MAC Alpha Capital Responsible Investing Policy

MAC Alpha Capital's investment objectives are to seek attractive capital appreciation and absolute and relative returns over time. We achieve this objective by applying an in-depth, fundamental research driven approach to investment selection combined in parallel with rigorous, systematic portfolio construction and risk management. The assessment of Environmental, Social, and Governance (ESG) factors has always been a critical part of our research process.

ESG – Integral to Our Investment Process

MAC Alpha Capital's investment style takes a value-driven approach with a focus on competitive advantage, capital allocation, and culture. All three ESG factors are important in our analysis but will be weighed differently depending upon the company and the circumstance. We typically rate governance the most important and our CIO has done so for his entire career as an equity investor. We believe strong corporate governance is central to the long-term success of a company and because we tend to be long term holders, the value creation (or destruction) of governance tends to be the greatest focus.

On the environmental and social fronts, we consider what steps each company takes to support the local economies in which it operates and find that company efforts can be rewarded with customer loyalty and can generate indirect positive marketing. With companies that operate in emerging economies with less geopolitical stability, strong support from communities can yield a stabilizing impact. Companies that focus on G and S often are at the top of E as well. With strong governance and a great culture, you have people who tend to have great character and do the right things from an environmental standpoint as well. You don't end up with environmental costs 10 years later from decisions made by individuals who were more interested in the short-term profitability and expedience at the expense of the environment.

As a strong believer in process, we systematically identify over fifty data-points assessing what impact ESG factors are likely to have on an investment's success with each investment we consider. Prior experience and historical analysis have shown certain ESG characteristics to be common in businesses that create the most additional value over time. These data points are included in the analysis of every company we consider for inclusion in the portfolio.

While we do leverage third party providers for an initial review of ESG factors, we do not rely on these for our decision-making. We utilize our own research and set of metrics in assessing any company for inclusion in the portfolio.

On the risk management front, ESG is critical. We systematically look for deception by management, understand incentives of all key individuals, evaluate processes to ensure moral behavior is encouraged, evaluate the quality and independence of oversight and consider the ramifications that any government regulations or shift in public perception could have a material impact to business value.

When there is an ESG issue, the primary analyst on the team will escalate it to the full investment team. We will review the situation and if we feel that an ESG issue has materially impacted the intrinsic value of the company we will re-visit our ownership and determine appropriate next steps for the overall portfolio.

MAC ALPHA CAPITAL MANAGEMENT

Stewardship and Proxy Voting

As mentioned above, Governance is one of the most heavily weighted factors for us. As a value investor with a long-term investment horizon, meeting with management is a critical part of our investment process. We interact with the c-suite of our various companies regularly, and also prioritize meeting with management below the c-suite in a company's various operating locations. At MAC Alpha Capital, we have always followed the mantra of "doing well, by doing good." In our regular communication with management teams, we seek to partner with companies with like-minded management teams and are open with them about how we believe they can be the best stewards of shareholder capital. We have discussions with management about the best way to enhance the value of the business while doing the best for their employees and society. Understanding how management's decisions can shape their optionality and give them the ability to benefit their company and its "extended family of stakeholders" is something we take great pride in assisting.

MAC Alpha Capital views the right to vote proxies as one of the most significant shareholder responsibilities, and an important part of how we protect our investors. We vote all our own proxies. The research analysts provide a recommendation on how to vote the proxies, which are approved by the CIO prior to being voted. At this time, we do not utilize any 3rd party proxy firms for recommendations; should we do so in the future, we would never blindly follow their recommendations. We believe we have a deep understanding of issues on a ballot and will always vote in line with maximizing shareholder value over the long term.

Exclusionary Screening

At a high level we do not default to the blunt elimination of any publicly traded industry or sector, due to our own values or beliefs. There are, however, industries and countries that we would definitely avoid, because they do not meet the standards expected of MAC Alpha Capital. These are identified through our deep fundamental research process and the application of proprietary detailed definitions. We maintain an internal list of industries and countries that do not meet the standards of MAC Alpha Capital and are excluded from investment consideration.

We recognize and respect that many investors may wish to integrate their own restrictions on investment in certain sectors, industries, or countries and are very happy to discuss and accommodate client specific requests in the management of segregated portfolios.