

## Investment Governance Code

### Our Investment Philosophy and Commitment

At StashAway Asset Management (Thailand) Co., Ltd. (“StashAway Thailand”), our investment philosophy centers around achieving optimal risk-adjusted returns at low-cost execution. We employ an intelligent and automated technology embedded with risk management mechanisms with a focus on strategic asset allocation (as opposed to securities selection) to monitor economic trends and valuations, and subsequently make informed management decisions in maintaining each client's personal risk preferences through any economic environment. This Policy follows and adopts the Investment Philosophy, Framework & Process enumerated in StashAway Group’s framework and is aligned to the SEC requirements and regulations to the extent possible.

Along the way toward our goals, we have examined how Environmental, Social and Governance (ESG) affects returns and found that it also drives returns and provides diversification in our clients’ existing portfolio, while positively contributing to sustainability. To show our support, we voluntarily join forces in collective movements with the Securities and Exchange Commission, and our fellow signatories by adopting the following 7 principles of an Investment Governance Policy (“I Code”) for institutional investors and implementing this in-house Investment Governance Policy.

### **The 1st Principle: Adopt a clear written Investment Governance Policy**

StashAway Thailand is committed to conducting its business in accordance with the governing law and regulations and in the highest ethical and professional standards with an independent oversight by the Compliance Unit to ensure that it meets legal and regulatory requirements. StashAway Thailand has adopted the following Investment Governance Code, a written Investment Governance approach (hereinafter referred to as the “Code”/ “I Code”). This Code is applied in line with StashAway Thailand’s structure, operations, investment styles, approach and the scale of operations, which is endorsed by the Board of Directors. This Code has been designed to cultivate and strengthen an investment governance culture. The Policy is reviewed annually or upon any significant change or material events in order to ensure an effective implementation and achievement towards its goal.

## **The 2nd Principle: Properly prevent and manage conflicts of interest and prioritise advancing the best interest of clients**

To ensure that conflicts between the interests of the firm and clients, or between clients are managed appropriately, we have developed and implemented a number of policies and procedures and controls. The intent of these policies and procedures is to raise awareness and create an environment where the conflicts of interest are limited where possible, and where conflicts are appropriately disclosed and managed within the organisation. These policies and procedures are reviewed periodically, or upon any material change and tested from time to time to ensure that they function as intended.

## **The 3rd Principle: Make informed investment decisions and engage in active ongoing monitoring of investee companies**

At StashAway Thailand, we do not invest in single securities such as stocks, but rather focus our investment in indices that track the entire market. Hence, we offer our clients globally diversified portfolios with an exposure to different asset classes via Exchange-Traded Funds (ETFs). We take the credibility and reputation of fund managers, long track record of the funds, fund size, cost and tracking efficiency, liquidity, and performance per unit of risk into careful consideration when choosing our ETFs. The investable universe is subject to periodic review and any addition, removal or replacement of ETFs will be discussed and approved by the Investment Committee Meeting.

Our algorithm-based investment framework called Economic Regime-based Asset Allocation (ERAA™) uses macroeconomic data from independent sources to identify economic regimes and systematically manage, rebalance, and optimise all clients' portfolios, corresponding to the current economic regime and on the basis of risk preferences and desired target goals. The ERAA™'s intelligent asset allocation approach minimises risk and maximises returns by reading thousands of data points and actively monitoring external economic forces to determine current and upcoming economic environments, navigating economic uncertainty, and seeking asset class valuation gaps - ensuring that asset allocations are always optimised for the given economic environment.

## **The 4th Principle: Apply enhanced monitoring of and engagement with the investee companies if monitoring pursuant to Principle 3 is considered insufficient**

In addition to the monitoring by our ERAA™ as explained in the 3<sup>rd</sup> Principle, when a high probability of abnormal market behaviour is detected, the ERAA™ will signal a warning and re-allocate our clients' portfolios in a protective way until the markets regain clarity. The Investment

Committee, functioning as “a gate-keeper”, overseeing the integrity of input data to ensure the algorithm-based investment framework adheres to its decision logic. It also reserves the right to veto ERAA™ 's algorithm on grounds of risk management concern.

Furthermore, we rebalance our client portfolios digitally to maintain the target allocations of each asset in the portfolio, which is determined by the investment processes. The automated rebalancing is triggered when there are substantial changes in the relative performance of assets in a portfolio to the target allocations.

**The 5th Principle: Have a clear policy on exercising voting rights and disclosure of voting results.**

Proxy voting is a fundamental mechanism for shareholder ‘voice’ in corporate governance, including shareholder engagement and activism. We recognise that passively managed assets across the world, index funds and ETFs have started to play an increasingly important role in proxy voting. However, as StashAway Thailand manages its portfolio through investments into ETFs as a unitholder of an ETF, we are eligible for voting rights. Such rights in practice will be exercised when the mechanism for ETF unitholder evolves in the global passive investments space. StashAway Thailand, as a discretionary manager will exercise and vote on behalf of the portfolios it manages for situations that may materially affect its clients’ value at ETFs unitholders’ meetings. Such rights would be exercised based on materiality and feasibility when the mechanism develops and is fully adopted and relied upon by SATH, a policy on exercising the voting rights and voting activities would be carved out and shall be disclosed to the public on our website.

**The 6th Principle: Act collectively with other investors and stakeholders as appropriate**

StashAway Thailand is open to collaborating with other investors (both domestic and overseas) to communicate an area of concerns with investee ETFs, provided that such collective engagement is likely to be more effective than unilateral engagement, the objectives of other investors are aligned with our clients’ interest, and as long as the engagement is not prohibited by governing laws and regulations concerning acting in concert or market manipulation nor does it constitute a conflict of interest.

To support collective initiatives, we shall collaborate with various associations and maintain relationships with all members to explore best practices across our industry and to advance an engagement, if any.

**The 7th Principle: Regularly disclose the Investment Governance Policy and compliance with the Policy**

StashAway Thailand maintains appropriate record-keeping of its I Code-related duties and ensures the information disclosed to clients and the public is accurate, consistent, updated, complete and not misleading. Our Investment Governance Policy as well as a report on compliance will be disseminated on our website.