

ESG INVESTING

Environmental, Social and Governance (ESG) investing refers to an investment framework that **incorporates additional, non-traditional factors into investment analysis which are related to environmental, social or governance issues**. Specifically, it looks closely at how a company measures and manages ESG related issues in its own business. These issues vary by company and industry.

Examples are:

Environmental	Social	Governance
Air & Water Pollution	Human Rights	Board Independence
Biodiversity	Product Safety	Board Diversity
Carbon Footprint	Labor Standards	Corruption/Bribery
Waste Management	Supply Chain	Transparency
Water Scarcity	Employee Safety	Anti-competition
Land Use	Diversity	Business Ethics

WHY IS ESG INVESTING COMPELLING?

Sustainable, ESG and Impact Investing have grown to over \$8.72 trillion¹ traceable to the following:

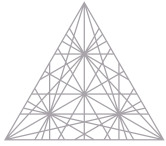
- ESG enables investors the opportunity to align portfolios with their personal values and address real global problems.
- A 2015 study by Harvard Business School suggests that companies which invest in material sustainability issues have better long term economic performance.²
- Investor belief in the importance of investing in companies that exhibit corporate responsibility.
- Belief that a company which transparently manages ESG issues has better risk management relative to its peers.
- Increasing demand from both institutional and individual investors.
- Net result: weighing ESG factors helps to consider additional risks and opportunities, and may lead to greater alpha.

ESG

ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE



*“Investing in
People, the Planet
and Profits.”*

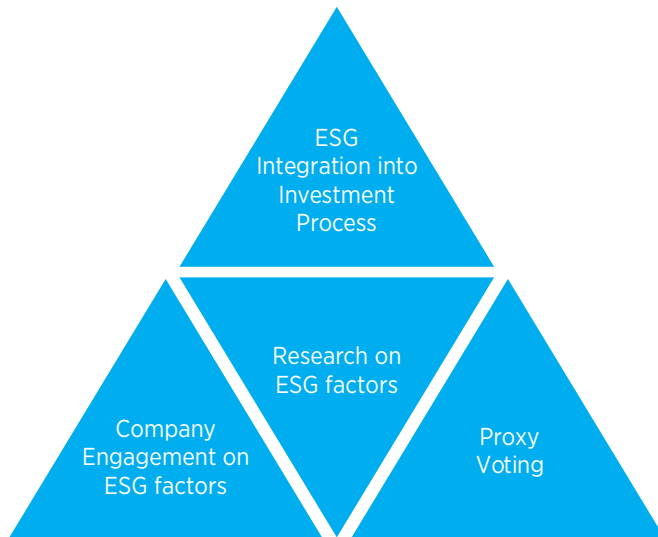


GAMCO'S ADVANTAGE IN ESG

GAMCO's involvement in socially responsible investing started in 1987 and we understand the needs and objectives of such investors. Our expertise and success in ESG investing is due to:

1. Intense, independent research-driven culture with core competencies in industries and companies where we have accumulated deep knowledge.
2. Long term investment horizon with low turnover enables us to invest in companies where ESG gearing may improve value after several years.
3. Fundamental, active investment perspective that is looking to identify opportunities that most investors are missing or the market is mispricing.
4. Approximately 30 years of experience managing values aligned investment portfolios.
5. An investment process which includes meeting regularly with company management.

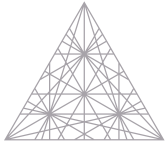
Integrated ESG investing is about explicitly evaluating certain non-financial criteria in addition to traditional financial metrics. This requires skill to understand these connections and understand the relevant ESG issues to the company and potential financial impact. We have these skills and expertise.



ESG POLICY STATEMENT

We believe in and are committed to the idea of corporate responsibility. Today, companies have a unique set of Environmental, Social and Governance (ESG) challenges in a world where resources are diminishing. This, along with changing customer preferences across industries, presents both business challenges and opportunities. As long term investors, we need to better understand the ESG issues that affect the companies in which we invest.

*“ESG and
Impact Investing
now totals
\$8.72 trillion.”*



ESG INVESTMENT APPROACH

GAMCO's overall investing objective is to earn superior, long-term investment returns for our clients. Our ESG investing approach is summarized as follows:

Key ESG issues - We carefully examine certain ESG criteria across environmental, social and governance issues.

Materiality - We evaluate the materiality of the issue to the industry and company. While we primarily do our own research, we utilize ESG specialist research sources to help supplement our research.

Understand Impact - We seek to understand the long term impact of various ESG issues to take a more informed, holistic view of the company's business operations, its industry dynamics and its long term business strategy. This includes looking at risks and opportunities.

Connect to Financial Valuation - Our objective is to identify whether and where an ESG issue has the potential to affect the financial valuation of our forecast. The relationship and connection is part of integrated analysis.

Thematic - We examine and invest in long term themes that may take many years to fully surface.

Connect to Portfolio Decision - A portfolio decision to include or exclude a stock based on financial evaluation along with ESG related issues is made by the investment team.

Custom - We have been managing custom values aligned portfolios since 1987 for investors.

COMMUNICATION

GAMCO has been focused on corporate management's role to create shareholder value since its founding in 1977. In this effort, our investment professionals spend many hours meeting with management to support transparency across many issues. We actively vote over 3,000 proxies annually. We believe in strong governance that benefits shareholders over the long term. Communication with management to understand how relevant ESG issues impact a company's business risk and opportunity set within its industry is part of our thorough assessment.

CAPABILITY

GAMCO has the ability to manage All Cap and Small Cap portfolios with a customized ESG framework.

¹ Source: US SIF:Forum for Sustainable and Responsible Investment, 2016 Report on Sustainable and Responsible Investing Trends

² "Corporate Sustainability: First Evidence of Materiality" by M.Khan, G.Serafeim and A. Yoon, Harvard Business School. 2015

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