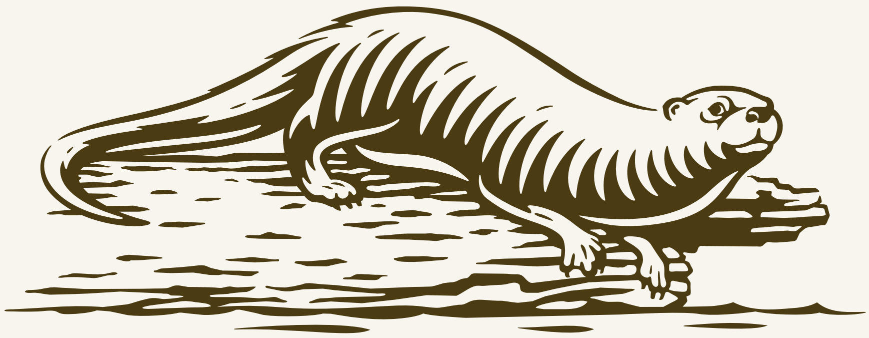
EVENLODE
INVESTMENTS FOR LIFE



Evenlode Investment
Quarterly Stewardship Report
Q3 2024

evenlodeinvestment.com

Our purpose is to preserve and enhance the value of our clients' assets through long-term engagement and analysis.

AS AT 30 SEPTEMBER 2024

Our quarterly Stewardship Report aims to provide investors with information on our voting and engagement activity, as well as highlighting some key focus areas for the Stewardship team for the year.

VOTING

Voted on 5 meetings	In 80% of meetings, we voted with management on all proposals	In 20% of meetings, we voted against management on at least one proposal

The ability to vote at a company meeting is a fundamental right available to investors which they should use to hold companies accountable and protect their long-term interests. Corporate stewardship principally revolves around the responsibilities associated with part ownership of companies via a shareholding. Shareholdings usually carry voting rights that enable the owners to vote with or against the management of a company on issues of governance and long-term climate and net zero strategies.

We consider it our responsibility, as part of the investment process, to decide on behalf of our investors how votes should be cast. We feel context and nuance are crucial in making a voting decision. This is why we do not use any third-party research providers to make our decisions but instead rely on the research which has been carried out by the investment team, over many years.

ENGAGEMENT

Engaged with 36 companies	Engaged on 11 themes	Engaged the most on Net Zero

ENGAGEMENT EXAMPLES

Evenlode Income

Ashmore Group, a specialist Emerging Markets investment manager, had been previously approached regarding concerns over their lack of emissions disclosure and limited progress on scope 3 reduction targets, particularly when applying net zero commitments to a larger portion of their assets under management (AUM) which currently stand at only c.6%. In response, the company initiated full-scale emissions reporting, largely due to our request, demonstrating their responsiveness to shareholder concerns. Initially, the company used a third-party data provider for their emissions analysis but found it unreliable and instead switched to a more detailed, security-level assessment (ISIN-by-ISIN) for their listed equity and corporate debt exposure.

Their emissions data now stands at 2.2 million tonnes of CO_2 equivalent (tCO_2e), but this is expected to rise as sovereign debt emissions are included in future analyses under the new PCAF framework. The challenge lies in the opt-in nature of their net zero approach, particularly given the reluctance of US clients and indifference from Asia, which has limited the scope of their net zero commitments to just 5% of AUM.

Additionally, the company has resisted certain governance transparency measures - such as gender pay gap and remuneration policy disclosures - citing the small size of the business and high year-over-year variability. Despite this, there was a positive engagement outcome on emissions, leading to increased transparency on their financed emissions. However, ongoing engagement is needed to ensure that the company continues to make progress in both emissions' disclosure and governance practices.

Evenlode Global Income / Evenlode Global Dividend

The stewardship team spent the first half of the year conducting various ESG-related analyses of CTS Eventim, a holding we have held in the portfolio since April 2023. This included the emissions analysis, AGM voting, studying the impact of carbon prices on the portfolio, and assessing the net zero transitions of all investee companies considered material and high impact under the Paris Aligned Investment Initiative's (PAII) Net Zero Investment Framework (NZIF).

In September we wrote a letter to the company highlighting the reasons why we voted against their remuneration and asked for increased transparency on their carbon emissions reporting. Our latest analysts suggested that the company doesn't report any of its emissions to the Carbon Disclosure Project (CDP), an international not-for-profit organisation that helps companies, cities, states, regions and public authorities disclose their environmental impact. In the absence of this data, we must rely on estimates by the CDP to fill in the gaps. We therefore asked the company that they report more comprehensively on all relevant emissions through their own reporting.

We had a positive response from the company which gave us useful context regarding the CSR Directive. The company has established an ESG competence centre to address the questions arising alongside the CSR-Directive, which they are taking as a starting point. According to the CSRD, companies will need to improve the the quality of their reporting by latest 2025, which is what they are aiming for. They are working together with the capital market to address the outside-in-view more precisely instead of only focusing on short-term rating reports by bigger institutions.

Evenlode Global Equity / Evenlode Global Opportunities

We engaged with Marsh & McLennan's Investor Relations team to discuss our vote against their executive compensation plan, which solely relied on Earnings Per Share (EPS) and relative Total Shareholder Return (rTSR) as performance metrics in their Long-Term Incentive Plan (LTIP). While the company believes these metrics maintain a competitive, performance-based program aligned with shareholder interests, we expressed our preference for the inclusion of a revenue-based metric, as it would better reflect management's performance and long-term value creation.

Additionally, we addressed their emissions reporting, highlighting that covering only 25% of emissions falls short of aligning with net-zero commitments. We emphasised that reporting 90% or more would demonstrate stronger alignment. Marsh & McLennan acknowledged our concerns, noting the positive approval of their 2030 net-zero targets by the Science-Based Targets initiative (SBTi). While the engagement did not affect any changes to the remuneration policy, it provided valuable insight into the company's stance on performance metrics and sustainability targets.

JAPANESE CORPORATE GOVERNANCE AND THE KANSAYAKU BOARD

The Japanese Corporate Governance Code (JCGC) defines "corporate governance" as a structure for transparent, fair, timely and decisive decision-making by companies, not forgetting the needs and perspectives of shareholders, customers, employees and local communities. It was a significant milestone in the country's efforts to modernise its corporate governance practices.

Since the financial crisis in the 1990s and the establishment of the JCGC in 2015 - with subsequent revisions in 2018 and 2021 - changes have aimed to enhance the transparency, accountability, and growth of the Japanese economy, while also promoting stable asset formation for the Japanese people at a time where the aging demographics have had a negative impact on potential GDP growth. Japan's population has been falling steadily since 2011 with the fertility rate being one of the lowest in the OECD for more than 30 years. There have been three significant reforms:

- Strengthening of management systems and group governance.
- Creation of an ideal environment for constructive engagement with shareholders.
- Promotion of medium to long-term investment.

The reforms have been driven by various factors, including controversies, an aging population, economic stagnation and investor pressure.

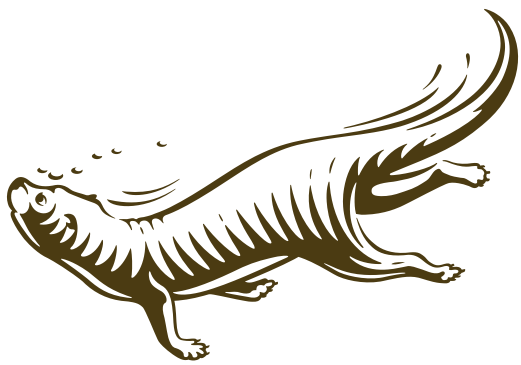
The Code offers three main corporate governance structures for companies:

- The traditional Kansayaku (Audit and Supervisory Board).
- Companies with three designated committees (Nomination, Remuneration, and Audit).
- Companies with an Audit and Supervisory Committee.

The Kansayaku Board remains the most common, though it draws both interest and scepticism from foreign investors. Some find the scepticism around its governance quality hard to justify, though its lack of direct authority over management decisions is seen as a limitation for effective oversight.

Rooted in Japan's corporate history, the Kansayaku Board - established over 130 years ago under the Commercial Code of 1890 - was created to oversee management and audit accounting, roles it still plays today. Some of the main advantages of the structure has been its alignment with Japanese corporate culture, focus on management oversight and its strong formal power. However, the latter is paradoxically also a weakness of the system as the powers are so strong and confrontational in nature, that they are almost never exercised. The criticisms include insufficient independence, over-reliance on management, lack of direct involvement in nomination, remuneration of directors and weaker powers compared to audit committees. Kansayaku are not full board members with voting rights, which limits their ability to influence board decisions directly.

The JCGC has driven significant reforms aimed at enhancing transparency, accountability, and long-term investment. The traditional Kansayaku Board fits well with Japan's corporate culture and remains the most common governance structure, however it faces criticisms for its limited influence over management decisions and lack of independence. Despite these challenges, Japan's corporate governance reforms have been crucial in addressing the country's economic stagnation, aging population, and growing investor pressure for modernised governance practices.



STEWARDSHIP TEAM & ESG RATINGS

Sawan Wadhwa
Head of Stewardship

Bethan Rose
Sustainable Investment Analyst

Rebekah Nash
Governance Analyst

Lily Postlethwaite
Stewardship Analyst

Our ongoing commitment

Evenlode Investment Management became a signatory to the United Nations Principles for Responsible Investment (UNPRI) in 2018. By becoming signatories, we commit to implementing these principles and incorporating environmental, social and governance factors into our investment process to help enhance returns and better manage risk for our clients.

Signatory of:

PRI Principles for Responsible Investment

Policy Governance and Strategy
★★★★☆

Direct – Listed Equity Active fundamental
★★★★☆

Confidence Building Measures
★★★★★

	MORNINGSTAR®		MSCI
IFSL Evenlode Income IFSL Evenlode Global Income IFSL Evenlode Global Equity Evenlode Global Dividend Evenlode Global Opportunities	Morningstar® Sustainability Rating™	Low Carbon	MSCI ESG RATINGS AA CCC B BB BBB A AA AAA

The Morningstar® Sustainability Rating™ is intended to measure how well the issuing companies of the securities within a fund's portfolio holdings are managing their environmental, social, and governance risks relative to the fund's Morningstar Global Category peers, with 5 globes being the highest rating. All five funds are based on 100% of AUM as at 31 August 2024.

The Morningstar® Low Carbon Designation™ is intended to allow investors to easily identify low-carbon funds across the global universe. The designation is an indicator that the companies held in a portfolio are in general alignment with the transition to a low-carbon economy. IFSL Evenlode Income based on 99.1% of AUM; IFSL Evenlode Global Income based on 98.7% of AUM; IFSL Evenlode Global Equity based on 98.9% of AUM; Evenlode Global Dividend based on 98.1% of AUM; Evenlode Global Opportunities based on 97.6% of AUM. Data as at 31 August 2024.

MSCI ESG Fund Ratings aim to measure the resilience of funds to long-term risks and opportunities arising from environmental, social and governance (ESG) issues. Each fund scores a rating on a scale from CCC (laggard) to AAA (leader). The rating is based first on the weighted average score of the underlying holdings of the fund. ESG momentum is then assessed to gain insight into the fund's ESG track record, which is designed to indicate a fund's exposure to holdings with a positive rating trend or worsening trend year over year. For more information on the methodology please visit our website. All five funds are based on 100% of AUM as at 31 August 2024.

Important Information

Evenlode has developed a **Glossary** to assist investors to better understand commonly used terms.

We believe that delivering real, durable returns over the long term can be best achieved by integrating environmental, social and governance (ESG) factors into our risk management framework as this ensures that all long-term risks are monitored and managed on an ongoing basis. In addition to reviewing ESG factors when making investment decisions, we engage with portfolio companies on a range of ESG issues (for example greenhouse gas emission reduction). However, please note that the Evenlode funds do not have a sustainability objective.

This document is not intended as a recommendation to invest in any particular asset class, security or strategy. The information provided is for information purposes only and should not be relied upon as a recommendation to buy or sell securities.

For full information on the Evenlode funds, including risks and costs, please refer to the Key Investor Information Documents, Annual & Interim Reports and the Prospectuses, which are available on the Evenlode Investment Management website (www.evenlodeinvestment.com). Recent performance information is shown on monthly factsheets, also available on the website.

Every effort is taken to ensure the accuracy of the data in this document, but no warranties are given. Evenlode Investment Management Limited is authorised and regulated by the Financial Conduct Authority. No 767844.

ESG ratings

MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics and Ratings (the "Information") provide environmental, social and governance data with respect to underlying securities within more than 31,000 multi-asset class Mutual Funds and ETFs globally. MSCI ESG is a Registered Investment Adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted to, nor received approval from, the US SEC or any other regulatory body. None of the Information constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information.