J. Stern & Co.

Task Force on Climate-Related Financial Disclosures (TCFD) Report 2024

CONTENTS

1. INTRODUCTION

J. Stern & Co. is an independent asset manager based in London, with offices in Malta, New York, and Zurich. The firm was established in September 2012 and builds on the Stern family's 200-year banking heritage. As of the end of 2024, our Assets under Management and Advice (AUM) were US$2.0 billion, 25% of which are owned by the Stern family, partners and employees.

We established our ESG Investment Framework in 2019. The framework sets out our approach to integrating responsible investment principles into our investment process, ensuring that ESG factors are considered in our decision-making process. As of December 2024, the framework covered 99% of J. Stern & Co.'s AUM.

Climate change poses a generational challenge for us as investors, for our clients and for the companies we invest in on their behalf. We believe it is imperative to identify and assess risks and opportunities that arise from the physical effects of climate change and the transition to a net zero global economy.

This is our first Taskforce for Climate Related Disclosures Report. It details how our firm integrates climate-related risks and opportunities in its governance, strategy and risk management practices, and outlines key metrics related to our investee companies' carbon footprint and progress towards net zero.

This TCFD report provides detailed information on two of our flagship strategies, the World Stars Global Equity Strategy and Emerging Market Debt Stars Strategy. The strategies are offered as Article 8 UCITS Funds under the EU SFDR classification, which means that they seek to integrate sustainability risks and promote environmental and social characteristics. The two strategies represented 84% of our assets under management as of 31 December 2024. We expect to expand coverage of the strategies covered in future reports.

We are dedicated to expanding our reporting and disclosure practices to help our investors understand the risks climate change may pose to their investments over time. We believe this TCFD report represents an important step in our journey towards addressing climate-related risks and opportunities. We hope you find the report helpful in illustrating how we manage these challenges on behalf of our investors.

2. GOVERNANCE

2.1 Describe the Board's oversight of climate-related risks and opportunities.

There are three main oversight bodies within J. Stern & Co.

The board of J. Stern & Co (Holdings) Ltd oversees the strategy of the entire Group. It ensures that the Group operates in compliance with applicable regulatory frameworks and within specified risk parameters and that it is run in the best interest of its different stakeholder groups, including above all our clients. The board comprises of one Managing Partner, Jérôme Stern, and two other directors, currently David Butler (independent) and Felicity Keller (former Managing Director of our Swiss business).

The Managing Partners are responsible for the day-to-day management of the Group, and they are Jérôme Stern, Christopher Rossbach and Tom Price.

The Partners have individual responsibility for their own functional areas and collective responsibility for the Group. The Partners are jointly responsible for the culture, professionalism and ethos of the Group.

Formal strategic decisions are made by the Board, on the recommendation of the Managing Partners.

As a Group we have a multi-year strategic roadmap in place. The Managing Partners, with the support and oversight of the board of J. Stern & Co (Holdings) Ltd and the Partners, regularly evaluate opportunities as well as risks that might arise from systemic factors including climate change. We specifically assess the implications related to transition risks, including changes to the regulatory environment in which we operate or shifts to our client preferences, for our business and our product offering. Our annual financial planning process includes an estimation of the ongoing resources (including staff, training and access to data providers) required in order to mitigate these risks and take advantage of opportunities that arise.

J. Stern & Co implements a comprehensive Internal Capital Adequacy and Risk Assessment Framework (ICARA), which serves as the bedrock of the firm's internal governance and risk management practices. This framework is designed to ensure the firm maintains effective systems and controls to identify, monitor, and mitigate potential risks. The Framework is reviewed and approved annually.

2.2 Describe the management's role in assessing and managing climate-related risks.

Our main exposure to climate related risks arises from the investment portfolios which we manage on behalf of our clients.

ESG is fully integrated into our investment analysis, combining traditional financial analysis with a dedicated environmental, social, and governance framework. Our ESG Investment Framework focuses on sustainability factors that may impact companies' operational and financial performance, including climate related risks.

J. Stern & Co.'s Investment Committee acts as the guardian of our investment philosophy and process. The committee has oversight of the ESG approach as part of its overall responsibility of outlining the firm's investment strategy. The Investment Committee has delegated the implementation of our ESG Framework to a dedicated, ESG Committee, which is comprised of senior members of the investment team.

The ESG Committee is responsible for ensuring that the ESG Investment Framework reflects ongoing industry best practice and that is uniformly implemented across asset classes, industries and issuers. It oversees and signs off all relevant sustainability reports and policies, including our Stewardship and Engagement Policy. The Committee is responsible for our stewardship activities, including our interactions with investee companies and our work with collaborative engagement bodies, as well as our proxy voting activities.

Our ESG Framework ensures that sustainability and climate related risks are fully identified and assessed. Each potential investment is assessed by one of our financial analysts in collaboration with our dedicated ESG analysts, who identify and analyse material ESG issues, and summarize their conclusions in a dedicated ESG report. Completed assessments are reviewed by the ESG Committee, which ensures consistent application across asset classes and industries. The analysis is implemented at company level 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.

We seek to have a full appreciation of the environmental and social impact of our investments. Key among these is climate change and the transition to net zero. Within our equity investments we focus primarily on companies that have a clear pathway to decarbonisation. We recognise that our investments in emerging market debt reflect are inherently more exposed to higher carbon footprint industries, but there too, we seek to focus on companies with a stated transition strategy or those that show potential for improving their environmental sustainability over time. In both cases, we actively engage with our investee companies to encourage them to accelerate progress in that regard where economically feasible.

As a relatively small company, the actual climate footprint of our own operations is limited. We nonetheless seek to monitor the energy efficiency of our offices, minimise waste and recycle all applicable materials.

We also recognise that ESG global policy frameworks and regulations are evolving rapidly. Our ESG Committee, working closely with our Compliance team, monitors industry regulatory developments and seeks to make sure that the group is appropriately positioned to meet them. We recognise that these regulations impose additional business costs that can be material for an organisation of our size.

3. STRATEGY

Our focus across our investment strategies is on 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 that have balance sheets that enable them to weather any adversity. Sustainability is a key tenant of our quality definition. 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.

Our firm offers three main investment 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. Our Multi-Asset Strategy invests across three asset classes, 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 two additional strategies, the European Stars and US Stars, which are regional carve outs of our World Stars Global Equity Strategy. We offer these strategies as separate managed accounts and, in some cases, also through a fund structure.

3.1 DESCRIBE THE CLIMATE-RELATED RISKS AND OPPORTUNITIES THE ORGANISATION HAS IDENTIFIED OVER THE SHORT, MEDIUM, AND LONG TERM.

Climate-related risks refer to the potential financial, social and environmental harm caused by climate change. These risks fall under two main categories, physical risks and transition risks. Physical risks of climate change are the effects of climate change on the environment. They can be acute caused by a specific extreme weather event or chronic caused by long-term climate shifts. Transition risks are related to political, legal, technological, reputational and market change impacts associated with the low-carbon transition.

As a firm, our exposure to such risks comes predominantly from the strategies that we manage on behalf of our clients. Our ESG Investment Framework, established in 2019, seeks to address broad sustainability risks and opportunities, including climate-related ones. As of 31 December 2024, 99% of the firm's AUM were covered by that framework.

Our investment time horizon is medium to long-term, depending on the strategy. 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, typically 3-5 years. However, we still take into account long-term ESG risks, including those related to climate change in order to be aware of risks that could materialise faster than expected or as a result of changes to the regulatory environment.

We believe our strategies have the highest potential exposure to climate-related risk due to the policy, legal and market changes associated with the low-carbon transition. These transition risks are likely to materialise over the short to medium-term, as regulatory changes force companies to rapidly reduce their GHG emissions disrupting carbon intensive industries. As companies invest in assets that support the low-carbon transition this will increase costs and could lead to a repricing of their existing assets. Additionally, a shift in consumer sentiment towards low-carbon investments could reduce the demand for some products and services. Acute and chronic physical impacts of climate change are likely to become increasingly significant in the medium to long term, as a warming climate disrupts global weather patterns. For detailed analysis, see J. Stern & Co. Climate Risk Matrix below.

But climate change also represents a market opportunity, and our strategies are well positioned to capitalise on them. Opportunities include energy efficiency solutions, renewable energy technologies, and products and services that capitalise on shifting consumer and producer preferences. It also covers solutions that enhance organisational climate resilience. We believe that our companies are effective custodians of capital, allocating resources to climate-related opportunities, while being able to mitigate climate-related risks.

We acknowledge the differing levels of climate-related risk exposure between the World Stars Global Equity Strategy and the Emerging Market Debt Stars Strategy. The World Stars Global Equity Strategy focuses on investing in assets that are currently environmentally sustainable. Given the Emerging Market Debt Stars Strategy's universe composition, we recognise its inherent higher exposure to climate-related risks. We seek to mitigate these by investing in assets that have clear transition plans or show significant potential for improving their environmental sustainability performance over time. For a detailed analysis of the strategies, see the appendix.

3.2 DESCRIBE THE IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANISATION'S BUSINESSES, STRATEGY, AND FINANCIAL PLANNING.

As a firm we have a multi-year strategic roadmap in place. We regularly evaluate opportunities as well as risks that might arise from systemic factors including climate change. We specifically assess the implications related to transition risks, including changes to the regulatory environment in which we operate or shifts to our client preferences, for our business and our product offering. Our annual financial planning process includes an estimation of the ongoing resources required in order to mitigate these risks and take advantage of opportunities that arise.

From an investment perspective, we recognise that systemic risks like climate change are likely to have a lasting long-term impact across industries and economies. Such risks are fully incorporated in our investment analysis as part of our integration of ESG factors in our assessment of current and potential investments.

Over the last few years and especially since 2019 we have made significant investments in relation to our ESG capabilities. This includes investments in new personnel, training of existing employees, and dedicated research and data resources. We joined the UN PRI in 2020 and became signatories to the UK Stewardship Code in the same year. In 2021, we joined the SASB Alliance (now known as the IFRS Sustainability Alliance) supporting standardised global sustainability disclosures.

In June 2024, the UK's FCA mandated that asset managers with more than £5 billion in AUM are required to complete mandatory TCFD reporting. J. Stern & Co does not fall within this remit, but we have completed this report to reiterate our commitment to ESG integration and to demonstrate our robust oversight of climate-related risks and opportunities.

Amendments to the EU Sustainable Finance Disclosure Regulation (EU SFDR), the adoption of the UK FCA's Sustainability Disclosure Regulation (UK SDR) and US SEC's Climate Disclosures will be significant developments for the investment management industry. We will keep up to date on climate-related regulatory developments and evolving practices in relation to responsible investment.

3.3 DESCRIBE THE RESILIENCE OF THE ORGANISATION'S STRATEGY, TAKING INTO CONSIDERATION DIFFERENT CLIMATE-RELATED SCENARIOS, INCLUDING A 2°C OR LOWER SCENARIO.

Exposure to climate-related risks and opportunities primarily stems from our investment portfolios. We are confident that our holdings in the World Stars Global Equity Strategy demonstrate strong resilience to climate-related risks and align with a net-zero GHG emissions scenario. They are well-positioned to allocate resources and utilise their capital towards mitigating climate-related risks and managing the effects of climate change. Our holdings within our Emerging Markets Debt Strategy are more exposed to climate-related risks given the inherently less well-developed local market sustainability practices and the higher primary industry universe exposure. We seek to focus on companies that have clear transition plans or show significant potential for improving their environmental sustainability performance over time. The short duration of our bond investments also mitigates some of the associated risks.

Climate-related scenario analysis is a tool used to assess how climate change could impact financial assets, businesses and the economy. We have not yet conducted this analysis, as we believe solutions in this area are still in their infancy and they fail to capture the complexity of factors that drive global environmental and financial ecosystems.

While we do not conduct climate-related scenario analysis, we believe our current approach to forward-looking commitments provides a good indication of the decarbonisation pathway of our investee companies. We are open to exploring other forward looking climate metrics, including carbon budget divergence and implied temperature rise analysis, as new variables to help assess our strategies' climate alignment, and will continue to assess options in that regard.

4. RISK MANAGEMENT

4.1 DESCRIBE THE ORGANISATION'S PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS.

4.2 DESCRIBE THE ORGANISATION'S PROCESSES FOR MANAGING CLIMATE-RELATED RISKS.

Our ESG Framework ensures that sustainability and climate related risks are identified and comprehensively assessed as described in the Governance section. Each potential investment is assessed by one of our financial analysts in collaboration with our dedicated ESG analysts, who identify and analyse material ESG issues. The analysis is implemented at company level 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.

A key tenet of our ESG approach is the use of the Sustainability Accounting Standards Board's (SASB) Materiality framework, now part of IFRS, which identifies financially material sustainability topics. SASB focuses on industry specific issues that have the potential to affect corporate value, including climate related risks. We believe that incorporating this perspective into our analysis broadens our perspective and minimises the risk of failing to consider relevant sustainability issues in our analysis.

We use a variety of publicly available information in our analysis including, but not limited to, annual reports, sustainability reports, Carbon Disclosure Project (CDP) reports, Science Based Target Initiative (SBTi) commitments and TCFD reports. We further complement our assessment with data from research providers, including ISS-ESG and Bloomberg.

In terms of transition risks, we look at our investee companies' Scope 1 and 2 GHG emissions (mtCO2e) to understand absolute levels of intensity and how companies are performing versus peers. We expect companies to report on their emissions in a transparent and comprehensive manner, which ideally includes disclosure of scope 3 GHG emissions (scope 3 emissions occurring upstream or downstream in the value chain) if relevant for the industry. We place particular emphasis on the quality of reported emissions and cross-reference these against modelled emissions where available. Investee companies with high absolute Scope 1 and 2 GHG emissions and high revenue adjusted GHG emissions could have a higher exposure to climate-related risks, including regulatory policy and market changes associated with the transition to net zero.

Once we have assessed the likely exposure to transition risks, we seek to understand how well these risks are managed by our investee companies. We look at company GHG emissions reduction targets as well as the quality of any such commitments. We specifically look at whether the targets have been submitted to the Science-Based Targets Initiative, the most widely used organisation of emissions target validation. We believe such validation provides additional reassurance to the level of organisational commitment and willingness to commit appropriate resources to achieve them. We then monitor progress towards these targets on an annual basis.

In terms of physical risks, we look at likely exposure to acute and chronic climate-change related risks. Although we recognise that these risks are more long-term in nature, their effect on specific holdings could be significant. We therefore include an assessment of the effectiveness with which these risks are managed in our analysis, especially when we look at our investments in the Agriculture, Food & Beverage as well as Infrastructure sectors.

Maintaining a continuous dialogue with company managements is central to how we discharge our stewardship responsibilities on behalf of our clients. It deepens our understanding of how effectively climate related risks and opportunities are managed. Where concerns emerge regarding the management's ability to manage climate issues effectively, we seek to engage with the company and monitor developments to assess changes in the company's approach.

Should concerns persist, we use different escalation mechanisms as outlined in our Stewardship and Engagement Policy. As a final option, we may reduce or sell our holding in an investee company if previous efforts at engagement have been unsuccessful.

4.3 DESCRIBE HOW PROCESSES FOR IDENTIFYING, ASSESSING, AND MANAGING CLIMATE-RELATED RISKS ARE INTEGRATED INTO THE ORGANISATION'S OVERALL RISK MANAGEMENT.

J. Stern & Co's Investment Committee is responsible for overseeing investment risks, including climate-related risks associated with our holdings. The ESG Committee oversees the implementation of our ESG Framework, including ensuring that climate related risks are adequately incorporated in our analysts' company specific ESG analysis and that our engagement activities address issues when these arise. The Operations Team is responsible for the management of compliance risks, as described in the Governance section of this report.

The table below identifies J. Stern & Co's climate-related risk exposure, categorised into transition and physical risks. For each risk type, we assess likelihood, relative significance, and the timeframes in which these risks could materialise. Additionally, we evaluate their potential financial impacts and the effectiveness of management responses to address these.

Climate Risk Matrix:

Risk Type	Risk Type	Risk	Likelihood	Relative Significance	Time Period	Potential Financial Impact	Management Response
Transition	Policy and Legal	Increased pricing of GHG emissions.	2	Low	Medium/ Long	Increased operating costs. Asset impairments, early retirement of existing assets.	Track progress in emissions reduction targets. Evaluate changes in GHG emissions pricing and trading regulations.
Transition	Policy and Legal	Enhanced GHG emission reporting obligations.	5	Medium	Short	Increased regulatory compliance costs.	Monitor alignment of company policies and reporting with best-in-class practices.
Transition	Technology	Displacement of old technologies by those that support the transition to net zero.	4	Medium	Short/ Medium	Repricing of assets. Obsolescence of specific products or services. R&D and capital expenditure requirements.	Monitor technological developments. Assess financial requirements to capture new technology opportunities.
Transition	Market	Shifts in supply and demand for certain commodities, products and services.	3	Medium	Long	Repricing of assets. Reduced demand for products and services due to shift in consumer preferences.	Assess business model disruption risks. Identify opportunities associated with the transition to net zero.

Risk Type	Risk Type	Risk	Likelihood	Relative Significance	Time Period	Potential Financial Impact	Management Response
Transition	Reputation	Non-compliance with climate regulations.	2	High	Short	Fines and litigation risks. Consumer boycotts, market share losses. Employee retention issues.	Monitor alignment of company policies with best-in-class practices.
Physical	Acute	Increased severity and/or frequency of extreme weather events.	4	Medium	Medium/ Long	Disruptions to business operations, increased operational and capital costs, write-offs and early retirement of existing assets.	Assess potential risk through companies' own CPD disclosures on likely exposure. Evaluate asset diversification to assess concentration risk. Engage with investee companies to understand level of risk exposure and mitigation efforts.
Physical	Chronic	Rising global air temperatures, sea level rise and changes in precipitation patterns.	4	Medium	Long	Forced relocation of production assets. Supply chain dislocations/ lack of availability of certain commodities. Reduced revenue potential.	Assess potential risk through companies' own CPD disclosures on likely exposure. Assess how climate-related risks impact business continuity. Engage with investee companies to understand level of risk exposure and mitigation efforts.

5. METRICS AND TARGETS

5.1 DISCLOSE THE METRICS USED BY THE ORGANISATION TO ASSESS CLIMATE-RELATED RISKS AND OPPORTUNITIES IN LINE WITH ITS STRATEGY AND RISK MANAGEMENT PROCESS.

Our firm is based in London and has offices in Malta, New York, and Zurich. While we have not yet calculated the firm's carbon footprint, we understand its main contributors to be:

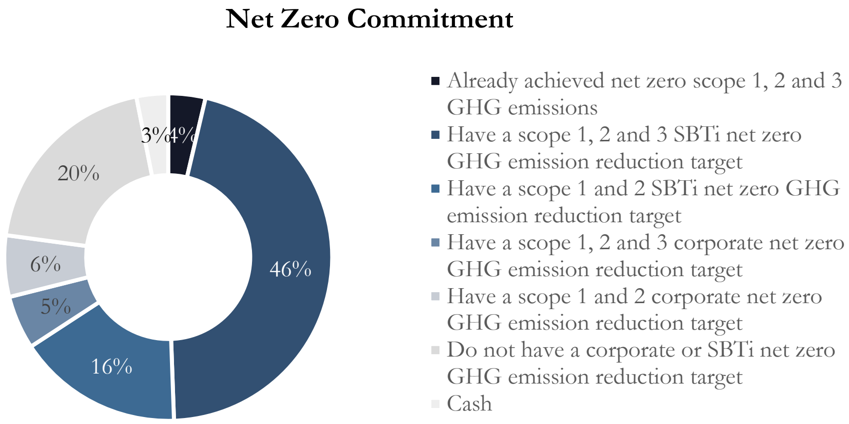
> Scope 1 GHG emissions: We do not own the offices from which our operations are based and we do we own any vehicles for use within our business. Therefore, we do not have any scope 1 GHG emissions.
>
> Scope 2 GHG emissions: All of our direct emissions are from electricity used in our offices. We monitor energy use within our offices and where possible take action to increase energy efficiency.
>
> Scope 3 GHG emissions: Our scope 3 GHG emissions are primarily those generated by the companies held within our investment portfolios. These carry significantly more material climate-related risks for us as a firm and are therefore the primary focus of this report.

We provide detailed metrics on the carbon profile of our investment portfolios below. We have chosen to focus on two of our strategies, our World Stars Global Equity and Emerging Market Debt Stars strategies. These capture 84% of our assets under management and are also available as UCITS funds to clients. They provide a representative insight into the carbon profile of our investment holdings across two distinctly different asset classes. The analysis below reflects the holdings of these strategies as of November 2024.

World Stars Global Equity Strategy

Our World Stars Global Equity strategy focuses on 25-30 quality global leaders. We invest in companies with strong sustainability polices, primarily in asset light, intellectual capital rich industries. This means our companies tend to have low carbon footprints and are more advanced in their pathway to net zero.

Net Zero Commitment



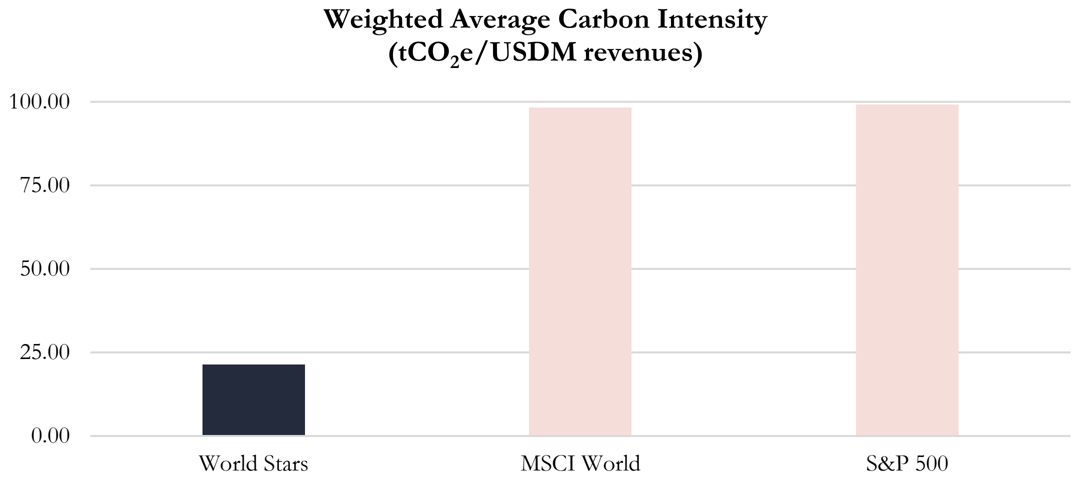
Looking in detail at our holdings' progress and commitments to net zero, we note that one company (3.7% of the portfolio) in the strategy has already achieved net zero GHG emissions. A total of 23 companies (77.1% of the portfolio) have set a net zero GHG emission reduction target. Of these, 20 companies (62.1% of the portfolio) have an SBTi net zero GHG emission reduction target, while 3 companies (11.4% of the portfolio) have a corporate net zero GHG emission reduction target. Finally, 5 companies (19.7% of the portfolio) have neither an SBTi-verified nor a corporate net zero emissions reduction target.

We recognise the distinction between corporate net zero targets and those validated by SBTi. We are encouraged that the majority of our investee companies have SBTi targets. In our view, having an SBTi emission reduction target reinforces accountability and increases the likelihood that targets are translated into actions.

Carbon Intensity

Our analysis shows that the carbon intensity of our World Stars Global Equity Strategy is 78% lower than relevant reference indexes, the MSCI World and S&P500:

Benchmark	**Date**	**Weighted Average Carbon Intensity (Tons of CO2e/$M sales)**	**WS Weighted Average Carbon Intensity to Benchmarks**
World Stars Global Equity Strategy	01-Nov-24	21.30	
iShares MSCI World ETF	21-Nov-24	98.26	-78.3%
iShares Core S&P 500 ETF	21-Nov-24	99.14	-78.5%



We use Weighted Average Carbon Intensity as the principal metric for tracking and reporting portfolio emissions. This metric is particularly valuable because it is comparable over time and across portfolios of different sizes as it accounts for relative security weights.

Reporting Alignment

We also assess our investee companies' alignment with global reporting standards and relevant sustainability initiatives. We pay particular attention on whether our holdings are conducting scenario analysis and reporting to the Carbon Disclosure Project's (CDP) climate change report, and whether they score in line or above peer performance.

Commitment	% of portfolio
Reporting to SASB	94.1
Reporting to GRI	84.3
Aligned with the UNGC	71.8
Reporting to TCFD	96.9
Reporting to TCFD and conducting scenario analysis	80.3
Reporting to the CDP	90.7
Reporting to CDP with a grade of A/A-	38.9
Reporting to CDP with a grade of B or above	84.5

Transition Pathway Company Assessment

The LSE Transition Pathway Initiative Centre (TPI) assesses companies' preparedness for the transition to a low-carbon economy. It has evaluated all 29 companies held in our World Stars Global Equity Strategy.

TPI evaluates companies based on their climate management and carbon performance, scoring them from Level 0 to Level 5, where Level 0 indicates a lack of unawareness of climate-related risks and Level 5 signifies comprehensive oversight of climate-related risks, transition planning and implementation. Among our investee companies assessed, 55% have achieved Level 3, indicating they recognise climate change as a business risk and integrate climate risks into operational decision-making; 34% have achieved Level 4, demonstrating they integrate climate risks into operational decision-making and conduct strategic assessments of their climate-related risks; and 10% have achieved Level 5, demonstrating a proportional GHG emission reduction strategy, transition planning and an alignment of capex with decarbonisation goals.

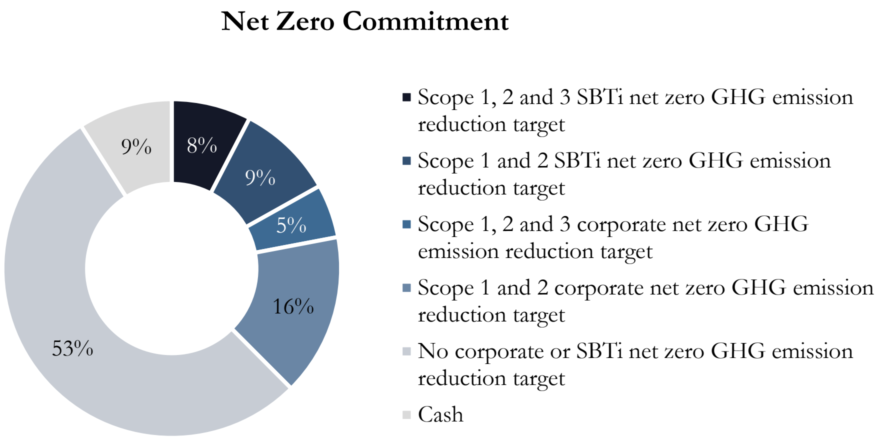
We believe that the TPI assessment supports our analysis and confirms that the investee companies in the World Stars Global Equity Strategy are making verifiable progress on the pathway towards net zero.

Emerging Market Debt Stars Strategy

While our fixed income assets are primarily short duration, we consider long-term climate-related risks that could materialise faster than expected or if the regulatory environment were to change.

Our Emerging Market Debt Stars Strategy draws from an investment universe that inherently has a greater exposure to high carbon intensity sectors given the strong reliance of emerging market economies on the energy, materials and heavy manufacturing sectors. Despite these limitations, the strategy seeks to invest in companies that have clear transition plans or show potential for improving their environmental sustainability over time.

Net Zero Commitment

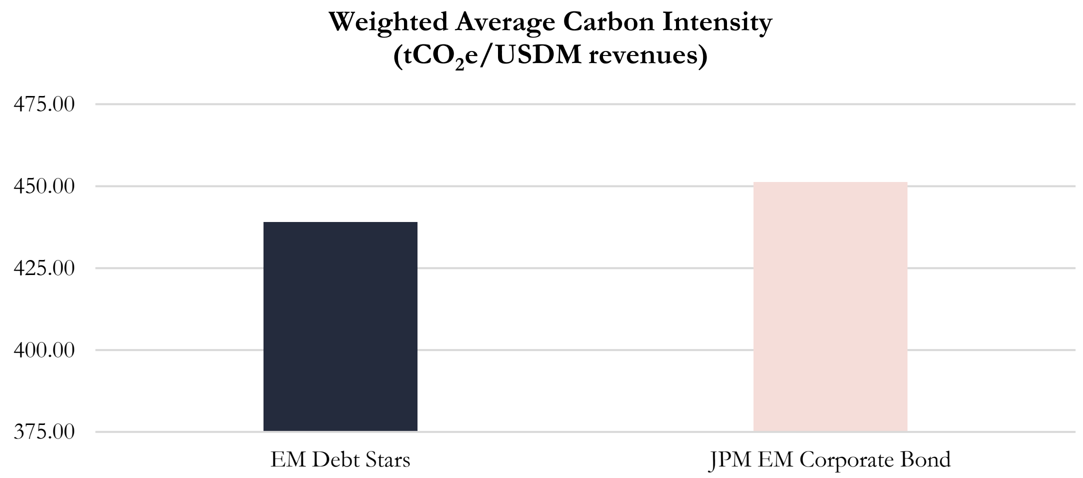


Looking at progress and commitments to net zero, a total of 17 (out of 42) companies (37.5% of the portfolio) have set a net zero emissions reduction target. Of these, 7 companies (16.9% of the portfolio) have an SBTi net zero emissions reduction target, while 10 companies (20.6% of the portfolio) have a corporate net zero emissions reduction target. Meanwhile, 25 companies (53.5% of the portfolio) have neither an SBTi nor a corporate net zero emissions reduction target.

Carbon Intensity

The carbon intensity of our Emerging Market Debt Stars Strategy is 3% lower than the relevant reference index, the iShares J.P. Morgan EM Corporate Bond ETF. However, we note that the strategy has a portfolio coverage of 72%, compared to the index's 88%. This discrepancy is due to data limitations associated with private companies and less stringent local regulatory reporting standards. We remain committed to engaging with our investee companies to encourage greater transparency and improved climate-related disclosures.

Benchmark	**Date**	**Weighted Average Carbon Intensity (Tons of CO2e/$M sales)**	**Weighted Average Carbon Intensity % Coverage**	**EMD Weighted Average Carbon Intensity to Benchmark**
Emerging Market Debt Stars Strategy	01-Nov-24	438.95	72%	
iShares J.P. Morgan EM Corporate Bond ETF	21-Nov-24	451.18	88%	-3.4%



Reporting Alignment

Commitment	% of portfolio
Reporting to SASB	35.1
Reporting to GRI	71.6
Aligned with the UNGC	61.8
Reporting to TCFD	61.4
Reporting to TCFD and conducting scenario analysis	27.6
Reporting to the CDP	62.0
Reporting to CDP with a grade of A/A-	13.9
Reporting to CDP with a grade of B or above	44.9

Emerging market companies are behind their developed market peers in reporting practices. Regulatory requirements are often less stringent, and private companies are not subject to sustainability reporting obligations. Additionally, companies often seek as a first step to complete an assessment of their GHG emissions and meet initial reporting requirements. As they gain a deeper understanding of their GHG emissions they are then likely to focus on net zero emission commitments as a second step.

Transition Pathway Company Assessment

The LSE Transition Pathway Initiative Centre (TPI) has evaluated 12 of the 42 companies held in our Emerging Market Debt Stars Strategy. Among our 12 assessed investee companies, 67% have achieved Level 3, indicating they recognise climate change as a business risk and integrate climate risks into operational decision-making. 17% have achieved Level 4, demonstrating they not only integrate climate risks into operational decision-making but also conduct strategic assessments of their climate risks and opportunities. The remaining 17% have achieved Level 5, demonstrating a proportional GHG emission reduction strategy, transition planning and an alignment of capex with decarbonisation goals.

We will continue to monitor the TPI database and look forward to their assessment of the 30 remaining companies in the Strategy.

5.2 DISCLOSE SCOPE 1, 2, AND, IF APPROPRIATE, SCOPE 3 GHG EMISSIONS, AND THE RELATED RISKS.

We disclose below the relevant data from our carbon intensity calculations. There are focused on Scope 1 and Scope 2 GHG emissions. We have not included scope 3 GHG emissions, as we believe there are still significant challenges in accurately calculating and tracking scope 3 GHG emissions, particularly due to lack of reporting and gaps in data quality. The data in this table was sourced from Bloomberg.

Climate Related Metrics	World Stars Global Equity Strategy	Emerging Market Debt Stars Strategy
Scope 1 emissions (mtCO2e)	23,525.2	161,897.5
Scope 2 emissions (mtCO2e)	24,469.2	19,358.1
Total carbon emissions (mtCO2e)	48,143.4	181,255.7
Carbon footprint (mtCO2e/$m invested)	130.6	5,634.8
WACI (mtCO2e/$m revenue)	21.3	438.9
% Reporting scope 1 & 2 emissions	100.0	71.6

5.3 DESCRIBE THE TARGETS USED BY THE ORGANISATION TO MANAGE CLIMATE-RELATED RISKS AND OPPORTUNITIES AND PERFORMANCE AGAINST TARGETS.

We believe that as organisation we have a role to play in global efforts to reach net zero.

The World Stars Global Equity Strategy is on a firm pathway to achieve net zero GHG emissions by at least 2050. The strategy already has an emissions profile 78% below that of comparative benchmarks and the significant majority of our holdings (80%) have made SBTi commitments towards net zero.

We are looking at options to expand this ambition to other strategies we offer. We recognise that some strategies are inherently constrained by the nature of their investment universe, but we continue to focus primarily on companies with clear transition plans or those that show potential for improving their environmental performance over time.