MLC Investments Limited
Responsible Investment Policy

ABN 30 002 641 661, AFSL 230705

Effective Date: 25/11/2025
Last Review Date: 25/11/2025

Table of contents

1 Overview

1.1 Responsible Investment

MLC Investments Limited (**MLCI**) considers labour standards, environmental, social and ethical considerations for the purposes of selecting, retaining or realising investments that it manages, through the practise of Responsible Investment (**RI**) as defined and described in this policy (the **Policy**).

MLCI's approach to RI for the managed investment schemes (**funds**) it operates, is one of many considerations in the investment process.

The purpose of this Policy is to define and describe the role that RI plays in managing specific investments of funds that are operated by MLCI. It describes how RI is applied in managing the investments of those funds that are within scope and subject to the limitations of the asset class and investment strategies implemented. The Policy considers the approach to RI as defined and described, to be aligned to the broad Environmental, Social and Governance (**ESG**)-related beliefs held by Insignia Financial Limited (**IFL**).

1.2 Purpose & Objectives

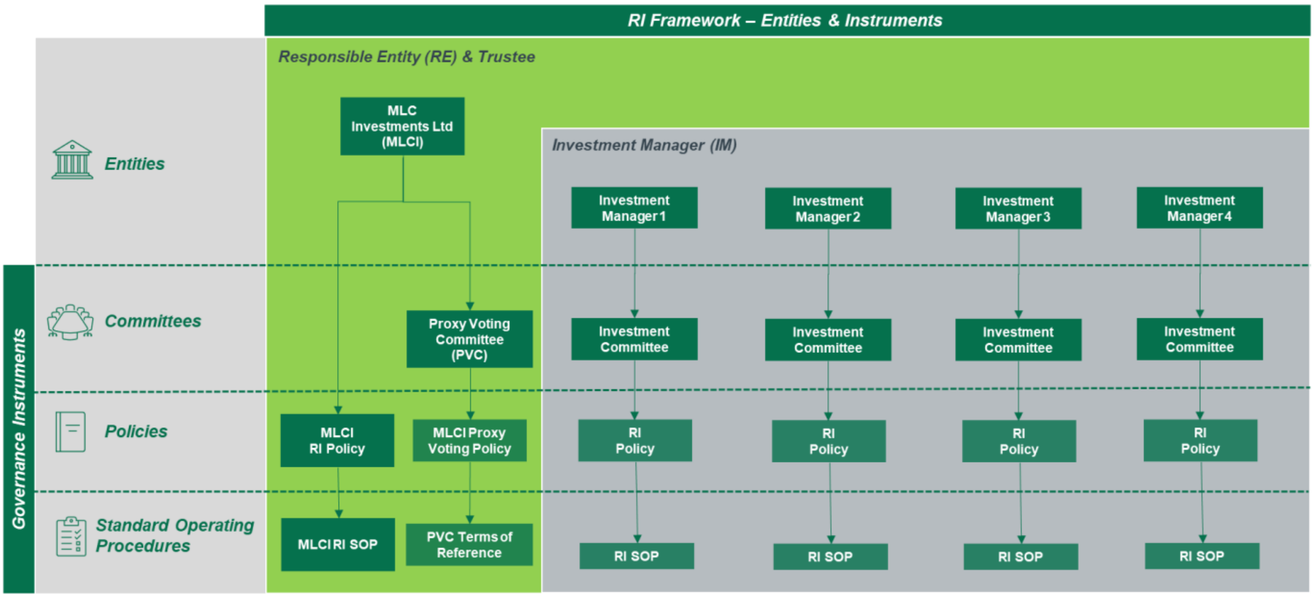
This Policy supports MLCI in meeting the following objectives for the funds that it operates in the best interests of the members of the fund:

- Achieving superior long-term investment outcomes for investors;
- Identifying, understanding and managing ESG issues related to investments;
- Practising active stewardship of investors capital; and,
- Excluding exposure to listed tobacco manufacturing companies (Listed Equity asset class) and related fixed income securities (Fixed Income asset class).

1.3 Policy Framework

The following diagram illustrates the framework (**Responsible Investment Framework**) in which this Policy operates, detailing the hierarchy of MLCI as Trustee or Responsible Entity (**RE**) and the operator of the funds, the investment manager of the fund, and the relevant committees, policies and Standard Operating Procedures (**SOPs**).

Diagram 1:



The framework and underlying arrangements are subject to change and if this occurs, MLCI will issue an updated Policy.

1.4 Scope & Application

This Policy applies to the management of investments of funds that are operated by MLCI only in its capacity as trustee or RE.

This Policy only applies to a fund where one of the following investment managers is appointed by MLCI to advise on and manage the investments of the fund (**Investment Manager**):

- MLC Asset Management Services Limited (**MSL**)
- MLC Asset Management Pty Ltd (**MLCAM**)
- Antares Capital Partners Ltd (**ACP**)
- Fairview Equity Partners Pty Ltd
- Intermede Investment Partners Limited
- Altrinsic Global Advisors LLC

This Policy does not apply to MLCI in its role as an operator of Investor Directed Portfolio Services (**IDPS**) and/or IDPS-like platforms.

The ability to apply the approaches to RI that are defined and described in this Policy vary according to:

- Constraints specific to the characteristic of particular asset classes; and
- Constraints specific to the particular investment strategy applied to the asset class.

Section 4 of the Policy details these considerations and the particular limitations on how the funds operated by MLCI apply RI.

2 Principles

2.1 MLCI's Responsible Investment Principles

MLCI believes that applying the following principles, where relevant and applicable, contributes to delivering the most attractive investment returns for the investment risks taken:

1. Consideration of ESG issues in the investment process of MLCI's funds helps identify and manage related risks and opportunities for investors;
2. ESG-related investment risks are not always reflected in asset valuations in the short term and therefore this is an important consideration in the investment process of MLCI's funds which can contribute to long term investment returns;
3. Stewardship of investors capital by proxy voting and engagement with investee entities, when possible, to ensure that ESG issues are being appropriately considered and managed, reduces investment risk and improves investment returns;
4. Stewardship of companies whose businesses have negative environmental and social consequences is preferred to the alternatives of divestment and avoidance given the potentially negative consequences of ownership by less responsible capital; and,
5. The impacts of climate change, a specific environmental risk, represent a significant risk for investments and long-term investment returns, and therefore require recognition within the investment process of MLCI's funds.

2.2 Alignment with the Principles of Responsible Investment

MLCI considers that its RI principles and practice of RI are aligned with the following which are promoted by the Principles of Responsible Investment (**PRI**)[1]:

- *Principle 1*: We will incorporate material ESG issues into investment analysis and decision-making processes.

- *Principle 2*: We will be active owners and incorporate material ESG issues into our ownership policies and practices; and,

- *Principle 3*: We will seek appropriate disclosure on material ESG issues by the entities in which we invest.

As at the date of this Policy, MLCI is not a signatory to the PRI.

3 MLCI's Position on Climate Change & Modern Slavery

Consistent with MLCI's RI Principles and the IFL ESG Strategy and Framework, MLCI recognises the importance of Climate Change and Modern Slavery as having financial implications for companies and therefore long-term investment risk and returns. The following position statements will be reviewed and developed as best practice evolves and in line with the development of the IFL ESG Strategy.

[1] https://www.unpri.org/

3.1 Climate Change Risks

MLCI recognises the scientific basis of climate change and the global effort to achieve net zero emissions by 2050 in support of the Paris Agreement.

The impacts of climate change, an environmental issue, represent significant risks for investments and long-term investment returns and can be characterised as climate-related *Physical* and climate-related *Transition* risks.

Physical risks have an impact on assets, impacting different geographical regions in different ways due to, for instance:

- Changing weather patterns;
- Extreme weather events; and,
- Rising sea levels.

Transition risks are due to the impact of factors that change in response to climate risk such as:

- Regulation and government policy;
- Technological changes that disrupt existing businesses and create new industries; and,
- Changes in consumer behaviours and societal expectations of companies.

MLCI will align its investment approach to identifying and managing the associated climate change risks and opportunities in accordance with legal and regulatory requirements.

3.2 Modern Slavery

Consistent with MLCI's RI Principles that acknowledge that ESG issues can influence the risk and return profile of portfolios over the long term, this Policy recognises that the "social" component includes issues such as the importance of human capital management, working conditions and labour standards, and which represent risks for the companies and their related supply chains that the investment is exposed to.

As an Australian-based financial services provider, MLCI complies with the requirements of the *Modern Slavery Act 2018 (Commonwealth)*. MLCI considers the direct risk of modern slavery within its operations to be low. However, within its joint 'Modern Slavery Statement' (with IFL) MLCI acknowledges an indirect risk through its supply chain and investments managed on behalf of the funds operated by MLCI.

The *IFL Modern Slavery Policy*, states that understanding the underlying investments made by its investment managers is a core part to understanding IFL's Modern Slavery risk exposure, assesses these risks annually and submits the statutory reporting which includes MLCI in its scope.

4 Responsible Investment Methodology

MLCI applies two specific Responsible Investment methodologies:

1. **ESG Integration** – Systematic approaches for the identification and consideration of material ESG issues in the investment decision-making process to improve investment outcomes; and

2. **Active Stewardship** – Exercising ownership and/or other rights that are conveyed through securities (or financial instruments), such as proxy voting, and engaging with the issuing companies to improve investment outcomes and including consideration of material ESG issues.

An ESG issue is considered, under the discretion of MLCI and the Investment Manager, to be material for an investment when it is reasonable to expect the ESG issue to impact the long-term valuation of the investment. Whilst the business activities of investments may be exposed to ESG issues, materiality is exceptional. The Investment Managers of the funds operated by MLCI will consider ESG issues and determine materiality based on their assessment of the requirements and timing for investments, which can change depending on the nature and circumstances for the investments and severity of the issue.

4.1 ESG Integration

ESG Integration is the systematic and explicit identification and consideration of material ESG issues, including risks and opportunities, in the investment process of the funds MLCI operates and throughout the ownership period to improve investment outcomes and mitigate risk. MLCI applies ESG Integration for the funds it operates to identify and consider material ESG issues in their investment decision making process subject to various limitations which are described below.

Where MLCI appoints an Investment Manager for a portfolio of assets of a fund, then ESG Integration will be implemented by the Investment Manager in alignment with this Policy.

ESG Integration Limitations

Different investment strategies will determine limitations of the application of the ESG Integration methodology, described as follows:

Table1:

Investment Strategy	**Limitation Description**
Passive	Securities are selected for investment solely due to their inclusion in a reference index. When the provider of the index does not consider material ESG issues when selecting the index constituents then the investment manager cannot consider them when selecting securities.
Quantitative	Systematic mathematical models are used to select securities for investment. When the mathematical models do not consider material ESG issues then the investment manager cannot consider them when selecting securities.

Investments for different asset classes and the ESG Integration methodology applied is also limited by the characteristics of each asset class, described as follows:

Table 2:

Asset Class	**Limitation Description**
Fixed Income	Depending on the type of fixed income security (detailed below), it may not be possible to identify, analyse and report on material ESG issues: *Sovereign, non-corporate supranational issuers* – identifying and analysing material ESG issues requires consideration of the issuer, for example, Government policy regarding ESG issues and, information availability may be limited. *Corporate Issuers (credit)* – material ESG issues faced by the issuing corporate can likely be identified, analysed and reported on but information availability may be limited.

	Structured credit (e.g. mortgage-backed securities) – material ESG issues faced by the issuer may be difficult to identify, analyse and report on due to limited visibility of underlying securities due to complexity.
Private Equity	Material ESG issues faced by private investee companies can be identified, analysed and reported on, however, information availability may be limited due to their private nature and factors such as the investment structure, and the resulting degree of the investment managers' ownership and influence.
Alternatives	This asset class may have exposure to a variety of investments including (but not limited to) all the asset classes considered by this policy and others such as commodities, private credit and asset-backed lending, and insurance-related investments, investments in which may be structured in a variety of ways. It may be possible to identify, analyse and report on the material ESG issues faced by the underlying investments, however, information availability may be more limited due to the specific nature of the underlying investments and factors such as the investment structure, and the degree of ownership and influence.

4.2 Active Stewardship

Active Stewardship is the exercising of ownership and/or other rights that may result from ownership of securities (or financial instruments) and include, but are not limited to, proxy voting and engagement with investee entities where possible to improve investment outcomes and including consideration of material ESG issues. Active Stewardship is subject to various limitations which are described below.

For investments in Australia, MLCI will undertake proxy voting for the Listed Equities asset class, and engagement with selected investee entities with limitations according to the characteristics of the particular asset class.

For investments outside of Australia, Active Stewardship is undertaken by the Investment Manager in alignment with this Policy.

Active Stewardship Limitations

The characteristics of particular asset classes limits the application of Active Stewardship, as described in the following table:

Table 3:

Asset Class	**Limitation Description**
Fixed Income	Fixed income securities typically do not have ownership rights. Where these do exist, investment managers are expected to exercise them. Depending on the type of fixed income security (detailed below), it may not be possible for investment managers to engage with the issuers: *Sovereign, non-corporate supranational issuers* – government engagement may be possible, but influence is likely to be limited. *Corporate Issuers (credit)* – it is likely that corporate issuers engage with investment managers and therefore influence is possible. *Structured credit (e.g. mortgage-backed securities)* – the structure of issuers and likely complexity make it unlikely that investment managers can engage with the underlying securities.
Private Equity	The ability for investment managers for private equity investments to engage with and influence the management of investee companies may be limited by the method, structure and related terms and conditions of investments, as well as other factors such as, but not limited to, the degree of ownership. Due to these limitations, MLCI will rely on the investment manager to pursue Active Stewardship and this will occur where possible.

Alternatives	Investment managers of this asset class may be exposed to a variety of investments including (but not limited to) all the asset classes considered by this policy and others such as commodities, private credit and asset-backed lending and insurance-related investments. These investments may be structured in a variety of ways and the ability of the investment managers to engage with the management of the underlying investments is likely limited due to factors such as the investment structure, and the degree of ownership and influence.

The ability to engage with and influence the management of investee companies may also be limited by the method, structure and related terms and conditions of investments, as well as other factors such as the degree of ownership. For these investments, Active Stewardship will occur only where possible.

4.3 Derivatives & Cash/Cash equivalent Asset Classes

MLCI understands that the RI approaches and methodologies that it and its Investment Managers apply are limited by the investment strategies applied by its Investment Managers and the particular characteristics of the assets classes the fund invests in. These limitations are detailed in sections 4.1 and 4.2 above.

The asset class of *Derivatives* is comprised of securities and financial instruments that derive their value from an underlying security, commodity, financial instrument, currency, or an index or basket thereof. It may be possible to apply RI when investing in Derivatives which reference the securities of other asset classes, for instance Listed Equities, however, this is not possible for derivatives which reference other asset classes, including broad indices or baskets of securities. MLCI therefore excludes all Derivatives from the scope of this Policy.

The asset class of *Cash* is comprised of cash and equivalents such as (but not limited to) term deposits, certificates of deposit and other money market instruments, held in any currency. Due to the difficulty to apply RI when investing in the Cash asset class, MLCI excludes it from the scope of this Policy.

4.4 ESG Issues

The following table shows some examples of matters that may be considered to be ESG issues and therefore identifiable during ESG Integration and Active Stewardship and for potential engagement with investee entities:

Table 4:

Environmental (E)	Social (S)	Governance (G)
• Contribution to climate change initiatives through reduction in greenhouse gas emissions, • Waste management • Energy efficiency • Water supply • Pollution • Biodiversity	• Human capital management • Labour standards • Modern slavery • Diversity, Equity and Inclusion (DE&I) • Workplace health and safety • Integration with local community and earning a social licence to operate • Indigenous rights • Employee engagement	• Rights, responsibilities and expectations across all stakeholders. • Board structure, diversity and independence • Executive remuneration (short- and long-term incentives) • Bribery and corruption • Anti-competitive behaviour • Political lobbying and donations • Shareholder rights • Tax strategy

4.5 Complementary RI Methodologies

In addition to ESG Integration and Active Stewardship, MLCI recognises various investment methodologies that are consistent with Responsible Investment (RI) objectives. These may emphasise moral or ethical considerations over other information that may be relevant to investment outcomes (e.g. Socially Responsible and Ethical investment). Investment may seek specific measurable societal benefits such as those identified by the United Nations Sustainable Development goals. Investment may specifically exclude exposure to certain business activities with specific ESG risks (Negative Screens) or prioritise exposure to certain business activities representing specific ESG opportunities (Positive Screens or Thematic Investment). Investment may seek both financial investment returns and specific measurable societal impacts representing an investment outcome that would not be achievable in the absence of the additionality of long-term capital commitment (Impact Investment).

The preference for these considerations can differ between individuals or organisations and as such, tailoring of portfolios is often required. These types of investing are not without specific risks. For example, they can result in a higher or lower concentration in individual sectors which can result in periods where investment outcomes differ substantially from broader market performance benchmarks. Unless as detailed below, MLCI does not believe it is appropriate to apply these approaches to all investments. Where a client is looking for these additional investment methodologies to be applied, MLCI may require the Investment Manager applies them.

4.6 Negative Screens

Negative Screening is a methodology used to exclude specified business activities for investment. Where particular business activities are assessed to have ESG issues representing long-term risk to investment outcomes and these ESG issues cannot be mitigated by the application of RI methodologies, MLCI may consider the exclusion of the securities (or financial instruments) of companies exposed to these business activities and its use of negative screens to implement this is detailed as follows.

Tobacco negative screen

MLCI requires all investment managers of the funds that it operates to implement a negative screen to exclude investment in listed tobacco manufacturing companies (Listed Equity asset class) and related fixed income securities (Fixed Income asset class) where the investment manager is in control of the investment mandate.

This policy defines Tobacco manufacturing as companies which manufacture cigarettes or other tobacco products or generate any revenue from manufacturing cigarettes or other tobacco products. A tobacco manufacturing company is a company that satisfies the following:

- Tobacco manufacturing; or
- >0% revenue limit from Tobacco manufacturing.

The negative screen applies in respect of manufacturing and no other business activities by a company. Therefore, funds operated by MLCI may have exposure to activities related to the value chain for Tobacco manufacturing e.g. raw materials, production inputs, distribution, retail sales and the financing of such activities.

The revenue limit is determined as sales or revenue for the company from tobacco manufacturing as a proportion of the most recent-year net operating revenues from all ongoing lines of business of the company. For example, a 0% revenue limit would mean that any company with more than 0% of its most recent-year net operating revenue or sales coming from Tobacco manufacturing would be excluded for investment where MSL is in control of the mandate.

This negative screen applies regardless of the investment strategy implemented, therefore applying to active, quantitative and passive strategies, providing the investment managers of funds operated by MLCI have control of the mandate.

General fund negative screens

Additional negative screens can also apply as part of the investment strategy for a fund operated by MLCI. The screen will be explained in the constituent documents for the fund.

Limitations to the implementation of negative screens

The negative screen for tobacco manufacturing is not implemented where the investment mandate cannot be set in advance, such as for investment in pooled vehicles, or it is not otherwise able to impose the use of a negative screen.

In the context of the Property & Infrastructure, Fixed Income, Private Equity and Alternatives asset classes, private companies are not necessarily required to make disclosure about their involvement in their particular business activities (or such exposure cannot be identified through indirect ownership structures). There are also limitations in the availability and reporting of this information. If a company's revenue mix changes (e.g. prior non-disclosure, or due to merger or demerger activities) and then exceeds the permitted revenue thresholds, the investment manager is expected to undertake a timely review of that company after it has been identified, and such exposure (securities or financial instruments) will be excluded as required.

5 Application of MLCIs RI Principles & Methodology

The Investment Managers must sufficiently apply MLCI's principles and methodologies as described in *Section 2* and *Section 4* above, subject to the asset class limitations as detailed.

MLCI's application of ESG integration and Active Stewardship relies on the Investment Manager to implement this appropriately. The Investment Manager must be assessed as being aligned to MLCI's RI Policy, alongside other considerations. The Investment Manager is assessed annually by providing an annual request to demonstrate its continued alignment.

MLCI also applies Active Stewardship directly by proxy voting and engagement with investee entities. The *MLCI Proxy Voting Policy* details the approach taken to exercising votes that investors in the funds that it operates are entitled to including when this may be delegated to an Investment Manager. The Policy consists of principles that inform voting decisions, decision making processes that determine the vote and the disclosure of the voting decisions to investors.

MLCI has delegated authority to the Proxy Voting Committee (**PVC**) to determine engagements for investments in Listed Australian equities. The PVC consists of senior investment professionals within the IFL Group. The PVC will directly engage at its discretion on issues that it considers to be important to long-term investment outcomes such as (but not limited to) improved corporate governance, requiring higher standards of transparency, providing informed input into corporate strategy and material ESG issues, including adverse ESG issues. Adverse ESG issues relate to issues disclosed by Listed Australian equities that were previously not publicly available information and where the PVC believes engagement may help to prevent the long-term impairment of investment valuations.

The PVC may also contribute to collaborative engagements that are led and managed by Industry Associations of which MLCI, or its Investment Manager's, are members. Such collaborations will be undertaken in a manner consistent with the Corporations Act, takeover, competition and any other relevant legislation.

The approaches to apply RI methodologies as summarised above require MLCI to implement operational processes and its Investment Managers to provide regular reporting to evidence their alignment to the required approach to RI. The MLCI RI SOP details the application of RI methodologies, the related operational processes and reporting requirements.

6 Policy Exemptions & Exceptions

In limited situations where adherence with this Policy requirements is not possible on a temporary/permanent basis, an exemption and/or exception may be needed, as outlined in the Exemptions and Exceptions Standard. As a principle, exemptions are not to be applied where Documents are required as part of meeting regulatory and legal obligations.

All exemptions and exceptions for Policies must be:

- agreed by the relevant executive policy owner(s).
- Requested to the Document Owner.
- Once approved, recorded, and maintained in a separate register by the Document Owner. An exemption can be granted for a maximum period of 1 year.

7 Policy Breaches

7.1. Consequences of Non-Compliance

Non-compliance with this Policy may result in disciplinary action in line with the Code of Conduct and Consequence Management Framework. A breach of this Policy may be a breach of legislation or regulatory obligation. All breaches will be managed in accordance with the *Incidents and Breaches Policy*.

8 Review & Approval

This Policy will be reviewed annually by the Policy Owner, together with management and submitted at least triennially for review and approval by the relevant Board(s), in accordance with the *IFL Group Policy & Document Governance Framework*, to ensure it remains appropriate with regard to the changing nature of legislation, change in our business operations or business environment. Any material changes must be approved by the relevant Board(s).

9 Policy Management Information

9.1. Policy Management Details

The key policy management details for this Policy are provided below:

Document Title	MLCI Responsible Investment Policy
Document Level	Level 2 - Policy
Document Owner	CEO - MLC Asset Management
Document Approver(s) and Approval* Date(s) *Material changes – the Document Approver will be the Board, Non-material changes – the Document Approver will be the Document Owner and Approving Authority	Approved by MLC Investment Limited Board (**MLCI**) on 25 November 2025.
Approving Authorities and Approval Date(s)* *Only relevant for Non-material changes	N/A
Document Review Frequency	Triennial
Effective Date	25 November 2025
Published/ Released Date	25 November 2025
Last Reviewed Date	2H 2025
Next Scheduled Review Due Date	2H 2028
Document Author/Contact	Head of Responsible Investment, MLC Asset Management
Document location	HQ
Version	1.0
Document Repository ID	1315701

9.2. Policy Revision History

Version	Date Released	Author(s)	Description
1.0	25 November 2025	James Tayler	Adoption of the MLCI RI Policy. Document reviewed by key stakeholders: CIO, Legal, ORE, Product, Investment Services and Risk. Approved by MLCI Board on 25 November 2025.