

FISHER INVESTMENTS EUROPE™



**UK STEWARDSHIP CODE  
2025 REPORT**

# OUR QUEST TO BETTER THE INVESTMENT UNIVERSE

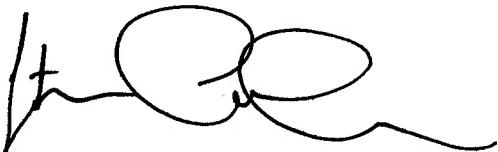
Since its founding in 1979, Fisher Investments and its subsidiaries, which includes Fisher Investments Europe Limited, has been dedicated to bettering the investment universe. One of our guiding principles is to always put our clients' interests first. We believe proactive service, straightforward communication, and continuous investment education are critical to our clients' long-term investing success.

Over time, we have grown and now have more than 6,500 employees worldwide operating in cities and communities across the United States, Canada, Costa Rica, Europe, Australia, the Middle East, Singapore, and Japan. We manage over £238 billion in assets under management across private and institutional clients. Our growth brings a distinct responsibility for stewardship, and we are pleased to present the following Stewardship Report that details how our Responsible Investments Programme and organisation at large embodies the principles of the UK Stewardship Code.

We are proud of how far we've come, and we remain steadfast in our commitment to continually innovate and adapt our services to fulfill our obligation as optimal stewards for our clients' assets.

Thank you for your interest in Fisher Investments Europe Limited.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin Arbuckle".

Justin Arbuckle  
Director, Fisher Investments Europe Limited  
Senior Executive Vice President, Institutional Group, Fisher Investments

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The following is presented by Fisher Investments Europe Limited<sup>1</sup>, trading as Fisher Investments Europe (FIE), which outsources portfolio management to its parent company Fisher Investments (FI). Unless otherwise specified, references to investment professionals<sup>2</sup>, operations personnel, and middle and back-office personnel are references to FI employees. 'We', 'our', and 'us' generally refer to the combined capabilities of the Fisher group of companies, including FIE (Fisher Group).

## PRINCIPLE 1: PURPOSE AND GOVERNANCE

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

### Organisational Purpose

Fisher Investments (FI) and its subsidiaries, including Fisher Investments Europe (FIE), perform investment management services globally for private clients and institutions. As of 31 December 2024, we manage over £238 billion in AUM<sup>3</sup>. Both FIE and FI are committed to protecting the interests of clients and always placing their interests first. FI is a United States Securities and Exchange Commission (SEC) registered investment adviser, and as such has a fiduciary obligation to clients. FIE is authorised and regulated by the United Kingdom Financial Conduct Authority (FCA) and conforms to all fiduciary requirements set forth by the FCA.

FI and its subsidiaries consist of three business units – Institutional, US Private Client, and Private Client International. For separately managed accounts, FIE serves as the investment manager and FI serves as the sub-investment manager. FI's Investment Policy Committee (IPC) is responsible for all investment decisions for the Fisher Group's strategies.

We are committed to strategically expanding our capabilities in hopes of bettering the investment universe. Our focus is deeply rooted in delivering unparalleled service, being good stewards of the assets entrusted to us, in addition to continuous education and appropriate solutions for our clients.

Our company Vision Statement (excerpt following) is the 'North Star' guiding our core beliefs and purpose. It is the primary mechanism by which we promote and ensure our unique culture across all employees, worldwide.

## VISION

### **Boldly Pioneering Tomorrow's Investment Solutions Today, Assuring Success**

- We will maximize the firm's long-term enterprise value by independently striving to dominate our chosen markets.
- Our quest requires delivering unparalleled service, continuous education, and appropriate solutions to our clients and always considering their interests first.
- We believe in directness, delivering personal via machine, driving quality through scale, being fact-driven, and demanding metric-based accountability.
- We will develop human capital from within by building breadth and depth in individuals. We endeavor to build lifelong careers and reward those embodying loyalty, flexibility, and "will-do".
- To succeed, we must have an inclusive culture, actively developing and supporting diversity across the vast spectrum of human differences, creating a place of authentic belonging for all.
- Along this journey, we seek to better the investment universe by doing what others haven't done yet. We will create knowledge, foster innovation, embrace change, and be unconstrained by convention.

## **Investment Beliefs**

We believe a top-down approach allows us to develop and maintain a comprehensive and differentiated perspective for identifying and exploiting opportunities in equity markets. Our strategies employ this belief by utilising a top-down investment process based on applying our unique capital markets research to the analysis of a wide range of economic, political and sentiment drivers to formulate macro forecasts and develop portfolio themes.

We believe the equity market structure creates opportunities for top-down managers to generate alpha in the global market space, as decisions on how to overweight or underweight key countries and sectors can dramatically impact relative return. Additionally, our strategies seek to add value at the security level, but we believe traditional individual security research is most effective when used to complement higher-level portfolio themes and characteristics. We believe this top-down analysis

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provides a unique understanding of when the market is likely to reward a company's strategic attributes, ultimately contributing to the outperformance of the particular security.

We incorporate stewardship throughout our investment process in a manner that simultaneously focuses on our fiduciary duty to clients and supporting client desires for long-term results (rather than immediate returns), whilst also allowing for repeatability in the application of our investment process. FI's formal ESG Philosophy Statement states:

*We believe ESG investors are best served by an investment process that considers both top-down and bottom-up factors. Integrating ESG analysis at the country, sector and security levels consistent with clients' investment goals and ESG policies maximises the likelihood of achieving desired performance and improving environmental and social conditions worldwide.*

## 2024 Outcome

Throughout 2024, we took action to further implement our ESG Philosophy Statement. This included launching multiple new ESG investment strategies, developing internal frameworks to further support compliance with global ESG regulations, maintaining existing Ecolabel certifications, subscribing to additional ESG data providers, and expanding our Stewardship capabilities (especially in the area of Co-Engagement). These actions are further detailed in the table at the end of Principle 1.

Our ESG Policy Statement and Engagement Policy are both available on our [website](#). They provide an in-depth discussion of our actions to implement our Responsible Investments (RI) and Stewardship programmes, which include:

- how financially material ESG information is integrated into our investment process and detailed descriptions of our broader RI capabilities made available to our ESG clients;
- how we monitor our holdings;
- the data providers we use;
- our approach to active ownership and the importance of stewardship;
- our Engagement processes, including Client Co-Engagement and Collaborative Engagement;
- our Proxy Voting Policy.

## Strategy

FI's Investment Policy Committee (IPC) serve as the portfolio managers for all strategies. The IPC has five members, and one member is designated as the ESG point person to help facilitate ESG integration.

We believe our top-down approach allows us to better identify and exploit global equity market opportunities by uncovering inefficiencies through unique, proprietary analysis of widely available information. Our approach focuses on three basic decisions ultimately made by the IPC and based upon

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research conducted by the Capital Markets Research and Securities Research Analysts. This top-down approach allows us to gain exposure to the macro themes, countries (where applicable), sectors/industries, and securities we believe are most likely to generate the highest expected returns:

1. **Global Macro Theme and Forecasts:** identify where we are in the market cycle and macro themes for the portfolio.
2. **Country Exposure and Sector/Industry Exposure:** identify the countries (where applicable) and sectors/industries most likely to outperform or underperform versus the benchmark.
3. **Security Selection:** identify the security or group of securities within a particular category increasing the likelihood of beating the overall category.

We expect alpha over time to equally be attributable to each country (where applicable), sector/industry, and security decision.

Our top-down approach is well suited to accommodate ESG integration and effective stewardship. Many responsible investment topics are actually macro themes – examples include climate or human rights risks – where understanding the global drivers helps to guide decisions about country and sector exposure and security selection. For a complete description of our ESG integration activities please see our response to Principle 7 below.

The Fisher Group has been managing RI accounts with various thresholds of environmental or social guidelines for more than 30 years. Over that time, we have expanded the depth of our RI capabilities and offer a wide range of RI strategies including ESG, best-in-class, impact, Paris-aligned/Net Zero and religious/values-based investment strategies. We consider financially material ESG information throughout the investment process to help reduce risk and/or enhance returns and is an active owner by voting proxies and conducting direct corporate engagements. As of 31 December 2024, the Fisher Group managed accounts valued at over £16 billion with ESG, climate, impact, or values-based investment guidelines.

## Our Culture

As a leading privately-owned investment management organisation, our culture is deeply rooted in continually developing new, innovative approaches to asset management and delivering unparalleled service to our clients. We develop human capital from within by building breadth and depth in individuals, and endeavour to build lifelong careers by providing our people with the opportunity to succeed and the accompanying rewards for achievement. We pride ourselves on the fact that employees join the Fisher Group and choose to stay and establish lifelong careers. Much of our management is comprised of employees who turned their first job at the Fisher Group into their life's work.

**Our culture drives our success;** by creating a positive, productive and rewarding work environment, we are able to maximise the quality of service we deliver to each and every client. In doing so, the Fisher Group is proud to be recognised as a great place to work<sup>4</sup>.



## Assessment of Effectiveness: Our Culture – Enabling Effective Stewardship

We have been managing responsible investment accounts with various thresholds of environmental or social guidelines for over 30 years. We are committed to incorporating financially material ESG information in our investment decision-making and ownership practices, as well as offering a wide range of RI strategies to clients when requested, in order to help meet and exceed the wide spectrum of investment objectives and goals across our global client base.

Our growing Responsible Investments programme is led by members of the Portfolio Management Group (PMG) and the Fisher Investments Institutional Group (FIIG), which places stewardship in the dual realms of investment management and client service. Furthermore, we understand that we are stronger together, as such, FI and/or its subsidiaries are an active participant in, or a signatory/supporter of, several responsible investment initiatives. These include the PRI, the UK Financial Reporting Council's Stewardship Code, the UN Global Compact, the Climate Action 100+<sup>5</sup>, the CDP (formerly 'Carbon Disclosure Project'), the Institutional Investors Group on Climate Change (IIGCC), and the Responsible Investment Association Australasia (RIAA)<sup>6</sup>.

To drive our vision of bettering the investment universe and to uphold our culture of unparalleled client service, we continuously seek ways to strengthen our products and services. Please find below an assessment of our effectiveness in serving the best interests of clients and beneficiaries through our responsible investment objectives and activities from 2024:

## 2024 Outcomes

Objective	Activities	Outcomes
Enhance ESG integration into our equity and fixed income investment processes and portfolio construction	<ul style="list-style-type: none"> <li>Throughout 2024, we launched five new ESG strategies, including approaches such as ESG (SFDR Art. 8), ex-fossil fuels, and Shariah-compliance.</li> <li>We produced and delivered nearly 100 internal research notes to FI's Investment Policy Committee (IPC) with ESG-related content or analysis.</li> <li>Various ESG subject matter experts across the firm conducted 35 RI/ESG-related trainings.</li> <li>We subscribed to two new ESG data providers, one which provides additional support for the quantification of 'Sustainability Risks', and one which provides support for our 'Best-in-Class' feature.</li> <li>We continued to enhance our monitoring of Sustainability Risks with quarterly committee meeting presentations.</li> <li>We updated our Sustainable Investment (EU SFDR) definition using 'reported or estimated' data, thus reducing regulatory risk.</li> </ul>	<p>We continued to enhance our existing responsible investment offerings and deepen our ESG integration and monitoring processes in 2024.</p> <p>We are integrating a broader range of ESG datasets into our investment process than before.</p>
Offer best-in-class strategies that enable our clients to meet their own responsible investment objectives	<ul style="list-style-type: none"> <li>We continuously tailor our strategies to reflect the client's objectives and priorities.</li> <li>The FI Institutional Emerging Markets Equity Selection Fund<sup>7</sup> was awarded 'Best ESG Investment Fund: EM' by 'ESG Investing' in March 2024.</li> <li>We received our first 'Shariah Compliance Certificate' for our retail offerings through Fisher Investments Arabia. The certificate indicates our Shariah offering 'conforms with the principles of Shariah and is Shariah compliant', as determined by our third-party Shariah adviser. This allows us to further support the religious preferences of our retail and institutional clients around the globe.</li> <li>We maintained the 'Towards Sustainability Label' certification<sup>8</sup> for the FI Institutional Emerging Markets Responsible Equity Fund<sup>7</sup> (which has held this Ecolabel since 2021).</li> <li>We maintained the Austrian Ecolabel certification<sup>9</sup> for the FI Institutional Emerging Markets Responsible Equity Fund<sup>7</sup> (which has held this Ecolabel since 2020).</li> <li>We offer custom client reports that detail a portfolio's SFDR/PAI/EU Taxonomy alignment, carbon footprint/TCFD, progress towards the Sustainable Development Goals, ESG Scores, and proxy voting.</li> </ul>	<p>Our clients have a wider range of investment options and portfolio monitoring tools to meet their responsible investment objectives.</p>

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	<ul style="list-style-type: none"><li>• We worked with Institutional Shareholder Services Inc. (ISS) to review our custom ESG proxy policy.</li></ul>	
Increase corporate engagement activities, including collaborative engagements and client co-engagement	<ul style="list-style-type: none"><li>• We added staff to our dedicated Investor Responsibility and Engagement (IR&amp;E) team to increase the breadth and depth of our corporate engagements.</li><li>• We implemented an Outcomes Framework to track the progress of our engagements.</li><li>• We participated in 30 collaborative engagements alongside other institutional investors and continue to pursue additional opportunities. We also requested 29 companies disclose environmental data to CDP.</li><li>• We held 18 client co-engagements with corporate issuers in 2024, an increase over the previous year, which are also included as collaborative engagements in the previous bullet.</li></ul>	We increased our engagement activity over the previous year and continue to request better ESG disclosure from portfolio holdings across geographies, sectors, and market caps.

## PRINCIPLE 2: PURPOSE AND GOVERNANCE

*Signatories' governance, resources and incentives support stewardship.*

Our most important stewardship resource is our staff, the people that develop and implement our Responsible Investments (RI) programme. We also have a number of governance structures and processes in place to foster effective stewardship – several are described below, along with details regarding resources that support each.

### **Investment Policy Committee (IPC)**

The IPC serves as the portfolio managers for all our strategies, and is responsible for all strategic investment decisions, including integration of financially relevant environmental, social, and governance factors into our top-down investment process. We believe one of our competitive advantages is the IPC's tenure and stability. Two of FI's Co-Chief Investment Officers, Ken Fisher and Jeffery Silk, have worked together at the firm for over 41 years and all five members of the IPC average 31 years of experience at FI<sup>10</sup>. The IPC has successfully applied the same investment process across our strategies and managed accounts with various thresholds of environmental or social guidelines for over 30 years.

Directly supporting the IPC is FI's Research Department, comprised of 76 Research Analysts (as of 31 December 2024). Research Analysts support the IPC in their decision-making process, including ESG integration.

### **Research Department**

FI's Research Analysts generate macroeconomic, capital markets, and securities research. The 76 Research Analysts are divided into four teams: Capital Markets (top-down research), Securities (bottom-up research), Capital Markets Innovation (theoretical research), and Portfolio Engineering (product specialists). The average industry experience of our Research Analysts is 12 years (as of 31 December 2024).

FI has appointed six ESG Specialists across the Research Department, the Fisher Investments Institutional Group (FIIG), and FI's IPC. FI's ESG Specialists are responsible for staying up to date with current and developing ESG trends, supporting the broader research organisation, and briefing the IPC when appropriate. Moreover, the ESG Specialists support and monitor the application of ESG analysis amongst the Research Department and liaise with our ESG data providers to verify the accuracy and comprehensiveness of the data we use in our decision-making.

ESG Specialists receive training designed to help them confirm compliance with client mandates, including training on the use of external tools, such as MSCI ESG Research. These specialists are responsible for training Research Analysts and Institutional Relationship Managers on ESG issues. All Securities Research Analysts receive training on evaluation of equities, including, but not limited to, identifying potential performance risks presented by ESG topics.

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## Responsible Investments Committee

FI's Responsible Investments Committee includes leadership of the Portfolio Management Group and the Fisher Investments Institutional Group.

The Committee's duties and responsibilities include:

- ensuring alignment of ESG activities with the Fisher Group's strategic priorities;
- supporting our ESG and sustainability activities & staying abreast of industry trends;
- overseeing progress towards the Fisher Group's RI goals and objectives;
- initiating the development of new responsible and sustainable investment strategies;
- reviewing effectiveness of current ESG analysis, integration, data availability, and reporting;
- initiating ESG and sustainable research content.

The committee, co-chaired by an IPC member and the Senior Executive Vice President of our Institutional Group, meets quarterly and includes the Vice President (VP) – Responsible Investments, the VP – Investor Responsibility and Engagement, FI's ESG Research Specialists and 20+ members primarily from the Institutional & Portfolio Management Groups.

RESPONSIBLE INVESTMENTS COMMITTEE		
IPC Member	Sr. Executive Vice President of Institutional	Vice President – Responsible Investments
Select Institutional Relationship Managers	Investor Responsibility & Engagement Team	ESG Research Specialists

## Institutional Group - Dedicated Stewardship Roles

In addition to the IPC and ESG Specialists, the Institutional Group has continued to build a dedicated Responsible Investments & Engagement vertical. This vertical consists of the Investor Responsibility & Engagement (IR&E) team and the Responsible Investments (RI) team. Both teams report to the Senior Executive Vice President of the Institutional Group.

The IR&E team was fully formed in 2020 and has continued to bring breadth and depth to our corporate engagement programme since its origin. This team continued to expand in 2024, bringing on two additional Engagement Analysts, across the UK and Middle East. The IR&E team now consists of a VP of Investor Responsibility & Engagement and five Engagement Analysts & Senior Analysts. The RI team was formally built out in 2022 and consists of a VP of Responsible Investments and a Responsible Investments Programme Manager, with plans to continue growing the team during the second half of 2025.

Employees in this vertical averaged over 13 years of industry experience in responsible investing, as of 31 December 2024.

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## **Team Responsibilities & Resources**

### *Responsible Investments (RI) Team*

The RI team is responsible for further developing and expanding the RI Programme within the Institutional Group. This includes responsibilities such as enhancing RI processes, creating RI policies, supporting the development of new RI/ESG strategies, coordinating compliance with global RI regulations and frameworks, and providing ESG subject matter expertise for our clients.

### **2024 Outcomes**

The RI Team hosted a virtual summit in July 2024, which was attended by employees across the Institutional Group, Portfolio Management Group, and Enterprise Risk Management Group who focus on different ESG topics across the firm. The summit agenda consisted of seven sessions, including one optional discussion forum. We spent time familiarising each other with our individual ESG responsibilities, discussed how our work is interconnected across departments, attended an RI Retrospective session hosted by long-time ESG stakeholders/Senior Managers, and completed exercises such as a SWOT analysis and RI Road Map build-out. At the conclusion of the summit, we set up accountability measures to ensure we continue to meet our goals, as well as our new takeaways from this summit, moving forward.

The RI team formally rolled out an internal 'Responsible Investment Roadmap' in 2023, with the goal of providing a shared vision of our RI programme across multiple business units and management groups. Throughout 2024, we hosted quarterly Road Map Check-In sessions to continue working towards our short- and long-term strategic projects that support our common RI goals at both the firm and business unit-levels.

The RI Team launched a new ESG report, called the 'Responsible Investment Report' (RI Report). The RI Report presents a holistic view of the Fisher Group's RI capabilities and programme. The report includes both qualitative and quantitative ESG strategy-specific information as well as firm-level ESG content.

The RI team has been integral to supporting compliance with global ESG/RI regulations such as the EU's Sustainable Finance Disclosure Regulation (SFDR). In 2024, the RI Team coordinated the creation and distribution of annual SFDR periodic reporting to hundreds of in-scope clients, a requirement of SFDR.

### *Investor Responsibility & Engagement (IR&E) Team*

The IR&E team members collaborate with Research Analysts to engage companies on significant ESG issues. The team utilises a top-down approach to prioritise sectors and issues, and then applies bottom-up analysis to identify company leaders and laggards. Common engagement themes include climate

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change, stewardship of natural resources, and respecting human rights. Engagement objectives are established at the outset and progress is tracked over time. Many of our engagements are conducted individually; however, we also engage collaboratively with other investors and institutional clients to achieve common goals. An example of successful outcomes for these roles is the year-over-year increase in engagement activity in 2024, as highlighted in Principle 1. Further outcomes related to this team's efforts can be found in Principles 9–12.

FI contracts with Institutional Shareholder Services, Inc. ESG's Collaborative Engagement Service (ISS CE) to increase the IR&E team's capacity to conduct norms-based engagements, such as those related to alleged violations of the UN Global Compact. In addition, FI is a signatory to CDP, and the IR&E team uses CDP data in its engagements.

## 2024 Outcome

In the 2024 reporting period, the ISS CE service facilitated engagements with 12 companies on global norm-based concerns related to regulatory actions, collective bargaining & unions, pollution & waste, and human rights.

## Institutional Group – Client Guidelines and Assurance Team (CGA)

Within our Institutional Group, the CGA team is responsible for ensuring compliance with client investment guidelines. This team is independent of the investment management team and reports to the Vice President of Institutional Quality Control and Risk Management. CGA enters restrictions into our order management system (Charles River Investment Management Solution (CRIMS)) and monitors client account activity. Sanctioned entities are identified by subscribing to notices from various regulatory bodies, such as US Office of Foreign Asset Control (OFAC) and EU Sanctions notices. We also retain outside legal counsel and employ third party vendors such as MSCI to notify us of any changes or updates to sanctions. Sanctioned companies and countries are hard coded into restricted lists in our order management system. Any trades for companies that are identified as sanctioned are rejected.

## 2024 Outcome

As of 31 December 2024, the CGA team actively monitored 162 ESG/SRI rules across our various portfolios. There were zero violations of these rules in 2024.

## Enterprise Risk Management Group – Corporate Sustainability

The Fisher Group established a Corporate Sustainability Programme to enable Fisher to meet current and future regulatory sustainability reporting requirements, supporting the effort to empower stakeholders through transparency. The programme plays an important role in helping Fisher identify, manage, monitor and report sustainability-related risks and opportunities across its global footprint as the landscape continues to evolve.

## 2024 Outcome

In 2024, the Fisher Group established a Corporate Sustainability Programme to enable Fisher to meet current and future regulatory sustainability reporting requirements.

## Systems

To support the IPC and our Research Analysts, we maintain subscriptions to a variety of resources. Please see the table below for a snapshot of the various resources we utilise:

Service Provider	Services Provided
MSCI	<ul style="list-style-type: none"><li><b>ESG Ratings</b></li><li><b>ESG Business Involvement Screening</b></li><li><b>ESG Global Norms &amp; Controversies</b></li><li><b>ESG Sustainable Impact/Carbon Metrics</b></li><li><b>Enhanced Climate Value-at-Risk &amp; Climate Change Metrics</b></li><li><b>ESG SFDR Adverse Impact Metrics &amp; EU Taxonomy Alignment</b></li></ul>
Morningstar	<ul style="list-style-type: none"><li><b>Sustainability Ratings</b></li><li><b>ESG Research</b></li></ul>
Bloomberg	<ul style="list-style-type: none"><li><b>Market research, data &amp; analytics</b></li></ul>
ISS (Institutional Shareholder Services)	<ul style="list-style-type: none"><li><b>ISS Corporate Rating</b></li><li><b>Implement Proxy Voting Guidelines</b></li><li><b>Ensure Proxy Votes are cast</b></li></ul>
Sustainalytics	<ul style="list-style-type: none"><li><b>ESG Risk Ratings</b></li><li><b>Business Involvement Screening</b></li></ul>
FactSet	<ul style="list-style-type: none"><li><b>Portfolio Analysis (performance, characteristics, risk, style)</b></li><li><b>SDG Monitoring</b></li></ul>

We use MSCI ESG Research data in the development of our proprietary ESG research and our Top-Down Engagement focus lists. These applications draw upon ESG data to highlight ESG risks and opportunities at the sector and individual company levels. We work with Institutional Shareholder Services, Inc. (ISS) to implement our proxy voting guidelines and ensure our votes are cast. In addition, we have used ISS' Collaborative Engagement Service to broaden the scope of our corporate engagement programme by working with other institutional investors to elevate ESG concerns to corporate management.

## Incentives

Our compensation plans are engineered to align client and employee success. Focusing on a team concept, we formally evaluate most employees annually. Increases in income are based on contribution

to the team, as well as individual improvements and accomplishments. This includes, but is not limited to, successful implementation and execution of stewardship focused objectives.

## Assessment of Effectiveness

We believe our governance, resources and incentive structures have been highly effective in supporting growth of our stewardship capabilities whilst ensuring our client goals are met. Examples of this include consistent implementation of our investment process, expanding our ESG personnel numbers across both the Institutional and Portfolio Management Groups and around the globe, standing up our new Corporate Sustainability Programme within our Enterprise Risk vertical, increasing engagement activity over the previous year (encompassing both individual and collaborative engagements), successful monitoring of portfolio specific guidelines, and actively supporting our client's portfolio-level ESG needs (e.g. adding new ESG screens, applying ESG integration, or creating new ESG/Impact/SRI strategies).

We believe our largest area of opportunity lies in staying abreast of industry trends (such as the Climate-Related Financial Risk Act, the Corporate Sustainability Reporting Directive, the Sustainability Disclosure Requirements (SDR) regime and the Sustainable Finance Disclosure Regulation (SFDR)), further aligning our strategies to support our clients' stewardship objectives, and continuing to enhance our transparency. We believe structures like our Responsible Investments Committee and our Responsible Investments Roadmap have facilitated our success in this area, but we know there is constant room for improvement in the Responsible Investments space.

We remain cognisant and committed to ensuring resources and priorities are focused on relevant trends, resources, and education opportunities.

## PRINCIPLE 3: PURPOSE AND GOVERNANCE

*Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.*

We monitor conflicts of interest in our stewardship activities as well as in our general business activities.

### Conflicts of Interest – Stewardship

We have a duty to ensure that any conflicts of interest are addressed in a way that puts our clients' interests first. Below we have outlined several of the ways we mitigate conflicts of interest:

- **100% focus on Asset Management:** Because we are not involved in other parts of the financial services industry, we are able to focus on our core responsibility to our clients.
- **FI is ultimately 100% privately owned<sup>11</sup>:** By remaining independent, we are able to control all aspects of our strategy and service delivery. Over the long term, we believe this allows us to remain unconstrained by conventional wisdom and increases our likelihood of providing superior investment results.
- **We proactively avoid situations that can cause conflicts:** FI and FIE actively seek to avoid situations involving potential conflicts of interest by closely monitoring business practices and reminding employees of their fiduciary responsibilities both when they join the firm and through annual compliance training. All of FI's reasonably foreseeable conflicts of interest are disclosed in FI's Form ADV Part 2A. We also work to mitigate any potential conflicts of interest with respect to the management of client accounts. For example, we eliminated formal soft dollar arrangements with broker dealers as disclosed in a previous regulatory filing of FI's Form ADV, Part 2A, found here: <https://www.fisherinvestments.com/en-us/disclosures/form-crs-and-form-adv>.

Conflicts of interest are also addressed in our Engagement and Proxy Voting activities:

### Engagement

From time-to-time, a proposed company engagement may conflict with an institutional client's interests. Most commonly, a conflict can exist if we are conducting engagement with a company where we have an existing business relationship. In addition, it may not be prudent to initiate engagement when we are in the process of divesting our holdings. Less commonly, a stewardship engagement may be deferred due to a non-ESG engagement already initiated by a Research Analyst. To address such instances, our policy dictates that management review all new engagement requests to identify actual and potential conflicts of interest. If a conflict (or potential conflict) is found, and we believe engagement would not be in our client's best interests, we will not pursue the engagement.

### Proxy Voting

Our Proxy Voting Policy is disclosed in our Engagement Policy (described in Principle 9) and contains additional safeguards. We believe that in most instances, these guidelines will adequately address any conflicts of interest, including when we hold shares of a publicly traded company where we also have a business relationship.

Generally, except in cases where an institutional client provides written instruction to indicate otherwise, we will vote (by proxy or otherwise) on all matters for which a shareholder vote is solicited by, or with respect to, issuers of securities beneficially held in institutional client accounts in such manner as we deem appropriate, in accordance with its written policies and procedures. These policies and procedures set forth guidelines for voting (or abstaining from voting) on many typical proxy proposals. FI regularly reviews these guidelines. In certain situations, the IPC might determine that it is in the client's best interests to vary from the guidelines, or that the proxy issue might require individual case-by-case consideration under the guidelines. Such instances are further discussed in Principle 12.

Where a proxy proposal raises a material conflict of interest between the interests of the Fisher Group and its clients, we will vote in accordance with the guidelines wherever FI does not have discretion to vary from the guidelines. Alternatively, we will obtain voting direction from Institutional Shareholder Services ('ISS'), an independent third-party proxy service provider, disclose the conflict of interest to the client and abstain from voting, or obtain client consent prior to voting the securities. Clients may obtain a copy of our proxy voting policies and procedures and/or information on how we have voted the client's securities by written request to FI. Proxy Voting Reports for the previous 12 months (rolling) are posted to our [website](#).

## **Conflicts of Interest – General Business**

As a fiduciary, we place the interests of our clients first. With respect to conflicts of interest, our Compliance Policies and Procedures Manual, and the embedded Code of Ethics Policy, defines the appropriate standards of professional conduct all employees are expected to follow as a condition of their employment by addressing topics including, but not limited to:

- employee, proprietary and client discretionary trading;
- outside business activities and investments;
- political contributions;
- gifts and gratuities.

We actively seek to avoid situations involving potential conflicts of interest by closely monitoring our business practices, and reminding employees of their fiduciary responsibilities when they join and through annual compliance training.

We have strict procedures in place to help ensure that our fiduciary responsibility to our clients is maintained. Access employees may not engage either directly or indirectly in any personal securities transactions without prior written approval, with specific exceptions that are delineated in our Joint Code of Ethics and Personal Trading Policy. The Compliance Department carries out new hire and annual compliance training, which covers our policy prohibiting insider trading and personal trading policies.

## 2024 Outcome

The Fisher Group has systems and controls in place to ensure that employees are not allowed to invest personal assets in Institutional Group strategies (including ESG, SRI, and Impact strategies). This assists with negating the potential conflict of interest that may arise from trade allocation, ensuring that no account is favoured over another. The control is considered to be effective, as during 2024 there were no instances of employees investing or attempting to invest in Institutional Group strategies.

Our Compliance Programme is designed to comply with applicable rules and regulations, to help prevent violations of securities laws, to detect any violations should they occur, and to correct any violation as necessary. The Compliance Programme is implemented through a Compliance Manual and Supplements, procedures designed to implement such compliance policies, training to the business units, and review and oversight of our activities by the Compliance Department and Senior Management. We have adopted written policies and procedures designed to set standards for the Fisher Group and its employees. These policies are reasonably designed to detect and prevent any violations of regulatory requirements and our policies and procedures. Every manager is required to be responsible for and monitor those individuals and departments he or she supervises to help detect, prevent, and report any activities inconsistent with our procedures, policies, and high professional standards.

Should a potential fiduciary breach be detected, the situation is promptly escalated to the Law and Compliance Department and members of Senior Management for review and resolution, as applicable.

## PRINCIPLE 4: PURPOSE AND GOVERNANCE

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

### Market Wide and Systemic Risk Analysis

We devote significant resources to understanding relationships and opportunities across countries (where applicable), regions, and sectors/industries, monitoring for both market and systemic risks globally.

#### Capital Markets Research

We believe our research structure allows us to capitalise on global macro trends and cross-country (where applicable) and sector/industry analysis, thereby increasing our chances of achieving excess return and controlling risk in a variety of market environments. We continuously monitor drivers to ascertain shifts and whether the market has discounted them yet.

Risk analysis of global capital markets is performed on an ongoing basis through periodic and ad hoc analysis, with regular reporting to FI's IPC. FI's IPC uses a myriad of indicators or 'drivers' to determine country, sector and style allocations based on information provided by the Capital Markets Research team. These drivers allow us to establish relative risk and return expectations for countries, sectors and styles:

- **Economic drivers** such as monetary policy, yield curve and relative GDP growth analysis.
- **Political drivers** such as taxation, governmental stability and political turnover.
- **Sentiment drivers** primarily measuring consensus thinking to identify relative investment-category popularity. Sentiment driver interpretation is typically counter-intuitive (i.e. avoid the overly popular and seek the largely unpopular).

As a result of this research, we deliver events and research pieces including but not limited to; webinars, in-depth quarterly reviews, podcasts, and daily market commentary to both our clients and prospective clients. Our daily market commentary and podcasts are publicly available on our [website](#), along with additional research pieces. These actions are further detailed in our 2024 Outcomes table in the 'Investor Education and Communication' section towards the end of Principle 4.

#### Climate Risk

FI considers both direct and transition risks and opportunities on the organisation and its primary activities related to investment management. Whilst the direct climate-related risks to the organisation are limited, FI does consider such risks throughout the investment process. Within portfolios, for example, FI reviews the impact of climate-related legislation and shifting consumer and investor preferences on country, sector and security decisions, and the firm regularly engages companies in dialogue on climate-related risks and opportunities.

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Further, Research Analysts monitor responsible investments thematic opportunities and risks deemed material to returns or those supporting ESG portfolio objectives:

- Environmental thematic opportunities include, but not limited to, those related to the global low carbon transition (e.g. energy efficiency, alternative energy, electrical vehicle trends, green building & sustainable water).
- Environmental thematic risks include those related to thermal coal power, resource extraction (e.g. mining labour strikes and resource nationalisation) and litigation tied to environmental impact.

FI assesses the risk of climate change in the security selection process, examining specific climate change sources such as carbon emissions, fossil fuel production, and fossil fuel use when deemed material. Within ESG portfolios, carbon-related considerations are commonly targeted by restricting certain coal-fired utilities and companies with significant revenue exposure to thermal coal and oil sands extraction. Further ESG strategies may target a carbon footprint reduction relative to a benchmark or other reduction levels based on a client's preference. FI continually reevaluates companies within ESG portfolios for policy compliance.

Climate-related risk assessments seek to improve the probability of alpha generation over FI's outlook horizon (12–18 months) and to support the non-financial objectives mandated by the Fisher Group's clients.

#### *Short term: Regulatory, Environmental Stewardship, & Business Activities*

Short term risks and opportunities are those where businesses may be negatively impacted by regulation or poor environmental stewardship or positively impacted through a business activity (e.g. energy efficient products and services). Such risks and opportunities are idiosyncratic and mostly within the firm's investment horizon (12–18 months).

#### *Medium term: Regulatory & Reputational*

Medium term risks and opportunities are those where country policy or shifting consumer preferences may have more general impact (positively or negatively). Such risks and opportunities are sometimes idiosyncratic, and sometimes within the firm's investment horizon.

#### *Long term: Climate Change Transition Risks*

Long term risks and opportunities are those mostly associated with a broader transition from a carbon-based economy. These risks and opportunities may be sizeable but slower to mature. Such long-term risks and opportunities are monitored to help ensure shorter-term opportunities and risks are appropriately identified.

## 2024 Outcome

We produced custom ESG-related research that discussed:

- Faith-Based Investing
- Data Centre and AI Impact on Energy Consumption
- ESG Opportunities in Small Cap Equities
- The Challenges and Opportunities of Measuring Carbon Emissions
- The Future of Clean Hydrogen

We also produced our semi-annual ESG Newsletter that included articles on our approach to corporate engagement on biodiversity topics and our approach to sourcing engagement dialogues and assessing engagement outcomes. Further, we produced our ESG Insights publication.

Climate risk is also a priority in our corporate engagements. In 2024, 78% of our corporate engagements included discussion of the company's climate risks and opportunities. We recognise the importance of working together, and we collaborate with other institutional investors to engage companies when we believe doing so is likely to advance clients' interests, is consistent with our policies and procedures and is permissible under applicable laws and regulations. As described in Principle 10, we engage collaboratively with other institutional investors through the Climate Action 100+ engagement initiative and the CDP non-disclosure initiative. We view the latter as a means to increase the availability of standardised corporate performance data within the broader market, as many ESG data service providers incorporate CDP data into their own processes.

## Risk Management

Implementation of appropriate risk management practices can contribute to the reduction of the possibility of systemic risks in the financial sector. By recognising our responsibility to prevent failure in our own business, we are supporting the larger goal of promoting a well-functioning financial system. We are a financially strong, established organisation with significant assets under management – diversified by both investment strategies and client constituencies. Our deep Research bench and the Investment Policy Committee (IPC) offset 'key person risk'. As a 100% privately owned organisation focused on asset management, our resources are entirely focused on investments. Being independently owned allows us to control all aspects of service delivery.

Please see below for a high-level overview of the group-level risks that we actively manage. A description of our risk management and due diligence procedures in relation to our Environmental, Social and Governance ('ESG') and Engagement Service Providers can be found in Principle 8.

- **Investment Risk:** Risk management is an integral part of our overall investment process, actively managing portfolio risk through procedural and mechanical controls, whilst being continuously cognisant of the relevant benchmark composition and related portfolio risks.

Risk management controls are applied in the analysis of prospective securities, to assess their correlation to the country (where applicable) and sector in order to maximise the possibility of leveraging top level themes, and to identify unintended risk concentrations in the security selection process. Controls are also implemented to verify there is no more than minimal country (where applicable), sector/industry and security dispersion in every account.

In addition to identifying and controlling investment risk, we have the objective of maintaining an independent organisation structured to help our clients accomplish their investment objectives.

- **Operational Risk:** An implemented Risk Management Framework supports the business in identification, evaluation, and management of risks from business operations. Ongoing risk assessment is supported by processes that enable the identification of new risks and the impacts of change, so that consistent and up to date reporting to senior management may be facilitated by the governance committee structure in place. In order that risk management processes support the achievement of regulatory compliance, appropriate conduct, and satisfactory client outcomes, a Policy Framework sets out the rules and guidelines for all employees and development of a risk culture is reinforced by ongoing training. A business continuity programme, incorporating disaster recovery, increases our ability to remain operationally resilient.
- **Enterprise Risk:** The Fisher Group's Enterprise Risk Management Group partners with business units to create a consistent framework for addressing all risk types. Specifically, their role is to help business units identify, assess, manage, monitor and report on risk management activities. Though business units are ultimately responsible for managing their risks, the Enterprise Risk Management Group offers guidance and insights that facilitate a structured, consistent, and holistic approach to risk management. In further detail, the Enterprise Risk Management Group leads five key processes:
  1. Risk and Control Self-Assessment: Business units assess their material risks, the related impact upon risk occurrence, and work with the Enterprise Risk Management Group to determine the effectiveness of their control environment;
  2. Risk Event Management: When a risk event occurs or nearly occurs, the Enterprise Risk Management Group conducts a review with the business unit to create an appropriate action plan that mitigates the impacts and helps prevent future occurrences;
  3. Risk Issue Management: When a risk that could impact the firm is identified by front line employees, risk issues are managed to prevent actual impact occurrence, and reported to management as well as the Enterprise Risk Management Group;
  4. Business Change Activities: For business process or system change, risk assessment output is reviewed to support informed decision-making;
  5. Third-Party Risk Management: Review and management of related risks to ensure that only appropriate third parties are on-boarded and maintained.
- **Information Security & Cyber Risk:** The Information Security function implements and maintains specific controls to identify potential threats and prevent impacts to firm's infrastructure and

data. Periodic risk assessments are undertaken to address risks and identified gaps outlined internally and by third-party external auditors. Incident response management has been implemented, providing information as to the effectiveness of controls, and is supported by regular, mandatory employee training. Fisher Group systems have been designed to identify cyber (IT) attacks and prevent the infiltration of malware, including viruses and Trojans, as well as direct attack from unauthorised access or disruption.

- **Information Technology:** Periodic Risk Assessment involves contributions from multiple business functions, to reflect strategic change initiatives, and opportunities and threats identified from an assessment of the internal and external environments. An Incident Management process provides system infrastructure performance data to underpin the risk assessment and operational resilience capability.
- **Data Privacy:** A global Privacy Programme has been implemented to ensure that business and data protection processes are designed accordingly and enable compliance with regulatory principles and expectations. The global Privacy Programme is based on an industry recognised framework that accommodates for industry or jurisdictional nuances and is tested and reviewed on an annual basis. To help ensure the security of client information, relevant Policies and Procedures are in place, and these are supported by Transport Layer Security (TLS) encryption for email communication between the Fisher Group and its custodians preventing an unauthorised party from viewing the data, and mandatory password-protected, access to document transmission applications and, encrypted file attachments for emails to all other parties (clients, prospects, third parties, etc.). In addition, the global Data Privacy Office advises on data privacy risks through various risk gateways along with other risk stakeholders.

## Promoting a Well-Functioning Financial System

### **Stewardship & Industry Initiatives**

From a stewardship perspective, our engagement activities and our participation in global responsible investment (RI) initiatives each play a role in promoting a well-functioning financial system. For example, corporate engagement is an important tool to ensure the companies we invest in are appropriately managing relevant financial and ESG risks at the corporate level. Holding each company to account for managing their own individual risks contributes cumulatively to reducing market-wide risks. FI and its subsidiaries participate in networks such as the Principles for Responsible Investment (PRI), the UN Global Compact, and the Climate Action 100+. In 2024, we also joined the Institutional Investors Group on Climate Change (IIGCC) and Responsible Investment Association Australasia (RIAA)<sup>6</sup>. These groups monitor industry trends, including proposed regulation, and offer varying advocacy. We also participated in Working Groups and Roundtables, such as the Land Use and Climate Change, and Public Policy working groups, providing us the opportunity to share our perspectives on various ESG topics. We are also in direct communications with regulators globally.

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Further, we have extended our stewardship efforts beyond the scope of our clients, investments, and global RI initiatives. In 2024, we continued connecting with additional industry peers on relevant hot topics and emerging risks in the RI universe.

## 2024 Outcomes

FI's Vice President of Responsible Investments joined the MSCI Sustainability Regulatory Advisory Panel in 2024. The panel is made of global industry experts meeting twice yearly (virtual) to create 'a space for senior stakeholders from leading financial institutions to come together, share their views on market and regulatory trends as well as discuss potential challenges around the evolving sustainability regulatory environment in the EU'. The group's (unpaid) activities would primarily influence MSCI's internal regulatory product offerings/methodologies and is not meant to influence EU regulators directly.

In Q2 2024, FI joined the Discussion on National Action Plan on Responsible Business Conduct. In this discussion, FI joined a group of investors to provide feedback on a government-sponsored National Action Plan for conducting business responsibly. The conversation focused on the challenges of promoting responsible business conduct and how to identify key priorities in a large, complex organisation. FI shared insights learnt from its corporate engagement activities and how it has worked with companies on this topic.

In Q4 2024, FI partnered with 100 Women in Finance and the Responsible Investment Australasia Association (RIAA) to host professional development seminars in Sydney and Melbourne on the topic of Corporate Engagement. Attendees learnt about the importance of engagement, what constitutes best-in-class engagements, and how engagement enhances the work of portfolio managers.

We periodically provide our views via comment letter on proposed rules or regulations, including a 2024 Consultation with the Capital Market Authority in Saudi Arabia.

## **Investor Education and Communication**

We believe investor education and publicly sharing our market insights are important tools in a well-functioning financial system. This view is reflected in our Vision Statement (see Principle 1) which identifies unparalleled service and continuous education as two of the ways we seek to better the investment universe. Members of the IPC and Research Department have written 30 books, including 11 from our founder, Ken Fisher. The IPC's commentary and market perspective are available through periodic media publications in several languages and through client seminars hosted throughout the year. In addition, FI's market commentary is publicly available on our [website](#) and our [YouTube channel](#).

In addition, we collaborate with our clients (a primary stakeholder) to create customised seminars, webinars, and/or written presentations tailored to their interests and topics of preference, including

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market and systemic risks. As an organisation, we are committed to educating our clients on the latest market events, and we encourage clients to use our research capabilities and leverage our resources as an extension of their own organisation.

We also create customised research pieces and educational materials for our clients. We provide in-depth quarterly reporting and global market commentary and outlooks to our clients. We share a vast library of investment training and global market research with our clients, and we are continually producing leading commentary and insights on investment management innovation.

Below you will find an overview of the ways in which we identified and responded to market-wide and systemic risks in 2024, and how we shared this research accordingly:

## 2024 Outcomes

Below are some of the market-wide risks and topical subjects that we identified and shared with our investor base in 2024 through our Quarterly Reviews:

### Q1 2024:

- A Resilient New Bull Market
- Improving Sentiment
- Politics is a Tailwind in 2024

### Q2 2024:

- US Presidential Fourth Year Terms are Overwhelmingly Positive
- Why We Don't Think AI makes Utilities a Growth Play
- Sentiment Still Isn't Euphoric

### Q3 2024:

- 2024 is Unfolding as Expected
- The UK's Overlooked Economic Resilience
- Are the Usual Recession Indicators Broken?

### Q4 2024:

- Where Fundamentals Stand Entering 2025
- US Gridlock Persists Post-Election
- Variable Early Forecast

FI continued to build out and use a recurring report known as the 'Regulatory Monitor' to monitor proposed and newly implemented regulations to better identify threats with potential surprise power. The Regulatory Monitor acts as a periodic review of proposed and newly implemented regulation/legislation in an effort to support the Research Group's ongoing effort to identify large and underappreciated threats with significant unintended consequences & surprise power (e.g. systematic

risks). The Research team categorises and focuses on trends in regulatory action then monitors specific political, regulatory and legislative action within each category. The monitor's focus categories are chosen qualitatively and change over time. As of the end of 2024, the Regulatory Monitor's focus categories include Low-Carbon Transition, US-China Relations and Tech Regulations.

The Capital Markets Conditions Monitor acts as a periodic review of measures related to market liquidity, access to credit and money supply to support the Research group's ongoing assessment of overall capital markets relative health/stresses. The monitor includes quantitative data related to measuring market function, access to credit and money supply. Examples of items monitored include, but are not limited to, bond and equity market liquidity, trading spreads, volatility metrics, credit spreads, aggregate debt to asset and interest coverage ratios, money supply, and yield spreads.

Throughout the year, Ken Fisher and other senior Fisher Group employees made TV appearances on various channels such as CNBC, BBC, Bloomberg, CNN, and Fox Business or published articles to share our latest thinking on global capital markets and current events:

- 'How I learned to stop worrying about the national debt – even though it's \$35 trillion' – Ken Fisher published a column in the *New York Post*.
- Ken Fisher appeared on Sky News Australia's 'Weekend Edition' to discuss the potential implications of Trump's election victory on global markets, examining the impacts of his proposed tariff policies and his softer stance on cryptocurrency regulation.
- Aaron Anderson appeared on CNBC Asia's 'Capital Connection' where he discussed the recent stimulus announcement in China and its impact on the Chinese economy, monetary policy trends in the US and globally, and the possibility of rate cuts in the US.
- Ken Fisher appeared on Sky News Australia's 'Weekend Edition' to discuss the Fed Chair signalling lower interest rates coming.
- Ken Fisher appeared on Fox News' 'Cavuto Live' with Neil Cavuto where he discussed the presidential election, anticipating interest rate cuts, and the battle over inflation, economy, and the job market.
- Aaron Anderson appeared on Cheddar's 'Opening Bell' where he discussed today's (29/05) opening market volatility, 'Sell in May' and the decoupling between the Fed's actions and the market's reactions.
- Aaron Anderson appeared on CNBC Asia's 'Capital Connection' where he discussed Fed cut expectations and how this impacts the current bull market as well as what this means for global bonds.
- Aaron Anderson appeared on Reuters 'Market Insights' where he discussed whether or not the current bull market rally is too good to be true and if we expect less volatility with familiar US presidential candidates.

Throughout 2024, we provided coverage on the US election and elections around the world. We continued to provide updated commentary throughout the year and following the elections. We also commented on other international headlines, such as the Yen Carry Trade. Examples include:

- MarketMinder – February 2024 – Germany's Election Results in Gridlock

- Market Minder – June 2024 – Wrapping Up Early 2024's EM Election Flurry
- MarketMinder – July 2024 – Bond Markets Weigh In on July's Elections
- MarketMinder – August 2024 – The Bull Market Isn't Banking on the Yen Carry Trade
- MarketMinder – November 2024 – Our View of America's Election and Markets

In 2024, we continued to deliver our video series entitled 'Macro Minutes'. Whether our investors are interested in investment planning tools, or simply enjoy learning about the markets, these short videos are meant to provide topical education in a quick, easily digestible fashion. Throughout the reporting period, we produced five Macro Minutes videos, covering topics such as 'Will AI Spending Generate ROI?'

Macro Minutes videos are available to all clients and prospective investors through our public website. This website is also host to FI's ESG Newsletters, topical White Papers, and RI-related Media Releases.

Throughout the year, we continued to host and expand our *Market Insights* podcast. Our *Market Insights* podcast provides our latest thinking on global capital markets and current events.

## Assessment of Effectiveness

As a training and knowledge-orientated organisation, our service philosophy begins with a commitment to transparency and responsiveness. We pride ourselves on our commitment to education and make special efforts to present our views on global markets regularly, especially in relation to market-wide and systemic risks. We believe that sharing our risk analysis and research globally, in conjunction with our organisation-level efforts to manage internal risk, contributes positively to a well-functioning financial system.

In past submissions to the UK Stewardship Code, we noted the need to improve our dissemination of research related to market-wide and systemic risks to external organisations. We have continued to make progress in this area by sharing our research through additional global platforms, joining additional industry working groups, hosting open-invite webinars, and by sharing our market commentary even more globally – as of 31 December 2024, Ken Fisher's financial columns are shared in 25 countries, across 25 publications, in 14 languages. This is a 79% increase since 31 December 2020 (the initial reference period of the Fisher Group's first report put forth to the UK Stewardship Code 2020).

Looking forward, we believe we can continue to build on this knowledge-sharing initiative. As a privately held organisation, we believe our primary role in promoting well-functioning financial markets is through educating our clients and potential future clients. However, we understand the merit in sharing our unique global analysis more broadly, as knowledge-sharing has the power to promote a healthier financial system.

Please refer to our examples of collaborative engagement in Principle 10 for more information on how we have engaged with other external stakeholders.

## PRINCIPLE 5: PURPOSE AND GOVERNANCE

*Signatories review their policies, assure their processes and assess the effectiveness of their activities.*

Our policies (including those related to stewardship), are reviewed annually, and we use compliance monitoring and auditing to provide assurance that our processes are effective.

The Fisher Group has a management structure designed to allow open lines of communication throughout. FI's CEO is generally responsible for oversight of all key operating decisions, together with input from the firm's Executive Chairman. Senior Management is supported by numerous Senior Executive Vice Presidents (SEVPs), Executive Vice Presidents (EVPs), and other Vice Presidents (VPs). Each of these individuals is responsible and accountable for a material part of firm operations and the ultimate success of their respective departments. On a periodic basis, specialised committees provide oversight for specific areas by reviewing issues and evaluating policies and procedures. In relation to stewardship policies, this includes our internal Responsible Investments & Engagement vertical, ESG Specialists in our Portfolio Management Group, and our Responsible Investments Committee (where applicable).

### Compliance Monitoring

Our Compliance and Internal Audit Departments perform both periodic and forensic testing of our written policies and procedures at least once a year. This process is supervised by the respective heads of compliance for each Fisher Group entity. Members of the Law and Compliance Department communicate with members of FI's Investment Policy Committee (IPC) to help ensure we are fulfilling our fiduciary responsibilities to clients.

Our stewardship responsibilities and activities align with the following policies:

- [\*\*ESG Policy Statement\*\*](#): describes our approach to ESG and how it is integrated into our investment process;
- [\*\*Engagement Policy\*\*](#): (includes Proxy Voting Policy): describes our active ownership programme, including the issues we engage on, how we identify engagement opportunities, and our proxy voting policy;
- [\*\*Shareholder Rights Directive II Engagement Policy\*\*](#): describes how we integrate engagement into our investment process;
- [\*\*Engagement Framework Policy\*\*](#): internal document used to guide internal engagement operations, including monitoring, pre-engagement conflicts of interest checks, escalation strategies and reporting requirements.

In 2024, we continued adherence to our policies to ensure our stewardship policies and procedures are fair, balanced, and understandable. Our published reports are reviewed by the Compliance Department prior to publication to ensure the information fairly and accurately describes our engagement activity. We continued to publish quarterly engagement and proxy voting disclosures to maintain our transparency.

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Auditing is another tool we use to ensure adherence to our processes and fairness in our reporting.

## Internal Assurance Example #1:

### 2024 Outcome

An Internal Audit Team in our Law and Compliance Department conducts an audit each year of our external Responsible Investment (RI) reporting. The objective of this internal audit is to obtain verification that we accurately and fairly described our RI/ESG-related policies, activities and data. In 2024, the Internal Audit Team audited our most recent PRI submission. In 2025, the Internal Audit Team audited our most recent UK Stewardship Code submission.

We have historically evaluated several options to verify our external reporting, encompassing both internal teams and external vendors. Ultimately, we've continued to agree that using our independent, internal auditor repeatedly provides a timely, cost-effective review that is consistent in quality to an external auditor. The aforementioned audits were both successfully completed, and no concerns were found with our most recent PRI and UK Stewardship Code submissions. We received clean audit reports in both 2024 and 2025.

## Internal Assurance Example #2:

### 2024 Outcome

Our UK-based Law and Compliance Department oversaw the implementation of firmwide compliance with the newly rolled out 'Anti-Greenwashing Rule' per Rule ESG 4.3.1R, including processes for marketing & content teams across both institutional and retail business units at the firm.

## Proxy Voting Audit

We completed a proxy voting audit each quarter in 2024 to review our voting exercise rates as well as the vote overrides from our Investment Policy Committee. The results were presented to our Proxy Voting Committee for review. The Committee serves as the control point for all decisions relating to proxy voting. The Committee meets quarterly and as needed to review and analyse proxy voting records provided by our third-party proxy voting service, ISS, with respect to the adequacy and effectiveness of the Proxy Voting Policies and Procedures, and any proposed changes thereto are documented in the meeting minutes and kept in the Committee's records. Results of the proxy audit are discussed in Principle 12.

Please see the next page for additional examples.

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## Internal Assurance Example #3:

### 2024 Outcome

An Internal Audit Team in our Law and Compliance Department conducts annual audits of stewardship-related activities including our Proxy Voting Policy & Procedures, our Meeting with Issuers and External Parties Operating Procedures, and our Guideline Exception Escalation Operating Procedures.

## External Assurance Example:

### 2024 Outcome

Our Institutional Group uses independent, outside professionals to semi-annually audit and test the suitability and design of our investment management controls and functions, including forensic testing of our Proxy Voting process/services. These audits are included in our System Organisational Control (SOC 1) Report, which is available to our institutional clients upon request.

Our policies are written in consultation with many internal teams before being reviewed by management. Final approval and ongoing monitoring are conducted by our Law and Compliance Department.

## PRINCIPLE 6: INVESTMENT APPROACH

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

### Diverse Client Base, by Geography and Asset Class

As of 31 December 2024, FI and its subsidiaries, including FIE, managed over £238 billion. This includes over 171,000 private, high net worth clients and institutional assets valued at over £45 billion. Within our Institutional Group, we managed over £16 billion in assets with ESG, climate, impact, or values-based investment guidelines across all our strategies.

Below you will find **geographic** breakdown of our assets under management (AUM):

Region	Firm AUM By Client Domicile (Millions)	Institutional AUM By Client Domicile (Millions)	High Net Worth Client AUM By Client Domicile (Millions)
US	£183,398.6	£11,228.3	£172,170.3
Europe (including UK)	£37,344.7	£19,052.0	£18,292.7
Middle East	£3,306.7	£3,306.7	£0.0
Asia	£9,772.7	£9,771.4	£1.4
Canada	£3,027.5	£1,065.1	£1,962.4
Australia	£1,785.7	£1,280.8	£505.0
Latin America	£4.7	£4.7	£0.0
Other*	£122.6	£122.6	£0.0
<b>TOTAL</b>	<b>£238,763.2</b>	<b>£45,831.5</b>	<b>£192,931.8</b>

\*Other includes Cayman Islands and Mauritius.

*Of note, institutional AUM, as referenced in this material, includes separately managed accounts for institutional investors and commingled vehicles which, dependent on vehicle type, may allow for both institutional and retail investors.*

Below you will find the **asset class** breakdown of our assets under management. For further information on our investment approach and stewardship practices in relation to both Listed Equity and Fixed Income asset classes, please see Principle 7.

Asset Class	Total AUM (Millions)	US (Millions)	Europe & UK (Millions)	Middle East & Asia (Millions)	Other* (Millions)
Equity	£221,088.4	£167,695.7	£35,579.5	£13,079.5	£4,733.8
Fixed Income	£15,675.1	£14,088.6	£1,415.3	£0.0	£171.1
Cash	£1,999.7	£1,614.3	£349.8	£0.0	£35.6
<b>TOTAL</b>	<b>£238,763.2</b>	<b>£183,398.6</b>	<b>£37,344.7</b>	<b>£13,079.5</b>	<b>£4,940.5</b>

\*Other includes Australia, New Zealand, Canada, Latin America, Mauritius, and Cayman Islands.

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*All assets as of 31/12/2024 are preliminary and subject to final reconciliation of accounts. Pound Sterling asset values were calculated by using the USD-GBP exchange rate as of 31/12/2024. Source: FactSet. Includes all assets managed by Fisher Investments (FI) and sub-managed for its wholly-owned subsidiaries as of 31/12/2024. FI and its subsidiaries consist of three business units – Fisher Investments Institutional Group (FIIG), Fisher Investments US Private Client Group, and Fisher Investments Private Client Group International.*

## Understanding the Investment Time Horizon

Our investment time horizon is directly linked to the time horizon in which FI evaluate risks. Generally, we seek to invest in companies that we expect to perform well for at least the current portion of the market cycle. This can be anywhere from several months to several years. Because equity markets discount future risks rather than waiting for actual events to occur, we also consider future risks beyond our time horizon. The degree of anticipation required depends on the risk in question. Our Relationship Managers work extensively with our clients to ensure our investment time horizon is appropriate for their needs.

Through our top-down investment approach, we take a high conviction, low turnover view to the investment time horizon. We expect portfolio turnover to average approximately 25% per year over a full market cycle, with higher turnover in periods when we make major strategic shifts. Short-term market conditions are unlikely to change our fundamental outlook. If medium to longer-term changes in market conditions are anticipated, such as a prolonged bear market, then periods of higher turnover would occur, reflecting fundamentally driven repositioning of portfolios. This style of portfolio reconfiguration is indicative of our aim to maintain successful investment strategies in the long-term.

## Client Views, Input, and Communication

Our straightforward client service approach allows clients to determine their preferred level of service. This is done by directly, and proactively engaging, with new clients to understand their requirements and preferences at the onset of a relationship, and by continually gauging our level of service during regular meetings thereafter. In general, our client service communications include proactively scheduling quarterly calls/in-person meetings, providing portfolio reviews, detailing portfolio posture and capital markets outlook, communicating with investment consultants, and coordinating resources on the client's behalf based on individual needs. Our client communications include a suite of customised portfolio reporting, including a variety ESG reporting, provided at a cadence determined by the client. In addition to monthly, quarterly and annual reporting, we regularly provide custom and ad hoc reports when requested by clients, and where we believe reporting may enhance the client's understanding of how we are managing their assets. Portfolio reporting generally includes information such as performance and attribution, portfolio weights, transaction details, valuations and engagement reports. Please find snapshots of our engagement reporting below:

## ENGAGEMENT HIGHLIGHTS

### ENVIRONMENTAL & GOVERNANCE ENGAGEMENT

	<b>SECTOR:</b> INDUSTRIALS
	<b>TOPIC:</b> CLIMATE RISK BIODIVERSITY EXECUTIVE COMPENSATION
	<b>STATUS:</b> OBJECTIVE ACHIEVED - ONGOING

**OBJECTIVE**  
Seek updates on FI recommendations following a previous meeting in Q4 2023.

**SUMMARY**  
The US steel producer operates across three segments: steel operations, metals recycling operations and steel fabrication operations. The company wants to be a leader in sustainability. It works on projects every day to reduce emissions and has "move the needle" projects to drive larger change.

**Climate Change Strategy:** The company has a goal to achieve net zero emissions by 2050. FI previously inquired how the company plans to achieve this and if it will publish information so investors can follow the progress it makes. The company's 2023 sustainability report describes how the construction of a bicoal facility will be used as a lower carbon replacement for onthropic steelmaking operations, which could result in as much as a 35% reduction in its steel mill's Scope 1 GHG absolute emissions. In addition, the company signed the Iron and Steel Energy Purchase Agreement in the North American steel industry, equivalent to approximately 15% of steel mills' electricity usage in 2023. This is expected to meaningfully contribute to a long-term reduction of Scope 2 GHG emissions intensity.

FI previously inquired if the company had considered external validation of its targets. The company has been working with The Global Steel Climate Council (GSCC) on a draft framework over the past year and received certification for its Science-Based Emissions Target in October 2024. The company was the first company to receive this and worked with GSCC to build out the framework. As part of this consultation, GSCC determined it needed to make the framework more robust and added more criteria to fulfill.

FI inquired how the company aligns its capital expenditures to meet its longer-term targets. Larger capex spend are approved by the board, and those linked to sustainability targets have a lower hurdle rate, although the business still expects to see a return on those. In addition, sustainability programs are supported by smaller capex allocations that are at management's discretion.

**GHG Emissions:** FI had previously inquired if the company is setting targets for Scope 3 emissions. The company noted that to achieve GSCC certification, an upstream Scope 3 emissions target is required.

**Toxic Emissions:** FI requested an update on whether the company has set targets related to its toxic emissions as previously recommended. To date, it has focused on GSCC certification but views the topic as important and it intends to address it soon. FI encouraged it to provide more disclosure in future reporting.

**Executive Compensation:** FI inquired if the company has made progress in building sustainability KPIs into executive compensation. It is working on this but still needs to determine a way to accurately quantify the targets.

**OUTCOME**  
Ongoing engagement. The company has set a Scope 3 emissions reduction target as well as having its broader targets verified by GSCC, both marking **achieved objectives** in the engagement. FI recommended the company set targets related to biodiversity and intends to follow the progress the company makes.

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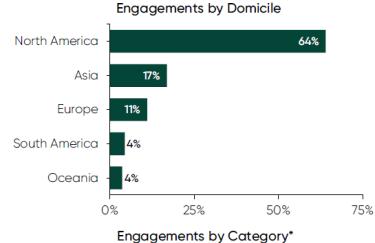
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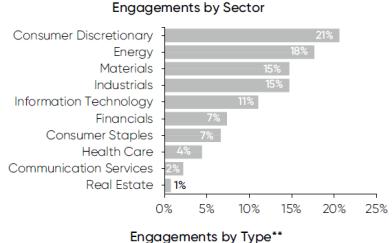
### ENGAGEMENT DISTRIBUTION

We engage across a range of geographies, topics and sectors, as shown below. We also conduct corporate engagement individually, collaboratively and alongside our institutional clients through our client co-engagement service offering.



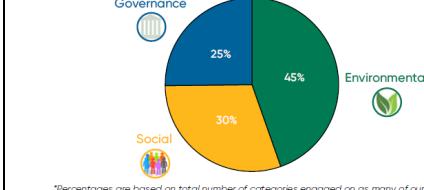
**Engagements by Domicile**

North America	64%
Asia	17%
Europe	11%
South America	4%
Oceania	4%



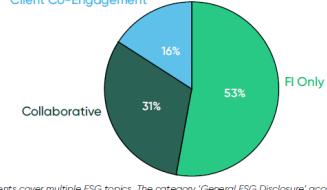
**Engagements by Sector**

Consumer Discretionary	21%
Energy	18%
Materials	15%
Industrials	15%
Information Technology	11%
Financials	7%
Consumer Staples	7%
Health Care	4%
Communication Services	3%
Real Estate	1%



**Engagements by Category\***

Environmental	45%
Social	30%
Governance	25%



**Engagements by Type\*\***

Client Co-Engagement	16%
Collaborative	31%
FI Only	53%

\*Percentages are based on total number of categories engaged on as many of our engagements cover multiple ESG topics. The category 'General ESG Disclosure' accounted for <1% of engagement meetings during 2024.

\*\*Percentages based on total engagement meetings with individual issuers in addition to total clients that participated in these co-engagement meetings during 2024.

Source: FI data using Focaset domicile and sector designations. Percentages above may not add up to 100% due to rounding. Data indicated above are based on engagement meetings for all institutional clients of Fisher Investments and its subsidiaries, trailing one year, as of Q4 2024.

We encourage our institutional clients to consider our resources as an extension of their own organisation, and this includes assisting with their stewardship objectives. Our actions include using client co-engagement, which allows us to conduct engagement alongside our clients or invite clients to request that we engage a company on their behalf. This collaboration also allows our clients to experience first-hand how our engagements can lead to outcomes. We facilitate the engagement by conducting all the background research, handling meeting logistics and leading the dialogue. Clients select the company(ies) to engage and choose the level of participation that suits their needs – either as a Signatory or an Active Participant. In instances where our clients vote their own proxies but have questions about a particular vote, we evaluate the item and provide a detailed assessment for their consideration.

## Client Feedback

Below are recent examples from 2024 encompassing how we have listened to our client's views and taken action accordingly. Please note, we do not utilise external managers in any capacity.

**Client Feedback Example #1:** We seek to provide clear and constant communication channels to our clients. Through these open lines of communication, we aim to learn about client views, especially in the continuously evolving space of responsible investing. Through these ongoing conversations, we have the opportunity to take account of our clients' current (or future) wants and needs and immediately take action.

### 2024 Outcome

In 2024, one of our institutional clients in Iceland requested our assistance in building out their ESG capabilities. The client's newly appointed Head of Responsible Investing requested our thoughts on developing an ESG team, ESG reporting, depth of research, and processes (in regard to both ESG and Engagement). The client continues to rely on the resources we have shared with them as they build out and expand their first ESG team.

**Client Feedback Example #2:** Asset owners are increasingly interested in understanding the real-world outcomes of their investments. FI specialises in client co-engagements – a collaboration allowing clients to experience first-hand how corporate engagement can lead to positive outcomes. In co-engagement, clients partner with FI to determine which relevant ESG issues they are most interested in engaging on and use this to identify specific companies in their portfolio as engagement targets. FI facilitates the engagements by conducting background research, handling meeting logistics and leading the dialogue.

### 2024 Outcomes

We continued to receive positive feedback from multiple clients on the quality of our co-engagement efforts in 2024. Following a European client asking us to run engagements on their behalf, they asked us to run some targeted engagements on anti-microbial resistance (AMR). This was a topic we had already been working on, and we identified names in their portfolio to engage on this topic. The client notified us that we had filled a gap in their coverage and continued to commend the quality of our work.

A Dutch institutional client approached us about hosting co-engagements in 2024, specifically with companies we did not own in our portfolios. We were happy to support the client in this venture. We worked with our client to host multiple co-engagement projects on companies the client wanted to take a deeper look at; they appreciated our perspective and look forward in working together on future ESG projects.

**Client Feedback Example #3:** In 2024, we strengthened our corporate engagement programme by building on in-person engagements at companies' offices and areas of operations. Through these visits, we gained enhanced visibility and a refined perspective on the ESG risks and opportunities faced by the companies we invest in. The focus is on meeting directly with the various departments the IR and Sustainability teams had referenced in previous virtual meetings.

## 2024 Outcome

Nearly all our clients that participated in co-engagement have requested additional co-engagement opportunities. The volume of activity in the programme tripled from the previous year.

**Client Feedback Example #4:** In the rapidly growing responsible investing and stewardship spaces, we believe it is incredibly important to provide opportunities for education not only to our immediate client stakeholders, but to a larger investment base as well. We aim to provide these educational opportunities across many different mediums, such as virtual webinars, forums, in-person meetings, conferences, etc.

## 2024 Outcomes

In Q4 2024, we hosted a group of clients and prospective clients in our London office for an Investment Seminar. Part of the agenda was a panel discussion with a member of the IR&E team and one of our clients we work closely with, moderated by the RI Programme Manager. Participants learnt how the Fisher Group collaborates with clients and the broader industry, and gave them the opportunity to gain insights into our stewardship programme.

We pride ourselves on providing educational opportunities for clients to become more informed investors regardless of assets under management. One of our Mauritian institutional clients asked us to host a session on 'The Basics of Responsible Investing', with the objective of educating their underlying clients on ESG strategies. In June 2024, two members of FIIG's RI vertical presented to the client's senior management team and they were grateful for our contributions to the conversation.

**Client Feedback Example #5:** Responsible investment is constantly evolving, and some institutional clients have expressed a want for globally recognised ESG verification standards. To address their feedback and to ensure our strategies meet our clients' expectations, we began pursuing ecolabel certifications for a select number of our strategies in 2020. The application process includes examination by an external auditor to ensure the strategy meets an ecolabel's strict criteria, both prior to certification and annually thereafter. In order to remain certified, we must pass periodic compliance checks throughout the year, complete annual re-certification processes, and for certain ecolabels, host on-site audits every three years. Please note, we continue to evaluate these opportunities and may no longer pursue if we find restraints on the portfolio universe too limiting for our investment process.

## 2024 Outcome

To ensure our strategies meet our clients' expectations, we actively retain ecolabel certification(s) for a select number of our funds/strategies. The application process includes examination by an external auditor to ensure a financial product meets the label's strict criteria.

We achieved the Austrian Österrichisches Umweltzeichen (Ecolabel UZ 49) certification for the FI Institutional Emerging Markets Responsible Equity Fund<sup>12</sup> in 2020, and have maintained that status through 2024.

We achieved the Towards Sustainability Label certification for the FI Institutional Emerging Markets Responsible Equity Fund<sup>7</sup> in 2021 and have maintained that status through 2024. Further, this ecolabel adopted enhanced standards for their signatories in 2024, and our Fund successfully met the new standards.

In addition to regular, proactive communication with clients, we conduct structured client surveys to ask about their experience and how we might serve them better. Clients surveyed consistently indicate our service exceeds their expectations due to our frequency of contact, research provided, and service-minded relationship managers.

## Stewardship Communications

Client feedback is an integral part of our business practices; it informs our stewardship activities and helps ensure that our activities align with our clients' priorities. We conduct customised meetings and/or provide written presentations, which are tailored to a client's interests and topics of preference. Further, we provide a range of standard and custom ESG reports to our clients in order to communicate progress of managing assets in alignment with their stewardship goals.

Below are examples of the types of reports we provide, frequency, and information included in the reports:

- **Quarterly Engagement Reports** featuring engagement metrics and case studies. Clients are able to see the companies engaged, a summary of the discussion, and any milestones achieved.
- **Quarterly Proxy Voting Reports** that disclose our voting activity by geography, by issue and by percentage of votes against management.
- **Custom Reports:** In addition to customised engagement and proxy voting reports, we provide ESG Score Reports, Carbon Footprint Reports, Impact Reporting and ESG Attribution Analysis versus the benchmark.
- **Quarterly Review** featuring in-depth global market outlook commentary.

Based on client need, we are able to provide the aforementioned reporting on the frequency best suited to our clients' requirements (e.g. monthly, semi-annually, annually, etc.).

## PRINCIPLE 7: INVESTMENT APPROACH

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

Since the inception of FI's first investment strategies in the 1990s, FI has qualitatively reviewed non-financial ESG factors alongside financial data on companies. Such considerations are an important element in contributing towards investment returns and an effective risk-mitigation technique. As we have grown, financially material ESG factor integration has taken an increasingly prominent role in FI's fundamental investment analysis from both a bottom-up and top-down perspective. FI takes a client-centric approach to Responsible Investments (RI) and is dedicated to continuously improving our RI capabilities and offerings to meet and exceed ESG clients' expectations.

Specifically, within ESG portfolios, we believe ESG investors are best served by a multi-faceted approach to ESG integration. Consistent with our overall investment process, we believe the most robust ESG portfolios result from considering both top-down and bottom-up financially material Sustainability and ESG factors, establishing minimum ESG standards for the investment universe, setting portfolio targets for items such as carbon reduction or ESG scores, voting proxies consistent with our ESG clients' goals, and engaging with companies in areas in line with our clients' ESG priorities.

Our research efforts are also aligned with our clients' ESG goals. ESG factors are amongst the many drivers considered by FI's Capital Markets Analysts (responsible for top-down research), Securities Analysts (bottom-up research), Capital Markets Innovation Analysts (theoretical research), Portfolio Engineers (product specialists), and Investment Policy Committee. Further, where appropriate, our responsible investment activities are integrated into several of our teams, including the Responsible Investments and Investor Responsibility and Engagement teams, and the Client Guidelines and Assurance team.

### ESG Integration in the Investment Process

FI evaluates and integrates financially material ESG information throughout the investment process to help reduce risk and/or enhance returns.

In the top-down portion of our investment process, ESG information is amongst the many drivers considered by FI's Capital Markets Analysts and IPC when developing country, sector, and thematic preferences. Environmental regulation, social policy (e.g. public health), demographics, economic and market reforms, social unrest and geo-political stability, government corruption, and labour and human rights are examples of ESG information considered, when relevant, in determining country and sector/industry allocations.

In the bottom-up portion of the investment process, Securities Analysts covering specific industries conduct their bottom-up fundamental research on prospect lists of companies. This process includes a strategic attribute review seeking firms with underappreciated competitive or comparative advantages relative to their peers via FI's unique, proprietary analysis. This proprietary analysis may include a review of a company's exposure to environmental thematic opportunities such as those related to the global low carbon transition (e.g. energy efficiency, alternative energy, electrical vehicle trends, green building

# FISHER INVESTMENTS EUROPE™

and sustainable water management) or social thematic opportunities such as those related to trends in social and economic mobility (e.g. education, shifting consumer preferences, access to basic needs, infrastructure development). The fundamental review process also includes an operational risk assessment used to identify potential risks unrelated to valuations or day-to-day management. Examples of operational red flags include many off-balance-sheet items, environmental controversies, human or labour rights controversies, and corporate governance controversies. Generally, FI would choose not to invest in companies when, in its opinion, security-level issues: (i) violate a client mandated exclusion policy or (ii) present an inordinate risk to a company's operational or financial performance or (iii) appear to present undue headline risk to share price performance.



FI's IPC, with the assistance of FI's Securities and Capital Markets Analysts, determines the materiality of ESG risks and opportunities, which may influence country, sector, and individual security weightings. FI's strategy and positioning reflects our outlook over the next 12–18 months. FI believes its ESG integration can help enhance portfolio relative performance, particularly in modifying exposure to countries, industries, and securities whose value may be materially impacted by an ESG risk or opportunity.

## Integration across Geographies, Asset Classes, and Funds

Our integration of ESG considerations in the investment process is overseen by the IPC, who collaborate closely with our Portfolio Engineers to ensure themes and considerations are best reflected in each strategy. Integration is generally consistently applied across geographies, asset classes, and financial products (i.e. funds, separate accounts).

## Geographic

In the application of ESG integration, when geographic differences occur, they are driven primarily by differences in local, regional or country (where applicable) business norms/regulations and by the observation that certain ESG risks may be more material in some geographies. For example, a one-size-fits-all approach may not be either appropriate or possible given the dispersion in non-financial data reporting practices between Emerging and Developed markets companies.

## Asset Classes (i.e. Fixed Income)

From an asset class perspective, the detailed description of our process above is primarily relevant to our management of listed equities (which accounts for the vast majority of assets under management at FI). ESG integration also occurs during our fixed income investment process, however the majority of our fixed income assets are managed in pooled vehicles such as ETFs. FI selects fixed income investments (primarily ETFs) to be included that are consistent with FI's market views about country, sector, industry, duration, yield curve, and credit quality positioning and are most likely to generate the highest expected returns and to control risk relative to the benchmark. As part of the initial and ongoing due diligence process, when considering investments, FI focuses on information including but not limited to, a fixed income ETF's benchmark, its underlying holdings and the degree to which the characteristics of the investment are aligned with FI's market views. Weights to fixed income ETFs in individual portfolios may also be influenced by the assessment of financially material ESG risks and opportunities as derived from the research group's assessment more broadly. Over time, we expect our business to evolve towards management of fixed income strategies with an ESG focus that use individual securities. In such strategies we seek ways to integrate ESG considerations in a manner more consistent with our ESG integration in listed equity strategies.

## Financial Products (i.e. Funds, Separate Accounts)

Within the financial products that we offer, whilst the integration of financially material ESG considerations is consistent, we offer many different responsible investment strategies with varying non-financial sustainability characteristics (i.e. differing screens, sustainability objectives, and carbon reduction objectives) versus others. The varied interests of our clients, benchmark preferences, and client-provided responsible investment policies primarily drive these differences in our financial products.

## **ESG Minimum Standards**

For separate accounts, within our ESG strategies, we are able to refine prospective security lists further by applying ESG minimum standards (mechanical ESG screens) to the list of prospective securities, using clients' custom restrictions lists, MSCI ESG Research, and other data sources. Below is a sample of mechanical screens that can be incorporated. Ultimately, we work closely with each client to establish a bespoke restriction list aligned with their preferences.

## SAMPLING OF AVAILABLE MECHANICAL SCREENS

DEFENSE & WEAPONS	BUSINESS ACTIVITIES	GLOBAL SANCTIONS	GLOBAL NORMS AND CONVENTIONS & ESG CONTROVERSIES
<p><u>Companies with ties to:</u></p> <ul style="list-style-type: none"> <li>Controversial Weapons (including landmines, cluster munitions, biological, chemical &amp; depleted uranium)</li> <li>Nuclear Weapons</li> </ul> <p><u>Companies with 5% or greater revenue from:</u></p> <ul style="list-style-type: none"> <li>Conventional Weapons</li> <li>Civilian Firearms &amp; Ammunition Production</li> </ul>	<p><u>Companies with 5% or greater revenue from:</u></p> <ul style="list-style-type: none"> <li>Adult entertainment</li> <li>Alcohol</li> <li>Gambling</li> <li>Genetic engineering</li> <li>Tobacco</li> <li>Oil sands</li> <li>Thermal coal extraction</li> <li>Thermal coal power (5% or greater power generation)</li> </ul> <p><u>Companies with ties to:</u></p> <ul style="list-style-type: none"> <li>Animal Testing (non-pharma without safeguards)</li> </ul>	<ul style="list-style-type: none"> <li>US Office of Foreign Asset Control (OFAC)</li> <li>EU sanctioned entities</li> <li>Canada's Special Economic Measures Act (SEMA)</li> <li>Australian Department of Foreign Affairs and Trade (DFAT)</li> </ul>	<p><u>Global Norms and Conventions</u></p> <ul style="list-style-type: none"> <li>UN Global Compact</li> <li>OECD Guidelines for Multinational Enterprises</li> <li>UN Guiding Principles on Business &amp; Human Rights</li> <li>ILO Fundamental Principles</li> </ul> <p><u>ESG Controversies</u></p> <ul style="list-style-type: none"> <li>Companies directly involved with very severe ongoing Environmental, Social, Governance, or child labour controversies</li> </ul>

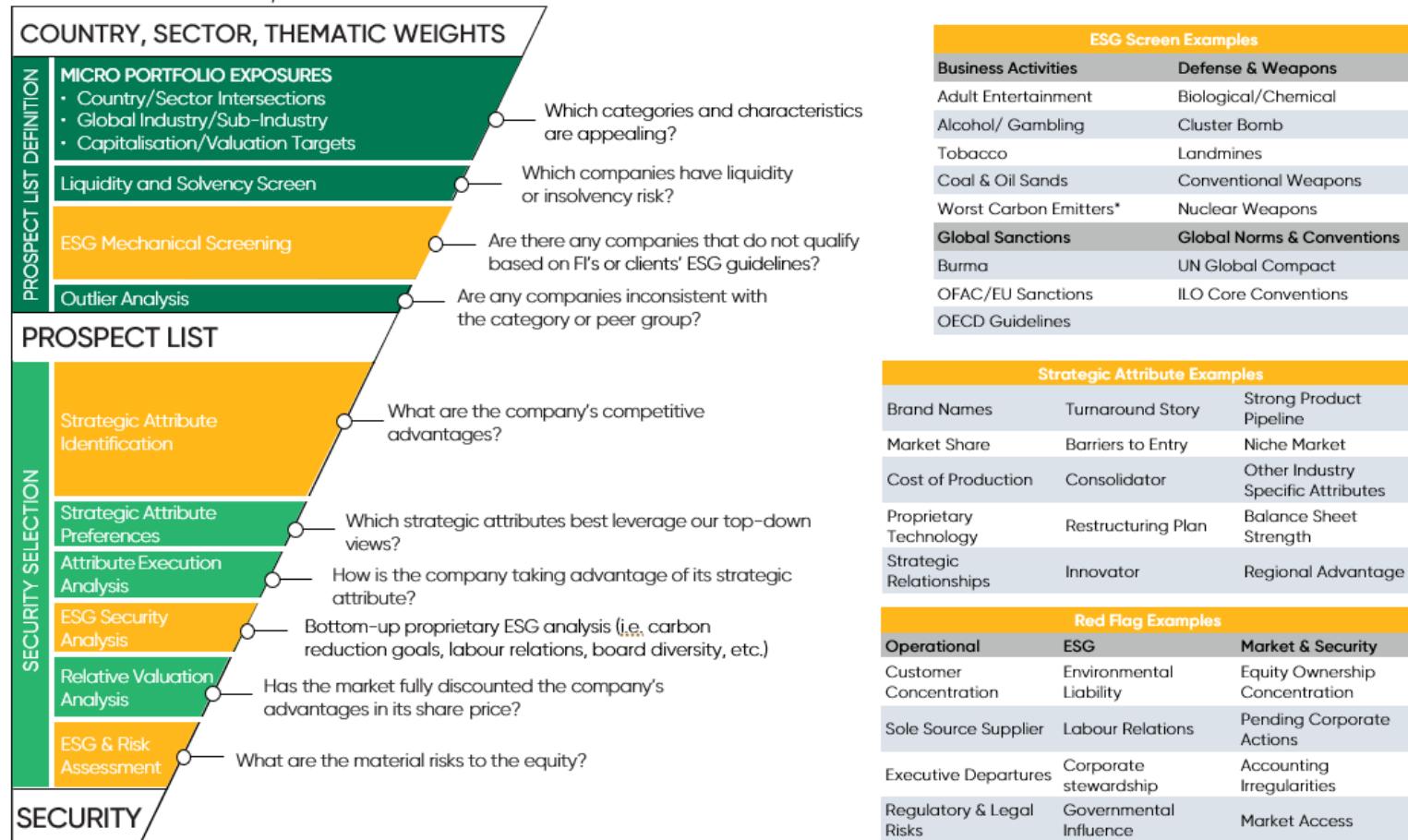
## Prospect List Definition and Security Selection

The following graphic displays our prospect list definition and security selection progression (including country level integrated analysis).

Based on this analysis, the IPC selects securities. The IPC applies risk management controls to help ensure securities selected appropriately correlate to their respective countries (where applicable) and sectors/industries to increase the possibility of benefiting from our established top-down themes. Further, risk management controls identify unintended risk concentrations in the security selection process, and performance attribution is regularly monitored to confirm alpha is derived from intended sources.

## PROSPECT LIST DEFINITION AND EQUITY SELECTION

FROM COUNTRY, SECTOR AND THEMATIC WEIGHTS TO THE PORTFOLIO



The equity selection process presented herein is for illustrative purposes only and is not comprehensive. It should not be assumed that it represents, on its own, the sole method used by Fisher Investments to make investment recommendations and is only a reflection of our investment process capabilities. Other techniques may produce different results, and the results for individual clients and for different periods may vary depending on market conditions and the composition of their portfolios. The degree of ESG related consideration and integration throughout the process will vary by strategy and investor preferences. \*We can apply the Worst Carbon Emitters Screen to our ESG investment strategies. However, as we may not correct Worst Carbon Emitter Screen breaches for up to 90 days after identification, it will not be considered a binding term in jurisdictions that require corrective action to be taken sooner.

### Service Provider Instruction

Our Client Guidelines and Assurance team (CGA) is responsible for ensuring that our ESG data providers such as MSCI ESG Research have received clear instruction and criteria necessary for supporting ESG-related screens. More generally CGA is responsible for the daily monitoring of any holdings violating a client's (or FI's own) restrictions before and after purchase of the position, such as revenue generation in specific industries (gambling, weapons, alcohol, tobacco, etc.), utilising various resources from MSCI ESG Research and Charles River Investment Management Solution (CRIMS). Any violations or potential violations are elevated to the IPC for review. Please see Principle 8 for more information on service provider and ESG data monitoring.

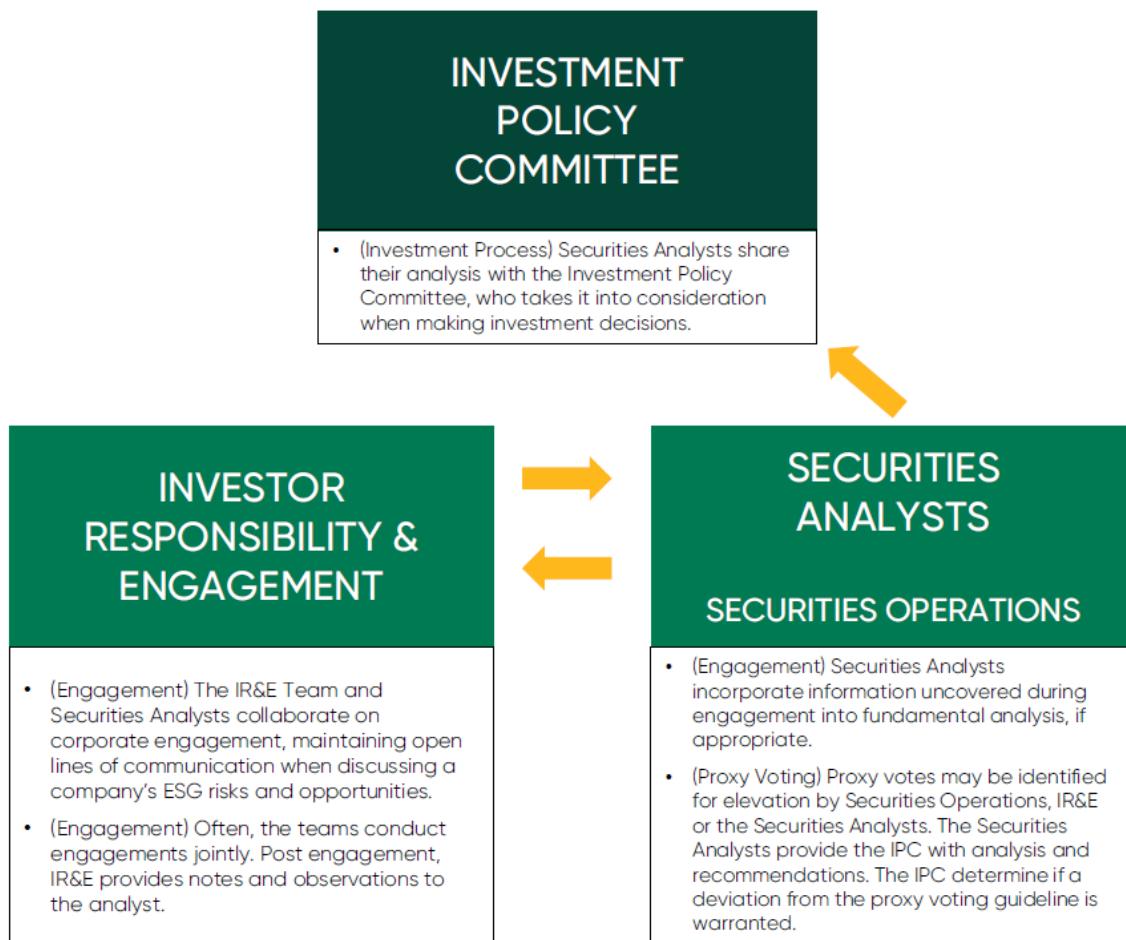
## ESG Stewardship & Integration Examples

We believe ESG investors are best served by a multi-faceted approach to ESG integration. Consistent with our overall investment process, we believe the most robust ESG portfolios result from:

- considering both top-down and bottom-up Sustainability and ESG factors;
- establishing minimum ESG standards for the investment universe;
- setting portfolio targets for items such as carbon reduction or ESG scores;
- voting proxies consistent with our ESG clients' goals;
- engaging with companies in areas in line with our clients' ESG priorities.

Our research efforts are also aligned with our clients' ESG goals.

### Stewardship Integration in FI's Investment Process



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Please find below examples of how the Fisher Group's stewardship and ESG analysis influenced our decision-making process, along with their respective outcomes:

## ESG Stewardship Integration Example #1:

### 2024 Outcome

We met with a US bank to provide feedback on its executive compensation plan in addition to recent shareholder proposals, including one requesting that the company publish a report of its clean energy supply financing ratio and another requiring an independent board chair. We learnt that the company maintains a lead independent director and that its board is stable. The bank has also set financing targets for various sectors and its exact clean energy supply financing ratio can be calculated from currently disclosed figures. We received the information we needed to cast our vote, and the company welcomed the feedback we provided on its compensation plan.

## ESG Analysis Integration Example #1:

### 2024 Outcome

In 2024, FI purchased one of France's largest companies by market cap that is well positioned to benefit from its market share leadership in energy efficiency and industrial automation. This helps us increase our Industrials exposure which should benefit as global economic growth continues, global trade remains more adaptive to tariffs than expected, credit conditions loosen, and developed economies boost their defence and infrastructure spending. Throughout 2024 we continued to monitor this company's Climate, Resources and Equality initiatives. This company has been ranked as one of the most sustainable companies in the world and holds an AAA ESG rating from MSCI.

## ESG Analysis Integration Example #2:

### 2024 Outcome

In 2024, we purchased additional shares of a US-based Electrical Construction Services company that is poised to benefit from data centre construction projects. Additionally, its role as a grid infrastructure Construction & Engineering firm provides exposure to offensive value-orientated Industrials names in the portfolio due to fixed price contracts in its Commercial & Industrial business segment. The company has received AAA MSCI ESG rating benefiting from its industry-leading governance practices, as well as strong health and safety initiatives for employees. Additionally, the company has construction and service offerings in renewable energy generation, including solar, wind, biomass and hydropower. It provides engineering, procurement, and construction services for renewable energy industries. Looking forward, this company should benefit from electrification trends including clean energy projects and electric vehicle charging infrastructure and is well positioned for better-than-expected economic conditions we anticipate. Additionally, the firm provides indirect exposure to continued growth in data centres and artificial intelligence trends.

## ESG Analysis Integration Example #3:

### 2024 Outcome

In 2024, FI increased exposure to one of the largest banks in Indonesia, to increase exposure to Financials firms which are poised to do well in the current environment. The broader banking system remains robust, with underappreciated balance sheet strength amidst a healthy economic backdrop. Relative to the other large bank peers, the company is the leader in loans outstanding to micro and small customers, which represent approximately 42% of its loan book as of Q4 2024 – well above the regulatory minimum. Additionally, the company has placed significant efforts in analysing micro customer resiliency during the pandemic and it projects continued economic growth and double-digit microloan growth in 2025. Through digital channels and via subsidiaries, the company's leadership in the micro and ultra-micro business is prone to continued improvement and expansion, reiterating its market position and social initiatives. Despite continued improvement in recent years, Indonesia's population remains meaningfully underbanked. According to 2021 World Bank data, roughly 100 million Indonesians do not possess bank accounts, about half of the country's eligible population. The company's continued focus on micro and small customers helps support underbanked and underserved Indonesian customers. As a leading provider of microloans and small business loans in Indonesia, we believe the company is well positioned to benefit from strong loan growth as credit penetration continues to rise in Indonesia and domestic economic growth proves better than feared.

## PRINCIPLE 8: INVESTMENT APPROACH

*Signatories monitor and hold to account managers and/or service providers.*

### Overall Service Provider Monitoring

Company management, with the assistance of the Law and Compliance Department, oversee relationships with critical third parties. All vendors, including our stewardship-related service providers – i.e. those providing proxy-related services and ESG data – are reviewed to determine if they should be categorised as a Critical Third-Party Service Provider (TPSP). All TPSPs undergo a thorough review prior to executing or renewing any contract. This includes an assessment of recovery procedures to ensure that a disruption to critical third-party operations does not impact our ability to perform critical business processes. Critical TPSPs provide extensive information during the formal review process. TPSPs are required to inform us of any material changes the impact the third party's ability to meet its contract terms.

We also maintain a Vendor Oversight Committee (VOC) responsible for deciding 1) which vendors require additional oversight and 2) how we fulfil our obligation to oversee vendors. Each business unit completes and maintains a Vendor Assessment Form for its critical vendors. The Form identifies the control issues associated with each critical vendor. Relevant controls assessed include, but are not limited to, access to our data, access to restricted, confidential or highly confidential information and other factors. The VOC reviews these assessments and works with the business unit to determine a due diligence plan for each Critical Vendor.

### Stewardship Service Provider Monitoring

#### Proxy Voting Service Providers

FI's Proxy Voting Committee oversees all aspects of Proxy Voting and serves as the control point for all decisions relating to Proxy Voting. The members of the Committee are the Global Chief Compliance Officer (CCO), the Senior Vice President of Portfolio Management (SVP Research) and member of the IPC, the Investment Operations Group Vice President, the Securities Team Leader in Research, and the Securities Operations Team Leader.

The Committee meets quarterly and as needed to review and analyse proxy voting records provided by our third-party proxy voting service, Institutional Shareholder Services (ISS), with respect to the adequacy and effectiveness of our Proxy Voting Policies and Procedures. Any subsequent proposed changes are documented in the meeting minutes and kept in the Committee's records.

The Committee conducts an annual due diligence analysis on ISS, which includes a review of ISS' SSAE-16 audit report, and an annual meeting with ISS to review any pertinent procedural updates or changes to their proxy voting guidelines. Furthermore, Committee members perform an annual review of the proxy voting recommendations of select strategies to ensure ISS recommendations are in line with our overall voting guidelines.

## 2024 Outcomes

FI conducts an annual review of ISS. The most recent annual review was completed in Q3 2024, and we learnt that ISS recommendations were in line with FI preferences and noted no significant changes to ISS guidelines. For the 2024 reporting period, the annual review will be completed in Q3 of 2025.

In 2024, we participated in the annual survey for ISS Consultation and provided feedback on proposed changes to the 2025 proxy guidelines.

## **Engagement Service Provider**

FI contracts with ISS ESG's Collaborative Engagement Service (ISS CE) to increase the IR&E team's capacity to conduct norms-based engagements, such as those related to alleged violations of the UN Global Compact. We receive quarterly progress reports from ISS ESG, which we use as a tool to assess the vendor's effectiveness.

## 2024 Outcome

FI reviewed ISS ESG's engagements with companies held in our portfolio and found no material concerns.

## **ESG Data Providers**

FI makes wide use of data from multiple data services providers, including ESG data from MSCI ESG Research, Sustainalytics, and ISS. This ESG data may be used in the investment decision-making process as well as in client guideline monitoring and reporting. The Client Guidelines and Assurance team (CGA) is responsible for ensuring our ESG data providers such as MSCI ESG Research have received clear instruction and criteria necessary for supporting ESG-related screens. More generally, CGA is responsible for the daily monitoring of any holdings violating an institutional client's restrictions, FI's own restrictions, and international sanctions lists before and after purchase of the position. For example, this may include monitoring revenue generation in specific industries (gambling, weapons, alcohol, tobacco, thermal coal, etc.) utilising various resources from MSCI ESG Research and CRIMS.). Any violations or potential violations are elevated to the IPC for review.

## 2024 Outcomes

In Q1 2024, we expanded our relationship with MSCI by subscribing to MSCI Barra 'ESG Risk' model to further support our quantification of 'Sustainability Risks'.

In Q4 2024, we expanded our relationship with ISS by subscribing to ISS ESG Company Ratings data, which we specifically use to monitor the 'Best-in-Class' feature in Emerging Markets Responsible Equity Fund<sup>7</sup>.

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Monitoring of ESG data providers occurs annually, on contract renewal dates, and ad hoc. ESG data providers are assessed on the timeliness, responsiveness, and accuracy of the information that they deliver to the investment management and CGA teams.

The investment management industry relies heavily on third party ESG data providers for accurate and timely information. Data providers' figures are not infallible and require managers to actively engage when errors or methodological breakdowns occur. In the following cases, FI's engagement with its primary data provider benefited not only our clients, but also any industry participant using these companies' ESG data.

## 2024 Outcomes

Engaged with a large international ESG data provider over thermal coal data for a developed markets company in the Metals & Mining Industry. In specific, data from the provider was updated to include a new estimate for thermal coal power generation for the Metals & Mining firm. However, primary research conducted by FI's Research staff indicated that the estimated data was too high. This independent research was shared with the data provider who ultimately corrected and re-estimated their data accordingly.

Engaged with a large international ESG data provider over power generation data for a large multinational auto maker. In specific, data from the provider suggested that the auto maker's power generation activities were derived from thermal coal sources. However, FI's Research staff reviewed the methodology and data point justification from the ESG data provider finding the data was derived not from the activity of the auto maker but instead was from estimates of a minority-owned subsidiary and supplier. Given the estimated and indirect nature of the estimate the issue was raised with the Investment Policy Committee and the client before further action was taken on retaining the security in portfolios.

## PRINCIPLE 9: ENGAGEMENT

*Signatories engage with issuers to maintain or enhance the value of assets.*

Corporate engagement is an important tool to ensure the companies we invest in are appropriately managing relevant ESG issues, and to support our clients in achieving their own stewardship objectives.

Consistent with our objective to increase corporate engagement activities (as described in Principle 1), FI holds meetings with management as necessary to discuss issues we feel are pertinent to analysing the company or better understanding peers or relevant industry factors. Information uncovered during engagement is incorporated into our fundamental analysis. We have dedicated staff that work to identify ESG risks and opportunities, and conducts engagement with companies.

Our Engagement Policy, posted to our [website](#), describes how we identify and prioritise engagement opportunities, our approach to collaborative engagements, how we manage conflicts of interest, and our Proxy Voting Policy.

### Dedicated Engagement Specialists

In 2019, we established the Investor Responsibility and Engagement (IR&E) team to strengthen our ESG corporate engagement programme. In 2024, this team continued to lead our ESG engagement work, collaborating closely with the Research Analysts on engagement opportunities and further facilitating ESG integration into the investment process. The team has grown to six members in 2024.

We report our activities publicly and to our clients each quarter, as described in Principle 6.

2024 Outcome
In 2024, we increased the number of companies engaged 18.2% over the previous year.

### Engagement Focus Areas

We prioritise multiple factors in each ESG category, as detailed in the following table.

	Environmental	Social	Governance
<i>Engagement Priorities 2022 – Current</i>	Climate Risk Biodiversity	Human Rights Human Capital	Executive Compensation Proxy Voting

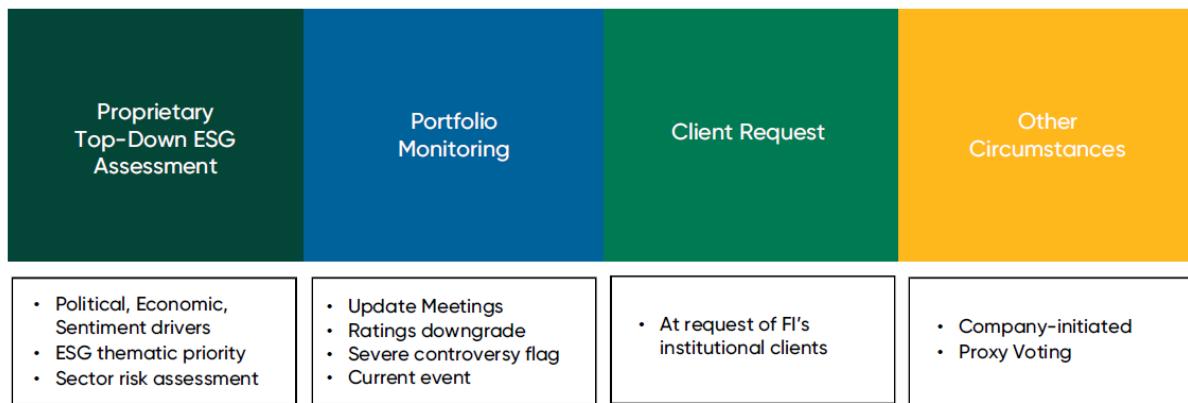
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Within our focus areas, many of our engagement opportunities are identified by utilising a combination of top-down quantitative and qualitative information to generate focus lists. The lists are further vetted based on bottom-up company research, which includes reviewing company financial and sustainability disclosures, analysis from our ESG research providers, research from responsible investment network partners and relevant non-governmental organisation (NGO) reports. Conducting peer analysis of ESG leaders and laggards highlights potential gaps in disclosure or performance for the candidate company.

In addition to our primary engagement approach, we monitor our holdings on an ongoing basis and consider engagement whenever concerns arise related to a company's business.

To summarise, engagements may be considered:

- when we utilise our top-down process based on issue, geography, sector or strategy;
- when our third party ESG ratings provider significantly downgrades a company's rating;
- when a company's activity results in it being assigned a red flag (severe controversy);
- when we decide against buying a security in an ESG portfolio for ESG-related reasons;
- when the company no longer complies with our ESG screens;
- when the company has salient environment, social and/or governance issues;
- when we seek to learn more about an upcoming proxy vote;
- at the request of an institutional client.



## Thematic Engagement Focus

FI believes its top-down approach is well suited to ESG integration and effective stewardship of macro issues such as climate change, biodiversity or human rights. FI believes corporate engagement is a powerful tool for investors to address these portfolio-wide, interconnected risks.

We continued our focus on human rights topics in our 2024 corporate engagements, initiating engagements with companies operating in Conflict Affected and High Risk Operating Areas (CAHRA).

After generating a list of companies exposed to CAHRA risks and performing company-specific bottom-up research, we conducted engagements with four companies across the energy, consumer staples, and information technology sectors. After learning how these companies address human rights risks associated with their direct and value chain activities in CAHRA, we were able to construct appropriate engagement objectives and provide valuable feedback in order to potentially improve CAHRA risk prevention and mitigation practices, as well as encourage them to treat CAHRA as a salient issue.

## Developing Well-Informed and Precise Objectives

Our engagement selection methodology described above produces insights that shape the engagement objectives. The review of a company's ESG strategy, performance and disclosures can be compared to peers within its sector, region and size, to further understand the company's relative positioning. This analysis can highlight specific gaps in areas including but not limited to:

- ESG strategy;
- ESG policy;
- disclosure of and performance of engagement activities.

The gaps identified are the basis of the objectives of an engagement. Once the objective is identified, we initiate engagement and monitor progress over time. Common objectives are gathering information, improving ESG disclosure, urging the company to establish a policy for a salient ESG issue, or setting targets/strengthening performance on a particular ESG issue. When conducting engagements related to climate issues, we consider both direct and transition risks and opportunities on our holdings. During the reporting period climate was our largest engagement topic.

### Setting Engagement Objectives Example #1:

FI met with a US energy company in Q1 2024 to seek an update on the company's sustainability programme. In our first meeting (Q2 2022), we reviewed the company's disclosures compared to peers and established an objective to encourage it to disclose an emissions reduction target. At the time, the company was evaluating targets but wanted to ensure any potential targets were feasible because a large proportion of its operations are driven by customer choice, which is beyond its control. In our Q1 2024 meeting, the company noted that it set a 30% emissions reduction target for 2030, marking a significant milestone in the engagement.

### Setting Engagement Objectives Example #2:

FI is a signatory to CDP's Climate, Forest and Water programmes. Annually, CDP identifies high-priority companies for its Non-Disclosure Campaign and asks its signatories to engage companies on the list. We reviewed the list against our holdings, and selected companies after confirming the relevance of the disclosure to the companies' operations. For these engagements, the objective is to persuade the companies to voluntarily report using CDP's standardised questionnaires.

Please find below a sample engagement timeline, based on a recent multi-year engagement with a US Energy company.

## Engagement Timeline Example

Engagement Timeline Example							
Purchased US energy company in Global Equity Strategy.		Company set new Scope 1 & 2 GHG emissions reduction targets and released its first climate lobbying report. A shareholder proposal requesting Scope 3 emissions reduction targets passed with majority support.		Suggested setting Scope 3 GHG targets and joining Oil & Gas Methane Partnership (OGMP 2.0). As part of its Energy Transition Plan, the company acquired a renewable fuels producer for \$3.1bn and a methane-related shareholder proposal passed with board support.		FI met with the company's General Manager of ESG Engagement and others to discuss the company's business strategy related to climate and capex allocation to low-carbon solutions.	
Q2 2018	Q2 & Q3 2020	Q2 2021	Q3 & Q4 2021	Q1 & Q2 2022	Q4 2022	Q2 2023	Q1 2024
	Q2: Initiated engagement with General Manager of ESG Engagement. Discussed the company's strategy to manage climate-related business risk. Suggested stronger GHG reduction targets. Q3: Company agreed to investors' request to meet with the CEO (held in Q4).		Q3: The company revealed its Energy Transition Plan, featuring a \$10bn commitment by 2028 to stake out a competitive position in biofuels, hydrogen and carbon capture. Q4: FI met with two directors regarding the board's response to shareholder proposals.		FI met with two directors to encourage setting ambitious GHG reduction targets and participation in OGMP 2.0. Company published methane report.		FI met with the company's General Manager of ESG and its Manager of Decarbonisation strategies to receive an update on the company's business strategy related to climate risk. Shortly after the meeting, the company joined OGMP 2.0.
OBJECTIVES				OUTCOMES			
FI engaged a US energy company with other investors to suggest:				<ul style="list-style-type: none"> <li>- aligning the company's greenhouse emissions with a globally established target</li> <li>- strengthening its governance</li> <li>- providing investors with sufficient climate-related financial disclosures.</li> </ul>			
				<ul style="list-style-type: none"> <li>- Established, and later strengthened, Scope 1 and Scope 2 emissions reduction targets.</li> <li>- Published a new climate impact report, climate lobbying report, and methane management report.</li> <li>- Disclosed a large-scale energy transition plan that allows for revenue growth while targeting solutions to hard-to-decarbonise segments such as aviation and heavy transport. Also acquired a renewable fuels company.</li> <li>- Joined the Oil &amp; Gas Methane Partnership (OGMP 2.0).</li> </ul>			

## Assessing Engagement Outcomes

Following an engagement, we assess progress against the objective(s) and follow-up as needed. We also monitor company progress over time. Some engagements are concluded after a single phone call whilst others last years. We assess our effectiveness based on the objective. In addition to FI's standard engagements, we also participate in the annual CDP Non-Disclosure campaign, a collaborative initiative that encourages companies to report environmental data using one or more of CDP's questionnaires (Climate, Water, Forests). CDP engagements are assessed as 'objective achieved' or 'unsuccessful'.



\* Not all engagements will lead to a successful outcome.

## Engagement Methods

Corporate engagements often take time to produce results. We usually meet with senior management via conference call, video call or in person. We also conduct engagement in writing, particularly in emerging markets. In 2024, nearly all engagements were held by phone conference/video conference (63%) or email (36%). One engagement was held in-person. Engagements typically consist of multiple meetings to discuss the issue(s) and assess changes in the company's policy and/or performance. If the engagement stalls or a company is unresponsive, we will consider the escalation steps described in Principle 11, which include options up to and including divestment.

Please note, we typically engage with companies when there is a financially-relevant objective, at a client's request, and/or in areas in-line with our clients' ESG priorities.

### Engagement Example #1:

Engagement Category: Climate Risk, Water Stewardship, Health & Safety, Human Capital, Board of Directors

Objective: receive progress updates on electrification and supplier engagement programmes to drive greenhouse gas emissions reduction goals; seek status update on water-use plans for water conservation; gain insight into board refreshment policy.

#### Engagement Summary:

**Climate Change Strategy:** The US energy company has identified a 'sustainable energy future' as one of its top strategic priorities, targeting a 40% reduction in Scope 1 and 2 GHG emissions by 2035 from a 2018 baseline. As of 2023, several of its sites are sourcing 100% renewable electricity; further increases in electrification are dependent on reliable availability in the more than 70 countries that it operates. Whilst the company's absolute operational emissions increased 15% year-over-year due to strong demand for oil and gas, its emissions intensity has decreased 13% since 2018, indicating progress towards its ultimate goals.

We sought progress updates on a key metric – the number of electric fracturing (e-frac) units being deployed. The company noted that it has achieved approximately 40% of overall e-frac fleet conversion and that over the last two years, its North America fracturing-related emissions intensity was reduced by a cumulative 4%.

**Scope 3 Emissions:** The company, having committed to supporting the decarbonisation efforts of its customer base, is partnering with its tier 1 suppliers to track and reduce its Scope 3 emissions. It reported having engaged with 89% of its tier 1 suppliers so far. However, the receptivity of setting reduction targets remained challenging. Many of the non-publicly listed, smaller suppliers are still assessing their emissions profile, whilst suppliers in some high-emitting sectors lack relevant data altogether. Yet, its top suppliers seem to be generally committing to emissions reduction strategies.

**Water Stewardship:** In previous engagements, we asked the company about its plans to reduce water use in its operations. It said it was aiming to create water-use improvement plans for its own major facilities located in water-stressed regions. In a milestone for the engagement, the company has adopted water-use reduction plans in 11 sites in high water stress areas. The water toolkit is shared with the rest of its sites to reduce overall water use.

**Health & Safety and Human Capital:** The company has a zero-injury target but reported two fatalities in 2022 and one fatality in 2023. The company said those unfortunate incidents were linked to newly added customer processes. The company responded by enhancing safety policies and training on those new steps. To enhance the number of female employees in STEM roles, the company partners with engineering schools that have high female graduation rates. It is also focusing its hiring efforts in Latin America, where female engineering rates are higher. In 2023 the company achieved a 27% female hiring rate. We view this disclosure as related to a previous milestone. FI had encouraged the company to include key ESG goals in its executive compensation plan, and the company added diversity & inclusion metrics.

**Board of Directors:** The board has appointed seven new directors over the past five years and plans to continue refreshing its membership as several current directors reach mandatory retirement age. The board currently has three female directors. The newly appointed chair of the nomination-corporate governance committee has emphasised that raising gender diversity is significant, but it is not the sole criterion; candidates with expertise in the oil and gas industry and experience serving on large company boards are prioritised.

## 2024 Outcome

**Status: Milestone Achieved – Ongoing Engagement** – The company is progressing in achieving meaningful operational emissions reductions through electrification and e-frac conversions. We will continue to monitor the company's performance and likely engage again.

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## Engagement Example #2:

Engagement Category: Climate Risk, Biodiversity, Human Rights

Objective: seek updates on the company's sustainability programme and its operations in Russia.

### Engagement Summary:

FI held a follow-up meeting with the British consumer goods company to discuss progress on the resolution of its ties to Russia and its approach to conflict affected and high-risk areas (CAHRA) within its human rights programme more broadly. In addition, FI sought updates on the company's overall approach to sustainability given recent news of it revising some of its targets.

**Climate Change Strategy & Biodiversity:** FI enquired if the company is confident it will achieve its targets following recent revisions. The company believes its updated targets are realistic based on its business and has focused on areas where it believes it can have a greater impact.

**Human Rights Policy:** In late 2024, the company finalised a deal to sell its Russian business for an undisclosed sum. The company has been under pressure for its continued ties to Russia and has been seeking a responsible way to exit. This represents an achieved objective in the engagement. FI enquired how the company views this transaction and if it is considering applying 'lessons learnt' to future scenarios should they arise. The company confirmed it learnt a huge amount from its Russian operation and these learnings are already being applied as it assesses its global business.

FI had previously suggested the company's business-related human rights risks could benefit from treating conflict as a salient issue in its human rights assessments. The company reported it has formed a geopolitical working group and is assessing its operational footprint to identify where it could benefit from enhanced human rights due diligence. The company has worked with external experts to strengthen its governance and intends to make this work very granular by going all the way down through distribution networks. The company confirmed it is treating CAHRA as a salient issue across its approach to human rights – this represents a milestone in the engagement.

FI enquired if the company is exposed to human rights concerns in India's sugar cane industry, as reported by Reuters and other media outlets. The company purchases through a third party but is looking at effective grievance mechanisms. The company has worked with the Indian Sugar Mills Association and a new coalition focused on sustainable sugar, and this work involves direct engagement with the government. The board is actively monitoring the situation and asks questions on the topics of governance, preparedness, accountability, and transparency. In addition, with upcoming increased regulatory disclosure requirements the company acknowledges it needs to be more transparent.

## 2024 Outcome

**Status: Objective Achieved – Milestone Achieved – Ongoing Engagement –** The company sold its Russian business and ceased all operations across Russia and Belarus. The company continues its work to incorporate CAHRA across its approach to human rights and now views this topic as a salient issue. FI intends to follow the progress the company makes in relation to this as well as its broader sustainability programme.

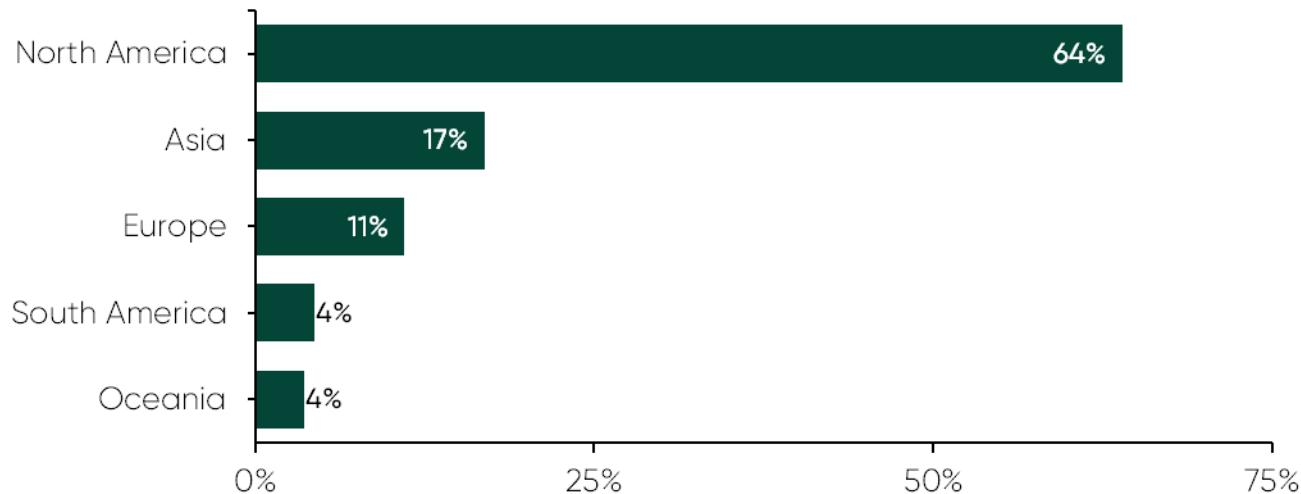
## Engagement Across Categories

Given the global nature of our portfolios, we endeavour to engage across a variety of geographies and sectors (see charts below). However, an effective engagement programme is not one-size-fits-all. Whilst large-cap companies generally have robust sustainability programmes, we recognise small-cap and emerging-market companies may be resource-constrained or less accustomed to engaging with investors on ESG issues. As such, a comprehensive, in-depth engagement may not be practical, so we tailor the conversation to address the issues that are most salient to the business. When feasible, we also endeavour to include our fixed income holdings in the engagements.

## Stewardship Reporting

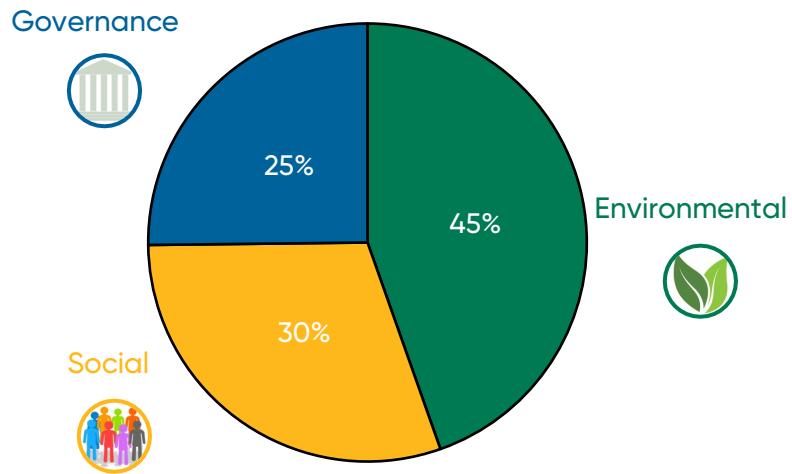
To provide transparency about our stewardship activities, we post quarterly engagement and proxy voting reports to our website, which include metrics (such as the charts provided below) and detailed engagement examples. However, because we believe engagement is most effective when conducted privately, we do not publicly disclose company names except where it is a regulatory requirement.

### Geographic Distribution of Engaged Companies in 2024

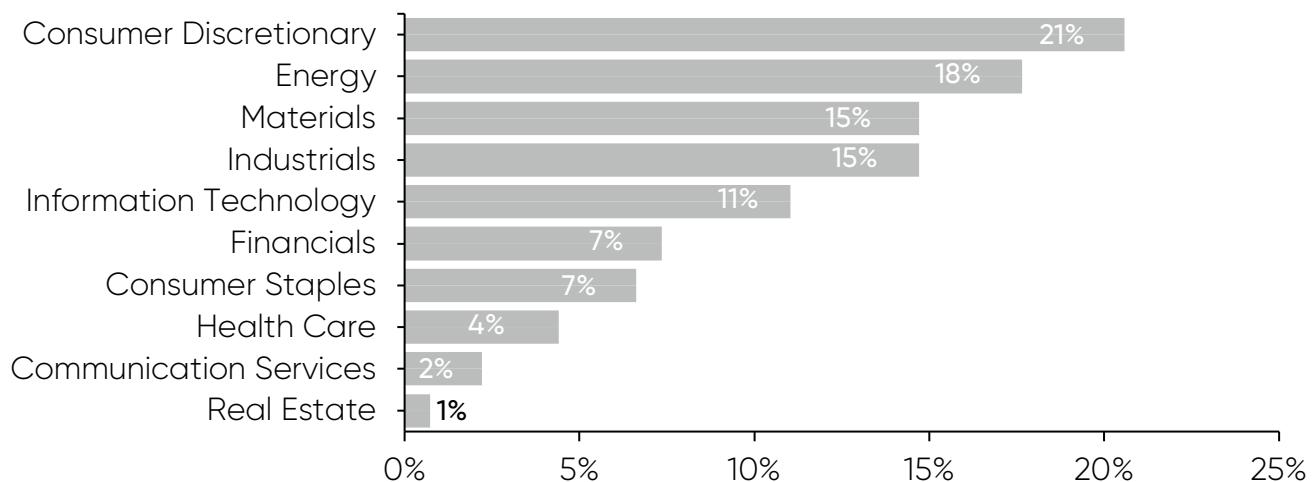


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## Engagement Topics Across E, S, and G Categories in 2024



## Engaged Companies by Sector in 2024



*Data indicated above are based on engagement meetings for all institutional clients of the Fisher Group as of Q4 2024.*

## PRINCIPLE 10: ENGAGEMENT

*Signatories, where necessary, participate in collaborative engagement to influence issuers.*

We recognise the importance of working together, and we collaborate with other institutional investors to engage companies when we believe doing so is likely to advance clients' interests, is consistent with our policies and procedures and is permissible under applicable laws and regulations. For example, if dialogue with management fails to achieve our desired objective and we wish to retain the investment in the company concerned, we consider carefully whether taking collaborative action is likely to improve shareholder value.

We always seek to have a clear objective for collaborative engagements<sup>13</sup>. We prioritise collaborative engagements as we would standalone engagements (described in Principle 9).

Collaborative engagements are a priority for us, and our engagement professionals seek opportunities to participate in collaborative engagements that align with our clients' best interests. In 2024, we participated in the following collaborative engagements:

### Climate Action 100+

Fisher Investments Europe Limited (FIE), a wholly owned subsidiary of Fisher Investments (FI), is a signatory to the Climate Action 100+ initiative, whose objective is to ensure the world's largest greenhouse gas emitters take necessary action on climate change. FI and other institutional investors met with a US multinational energy corporation in an ongoing engagement to discuss key elements of the company's energy transition plan and receive an update on its business strategy related to climate and capex allocation to low-carbon solutions.

#### 2024 Outcome

**Status: Milestone Achieved – Ongoing Engagement** – FI suggested the company continue (and if appropriate, increase) its allocation to low-carbon capex and consider becoming a signatory to Oil and Gas Methane Partnership 2.0. Shortly after our Q1 2024 meeting, the company joined the OGMP 2.0 – a milestone in the engagement. The company continues to demonstrate leadership on mitigating methane emissions and is gaining traction in renewable fuels.

### CDP Non-Disclosure Campaign

We participated in CDP's (formerly 'Carbon Disclosure Project') 2024 non-disclosure campaign, which pools institutional investors to engage companies around the world. The goal of the engagement is to persuade companies to report to the CDP using the organisation's Climate, Water and/or Forest disclosure questionnaires, which are a valuable data source for investors and stakeholders. We engaged 20 companies in 11 countries, as a lead investor. We also conducted outreach to 14 other companies targeted by CDP's campaign. In total, 5 of the 34 companies completed at least one of the climate, water or forest questionnaires.

## 2024 Outcome

This engagement initiative had had a 5% success rate where FI was the lead investor and a 15% overall success rate, which is slightly below our expectations.

## Collaborative Engagement Service

For several years, we've contracted with a third-party collaborative engagement service. These engagements focus on companies identified under Norm-Based Research as failing to prevent or address social and environmental controversies in line with established standards for Responsible Business Conduct.

## 2024 Outcome

We participated in 12 engagements addressing topics such as collective bargaining & unions, health & safety, human rights policy, employee relations and climate change strategy. We achieved a milestone with a global beverages company after engaging it on its alleged failure to respect union rights in its subsidiary operations in Peru. In response to our concerns of unfair dismissal of union leaders, the company disclosed that it had offered voluntary exit packages to impacted workers of operations that were closed. The company also committed to a regular dialogue with local unions and has conducted joint training sessions on dispute resolutions. These actions showed marked improvement in collective bargaining and freedom of association rights of workers.

## Client Co-Engagement

In 2024, we expanded our client co-engagement programme, which allows us to conduct engagement alongside our clients or invite clients to request that FI engage a company on their behalf. This collaboration also allows our clients to experience first-hand how our engagements can lead to outcomes.

### Client Co-Engagement Example:

Objective: seek updates on FI recommendations following a previous meeting in Q4 2023.

Engagement Summary: The US steel producer operates across three segments: steel operations, metals recycling operations and steel fabrication operations. The company wants to be a leader in sustainability. It works on projects every day to reduce emissions and has 'move the needle' projects to drive larger change.

**Climate Change Strategy:** The company has a goal to achieve net zero emissions by 2050. FI previously enquired how the company plans to achieve this and if it will publish information so investors can follow the progress it makes. The company's 2023 sustainability report describes how the construction of a biocarbon facility will be used as a lower carbon replacement for anthracite in steelmaking operations, which could result in as much as a 35% reduction in its steel mills' Scope 1 GHG absolute emissions. In

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addition, the company signed the largest renewable power purchase agreement in the North American steel industry, equivalent to approximately 15% of steel mills' electricity usage in 2023. This is expected to meaningfully contribute to a long-term reduction of Scope 2 GHG emissions intensity.

FI previously enquired if the company had considered external validation of its targets. The company has been working with The Global Steel Climate Council (GSCC) on a draft framework over the past year and received certification for its Science-Based Emissions Target in October 2024. The company was the first company to receive this and worked with GSCC to build out the framework. As part of this consultation, GSCC determined it needed to make the framework more robust and added more criteria to fulfil.

FI enquired how the company aligns its capital expenditures to meet its longer-term targets. Larger capex spends are approved by the board, and those linked to sustainability targets have a lower hurdle rate, although the business still expects to see a return on those. In addition, sustainability programmes are supported by smaller capex allocations that are at management's discretion.

**GHG Emissions:** FI had previously enquired if the company is setting targets for Scope 3 emissions. The company noted that to achieve GSCC certification, an upstream Scope 3 emissions target is required.

**Toxic Emissions:** FI requested an update on whether the company has set targets related to its toxic emissions as previously recommended. To date, it has focused on GSCC certification but views the topic as important and it intends to address it soon. FI encouraged it to provide more disclosure in future reporting.

**Executive Compensation:** FI enquired if the company has made progress in building sustainability KPIs into executive compensation. It is working on this but still needs to determine a way to accurately quantify the targets.

## 2024 Outcome

**Status: Objective Achieved – Ongoing Engagement** – The company has set a Scope 3 emissions reduction target as well as having its broader targets verified by GSCC, both marking achieved objectives in the engagement. FI recommended the company set targets related to biodiversity and intends to follow the progress the company makes.

## PRINCIPLE 11: ENGAGEMENT

*Signatories, where necessary, escalate stewardship activities to influence issuers.*

Portfolio holdings are continuously monitored and material ESG issues are elevated to FI's Investment Policy Committee (IPC) when appropriate. We hold meetings with company management as necessary to discuss issues we feel are pertinent to analysing the company or better understanding peers or relevant industry factors. Information uncovered during engagement is incorporated into our fundamental analysis. We have dedicated staff that works to identify ESG risks and opportunities and conducts engagement with companies.

### Corporate Responsiveness

Engagement provides a direct channel to discuss investor expectations and provide feedback on a company's ESG policies and practices. Company boards and management use shareholder feedback and engagement to learn of industry-relevant risks and opportunities. Thus, in general, boards and management endeavour to be responsive to their shareholders. In situations where a portfolio company is either unresponsive despite repeated enquiries or continues to perform poorly against the engagement objective, FI may seek to escalate the engagement dialogue.

Our experience shows stewardship concerns are usually best resolved by direct, confidential contact with company officials – whether at the board or management level as appropriate. Corporate engagements often take time and multiple rounds of dialogue to produce results. In terms of meeting the objectives of engagement on ESG concerns, we recognise that companies may not be immediately able to respond with additional disclosures, policy considerations or policy changes. In FI's case, many of our current engagement dialogues with companies were initiated within the prior year and thus remain 'ongoing'. Therefore, escalation is limited.

If we consider escalating the engagement, we evaluate the materiality of the issue, the company's record of previous responsiveness and whether escalation serves our clients' best interests. Based on the evaluation, the IPC may take any of the following escalation action, at its discretion:

- seek additional meetings with company management or board;
- intervene in concert with other institutions on the issue;
- vote in support of related shareholder proposals;
- withhold our support from one or more board members;
- divest our holdings.

If we activate escalation, we would inform the management team of our decision as well as our rationale.

### Escalation: Differentiated Approach

Market context (i.e. knowing that business norms and escalation techniques may vary based on region or asset class) is important when considering escalation due to company unresponsiveness. ESG

disclosure is more mature in markets like Europe or North America, where we can dig into the details of a sustainability plan and myriad disclosures to seek specific engagement objectives on material ESG concerns. In these markets, we are likely to utilise proxy-related tools such as board accountability or voting for shareholder proposals on material ESG issues.

In less mature markets, such as Asia or Latin America, engagement dialogues seek to understand a company's sustainability plan or suggest disclosing of ESG performance data. Here the primary objective is to communicate investor expectations on ESG issues that are relevant for their business.

Depending on the company size or the ownership structure, some companies may be new to interacting with shareholders on ESG concerns, or may not respond to the engagement request until a fully formed response is ready. Therefore, we believe there is value in letting the companies know the ESG issues that investors are evaluating, even if the company is initially unresponsive. In these markets, collaborative engagement in concert with other investors can be an effective escalation strategy. As such, in markets where ESG practices are less established, there is opportunity to drive the growth of sustainable business practices, but we should be prepared to patiently wait out initial unresponsiveness. Similarly, our requirements in the fixed income investments do not allow great latitude to escalate if we have ESG concerns with our holdings.

#### **Escalation Example:**

FI reviewed non-responding companies and identified suitable candidates for escalation in 2024.

#### **2024 Outcome**

In 2024, one engagement stalled and was elevated for potential vote escalation. As of 2024 year-end, it was pending.

## PRINCIPLE 12: EXERCISING RIGHTS AND RESPONSIBILITIES

*Signatories actively exercise their rights and responsibilities.*

### Voting Rights: Differentiated Approach

We exercise our proxy voting rights and responsibilities with the assistance of Institutional Shareholder Services Inc. (ISS), an independent, third-party voting service. This includes all our institutional strategies, assets, and geographies (including all Funds<sup>7</sup> and Separately Managed Accounts) where strategies are offered, and we are authorised to vote. Our voting policy is derived from ISS and incorporates geographical variances due to differences in local norms of good governance, regional/local regulatory differences and listing requirements. Each of these is specific to the policy that is being voted. In addition, institutional guidelines may be structured in accordance with custom ESG standards, which is then communicated to ISS by our back-office professionals.

Many proxy issues fall into well-defined, standardised categories, and as a result we have developed guidelines in conjunction with ISS for these categories. ISS maintains a wide-ranging set of corporate governance standards – including board independence and diversity, director meeting attendance, outside directorships, auditor independence, analysis of executive remuneration, and many other factors. We work with ISS to further refine our guidelines and to track and vote our clients' proxies accordingly.

Whilst FI's Investment Policy Committee (IPC) utilises ISS for shareholder vote recommendations, they reserve the right to override ISS recommendations as they, and FI's Research Team, see fit. Any IPC override is logged by the Securities Operations Team and reported to the Proxy Committee on a quarterly basis.

### Voting Policy Disclosure

We disclose our institutional voting practices through several avenues including the following:

- Our Proxy Voting Policy is disclosed and publicly available via our [website](#).
- We define significant votes and publish the information pertaining to them in publicly available Proxy Voting reports; these are available via the link provided above.
- Full account specific proxy voting disclosure is available upon request to our clients. Full proxy voting breakdown reports are routinely provided to our clients on a recurring basis (generally quarterly or annually) or on an ad hoc basis when they are requested.

In 2024, we maintained the frequency of this reporting (quarterly) and continued to provide greater transparency on an ongoing basis regarding our proxy voting activities.

Furthermore, we maintain objectives and policies in order to monitor this third-party service. Our oversight procedures for ISS are described in our Proxy Voting Reports and Policies on the Institutional Group [website](#).

## Proxy Voting and Outcomes Examples

**Example #1:** We held an update meeting with a US technology company to provide feedback on its executive compensation plan. The 2023 executive compensation plan received low support due to misalignment between pay and performance. In 2024, we enquired if the company plans to adopt a sunset provision of its dual class voting structure – it does not at this time, but we believe requesting one-share-one-vote structure is appropriate.

### 2024 Outcome

**Engagement Concluded:** FI provided feedback on better alignment between pay and performance and voted against members of the company's governance and compensation committees. We also supported a shareholder proposal requesting the company implement equal voting rights.

**Example #2:** In 2024, we met a US technology company to discuss its executive compensation plan and a recent shareholder proposal that would require a Lead Independent Director. The company recently began including ESG factors in executive compensation plans and had appointed a new Lead Independent Director in 2022, bringing a new perspective to company decision-making.

### 2024 Outcome

**Engagement Concluded:** We believe the company has taken strides to appropriately modify numerous aspects of its corporate governance structure, including executive compensation and board oversight.

## Voting Guidelines & Client Voting Flexibility

If the views of the IPC vary from ISS as applied to corporate governance standards, we vote shares in alignment with our view of the best interests of our clients – and not necessarily with management. Voting decisions are based on our internal evaluation in each case and may rely on our own company specific research or other outside research group, in addition to the views of ISS. We typically do not tell the company in advance of our intention to abstain or vote against management: doing so may expose our investment professionals<sup>2</sup> to unhelpful pressure, which can impede effective discharge of their responsibilities on behalf of clients.

Clients in segregated accounts may override and direct voting compared to our standard policy in three main ways:

- Clients may choose to override individual votes on an ad hoc basis.
- Clients may choose to vote their own proxies, either through our partnership with ISS or through use of their own independent proxy adviser.

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- Clients may choose an alternate proxy policy available such as our in-house custom ESG policy, or another specialty policy from ISS including ESG or Taft-Hartley, etc.

Clients invested within our pooled vehicles have limited ability to direct voting to ensure that no individual client is over-influencing the votes of another client. However, we do exercise our voting rights within all pooled vehicles.

Additionally, we have partnered with ISS to create a custom voting policy consistent with our ESG policies that is made available to all our clients. We frequently engage with company management on proxy voting issues.

## Securities Lending & Monitoring Voting Rights

In general, we do not participate in securities lending. We would enter in securities lending arrangements only upon written client request, assuming the client's account custodian can act as the client's lending agent, although this is rare in occurrence. As these agreements are client-directed, we are not able to comment on their effectiveness.

Mitigating 'empty voting' along with broad monitoring of shares and voting rights remain industry-wide challenges for asset managers. Current limitations to ensure accurate records between custodians, managers and proxy providers remains challenging due to differences in record and meeting dates, custodial share recall timing differences, and other operational challenges. Because we do not participate in securities lending, we reduce the risk of 'empty voting' and any such instances are outside of our control.

## Voting Proportions

In the 2024 reporting period, we voted over 99% of the shares for which we were authorised to vote. The small fraction of votes not cast was due to several factors including some of our institutional clients not having Power of Attorney paperwork.

We currently do not have a full public record/disclosure of our votes however, we make the voting history & rationales for all institutional voting decisions available to clients. Additionally, consistent with SRD II regulation, significant votes and rationales for those votes are available publicly for each Fisher Group business unit at each subsidiary's website. Proxy Voting Reports for the previous 12 months (rolling) are posted to our [website](#).

## Amendment Seeking – Fixed Income

For fixed income assets, the most common way in which amendments or changes to terms and conditions in indentures are considered is through the bond indenture consent solicitation process. During this process, issuers seek amendments or changes to terms of indentures from existing bondholders such as Fisher Investments. In such situations, we actively assess the requested changes to determine if they are in the best interests of bondholders and our clients, and respond accordingly. Note, fixed income assets under management make up ~7% of our assets (see Principles 6 and 7); nearly

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all managed in pooled instruments such as ETFs. We manage less than 1% of our total assets under management in individual fixed income securities (e.g. corporates, municipal, mortgage backed and sovereign) where we might seek amendments or changes to terms and conditions.

## CONCLUSION

The Fisher Group takes a client-centric approach to Responsible Investments (RI) and is dedicated to continuously improving our responsible investment capabilities and offerings to meet and exceed the expectations of our RI clients. Further, we are particularly proud of the increased stewardship activity we have undertaken in 2024, including the addition of staff, the development of our client co-engagement programme, and the expansion of biodiversity-related engagements. We see this increased activity and increased level of response, as highlighted throughout this report, to be a continuation of our upward trend within the field of active ownership which we plan to continue in the future. In conclusion, we are committed to putting the best interests of our client's first, whilst incorporating our responsibilities as a signatory of the Principles for Responsible Investment (PRI) and our commitment to this Code, in our investment approach.

## Review and Approval Process

This report has gone through an extensive review and approval process by members of our Responsible Investments & Engagement vertical, Senior Managers within the Institutional Group, our Research Group staff, and a member of FI's Investment Policy Committee. After finalising our 2024 submission, we reviewed the report with multiple levels of Senior Management and the Law and Compliance Department, before presenting the final report to the Fisher Investments Europe Limited Board of Directors for final approval and execution.

## Disclosures

<sup>1</sup> Fisher Investments Europe Limited, trading as Fisher Investments Europe (FIE), is authorised and regulated by the Financial Conduct Authority (FCA), and is wholly owned by Fisher Asset Management, LLC, trading as Fisher Investments (FI). FIE outsources portfolio management to the parent company FI. FI is an investment adviser registered with the US Securities and Exchange Commission (SEC). As of 31 December 2024, FI manages or sub-manages assets valued over £238 billion GBP. Pound Sterling asset values were calculated by using the USD-GBP exchange rate as of the dates indicated. Source: FactSet. All assets as of 31 December 2024 in this document are preliminary and subject to reconciliation of accounts. FI and its subsidiaries consist of three business units – Fisher Investments Institutional Group (FIIG), Fisher Investments US Private Client Group, and Fisher Investments Private Client Group International. FIIG services significantly all of FI's institutional accounts. Fisher Investments US Private Client Group and Fisher Investments Private Client Group International serve a variety of equity, fixed income, and balanced assets for a substantial majority of the Fisher Group's private client accounts. For separately managed accounts, FIE serves as the investment manager and FI serves as the sub-investment manager. FI's Investment Policy Committee (IPC) is responsible for all investment decisions for the Fisher Group's strategies.

Unless otherwise specified, references to investment professionals, operations personnel, and middle and back office personnel are references to Fisher Investments employees. 'We', 'our', 'us' and 'the firm' generally refer to the combined capabilities of Fisher Investments and its subsidiaries. Investment in securities involves the risk of loss. Past performance is no guarantee of future returns.

Institutional AUM includes separately managed accounts for institutional investors of all Fisher entities and commingled vehicles which, dependent on vehicle type, may allow for both institutional and retail investors.

<sup>2</sup> The investment professional team is comprised of the Investment Policy Committee (IPC), Research Analysts, Traders, Portfolio Implementation Analysts, Portfolio Analytics & Reporting Analysts, Institutional Portfolio Specialists, and select supervisors within our Portfolio Management and Institutional Departments whose functional responsibilities are directly involved in supporting the portfolio management process for Institutional strategies. Investment professionals are generalists and devote their efforts to all Fisher Investments Institutional Group (FIIG) strategies. Some investment professionals also devote their efforts to other business units' strategies.

<sup>3</sup> As of 31 December 2024, assets valued over £238 billion GBP. All assets as of 31 December 2024 in this document are preliminary and subject to reconciliation of accounts. Pound Sterling asset values were calculated by using the USD-GBP exchange rate as of the dates indicated. Source: FactSet.

<sup>4</sup> Great Place to Work certifies companies based on employees' responses to their industry-defining Trust Index© Survey. Results from the survey are highly reliable, having a 95% confidence level and a margin of error of 5% or less. Fisher Investments and its affiliates pay a participation fee to Great Place to Work®, which covers the cost of administering the survey to employees and the analysis and delivery of survey results. For more information, please visit: Certified Organizations and Our Methodology.

<sup>5</sup> Fisher Investments Europe Limited, a wholly owned subsidiary of Fisher Investments, is a signatory to the Climate Action 100+. Prior to January 2024, Fisher Investments was a signatory to the Climate Action 100+.

<sup>6</sup> Since 2019, Fisher Investments has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption. Fisher

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Investments is a participant and signatory of the UN Global Compact. Fisher Investments is committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption. Fisher Investments is also a signatory to the PRI and the Carbon Disclosure Project (CDP). Fisher Investments Europe Limited, a wholly owned subsidiary of Fisher Investments, is a member of the Institutional Investors Group on Climate Change (IIGCC), a signatory to the Climate Action 100+ and the UK Stewardship Code. The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, and those that support them. Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society. The Code comprises a set of 12 'apply and explain' Principles for asset managers and asset owners, and a separate set of six Principles for service providers. Fisher Investments Japan Limited, a wholly-owned subsidiary of Fisher Investments, declared acceptance of the Japanese Stewardship Code. Fisher Investments Australasia Pty Ltd, a wholly owned subsidiary of Fisher Investments, is a member of the Responsible Investment Association Australasia (RIAA), which champions responsible investing and a sustainable financial system in Australia and New Zealand.

<sup>7</sup> Fisher Investments Institutional Funds plc (FIIF) is an umbrella type open-end investment company with variable capital with segregated liability between sub-funds incorporated on 24 March 2011 and authorised in Ireland by the Central Bank of Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended. Carne Global Fund Managers (Ireland) Limited is the manager of FIIF, which has outsourced investment management services to Fisher Investments (FI). FI's Investment Policy Committee is responsible for all strategic investment decisions affecting each sub-fund. Fisher Investments Europe Limited is each sub-fund's distributor. Fisher Investments Ireland Limited is a sub-distributor of the sub-funds. Fisher Investments Europe Limited will provide servicing to the UCITS investors.

<sup>8</sup> The 'Towards Sustainability' quality standard and label were developed on the initiative of Febelfin (the Belgian financial sector federation) with an objective to qualitatively and quantitatively increase the level of socially responsible and sustainable financial products, and to mainstream its principles towards traditional financial products. Currently, Fisher Investments has one strategy carrying the 'Towards Sustainability' label: Fisher Investments Institutional Emerging Markets Responsible Equity ex-Fossil Fuels. Financial products are awarded the 'Towards Sustainability' label by the Central Labelling Agency (CLA) of the Belgian SRI label based on adherence to the 'Towards Sustainability' quality standard (for sustainable financial products).

<sup>9</sup> The Austrian Ecolabel is awarded to products and services that represent more environmentally compatible options within a range of comparable products offered. Financial products, awarded with the Ecolabel, must fully meet the relevant criteria of Ecolabel Guidelines' three primary priorities. One, a sustainable financial product must be able to identify companies that deliver a positive performance for the society and the environment. Two, uses a research process that meets the quality standards defined in the Austrian Ecolabel guidelines. Three, meets transparency requirements guaranteeing that investors can get a clear picture of the sustainable investment strategy, the portfolio and issues included therein. As of September 2024, Fisher Investments has one fund carrying the Austrian Ecolabel: Fisher Investments Institutional Emerging Markets Responsible Equity Fund.

Financial products are awarded the Austrian Ecolabel based on adherence to the Austrian Ecolabel standards 'UZ 49' after an independent audit and confirmation by a qualified control body. Fisher Investments pays a fee which covers administration costs and results analysis.

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<sup>10</sup> For purposes of defining 'firm', FI was established as a sole proprietorship in 1979, incorporated in 1986, registered with the SEC in 1987, replacing its prior registration of the sole proprietorship, and succeeded its investment adviser registration to a limited liability company in 2005. 'Years with Firm' includes time spent with FI and/or its subsidiaries 31 December 2024.

<sup>11</sup> The information is provided as of 31 December 2024. For more recent information, please see FI's Form ADV.

<sup>12</sup> Please note, the name of this Fund changed in 2025, from 'Fisher Investments Institutional Emerging Markets Responsible Equity ex-Fossil Fuels Fund' to 'FI Institutional Emerging Markets Responsible Equity Fund'.

<sup>13</sup> In all stewardship activities, FI makes its own independent decisions about investments and proxy voting. Information about these activities are under the purview of FI's IPC and is not shared with other investors.