



Responsible Investing at Copper Rock

Philosophy

Copper Rock is a global equities investment management boutique and this document outlines our approach to Responsible Investing. These principles underscore the importance in our role as stewards of our clients' assets to deliver superior risk adjusted performance. Copper Rock believes that the quality of management is critical to the assessment of a company and that an effective, suitable, well qualified and proven management team takes into consideration social, environmental and governance issues when forming business plans and long term strategies for growth.

We believe that employing a framework to assess a company's key environmental, social and governance risks and using that data as an additional input into our fundamental research can further define the true fair value of an investment opportunity. Financial measures of quality, often reflected through management and board quality, should support stock price performance and profitability over time and translate into enhanced shareholder returns.

Copper Rock has a Responsible Investing Committee that is committed to guiding and coordinating the firm's approach to responsible investment and awareness of environmental, social and governance factors in the global companies in which we invest. This committee comprises senior representatives from portfolio management and relationship management and reports to the Board of Copper Rock. The committee is responsible for institutionalizing the ESG framework applied in our fundamental research and providing and maintaining a methodology for communicating ESG issues internally and externally through company engagement, proxy voting and detailed client reporting.

Investment Policy Principles

- Copper Rock's investment policy is based on the belief that strong corporate governance and an awareness of social and environmental risks and opportunities are the bedrock for good corporate management. Copper Rock believes strongly that companies can enhance value and long-term profitability by incorporating an awareness of environmental, social and governance risks and rewards into their strategic business plans and these efforts can have a material impact on investment performance.
- Copper Rock believes that companies that have shown a long-term desire to invest in employee development, to deliver transparent communication to shareholders, and to enhance business operations and strategic alliances with suppliers and clients generally do not put long-term investments at risk in the face of short term financial targets.

- Copper Rock is attracted to companies which grow their businesses through management and operational ingenuity, technical superiority, and innovative product development. Companies which are driven to grow their businesses in this manner have shown over time that they are largely successful because growth of this nature requires the support of – and is in the broad benefit of – all corporate stakeholders: management and employees, shareholders, suppliers and clients.
- Copper Rock’s investment policy is to communicate directly with corporate management through one-on-one meetings. By directly engaging with company management, this provides the opportunity to thoroughly evaluate the firm’s environmental, social and governance policies and initiatives in order to qualify and quantify the potential impact on shareholder returns.
- Copper Rock employs a quantitative model that incorporates various measures of financial and management quality to identify companies that we believe will make better financial and operational decisions for the long-term success of the company and its shareholders. In addition, Copper Rock incorporates specific ESG analysis from 3rd party providers which provides further inputs to our fundamental analysis and research process.
- Copper Rock complements the output from the quantitative model and in-person management meetings with fundamental research analysis to validate, support and inform our positions on responsible investment.
- Copper Rock has a fiduciary obligation to vote in the best interest of shareholders and will engage with corporate management and will always support and vote proxies that seek to enhance long term shareholder value.
- Finally, Copper Rock is committed to educating our clients on the integration of ESG into our research process. We will strive to provide extensive, detailed reporting and inform our partners as to how these decisions impact the long term investment results. These reports are fully available upon client request.