

DEPRINCE, RACE & ZOLLO, INC.

Environmental, Social and Governance Integration

Issue

DePrince, Race & Zollo, Inc. (“DRZ”) recognizes that issues related to the environment, public health, public safety, employees and other stakeholders as well as the governance of a company’s operations affect the performance of their stock. As such, we believe that incorporating a review of Environmental, Social and Governance (“ESG”) topics as part of the firm’s analysis of portfolio holdings is consistent with our investment goals and objectives.

In developing these policies and procedures DRZ considered various ESG issues that can arise across the universe of companies that meet the firm’s investment criteria as well as the differences in opinions and ratings related to ESG data points. These policies and procedures do not limit DRZ’s investment universe. Rather, these policies and procedures are meant to prompt our investment teams to consider additional risks related to a range of ESG issues affecting prospective investments.

Risks

In developing these policy and procedures, DRZ identified the following risks associated with integrating considerations of ESG into our investment processes:

- DRZ does not adhere to client investment mandates that require certain ESG standards;
- DRZ misrepresents the ESG ratings of its portfolios, portfolio holdings or investment strategies and the process by which securities are selected;
- DRZ’s marketing materials do not accurately reflect the manner in which DRZ incorporates ESG considerations into its investment process;
- DRZ does not adequately document its review of ESG issues prior to purchasing a core portfolio holding.
- DRZ’s staff does not properly interpret or consider ESG issues, standards or ratings.

Policy

The following ESG policies have been developed with reference to internal and external standards, including the United Nations Principles for Responsible Investment. It is our goal, where consistent with our fiduciary obligations, to:

- Consider ESG matters as they relate to the short, mid and long term sustainability of the companies whose stock we consider for purchase, the effect of an issuer’s business practices on societal stakeholders as well as the impact of their operations to environmental sustainability;
- Strive to extrapolate ramifications of these issues and practices into our due diligence and investment analysis of these companies;

- Seek to be accessible and engage with relevant stakeholders either directly or through representatives, as appropriate, with respect to ESG issues;
- Analyze and consider an issuer's actions and operations in relation to their impact on employees, suppliers, and vendors;
- Remain committed to compliance with applicable national, state, and local labor laws in the countries in which the DRZ portfolios invest;
- Support the payment of reasonable wages and benefits to employees;
- Support safe and healthy workplaces in conformance with national, state and local law;
- Respect the rights of employees to engage in collective bargaining;
- Maintain policies that prohibit bribery and other improper payments to public officials consistent with the Foreign Corrupt Practices Act and Pay-to-Play Rules;
- Avoid companies that have history of persistent and continuing child or forced labor or maintain discriminatory policies; and
- When possible, encourage the management teams of investments to advance these same principles in a way that is consistent with their fiduciary duties and their own operating and business imperatives.

Procedures

Investment Analysts

When considering a security for a portfolio, the Investment Analyst assigned to research the company must review, consider and analyze ESG issues as part of their overall diligence of the prospective investment. Analysts are expected to understand the ESG issues and risks associated with the issuer's sector, industry and specific operations prior to recommending a security to the Portfolio Manager for investment consideration.

As part of this analysis investment personnel are expected to consider some or all of the following factors:

- The impact of the company's business practices (past and current) on the short, mid and long term sustainability of the environment, impact to customers, employees and other stakeholders as well as the company's current and future plans for proper governance of the company's business(es);
- The impact of the company's recent ESG practices on the short, mid and long term sustainability of operations and profitability;
- Assets and liabilities stemming from the issuer's ESG culture and recent history;
- Resources and efforts necessary to achieve ESG initiatives or potentially needed to address ESG concerns;
- The company's efforts to incorporate ESG factors into company initiatives and metrics;
- The materiality of the company's efforts as they relate to ESG;
- The company's transparency in publicly disclosing information regarding management's ESG practices, policies and efforts; among others.

The Investment Analyst's research must adequately communicate to the Portfolio Manager relevant information necessary for the Portfolio Manager to evaluate the issuer's ESG practices.

Portfolio Managers

Portfolio Managers are responsible for ensuring that each client account is managed in a manner consistent with the investment objective and strategy designated by the client's investment management agreement and consistent with DRZ's internal guidelines. Portfolio Managers have full discretion to manage the portfolio within these guidelines in a prudent and professional manner. As such, Portfolio Managers are expected to diversify the managed portfolios across sectors, industries, and issuers. While an ESG score and related analysis are important, they do not individually qualify or disqualify a security from inclusion in a DRZ portfolio. Portfolio Managers are responsible for ensuring that each holding's characteristics are appropriate within the context of the managed portfolio's overall risk profile.

Investment Team Record Retention

Research considered by DRZ's investment team during the analysis of a portfolio must be maintained in accordance with DRZ's record retention policies. These records include third party analysis, ratings reports, sell side reports, financial models or similar materials as well as internal analysis of ESG issues that have been created in the diligence process. For avoidance of doubt, this procedure does not require DRZ's investment personnel to create internal material.

Sources of information reviewed during the diligence process that are widely available to the public are not required to be maintained. Examples include public filings, widely available news articles or other literature from publicly available sources.

New Names _ Compliance

All new investments purchased into a DRZ portfolio ("New Names") must be reviewed by DRZ's Operations and Compliance groups for adherence to DRZ's investment strategy guidelines. In order to ensure ESG issues have been considered as part of the investment process, the DRZ investment team member requesting the addition of a New Name must attest that the ESG component of the issuer/security has been reviewed. The attestation shall be interpreted to imply that:

1. The issuer's conduct as it relates to Environmental, Social and Governance issues has been reviewed by the Investment Analyst and adequately communicated to the applicable Portfolio Manager; and
2. Adequate documentation has been saved in an easily accessible location for purposes of DRZ's compliance review of investment recommendations and books and record retention.

On-going Compliance Oversight

As part of DRZ's on-going compliance program, the CCO and/or compliance staff shall periodically review the documentation considered or created during the analysis of ESG matters. Documentation maintained by the investment teams must provide a reasonable basis for a prudent analysis of ESG issues. In addition, the Compliance Group shall periodically review accounts that have mandated specific ESG thresholds to ensure that the client's portfolio complies with the agreed upon Investment Policy Statement.

Periodic Training & Review

At least annually DRZ's senior management including senior portfolio management personnel will review these policies and the firm's continued efforts to incorporate ESG related matters into the firm's investment research.

Proxy Voting

DRZ believes that an issuer's proxies often reflect management initiatives that may affect the company's stance and impact on ESG matters. DRZ will work with its third party proxy administrator to identify proxy issues that have ESG implications. Proxy votes flagged for ESG issues will be individually evaluated and considered by the applicable investment team as part of DRZ's on-going analysis of ESG matters.

Marketing

On occasion DRZ may receive inquiries from outside parties regarding DRZ's process to consider ESG issues. It is vital that the firm accurately portray this process when discussing it with the public, current clients or prospects.

DRZ does not include or exclude specific investments in a managed portfolio solely based on the security's ESG rating. Employees are prohibited from stating or inferring that investments must meet an ESG threshold in order to be included in a portfolio. While DRZ's investment teams consider the issuer's handling and involvement in matters related to ESG, the matters are considered additional data points that are reviewed during the investment analysis of the issuer and not a determining factor for inclusion or exclusion.

Employees are prohibited from proactively marketing DRZ's investment strategies, investment objectives or portfolio management process as:

- ESG;
- ESG Compliant;
- Meeting a specific ESG threshold;
- Approved by an organization or regulatory body with respect to ESG; or
- Any other similar inference regarding ESG.

Responses to requests and inquiries from outside parties regarding ESG related principles, standards or other similar ESG topics should be reviewed by Compliance or an appropriate supervisor prior to dissemination.

