

J. STERN & CO.

Engagement Activity Summary 2020

Our Engagement Strategy

Our stewardship activities are an integral part of how we manage assets for our clients. We have a fiduciary duty to preserve and enhance the value of assets entrusted to us by our clients and, as active asset managers, we act as stewards of our clients' capital. As we hold investments in companies for the long-term, we regard the process of stewardship as a natural and essential part of our investment approach.

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

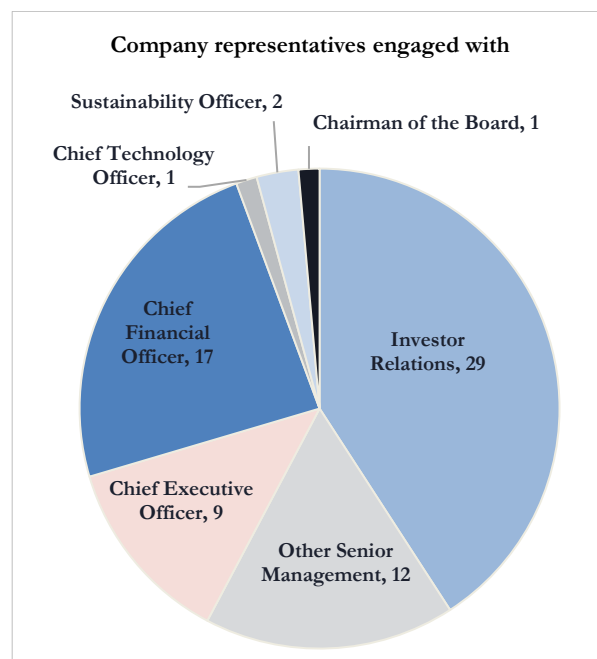
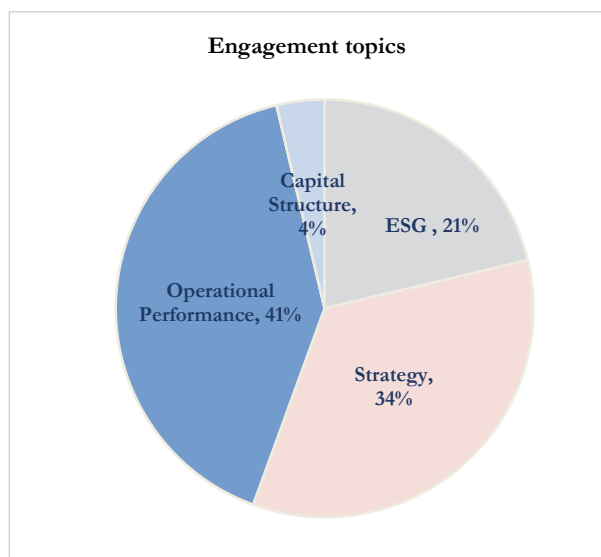
Our investment approach has fully embedded Stewardship into our decision-making process. Maintaining a constant dialogue with company management is key to how we discharge our stewardship responsibilities on behalf of our clients. The decision to engage with the management of an investee company is based on what our investment team believe will maximise shareholder value and specifically the value of our clients' investments over the long-term.

We engage with investee companies by meeting with their managements and by 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 strengthen and reinforce the investment thesis and establish an open ongoing channel of communication with companies to ensure that their strategies are being executed with the appropriate level of risk whilst monitoring effective control by their boards and relevant subcommittees.

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 strategic goals and expected operational performance.

Our approach is consistent with emerging best practice codes including the UN Principles for Responsible Investing, the UK Stewardship Code and the EU Shareholders Directive II. We are signatories to the UN PRI and the UK 2012 Stewardship Code (Tier 1 Signatory).

Engagement Activity Jan 1st, 2020 – Dec 31st, 2020



In 2020, we engaged with our investee companies on 66 occasions to discuss topics pertaining to their capital structure, strategy, operational performance, and ESG matters.

In over half of engagement outreaches, we had the opportunity to discuss these matters directly with C-suite executives and/or senior management.

Examples of Engagement

Sika – Sika is a Swiss-based global leader in material technology for the construction and automotive industry. As a long-term shareholder of Sika we have a strong track record of engagement with the company, including our active and public support for the board and management of Sika against the hostile takeover bid by Saint-Gobain from its launch in 2014 to the successful defence of the company in 2018. Collaborating with other shareholders, we supported the company's independence and its successful efforts to protect the rights of minority shareholders.

In 2020, we held detailed discussions with Sika's Head of Sustainability and the Chairman of its Board, discussing the company's newly set sustainability targets and its ESG strategy going forward. We also pressed for increased D&I representation at the management and Board level. This followed earlier discussions with the company's CFO and CEO on Sika's Covid-19 response as well as its operational performance and strategy.

Amphenol – Amphenol is a US-based maker of electronic and fibre optic connectors. We have been engaging with the Head of Strategy and IR on Amphenol's strategic approach to ESG, its targets for the next few years, its compensation structure and oversight structure of ESG implementation. This followed earlier discussions with the company's CEO and CFO on the company's Covid-19 response as well as its operational performance and strategy.

The discussion on ESG was particularly pertinent as the company is at an inflection point in terms of enhancing its sustainability practices and improving its related reporting. We again provided our own recommendations on ESG disclosures,

targets, and related compensation structures, and agreed to maintain the dialogue with the company's CEO & CFO, as part of our ongoing engagement with the firm.

American Tower – American Tower is one of the leading global providers of wireless communications infrastructure with a presence in the US and major emerging markets. Our internal carbon footprint analysis flagged American Tower as having a particularly high carbon profile due to the need of having diesel generators as backup in locations where the local power grid is unstable. Following up on these findings, we discussed the company's recent investments in renewable energy and battery storage during two meetings with its CFO where we gained a better insight in the company's efforts to reduce its carbon footprint without compromising its industry leading return profile.

In 2021, we look forward to building upon the relationships initiated with our investee companies and will continue monitoring the areas of engagement identified in 2020.

Our approach and principles in terms of engagement are detailed in our Stewardship and Engagement Policy document available on our website.