

Stewardship Policy

Stewardship Mission

The objective of Pembroke’s stewardship activities is to help our clients secure their financial futures and to maximize long-term sustainable value. The firm’s business and investment philosophies are rooted in the concepts of active ownership, good stewardship, and aligned interests. The firm’s approach to stewardship is informed by our values¹, our investment philosophy, and our commitment to inquiry, engagement, collaboration, and transparent reporting. Pembroke’s stewardship activities cover all the firm’s investment products and include but are not limited to monitoring the companies we invest in and the managers we hire, using our influence to engage with companies, and reporting on our engagement and proxy voting activities. Pembroke believes that companies have a responsibility to act in the long-term interests of their stakeholders to maximize value and as investors with a long-time horizon we recognize the fundamental importance of environmental, social and governance factors.

Implementation

The firm’s Corporate Governance and Responsible Investing Committee is responsible for putting Pembroke’s stewardship beliefs into practice. The committee includes members from each of the three operating groups and reports directly to Pembroke’s managing partner. To ensure broad support for the firm’s stewardship efforts, each employee must detail how they will contribute to the firm’s sustainable investing activities in general, and to the United Nation’s Principles for Responsible Investing in particular, as part of their review process.

Monitoring Companies

In its monitoring of portfolio companies and candidates, Pembroke uses stewardship tools to support the research and investment management activities. These tools support risk-prioritized inquiry into ESG issues which then guide our ESG engagements.

Proxy Voting Activities

Pembroke influences companies in their pursuit of good stewardship practices through our proxy voting activities. As part of our fiduciary obligation to clients, Pembroke exercises its voting rights in the companies in which we invest unless the client chooses to vote the shares directly held. The overriding objective of Pembroke’s proxy voting activities is to enhance shareholder value on a long-term basis. As a result, our proxy

¹ Pembroke Core Values: Integrity, Excellence, Humility, Accountability and Alignment.

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voting guidelines, have been developed to be consistent with this goal while not becoming rigid or inflexible directives.

External Portfolio Managers

Pembroke engages the service of external portfolio managers as sub-advisors for certain strategies including its fixed income, international, and parts of its balanced strategies. All of Pembroke's sub-advisors are signatories to the UNPRI and have made commitments therein to responsible investment.

Commitments

Pembroke is a signatory to the UNPRI, and as such we are committed to the Six Principles of the UNPRI:

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

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

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

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.²

Reporting

Pembroke will report to its clients and the UNPRI at least annually on our stewardship activities.

² Source: UNPRI, <https://www.unpri.org/pri/what-are-the-principles-for-responsible-investment>