HOW WE INCORPORATE THE 5 CRISA PRINCIPLES INTO OUR INVESTMENT PROCESS

PRUDENTIAL
INVESTMENT MANAGERS

INVESTMENT PROCESSES

1. An institutional investor should incorporate sustainability considerations, including environmental, social and governance, into its investment analysis and investment activities as part of the delivery of superior risk-adjusted returns to the ultimate beneficiaries.

We consider ESG factors as part of our ongoing fundamental company analysis. Where we are aware of particular and quantifiable costs or benefits, we adjust our estimates of a company's long-run cash flows accordingly. In doing this, we distinguish between temporary and permanent effects. For example, we will seek to exploit situations where the market prices in a permanent reduction in a company's future cash flows due to ESG concerns that are, in fact, temporary in nature - and where the company's long-run sustainable return on capital (and cash flow) is not compromised to the extent implied by the market price.

2. An institutional investor should demonstrate its acceptance of ownership responsibilities in its investment arrangements and investment activities.

We implement this principle primarily through our Voting and Voting Policy. The implementation of our Voting Policy is transparent and thorough, and we maintain disciplined recordkeeping of all voting matters. The table below summarises our proxy voting over the 12-month period ending December 2016:

Number of resolutions voted:	**1170**
Times voted for management resolutions:	**1079**
Times voted against management resolutions:	**91**
Number of abstentions:	**0**
Times voted against UNPRI/King policies:	**0**

3. Where appropriate, institutional investors should consider a collaborative approach to promote acceptance and implementation of the principles of CRISA and other codes and standards applicable to institutional investors.

Prudential is committed to working with other industry participants to further the principles of CRISA. As a signatory to the UNPRI, we participate in the UNPRI South Africa network meetings and conference calls, and were one of the members of the drafting Committee for CRISA. We are also committed to encouraging management of companies to disclose important ESG information in investor statements and disclosure projects.

4. An institutional investor should recognise the circumstances and relationships that hold a potential for conflicts of interest and should proactively manage these when they occur.

We are mindful of recognising the circumstances and relationships that hold a potential for conflicts of interest, and proactively manage these when they occur. To this extent there may be collaboration initiatives that we may choose not to participate in, or where we may first seek legal opinion prior to engagement.

5. Institutional investors should be transparent about the content of their policies, how the policies are implemented and how CRISA is applied to enable stakeholders to make informed assessments.

We regularly communicate our policies and their implementation to clients in segregated portfolios. This is mainly through report-back or due diligence meetings. Our proxy voting records are available to all share owners in segregated portfolios.