Ashmore

Engagement Policy

Introduction

This document summarises the policy of Ashmore Group plc and its affiliated companies (Ashmore) and our approach to investee engagement and how it meets the requirements of the Shareholder Rights Directive (SRD II). The policy covers all client funds and accounts for which Ashmore serves as investment manager or adviser, and outlines how Ashmore monitors and engages with investee companies, as well as how the nature of these engagement activities are disclosed.

As a longstanding investor in Emerging Markets economies Ashmore recognises the importance of ongoing investee[1] engagement in its investment strategy. In markets where, historically, corporate disclosure has been less transparent than in developed markets, effective stewardship to promote high standards of corporate governance has been proven to add value and to the success of companies. Through effective stewardship, Ashmore aims to deliver long-term performance for clients.

UK Stewardship Code

Since its publication, Ashmore has supported the principles of the 2012 UK Stewardship Code, the standards of best practice that it represented and, where possible, looks for similar standards across its investable universe. For more information on the 2012 Stewardship Code, please refer to the statement on the Ashmore website http://www.ashmoregroup.com/us-ipi/investor-relations/corporate-governance. As at the date of this policy, Ashmore is reviewing the content of the 2020 UK Stewardship Code, which was published on 24 October 2019.

Integrating investee engagement

As an active manager, Ashmore believes that stewardship helps to safeguard and enhance the risk-adjusted returns of clients' investments. Furthermore, good corporate governance supports the alignment of the interests of company management with those of its investors. Where possible Ashmore seeks to maintain constructive dialogue with company management. Stewardship activities are undertaken by the investment teams as part of the ongoing engagement with companies.

Initially, as part of the investment decision making process, Ashmore's investment analysts will review company documents and third-party research and undertake meetings with management. These reviews are documented and discussed at the relevant Investment Committee. The outcome of these discussions will have a direct impact on investment decisions and portfolio construction, and will inform the nature of ongoing dialogue and engagement with a company. This initial process sets out the foundations of Ashmore's approach to stewardship and the basis of its relationship post-investment.

This approach creates a positive feedback loop whereby investors reward positive engagement and outcomes with a lower cost of capital and vice versa. Over time, such incentives should lead

[1] The term "investee" encompasses shareholder and debtholder investment.

to behaviour changes. As more asset managers implement similar investment processes, the changes in behaviour should accelerate across Emerging Markets issuers.

Monitoring investee companies on relevant matters

Ashmore has established guidelines on when and how it will manage its activities in order to protect and enhance the shareholder value of investee companies.

Ashmore's investment teams will correspond directly with companies on specific material topics. These include both financial and non-financial performance and risks. As part of the ongoing monitoring of companies, discussions with companies will focus on governance, strategy, capital structure and allocation, as listed below.

Financial	Corporate Governance
Corporate Strategy Capital allocation Management structure Balance Sheet efficiency Cash generation Sustainability of returns Competitive advantages/risks Regulatory risks	Transparency and disclosure Governance structure Minority interests fair representation Public listing and reporting Management accessibility Long-term incentive scheme KPIs Strategies to mitigate the impact of ESG risks

While historically corporate governance has been the focus of non-financial performance and risk dialogue, increasingly environmental and social factors and their improvement are the focus of investee engagement, see examples below.

Environment	Social
Global impact and GHG emissions Local impact and water and waste management Incidents of environmental pollution Energy management Use of green energy Policies and innovations to limit negative impact	Employee diversity and inclusion Customer welfare Human rights and community relations Labour practices and health and safety Supply chain management Materiality of philanthropy spend Product quality and safety

Ashmore's monitoring typically includes:

- meetings with company management and directors
- on site company visits
- monitoring company announcements
- reviewing company interim and annual results
- attending capital market meetings
- attending meetings with external research providers to validate investment recommendations
- reviewing external research

Ashmore expects companies to comply with local regulations and corporate governance codes.. Company boards should seek to satisfy the reasonable expectations of customers, investors and employees, as well as acting in a way that demonstrates their responsibility to wider society, to ensure long term prosperity for all.

Conducting dialogue with investee companies

Ashmore's dialogue with investee companies is ongoing through the life of the investment and can cover any issue that may affect a company's ability to deliver long term performance and to create shareholder value.

Dialogue with companies is undertaken by investment teams, through but not limited to the following methods:

- Email exchanges with company management
- Meetings with senior management
- Company site visits
- Participation in roadshows

The method used to conduct the dialogue with a company will depend on the nature and materiality of the issue being raised, as well as the size of Ashmore's investment in the company.

The investment teams seek to engage positively with companies to address any issues through discussions and agreement. Where an issue cannot be resolved, the issue will be taken to the relevant Investment Committee.

Ashmore expects investee companies to respond to requests in a timely manner. Where companies fail to respond or to appropriately engage in dialogue on the issues raised, the investment team may review its investment decision in consideration of the materiality of the issue and its impact on the long-term success of the company.

Where appropriate, Ashmore's investment teams log and record the details of engagement activities, including the final outcomes. These are disclosed on an annual basis.

Exercising voting rights and other rights attached to shares

Ashmore's portfolio managers aim to vote on all proxies presented to them. Where concerns arise, they seek to address these through engagement with company management and other key stakeholders.

Subject to specific mandate restrictions, Ashmore is generally responsible for voting proxies and taking decisions in connection with proxy voting with respect to equity shares held by or held on behalf of the clients for which it serves as investment manager or adviser.

Where Ashmore is given responsibility for proxy voting, it will take reasonable steps under the circumstances to ensure that proxies are voted in the best interests of its clients.

In some cases, a client may prefer to make its own decision on how to vote certain categories of proxies. If a client has given Ashmore specific instructions how to vote a particular proxy issue, Ashmore will make reasonable efforts to vote in accordance with that client's instructions, based on the information Ashmore normally considers when voting proxies.

Ashmore considers its prior experience with similar proxy proposals, its perception of the motivation behind a proxy proposal, the manner in which the proxy proposal is structured, and other facts and circumstances related to the proposal.

Further information about Ashmore's voting position can be found in the Voting Policy, located on the website http://www.ashmoregroup.com/sites/default/files/uploaded-docs/Proxy-Voting-Policy_0.pdf.

Cooperating with other investors

Ashmore is willing to engage and act collectively with other investors, where appropriate and in the interests of clients, and permitted by regulations. In deciding whether or not to engage or act collectively with other investors, Ashmore will consider a range of factors including:

- The sensitivity of the issue being discussed
- If, by acting collectively, the engagement is likely to be more effective
- The alignment of other investors with Ashmore's objectives
- The impact of the collective engagement on the ongoing relationship with the investee company

Communicating with relevant stakeholders of the investee companies

In addition to collaborating with other investors, Ashmore will cooperate and collaborate with relevant stakeholders who bring together companies to engage and discuss focused issues (e.g. corporate disclosure, deforestation, or human rights).

Ashmore will support collaborative engagements organised by industry bodies and other representative organisations. These include the Emerging Markets Trade Association and United Nations Principles for Responsible Investment.

Managing actual and potential conflicts of interests in relation to the firm's engagement

Ashmore has in place a Group-wide policy to identify and manage conflicts of interest that may arise between it and its clients or between its different clients. This is available on the website http://www.ashmoregroup.com/sites/default/files/uploaded-docs/Conflicts-Of-Interest-Policy-31Dec2018.pdf.

All Ashmore employees are required to have an understanding of conflicts of interest. By so doing any conflicts of interest that arise in the ordinary course of business can be dealt with in accordance with established procedures or escalated through line management or the Compliance department.