

Antares Responsible Investment Policy



Issued by:
Antares Capital Partners in the capacity as
Investment Manager for Antares Equities; and
MLC Asset Management in the capacity as
Investment Manager for Antares Fixed Income

a partner of
 **ASSET MANAGEMENT**



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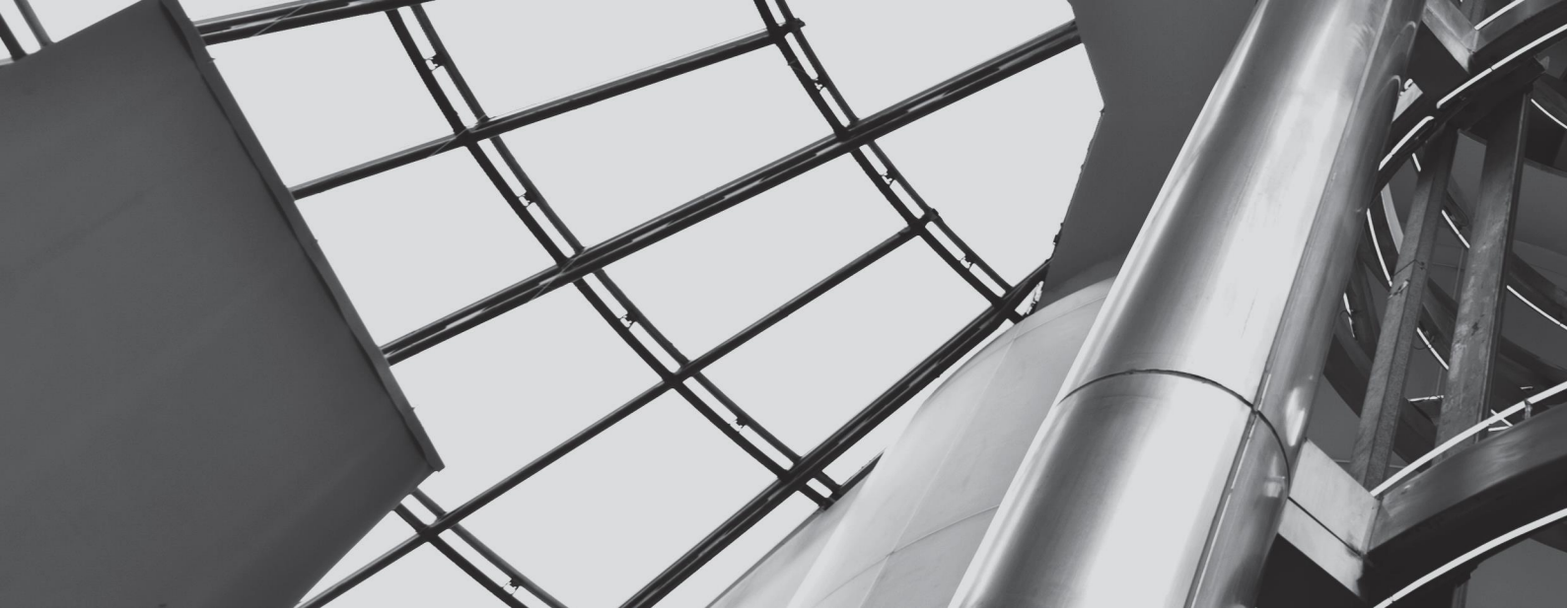


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Responsible Investment Policy

1. Overview

1.1. Purpose

The purpose of this Policy (the **Policy**) is to outline the role that Responsible Investment (**RI**) plays in managing investment portfolios of various asset classes as undertaken by the Investment Managers (**IMs**) specified in section 1.3. of this Policy. It outlines the frameworks for identifying and managing Environmental, Social and Governance (**ESG**) issues, as part of the broader investment process. It also outlines the IMs approach to Active Ownership of client assets, detailing how this is undertaken at the particular asset class level.

This Policy should be considered in conjunction with the Antares Responsible Investment Standard Operating Procedures (**SOPs**), the **Antares Proxy Voting Policy** and the Insignia Financial Limited Incident and Breaches Policy that are referred to accordingly.

The Antares Responsible Investment Standard Operating Procedures detail the processes and minimum requirements that the IMs apply for a product:

1. To incorporate ESG Issues into the investment analysis and decision-making processes for the product, and according to the underlying asset class;
2. For Active Ownership and the consideration of ESG issues into ownership policies and practices for the product according to the particular underlying asset class;
3. For appropriate disclosure on ESG issues by the entities in which an investment is made for the product;
4. To implement measures to further the understanding of climate impacts for the product;
5. To undertake assessment and reporting related to Modern Slavery risk according to the statutory obligations of Insignia Financial Group Ltd (**IFL**) and as suppliers of portfolio management services;
6. To define investment universes to account for client preferences regarding controversial holdings.

1.2. Policy Statement

The application of this Policy assists the IMs in meeting the following objectives:

- Achieving superior long-term investment outcomes for investors;
- Practising the responsible ownership of investors capital; and
- Seeking to understand and manage the ESG implications of investments.

This Policy does not determine the investment universe of the IMs.

1.3. Scope & Application

This Policy applies to the following IMs within the IFL group of companies:

- Antares Capital Partners Limited in its capacity as Investment Manager and referred to as “Antares Equities”; and
- MLC Asset Management Pty Limited in its capacity as Investment Manager and referred to as “Antares Fixed Income”.

(Collectively referred to throughout this Policy as the IMs unless separately stated.)

All employees, including casual, temporary, and contracted employees as well as executives and non-executive directors and any third parties acting on behalf of the aforementioned IMs (collectively referred to as ‘employees’) must comply with this Policy. This would be in accordance with the terms of engagement for the particular employee for the purposes of this Policy.

This Policy is aligned with the IFL Corporate ESG Strategy and will continue to be developed and enhanced.

Limitations of Scope

This Policy does not apply to MLC Private Equity, a division of MLCAM and an Investment Manager of private equity, an asset class that is not covered by this Policy.

Investment Universe

This Policy does not determine the investment universe.

IMs may invest in asset classes with or without limitation. The investment universe is that agreed by the IM and the party to whom the investment services are provided by the IM and as detailed in Investment Management Agreements or other documentation such as Product Disclosure Statements.

The Antares Responsible Investment Standard Operating Procedures will set out any limitations that are to apply for an asset class.

2. Responsible Investment

2.1. What is Responsible Investment?

Responsible Investment is a commonly used term to describe the practice of incorporating ESG considerations into the research, analysis, and selection of investments, and the implementation of good ownership practices.

The IMs believe the key pillars of RI to be:

1. **ESG Integration** – Systematic and explicit identification and consideration of material ESG issues in the investment decision-making process to improve investment outcomes (see section 3); and
2. **Active Ownership** – 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 (see section 4).

ESG issues are defined in section 2.2.

ESG Integration contributes to improved risk-adjusted returns for investors. Active Ownership that supports good governance practices and acts to ensure companies appropriately consider material ESG issues should contribute to the long-term sustainability and valuation of investments. Together, ESG Integration and Active Ownership contributes to more attractive risk-adjusted returns for investors.

This Policy does not determine the investment universe of the IMs. If IMs define or limit the investment universe at the request of a client and as reflected in Investment Management Agreements or other appropriate documentation such as Product Disclosure Statements, the Antares Responsible Investment Standard Operating Procedures detail the implementation of this.

2.2. ESG & Sustainability Issues

There are a broad range of ESG issues that may of themselves, or in combination, impact the risk profile and return characteristics of an investment. The following table shows some examples of areas covered by (but not limited to) the broad headings of Environmental, Social and Governance:

Environmental (E)	Social (S)	Governance (G)
<ul style="list-style-type: none">• Contribution to climate change initiatives through reduction in greenhouse gas emissions• Waste management• Energy efficiency• Water supply• Pollution• Biodiversity	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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

Various other investment approaches are also considered to be consistent with and complementary to RI but are not addressed by this Policy, as follows:

- 'Socially responsible' or 'ethical' investing which may emphasise moral or ethical considerations and values over other information that may be relevant to investment outcomes;
- 'Sustainable investing' which explicitly targets companies that have a measurable and specific benefit on society such as being aligned to one of the United Nations Sustainable Development Goals (**SDGs**);
- 'Negative screening', or excluding particular companies from an investment universe because of their particular business activity e.g. tobacco producers; and
- 'Positive screening' or 'thematic' investing which limits an investment universe to companies that undertake a specific activity e.g. renewable energy-related companies;
- 'Impact investing' which explicitly acknowledges that investment returns are made up of both financial returns and measurable societal benefits, representing an investment outcome that would be not achievable in the absence of the long-term commitment of investors capital (known as additionality).

If IMs implement any of these additional approaches at the request of a client and as reflected in Investment Management Agreements or other appropriate documentation such as Product Disclosure Statements, the Antares Responsible Investment Standard Operating Procedures detail the implementation of this.

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Sustainability issues are a broad range of issues that impact a company's ability to generate long-term shareholder value. These issues include, but are not limited to:

- Management as stewards of capital;
- The industry within which capital is being stewarded;
- Financial and physical capital (financial and manufactured assets on balance sheet); and
- Non-financial capital (intangible forms of capital often not reflected on balance sheet such as human capital, social and relationship capital, natural capital, intellectual capital).

The consideration of ESG and sustainability issues in an investment context is evolving. It is expected that issues in addition to those covered above will be recognized over time.

3. ESG Integration

ESG Integration is the systematic and explicit identification and consideration of material ESG issues in the investment decision-making process to improve investment outcomes. How this is incorporated into an investment process is often dependant on the asset class of securities under consideration.

The Antares Responsible Investment Standard Operating Procedures detail the asset class-specific approaches to ESG integration as implemented by the IMs covered by this Policy.

4. Active Ownership

Active Ownership describes the systematic exercising of ownership and/or other rights that are conveyed by the ownership of listed equities (and related derivatives) and fixed-income securities such as proxy voting when applicable, and engagement with the issuing companies to improve investment outcomes.

The Antares Responsible Investment Standard Operating Procedures detail the asset class-specific approaches to Active Ownership implemented by the IMs covered by this Policy.

5. Position on Climate Change, Modern Slavery & Controversial Holdings

Consistent with the IFL Responsible Investment Beliefs (appendix 1), the IMs also specifically recognise the importance of Climate Change and Modern Slavery as having financial implications for companies and therefore long-term investment returns. The following position statements, which may contain aspirational commitments, will be reviewed and developed annually as best practice evolves and in line with the IFL Corporate ESG Strategy.

5.1. Climate Change

Climate change may have direct and indirect financial implications for companies and therefore long-term shareholder returns. Climate change forms part of the overall Responsible Investment approach.

The Antares Responsible Investment Standard Operating Procedures detail the IMs approach to developing their understanding of the impacts of climate change on client portfolios.

5.2. Modern Slavery

Consistent with Responsible Investment Belief 1 (appendix 1) that ESG issues can influence the risk profile and returns of portfolios over the long term, this Policy recognises that the "social" component includes the importance of human capital management, working conditions and labour standards as potential risks in underlying investee companies and their supply chains.

The *Modern Slavery Act 2018 (Cth)* requires companies of a certain size and revenue threshold to report on their own operations as well as their supply chains, and in the case of investors, the supply chains of underlying managers and/or underlying investee companies. There is also an expectation that companies who do not meet the minimum size/revenue levels will voluntarily report.

While there is no globally agreed definition of modern slavery, the identifying feature is the involuntary aspect of taking the job or accepting sub-standard working conditions, and a penalty or threat of penalty to prevent the individual from leaving the situation. Coercion can take many forms from physical or sexual violence to subtler means such as withholding wages or retaining identity documents, or the threat of denunciation to authorities.



With respect to the RI framework, this Policy will only consider Modern Slavery risk monitoring and reporting from an investment perspective. As detailed in the Insignia Financial Modern Slavery Policy, understanding the underlying investments made by its investment managers forms a core part to understanding IFL's Modern Slavery exposure.

The Antares Responsible Investment Standard Operating Procedures detail the IMs approach to the risk assessment and reporting of Modern Slavery risks.

5.3. Controversial Holdings

This Policy recognises there are a range of views with respect to controversial holdings such as gambling, alcohol, tobacco and weapons.

The Antares Responsible Investment Standard Operating Procedures detail the IMs approach to the consideration of controversial holdings.

6. Policy Governance

The General Manager, Direct Capabilities and Specialist Investment Services, in the Asset Management division of IFL is ultimately responsible for this Policy.

The Head of Responsible Investment of the Asset Management division of IFL is responsible for the ongoing development of this Policy in line with industry best-practice.

The Policy will be reviewed annually by the respective Boards of Directors of the Investment Managers.

7. Consequences of Non-Compliance

Non-compliance with this Policy may result in disciplinary action in line with our Code of Conduct and Consequence Management Framework. A breach of the Policy may be a breach of legislation or prudential standards. All breaches will be managed in accordance with the Incident & Breaches Policy.

Any exemptions to the Policy must be agreed by the relevant executive policy owner and the Asset Management Risk Officer, Enterprise Risk & Compliance. It must be tabled at the appropriate Risk and Compliance Committees in a timely manner and may subsequently be reported to the Board(s).

8. Review & Approval

This Policy will be reviewed annually by the Policy Owner, together with management and submitted to the Board Policy Review workshop at least triennially for review and approval by the relevant board(s), in accordance with the Policy and 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).

Non-material amendments to this Policy may be approved by the Board(s) delegated authority in accordance with IFL's Delegations Policy.

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9. Document Information

9.1 File Details

Title	Antares Responsible Investment Policy
Owner	Head of Responsible Investment, Asset Management
Approved by	MLCAM in the capacity as Investment Manager that Antares Fixed Income operates under & ACP in the capacity of Investment Manager that Antares Equities operates under
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9.2 Revision History

Version	Date released	Author(s)	Description
4.0			
3.0			
2.0	10/01/2025	James Tayler, Head of Responsible Investment	Annual Review – No material changes
1.0	12/03/2023	James Tayler, Head of Responsible Investment	Initial RI Policy



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Appendix 1: Responsible Investment Beliefs

The following Responsible Investment (RI) beliefs link the IMs approach to RI prescribed in this Policy to the broad ESG-related values held by Insignia Financial Limited and seek to enhance investment decision making and returns:

Belief 1: ESG issues can be a source of opportunity and risk in the management of investment portfolios

- ESG issues can influence the risk profile and investment returns of portfolios over the long term.
- As Investment Managers, we recognise we have a responsibility to understand ESG issues in the portfolios we manage.
- As Investment Managers, best practice Responsible Investment occurs through ESG Integration and Active Stewardship.

Belief 2: Consideration of ESG issues assists in meeting long-term performance objectives

- Consideration of ESG issues, such as climate change, requires a long-term focus. This is consistent with core aspects of the Investment Managers overall investment philosophies that emphasises a long-term view.
- The impact of ESG issues on a firm's financial performance tend to occur gradually, over time. Identifying ESG issues which can impact investment outcomes encourages and supports long-term thinking.
- Ensuring that we as Investment Managers give proper consideration to ESG issues within their portfolios is consistent with this investment belief.
- We believe traditional quantitative scoring of issues tends to give too much weight to historical investment performance and takes insufficient account of other tangible or intangible issues that could drive sustainable performance over the long term.

Belief 3: Proxy voting and company engagement can positively influence corporate behaviour

- As a significant shareholder we have an opportunity to influence good corporate governance and to encourage sustainable operating practices.
- We therefore have a responsibility to cast proxy votes, on behalf of our investors, to influence the corporate governance of the companies in which we invest. This is consistent with our objective of achieving long-term superior financial outcomes for our investors and creating a sustainable footprint in our community via responsible investment activities.
- As a significant holder of corporate bonds we provide debt funding to many Corporates and seek to influence good corporate governance and to encourage sustainable operating practices.

Belief 4: Climate change creates significant long-term risks and opportunities that require special attention

- We believe that the emissions of greenhouse gases (GHGs) into the atmosphere, accelerates climate change and this carries significant risks to human health, economies, and ecosystems.
- Since the Paris Agreement was signed, a global consensus is emerging that reaching net zero carbon dioxide emissions around 2050 is required to minimise the negative impact of climate change. We believe global coordinated effort is required and as a result Insignia Financial has adopted 2050 net zero targets.
- Coupled with regulatory tailwinds, technological innovation is giving rise to increasing investment opportunities from the provision of climate and environmental solutions, in areas including clean energy and mobility, sustainable buildings and advanced materials

These RI Beliefs will be regularly reviewed and, as best practice in this field continues to evolve, we will seek to enhance and continue to develop our beliefs and investment processes.

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Appendix 2: Roles & Responsibilities

Roles & responsibilities	
Roles	
Board	The Boards of Insignia Financial Ltd, each Registrable Superannuation Entity and each APRA regulated entity (ARE) are ultimately responsible for Responsible Investment. Day to day operational responsibility of Responsible Investment is delegated to the Executive Team to ensure activities, appropriate resourcing, planning, and testing is undertaken which are appropriate to the size, complexity, and business functions of the entity.
Business Units	<p>BUs, as the 1st line of defence, are responsible for:</p> <ul style="list-style-type: none"> • developing Responsible Investment procedures (in accordance with group templates and guidelines); • maintaining, reviewing, and testing annually at minimum, or more frequently if material business changes to business operations have occurred. Testing will occur at a Group level; • implementing and embedding Business Unit deliverables in line with risk appetite and policy; • ensuring all employees with a designated role in the process be made aware of, and trained for their role, responsibilities, and accountabilities with respect to this Policy; providing general education and training for our people; • rectifying issues, incidents and action plans arising from testing and internal audit reviews; and • liaising with other BUs to ensure successful operationalisation of this Policy.
Enterprise Risk and Compliance	<p>The Enterprise Risk & Compliance function, as the 2nd line of defence, is responsible for:</p> <ul style="list-style-type: none"> • overseeing and challenging Responsible Investment activities and provision of appropriate policy, tools, guidance, insight, and reporting; • facilitating the setting of risk appetite in relation to Responsible Investment risks; • developing and maintaining an effective and fit-for-purpose Program; • developing and maintaining complete and comprehensive procedures and process instructions for all phases and steps of the Responsible Investment program; • providing subject matter expertise to guide and assist BUs in all steps throughout Responsible Investment development and maintenance; • providing advice and consultation to business management on matters relating to Responsible Investment; • overseeing the annual Responsible Investment testing plan (noting that Responsible Investment testing remains the responsibility of the business units); • providing appropriate education and awareness of Responsible Investment to our people; and • notifying APRA within the required timeframe after any breaches in relation to Responsible Investment.
Information Technology	Operational responsibility for measures to support Responsible Investment. This responsibility is specific to the Chief Operating and Technology Officer (COO) and is to be applied across all business units.
Internal Audit	The program will be reviewed periodically by internal audit, or an external independent expert, and the results reported to the relevant Committee(s). The purpose of the periodic review is to provide assurance that the Responsible Investment is in accordance with the Policy, it addresses the risks it is designed to control and that testing procedures are adequate and have been conducted satisfactorily.

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