



Stewardship Policy- Mahaana Wealth Limited

Effective date	June 2025
Recommendation by Approver	Audit and Risk Committee
Approver	Board of Directors
Owner	Fund Management Department
Functional Applicability	Fund Management Team
Approval Date	June 30, 2025
Policy Version	1.0

1. Background:

In line with the amendments introduced by the Securities and Exchange Commission of Pakistan (SECP) through SRO No. 592(I)/2023 dated May 17, 2023, to the Non-Banking Finance Companies and Notified Entities Regulations, 2008, all Asset Management Companies (AMCs) are now required to adopt a formal Stewardship Policy. This policy, approved by the Board of Directors, must outline the AMC's responsibilities as an institutional investor in listed equities and address the following key areas:

- Stewardship responsibilities.
- Voting policies.
- Monitoring of investee companies.
- Engagement with investee companies.
- Identification and management of conflicts of interest; and
- Integration of sustainability factors, including Environmental, Social, and Governance (ESG) considerations, into investment analysis and decisions.

Any updates to the policy will be submitted to the Audit and Risk Committee for review and recommendation before formally approved by the Board.

2. Introduction:

Mahaana Wealth Limited ("Mahaana Wealth") manages Mutual Funds, Pension Funds, and Investment Advisory Portfolios. We recognize the critical role stewardship plays in our investment process—not only to uphold our fiduciary duty to clients and unit holders, but also as a means to potentially enhance long-term investor returns. Key elements of stewardship—such as active monitoring, engagement with investee companies and their management, and exercising voting rights—can positively influence a company's strategic direction, corporate governance, and risk management practices.

We are committed to consistently acting in the best interests of our unit holders and fulfilling our fiduciary responsibilities with integrity and diligence. As a responsible asset manager, Mahaana Wealth aims to strengthen its stewardship capabilities and contribute meaningfully within the investment ecosystem. This Stewardship Policy applies to all investments in listed equities made through our Mutual Funds, Pension Funds, and Investment Advisory Portfolios on the Pakistan Stock Exchange.

3. Principle 1 – Stewardship framework and approach



At Mahaana Wealth, the investment team maintains proactive oversight of investee companies by regularly engaging with them to assess performance, exercise voting rights, and conduct meaningful dialogue.

Our key stewardship duties encompass

- a. Actively monitoring and engaging with investee companies on a range of issues, including financial performance, corporate governance, ESG (Environmental, Social, and Governance) factors, operational risks, and capital structure.
- b. Promoting unitholder value through constructive and ongoing engagement.
- c. Participating in Board and shareholder meetings through voting and engagement to help enhance long-term value for both unitholders and investee companies.
- d. Remaining accountable to unitholders while adhering to professional confidentiality and regulatory standards.

Execution of Stewardship duties

We fulfill our stewardship responsibilities in the following ways:

- a. Engaging in dialogue with investee companies to gain deeper insights into corporate strategy through discussions with management, Board interactions, and voting at shareholder meetings.
- b. Continuously monitoring and engaging on key matters such as operational and financial performance, governance practices (e.g., board composition, executive remuneration), ESG risks and opportunities, and capital structure to deliver long-term value.
- c. Communicating our perspectives as responsible investors to encourage practices that we believe enhance corporate value for both investee companies and our unitholders.
- d. Exercising voting rights on shareholder resolutions in accordance with our Board-approved voting policy, with a focus on supporting long-term value creation.
- e. Promoting strong and responsible corporate governance as a foundation for sustainable value.
- f. Monitoring and, when necessary, intervening on significant ESG-related issues or risks within investee companies.
- g. Ensuring that staff involved in stewardship activities receive appropriate training to effectively implement these principles.

4. Principle 2- Voting rights and public disclosures

To safeguard and enhance returns for our unitholders while promoting good governance in investee companies, Mahaana Wealth exercises its voting rights independently after thorough analysis. We view proxy voting as a key aspect of our engagement and stewardship responsibilities.



Decisions on proxy voting are made in accordance with our Board-approved Proxy Voting Policy, which is publicly available on our website.

This policy outlines the following guidelines to ensure responsible voting in investee companies:

- Board composition
- General principles for proxy voting
- Corporate governance matters
- Appointment of auditors
- Changes to legal or capital structure, and proposals affecting shareholder rights
- Corporate restructuring
- Mergers and acquisitions
- Voting procedures and related matters
- Record-keeping and management

All voting activities are conducted in line with these guidelines to uphold unitholders' interests and promote sound corporate governance.

5. Principle 3 – Oversight of Investee companies

The Equity Investment Research team, led by the Head of Research, is responsible for monitoring the companies in which Mahaana Wealth's funds invest. Monitoring is conducted using publicly available information, management meetings, sell-side research, and industry data.

While efforts will be made to hold at least one meeting annually with each investee's company, there may be cases where management is unavailable or unable to provide meaningful new information. In such situations, monitoring will rely on alternative sources.

Monitoring Approach:

- Evaluate the investee company's business strategy, financial performance, risk profile, capital structure, leadership effectiveness and succession planning, remuneration, corporate governance, and environmental, social, and cultural factors, to the best extent possible.
- Utilize publicly available data, sell-side research, and industry insights, and engage with investee companies through investor or analyst calls and meetings at least once a year when feasible.
- The research team will regularly meet with management or key personnel and actively participate in investor briefings and general meetings (via webcast, conference call, or other channels) whenever invited.
- If management's access is limited or deemed unproductive, the team will monitor the company through alternative sources such as third-party research or proxy advisory services.

- The research team will strictly comply with all regulatory requirements and internal policies related to insider trading when gathering information during monitoring activities.

6. Principle 4- Policy on engagement with Investee companies

At Mahaana Wealth, we believe that active engagement with investee companies is essential to foster strong relationships, promote sound corporate governance, and support business practices that enhance investor returns. Therefore, we engage with investee companies on a case-by-case basis whenever material issues arise, such as poor financial performance, governance concerns, remuneration, strategy, leadership challenges, or litigation.

Our engagement and escalation approach includes:

- a. Taking all reasonable steps to engage with the management of investee companies to address and resolve any concerns, including efforts to mitigate identified issues;
- b. If management does not take constructive action within a reasonable timeframe, Mahaana Wealth will renew its efforts to engage with the management to seek resolution;
- c. Should these efforts fail to produce progress, Mahaana Wealth may escalate concerns by formally communicating with the Board of Directors and outlining the issues. Further actions, including potential exit from the investment, may be considered to protect unitholders' interests;
- d. Mahaana Wealth may participate in collective engagement with other institutional investors where such collaboration could lead to a more effective response from the investee company. While Mahaana Wealth may join or initiate joint representations, it retains its independent judgment on any issue and does not act as part of a 'person acting in concert' with other shareholders.

7. Principle 5 – Conflict of Interest Management

- a. Mahaana Wealth's foremost responsibility is to create long-term value for its unitholders. Potential conflicts of interest arise when the interests of Mahaana Wealth or its funds conflict with those of the investors. Such conflicts must always be managed with the investors' interests as the top priority.
- b. The Investment team will take all reasonable measures to avoid actual or potential conflicts. If there is uncertainty about whether a transaction may cause a conflict, the matter will escalate to the Chief Investment Officer (CIO) and Chief Executive Officer (CEO).
- c. Conflicts may occur when:
 - The investee company is part of the same corporate group;

- The investee company is a client of Mahaana Wealth; or
- The investee company acts as a distributor for Mahaana Wealth's funds.
- d. To manage conflicts of interest, Mahaana Wealth will:
- e. Avoid conflicts whenever possible;
- f. Impose investment bans where necessary;
- g. Maintain a clear escalation process;
- h. Keep client relations and sales functions separate from the investment team responsible for engagement and voting;
- i. Require investment team members to recuse themselves from decisions where conflicts exist;
- j. Document all decisions and actions taken to address conflicts;
- k. Ensure voting decisions always prioritize the best interests of investors and unitholders.

8. Principle 6- Incorporating sustainability considerations

Mahaana Wealth recognizes the significant role Environmental, Social, and Governance (ESG) factors play in promoting sustainable business practices and long-term value creation for investors. These factors are integrated into our investment process alongside traditional financial analysis, with reasonable consideration given to the practical constraints investee companies may face in adopting ESG standards.

Engagement with investee companies is a key aspect of both ESG integration and broader stewardship. Regular interactions with management cover performance, strategy (including ESG concerns where relevant), and capital structure. Discussions around governance and executive remuneration are often part of voting-related engagements. Investment cases are reviewed continuously in internal meetings, with ESG risks and opportunities reassessed as needed.

Monitoring and Oversight:

We actively monitor and engage with investee companies on ESG-related issues, corporate governance, capital structure, and overall performance. Our Stewardship Policy outlines the framework for incorporating sustainability considerations into our investment decisions and oversight processes.

9. Stewardship activities reporting

Mahaana Wealth will publish an annual report detailing its stewardship activities on its official website to ensure transparency and accountability.

10. Oversight of stewardship responsibilities



The Stewardship Committee will be responsible for overseeing and ensuring the effective implementation of stewardship principles across all relevant investment activities.

11. Stewardship Committee

The Stewardship Committee is chaired by the Chief Executive Officer and includes all members of the Investment Committee (IC), such as the Chief Investment Officer, Head of Research, Head of Equity, relevant Fund Managers, Head of SMA, Head of Risk, and Research Analysts. The Head of Compliance is responsible for ensuring adherence to the Stewardship Policy.

12. Applicability and review of stewardship policy

This Stewardship Policy applies to investments where Mahaana Wealth holds at least 3% of the investee's paid-up capital. The policy will be reviewed and updated at least once every three years, or earlier if needed, with the latest version published on the Company's website.