J. STERN & CO.

Stewardship and Engagement Policy

Introduction

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

Central to our investment philosophy is a rigorous process of fundamental proprietary research with integrated ESG analysis. Our research is based on independent, in house analysis complemented with active engagement.

We consider ourselves stewards of our clients' capital. Stewardship serves as a powerful philosophy that is focused on what really matters to our clients: generating long-term returns from investing in companies based on quality, value and sustainability.

Financial markets suffer from systemic problems and inefficiencies. Both asset owners and asset managers are well-placed to identify issues and implement change. Stewardship is as much about responsible ownership as a considered approach to selecting investments.

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

When we invest on behalf of our clients our core principles are:

- We are long-term in our approach to managing money. As active managers we look for quality and value in businesses that will deliver absolute performance and create enduring value.
- We have a clear focus on direct investments in stocks and bonds, complemented by selected non-correlated income driven funds in certain strategies.
- We focus on underlying fundamentals, financial performance and sustainability of competitive advantage. We believe that environmental, social and governance factors also play a material role in determining sustainability over the long term.
- We seek out and support strong senior management teams with track record of value creation but hold them to account where we have concerns.
- We aim to actively own, as opposed to trade, these companies. We have a truly long-term investment horizon with holding periods of five, ten, twenty years or often longer.
- We focus on absolute rather than relative performance as we believe this is what ultimately matters for our clients.
- We have a clear, simple and transparent approach that fully aligns us with our clients. We do not use hedging, leverage, short selling or derivatives as part of our core investment approach.

UK Stewardship Code

The UK Stewardship Code, published in July 2010, is a voluntary code which sets out a number of principles relating to engagement by investors with UK equity issuers.

We welcome the publication of the UK Financial Reporting Council ("FRC")'s Stewardship Code and are supportive of its objectives. The Code aims to enhance engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities. The Code sets out good practice on engagement with UK investee companies to which the Financial Reporting Council believes institutional investors should aspire. Through our Stewardship and Engagement Policy, we aim to provide a robust and pragmatic framework to ensure our ownership responsibilities are exercised appropriately, that we effectively monitor the companies in which we invest for our clients and that, where we believe it is necessary, we intervene with those companies on issues that are likely to adversely impact the interests of our clients.

The principles of the Code, which is applied on a "comply or explain" basis, are that institutional investors should:

1. *Publicly disclose their policy on how they will discharge their stewardship responsibilities.*
2. *Have a robust policy on managing conflicts of interest in relation to stewardship and this policy should be publicly disclosed.*
3. *Monitor their investee companies.*
4. *Establish clear guidelines on when and how they will escalate their activities as a method of protecting and enhancing shareholder value.*
5. *Be willing to act collectively with other investors where appropriate.*
6. *Have a clear policy on voting and disclosure of voting activity.*
7. *Report periodically on their stewardship and voting activities.*

Shareholder Rights Directive II

The Shareholders Rights Directive II (EU 2017/828) ("SRD II") was transposed into national law in the UK and its requirements came into effect on 10 June 2019.

SRD II aims to promote shareholders' long-term engagement and enhance transparency around stewardship and investment strategies.

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

Pursuant to SRD II, asset managers must develop and disclose an engagement policy describing their engagement with shareholders.

The engagement policy required by SRD II must describe how an asset manager:

1. *Integrates shareholders engagements in its investment strategy and engages with investee companies*
2. *Manages actual and potential conflicts of interest in their engagement*
3. *Monitors investee companies*
4. *Communicates with relevant stakeholder of investee companies.*
5. *Engages and cooperate with other shareholders*
6. *Exercises voting rights*

In addition to the engagement policy, asset managers are also required to disclose annually on their webpage a general description of voting behaviour, an explanation of the most significant votes and reporting on the use of the services of proxy advisors. Moreover, it is also mandatory to disclose on an annual

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basis how an asset manager has cast votes in the general meetings of companies in which it holds shares.

Stewardship and Engagement Policy

This Stewardship and Engagement Policy sets out our approach to stewardship duties, engagement with shareholders and proxy voting. Moreover, we also explain our reasons for taking a different approach where relevant.

The provisions contained in this Stewardship and Engagement Policy have been developed in accordance with SRD II and the UK Stewardship Code 2012.

Any questions on our statement and approach to Stewardship should be addressed to stewardship@jsternco.com.

Principle 1: Institutional investors should publicly disclose their policy on how they will discharge their stewardship responsibilities.

We acknowledge our fiduciary duty to preserve and enhance value on behalf of our clients and as active asset managers we believe we are stewards of our clients' capital.

Stewardship goes above and beyond just investment and at J. Stern & Co. we have a distinct approach whereby Stewardship and ESG considerations are integrated in alignment with our business.

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

All investment activities and research are undertaken and monitored in-house. On the investment side Stewardship is fully embedded into our decision-making process. Central to our stock analysis is a rigorous process of fundamental research and a fully integrated ESG analysis. Integrating ESG analysis allows for greater insight into a number of intangible factors such as protection of environmental resources and effective management of human capital that can improve investment outcomes.

We invest on behalf of a variety of clients, from direct investors in our funds to segregated mandates. As we hold investments in companies for the long-term, we regard the process of stewardship as a natural and integral part of our investment approach.

We believe that good robust engagement on how shareholder interest can be improved adds value to the investment chain in producing superior returns for our clients.

The goal of our stewardship activities is to support decisions that we believe will maximise the long-term value of securities we hold. At the same time, we aim to ensure that investee companies are conscious of all risk factors, including social and environmental risks.

Maintaining a constant dialogue with company management is central to how we discharge our stewardship responsibilities on behalf of our clients. The decision to engage with the management of an investee company is based on what our investment team believe will maximise shareholder value in the long-term, specifically the value of our clients' investments. We engage with companies by attending company meetings and voting proxies on our clients' behalf. We also engage with investee companies through written communications to raise a range of issues relating to strategy, governance as well as social and environmental issues. This engagement serves to confirm and support the investment thesis and establish a good ongoing channel of communication with companies to ensure that the strategy is being executed with the appropriate level of risk whilst monitoring effective control of the Board and relevant sub-committees. We believe that such engagement provides us with a clear indication of the quality of the management and the board and consequently the company's ability to deliver its key goals and anticipated operational performance.

Principle 2: Institutional investors should have a robust policy on managing conflicts of interest in relation to stewardship which should be publicly disclosed.

We maintain a robust policy on managing conflicts of interest which is designed to ensure our decisions are taken wholly in the interest of our clients. We aim to ensure that all potential and actual conflicts between our firm, its associates and the interest of our clients are identified, evaluated, managed, monitored and recorded.

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

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

A summary of our conflicts of interest policy is available at www.jsternco.com/legal/.

Principle 3: Institutional investors should monitor their investee companies.

Comprehensive and continuous research and monitoring of investee companies is core to our investment process. Monitoring, engagement and an active use of voting rights helps deliver better performance for our clients, encourages sustainable business behaviour and ensures risks are identified and managed in a timely manner.

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

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

3.1 Strategy

All investment activities and research are undertaken and monitored in-house. We base our investment conclusions on a combination of intense research and active engagement.

We utilise a wide number of research sources and support tools to meet this principle. This includes a review of a company's strategy, an analysis of its financial statements and public disclosures, meetings with senior management, meetings with competitors, suppliers and customers, as well as other industry experts and the use of primary data and statistics.

We pay particular attention to corporate culture and depth of management expertise. We look for strong management teams with a proven record of value creation, long term vision and rigorous execution. We seek to talk to senior and divisional management where possible as part of our initial assessment of a potential investment and as part of our ongoing monitoring subsequently. We look for strong and accountable corporate governance and a clear alignment of incentive structures.

3.2 Financial and non-financial performance and risk

We undertake a detailed analysis of each of our investments' financial and non-financial performance and risk factors. We review in detail each company's published financial statements, including income statements, cash flows and balance sheets. We build our own internal financial models with detailed projections for a minimum of five years for every company in order to capture the total value creation over our long-term holding period.

Beyond financial metrics we constantly monitor investee companies' performance and delivery against their set strategic objectives. We look for execution on innovation and R&D, effectiveness of marketing expenditure, ability to develop new distribution channels or business models, capacity to sustain or gain market share and a proactive approach to optimising the company's asset portfolio, among other factors.

In terms of risks, we are constantly looking for issues that may challenge a company's competitive advantage, including shifts in market share, emerging disruptive forces, a contraction in the industry profit pool, or other exogenous factors, like changes in the regulatory environment. As part of our active dialogue with our investee companies we seek to ensure that management's do not deviate from their articulated strategic path and maintain focused on long term shareholder value creation.

3.3 Capital Structure

A fundamental tenant of our investment approach is that the companies we invest in should have balance sheets that can help them weather any adversity. They need to have a level of leverage that is appropriate for the business through the economic cycle, and that will enable them to take advantage of strategic opportunities even in a downturn and ensure they do not have to issue equity at the wrong time.

We pay particular attention to our companies' capital allocation policy, assessing their track record in reinvesting cash flow in organic expansion, value creating M&A or returning it to shareholders.

We believe this is a fundamental lever of value growth. The best companies generate consistently high levels of free cash flow and grow it over many years, can invest it in their own business or in acquisitions that make sense, and have the discipline to return the capital they do not need to shareholders through dividends or share buybacks.

3.4 Social and environmental and corporate governance

We believe that environmental, social and governance factors also play a material role in determining sustainability over the long term. We believe that it is critical for us to incorporate this broader perspective in our analysis. Investing for the long term and across generations makes a social licence particularly important because it is founded in structural influences and regulatory and reputational risks that a more conventional financial analysis would not capture.

Monitoring of ESG matters is conducted through internal analysis, leveraging our research team's breadth of experience and in-depth industry understanding. We believe that ESG forms part of the overall quality assessment for our investments and that this requires full integration with our traditional competitive moat analysis.

3.5 Identification of other relevant matters

We endeavour to identify issues that could challenge our conviction in the above factors at a very early stage to minimise any loss of shareholder value and we do this through direct interaction. Engagement is always undertaken by our investment team. This analysis takes place at the very start of the work we do on our investments and typically ahead of them being selected for portfolios.

If as part of the ongoing monitoring process of an existing investment, the investment team identifies issues that raise concerns, we endeavour to ensure that the appropriate members of the investee company's management or board are made aware of them. However, in seeking to act in the best interests of our clients, we may also consider it better to reduce or sell an investment rather than to continue such dialogue. Our investment team reviews the effectiveness of their monitoring and engagement on an ongoing basis as part of the investment process.

We may attend General Meetings of companies in which our clients have a major holding where this is considered appropriate and practicable.

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

Principle 4: Institutional investors should establish clear guidelines on when and how they will escalate their stewardship activities.

As an integral part of our investment approach, we seek to build effective relationships with the board and management at the companies in which we invest. We will generally look to invest in companies that we believe to be well managed and have a long record of value creation. As part of our ongoing research and monitoring process, we normally look to hold meetings with management and/or directors to express our views as a shareholder, gain conviction or raise concerns.

Examples of engagement include: Executive remuneration and incentive structure, capital allocation policy, M&A activity, corporate strategy, ESG related disclosure levels, environmental and social issues.

Where concerns emerge regarding the management's ability to uphold shareholder value or manage environmental or social issues effectively, we will seek to engage with the company and monitor developments to assess changes in the company's approach. Should concerns persist, we may seek to intervene formally through written letters addressed to the appropriate company board or committee members. In addition, we will consider whether it would be more effective to intervene jointly with other institutions but will only do so where this is considered appropriate and in the best interest of our clients. We will also where appropriate make public statements to raise awareness on particular issues or submit resolutions and speak at general meetings.

We are a boutique asset manager and have had the experience that each investment involves a variety of factors which may make each situation unique. Therefore, the approach taken to escalation of concerns will vary on a case by case basis.

Principle 5: Institutional investors should be willing to act collectively with other investors where appropriate.

We are fully supportive of collective action by shareholders to seek change. We will however consider any specific action on a case by case basis subject to regulatory requirements, company strategy or governance.

Whilst we may communicate with other shareholders regarding a specific proposal, we will not agree to vote in concert with another shareholder without approval from our Chief Operating Officer.

We typically pursue engagement with investee companies on our own. However, as a boutique asset manager with a moderate but growing level of assets under management compared to larger institutions, collaborative efforts with other investors can help to leverage our efforts to engage with companies and achieve change.

A collective approach to engagement can help to achieve greater impact for our engagement to ensure our concerns are reflected and our rights as shareholders are protected. We therefore may reach out to other investors to share concerns and seek a common position that we may decide to communicate to a company. We have worked actively on specific situations historically including taking a public and vocal role in defending our rights as minority shareholders.

We are signatories of the United Nations supported Principles for Responsible Investment ("PRI") and the UK 2012 Stewardship Code. Through these initiatives, we intend to engage and work with other investors on a range of collective engagement opportunities, including in the UK.

In participating in collaborative initiatives, we remain alert to potential conflicts, issues of insider information and concert party rules. Where we believe there are any potential risks involving these rules, we ensure close involvement of our internal legal and compliance team.

Principle 6: Institutional investors should have a clear policy on voting and disclosure of voting activity.

The principle governing our approach to voting is to act in line with our fiduciary responsibilities in what we deem to be the interests of our clients. While we are boutique asset manager, we are willing to take a stand and to use our vote wisely to support engagement.

We normally look to support company management; however, we do withhold support or oppose management if we believe that it is in the best interests of our clients to do so.

Our decision to vote on behalf of clients is in line with contractual obligations, local laws and regulations. As such, we will vote where this is possible or administratively feasible, in order to maintain and enhance long-term value of our clients' investments. Laws and regulations related to voting procedures differ significantly across countries. Our ability to vote on behalf of clients might be constrained by requirements or restrictions imposed by certain jurisdictions.

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

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

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

We seek to vote on behalf of all client accounts, both segregated and pooled unless clients have explicitly requested that we do not vote on their behalf and subject to administrative, legal or contractual constraints.

We outline our voting policy and strategy to individual clients as part of our annual review with them. We have a track record of our voting participation and voting behaviour as shareholders which we will make available on our webpage and update on an annual basis starting in the calendar year 2020.

Principle 7: Institutional investors should report periodically on their stewardship and voting activities.

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

Where acting as investment manager to a pooled fund, we will provide to such underlying investors summary details of how it has voted.

We will, on request, provide to our clients other details of our engagement approach and activities (such as details of selected company engagements and voting activities).

Our processes relating to our corporate governance activities are included within the scope of annual internal controls. The results of such testing are not generally made available but clients wishing to obtain further information should contact our Managing Partner and Chief Operating Officer, Tom Price.

This Stewardship and Engagement Policy reflects our current policy and may be changed at any time.