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## 1. Foreword



Anet Ahern
Chief Executive Officer

#### 1.1 Introduction

As long-term investors, we are cognisant of the impact that sustainability issues can ultimately have on the competitive environment, both within and across industries. Companies that neglect their social and environmental obligations will ultimately struggle to deliver sustainable long-term returns, while companies that do not uphold high governance standards are more vulnerable to corporate governance deficiencies and the resulting value destruction.

We strongly believe that an environmental, social and governance (ESG) lens offers additional insights into the strength of the management team, the moat of the company, as well as the risks and opportunities associated with the investments. Considering ESG factors will therefore ultimately favour our investors and improve their returns. Furthermore, we acknowledge that holding companies to account for environmental, social and governance issues is not only a key part of our fiduciary duties, but also the right thing to do.

As a result, incorporating an analysis of ESG factors into our research on each investment is critical when it comes to delivering better risk-adjusted returns for our clients.

## 2. Introduction to PSG Asset Management

#### 2.1 About us

PSG Asset Management is a wholly owned subsidiary of PSG Konsult. PSG Konsult is a subsidiary of the PSG Group, which holds 60.4% of the company's shares, with the remaining 39.6% being held by other shareholders including staff. At a PSG Konsult level, the combined shareholding of directors and Executive Committee members is 5.96%.

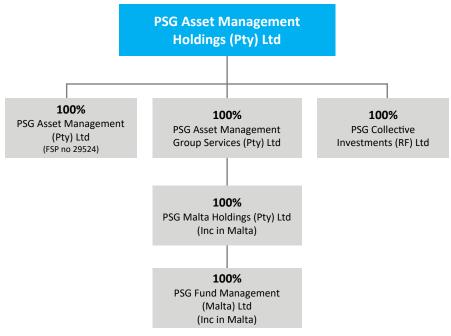


PSG Asset Management is a separate legal entity with its own corporate governance structures. We have our own board of directors, management team, incentive structure and reporting process. This business structure has been in place since the company's formation.

Our registered office is in Cape Town and we currently employ 83 people. We have R35 billion in assets under management and R108 billion in assets under administration (as at the end of February 2021).



PSG Asset Management includes an offshore and a local management company, as well as a direct fund asset management business. The main operating entity is PSG Asset Management Holdings (Pty) Ltd. The other regulated entities are listed below:



As at 28 February 2021

#### 2.2. Vision and mission

Our purpose is to be the best stewards of our clients' capital. We always take a long-term approach and endeavour to build a robust business for clients, staff and stakeholders. To achieve this goal, we need diversity in clients and products, excellent long-term returns, and to be an employer of choice.

### 2.3. History

In 2000, Alphen Asset Management (an owner-managed boutique business) was formed with the corporate backing of PSG. In late 2003, the retail asset management teams of Alphen Asset Management and Appleton officially began working together and implemented a management buyout of the merged asset management businesses. It continued to operate as Alphen Asset Management and as a subsidiary of PSG.

PSG Tanzanite was started in 2005 as a separate boutique asset manager and grew into a successful multi-asset franchise. Having worked together for several years, these two PSG-aligned asset managers, Alphen Asset Management and PSG Tanzanite, formally merged in March 2011 to form PSG Asset Management.

#### 2.4. Core principles

#### A focus on client centricity

We want to be the best possible stewards of our clients' assets. To do so, we follow a long-term approach, conduct our own research and always buy with a margin of safety.

#### A strong, team-based approach

We promote a culture of trust and respect within which we can openly discuss and debate ideas, adding to the overall client experience.

### **Continuous learning**

We are a learning organisation, striving to learn from our experiences and incorporating them into checklists to help us avoid repeating mistakes. We also have ongoing training programmes and encourage our employees to further their education.



## 3. ESG as part of the investment philosophy and process

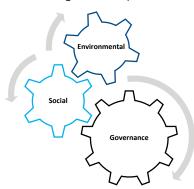
The implementation of ESG within our research process has evolved over the last couple of years and we are constantly seeking to improve this process. During 2020, we reviewed and updated our ESG policy and finalised our proxy voting approach. In addition, we streamlined the integration of ESG in our investment process in January 2021.

Our ESG approach is embedded in our investment philosophy and process. Both our investment philosophy and process are driven by the principles of responsible investment: we invest in businesses with long-term growth strategies and management teams that function as good custodians, in our clients' best interests.

## 3.1. Investment philosophy

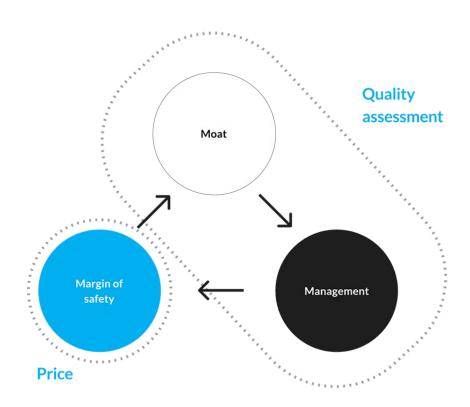
Our investment philosophy is centred on three guiding principles, what we call "the PSG Asset Management way":

- We take a long-term approach.
  - If we find securities that meet our hurdle rates, we deploy client assets and wait for the prices of these securities to appreciate towards fair value.
  - If we don't find securities that meet our hurdle rates, we invest in cash and wait for the market to present more attractive opportunities.
- We are prudent when we invest. When we buy securities, we do so with a sufficient margin of safety.
- We have a strong culture of research and always do our own homework.
   We want to make sure that we ask the right questions to improve the probability of achieving the fund mandates given several scenarios.



## 3.2. Investment process

Through our 3M investment process as illustrated below, we evaluate both quality (evidence of a sustainable competitive advantage or 'moat' and strength of 'management') and price ('margin of safety', or how far a security is trading from fair value). We do this for every security we invest in.





We score each company we consider for investment on a scale from one to five for moat and management respectively, with a score of three being average and higher or lower being above or below average respectively.

Our scores for moat and management determine the discount rate or risk premium in the case of interest-bearing securities, which we apply when determining the intrinsic value of the investment, with a lower score driving a higher discount rate or higher risk premium. As such, these scores have an impact on whether we invest in or lend to a company, and the size of the positions we take.

Moat and management score	(M+M) ≤5	5> (M+M) ≤7	7> (M+M) ≤8	8> (M+M)
Possible discount rate adjustment	+2%	+1%	0%	-1%
	0% of buylist	41% of buylist	37% of buylist	22% of buylist

As at 28 February 2021

## 3.3. ESG integration into the investment process

#### High-level overview of the process

Initial high-level ESG review

- Material sustainability topics per sector.
- Each analyst identifies potential company and sector ESG impacts (considering long-term, full value-chain, supply-side, funding implications, trends etc.).



- Review company ESG disclosure and related information.
- Supplement initial in-house research with ESG research.
- Research by Bernstein, UBS and Avior was identified as being potentially useful.

Key takeaways

- ESG impacts on moat and management scores (discount/ intrinsic value)
- What ESG factors is the market concerned/positive about, is the share trading at an ESG discount/premium?
- What could change the market's ESG view over three years?
- Potential ESG tail-risks/opportunities and key performance indicators (KPIs).
- Questions for management/board
- Summary ESG view

#### Initial high-level ESG review

We conduct our own fundamental and in-depth ESG research, with each analyst being responsible for considering ESG aspects as part of the quality assessment on a case-by-case basis for each investment. Greg Hopkins (Chief Investment Officer) has overall responsibility for ESG implementation, while John Gilchrist (Deputy Chief Investment Officer) is responsible for the integration of ESG within our research process.

#### **Deeper ESG understanding**

To broaden and deepen our understanding, we supplement our ESG considerations with a review of company disclosure and available qualitative ESG analysis produced by sell-side analysts (both local and global).

After conducting an extensive analysis (which included trial runs with three leading ESG research providers), we decided not to make use of third-party research focused only on generating ESG scores for companies, for the following reasons:

- Our investment process is based primarily on in-house research, with selective use of third-party research.
- Our investment universe is global, and we frequently find opportunities in less liquid areas of the markets. Many of these investments are not covered by ESG-specific research providers.
- Much of the research appears aimed at generating ESG scores to be used as inputs into quantitative models or for share screening purposes, and this is insufficient for our requirements.



#### Key takeaways

ESG factors have a direct impact on moat and management ratings, as well as intrinsic value and conviction levels. Hence it is at the forefront of our research process. Our primary emphasis is on identifying material ESG issues, as well as evaluating the risks and opportunities associated with them.

## 3.4. What differentiates our approach to ESG?

We believe our differentiated approach to ESG will add value to our clients. We consider ESG risks and opportunities from a first principles basis, with each analyst independently applying their mind and doing their own research. The focus is on ESG factors that could materially impact the key drivers of value over the investment horizon (forward-looking and longer-term view). We consider what ESG factors (positive or negative) are already priced into the investment, and whether these are likely to improve over the next three years (either based on credible management commitments or the potential for us to engage with management and drive ESG improvements).

### 3.5. Key aspects of ESG considerations



#### **Environmental**

The score for moat will incorporate the consideration of significant environmental issues. We want to avoid any permanent loss of capital for our clients and therefore specifically consider tail risks (low probability but high impact events) that may threaten the long-term sustainability of a business. Key aspects considered will vary by industry but generally include carbon emissions, water stress, land use, waste treatment, air pollution, biodiversity impacts etc.



#### Social

Our assessment includes potentially disruptive social issues that may affect operations or have reputational ramifications. We perform this analysis for all companies we consider for investment, as well as those we already own, to ensure that risks are monitored continuously. Key aspects include employees' health and safety, labour management, data security, corporate social responsibility, and ethical customer practices.



#### Governance

We see management as an extension of our process. Effectively, we delegate some responsibility for client assets to the management teams of the companies we buy into or lend to. As such, we recognise management as secondary custodians and hold them to the same high standards we hold ourselves. We have developed a robust checklist over time, to make sure we ask the right questions when we engage with and evaluate management teams. The score for management will incorporate considerations of alignment (remuneration and share ownership), accounting integrity, transparency, capital allocation decisions, reputation, regulatory compliance, track record and governance.

### 3.6. Impact of the ESG approach on our portfolios

Although we do not specifically screen out investment opportunities based purely on ESG considerations, in extreme situations we may decide that shortfalls on ESG-related aspects are so significant that a security is uninvestable. This is likely to occur primarily where concerns around governance mean that we no longer have confidence in management's (or the board's) ability to act as secondary custodians.

It is important to note that we may hold securities seen as poor from an ESG perspective where we believe that:

- despite a poor historical ESG track record, the business is sustainable
- credible management commitments lead us to believe the ESG profile will improve
- · we can positively impact the ESG profile of the company by engaging with management



## 4. Proxy voting

Proxy voting forms part of our ongoing formal investment process. We have a Policy on Ownership Responsibilities and always strive to vote responsibly and timeously. Our analysts are responsible for making proxy voting recommendations. Proxy voting forms part of our ongoing formal investment process, and contentious or material votes/engagements with management or board members are discussed in the weekly investment committee meeting or with senior team members (if time sensitive).

Under specific circumstances, we are open to collaborating with other investors when voting, so that we can present a unified view. This is consistent with the Code for Responsible Investing in South Africa (CRISA) Principle 3 (consider collaboration to promote the principles of CRISA). In these situations, we are extremely careful (taking legal advice where necessary) not to fall foul of regulatory/legislative requirements.

Our proxy voting guidelines are neither prescriptive nor exhaustive but should, in combination with the principles, provide a reference point for considering shareholders meeting resolutions and forming recommendations. We have a fiduciary duty to apply our minds to each resolution, and we therefore consider each vote on a case-by-case basis.

Our proxy voting schedule, which details how we have voted on each relevant resolution, are published on our website. We have exercised our proxy votes on 68 companies in the 12 months leading up to 31 December 2020, as indicated in table 1.

Table 1: Proxy voting summary

	Votes	Reason if voted against/abstained
Number of company proxy votes fully supported	57	
Number of company proxy votes where were resolutions voted against	8	Please refer to our full proxy voting schedule
Number of company proxy votes where we abstained	3	Please refer to our full proxy voting schedule

## 5. Relevant industry codes and principles

### 5.1. CRISA (Code for Responsible Investing in South Africa)

PSG Asset Management follows the principles outlined in CRISA and applies the principles of responsible investment in its philosophy and process. CRISA gives guidance on how to incorporate responsible investing into investment analysis and investment activities.

## 5.2. UNPRI (United Nations Principles for Responsible Investment)

We are an official signatory to the UN Principles for Responsible Investment (UNPRI), joining more than 3 000 other organisations around the world that have publicly demonstrated their commitment to responsible investment. As signatories, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that ESG issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions and asset classes, and through time).



## 6. ESG engagements

Our company engagements focus on corporate governance concerns, as this is where we believe we can make a meaningful contribution. However, we also consider environmental and social issues – and their potential impact on the sustainability of a business.

We have regular meetings and teleconferences with directors (executive and non-executive) and senior management of investee companies. These meetings are an integral part of our investment process and are aimed at, inter alia:

- Gathering evidence around the quality and sustainability of the business including moat, earnings power and balance sheet
- Building evidence that management is acting as good stewards of our clients' capital
- Proactively promoting alignment with our philosophy:
  - management aligned with shareholders through shareholding, incentives, long-term approach and per share thinking
  - sustainable practices including environmental, social and corporate governance considerations

When a management team is not meeting our standards or has acted in an unsatisfactory way, we weigh up the potential merits of engagement versus selling by considering all facets. We keep our role as stewards of our clients' capital – and the regulatory and ethical framework within which we operate – top of mind at all times, and will engage legal counsel when needed.

#### **ESG** case studies

#### 6.1. Environmental case studies

When evaluating investments in companies where climate change is a key risk factor (a material sustainability topic), we adopt a holistic approach, taking into account the need to understand environmental, social and economic consequences. We do not believe an exclusionary ESG policy is appropriate, as this approach simply ignores the important nuances and ESG trade-offs associated with these investments.

## a. **EXXACO** Exxaro

Exxaro is a significant supplier to Eskom, providing cost-effective and operationally efficient coal directly to power stations via conveyor belts. They play a critical role in enabling Eskom to improve their operational efficiency and provide reliable power to South Africa. The negative economic and knock-on social implications of Eskom failing to provide consistent and efficiently generated power are significant. Baseload power generation in South Africa will require coal for the foreseeable future – there is no pragmatic alternative in the short to medium term. Exxaro is also acutely aware of its ESG footprint and is actively looking to address this. Exxaro has embarked on a 'Just Transition' journey – a holistic response to climate change. 'Just Transition' is a framework that encompasses a range of social interventions as well as an expanded renewable energy programme aimed at securing workers' jobs and supporting those in society who are most vulnerable to shifts in energy production.

Exxaro's contribution to ESG and a Just Transition can be seen in the following ways:

- 1. Target setting: Carbon neutrality for scope 1 and scope 2 pollution can be achieved by 2050.
- 2. Early value strategy: Coal as an input to energy generation will remain relevant in SA. Exxaro is reprioritising higher quality (cleaner) coal in mining plans and undergoing a holistic portfolio optimisation process.
- 3. Diversification: Portfolio has been diversified into renewable energy through a 100% acquisition of Cennergi, an independent power producer (supporting their carbon neutrality strategy).
- 4. Stakeholder engagement: Exxaro has engaged with all stakeholders (including PSG) to develop a holistic reinvestment approach.
- 5. Disclosure: Adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).



## b. GLENCORE Glencore

Glencore's ESG issues have been in the spotlight for many years, including the following:

- Several allegations of corruption in various geographies (Nigeria, the Democratic Republic of Congo (DRC) and Venezuela), and related investigations (Department of Justice (DOJ) and the Commodity Futures Trading Commission (CFTC)).
- Investigations of accounting irregularities (ultimately settled in December 2018).
- Accusations of pollution (near the town of Kolwezi in the south of the DRC).
- Glencore's thermal coal exposure (significant driver of revenue and profits).

Glencore's poor ESG record has meant that many investors have deemed it unsuitable for investment or have significantly reduced their exposure to the business. The stock price was weighed down by this, as well as the pending outcomes of investigations which could result in significant fines. While we acknowledged the extremely poor ESG track record, looking forward we saw credible commitments to improving ESG across the business:

- In July 2018, the Board established an independent investigation into corruption and ongoing environmental issues.
- There is clear evidence of governance improvement. Numerous senior management changes followed the allegations regarding corruption, environmental issues and accounting irregularities. In December 2020, a new CEO was announced.
- The company has adopted a responsible approach to thermal coal (production is capped at 150mt, and is scheduled to decrease CO<sub>2</sub> emissions by a targeted 40% by 2035, and to be net zero by 2050).
- Glencore's commodity mix (including copper, nickel and cobalt) is critical in achieving global decarbonisation.
- Glencore's strategy is aligned with the Paris Agreement, and they are the only major miner targeting scope 1 3
  emissions.
- We have raised our ESG concerns (along with many other investors) with management on a number of occasions (including during a one-on-one meeting with the chairman in December 2020) and we are seeing the desired responses and progress. We believe Glencore's approach balances all stakeholders' concerns in a responsible way.

#### 6.2. Social case studies



### **Philip Morris International**

Many investors view tobacco companies as uninvestable, citing the fact that millions of the companies' customers die every year as a result of using the product. While we acknowledge the terrible social cost of traditional combustible products, we believe the current move towards next-generation smoke-free products could offer societal benefits. Phillip Morris is the only tobacco company credibly aiming to transform its business into a majority smoke-free business. At a recent investor day, management mentioned that with the right regulatory frameworks, dialogue and support from civil society, cigarette sales could end within 10 to 15 years in many countries.

A key component of their strategy is actively transitioning smokers to products like IQOS that appear to offer reduced risk relative to combustibles. They have a significant competitive advantage in the Heat-Not-Burn (HNB) category, having invested significantly in research and development (R&D) and having established an 85% market share. It is worth noting that Philip Morris's margin on HNB products is higher than on combustible products – they have a financial incentive to transition smokers to their HNB products like IQOS. Interestingly, IQOS is branded as "I quit ordinary smoking."

Although conclusive proof will require years of research, initial medical research suggests that the next-generation products significantly reduce the risk of harmful and toxic chemicals which cause cancer, and in the US, the Food and Drug Administration (FDA) has authorised the marketing of IQOS as a reduced-risk product. We will continue to monitor any new medical evidence regarding the relative health benefits of products like IQOS versus combustibles, as well as the blend of new HNB users versus those that have transitioned from smoking.





#### Discovery

The primary goal of Discovery is to make people healthier and to improve and protect their lives. This is reflected in the health and financial products they provide to their clients around the world. Discovery's products are based on some of the most important aspects of people's lives: their wellbeing and safety, as well as the financial stability of their families and companies.

During our last engagement with Discovery, we saw clear evidence that they recognise their ESG impact and strive to ensure that the positive attributes outweigh the negative ones. Furthermore, they are mindful of, closely observe and, where possible, respond to the ESG effects of their business and operations. Clear evidence of this is their business model, which reduces the strain on the South African healthcare system through incentivising people to live a healthy lifestyle. Members benefit through lower premiums and receive various incentive rewards.

Furthermore, Discovery is a leader in the South African healthcare system, as demonstrated by the work done in South Africa relating to Covid-19 (refer to the interim results report – December 2020). Discovery developed a free Covid-19 application for contact tracing to let people know when they have been in contact with someone who has tested positive for Covid-19. Government has also used this app to make informed decisions on how to deploy the vaccination process to the general public. The work done on Covid-19 was not profit driven and thus highlighted Discovery's commitment to improving society and continuously strengthening the South African healthcare system.

#### 6.3. Governance case studies



#### enX Group

Industrial services and supplies conglomerate enX Group underperformed for nearly six months in 2020, disappointing shareholders hoping for a value release. enX Group's revenue fell 8% to R7.21 billion in the year ended August 2020, mainly due to lower activity levels arising from the Covid-19 lockdown restrictions in South Africa and the UK. We had numerous and extensive engagements with the enX board last year. In June 2020, MCC Contracts Pty Ltd acquired 32.4% of enX Group Limited, called an EGM and replaced four directors. We met with the outgoing chairman and the incoming director who is also a representative of MCC (Warren Chapman). To obtain a better understanding of the board's requirements and processes, we also met with an independent director. We concluded that, while we did not oppose the incoming board's plans to unlock value, we felt the need for an additional independent director to improve the overall board balance and to provide additional protection for shareholders.

Together with Prudential (in combination we held 27% of enX), we identified an experienced and a credible individual that would be a value-add to the enX Board as an independent non-executive director (Vuyani Jarana), held discussions with him (making it clear that he would not be representing us in any way, but shareholders in general), and recommended his appointment to the board. In September 2020, Vuyani Jarana was appointed to the enX Board as lead independent non-executive director, and as a member of enX's audit and risk committee. We continue to communicate with the board on a regular basis.





## b. JS≣ JSE

We reached out to JSE Ltd, the listed company that manages SA's dominant bourse, ahead of the June 2020 AGM to address three primary issues, in line with our proxy voting approach:

- 1. Potential independence concerns relating to the chairman's tenure.
- 2. The proposed re-appointment of Fatima Daniels as a group audit committee member: Ms Daniels was on the Tongaat board for a substantial period and served on various key committees. The Tongaat Board oversaw a massive destruction of shareholder value and likely fraud. One of the directors' key roles is to oversee the executives, and the Tongaat board members clearly failed in this duty. We believe directors must take responsibility for this failure, especially long-serving directors and those on key oversight committees. In addition, Ms Daniels sits on multiple boards (six) and has her own consulting business, bringing into question her ability to give all these roles the appropriate level of attention. We felt that we could not endorse Ms Daniels's re-appointment given the above considerations. Following the interaction, the final decision (which was conveyed to JSE) was to vote against Resolution 4.3: Re-appointment of Ms Fatima Daniels as Group Audit Committee member. Although 78% of shareholders approved of her appointment, Ms Daniels stepped down from the Board in early July 2020.
- 3. Disclosure of executive remuneration: One of the most important disclosures to ensure that companies comply with the high standards of corporate governance and transparency is related to executive remuneration. We indicated to the JSE that we preferred better disclosure on executive remuneration, including the weighting and scoring of factors driving the annual bonus. We continue to engage with both management and the board, and we are optimistic that matters will improve in the future.

## 7. Industry engagements

## Active engagement to facilitate improvement in the corporate credit market

PSG Asset Management formed part of a sub-committee of the ASISA Fixed Income Standing Committee (FISC) that drafted a set of ASISA recommendations for arrangers and issuers of domestic corporate bonds, aimed at enhancing:

- transparency
- disclosure
- investor protection

The ASISA guidelines constitute a best practice document for the issuance of listed debt, aimed not only at increased protection for investors, but also improved access to and ease of information. Material breaches of the issuer's corporate governance policies (as well as violations of applicable laws or regulations) could trigger early redemption of the issuer's debt, according to the ASISA recommendations.

### Contributing to enhanced governance requirements through the JSE's debt listing requirements

Through active participation as part of the ASISA FISC, we contributed to additional corporate governance requirements being included in the amended JSE Debt Listings Requirements, effective 31 August 2020. These requirements will strengthen the governance responsibilities of issuers not listed on an equity exchange, such as state-owned enterprises (SOEs).





## 8. Our impact on social responsibility

In 2015, PSG Asset Management formally became donors to Constantia Primary School (CPS). We support 486 pupils, all from previously disadvantaged backgrounds, through this relationship. Our ad hoc initiatives over the years have included donating interactive whiteboards, repairing and improving physical infrastructure at the school, renovating the school hall and staff room, sponsoring sports days and prize-givings, conducting Christmas shoebox drives for stationery and collecting clothing and blankets for families affected by the Hout Bay fires in 2017.

We paid the salary of a governing body-appointed Grade 2 teacher from 2017 to 2020 to alleviate overcrowding (having previously had close to 50 Grade 2 pupils in one class). In 2021, we assisted the school in finding new funding for the teacher's post in order for us to focus exclusively on our new plan.

We entered 2020 with an 'Equal Opportunity' mission statement and a fresh three-year plan for our involvement with CPS. Driven by this vision, the year got off to an amazing start. Our initiatives at CPS are focused on providing the children with access to opportunities the school is unable to offer due to a lack of government funding. These opportunities include access to sport, arts and culture, and technology.

#### 8.1. Our cornerstone initiatives for 2020

2020 was our final year of funding a grade 2 teacher, before focusing exclusively on sport, arts and culture. We decided to continue our relationship with Sporting Chance and to employ a full-time physical education coach. We started a relationship with the Helen O'Grady Drama Academy, introducing drama classes for grades 1 to 3. This forms part of a self-sustainable project where the learners can put together a year-end production to serve as a fundraiser for the school. We are still committed to the sponsorship of all prizes at the annual prizegiving.

As part of Covid-19 relief, we responded quickly by providing personal protective equipment (PPE) and sanitising stations. We provided administrative support to ensure the school feeding scheme continued (all learners receive a hot meal daily at the school). We supplied Wi-Fi extenders for the school, so that drama classes could take place virtually. As the year drew to a close, a semblance of normality returned: in-person drama classes resumed, sports initiatives restarted and the prizegiving took place in a staggered manner, involving one or two grades per day.

### 8.2. Our initiatives for 2021

Our initiatives at CPS continue to focus on providing the children with access to opportunities the school is unable to offer due to a lack of government funding. We continue with Sporting Chance and drama classes are rolled out to two additional grades. We assert our belief that every child has the right to both academic and non-academic knowledge.

We launched an emphasis on music in 2021, and for the first time, we are sponsoring a full-time music and choir teacher. We believe that every child has the right to both academic and non-academic knowledge, as a result, all learners from grades 1 to 7 will be taught music theory up to grade 4 level. The Guildhall Trinity College of Music syllabus will be used, with the goal of providing each child with the skills they need to pursue music as a high school subject.

Furthermore, all students in grades 2 through 7 will be taught the basics of playing the recorder and students that demonstrate talent will be chosen to join a recorder ensemble. All learners will sing in class and be taught the basics of music, with students who demonstrate promise being chosen to join the choir. Overall, CPS remains grateful for our involvement and we look forward to another year of great initiatives and making a visible difference to the learners of Constantia Primary.

## 9. Conclusion

As is evidenced in this Stewardship Report, we take our fiduciary responsibilities extremely seriously. Our size and approach frequently result in us being a material shareholder in mid-cap SA listed shares – this gives us a unique opportunity to materially influence these companies' ESG strategies, for the benefit of these companies (and ultimately our investors) as well as society as a whole. As our approach to ESG continues to evolve and grow as we weigh the various trade-offs between competing stakeholders and imperatives, we expect ESG to become increasingly important in our process.



#### **Contact details**

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# Client service and new business

For existing clients who need assistance with their accounts or anyone interested in investing in the PSG range of funds.

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#### Global unit trusts

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### **Local unit trusts**

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## Physical address

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## **Complaints**

If you have a complaint, the first point of call is to contact our client service department.

#### 0800 600 168

If your query has not been resolved, you may send an email to: psgamcompliance@psg.co.za

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