

EARNEST Partners ESG Policy | 2019



ESG Investing

At EARNEST Partners, we believe ourselves to be long-term stewards of our clients' capital. This philosophy leads us to focus on the long-term prospects for the assets in which we invest. Because a company's sustainability performance can impact its ability to create long-term value for investors, responsible and impactful investing is integrated into our investment approach alongside financial and other relevant investment considerations.

We employ a rigorous fundamental analysis of each company considered for investment, which includes identifying and considering various ESG-focused factors. We believe that sustainable long-term investing extends beyond the evaluation of quantitative factors and traditional review of conventional financial metrics, which results in impactful investing being a natural derivative of our quality-oriented fundamental research and risk management.

Principles for Responsible Investment (PRI)

As a signatory member of the Principles for Responsible Investment (PRI), EARNEST Partners has committed to a framework that ensures accountability and enables us to evaluate our process against an industry-standard framework. By implementing principles for ESG integration and impact investing, we contribute to sustainability.

Task Force on Climate-Related Financial Disclosures (TCFD)

We support the TCFD and its important goal to implement and standardize climate-related disclosure in financial reporting in order to enable companies to improve their climate-related risk management and strategic planning and give investors confidence that these risks and opportunities are appropriately assessed and managed.

Engagement & Stewardship

To promote the long-term success of our clients, EARNEST Partners acknowledges the importance of investor stewardship. In our clients' best interest, we monitor the companies in which we invest, vote on the shares we hold, and engage with companies on issues such as strategy, risk and corporate governance.

Tailored Solutions

When companies are involved in certain controversial activities, EARNEST Partners may refrain from investing in such companies. In the event a client seeks to avoid certain industries, market sectors or companies, we have the ability to tailor our portfolios to reflect any additional investment guidelines or related restrictions that our clients may desire.

Voting

Proxy voting is an important part of our holistic focus on ESG integration and responsible, active ownership within the investment process. Proxy voting rights are assets of our clients and EARNEST Partners seeks to exercise these voting rights in the best interests of our clients. Each proxy vote is determined by our Proxy Director, in consultation with our Investment Team. While we are not activist investors, we will voice our opinions with respect to sustainable and impactful business practices that improve the long-term prospects of a holding where possible via our proxy voting and interaction with company management.

Training

As industry practitioners, every member of our Investment Team understands the importance of businesses that embrace ESG and sustainability principles. Many of our Investment Team members are distinguished by years of hands-on work experience across various sectors. As a result, we research potential investments from the viewpoint of industry practitioners as well as financial analysts, and we have developed the knowledge, the experience and the network of industry contacts to appreciate the nuances of potential investments. While academic credentials provide a foundation of intellectual rigor, it is our real-world judgment at the heart of each investment thesis that differentiates our Team's approach to discerning fundamentally sound investment opportunities from those that simply appear attractive.

Disclosures

This document is provided for informational purposes only and should not be construed as investment advice, as a research report, as a recommendation to purchase, sell or hold any security, or as a solicitation of investment services. The views expressed herein are as of a particular point in time and are subject to change without notice. Investing in securities involves risk of loss including the risk of loss of the entire investment. Investment(s) should be made only after consulting with independent, qualified sources of accounting, investment, legal, tax and other advice. Past performance is no guarantee of future results and no investment strategy can guarantee profit or protection against losses. This document may not be reproduced or distributed without our prior written consent. EARNEST is a registered trademark of EARNEST Partners, LLC.