J. STERN & CO.

Stewardship and Engagement Policy

Introduction

This Stewardship and Engagement Policy sets out our approach to stewardship duties, engagement with shareholders and proxy voting. Any questions on this policy and our approach should be addressed to stewardship@jsternco.com.

Through this Policy, we aim to provide a robust and pragmatic framework to ensure our ownership responsibilities are exercised appropriately, that we effectively monitor the companies in which we invest for our clients and that, where we believe it is necessary, we intervene with those companies on issues that are likely to adversely impact the interests of our clients.

The provisions contained in this Stewardship and Engagement Policy have been developed in accordance with the UK Stewardship Code 2020 and the Shareholder Rights Directive II.

Regulatory Background

UK Stewardship Code

The UK Stewardship Code initially published by the UK Financial Reporting Council ("FRC") in 2010 and revised in 2012 and 2019, is a voluntary code which sets out a number of principles relating to engagement by investors with UK equity issuers.

The Code aims to enhance engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities. The Code sets out good practice on engagement with UK investee companies to which the Financial Reporting Council believes institutional investors should aspire.

The principles of the Code, which is applied on a "comply or explain" basis, require signatories to:

1. *Disclose how their purpose, investment beliefs, strategy and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the environment, economy and society.*

2. *Have governance, resources and incentives that support stewardship.*

3. *Manage conflicts of interest to put the best interest of clients and beneficiaries first.*

4. *Monitor and respond to market-wide and systemic risks to promote a well-functioning financial system.*

5. *Review their policies, assure their processes and assess the effectiveness of their activities.*

6. *Take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.*

7. *Systemically integrate stewardship and investment, including material environmental, social and governance issues, and climate change to fulfil their responsibilities.*

8. *Monitor and hold to account managers and/or service provides.*

9. *Engage with issuers to maintain or enhance the value of assets.*

10. *Participate in collaborative engagement to influence issuers.*

11. *Escalate stewardship activities to influence issuers.*

12. *Actively exercise their rights and responsibilities.*

Shareholder Rights Directive II

The Shareholders Rights Directive II (EU 2017/828) ("SRD II") was transposed into national law in the UK and its requirements came into effect on 10 June 2019. SRD II aims to promote shareholders' long-term engagement and enhance transparency around stewardship and investment strategies.

As an asset manager, we are required to comply with SRD II with respect to investments made on behalf of investors in shares traded on an EEA regulated market and in comparable markets situated outside the EEA.

Pursuant to SRD II, asset managers must develop and disclose an engagement policy describing their engagement with shareholders. The engagement policy required by SRD II must describe how an asset manager:

1. *Integrates shareholders engagements in its investment strategy and engages with investee companies*

2. *Manages actual and potential conflicts of interest in their engagement*

3. *Monitors investee companies*

4. *Communicates with relevant stakeholder of investee companies.*

5. *Engages and cooperate with other shareholders*

6. *Exercises voting rights*

In addition to the engagement policy, asset managers are also required to disclose annually on their webpage a general description of voting behaviour, an explanation of the most significant votes and reporting on the use of the services of proxy advisors. Moreover, it is also mandatory to disclose on an annual basis how an asset manager has cast votes in the general meetings of companies in which it holds shares.

Principle 1: Signatories should disclose how their purpose, investment beliefs, strategy and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the environment, economy and society.

J. Stern & Co. is an investment partnership building on the Stern family's 200-year banking heritage based in London and Zurich. We manage the assets of institutions, families, trusts, charities and other investors through long-term investments in concentrated portfolios of global equity and other assets. We offer our investments through funds and separate managed accounts.

When we invest, our core principles are to

- Look for quality and value in businesses that will deliver absolute performance and create enduring value.
- Invest for the long term. We aim to actively own, as opposed to trade, the investments we make.
- Focus on direct investments in stocks and bonds and a limited selection of non-correlated assets including third party managed funds.
- Base our investment decisions on our own research and using our own portfolio managers.
- Support strong senior management teams in businesses we invest in but hold them to account where we have concerns.
- Strive for absolute rather than relative performance as we believe this is what ultimately matters for our clients.

4 Carlton Gardens, St James's, London, SW1Y 5AA
Telephone +44 (0)20 3478 1800 Fax +44 (0)20 3478 1799

Gartenstrasse 10, 8002 Zürich Switzerland
Telephone +41 44 552 80 70 Fax +41 44 552 8071

Email info@jsternco.com Website www.jsternco.com

- Have a clear, simple and transparent approach that fully aligns us with our clients. We do not use hedging, leverage, short selling or derivatives as part of our core investment approach.

Our own research is a rigorous process of fundamental proprietary research based on independent, in-house analysis complemented with active engagement. Our research integrates a traditional financial analysis with a separate environmental, social and governance framework (our "ESG Framework").

We consider ourselves stewards of our clients' capital. Stewardship serves as a powerful philosophy focusing on generating long term returns based on quality, value and sustainability. Direct engagement with company managements is a core part of how we believe we can deliver for our clients.

We believe both asset owners and asset managers are well-placed to identify issues and implement change. Stewardship is as much about responsible ownership as a considered approach to selecting investments.

As long-term investors we believe it is critical to take a holistic view of the underlying financial performance of an investment, its associated risks and sustainability.

Principle 2: Signatories governance, resources and incentives should support stewardship.

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

Our Investment Committee sets our investment strategy and approves investments, with individual portfolio managers making decisions to buy or sell securities that have been so approved. The Investment Committee also oversees our overall ESG integration efforts, the development and implementation of which is overseen by our dedicated ESG Committee.

Staff that are involved in stewardship activities, including investment analysts and portfolio managers, receive training on stewardship. Where appropriate, staff receive external training and certifications. We also hold internal training sessions on topics relevant to stewardship and ESG which we make available on a firm-wide basis reflecting the importance of these issues to our firm's philosophy and values.

Our remuneration policy is aligned with our investment strategy, risk appetite and values. It is consistent with a sound and prudent risk management and does not encourage excessive risk-taking related to sustainable, social or environmental events. Our remuneration policy aims to: promote remuneration which is in line with the market rate for equivalent roles; prevent conflicts of interest; take into consideration financial and non-financial metrics to assess the performance of employees; and procure that it does not incentivise excessive risk-taking, including sustainability risks.

Principle 3: Signatories should manage conflicts of interest to put the best interest of clients and beneficiaries first.

Our conflicts of interest policy aims to ensure that all potential and actual conflicts between our firm, its associates and the interests of our clients are identified, evaluated, managed, monitored and recorded.

We are an investment partnership owned by the Stern family and its partners. Material potential conflicts of interest are disclosed to clients and prospective clients. Where we do identify a conflict of interest, we will always act in the best interests of our clients in accordance with our obligation to treat them fairly.

It is the responsibility of all our staff members to familiarise themselves with the contents of the policy and report conflicts of interest to the Compliance Officer using the appropriate channels.

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

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

Principle 4: Signatories should monitor and respond to market-wide and systemic risks to promote a well-functioning financial system.

Our investment philosophy is based on a bottom-up approach, focused on companies that can deliver returns over the long term.

We therefore believe that market and systemic risks such as short-term geopolitical tensions or macroeconomic factors, including moves in currencies or interest rates, are unlikely to affect the value of our investments over the longer term. Where we do hold short duration assets, usually bonds, such risks, including sovereign risk, are fully incorporated in our investment analysis and credit assessment.

We also recognise that some systemic risks are likely to have a lasting long-term impact across industries and economies. Most notable among these are climate change, and other environmental risks. These are fully incorporated in our investment analysis as part of our integration of ESG factors in our assessment of current and potential investments.

Please refer to Principle 7 for a detailed description of our ESG Framework and how we integrate sustainability risks in our analysis and to Principle 10 on how we work with other stakeholders to promote continued improvement of the functioning of financial markets.

Principle 5: Signatories should review their policies, assure their processes and assess the effectiveness of their activities.

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

We also review our reporting to ensure it is fair, balanced and understandable, taking into account any comments we receive from clients, our staff or third parties, and make adjustments as required.

All of our policies are reviewed annually as part of our internal controls.

Principle 6: Institutional investors should take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

We manage the assets of institutions, families, trusts, charities, high net worth individuals and other investors from across the globe. We offer funds and separate managed accounts which we invest in stocks, bonds and non-correlated assets. Information regarding our funds and our strategies is available on our website, subject to regulatory restrictions. Our investment horizon is medium to long term, depending on the strategy, being at least 5 years for all strategies.

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

For all investors, we provide summary disclosures regarding stewardship activities and outcomes, through our website at www.jsternco.com/stewardship. In addition, for clients who hold separate managed accounts, we discuss our approach signing a new mandate and during our annual review process, and seek and take into account their views, including how we vote on their behalf, as clients often add value to our own research. Full information is provided directly should such clients wish.

Principle 7: Institutional investors should systemically integrate stewardship and investment, including material environmental, social and governance issues, and climate change to fulfil their responsibilities.

Central to our core principle of basing our investment decisions our own research is a rigorous process of fundamental proprietary research is based on independent, in-house analysis complemented with active engagement. Our research integrates a traditional financial analysis with our separate ESG Framework which covers environmental, social and governance issues.

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

We focus on underlying fundamentals, strategy, financial performance, sustainability of competitive advantage, capital structure, capital allocation track record and other risks.

Our ESG Framework is an independent part of our security selection process that looks at a substantial variety of sustainability factors, is compatible with global best practice and is based on industry-leading frameworks.

The ESG Framework focuses on the five broad sustainability dimensions of the Sustainability Accounting Standards Board (the "SASB"), Environment, Social Capital, Human Capital, Business Model & Innovation and Leadership & Governance, which are applied or disapplied to different business sectors. The analysis also covers a sixth dimension, focusing on corporate governance, regardless of sector, and further incorporates a qualitative assessment of alignment with the United Nations' 17 Sustainable Development Goals and compliance with other global sustainability norms, like the UN Global Compact, and reporting standards (both regulatory and voluntary).

More information about sustainability can be found through our website at www.jsternco.com/sustainability.

Principle 8: Signatories should monitor and hold to account managers and/or service providers.

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

Where we invest in listed securities, we supplement our own proprietary research with analysis from selected external research providers and maintain access to a number of relevant data providers. We conduct an annual review of our research providers, evaluating the quality of research provided and access levels to relevant resources, including conferences, corporate and expert events and data sources.

Where we invest in non-correlated assets through third party managed funds, our due diligence covers the overall investment approach and track record of those third-party managers in addition to operating practices and policies. The performance and risk profile of such funds are monitored on an ongoing basis and the investment team maintains a regular dialogue and engages with their fund managers, in the same way as we do with listed investments.

Principle 9: Signatories should engage with issuers to maintain or enhance the value of assets.

We monitor our clients' investments through comprehensive and continuous research, which includes maintaining a dialogue with management. Areas with potential to impact the value of investments held by our clients, whether positively or negatively, include corporate strategy, capital allocation policy and capital structure, remuneration and incentive structures, M&A activity, governance and sensible disclosure and environmental or social issues.

We believe that engagement with issuers does maintain and enhance the value of the assets that we are stewards of on behalf of our clients. In engaging, we seek to support decisions that we consider positive for the value of our clients' investments, and at the same time, to ensure that investee companies are conscious of risk factors, including social and environmental risks that may detract from that value.

When deciding how and when to engage, we consider the nature of our exposure, the urgency of the matter, its potential consequences and whether it relates to any developments in ESG practices that we want to foster.

We engage by attending company meetings and voting proxies on our clients' behalf. We also engage with investee companies through written communications to raise a range of issues relating to strategy, governance as well as social and environmental issues. This engagement serves to confirm and support the investment thesis and establish a good ongoing channel of communication with companies to ensure that the strategy is being executed with the appropriate level of risk whilst monitoring effective control of the board and relevant sub-committees. We believe that such engagement provides us with a clear indication of the quality of the management and the board and consequently the investee company's ability to deliver its key goals and anticipated operational performance.

We do not generally wish to be made insiders in any circumstances, and therefore expect investee companies and their advisers to ensure that information that could affect our ability to deal in the shares of the company concerned is not conveyed to us without our prior agreement.

Information on our engagement activity from the year 2020 onwards is available at www.jsternco.com/stewardship.

Principle 10: Signatories where necessary should participate in collective engagement to influence others.

We recognise that collaborative efforts with other investors can help to leverage our efforts to engage with companies and achieve change whilst at the same time ensuring that our concerns are reflected and that our rights as shareholders are protected. We may therefore reach out to other investors to share concerns and seek a common position in respect of investments we make. We have worked actively on specific situations historically including taking a public and vocal role in defending our rights as minority shareholders.

We are signatories of the United Nations supported Principles for Responsible Investment ("PRI") and the UK 2012

Stewardship Code as well members of the SASB Alliance. Through these initiatives, we intend to engage and work with other investors on a range of collective engagement opportunities, including in the UK.

Our focus on a limited number of securities may help us achieve change in a way that larger institutions, with potentially more conflicts and substantially larger teams may find challenging. But in participating in collaborative initiatives, we remain alert to potential conflicts, issues of insider information and concert party rules. Where we believe there are any potential risks involving these rules, we ensure close involvement of our internal legal and compliance team.

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

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

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

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

Principle 12: Signatories should actively exercise their rights and responsibilities.

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

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

We undertake our own internal work in assessing resolutions, applying our voting principles to each item. These principles include ensuring the board's diversity and independence, protecting minority shareholder rights, ensuring that executive compensation is tied to the long-term prospects of the business and shareholder value creation, upholding ESG issues and supporting capital increases only for legitimate financing reasons. Where appropriate we draw from external research, but ultimately the final decision will reflect our own assessment of what we believe to be in the best interests of our clients.

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

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

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

Securities are held on behalf of clients in multiple countries and at multiple custodians and banks, which may constrain or restrict us from voting. Therefore, our voting activities are subject to our contractual obligations with those clients and applicable local laws and regulations. As such, we will vote where this is possible or administratively feasible, unless directed otherwise by clients.

Summary information on our voting activity from the year 2020 onwards is available at www.jsternco.com/stewardship, including examples of where we have voted against particular proposals.

This Stewardship and Engagement Policy reflects our current policy and may be changed at any time. The current version is always available at www.jsternco.com/stewarship.