Waterfield Advisors' ESG Policy

AS OF APRIL 01, 2021

Introduction

Established in 2011, Waterfield Advisors is India's leading independent Multi-Family Office and Wealth Advisory Firm. We presently advise on over USD 4 Billion of financial assets. Built on the fundamentals of trust, integrity and transparency, Waterfield is one of the first financial services firms, in the country, to introduce and pioneer the concept of Investment Advisory in Wealth Management. Drawing from decades of experience in private banking, Soumya Rajan, Founder and CEO recognized the need of holistic services and a no-conflict-of-interest approach to investment advice. Thus, Waterfield Advisors was set-up as India's first pure financial advisory company taking on established banks and financial institutions that considered distribution as a norm in Wealth Management.

Typically, a UHNI Family has to work with multiple individuals and entities to address their overall financial needs. It was in this context that Waterfield Advisors was founded to be a professionally managed, holistic services provider for family-owned businesses – addressing all their investment and non-investment needs (succession planning, corporate structuring, family governance and philanthropy) under one umbrella.

As fiduciaries, Waterfield is aware that mega trends such as climate change, demographic shifts, urbanization and growing inequality pose significant risk to our clients' wealth, value and reputation. Similarly, we are also cognizant of the collective power that our investment advice has in defining value creation, encouraging responsible corporate practices, and allocating capital towards a sustainable and better future. We, therefore, consider factors beyond traditional financial analysis in our investment decision-making At Waterfield, we are committed to advise our clients to deploy their capital in a manner that capitalizes on the opportunities and seeks to minimize the risks to various environmental (E), social (S) and governance (G) factors.

This document lays out the firm's responsible investment policy articulating our broad philosophy, approach, and the steps we are taking to integrate responsible investment across our business. In formulating our ESG policy, we have considered the guidelines set by the United Nations Principles for Responsible Investment, FMO and CDC for venture capital. We are committed to following these principles, to the extent possible, when making any investment decision to the extent that doing so is consistent with our fiduciary duties of ensuring that our clients meet their goals and protect their interests.

Our ESG Mission

Waterfield is driven by the clear goal of advising clients so as to preserve and grow their wealth. Underpinning this, is our broader view that wealth has human, financial, social and environmental dimensions. As capital allocators, we recognize the impact of our investment advice on the world around us. To that end, we are committed to advising our clients to allocate their capital in a manner that optimises the opportunities and minimizes the risks to various environmental, social and governance (ESG) factors. Our ESG integration is not just reserved for our clients but is also embedded in our internal systems as we recognise our broader role as advocates of responsible and sustainable investing in India.

Scope of ESG Integration

Among the various approaches to ESG evaluation, we follow ESG integration as a strategy to promote responsible investment advisory on listed and unlisted investments, whereby material factors - both ESG and traditional financial factors—are systematically analysed and included. As a rule, we prefer integrating ESG in our Investment Advice rather than applying blanket exclusions, unless requested by clients.

Scope of ESG Integration

Client-centric advisory

Our approach to investing, including responsible investing, is very personalized and involves extensive conversations with clients to understand their financial goals, risk-return profile and their values. We work towards aligning these goals with their ESG objectives by developing and implementing tailor made strategies.

Advisory for listed investments

For listed equity investments, we would endeavor to provide our clients with an aggregated ESG score at the overall portfolio level across various listed capital market instruments along with individual scores for E, S, and G wherever possible, using third-party ESG data. Clients can also access this score via the Waterfield Mobile App. Based on this analysis, we would engage with clients to customize their allocation to improve the ESG score at a portfolio level. Currently, India is in a relatively nascent stage of ESG development and there are very few companies that are rated for ESG. We would continuously expand the scope to include a wider array of listed stocks and bonds, as and when available.

Advisory for unlisted investments

This is a relatively new asset class, but one that has experienced significant growth and relevance over the years, particularly with respect on how businesses are run and their effects on people and the planet. As representatives of LPs, and cognizant of the impact of this asset class, we would require all funds that form part of our due diligence to respond to our ESG due diligence questionnaire. Additionally, for all funds that form part of our investment advisory portfolio, we will encourage them to strengthen ESG performance through value addition plans, including ESG in their reporting to LPs. For impact investment, a subset of this asset class, we have developed a proprietary tool to assess the funds' ESG and impact footprint, in addition to financial due diligence.

Scope of ESG Integration

Client Education

Given the early stage of responsible investing in India, we will actively engage with clients and prospects to build an understanding and appreciation of ESG integration and dispelling misconceptions through meetings, workshops, webinars etc. We will also actively encourage our clients who are promoters-founders of companies, to disclose good quality data on their ESG performance in the public domain.

Resources

Waterfield's leadership has identified ESG integration as one of the key initiatives for the organization and has dedicated significant resources towards the creation of a holistic, cross -functional team to address client needs. We will undertake periodic organisation-wide training to build internal capacity. As the ecosystem matures, we expect our ESG approach to evolve and will continue to add resources to its integration.

ESG Governance

Our approach to ESG is led by the ESG Core Committee, co-chaired by Ms. Soumya Rajan (Founder and CEO), Mr. Kartik Kini (Chief Operating Officer) and Mr. Nimish Shah (Chief Investment Officer). The committee consists of a team of cross-functional leaders including investment analysts and sustainability and impact advisors. The committee meets quarterly to review and drive Waterfield's ESG integration efforts. The Committee is responsible for all ESG related activities in Waterfield including integration, education, reporting, training, and client education.

Waterfield Advisors is the first wealth advisory firm to become a signatory of the United Nations Principles for Responsible Investment (PRI) in India.

About Waterfield

Waterfield is India's leading Multi-Family Office. We are registered with SEBI as Investment Advisors and work with family-owned businesses, trusts & endowments, and Single Family Offices in several investment and non-investment related areas. Our role is to provide holistic advice without a conflict of interest in all our dealings with our clients. Today the firm has four offices across the country in New Delhi, Mumbai, Chennai, Bengaluru and Kochi; and works with group of 90 prominent families in India, managing over $3.6 billion in financial assets (excluding promoter holdings) for these families.

We help clients plan, structure and manage their family wealth, working exclusively on their behalf as their dedicated Family Office. As an advisory firm on the Investment side, we have an open architecture platform working with all the leading product manufacturers across AMCs, PMS and AIF providers. We believe in transparency and unlike other wealth managers and Family Offices backed by financial institutions, we are pioneering the concept of being a pure advisory firm and do not receive any distribution fees from any product providers and work solely for our client's benefit, helping them over time to improve their portfolio returns and lower their cost of investment.

For more information, please visit www.waterfieldadvisors.com

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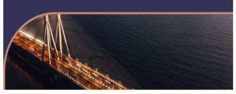		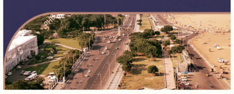		
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