J. STERN & CO.

UK STEWARDSHIP CODE REPORT : CALENDAR YEAR 2022

INTRODUCTION

Our investment approach at J. Stern & Co. builds on my family's multi-generational record of investing in quality for the long-term. We seek to generate industry-leading returns for our clients through a rigorous process of independent, in-house research and active stewardship. Our research combines traditional financial analysis, with a separate ESG Framework that covers environmental, social and governance issues.

It is our conviction that sustainability and quality are not only closely linked but that sustainability is a necessary condition for long-term value creation: only companies that operate in a sustainable way, can ultimately have a sustainable competitive advantage and generate sustainable shareholder returns over the long term.

2022 was another significant year for us in terms of our approach to responsible investment. ESG is a dynamic space and as such we are constantly looking at ways to enhance our processes and their rigour.

We continue to invest in our ESG capabilities and broaden our access to specialist resources, reflecting our commitment to sustainable investing. In terms of coverage, in 2022 we expanded our ESG Investment Framework beyond our direct equity and fixed income investments to cover our non-correlated assets (third-party funds held in our Multi-Asset Income strategy) with now 99% of J.Stern & Co.'s AUM being covered by our Framework.

We assess and disclose at portfolio level, performance relative to various metrics pertaining to ESG factors, including carbon intensity, diversity, equity, & inclusion, as well as alignment with key global sustainability initiatives in order to demonstrate the ESG performance of our main strategies in a clear and transparent way.

We engage deeply with our investee companies to foster change and promote the implementation of better ESG practices. In 2022, we engaged with our investee companies on 80 occasions to discuss topics pertaining to their capital structure, strategy, operational performance, and ESG matters. In over half of these occasions, we had the opportunity to discuss these matters directly with C-suite executives and/or senior management. Importantly, we were pleased to see progress on key targets we had set for our engagement efforts. During the year, we also voted on a total of 639 resolutions at the AGMs of 38 companies, encompassing all equity holdings held across our three core strategies. We voted against the companies' board recommendation in 36 instances, in line with our voting principles, seeking better disclosures and practices on numerous environmental, social and governance issues.

Finally, we continue to expand our collaborative engagement work recognising that we have a role to play in fostering systemic change and seeking to leverage the impact of our stewardship efforts.

In summary, stewardship forms a cornerstone of our investment approach and how we create value for our clients over the long-term, and we look forward to building on our achievements in the years ahead.

Jérôme Stern

Managing Partner & Chief Executive Officer

PRINCIPLE 1: SIGNATORIES SHOULD DISCLOSE HOW THEIR PURPOSE, INVESTMENT BELIEFS, STRATEGY AND CULTURE ENABLE STEWARDSHIP THAT CREATES LONG-TERM VALUE FOR CLIENTS AND BENEFICIARIES LEADING TO SUSTAINABLE BENEFITS FOR THE ENVIRONMENT, ECONOMY AND SOCIETY.

Our Firm

J. Stern & Co. is an investment partnership based in London, Malta, New York and Zurich. The firm was established in its current form in September 2012, but builds on the Stern's family's 200-year old banking heritage. As of 31st December 2022, our Assets under Management were US$ 925 million, 25% of which were owned by the Stern family and our partners.

We manage the assets of institutions, families, trusts, charities and other investors through long-term investments in concentrated portfolios of global equity and other assets. Our clients derive clear benefits from investing alongside the Stern family, namely from their investment approach, their long-term track record, network and experience.

We are a small, but growing, team of around 35 full-time employees across our Investment, Marketing, Operations and Compliance teams. We pride ourselves in the entrepreneurial and deeply collaborative culture of our firm that brings together a highly experienced, committed and diverse team of professionals.

Our Investment Philosophy

We offer our investments through funds and separate managed accounts. When we invest, our core principles are to:

- Look for quality businesses that will deliver absolute performance and create enduring value.
- Invest for the long term. We aim to actively own, as opposed to trade, the investments we make.
- Focus on direct investments in stocks and bonds and a limited selection of non-correlated assets including third party managed funds.
- Base our investment decisions on our own research and using our own portfolio managers.
- Support strong senior management teams in businesses we invest in but hold them to account where we have concerns.
- Strive for absolute rather than relative performance as we believe this is what ultimately matters for our clients.
- Have a clear, simple and transparent approach that fully aligns us with our clients. We do not use hedging, leverage, short selling or derivatives as part of our core investment approach.

Central to our investment philosophy is a rigorous process of fundamental proprietary research based on independent, in-house analysis complemented with active engagement. Our research combines a traditional financial analysis approach with a dedicated environmental, social and governance framework (the "ESG Framework"). As long-term investors we believe it is critical to take a holistic view of any investment, focusing not only on its underlying financial profile and associated risks but also its sustainability practices and policies.

Companies do not exist in a vacuum but are part of a nexus of environmental and social influences that mean that they are subject to a social licence to operate. We believe it is critical for us to understand and incorporate this broader perspective in our analysis. Investing for the long term and across generations makes a social licence particularly important because it is founded in structural influences and regulatory and reputational risks that a more conventional financial analysis would not capture.

We strongly believe that companies that successfully manage ESG-related risks and opportunities, strengthen the sustainability of their competitive position and improve their prospects for generating sustainable value over time.

In 2022, we offered three main strategies. Our flagship equity strategy is the World Stars Global Equity Strategy which invests in 25-30 global quality companies that can compound over the long-term. It invests in companies with a strong and sustainable competitive position in a good and growing industry, with a management that has a track record of value creation and the financial strength to weather any adversity. Our Multi-Asset Income Strategy is focused on delivering on an annual income generation objective, by investing across three asset classes, namely equities, fixed income and non-correlated assets. Our Emerging Market Debt Stars Strategy invests in a portfolio of hard currency corporate, emerging market bonds, seeking to generate returns from both income and capital growth. We offer these strategies through a fund structure and as separate managed accounts.

What Stewardship Means to Us

We consider ourselves stewards of our clients' capital. Stewardship serves as a powerful philosophy focusing on generating long term returns based on quality, value and sustainability. Direct engagement with company managements is a core part of how we believe we can deliver for our clients. We believe both asset owners and asset managers are well-placed to identify issues and implement change. Stewardship is as much about responsible ownership as a considered approach to selecting investments.

We engage actively with the companies we have invested in, and where we believe our companies should take more aggressive action to address issues, we raise our voice to encourage change. We see this as an integral part of our role as stewards of our clients' capital. Maintaining a constant dialogue with company management is key to how we discharge our stewardship responsibilities, and we believe it as a way to maximise shareholder value over the long-term.

Stewardship considerations form a key part of the investment decision process at the Investment Committee level, where the sustainability profile of current and potential investments and associated risks and opportunities are discussed as part of the overall investment thesis. ESG issues and stewardship activities are routinely discussed during our investment team meetings. We focus on emerging ESG trends and policy developments that have the potential to influence our investee companies as well as company specific issues or controversies that may arise.

Outcomes

Reflecting our commitment to integrating ESG factors in our investment approach, our two UCITS funds, the World Stars Global Equity and the Emerging Markets Debt Stars, are classified as Article 8 in the context of the SFDR (the EU's Sustainable Finance Disclosure Regulation), meaning they promote environmental and social characteristics. Our Star Multi-Asset Income RAIF Fund is classified as Article 6, but takes sustainability risks into consideration.

2022 was another challenging year in terms of global market conditions. The Ukraine conflict led to higher energy and other commodity prices fuelling inflationary pressures and amplified already acute disruptions in global supply chains. Persistent inflation drove central banks, including the US Federal Reserve and the European Central Bank to aggressively raise interest rates, resulting in significant moves in global equity and credit markets over the year, and challenging less well capitalised financial institutions. Despite the stressed market conditions our focus on quality businesses, and particularly the emphasis on financial strength and operational execution, has meant that our investee companies, though affected by the dislocations in market conditions in terms of short-term asset returns, have actually posted robust underlying business results, often taking advantage of strategic opportunities as they arise, placing them in a stronger position for the future ahead.

Outcomes (continued)

The performance of our strategies to date and the value we create for our clients can be found on our website under https://www.jsternco.com/our-services/our-funds/.

As outlined in detail under Principles 7 to 12, we have continued to press ahead with our engagement activities, with progress on numerous areas that we had discussed with our investee companies in the prior years. As noted under Principle 9 and 12 areas of focus have included net zero related targets, supply chain management issues, diversity of senior management & board of directors and executive compensation. We believe these issues are particularly pertinent in view of our long-term investment horizon and our investee companies' ability to maintain their ongoing social license to operate. We have also sought to leverage the impact of our engagement efforts though participation in numerous collaborative engagement efforts as outlined under Principle 10, focusing on initiatives that tackle systemic issues or contribute to the proper functioning of financial markets.

PRINCIPLE 2: SIGNATORIES' GOVERNANCE, RESOURCES AND INCENTIVES SHOULD SUPPORT STEWARDSHIP.

Organisational Structure

Stewardship embodies the responsible planning and management of all our resources. This encompasses business decisions made by our managing partners and senior management as well as how we invest on behalf of clients. We believe that if the business in its entirety has adopted a stewardship "mindset" this then filters down and affects every level of the organisation. We believe it will ultimately have a positive impact on how we deliver outperformance for our clients.

We have a structured approach which embeds stewardship in the investment process and ensures lessons from stewardship activities are fed back into the investment cycle. Our ESG framework, including our approach to stewardship, was reviewed and approved by the Investment Committee.

Our Investment Committee sets our investment strategy and approves investments, with individual portfolio managers making decisions to buy or sell securities that have been so approved.

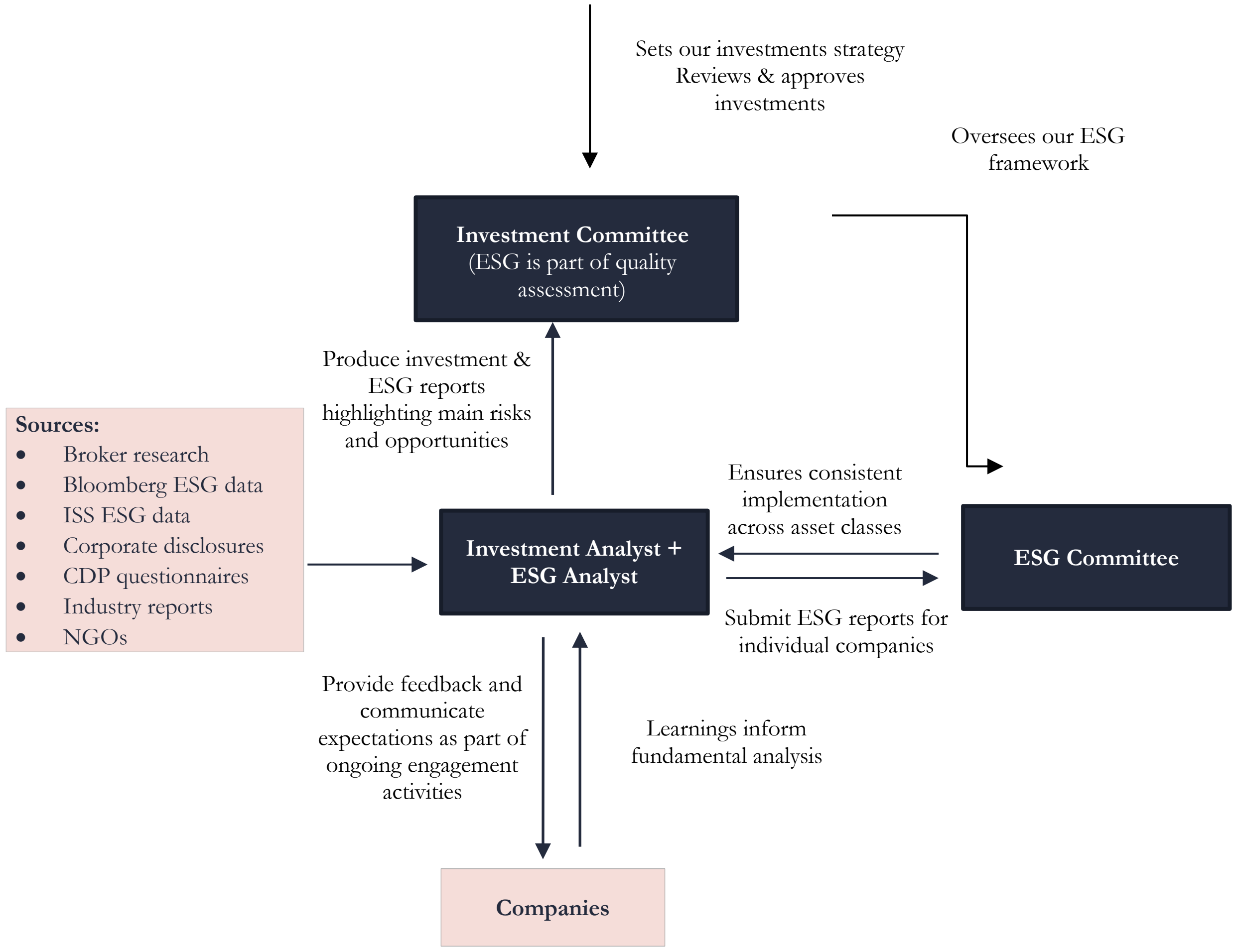
Oversight of our ESG efforts lies with the Investment Committee. The implementation of our ESG framework is overseen by a dedicated ESG Committee, which is comprised of senior members of the investment team and is responsible for ensuring uniform implementation across asset classes, industries and issuers.

Our individual analysts are primarily responsible for conducting engagement activities with their respective companies, in close collaboration with our dedicated ESG analyst. Each of our analysts covers 10-15 companies on average, with a view to the long-term, which allows them to gain an in depth understanding of their companies and sectors. ESG is fully integrated into our investment analysis. Our dedicated ESG analyst works with each investment analyst to identify material ESG issues and to analyse their potential effect on our investee companies, summarising the conclusions in a dedicated ESG report. Relevant ESG engagement issues identified as part of this analysis are followed up directly by our investment team. We believe this structure allows our team to engage in productive conversations with the managements of our investee companies leveraging their in-depth understanding of the issues at hand.

Our renumeration policy is aligned with our investment strategy, risk appetite and values. Our remuneration policy aims to: promote remuneration which is in line with the market rate for equivalent roles; prevent conflicts of interest; take into consideration financial and non-financial metrics to assess the performance of employees; and procure that it does not incentivise excessive risk-taking, including sustainability risks.

We incorporate stewardship and ESG related targets in the annual performance review of ESG Committee members and investment analysts. An assessment of achievements against these targets constitutes part of the annual performance review process for these team members, which is then used to determine part of their variable compensation level. ESG and stewardship targets include maintaining up to date dedicated ESG reports for each of our investee companies, incorporating the conclusions of this analysis into the overall evaluation of each investment, identifying pertinent engagement issues and progress on delivering on engagement objectives.

Our ESG Framework



Our Investment Team

The investment team is responsible for carrying out stewardship activities and consists of ten investment professionals. The team includes a dedicated ESG analyst who works with the rest of the investment team on ESG issues and our stewardship activities.

We pay particular attention to the diversity of our investment team, which we believe is essential in ensuring that different ideas and perspectives are incorporated in our investment approach. We foster an inclusive culture which allows the benefits of this diversity to be realised. The investment team comprises of 10 investment professionals. The team has a combined 150 years of experience, represents 8 nationalities, and speaks 7 languages, 33% of our investment colleagues being women, including at senior investment professional level.

Our Investment Team

Name *Years of experience*	**Role**	**Background**	**Qualifications**
Chris Rossbach *29*	Managing Partner, Chief Investment Officer, World Stars Portfolio Manager	Portfolio manager at Perry Capital, Lansdowne Partners, Magnetar, Merian Capital; Lazard Freres	BA Yale MBA Harvard
Katerina Kosmopoulou, CFA *23*	Senior Equity Analyst and Deputy PM	Portfolio manager at RCM Allianz Global Investors	BSc University of Bath MSc University of Reading Board member of the CFA Society of the UK CFA Certificate in ESG Investing GARP Certificate in Sustainability & Climate Risk Candidate for the CFA UK Certificate in Impact Investing
Zhixin Shu, CFA *27*	Senior Equity Analyst	Portfolio manager at State Street Emerging Market Fund & Asia ex-Japan Fund, Morgan Stanley European Fund, Newton Global Equities	BSc and PhD Imperial College London MBA University of Ottawa
Giles Tulloch *14*	Senior Equity Analyst	Investment analyst at Henderson Global Investors, Credit Suisse and HSBC	LLB University of Edinburgh LLM University College London
Denisse Saldana Guerreo *5*	Investment Associate - Equity	Corporate Actions Associate, Raymond James	British Columbia Institute of Technology
Jean-Yves Chereau *34*	Portfolio Manager	CIO Halkin Inv MD, Prudential of America PM at Nomura, Millennium Partners & Satellite AM	PhD BD University of Paris II Pantheon-Sorbonne
Charles Gelinet, CFA *14*	Senior Credit Analyst and Portfolio Manager	Investment Analyst at GIB Asset Management Leveraged Finance Analyst at Investec Bank	BEng University of Bristol Postgraduate Diploma London School of Economics CFA Certificate in ESG Investing
Josh Ye *7*	Credit Analyst	Investment Analyst at BCI Finance	BSc University of Warwick
Jack van Keulen *4*	Investment Associate - Credit	Performance and Risk Analyst at Close Brothers Asset Management	BSc University of Surrey
Rian Cook *2*	ESG Analyst	International non-profit, Planet Tracker	MSc University of Edinburgh GARP Certificate in Sustainability & Climate Risk

The full biographies of our investment professionals can be found on our website: www.jsternco.com/our-firm/our-team/

Resources & Training

We consider stewardship to be core to our investment process. We do not outsource this important duty to service providers and stewardship activities are carried out directly by our analysts. This ensures that the analyst carrying out engagement activities has an in depth understanding of the company's business model, growth drivers, and how it manages risk and opportunities.

As we noted in our 2021 report, we have continued to invest in ESG related resources, by engaging ISS (Institutional Shareholder Services) as a specialist ESG data provider. This has allowed us to use quantitative data in a more comprehensive way, complement our own internal analysis and meet our ESG regulatory reporting requirements. We added a dedicated ESG analyst to the team in 2020. These have been significant investments for our firm and reflect our commitment to sustainable investing and the intent to build appropriate in-house capabilities in the space. We have internal systems and processes that record and monitor our engagement activity in a transparent way as well as databases that aggregate our ESG analysis conclusions so as to facilitate communication to external parties, including clients. Over time, we have further developed our systems, expanding the set of variables included in our databases as our own analysis has deepened and as our ESG reporting to clients has also expanded.

Staff that are involved in stewardship activities, including investment analysts and portfolio managers, receive proper and comprehensive training on stewardship. We also hold internal training sessions on topics relevant to stewardship and ESG which we make available on a firm-wide basis reflecting the importance of these issues to our firm's philosophy and values. Issues discussed in these sessions have included updates on the ESG regulatory environment, industry developments related to sustainable investing, and in-depth presentations on the evolution of our ESG framework as well as milestones reached in our engagement activity. Where appropriate, staff receive external training and certifications, including the CFA Certificate in ESG Investing, the CFA UK Certificate in Impact Investing and the GARP Sustainability and Climate Risk Certificate.

Outcomes

We believe our organisational approach and governance structure supports the effective execution of our stewardship and engagement responsibilities.

Firstly, having an independent ESG Committee that ensures the uniform application of our ESG Framework across asset classes has resulted in ESG analysis that is consistent across our investments, and has ensured that learnings and best practice can be leveraged across the organisation.

Secondly, the fact that responsibility for ESG analysis and engagement rests equally with our dedicated ESG analyst and the individual investment analysts who work together in close collaboration, ensures the seamless integration of financial and ESG analysis as well as the timely incorporation of any feedback from ongoing engagement activities into our investment analysis.

Thirdly, ensuring that our engagement activities are led by the investment team allows for a richer dialogue with the managements of our holdings and acts as a powerful signal to external stakeholders of the importance of stewardship to us as an investment house.

Finally, the investments we have made in recent years in terms of access to dedicated ESG resources and internal research capacity have, as we detail under Principle 5, deepened our capabilities and sharpened our analysis, adding to the value we can add to our clients.

PRINCIPLE 3: SIGNATORIES SHOULD MANAGE CONFLICTS OF INTEREST TO PUT THE BEST INTEREST OF CLIENTS AND BENEFICIARIES FIRST.

Summary of our Conflict Policy

Our conflicts of interest policy aims to ensure that all potential and actual conflicts between our firm, its associates and the interests of our clients are identified, evaluated, managed, monitored and recorded. Material potential conflicts of interest are disclosed to clients and prospective clients. Where we do identify a conflict of interest, we will always act in the best interests of our clients in accordance with our obligation to treat them fairly.

Our conflicts of interest policy has broadly two parts: ensuring that we and every team member is able to identify situations where a conflict may arise, and then how to prevent and or manage those conflicts prejudicing clients' interests.

It is not always possible to prevent actual conflicts of interest from arising. In that case we will try to manage the conflicts of interests by appropriate means, including by declining to take on the new client, segregation of duties, or implementing Chinese Walls.

Our conflict of interest policy is available on our website at all times. In addition, our compliance team maintain a number of compliance registers as required by our regulators and one register specifically deals with conflicts of interest.

Our full conflicts of interest policy is available at www.jsternco.com/legal.

Outcomes

During 2022 we identified no conflicts of interest relating to stewardship. However, that does not mean that conflicts of interest may not arise in the future – so our vigilance remains high. We have identified a number of situations where conflicts of interest could arise that relate, directly or indirectly, to our stewardship obligations or how we vote or engage with companies that we have invested in. These examples are of course not exhaustive.

Firstly, companies we invest in may offer us or members of our team hospitality or gifts. Our policies prohibit our team from accepting any gift or other benefit that cannot properly be regarded as justifiable in all circumstances. Our policies also prohibit bribery outright – defined as the "offering, the giving or acceptance of any bribe intended to induce an 'improper performance' of a relevant function or activity". The risk is that gifts can lead to us making decisions in respect to a company, whether that is investing in the first place or voting in a particular way, that may not be in the best interests of our clients. Gifts therefore above a certain financial value need to be approved by the Compliance Officer and of a lower value but not de minimis need to be notified to compliance.

Secondly, a client could hold a position as a director or officer or major shareholder in a company we invest in on behalf of other clients. We do come across senior management in companies we invest in, but to date none are our clients and, so far as we are aware, none hold shares in funds that we manage. If such a situation were to arise, we would probably deal with it by ensuring that the analyst that covers the company does not deal with the client that has an interest in that company.

Thirdly, we may occasionally have situations where one client wants us to exercise stewardship over assets we manage on their behalf in a different way to us, or other clients (particularly in situations set out above). We would expect to deal with this by acting as clients direct, even if that means that we vote in different ways on the same resolution in respect to single managed accounts. No investor in a collective fund that we manage has such an ability to ask us to vote and we would not accept any obligation to do so.

Fourthly, one of our team could hold an external position that may cause a conflict of interest relating to stewardship. All our team need consent before taking up such a position under our employment contracts and where they involve fiduciary responsibility, they also need compliance consent. Our partners, directors and associates hold as a result very few such positions, but should they give rise to a conflict of interest, we would deal with such a conflict on a case by case basis, fully involving the compliance officer who could require our team member to recuse themselves from acting on the matter (either internally or in their external function) or even withdraw consent to hold that external position.

Finally, it should be noted that our portfolio managers, partners and directors all receive dedicated conflicts of interest training, with a focus on identifying and reporting potential conflicts, and with issues specifically related to ESG being part of that training.

PRINCIPLE 4: SIGNATORIES SHOULD MONITOR AND RESPOND TO MARKET-WIDE AND SYSTEMIC RISKS TO PROMOTE A WELL-FUNCTIONING FINANCIAL SYSTEM.

Assessing Market-wide and Systemic Risks

Our investment philosophy is based on a bottom-up approach, focused on companies that can deliver returns over the long term. We therefore believe that risks such as short-term geopolitical tensions or macroeconomic factors, including moves in currencies or interest rates, are unlikely to affect the value of our equity investments over the longer term, though they can lead to significant short term market dislocations. We therefore monitor these risks accordingly. Where we do hold short duration assets, namely bonds, such risks, including sovereign risk, are fully incorporated in our investment analysis.

We undertake regular risk reviews of our core strategies to ensure that their risk profile remains well managed. We use Bloomberg's risk analysis system, which includes scenario testing, to evaluate key short-term market risks. Such scenarios include dislocations in the energy markets, significant foreign currency moves and broader financial market shocks. We also look at overall exposure levels to individual sectors, geographies and factors. We manage these exposures on a dynamic basis, seeking to ensure that no single parameter has the potential to disproportionately affect the overall performance of our strategies.

We hold regular macroeconomic meetings that bring together the investment and client teams to discuss global economic conditions as well as fiscal and monetary policy decisions and their effect across asset classes.

Beyond macroeconomic risks, we recognise that there are numerous systemic risks that can have a lasting long-term impact across industries and economies. These include but are not limited to, climate change, geopolitical risks and technological shifts. These are incorporated in our investment analysis and form part of our assessment of current and potential investments.

Climate Change

A critical part of our assessment of companies is how they consider climate change at a strategic level. We look at whether our companies have conducted detailed climate scenario analysis and how it is incorporated in the strategic planning. We pay particular attention to whether our investee companies have time defined GHG emission reduction targets, including if these targets have been validated by the Science-Based Targets Initiative, and whether they have policies in place to identify and manage climate related business risks. We systematically look at whether companies report to the CDP (Carbon Disclosure Project) and follow TCFD (Taskforce for Climate Related Financial Disclosures) recommendations for disclosures. We also place a strong focus on determining whether our companies have conducted detailed climate scenario analysis and how it is incorporated in the strategic planning.

Transition risks from Climate Change

We seek to understand our exposure to climate transition risks by calculating the weighted average carbon intensity of our World Stars Global Equity portfolio and comparing it to our investable universe and broader market. We conduct an analysis of our investee companies' scope 1 & 2 emissions intensity to understand absolute levels of intensity and how companies are performing versus peers. Scope 1 emissions are emissions that arise from the company's own operations and Scope 2 are emissions that arise from the purchase of electricity consumed by the company. We expect companies to report on their emissions in a transparent and comprehensive manner, which ideally includes disclosure of scope 3 emissions (scope 3 emissions occurring upstream or downstream in the value chain) if relevant for the industry.

We are vigilant on the risk of stranded assets. These risks are most acute for coal mining companies and for companies in the Oil & Gas sector who do not have a clear roadmap to sustainably transform their business model and facilitate the transition to a low-carbon economy. We have some exposure to the fossil fuel sector among our emerging debt holdings but would note that the short duration of these assets (typically less than 5 years) acts as a mitigating factor. We seek to focus on companies with credible transition plans where we do invest in the sector.

Direct and Indirect Physical Climate Risks

We have sought to identify any exposure to direct physical risks affecting our holdings. Our holdings in the Agriculture sector are directly exposed to the risk of drought and other extreme weather events that could impact farming production output. Our infrastructure assets, such as our holdings in telecom tower operators, also have exposure to extreme weather events. Finally, a significant share of our holdings, depend on water either as a critical raw material or during the manufacturing process. Those companies that operate in water-stressed regions could face more stringent regulations, conflicts with local communities and higher production costs.

In addition, several of our holdings have indirect exposure to the risks described above through their supply chains. Most notably, Food & Beverage manufacturers and companies who use natural products as their raw materials, are exposed to climate-related disruptions to their agricultural supply chains.

We include topics related to climate change regularly in our engagement discussions with our investee companies. We are continuously trying to deepen our understanding of the effects of climate change on our investments.

Other Systemic Risks

We recognise we are in a period of heightened global geopolitical uncertainty and remain vigilant on any long-term structural implications that can arise as a result. These include among others structurally higher energy prices in some regions, loss of access to key raw material products, restrictions on the sale of national security sensitive products to some markets and changes to the global manufacturing footprint of certain industries.

The pace of technological development can be a significant disruptive force across the economy. As long-term investors one of the most significant risks to our investee companies is the risk of disruption to their business model. This is a key focus area for our investment team and the analytical work it undertakes to gain confidence in the enduring nature of the competitive moat of the companies we invest in. In fact, some of our most successful investments to date have been in companies that have acted as disruptors to traditional industries, like retailing and advertising. The step change in the adoption of Artificial Intelligence (AI) has the potential to further disrupt entire industries and we are actively invested in companies that are enablers in this transformation.

Collaboration with Other Stakeholders

We seek to collaborate with other stakeholders in order to promote well-functioning financial markets. As such, we regularly take part in various industry initiatives.

Sustainable Accounting Standards Board (SASB) / IFRS Sustainability Alliance

We are members of the IFRS Sustainability Alliance, having previously been members of the SASB Alliance. We believe the establishment of the International Sustainability Standards Board (ISSB), under the umbrella of the IFRS, has been a significant milestone in the development of globally accepted ESG standards. The release in June 2023 of ISSB's inaugural standards, namely IFRS S1 (which provides a set of disclosure requirements that enable companies communicate about sustainability-related risks and opportunities) and IFRS S2 (which sets out specific climate-related disclosures), was a pivotal step forward in simplifying and homogenising ESG reporting to the benefit of both investors and corporates. As Alliance members, we have participated in numerous webinars that outlined the principles behind the development of the standards and gave insights into their main building blocks. We seek to promote ISSB aligned disclosures among corporates, having previously encouraged our investee companies to adopt its predecessor frameworks, namely the SASB Standards and the TCFD recommendations.

Principles for Responsible Investment (PRI)

We are signatories to the UN PRI. The PRI is supported by the United Nations and is a global organisation which works to understand and promote the integration of ESG factors in investment and ownership decisions. As systemic issues like climate change pose an increasing threat to market stability and economic prosperity we believe the willingness of the global investment community to act collectively and proactively to address these risks will be a key determining factor in mitigating and adapting to their impact. We regularly participate in UN PRI webinars that seek to highlight best practice in responsible investing and deepen awareness of industry issues.

PRINCIPLE 5: SIGNATORIES SHOULD REVIEW THEIR POLICIES, ASSURE THEIR PROCESSES AND ASSESS THE EFFECTIVENESS OF THEIR ACTIVITIES.

The ESG Committee and the Chief Investment Officer conduct an annual assessment of our stewardship and engagement activity, monitoring the effectiveness of our interactions with our investee companies, whether outcomes matched our objectives, and required further action.

All of our policies are reviewed annually, as part of our internal controls. Our ESG processes are defined by our investment team who then obtain approval from our compliance team before they can be put into action or referred to externally. In this regard we see our compliance team as comparable, for an organisation of our size, to an internal audit function.

We recognise that industry norms and expectations around stewardship and sustainability are evolving rapidly. We have engaged with a number of industry bodies, including the UN PRI and the IFRS Sustainability Alliance, to ensure our approach to stewardship is aligned with current industry standards. As members of the IFRS Sustainability Alliance we remain closely informed of the evolution of the SASB standards, which we use as part of our ESG Framework, and have access to curated insights on global policy developments and ongoing academic research. We also seek to maintain a constant dialogue with external stakeholders, including investors in our managed accounts and funds, as well as financial intermediaries and consultants, to ensure that it meets stakeholder expectations.

We review our reporting to ensure it is fair, balanced and understandable and make adjustments as required. Through our annual client account review discussions we get direct feedback from clients about the quality and content of our reporting, and to date it has been substantially positive. A few clients have wanted more or less frequent reporting, which we have been able to accommodate, and some prospects have wanted more detailed information about sustainability which we have been able to provide. We are however aware that we can always improve our reporting. Last year we completed a review of our internal systems where we sought formal feedback from all those who deal with clients, and are currently in the process of implementing enhancements on the basis of the recommendations made.

Outcomes

As we noted in our 2021 filing, we are encouraged by the fact that our ESG framework continues to receive positive feedback by market participants, including industry consultants. We are proud to be named by the FRC as signatories to the UK 2020 Stewardship Code. Our first UN PRI filing as signatories, submitted in 2021, was awarded positive scores. Out of the four modules on which we were rated we received 5 out 5 stars in the Listed Equity (Incorporation) module, 4 out 5 starts in both the Fixed Income (Incorporation) and Listed Equity (Voting) modules and 3 out of 5 stars in the Investment & Stewardship Policy module.

Our approach continues to evolve on the basis of feedback we receive and in order to adapt to the fast-evolving industry landscape. In 2022, we developed and implemented an ESG process covering the third-party funds our Multi-Asset strategy invests in. This means that 99% of our AUM are now covered by our ESG framework. We provide more details on that under Principle 7. We have also continued to develop our Framework as it applies to our equities and bond investments sharpening the link between ESG issues and financial impact, deepening our work on sustainability outcomes, formalising our assessment of governance practices across 11 key pillars, and expanding the breadth of ESG quantitative data that we take into consideration.

We would also note that having access to a specialist ESG research provider (ISS), as outlined in Principle 2, has allowed us to deepen our analysis, through access to a broader ESG data set, and be more systematic in our assessment of policies and targets published by our investee companies. Importantly, it has also acted as an independent resource against which we can test and inform our own assessments and conclusions.

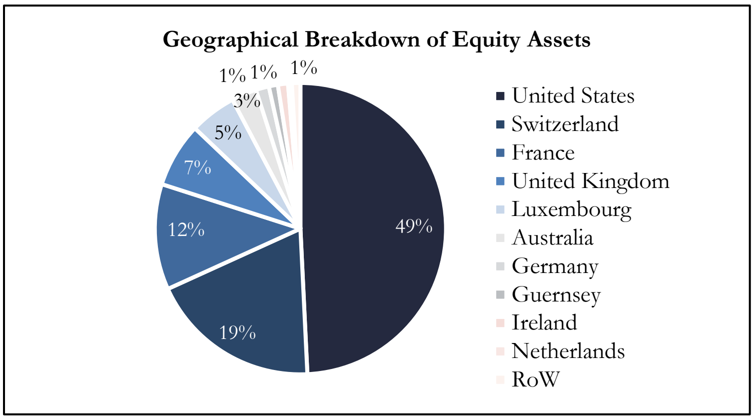
Finally, we would note that the auditor of the Article 8 classified funds we manage includes in their annual audit a review of our pre- and post-contractual disclosures, which cover considerable information on our ESG framework, and how we apply it.

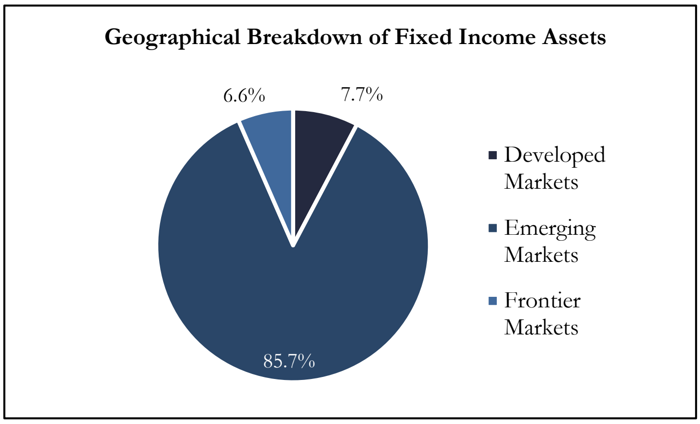
PRINCIPLE 6: INSTITUTIONAL INVESTORS SHOULD TAKE ACCOUNT OF CLIENT AND BENEFICIARY NEEDS AND COMMUNICATE THE ACTIVITIES AND OUTCOMES OF THEIR STEWARDSHIP AND INVESTMENT TO THEM.

Overview of our Client Base and AUM

We manage the assets of institutions, families, trusts, charities, high net worth individuals and other investors. We offer our investments through funds and separate managed accounts. Information regarding the funds we manage is available on our website, subject to regulatory restrictions. Our investment time horizon is medium to long term, depending on the strategy.

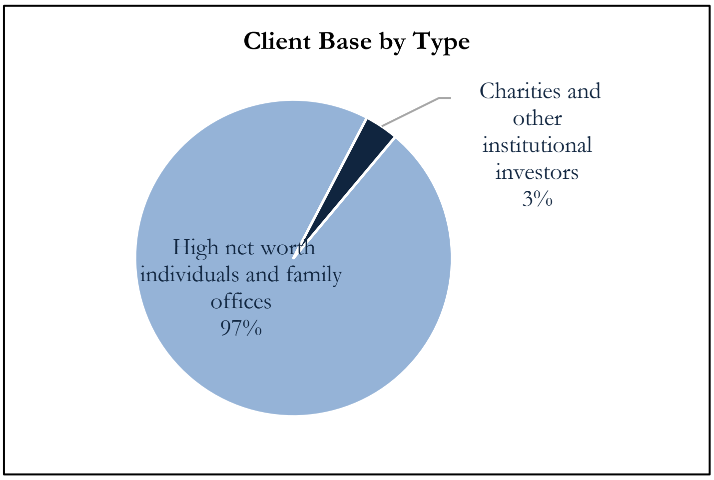
As of 31/12/2022, we had US$925 million of assets under management ($1,205 million in 31/12/2021). Our assets were invested primarily in equities, comprising over 92.3% of our assets under management. The rest of our assets under management comprised of fixed income (5.2%), specialist credit funds including trade finance and royalty finance funds (1.1%), and football financing, extended to clubs and primarily secured on TV rights and advertising revenues (1.3%).



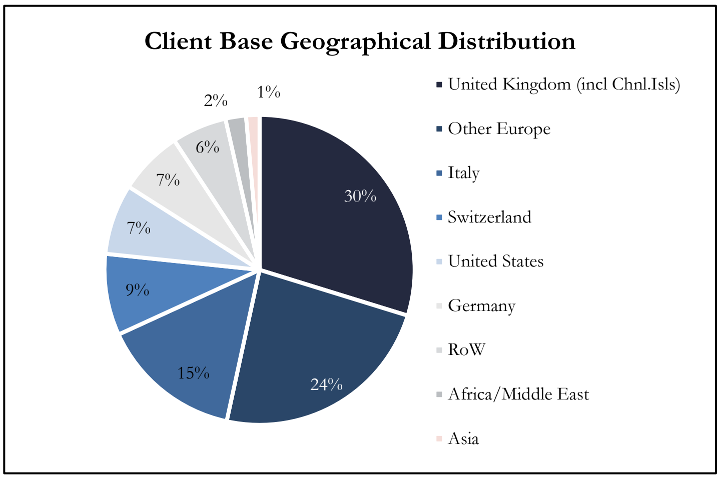


Approximate geographical breakdown of AUM as of 31/12/2022 based on MSCI Country Classification Standard

High net worth individuals and family offices accounted for 97% of the client base, with charities and other institutional investors representing the balance.



Client Base by Type as of 31/12/2022



Client Base by Geography as of 31/12/2022

Managing Assets in Alignment with Clients' Stewardship and Investment Policies

Our stewardship activities are an integral part of how we manage money for our clients. We believe that there must be an appropriate level of transparency designed to promote effective stewardship and assist the analysis and evaluation by asset owners.

We discuss our stewardship and engagement approach with clients at the time of signing a new mandate as well as during the annual review process. We seek and take into account our clients views and goals on stewardship, including any specific requests as it pertains to their voting policies. Where clients do not wish us to vote on their behalf, we will incorporate that in the mandate accordingly. In some cases, clients will also have specific sustainability objectives, including the desire to not invest in specific sectors like tobacco, defence or fossil fuels, and we incorporate these to the mandate design.

Reporting to our Clients

We provide summary disclosures regarding our firm-wide annual engagement and voting activity, which we make available on our website and on request we provide full information directly to clients of separate managed accounts.

Over 80% of our assets under management are in single managed accounts. We conduct detailed annual account reviews with all such clients. This provides a valuable mechanism for us to ensure we understand the needs of our clients as they evolve over time.

We incorporate in our annual reviews with all clients the following information regarding our stewardship activities: an explanation of the process with which we discharge voting on their behalf, a summary record of our voting activity, including our rationale for instances where we voted against the board's recommendations, and examples of our engagement activity with our investee companies. For our World Stars Global Equity strategy, we also provide a snapshot of the portfolio's weighted average intensity and how it compares with relevant market indices. We provide more information, such as an detailed analysis of how our holdings score against our six core ESG dimensions, or a profile of their alignment against the UN 17 Sustainable Development Goals (UN SDGs) if requested by clients or where we believe it is relevant to the clients objectives, for example in the case of institutional clients. Our investment reports and dedicated ESG reports are available to our clients at all times.

Outcomes

We seek to raise awareness of ESG and stewardship topics with our clients and beyond through the publication of various Insights, including one highlighting the breadth of investment opportunities in the Industrials space arising from the transition to net zero *(January 2022: Investment Themes & Opportunities – A Year of Recovery & Investment)* as well as one highlighting the challenges of balancing the urgency of this transition with short-term national energy resilience and independence considerations (March 2022: *Scale and Resilience: The Realignment of the Global Supply Chain*). We also include a discussion on these topics in our quarterly webinars to existing and prospective clients featuring our CIO, Christopher Rossbach, with for example spotlight presentations on some of our holdings that are solutions providers to the challenges posed by climate change or water scarcity held by our Head of ESG, Katerina Kosmopoulou.

We maintain an active dialogue with our clients to ensure that their needs and concerns are appropriately reflected in our reporting. Our annual reviews incorporate a summary of our voting and engagement activities. When requested by clients we also provide more detailed information on key ESG and stewardship parameters, as well as any specific investment reports or dedicated ESG reports that they would like to receive. We continue to look at ways to expand the content of our ESG reporting to clients.

PRINCIPLE 7: INSTITUTIONAL INVESTORS SHOULD SYSTEMICALLY INTEGRATE STEWARDSHIP AND INVESTMENT, INCLUDING MATERIAL ENVIRONMENTAL, SOCIAL AND GOVERNANCE ISSUES, AND CLIMATE CHANGE TO FULFIL THEIR RESPONSIBILITIES.

Central to our investment philosophy is a rigorous process of fundamental proprietary research which is based on independent, in-house analysis. Our research combines a traditional financial analysis, focusing on underlying strategy, financial performance, sustainability of competitive advantage, capital structure, capital allocation track record and other factors, with our separate ESG Framework which covers environmental, social and governance issues.

The goal of our research process is to reinforce our conviction in the companies we invest in and identify issues in a timely manner. Key is to ensure that companies meet our quality definition. We define as quality companies that have strong and sustainable competitive positions in good and growing industries, that have managements with strong track records of value creation and a balance sheet that enable them to weather any adversity.

Our ESG Framework builds on the five broad sustainability dimensions of the Sustainability Accounting Standards Board (the "SASB"), namely Environment, Social Capital, Human Capital, Business Model & Innovation and Leadership & Governance. SASB, now part of the IFRS Foundation, uses an objective, verifiable and comparable set of criteria to identify material issues for 77 industries. These issues or 'dimensions' are mapped across major industry groups in a materiality map, which we use as the starting point of our assessment process. We compliment this with a sixth dimension of our own, focusing on corporate governance. In addition, we conduct a qualitative assessment of alignment with the United Nations' 17 Sustainable Development Goals and compliance with other global sustainability norms, like the UN Global Compact, as well as reporting standards (both regulatory and voluntary). Finally, we pay particular attention to any ESG related controversies that might have arisen in the course of doing business as well as any record of violations of sustainability norms like the OECD Guidelines for Multinational Enterprises.

We do our own, independent, in-house research in order to integrate these factors into the analysis of our investee companies. In doing so we focus particularly on those ESG issues that we believe are likely to have the most material impact on the companies' operational and financial performance. We identify risks and opportunities and assess how effectively these are being managed by the boards of the companies in which we invest. Our ESG analysis is undertaken at issuer level and applied across our listed equity and fixed income assets.

The ESG analysis for each company is undertaken by our dedicated ESG analyst in close collaboration with the analyst who covers the respective stock or bond. We use third-party ESG data providers to inform our views on issues, but we do not rely on their ratings for the conclusions of our analysis. We believe that ESG forms part of the overall quality assessment of our investments and that this requires full integration with our traditional competitive moat analysis. The analysis is implemented at the time of initiation of coverage. It is then formally updated on an annual basis with any material changes highlighted in the intervening period.

Stewardship activities are carried out directly by the analysts responsible for each security, working closely with our dedicated ESG analyst. Insights gained from stewardship activities form part of the investment cycle and are communicated back to the whole investment team. We consider all aspects of investment analysis, including ESG and engagement, as core to our approach and undertake it in-house in line with our philosophy as outlined in Principle 1. We do not use service providers to undertake stewardship activities on our behalf.

The process of integrating stewardship and investment does not differ across funds, asset classes or geographies. Our ESG analysis is conducted at the issuer level which ensures consistent implementation across assets.

We are long-term investors in listed equity assets and our time horizon spans 5 to 10 years, sometimes longer. Our fixed income assets are primarily short duration, namely 3-5 years. However, we still take into account long term ESG risks as we want to be aware of them if they were to materialize faster than expected or if the regulatory environment were to change.

Key 2022 Developments in the Evolution of our ESG Framework

Non-Correlated Assets

We have some investments in third-party funds as part of our Multi-Asset Income strategy, which represent circa 1% of the company's AUM. During the year we completed the roll out of our ESG framework across these assets, a significant milestone, bringing our firmwide coverage to 99% of AUM. As part of that process, we engaged with the managers of those funds asking them to complete a detailed questionnaire on various dimensions of their responsible investment practices and policies. These included the **Sequoia Economic Infrastructure Income Fund** and the **Biopharma Credit Fund**. Their answers formed part of our assessment as to whether ESG issues were appropriately managed. We plan to continue this active dialogue going forward, providing our own feedback to the fund managers on areas for potential improvement, monitoring subsequent progress.

Sustainability Outcomes

We have continued building our ESG Framework during 2023, increasingly focusing not only on financial materiality but also on sustainability outcomes. We believe that sustainability outcomes are relevant to our assessment of long-term financial risks and returns whilst also recognising that regulatory developments are increasingly taking sustainability outcomes into consideration.

We have mapped our companies' alignment with the UN's 17 Sustainable Goals and sought to identify whether they are working to advance these. We appreciate that it is difficult to identify legitimate contributions towards the SDGs given the lack of widely adopted standards for disclosure and the broad interpretation of how the goals apply to individual companies. We have therefore focused on well-defined, detailed strategic plans with time-limited targets and dedicated funding as the best available indicator of credible commitments. We have also identified five priority SDGs to focus our analysis on and target our engagement activities at. These are SDG 3 (Good Health & Wellbeing), SDG 8 (Decent Work & Economic Growth), SDG 9 (Industry Innovation & Infrastructure), SDG 12 (Responsible Consumption & Production) and SDG 12 (Climate Action). These capture areas where our investee companies are likely to have a strong impact on given their business activities, nature of operations, or type of products and services.

More information about our approach to sustainability can be found on our website at www.jsternco.com/sustainability.

PRINCIPLE 8: SIGNATORIES SHOULD MONITOR AND HOLD TO ACCOUNT MANAGERS AND/OR SERVICE PROVIDERS.

We regularly review all service providers and, where we invest in third party funds, external fund managers.

We invest primarily through direct investments in listed securities, and exclusively in equities as part of our World Stars Strategy. We use external research providers where appropriate to complement our own views and maintain access to relevant data sources. We conduct an annual review of our research providers, evaluating the quality of research provided and access levels to relevant resources, including conferences, corporate and expert events and data sources. This process is undertaken by all our analysts in the investment team. On the basis of the aggregated results, we make decisions about our allocation of resources to research providers and provide feedback to them regarding improvements we wish to see going forward.

Our Multi-Asset Income Strategy complements direct investments in equities and fixed income with investments in non-correlated assets, including a small number of investment funds managed by third party managers. In selecting appropriate funds, our due diligence process covers the overall investment approach and track record in addition to operating practices and policies. The performance and risk profile of such funds are monitored on an ongoing basis and the investment team maintains a regular dialogue with their fund managers, which we view as central to how we discharge our stewardship responsibilities on behalf of our clients.

We do not use proxy voting advisers, or other third parties providing commercial services for stewardship and engagement. We assess voting decisions in-house which allows us to draw our own independent conclusions.

Outcomes

In 2022, we did not experience a situation where a research service provider failed to meet our expectations. Of note however during the year, we spent considerable time preparing for our reporting requirements under the EU's Sustainable Finance Disclosure Regulation (SFDR). This required significant interactions with our dedicated ESG data provider, verifying the data presented on their platform and confirming it matched our own assessments. In a couple of occasions this informed our understanding of specific issues. On one occasion, we identified a dataset where coverage should have been higher than that provided, an issue where the data provider confirmed they would work on.

Our Multi-Asset strategy invests in a small number of third-party funds, including trade finance vehicles. The covid-19 pandemic resulted in significant dislocations in global trade activity resulting in a difficult environment for these funds. As a result, a number of managers in the sector decided to restructure. The Challenger South African Fund, was one of the funds affected, creating a side pocket for the 5-6 non-performing loan in the portfolio, whilst the rest is being managed as normal in a still recovering environment. We have been in touch with the managers throughout this process monitoring developments and evaluating the recovery strategy, with structured investor calls almost on a monthly basis. The process is still ongoing, with the managers seeking to balance the likelihood of recovering capital by calling upon the assets or guarantees against which the loans are secured with the cost of recovery, especially legal costs. In the case of one of the non-performing loans we have been able to assist in the process, leveraging our experience in credit insurance and our network in the field, to direct the managers to industry experts that might be able to provide further guidance.

PRINCIPLE 9: SIGNATORIES SHOULD ENGAGE WITH ISSUERS TO MAINTAIN OR ENHANCE THE VALUE OF ASSETS.

Prioritising and Selecting Areas of Engagement

Areas with potential to impact the value of assets held by our clients, whether positively or negatively, include remuneration and incentive structure, capital allocation policy, M&A activity, corporate strategy, ESG related disclosure levels, environmental and social issues.

When deciding how and when to engage with the management of an investee company, we consider the nature and size of our exposure to the investee company, the urgency of the matter, its potential consequences and if it relates to any developments in ESG practices that we want to foster. We apply these principles equally across asset classes, geographies and funds under our management.

We believe that engagement with issuers does maintain and enhance the value of the assets that we are stewards of on behalf of our clients.

The goal of our stewardship activities is to support decisions that we believe will maximise the long-term value of securities we hold. At the same time, we aim to ensure that investee companies are conscious of risk factors, including social and environmental risks.

Maintaining a continuous dialogue with company managements is central to how we discharge our stewardship responsibilities on behalf of our clients. The decision to engage with the management of an investee company is based on what our investment team believe will maximise shareholder value in the long-term, specifically the value of our clients' investments.

How we Engage with Companies

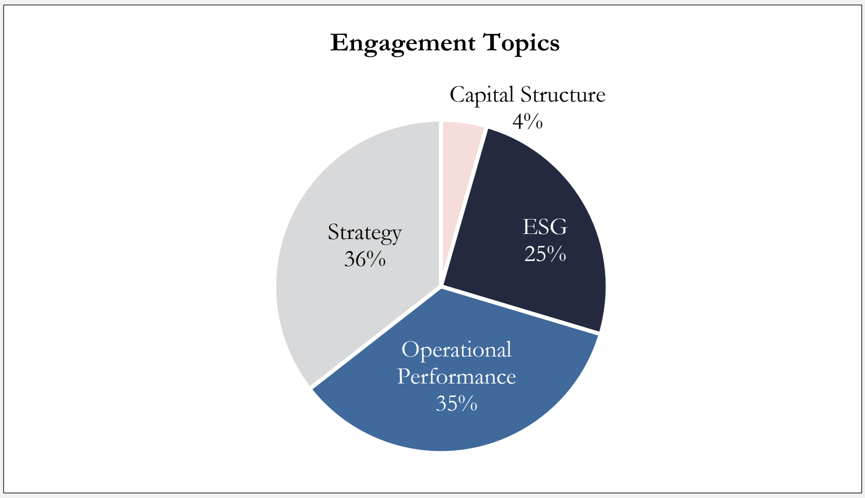
We engage with companies by attending company meetings and voting proxies on our clients' behalf. We also engage with investee companies through written communications to raise a range of issues related to strategy, governance as well as social and environmental issues. We do so in our capacity as shareholders or bondholders of an investee company. This engagement serves to confirm and support the investment thesis and establish a good ongoing channel of communication with companies. It seeks to ensure that the strategy is being executed with the appropriate level of risk whilst monitoring the effectiveness of oversight by the board and relevant sub-committees. We believe that such engagement provides us with an additional perspective on the quality of the management and the effectiveness of board oversight and consequently the investee company's ability to deliver on its key goals and anticipated operational performance.

Our engagement did not differ across funds, assets, or geographies. We apply our stewardship policy and practices in a similar manner across all our investments in listed assets.

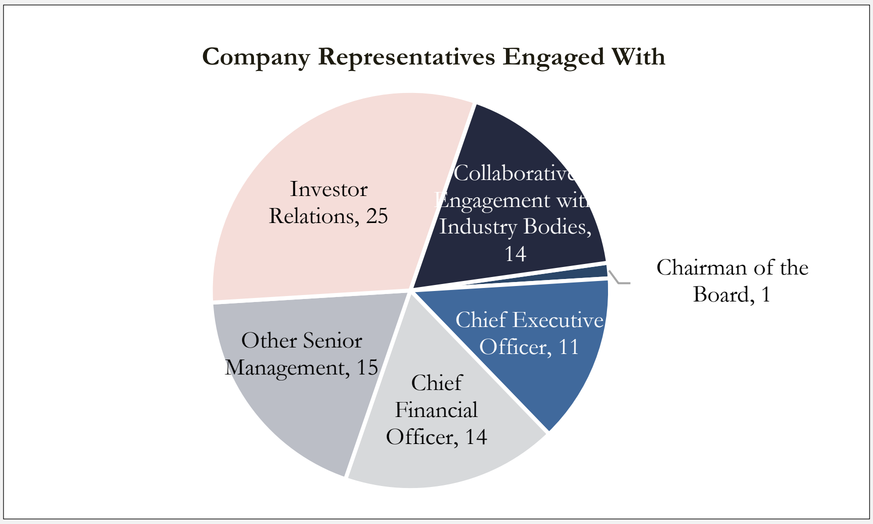
Outcomes

In 2022, we engaged with our investee companies, both in our capacity as shareholders and bondholders, on 80 occasions to discuss topics pertaining to their capital structure, strategy, operational performance, and ESG matters. This compares with 105 occasions in 2021 and 66 in 2020.

We engage with our investee companies on a wide variety of issues. As it pertains to ESG we focus among other issues on net zero related ambitions, climate change adaptation planning, supply chain management & sourcing practices, diversity of senior management & board of directors, the link of executive compensation to ESG targets and adequacy of sustainability reporting & disclosures.



In over half of engagement outreaches, we had the opportunity to discuss these matters directly with C-suite executives and/or senior management.



Examples

Amphenol

During 2022, we held a meeting with the company's Head of Strategy for an in-depth discussion on progress on its ESG strategy, building on meetings we have held with the company in the last three years. We discussed Amphenol's role as an enabler to structural ESG trends and noted progress in terms of sustainability reporting, as the company released its first TCFD report and provided preliminary scope 3 emission disclosures. We continued to provide the feedback from our side that we would see value in the company becoming a signatory to the UN Global Compact as a signal of its commitment to socially responsible policies and disclosures. We also continued to push for the establishment of a net zero target and reiterated the importance of aligning the company with the Paris Agreement. We will monitor further progress on these issues. At the same time, we continue to hold discussions with the company's CEO and CFO on the company's overall strategy, capital allocation and operational performance, building on our ongoing dialogue over the years.

Honeywell

We have engaged with the company over the last three years to discuss its ESG strategy and its investments in sustainable technology product solutions. In 2021, the company committed to the target of making its facilities carbon neutral by 2035 and in 2022 we were pleased to see it expanded on this, committing to align itself with the Science-Based Target Initiative. It now has a 24-month window to set an emissions target that includes scope 3 emissions. Having also reviewed the company's methodology for classifying which products are sustainable and contribute to ESG oriented outcomes, we have provided our feedback to the company, expressing the view that the use of quantitative metrics in this regard are crucial to the credibility of the approach. We also recommended that ESG targets be included in executive compensation, which the company noted was due to be formalised shortly and indeed, it has since introduced ESG targets to the short term incentive plan of its senior executive team.

MHP

As bondholders of the company, we engaged with its management over the course of 2022 following the invasion of Ukraine. We held calls with the company's CFO and Investor Relations to get an update on the business in light of the escalation in geopolitical risks. We focused on the company's liquidity position, operations (including access to seaports), insurance coverage and impact on leverage. Along with other bondholders, we agreed to allow the company to postpone bond interest payments in order to preserve liquidity in return for the company providing us with monthly operational updates and ensuring that all creditors are treated equitably. We believed this was the best course of action to avoid a default event and protect our clients' capital over the long term.

In its updates since, the company has affirmed no significant damage to critical infrastructure, benefitting from the geographic dispersion of assets across Ukraine whilst its financial results highlighted a high degree of resilience despite the war-related logistical challenges. The company subsequently announced the resumption of deferred and current coupon payments in full. More recently, the company announced a tender offer to buy back its bonds maturating in 2024, proactively addressing its debt profile.

A full report on our engagement activities during the reporting year is available at www.jsternco.com/stewardship.

PRINCIPLE 10: SIGNATORIES WHERE NECESSARY SHOULD PARTICIPATE IN COLLECTIVE ENGAGEMENT TO INFLUENCE OTHERS.

A collective approach to engagement can help leverage the impact of our stewardship activities and ensure that our concerns are reflected upon and our rights as shareholders are protected. We therefore may reach out to other investors to share concerns and seek a common position that we may decide to communicate to a company. We have worked actively on specific situations historically including taking a public and vocal role in defending our rights as minority shareholders.

In participating in collaborative initiatives, we remain alert to potential conflicts, issues of insider information and concert party rules. Where we believe there are any potential risks involving these, we ensure close involvement of our internal legal and compliance team.

Outcomes

In 2022, we continued to build on our collaborative engagement efforts. We have focused our efforts on initiatives that tackle systemic issues, are highly relevant to our investee companies given their business activities or contribute to the proper functioning of financial markets.

ShareAction

We support ShareAction, a UK-based charity dedicated to promoting responsible investment. We have been a member of the Healthy Markets initiative which seeks to uphold standards of healthy nutrition among Food and Beverages manufacturers since 2020. In 2022, we joined the LIPH (Long Term Investors in People's Health) initiative, a wider framework for encompassing worker, consumer, and community health considerations in investment decisions.

As part of the Healthy Markets initiative, we have engaged over the last two years with Nestlé, the largest food & beverage manufacturer globally, on multiple occasions to discuss the nutritional profile of its portfolio and encouraged the company to set a target for increasing its sale of healthy products. We are pleased that two key milestones have now been reached. The company has disclosed the nutritional profile of its portfolio in accordance with the health star Rating (HSR) system, a government-endorsed nutrient profiling model used for front-of-pack labelling in some countries. Secondly, Nestlé has committed to grow the healthier part of its portfolio by CHF 20-25bn by 2030. This represents about 50% growth over 2022 sales and applies to its products with a HSR of 3.5 stars or more together with its specialized nutrition products, including baby foods, vitamin and mineral supplements and medical nutrition. We continue to engage with the company to suggest ways it can push further towards that direction, especially given its position as the largest food & beverage manufacturer globally.

Business Coalition for a Global Plastics Treaty

In 2022, we became a member of the Business Coalition for a Global Plastics Treaty, convened by the Ellen MacArthur Foundation and WWF, bringing together over 150 organisations across the plastics value chain along with financial institutions and NGOs. We endorse its vision statement which seeks to tackle the plastic pollution crisis in a globally coordinated way. We have participated in various group meetings of the coalition to discuss what high ambition looks like for different stakeholder groups and identify elements members view as fundamental to the treaty. We have also participated in questionnaires on the structure, governance and policy recommendations of the coalition. This is clearly a multi-year initiative closely tied to the ongoing UN led multilateral negotiations. We are encouraged by progress and are hopeful on their successful conclusion by the end of 2024. We remain committed to engaging with our investee companies to advocate for a circular economy and to support the implementation of associated company policies and action plans.

Beyond the initiatives outlines above we are looking for further ways to collaborate with our peers or relevant organisations, including NGOs, to promote better sustainability outcomes. We continue to explore options which are in line with our current resources and capabilities as a boutique asset manager.

Principle 11: Signatories, where necessary, should escalate stewardship activities to influence others.

Where concerns emerge regarding the management's ability to uphold shareholder value or manage environmental or social issues effectively, we will seek to engage with the company and monitor developments to assess changes in the company's approach.

Should concerns persist, we may seek to intervene formally through written letters addressed to the appropriate company board or committee members. In addition, we will consider whether it would be more effective to intervene jointly with other institutions but will only do so where this is considered appropriate and in the best interest of our clients. We will also where appropriate make public statements to raise awareness on particular issues or submit resolutions and speak at general meetings. Finally, in seeking to act in the best interests of our clients, we may also consider it better to reduce or sell the shares of an investee company investment if previous efforts at engagement have been unsuccessful.

Our experience is that each investment we make involves a variety of factors which makes every situation unique. Therefore, the approach we take to escalation of concerns will vary on a case-by-case basis.

Outcomes

The focus of our investment approach on quality and the concentrated nature of our portfolios inevitably means that material controversies that would warrant escalation do not arise frequently. In 2022, we did have however one occasion where the actions of the investee company's management raised governance related questions. We engaged with the management over multiple occasions but ultimately decided to exit our position as we were not convinced by the answers provided.

We first became bondholders of Ulker, a Turkey-based confectionary producer in April 2021. The company has operations in Turkey, Saudi Arabia, Egypt and Kazakhstan and exports to over 100 countries globally. We invested based on its solid balance sheet and liquidity position, its consistent track record of revenue and EBITDA growth as well as its international diversification.

We were involved in meetings between credit investors and the CFO of Ulker in 2022 at a time of heightened economic uncertainty in Turkey. As part of a general operating update, we learnt that the company's liquidity management program had evolved to include investing a large portion of its available cash in financial assets, namely US equities, which we did not consider to be readily available cash equivalents. We did not believe this to be a prudent strategy, especially considering large upcoming debt maturities in 2023.

In follow-up calls, we probed management on their ability to liquidate these assets if needed to help with refinancing requirements. The CFO believed these assets could be monetized but had no imminent plans to do so, believing that financial market conditions at the time were not favourable and were likely to improve over the medium term.

We were uncomfortable with such an inherently speculative approach to liquidity management. We believed this to be an inappropriate use of the balance sheet and reflected poorly on the overall governance of the company. As such we decided to exit our position in August 2022.

PRINCIPLE 12: SIGNATORIES SHOULD ACTIVELY EXERCISE THEIR RIGHTS AND RESPONSIBILITIES.

Our Voting Policy

The principle governing our approach to voting is to act in what we consider to be our clients' interests. We are willing to take a stand and to use our vote wisely. We seek to vote on all issues raised.

The majority of resolutions target specific corporate governance issues which are required under local stock exchange listing requirements, including but not limited to: approval of directors, approval of annual reports and accounts, approval of incentive plans, capital increases, reorganisations, mergers and acquisitions. We vote on both shareholder and management resolutions.

Responsibility for assessing the merits of each individual resolution lies with the dedicated analyst covering the company. The conclusions are presented to the ESG Committee and the CIO who then reach a decision for each company's set of resolutions.

We have voted against and will continue to vote against boards' recommendation if we believe that doing so is in the best interests of our clients.

Our Voting Principles

We do not rely on proxy advisors. Rather, we undertake our own internal work in assessing resolutions, applying our voting principles to each item. These principles include ensuring the board's diversity and independence, protecting minority shareholder rights, ensuring that executive compensation is tied to the long-term prospects of the business and shareholder value creation, upholding ESG issues and supporting capital increases only for legitimate financing reasons. Where appropriate we draw from external research, but ultimately the final decision will reflect our own assessment of what we believe to be in the best interests of our clients.

Consistency of Approach

Our approach does not differ across geographies and is implemented uniformly across all asset classes where voting rights are available.

Our voting policy and principles cover all funds under our management and is consistently applied across all holdings held by them.

Voting on Behalf of our Clients

Securities are held on behalf of clients in multiple countries and at multiple custodians and banks, which may constrain or restrict us from voting. Therefore, our voting activities are subject to our contractual obligations with those clients and applicable local laws and regulations. As such, we will vote in all cases where this is possible or administratively feasible, unless directed otherwise by clients. We do not vote on behalf of our clients if they instruct us not to do so. Clients have the ability to direct voting in segregated accounts. In some cases, for example in the event of a restructuring of an asset, we will present our voting recommendations to clients for their consideration.

As outlined in Principle 6, for clients who hold separate managed accounts we discuss our approach to stewardship when signing a new mandate and during our annual review process, and seek and take into account their views, including how we vote on their behalf, as clients often add value to our own research. We do not currently have any clients that require us to either direct the voting themselves or utilise specific third-party voting recommendations, although we would be able to accommodate that if so requested. We provide a detailed summary of our annual voting activity on our website. Any additional information is provided directly to clients who request it.

Monitoring Shares and Voting Rights

A critical part of our assessment of whether a specific investment meets our quality criteria is the share structure and what that implies for us as minority shareholders. The type of voting rights associated with each security are assessed as part of our investment analysis and discussed in the Investment Committee as part of the approval process, especially when there is a dual share structure. We keep track of how we instruct our custodians to vote on every resolution.

Securities lending

We do not participate in securities lending transactions.

Fixed Income Assets

For the bonds we invest in, we analyse all transaction documentation prior to investment as well as any subsequent amendment proposals that could alter the risk/return characteristics of the original terms on which we invested. Furthermore, we seek to engage in constructive discussions with the management teams of our investee companies, in order to determine that their ongoing liquidity position remains adequate whilst also ensuring that the interests of our clients stay protected.

Within the fixed income asset class, we invest primarily in corporate bonds via the secondary market and therefore are not involved in the drafting of original terms and conditions. If and when a corporate looks to amend terms during the tenure of the bond, we may engage with the company and/or steering group to provide constructive feedback on such proposal. This is especially the case where we believe the proposed terms are less attractive than those on which we originally invested.

Voting Summary Jan 1st, 2022 – Dec 31st, 2022

Outcomes

In 2022, we voted for all holdings in our World Stars Global Equity Strategy for which we owned voting shares. We also voted for the majority of our other holdings, prioritising those names that were widely owned across our portfolios. We voted on a total of 639 resolutions at the AGMs of 38 companies (vs 36 AGMs in 2021 and 22 in 2020). We voted against the companies' Board of Directors recommendation on 39 instances (vs 36 in 2021 and 19 in 2020).

Like in previous years we voted on a wide range of governance related issues such as executive compensation, the separation of the Chair and CEO roles, and the abolition of dual share class structures. We also continued to vote on numerous issues related to Diversity & Inclusion whilst broadening the scope of our focus, voting in favour of resolutions that supported stronger policies on a wide range of human rights issues.

Of note during the year, the number of social and environmental resolutions presented at AGMs increased from 23 in 2021 to 42 in 2022, an increase of 82%. We choose to vote against the board's recommendation in 27 of the 42 (64%) social and environmental resolutions presented. We voted for both disclosure-based and action-based resolutions, as we believe both have a role to play in achieving better outcomes.

Type of Resolutions

All Resolutions	Number of Resolutions	Voted Against Management
Audit	**43**	**-**
Ratification	43	-
Board of Directors	**371**	**-**
Election	371	-
Capital	**37**	**2**
Share issuance	25	2
Shares repurchase	12	-
Compensation	**70**	**1**
Directors	23	-
Executives	47	1
Financial statements	**34**	**-**
Approval	34	-
Governance	**25**	**1**
Policies	23	1
Political activities	2	-
Meetings & Voting	**6**	**-**
AGM related	6	-
Shareholders rights and defence	**11**	**5**
Special meetings	7	1
Voting rights	4	4
Social and environmental	**42**	**27**
Charitable contributions	3	3
Competition strategy	2	-
Consumer issues	12	7
Diversity & Inclusion	5	3
Environmental issues	6	4
Human rights	8	5
Lobbying	6	5
Grand Total	**639**	**36**

Company Breakdown

Company	Total Resolutions	Voted With Management	Voted Against Management
Abbott	19	19	-
Adobe	14	14	-
Alcon	23	23	-
Alphabet	30	20	10
Alteryx	6	6	-
Amazon	29	20	9
American Tower	15	15	-
Amphenol	12	12	-
Becton Dickinson	15	14	1
Block	5	4	1
Diageo	22	22	-
DraftKings	14	13	1
Eaton	19	19	-
Essilor Luxottica	16	16	-
Estee Lauder	8	8	-
Givaudan	21	21	-
Honeywell	15	13	2
Linde	16	15	1
L'Oréal	26	26	-
LVMH	23	23	-
Mastercard	20	19	1
Medtronic	16	16	-
Meta	23	16	7
MTU	8	8	-
Nestle	27	27	-
Nvidia	17	16	1
Otis	12	12	-
Pernod Ricard	14	14	-
Pushpay	5	5	-
Raytheon Technologies	16	16	-
Roche	25	25	-
Salesforce	19	18	1
Schlumberger	14	14	-
Siemens Healthineers	21	20	1
Sika	20	20	-
Thermofisher	14	14	-
Visa	12	12	-
Zoetis	8	8	-
Grand Total	**639**	**603**	**36**

Our full voting activity summary from the year 2022 is available at www.jsternco.com/stewardship.

Examples

In our reporting year, we voted against the board on 36 occasions. You will note from the below that companies in the digital transformation space continued to be the subject of close shareholder scrutiny during 2022. This reflects the significance of these companies as large employers and their multi-faceted impact on broader society. Our support for a select number of these resolutions echoes these considerations and ultimately acts as an effective way of driving change and mitigating associated long-term risks to our investments.

Alphabet

In terms of governance, we voted in favour of a shareholder proposal to eliminate the stock's dual share class structure, seeking to protect our interests as minority shareholders. In terms of environmental issues, we supported a resolution asking for enhanced reporting on lobbying activity related to climate change as well as one on the periodic disclosure of physical risks to the company's operations presented by climate change. Given Alphabet's stated public commitment to net zero we are keen to ensure that its policies match its ambition. Finally, in terms of social issues, we supported a vote requesting that the company conducts a DE&I audit, which we felt was important given it has historically been subject to controversies in this area.

<u>Outcome:</u> Although all resolutions were voted against, we note the meaningful shareholder support that they received, including 33% for the elimination of the dual share structure, 22% for a DE&I audit and 19% for enhanced lobbying disclosures.

Amazon

We continued to press the company for improved human capital management policies and practices. We supported a resolution requesting a report on warehouse working conditions, as well as one requesting that the company conducts an DE&I audit. Given historical controversies on both areas we believed it is important for the company to demonstrate it is taking on board investor feedback and evidence progress.

<u>Outcome:</u> These resolutions were voted down, but with 44% of shareholders voting for enhanced reporting on working conditions and 40% for a DE&I audit.

Honeywell

We supported a resolution requesting detailed reporting on lobbying activity related to climate change. Honeywell has significantly enhanced its net zero commitments over the last two years but given the nature of the company's operations we believe it is important to demonstrate that its lobbying activity is fully aligned with its stated public commitments.

<u>Outcome:</u> The resolution received 39% of shareholder votes.

Examples (continued)

Meta

We voted once again in favour of a shareholder proposal requesting the separation of the roles of Chairman and CEO. Whilst we support Mark Zuckerberg's long-term vision for the company, we believe that there is scope for enhanced governance and independent oversight of Meta's strategy and capital allocation decisions. We also voted in favour of a shareholder proposal to eliminate the stock's dual share class structure. Finally, we voted for a resolution requesting a report assessing the risks of child exploitation online, as part of our increased focus on human rights issues and following on from last year's support for resolutions that promoted the responsible use of technology.

Outcome: These resolutions were voted down, but with 17% of shareholders voting for the separation of Chairman and CEO roles and 25% for the elimination of the dual share class. 17% of shareholders voted for better reporting on child exploitation.