





VISION

**TO BE
AFRICA'S
FOREMOST
INVESTMENT
CHANNEL**

INVESTMENT PHILOSOPHY & STRATEGY

Over the years, our business model has evolved and so has our investment philosophy. Centum generally focuses on companies in sectors with:

- Large and growing domestic and regional markets targeted principally at households and private businesses
- Basic goods and services whose demand will increase as purchasing power increases
- Products and services with limited scope for import substitution
- Sustainable competitive advantage, with relatively high barriers to entry
- Sectors with pricing power that will allow price increases with inflation
- Relative industry certainty - where there are no adverse industry changes foreseeable within the investment period

In cases where attractive opportunities exist in sectors that it does not have an understanding, we work to build expertise by engaging sector specialists from the investment appraisal stage or strategic partners to jointly invest.

Our investment objectives are anchored around the following constraints:

- Asset Allocation - ensuring a healthy balance of investments across various segments and portfolio classes (namely growth, real estate, cash and marketable securities and development) to minimize asset concentration risk and ensure a steady stream of cashflows to meet portfolio costs and take advantage of investment opportunities;
- Legal & Regulatory Factors - paying due regard to the environment which we operate in;
- Time Horizon - a balance is maintained between long and short-term investments to ensure consistent dividend payouts whilst maximising long term value; and
- Sustainable Development - making conscious decisions to ensure responsible investing ethos on social, environmental and governance are applied towards greater value to the Company.

RESPONSIBLE INVESTING

The Responsible Investing Policy (RIP) forms the bedrock upon which sustainable development is anchored within the Company. This entails:

- Having proper governance structures, concern for the environment and social responsibility.
- Ensures that all investments made by Centum not only generate desired return to shareholder's capital, but also benefits the society where they are made. Furthermore, the policy guides the investment team in making environmentally conscious investments.
- Helps the Company promote its commitment to our stakeholders and to comply, at a minimum, with applicable local and international laws and regulations and, where appropriate, relevant International Standards where these are more stringent than the applicable laws.
- Furthermore, Centum, has **Integrity** as a core value and guiding principle. Integrity is embedded in the culture through corporate governance initiatives and policy framework. Employees and directors of the company adhere to the Centum code of ethics, whistle-blowing policy and conflict of interest policy. The Company and its employees place integrity of the investment profession, governing rules of the Company and the Capital Markets above personal interests.

MINIMUM ENVIRONMENTAL SOCIAL GOVERNANCE STANDARDS

The Company is focused on investing in businesses which are committed to:

- Taking necessary measures to ensure equitable distribution of value across the supply chain in all its operations;
- A responsible approach to environmental management of their business operations (and those of their supply chain) by making efficient use of natural resources and mitigating environmental risks and damage;
- Respecting the human rights of their workers and of the people working in their supply chain;
- Maintaining safe and healthy working conditions for their employees and contractors and for the people working in their supply chain;
- Treating their employees fairly;
- Upholding the right to freedom of association and collective bargaining; and
- Treating their customers fairly and respecting the health safety and wellbeing of those affected by their business activities.

The minimum environmental, social and governance standards are considered at all stages of our investment processes and form part of our investment policy.

