions.
- If a conflict of interest arises, the committee member in question should abstain from participating in proxy voting decisions.

3.2- Record Maintenance & Disclosure

- The Investment Committee (IC) will maintain a comprehensive record of proxy voting decisions, including:
 - The issuer's name for the voted securities.
 - Identification of major beneficial owner(s) of the securities.
 - The number of shares held by CIS on record.
 - The date when the proxy was cast.
 - The outcomes of the vote.
- 786 Investments Limited will post the Board-approved voting and proxy voting policy on its website.
- In the annual report for each fund under management, the Finance department will provide a summary of actual proxies voted during the year, as indicated in the table below:

Summary of Actual Voted by CIS

	Resolution	For	Against	Abstain*
No.				
(%)				

- In the annual report for each fund under management, the Finance department will highlight cases where 786 Investments Limited, on behalf of the fund, abstained from participating in shareholders' meetings.
- Additionally, the Finance department will ensure that the annual report for each fund under management contains a statement indicating the availability of the fund's proxy voting policy on the company's website. Furthermore, it will provide detailed information on the actual proxies voted by the company in respect of the fund, available at no cost upon request to all unit holders.

3.3- Managing conflict of interest

While carrying out portfolio investments, 786 Investments Limited and its management may be faced with a conflict of interest, particularly relating to the following:

3.4- Identification of Conflict of Interest

- 786 Investment Limited and the investee company are affiliated within the same corporate group.
- The investee company holds an associate status with 786 Investments Limited.
- The investee company is itself an institutional investor in funds managed by 786 Investments Limited.
- The investee company serves as a distributor for products and services provided by 786 Investments

Limited.

- The investee company is a significant vendor for 786 Investments Limited.
- Officials within the Investment department have personal interests linked to the investee company.
- 786 Investments Limited has nominated a representative as a director or key managerial person within the investee company.
- Any other factor not mentioned above that may lead to a conflict of interest.

3.5- Management of Conflicts of Interest Scenarios:

- Investment decisions for managed schemes align with the schemes' investment objectives.
- Investments in related parties from scheme assets are at arm's length and within regulatory limits.
- Investment team members disclose any conflicts of interest in investee companies.
- Proxy voting and sales functions are distinctly separated; sales team members are not part of proxy voting decisions.
- Investment team members with interests or associations with investee companies do not participate in proxy voting decisions.
- Voting on shareholder resolutions is recorded and disclosed as per the voting policy. The Investment Committee may be consulted for guidance and decisions regarding any other potential conflicts.

3.6- Incorporating Sustainability Considerations

786 Investments Limited commits to complying with SECP guidance on Stewardship guidelines regarding the integration of sustainability considerations in decision-making.

Key members will provide input on ESG/sustainability rankings or ratings for various instruments/entities/securities.

The CIO will ensure that sustainability considerations, including ESG factors, are integrated into decisions regarding funds under management, contingent on the availability of relevant ESG information.

786 Investments Limited Shariah Compliant Investing Methodology aligns with ESG Compliant/Sustainable Investing practices, incorporating sustainability considerations in investment decisions.

The designated team may evaluate various ESG factors, such as environmental and social impact, diversity targets, employee benefits, corporate culture, and more, in its evaluation process.

786 Investments Limited aims to monitor and evaluate investee companies regarding stricter sustainability considerations, including key ESG risks if disclosed.

In cases where ESG risks arise, 786 Investments Limited will bring the matter to the IC for appropriate action in the best interest of Unit Holders.

786 Investments Limited will identify and explain in its published Stewardship Report how sustainability considerations are integrated into investment analysis, periodic review, and decision-making, following SECP guidance.

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