



Annual
Sustainability Report
2023

Regnan Sustainable Water
and Waste Strategy

FOR PROFESSIONAL INVESTORS ONLY



Regnan Sustainable Water and Waste Strategy

The Regnan Water and Waste strategy aims to combine the best opportunities from the water and waste value chains.

1. **The complementary power of water and waste integration:** The combination of both water and waste themes is a differentiated proposition, and one that has been pioneered by the investment team. Water and waste companies provide unique diversification characteristics when combined.
2. **Proven process:** The team is experienced in this space with a proven, robust and replicable investment process. They aim to build a high conviction portfolio with differentiated characteristics and low overlap with global equity portfolios – providing much needed diversification away from widely held sectors such as technology, communication services, healthcare, financials and energy, whilst also offering diversification within the sustainable space (which is predominantly focused on decarbonisation).
3. **Portfolio purity and research:** A clear focus on thematic purity ensures that all stocks in the portfolio are exposed to the water and waste theme. All stocks undergo detailed fundamental and sustainability due diligence.

Strategy overview

- The investment objective of the Sub-fund is to generate capital growth over rolling 5-year periods and to pursue a sustainable objective by investing in companies which provide solutions to the global water and/or waste related challenges.
- An actively managed, high conviction, diversified portfolio with an integrated sustainability process enhanced by Regnan's proprietary ratings and engagement framework.
- The team has long experience investing in both the water and waste value chains, including companies developing new technologies; this means low overlap with global equity portfolios.
- Benchmark: MSCI AC World Index.
- The use of the index does not limit the investment decisions of the fund manager therefore the composition of the portfolio may differ significantly from that of the index.
- **Please click [here](#) for more information about the strategy and links to the Prospectus/KIID.**

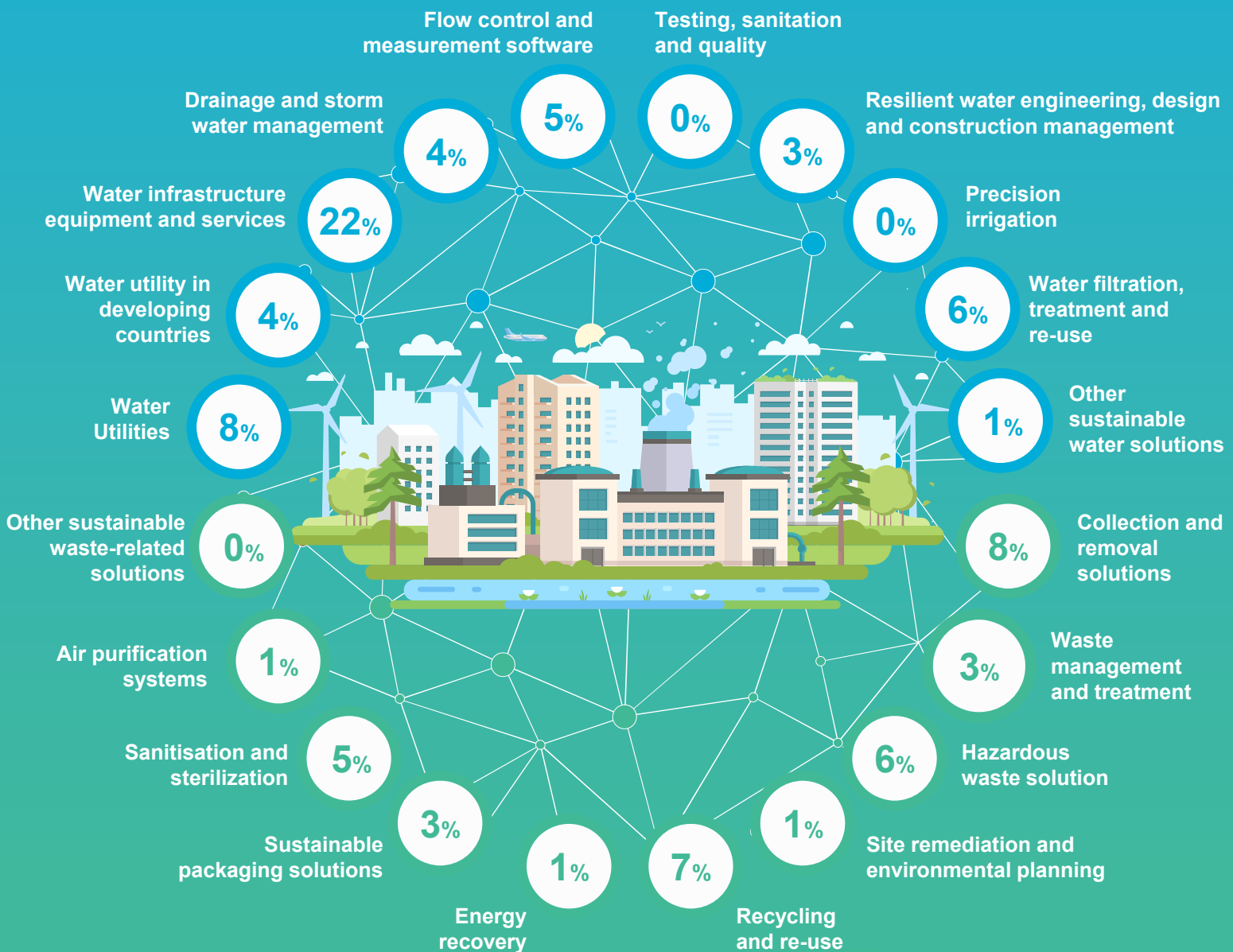


Note: Ratings representative of Regnan Sustainable Water and Waste, a sub fund of Regnan UK Umbrella Fund, domiciled in the UK.

Investing throughout the water and waste value chain

Thematic exposure

WATER



WASTE

Source: Regnan/JOHCM as at 31 March 2024. Data representative of Regnan Sustainable Water and Waste, a sub fund of Regnan UK Umbrella Fund, domiciled in the UK. Weighted average of exposure and percentage of NAV, rescaled for cash. As at 31 March 2024 cash was 1.98% of NAV.



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Letter to investors

We have now been at Regnan for just over three years. In our ongoing journey, we find ourselves on a promising trajectory, underpinned by our commitment to thematic purity, a bedrock principle, that serves as a double diversifier in our portfolio, enhancing both risk management and returns, while aligning with sustainability imperatives. This has been coupled with company engagement and sustainability insights enriched by Regnan's expertise. As always, we take the opportunity to thank our investors for providing their support and belief in the investment process and team.

The Regnan Water and Waste strategy kept pace with the market in 2023 even though we did not hold any technology stocks, which is what the market favoured during the year. The US was a notable outperformer, led by excitement over artificial intelligence (AI), which buoyed technology stocks. While the year was dominated by the 'Magnificent 7' large-cap tech stocks, the rally broadened in Q4. Both water and waste stocks performed well during the review period. Water distributors and select water equipment companies, especially in Japan, were standout performers during the year. Integrated waste management companies also remained buoyant during the year.

Apart from the continued path of bolt-on acquisitions, a focus for some of our waste management companies for example Waste Management, Waste Connections and Republic Services, came in the form of sustainability-related investments. The focal point was towards 1. Landfill-gas-to-energy and 2. Recycling facilities. The organic waste in landfills decompose over time and it releases landfill gas ("LFG") which primarily includes methane and CO₂. Landfill gas projects ensure that the gas is captured, converted, and used as a renewable energy resource. Meanwhile, a growing number of consumer packaged-goods companies are setting aggressive goals for recycled content in their packaging. Regulation is also forcing companies to use recycled material in their manufacturing process. This is a big opportunity for integrated waste management companies to expand their recycling operations.

During the year, we continued to focus our engagement activities on decarbonisation and physical impacts of climate change. We also opened engagements on biodiversity, human capital management and stakeholder management. We continued our efforts on thinking from a systems resilience perspective bringing up similar and related points across the water and waste value chains wherever possible. We also worked on a position paper around biocultural resilience which highlighted the importance of biodiversity and natural systems in maintaining the stability of economic, environmental, social and political systems.



Bertrand Lecourt
Senior Fund Manager



Saurabh Sharma
Fund Manager



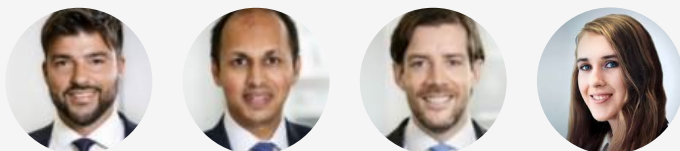
About Regnan

At Regnan, we focus on delivering innovative sustainable and impact investment solutions, by drawing on over 20 years of experience at the frontier of responsible investment. Regnan's roots trace back to Monash University, Melbourne in 1996, when it was established to investigate and address ESG-related sources of risk and value for long-term shareholders.

An experienced team

Investment services

Impact



Head of Investments



Sustainable Thematic



Our funds:

Regnan Sustainable Water and Waste
(launched September 2021)

Regnan Global Mobility and Logistics
(launched November 2023)

Regnan Global Equity Impact Solutions
(launched October 2020)

Our work with the Regnan Centre

The team works side-by-side with the Regnan Centre, which is Regnan's experienced stewardship team, benefiting from their specialist knowledge. This continuous collaboration with the Regnan Centre has been particularly beneficial in three areas:

1. The Regnan Rating SVA Approach

Regnan's Sustainable Value Assessment (SVA) is a forward looking and bottom-up analysis of sustainability factors undertaken by experienced, specialist researchers. Regnan methodologies have been designed to promote comprehensive evaluation of environmental, social and governance (ESG) factors, while also providing flexibility to incorporate company specific considerations. In undertaking additional, proprietary analysis of firms, the Regnan Centre aims to keep a view that is independent of any particular investment management approach.

2. Thematic research

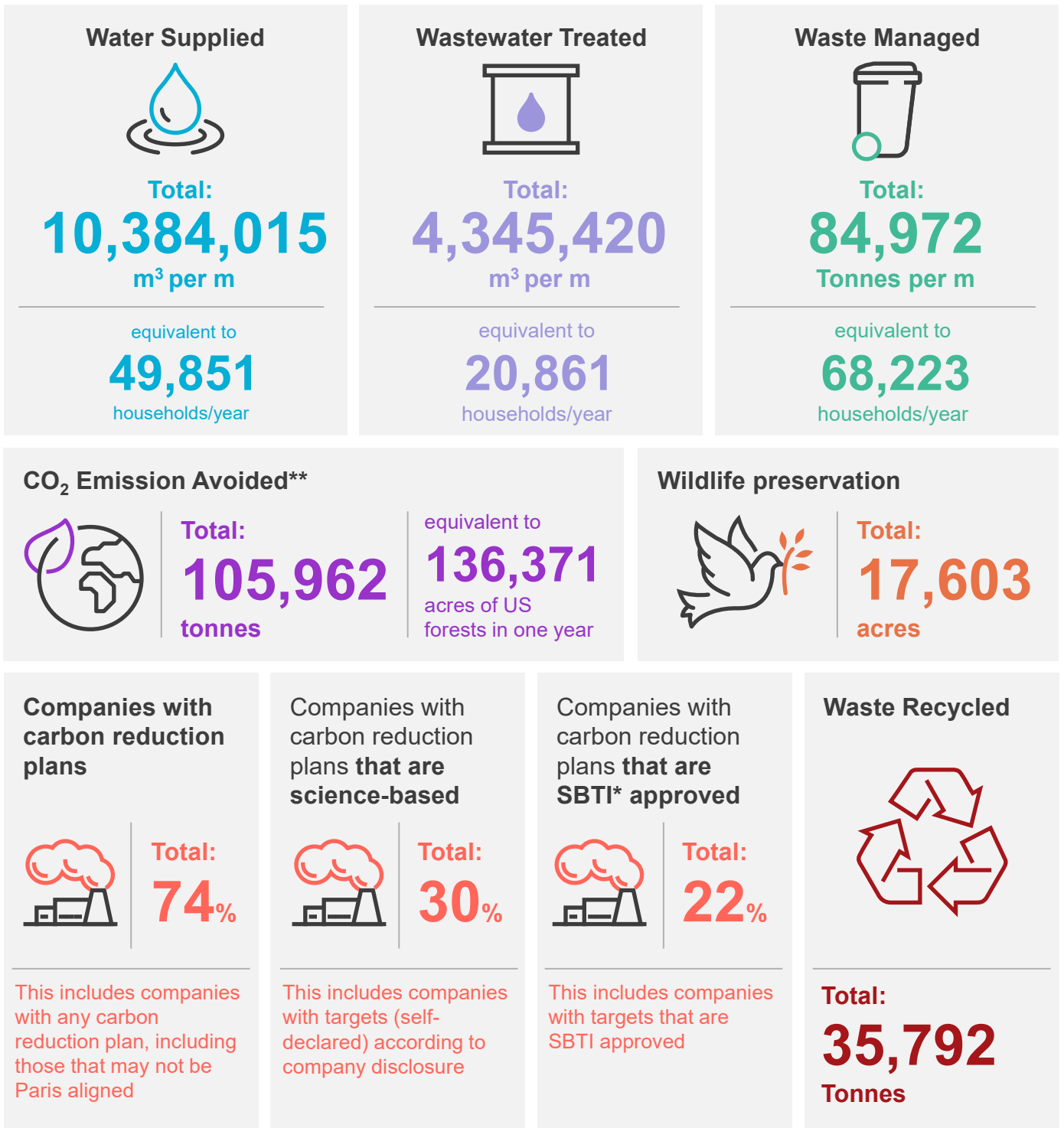
Our work with the Regnan Centre has spawned several research projects and reports which have informed our investment and engagement. including biocultural resilience in **Beyond Biodiversity** covered biocultural resilience, reframing the case: from 'biodiversity, nature, and ecosystems'. **Droughts and Floods: Dealing with the flow** covers biocultural resilience in investor stewardship 'exploring opportunities in the water value chain to increase systems' resilience to respond to emergent physical impacts of climate change.

3. Engagement

Engagement work is led by the investment team, supported and enhanced by the research capabilities of the Regnan Centre, which provides long-standing and in-depth experience in analysing sustainability factors and driving change through engagement.



Portfolio level metrics – Sustainability Indicators*



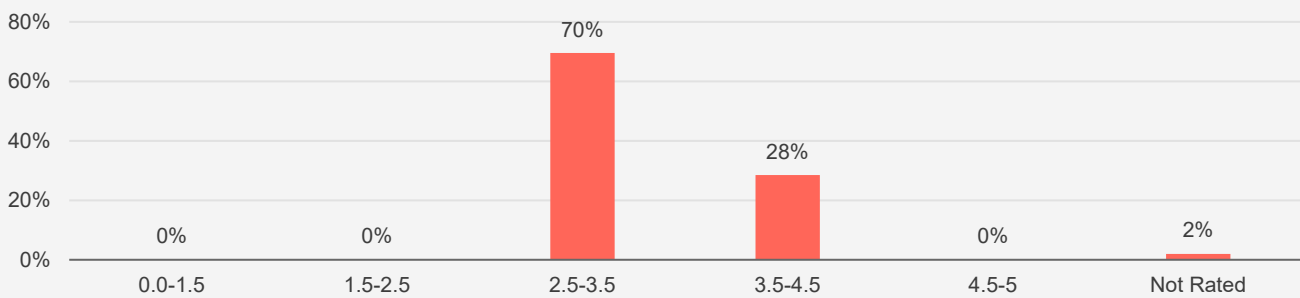
Source: Data collected internally for companies which report a direct or equivalent metric. *Calculations based on Regnan Sustainable Water and Waste Strategy AUM of GBP 275m, as at 31 March 2024. Weights used in calculation have been rescaled for cash. We collect this data manually for all portfolio companies that disclose relevant data. Given the manual data collection process, the data for the benchmark has not been collected. SBT is Science-Based Targets and SBTi is Science-Based Targets Initiative. **Units are in acres of US forests in one year, <https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references#pineforests>

Regnan Sustainability Value Assessment Ratings

Regnan’s Sustainability Value Assessment is a forward looking and bottom-up analysis of sustainability factors undertaken by experienced, specialist resources. Regnan methodologies have been designed to promote comprehensive evaluation of ESG factors, while also providing flexibility to incorporate company specific considerations.

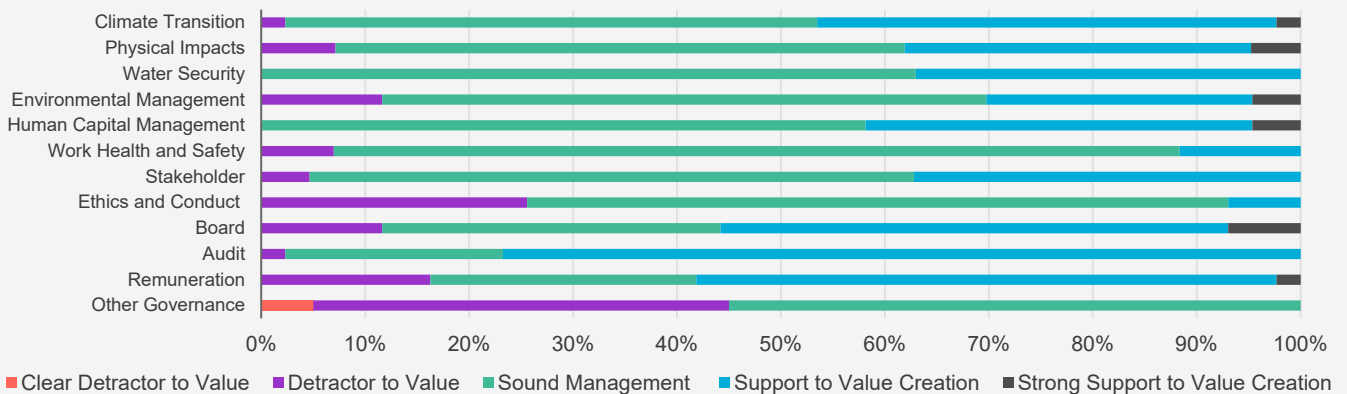
Scores for each ESG factor and pillar (E, S and G) are assigned from 1-5 reflecting the extent to which sustainability management is assessed to contribute to sustained value creation: detractor (1-2), neutral (3), support (4-5). Accompanying momentum assessments (stable, improving or weakening) indicate the expected direction of change in the score. See further details about the SVA methodology [here](#).

Overall SVA Scores



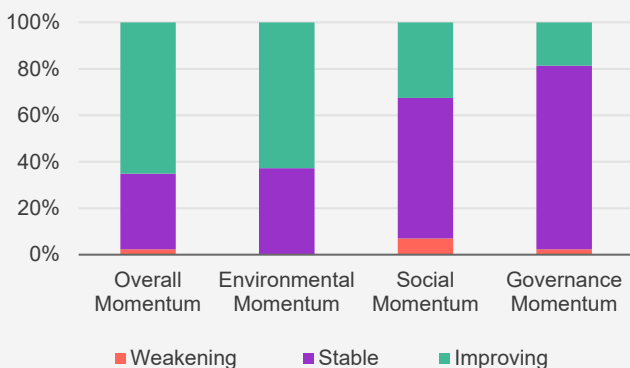
Source: Regnan/JOHCM. No company below a rating of 2.5 was held in the portfolio during the year. We assessed companies which were rated below 2.5, example Manila Water, the team did not invest in the company. Data shows % of NAV as at 31 March 2024. Not rated is cash.

Regnan Sustainability Value Assessment Factor Ratings



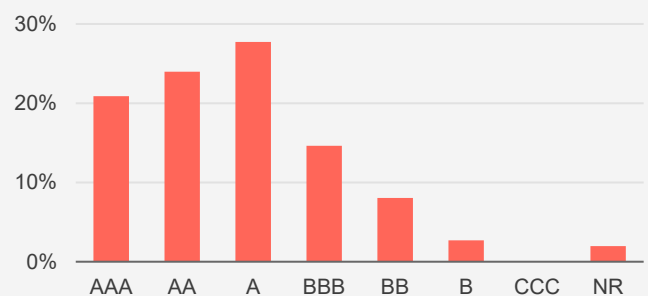
Source: Regnan/JOHCM. Data shows % of holdings as at 31 March 2024.

Momentum



Source: Regnan/JOHCM. Data shows % of holdings as at 31 March 2024.

MSCI Rating



Source: MSCI. For further details: www.msci.com/our-solutions/esg-investing/esg-ratings. Data shows % of NAV as at 31 March 2024. Not rated (NR) is cash.



Engagement

Regnan was initially established to investigate and address sustainability related sources of risk and value for long-term shareholders.

Our overarching focus when engaging with portfolio companies is on sustainability, value creation and systems resilience. We aim to enhance performance by seeking the effective management of sustainability risks, optimizing opportunity capture and addressing areas of portfolio or systemic risk. As such, the investment team's engagement programme is an integral part of the investment process.

The team will seek to determine willingness to engage prior to investment and may divest existing holdings if a company is no longer willing to engage in an appropriate manner.

Engagement is long-term and outcomes-focused, guided by engagement objectives, which are formulated on a company-by-company basis.

In determining whether a company demonstrates potential for improvement through engagement we draw on internal expert views and consider:

- How large the gap is between current performance and minimum standards and/or unrealised opportunities.
- The nature of the changes that would need to be made and any barriers this presents to change.
- Expected company openness to engagement, considering factors such as shareholding structure, company policy or track record on investor engagement, engagement norms in the local market, and any historical experience we have had in engaging with the company.
- The existence of aligned initiatives that may support achievement of the changes sought.

The team's long-term, constructive approach to engagement is grounded in understanding the business case and provides a feedback loop between the investment team and portfolio companies.

During the past year the Regnan Centre team prioritised areas identified as increasing the sustainability of individual portfolio companies and contributing to broader systems resilience.

In the following sections we provide detail on our engagement over the year, including progress and select case studies to illustrate our approach to outcome focused engagement.



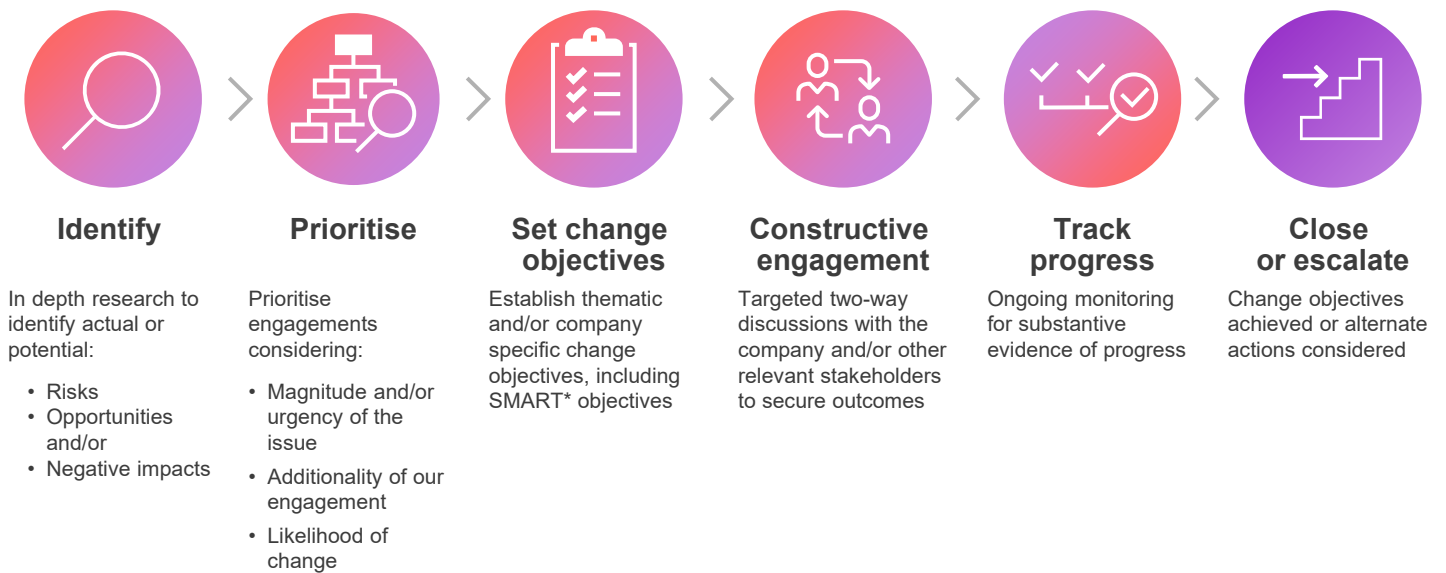
Oshadee Siyaguna
Senior Analyst – Thematic Investing

Regnan



How we engage

We engage for protection and enhancement of portfolio and stakeholder value using the following engagement process:

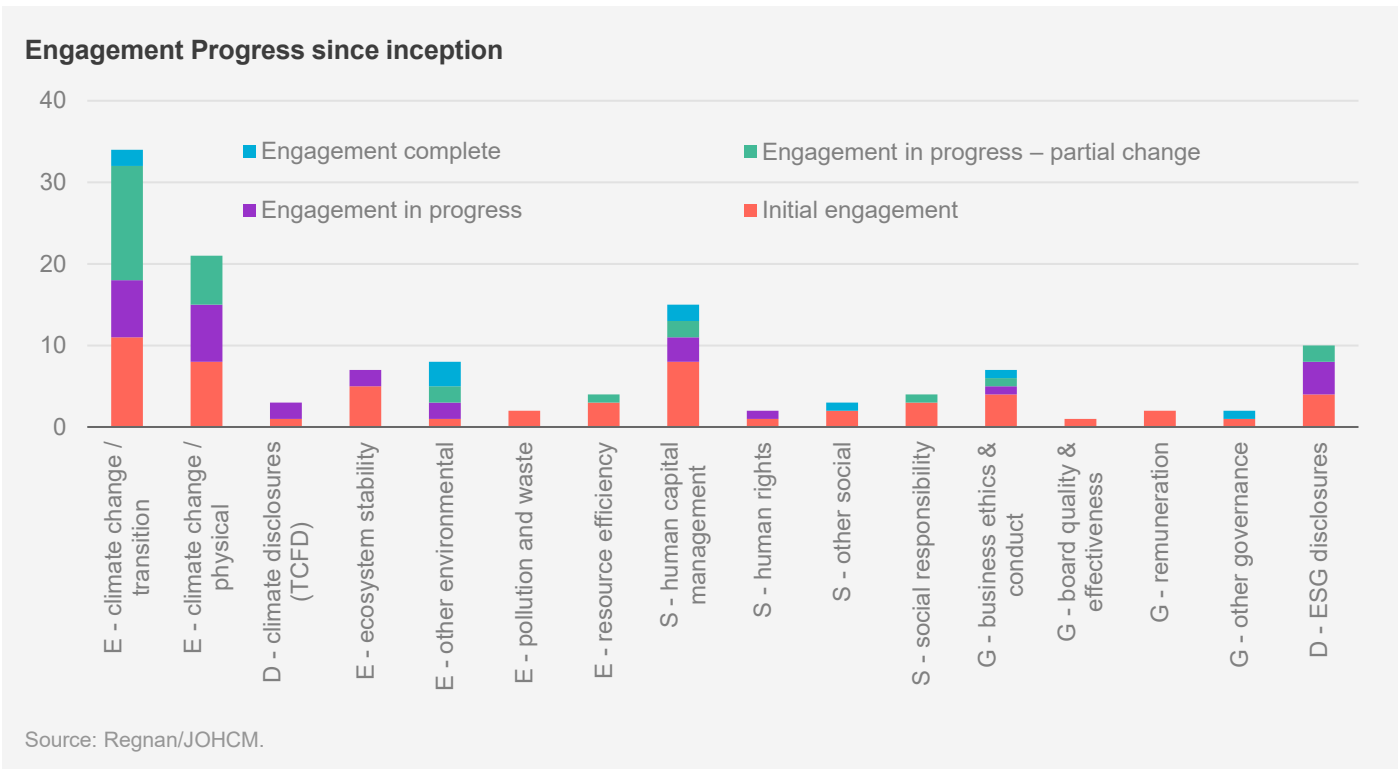


Engagement Review

During the year we continued our engagement on sustainability issues including decarbonisation and physical impacts of climate change and a range of new and emergent issues including biodiversity, human capital management and stakeholder management - broadening the scope of our engagement with companies. We maintain our focus on systems resilience, ensuring that we leverage our investments across the water and waste value chain, placing us in a

unique position to influence change on several touchpoints.

At an objective level, we have seen partial progress on 23% of objectives and 8% of engagements were completed¹. At the company level, we have seen progress on 33% of companies engaged².



Source: Regnan/JOHCM.

¹Since inception of Regnan Sustainable Water and Waste, a sub fund of Regnan UK Umbrella Fund, domiciled in the UK.

²Engagement progress checked for 2023-2024.

Engagement Review (cont'd)

Below we provide examples of focus areas of engagement.

Biocultural Resilience

Our work on biocultural resilience prioritises the systematic importance of biodiversity and natural systems in maintaining the stability of economic, environmental, social and political systems, thereby reducing inherent disruptions to socioeconomic and business operations, ultimately facilitating more predictable and stable investment outcomes.

Over the year we utilised multiple engagement tools to amplify our efforts to influence change:

- We published our position paper “**Beyond Biodiversity**”; Reframing the case: from ‘biodiversity, nature, and ecosystems’ to biocultural resilience in investor stewardship” advocating for enhancements to the enabling environment
- Publicly commented on our position on **biocultural resilience**³ and partook in a survey meeting with a professional accreditation institute in relation to developing a certification program on biodiversity to contribute to the evolution of responsible investment practice
- Collaborated on biodiversity via the United Nations Principles for Responsible Investment’s Spring Initiative (Advisory Committee) and the Nature Reference Group⁴
- Initiated engagement on biocultural resilience with six priority companies in the water utility and waste management sector

Decarbonisation in the Waste Management Sector

We continued our engagement on decarbonisation, informed by the findings of our “**Waste Not, Warm Not**” report including seeking a strategic view of landfill gas capture supported by credible, ambitious and real targets.

We are pleased with progress on this front, with all focus companies in the US demonstrating progress. This has been aided by the regulatory and incentive (eg Renewable Fuel Standard) backdrop in the US.

The capture of methane⁵ from landfills, can reduce GHG emissions by up to 90%, the largest GHG emissions source from waste management companies. In our view, company efforts in managing methane emissions:

- Reduces financial risks emergent from a transition to a low carbon economy, including potential future regulatory tightening, carbon pricing and changing consumer preferences to more sustainable management of waste.
- Offers a compelling business case with substantial incremental EBITDA growth.

We see substantial planned capital expenditure from companies in the portfolio to invest in renewable energy and recycling infrastructure. For example:

- Waste Management Inc announced more than \$2 billion on renewable energy and recycling infrastructure from 2022 through to 2026.⁶
- Republic Services Group’s sustainability capex amounted to \$319 million along with \$352 million in sustainability investments.⁷
- Waste Connections has committed \$200 million of capital expenditure towards renewable natural gas projects by 2026.⁸

³Partook in the Citi 2023 Academic Day Nature and Biodiversity Loss panel.

<https://future.portfolio-adviser.com/biocultural-resilience-a-holistic-approach-to-investing-in-nature/>

<https://www.pendalgroup.com/education-and-resources/category/responsible-investments/?new-template=340#popugn111>

⁴Starting 31 October 2023.

⁵On a 100-year timescale, methane has 28 times greater global warming potential than carbon dioxide and is 84 times more potent on a 20-year timescale. https://energy.ec.europa.eu/topics/oil-gas-and-coal/methane-emissions_en#:~:text=In%20fact%2C%20methane's%20ability%20to,on%20a%2020%2Dyear%20timescale.

⁶https://sustainability.wm.com/downloads/WM_2023_SR.pdf

⁷Republic Services Group 2022 Sustainability Report. Further notes: Sustainability capital expenditure (CapEx) includes recycling and organics assets, landfill gas collection systems, leachate collection and treatment systems, and sustainable vehicles and infrastructure, based on the EU Taxonomy. Sustainability investments include equity investments and joint ventures in solar, renewable natural gas and plastics circularity projects

⁸www.wasteconnections.com



CASE STUDY

Decarbonisation



WASTE CONNECTIONS, INC.

Waste Connections, Inc. is a North American integrated waste services company that provides waste collection, transfer, disposal and recycling services, primarily of solid waste.

Objective



Operations in the waste services sector are associated with high greenhouse gas (GHG) emissions, particularly methane emissions from landfills and collection. As such, the Regnan Sustainable Water and Waste team expect waste management companies to have well evidenced decarbonisation goals with comprehensive plans and targets, including interim targets.

Improving landfilling processes and technologies offers the most opportunities to reduce GHG emissions, with state-of-the-art operations able to reduce emissions by up to 90%. Effectively managing renewable natural gas from methane captured via landfills also offers a significant opportunity for companies with landfills to capture additional earnings.

Background



The team continued their two-year-long engagement with the company, to discuss the company's approach to managing the transition to a low carbon economy. The team was pleased with the company's progress towards their stated climate targets, and sought to test the company's ambition to further reduce emissions and enhance its approach to one that is consistent with a science-based target and aligned to the Paris Agreement.

The team also sought confirmation and assurances that the company's decarbonisation efforts of converting captured landfill gas (LFG) to renewable natural gas (RNG), which delivers substantial benefits to climate change mitigation and incremental EBITDA, were robust. These efforts include testing the viability of the business to both RIN price⁸ volatility and increasing supply that is induced by increasing conversion of captured landfill gas to renewable natural gas by competitors. The team views the robustness and the ongoing business viability of these projects to be crucial towards delivering ongoing climate and earnings benefits.

Outcomes



The company made progress in reducing absolute emissions over the last year, reducing emissions by 17%. The company's stated target is to reduce 30% of absolute scope 1 and 2 emissions, by 2033, on a 2018 baseline. The team agreed that the company's dual ambition to continuously reduce emissions intensity coupled with the realised reductions in absolute emissions are a positive step towards meeting its decarbonisation target. The stated ambition to continuously reduce emissions intensity also provides an additional layer of confidence around the company's ambitions, should there be short-term volatility in absolute emissions, for example driven by acquisitions.

The team encouraged the company to progress their work on a science-based target, to which the company assured that this work is currently under active consideration.

The company demonstrated that comprehensive analysis had been undertaken of the various scenarios that may unfold, particularly in light of increasing supply of RNG from LFG and potential RIN price volatility. The company had considered pricing impacts from supply dynamics and RIN price volatility. The company pointed out that the payback period for the investments were relatively short, given the relatively small incremental investments required into RNG infrastructure on top of the larger investments already made on landfill infrastructure. In addition, the company partners with other companies in project capital, which somewhat limits downside risks.

Action



Consistent with the team's approach to constructive engagement with companies, they offered to be a sounding board to the company's efforts in considering a science-based target.

Source: www.wasteconnections.com

⁸A RIN (Renewable Identification Number) price is the cost associated with the trading of RINs, which are credits generated by renewable fuel producers or importers and used to demonstrate compliance with the Renewable Fuel Standard (RFS) program.



CASE STUDY

Systems resilience



United Utilities provides water and wastewater services in the Northwest of England.

Objective



While the Regnan Sustainable Water and Waste team consider United Utilities to have a robust approach to climate change adaptation and ecosystem resilience, the team sought to engage with the company to further strengthen overall systems resilience. Our engagements touched upon the need to consider climate adaptation options in worst case scenarios, identify interlinkages between natural, social and economic systems and build upon key stakeholder engagement. In light of the criticality of the company's services to the regional economy and vice versa, the team sees benefits in United Utilities considering itself as a steward of the system. The team also encouraged the Company to build biodiversity-related factors into scenario analysis and linkage to systems resilience.

From a disclosure perspective, the team sees an opportunity for the company to enhance its communications to the market in a manner that would explicitly demonstrate the company's resilience.

Background



Water utility companies are dependent on the health of their water catchment areas in order to provide essential water services in a reliable and cost-effective way. Consequently, environmental issues such as physical impacts of climate change and biodiversity are material to United Utilities' business. Strong catchment management is important for United Utilities due to it being the largest corporate landowner in the UK with 95% of water sourced from rainfall. Regnan encourages a systems resilience approach in responding to these issues, in order to prepare for and minimise the impact of shocks to the water system.

Water utility companies are also under increasing pressure from stakeholders, including from communities, the media and the water utility regulator, Ofwat, with regards to water pollution. Bolstering a systems resilience approach may reduce pollution levels, for example working with farmers to reduce fertiliser run-off and improve water quality, thus improving stakeholder relations.

Outcomes



The team was encouraged by the company's commitment to integrating systems resilience into its long-term planning and investment programs. The company was able to provide assurances of systems resilience assessment and strengthening through examples such as six capital framework⁹ seeking 'best value' as opposed to 'lowest cost' solutions and a large peatland restoration programme that both improved water quality (reducing treatment costs) and slows the flow of water through the system, thus reducing the risk of droughts and floods. The team encouraged the company to consider using visual maps, in order to create a unified systems reliance picture for external stakeholders.

Following initial discussions, the team felt comforted that United Utilities was able to better articulate its partnerships with stakeholders, such as landowners, during a subsequent meeting, particularly their potential leverage in addressing pollution concerns such as fertiliser run off.

With regards to resilience scenario planning, the company demonstrated that comprehensive scenario analysis had been completed as part of its climate adaptation work, but noted that while urbanization and populations were considered, ecosystems were not specifically included.

Action



Regnan acknowledges the significant work already undertaken by the Company and will continue to engage with them on the development of their approach as focus intensifies during the AMP8 regulatory period¹⁰.

Source: www.unitedutilities.com

⁹A six capital framework encourages users to consider six capitals when seeking to create value: financial, manufactured, intellectual, human, social and relationship, and natural.

¹⁰AMP8: the eighth asset management period regulated by Ofwat, the Water Services Regulation Authority in England and Wales. It sets the framework for how water companies manage their assets, deliver services to customers, and invest in infrastructure over a five-year period. For more information see <https://www.ofwat.gov.uk/>

Case Study – Biocultural Resilience in Water Utility Companies

Water is an essential resource, used in nearly all forms of economic activity including food production, industrial manufacturing, textiles, energy production and materials extraction – put simply ‘there is no economy without water’. Management of local water catchment areas are critical for the long-term resilience of watersheds, water utility companies and the economies that depend on them.

We see considerations of biocultural resilience integrated into broader systems thinking for example analysis of interactions between watersheds and broader ecosystems including biodiversity and climate change, social aspects including urbanisation, local economic activities and local communities as key to enhancing resilience to system disruptions.

Example

Severn Trent operates across central England, providing water supply and wastewater services for 4.5 million homes. The company demonstrates systems-level thinking, for example considering systems outside of their owned catchment areas as well as working in partnership with other industries that affect river health, for example agriculture, land management, urban and transport run off.

Regnan engaged with Severn Trent on ecosystem resilience and systems thinking, within the context of building overall resilience. We sought to understand how these topics inform business decisions and longer-term strategies and emphasised the importance of linking short-term strategies and targets into a long-term resilience view.


We encouraged further articulation and disclosure of their approach to both ecological resilience and systems thinking, highlighting and explaining the complexities they face.


Severn Trent described their PR24 submission which aimed to bring together many different plans, including resilience planning and ecosystem resilience, under one long-term strategy that has one 25-year core pathway. The company has also developed various adaptive pathways considering potential technological advances and pivot points, and highlighted that biodiversity is integrated into these adaptive pathways. Working to actively enhance ecosystem resilience is seen as strategically important. Current initiatives include strategic tree planting, peatland restoration, and pesticide reduction through farmer collaborations. Severn Trent emphasised that they are in a transitional period ahead of the PR24 period, having first developed their biodiversity approach seven years ago, since which expertise has significantly improved. The company noted that the team capabilities will be strengthened in the future with the addition of ecologists and biodiversity experts.

We will continue to engage with the company with a view to enhance its approach to biocultural resilience.



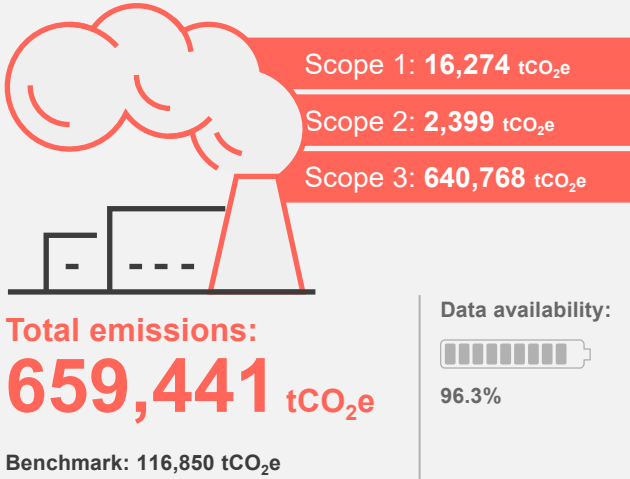
Engagement in Progress – Examples

Engagement Objective	Kurita Water Industries	
<p>Workplace safety performance is well disclosed and improving</p> <p>Effective WHS risk management can contribute to value protection through ensuring regulatory compliance and preventing financial liabilities; bolstering reputation with customers and other stakeholders; and contributing positively to employee engagement, productivity, attraction, and retention, particularly in tight labour markets.</p>	<p>Engagement - in progress</p> <p>In our first meeting with the company, we commended the prioritisation of both product and employee safety, including a focus on mental health in disclosure. In answer to our query as to why some elements of performance have recently deteriorated, Kurita observed that the size of the business has increased YOY with working hours up 1.3 times. The new employees Kurita has hired have taken longer to train and adopt the company's safety practices, despite implementing additional preventative safety measures as new staff got up to speed.</p> <p>The company agreed to our request to better explain changes in performance to enable investors to better understand the reasons for performance fluctuations, while our suggestion to disclose safety targets, and improve disclosure of the nature of Occupational Health and Safety Management System (OHSMS) coverage across different jurisdictions, will also likely be met in the FY23 sustainability report (September 24).</p>	

Engagement Objective	China Water Affairs Group	
<p>Multi-scenario climate modelling to test the resilience of the business to physical impact of climate change</p> <p>Climate change is intensifying the water cycle and affecting rainfall pattern, causing more intense rainfall and associated flooding, as well as more intense drought in many regions. Operational disruptions, increasing repair costs and asset impairment are often observed in this sector. We expect companies to conduct multi-scenario climate modelling to test the business resilience to physical impact of climate change.</p>	<p>Engagement - in progress</p> <p>In our first meeting with China Water Affairs Group, we shared our view that water scarcity is the major risk for the business. We encouraged the company to conduct a multi-scenario climate modelling to test the resilience of the business to the physical impact of climate change.</p> <p>The company affirmed their consideration of water scarcity risk by incorporating it into asset acquisition and site selection decisions. Every project is assured to have a primary and secondary water source to avoid supply interruption. The majority of projects are located in the south of China, where less water stress risk is evident.</p> <p>We reinforced the importance of analysis incorporating future projection of climate change to test the resilience of water supply under a benign scenario, a scenario of business as usual and a scenario higher than what the Paris agreement might expect.</p> <p>We will share good examples of scenario analysis and continue to monitor the progress of the company to conduct a multi-scenario analysis.</p>	

Portfolio level metrics – Sustainability Indicators

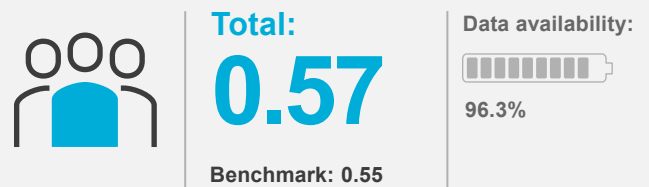
GHG Emissions



Carbon Footprint

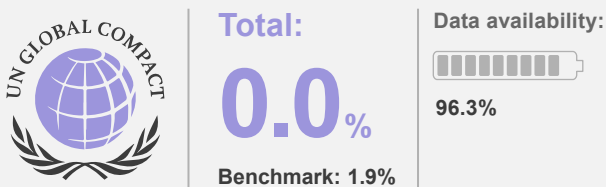


Board gender diversity (Ratio)



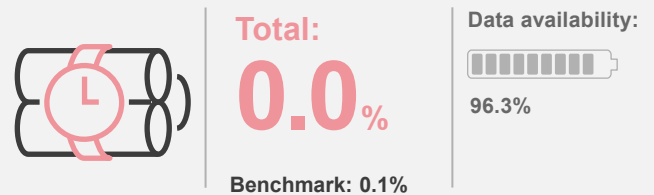
Violations of UN Global Compact (UNGC)

principles & Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

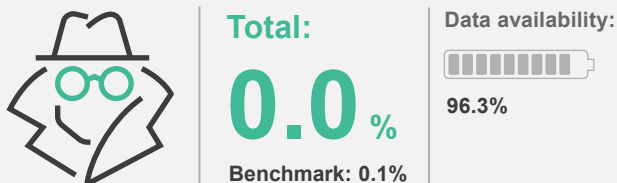


Exposure to controversial weapons

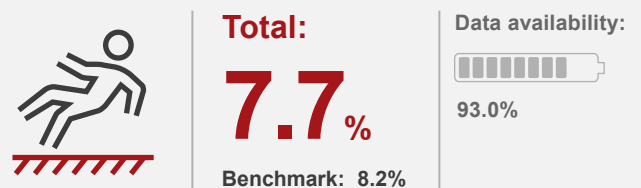
(anti-personnel mines, cluster munitions, chemical weapons and biological weapons)



Cases of insufficient action taken to address breaches of standards of anti-corruption and anti-bribery



Investments in companies without workplace accident prevention policies



Voting activity

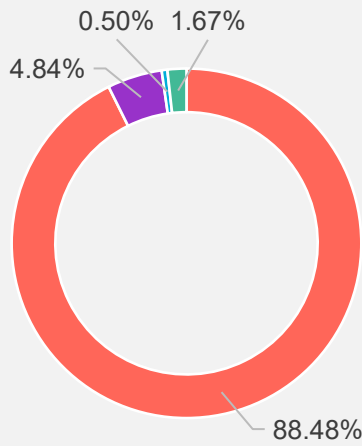
Vote Cast Statistics – 1 January 2023 to 31 December 2023.



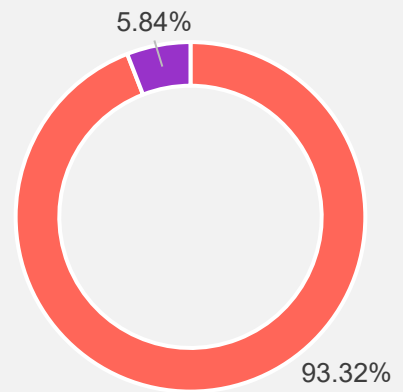
Total number of Meetings



Total number of Proposals



- FOR Votes
- AGAINST Votes
- ABSTAIN Votes
- WITHHOLD Votes



- Votes WITH Management
- Votes AGAINST Management

Source: Regnan/JOHCM.

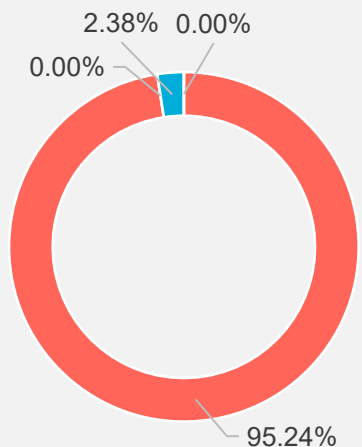
Vote Cast Statistics – 1 January 2024 to 31 March 2024



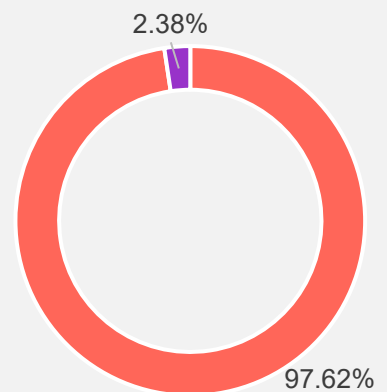
Total number of Meetings



Total number of Proposals



- FOR Votes
- AGAINST Votes
- ABSTAIN Votes
- WITHHOLD Votes



- Votes WITH Policy
- Votes AGAINST Policy

Source: Regnan/JOHCM.

Exclusion Policy

Exclusions are one of the two key tools (along with sustainability assessment) that we apply to ensure all investee companies meet minimum standards of environmental, social and governance (ESG) risk and sustainability management.

The following exclusions apply to all assets of the Fund:

Negative (involvement) Screens

Category	The fund will avoid investing in companies which directly:
Coal	<ul style="list-style-type: none"> Derive 5% or more of their revenue from the extraction, exploration, or distribution of coal, or from thermal coal power generation.
Conventional oil and gas	<ul style="list-style-type: none"> Derive 5% or more of their total revenue from the extraction, exploration, distribution, or refinement of oil and/or natural gas, unless a science-based target is in place.
Unconventional oil and gas	<ul style="list-style-type: none"> Derive 5% or more of their total revenue from unconventional oil and gas products and services, including hydraulic fracturing, oil / tar sands, shale oil and/or gas, coal seam methane and Arctic drilling.
Nuclear power	<ul style="list-style-type: none"> Derive 5% or more of their total revenue from mining of uranium for the purpose of nuclear power generation, the generation of nuclear power, or the provision of products and services to the nuclear power industry.
Tobacco	<ul style="list-style-type: none"> Derive 5% or more of their total revenue from the production or distribution of tobacco or related services (including tobacco-related products).
Weapons and armaments	<ul style="list-style-type: none"> Derive any revenue from manufacture of controversial weapons (such as anti-personnel mines, biological or chemical weapons, cluster munitions, depleted uranium weapons, nuclear weapons, white phosphorous weapons); or Derive any revenue from distribution of, or related services to producers of, controversial weapons; or Derive 5% or more of their total revenue from manufacture, or provision of related services to, conventional weapons or armaments.

Norms-based Screens

Category	The fund will avoid investing in companies with:
United Nations Global Compact	<ul style="list-style-type: none"> Breaches of the United Nations Global Compact principles which are categorised as structural and severe.

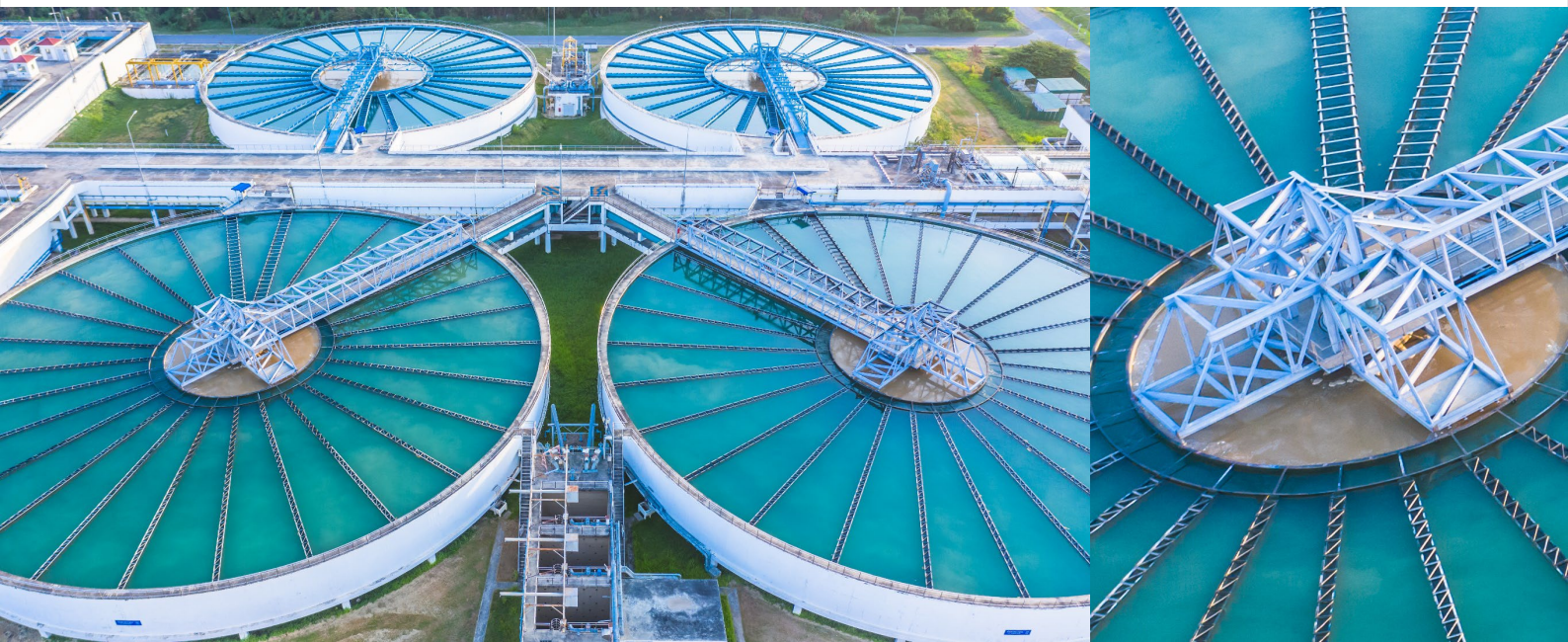
Exclusion Policy (cont'd)

Companies involved in the generation of power/heat from non-renewable sources, or providing dedicated equipment or services therefor, are excluded unless the company is increasing its absolute production of or capacity for contributing products/services, and one of the following conditions is met:

- The company has an SBTi target set at well-below 2°C or 1.5°C, or have a SBTi 'Business Ambition for 1.5°C' commitment
- Or the company derives more than 50% of its revenues from "contributing activities"
- Or the company has more than half its capex dedicated to "contributing activities".
- "Contributing activities" are defined as activities included in the EU taxonomy, OR which contribute clearly and concretely to any of the EU environmental objectives as set out in the Taxonomy, or the Sustainable Development Goals (SDGs)

All reasonable care is taken to implement the Fund's exclusionary screens to meet the criteria described above. We draw on external and supplementary internal research, believed to be accurate, to determine whether an issuer is subject to the exclusionary screens. However, as the nature and conduct of businesses may change over time, and publicly available financial or other information is not always comprehensive or up to date, we do not guarantee that the Fund will meet all of these criteria at all times.

We regularly monitor compliance by the Fund's holdings with the exclusionary screens. If we discover an investment no longer meets our criteria, we will divest the holding as soon as practicable, having regard to the interests of investors.



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Past performance is no guarantee of future performance. The value of an investment and the income from it can fall as well as rise as a result of market and currency fluctuations and you may not get back the amount originally invested.

Disclaimer (cont'd)

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Investments include shares in small-cap companies and these tend to be traded less frequently and in lower volumes than larger companies making them potentially less liquid and more volatile.

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Sources: JOHCM/Bloomberg/Lipper/MSCI Group (unless otherwise stated).

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