Our Quest to Better the Investment Universe

Since Fisher Investments' 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 4,700 employees worldwide operating in cities and communities across the United States, Europe, Australia, the Middle East, and Japan. We manage over £153 billion in assets under management across private and institutional clients. Such success brings a distinct responsibility for stewardship, and we are pleased to present the following Stewardship Report that details how our Responsible Investment Programme and organisation at large embodies the principles of the UK Stewardship Code.

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

Thank you for your interest in Fisher Investments Europe Limited.

Sincerely,

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

LEVEL 18, ONE CANADA SQUARE CANARY WHARF, LONDON E14 5AX UNITED KINGDOM
TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

The following is presented by Fisher Investments Europe Limited[1] (FIE), who outsources portfolio management to its parent company Fisher Investments (FI). Unless otherwise specified, references to investment professionals, 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 Limited (FIE), perform investment management services globally for private clients, small businesses, and institutions. As of 31 December 2021, we manage over £153 billion GBP in AUM[2]. 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 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.

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 (excerpted below) 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.

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.

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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 global 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 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), while also allowing for repeatability in the application of our investment process. We begin with FI's formal ESG Philosophy Statement, which 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".*

2021 Outcome
Throughout the year, we took several actions to further implement our ESG Philosophy Statement. This includes launching new ESG investment strategies, obtaining eco-label certifications and maintaining existing certifications, and enhancing our engagement capabilities. These actions are further detailed in the table at the end of Principle 1.

Our ESG Policy Statement is available on our website and provides an in-depth discussion of our actions to implement our Responsible Investment programme. This includes:

- How ESG is integrated into our investment process; including a step-by-step illustration that shows where ESG factors are applied when defining a prospect list and within the security selection process;
- How we monitor our holdings;
- The data providers we use;
- Our approach to active ownership.

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Strategy

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

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 based upon research conducted by the Capital Markets Research and Securities Research Teams. This top-down approach allows us to gain exposure to macro themes, countries, sectors 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 Exposure:** Identify the countries (as applicable) and sectors 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 country (where applicable), sector, and security decisions.

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 change or human rights risks – where understanding the global drivers helps to guide decisions about sector exposure and security selection. For a complete description of our ESG integration activities please see the response to Principle 7 below.

FI and its affiliates have been managing responsible investment accounts with various thresholds of environmental and social guidelines for more than 25 years. Over time, this approach has enabled us to expand the depth of our responsible investment capabilities and we currently offer a wide range of ESG strategies including impact-related strategies incorporating the UN Sustainable Development Goals (SDGs). We integrate ESG factors throughout the investment and portfolio construction process and is an active owner by voting proxies and conducting direct corporate engagements. As of 31 December 2021, FI and its affiliates managed accounts valued at over £15 billion with ESG, religious and/or socially-responsible investment (SRI) guidelines.

Our Culture

As a leading independent investment adviser, 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 the opportunity to succeed and the accompanying rewards for achievement. We love the fact that employees come to the Fisher Group and stay. Far more than most firms, much of our management is comprised of employees who turned their first job at the Fisher Group into their life's work.

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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, we are proud to be recognised as a great place to work[3] and a great place to work for women[4].

Our Culture – Enabling Effective Stewardship

We have been managing responsible investment accounts with various thresholds of environmental and social guidelines for over 25 years. We are committed to incorporating ESG factors in our investment decision-making and ownership practices, in order to help meet and exceed the wide spectrum of investment objectives and goals across our global client base.

Our Responsible Investment programme is led by members of our Portfolio Management Group (PMG) and our Institutional Group (FIIG), which places stewardship in the dual realms of investment management and client service. Furthermore, we understand that we are stronger together, and we are an active participant in, or a signatory 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+, the CDP (formerly "Carbon Disclosure Project"), and the Task Force on Climate related Financial Disclosures (TCFD).

To drive our vision of bettering the investment universe and uphold our culture of unparalleled client service, we continuously seek ways to strengthen our products and services. This includes the following Responsible Investment objectives and activities:

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2021 Outcomes

Objective	Actions	Outcomes
Enhance ESG integration into our equity and fixed income investment processes and portfolio construction	• Throughout 2021, we launched 5 new ESG, SRI or impact strategies • In early 2021, we launched 1 new UCITS fund that was categorized as an Article 9 "dark green" product under the EU's Sustainable Finance Disclosure Regulation (SFDR) • In early 2021, we enhanced 2 existing UCITS funds to meet the Article 9 "dark green" requirements under SFDR • After an internal vendor review, we expanded our ESG data services to a second ESG risk rating vendor • From 2020 to 2021, we significantly increased the number of internal ESG-related research pieces that were presented to FI's Investment Policy Committee (IPC) • We are assessing additional avenues to deepen the integration of ESG into fixed income strategies	• We significantly increased our responsible investment offerings • We are integrating a broader range of ESG datasets into our investment process
Offer best-in-class strategies that enable our clients to meet their own responsible investment objectives	• We tailor our strategies to reflect the client's objectives and priorities • Awarded the Belgium 'Towards Sustainability Label' for two of our funds • Maintained the Austrian Ecolabel certification for one of our funds • We offer custom client reports that detail their portfolio's carbon footprint, progress toward the Sustainable Development Goals, ESG Scores, and proxy voting	• Our clients have a wider range of investment options and portfolio monitoring tools to meet their responsible investment objectives
Increase corporate engagement activities, including collaborative engagements and client co-engagement	• We added staff to our dedicated team to increase the depth and breadth of our corporate engagements • We participated in 15 collaborative engagements alongside other institutional investors and are pursuing additional opportunities • We launched co-engagement as a new service; one institutional client joined us to co-engage a corporate issuer	• We increased our engagement activity 27% over the previous year and continue to request better ESG disclosure from portfolio holdings across geographies, sectors, and market caps

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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 Investment 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 of our strategies and is responsible for all strategic investment decisions, including integration of environmental, social, and governance issues into our top-down investment process. We believe one of our competitive advantages is the IPC's tenure and stability. Our Co-CIOs, Ken Fisher and Jeffery Silk, have worked together at the firm for over 39 years[5] and all five members of the IPC average 32 years of experience at FI. The IPC has successfully applied the same investment process across our strategies and managed accounts with various thresholds of environmental and social guidelines for over 25 years.

Directly supporting the IPC is our Research Department, comprised of 58 Research Analysts (as of 31 December 2021). Research Analysts support the IPC in their decision-making process, including ESG integration.

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

Service Provider	Services Provided
MSCI	• ESG Ratings • Business Involvement Screening • Global Norms & Controversies • Sustainable Impact/Carbon Metrics • Enhanced Climate-Related Metrics & Reporting
Morningstar	• Sustainability Ratings • ESG Research
Bloomberg	• Market research, data & analytics
ISS (Institutional Shareholder Services)	• Implement Proxy Voting Guidelines • Ensure Proxy Votes are cast • Pooled Engagement service (broadens scope of our corporate engagement programme by working with other investors to elevate ESG concerns to corporate management)
FactSet	• Portfolio Analysis (performance, characteristics, risk, style) • SDG Monitoring

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 scores 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 use ISS's

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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.

Our IPC members and Research Analysts also participate in a number of industry ESG-related professional development activities. For example, a majority of FI's ESG Specialists (including one Portfolio Manager) completed PRI's Academy courses.

Research Department

FI's Research Analysts generate macroeconomic, capital markets and securities research. The 58 Research Analysts (as of 31 December 2021) are divided into three teams: Capital Markets (top-down research), Securities Research (bottom-up research), and Capital Markets Innovation (theoretical research). The average industry experience of our Research Analysts is 11 years (as of 31 December 2021).

FI has appointed six ESG Specialists across the Research Department, the Fisher Investments Institutional Group (FIIG), and FI's Investment Policy Committee (IPC). FI's ESG Specialists are responsible for staying on top of 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 among the research group 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 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 issues.

Responsible Investments Committee

We established a Responsible Investments Committee that is co-chaired by a member of FI's IPC and the Senior Executive Vice President of our Institutional Group (FIIG). The committee meets quarterly and consists of approximately 30 members. The committee's duties and responsibilities include:

- Supporting our ESG and sustainability activities and policies
- Ensuring alignment of RI initiatives with firm's strategic priorities
- Providing oversight of Fisher's Responsible Investments (RI) Programme
- Staying abreast of industry trends and helping to ensure FI is a leader in responsible investment
- 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
- Educating key stakeholder groups within the firm on ESG matters

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Institutional Group - Dedicated Stewardship Roles

In addition to the IPC and ESG Specialists, the Institutional Group has continued to build a dedicated Responsible Investment & Engagement vertical.

For example, FI's Investor Responsibility and Engagement (IR&E) team was fully formed in 2020 and has continued to bring breadth and depth to our corporate engagement programme throughout 2021. This team expanded in 2021, adding a Project Coordinator to support the firm's Responsible Investment initiatives and growing engagement activities. Further, in 2021, the creation of a new team within this vertical, the Responsible Investments (RI) team, was approved. This team is responsible for expanding and enhancing the RI programme at FI, and is expected to be fully staffed in 2022. Collectively, this vertical had 44 years' experience in responsible investing (as of 31 December 2021). This vertical reports to the Senior Executive Vice President of the Institutional Group (FIIG).

The IR&E team collaborates with our Research Analysts to engage companies on significant ESG issues. The team utilises a top-down approach to prioritise sectors and issues, then applies bottom up analysis to identify company leaders and laggards. Common engagement themes include climate 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. One example of successful outcomes for these roles is the 27% year over year increase in engagement activity in 2021, as highlighted in Principle 1.

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. In addition, FI is a signatory to CDP, and the IR&E team uses CDP data in its engagements.

2021 Outcome
In the reporting period 2021, the ISS CE service facilitated engagements with 12 companies on global norm-based concerns related to pollution and waste management, labour rights and community impact, etc.

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 Group Vice President of Institutional Service. CGA enters restrictions into our order management system (Eze OMS) 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 added to restricted lists in our order management system. Any trades for companies that are identified as sanctioned are rejected.

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TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

2021 Outcome
As of 31 December 2021, the CGA team is actively monitoring 105 ESG/SRI rules across our various portfolios and there were zero violations of these rules in 2021.

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 while ensuring our client goals are met. Examples of this include: consistent implementation of our investment process, creating a vertical within our institutional group that is dedicated to stewardship and responsible investing, adding 5 new ESG-related strategies in 2021 and continuing to maintain eco-label certifications, a 27% increase in engagement activity over the previous year (encompassing both individual and collaborative engagements), and successful monitoring of portfolio specific guidelines.

We believe our largest areas of opportunity are staying abreast of industry trends – such as the UK's requirements for TCFD-aligned disclosure and the EU's Sustainable Finance Disclosure Regulation – further aligning our strategies to support our clients' stewardship objectives, and continuing to enhance our transparency. We believe structures like the Responsible Investments Committee has enabled success in this area, and we remain cognisant and committed to ensuring resources and priorities are focused on relevant trends, resources, and education opportunities.

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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. Here are some of the ways we mitigate conflicts of interest:

- Asset management is all we do. 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 100% Fisher-family and employee-owned. Our ownership structure aligns our success with our clients' success – and no one else's.
- The IPC's compensation is not directly tied to client account performance, although as holders of compensation instruments linked to AUM, the success of the IPC members is inherently tied to the success of clients and thus the Fisher Group.
- We avoid situations that can cause conflicts. FI's and FIE's directors, employees and "affiliated persons" are not employed by, do not sit on the board of, and do not provide consulting or similar services to, an issuer of securities in which we have invested assets under management, or intends to invest assets under management. 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 FI's most recent regulatory filing of Form ADV, Part 2A.

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.

2021 Outcome
During the 2021 reporting period, no requests to engage were denied due to perceived conflicts of interest.

LEVEL 18, ONE CANADA SQUARE CANARY WHARF, LONDON E14 5AX UNITED KINGDOM
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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 to the extent that an institutional client otherwise instructs us in writing, 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) many typical proxy proposals. FI regularly reviews these guidelines. In certain situations, the IPC will determine it is in the client's best interests to vary from the guidelines or the proxy issue will 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 where 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; and
- 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 that covers our policy prohibiting insider trading as well as personal trading policies.

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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. Additional information about our Compliance and Conflicts of Interest programmes is provided in FI's Form ADV, which is available on its website.

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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, regions, and sectors, 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 and sector 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 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 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 webinars, in-depth quarterly reviews, podcasts, and daily market commentary to both our clients and prospective clients. Our daily market commentary and podcasts are publically available on our website, along with additional research pieces. These actions are further detailed in our 2021 Outcomes table in the following “Investor Education and Communication” section toward the end of Principle 4.

Climate Risk

We consider both direct and transition risks and opportunities on the organisation and its primary activities related to investment management. While the direct climate-related risks to the organisation are limited, FI does consider such risks throughout the investment process. Within portfolios, for example, we review 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.

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

- 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).

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- 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 risks are more directly targeted by restricting various coal-fired utilities and mining companies involved in thermal coal extraction. Within certain sustainable equity portfolios, FI explicitly targets a carbon footprint reduction relative to a benchmark.

FI continually reevaluates companies within the ESG portfolio for policy compliance, ensuring securities held in the ESG portfolio maintain socially responsible business practices. Such assessments seek to improve the probability of alpha generation or to support the non-financial objectives mandated by FI's clients. We regularly communicate our views on climate risks and opportunities to our clients.

2021 Outcome
We produced custom research that discussed developments in Electric Vehicles, evolving compliance with the SFDR Regulations, an analysis of COP26, and our approach to corporate engagement in the Global Small Cap space.

Climate risk is also a priority in our corporate engagements. In 2021, 60% of our corporate engagements were related to 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

We believe dedication to comprehensive risk management procedures at the group-level can contribute to reducing the possibility of systemic risks in the financial sector. We understand that by doing our part to prevent failure in our own business, we are supporting the larger goal of promoting a well-functioning financial system. 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 ESG and Engagement Service Providers can be found in Principle 8.

- **Investment Risk:** Risk management is an integral part of our overall investment process, serving both descriptive and prescriptive functions at all stages of the process. We actively manage portfolio risk through procedural and mechanical controls and are continuously cognisant of the composition of the relevant benchmark and the relative risks we engineer into portfolios against the benchmark. Risk management controls are applied partially on an analysis of prospective stocks to assess their correlation to the country and sector in order to maximise the possibility of leveraging top level themes and to identify unintended risk concentrations in the security

LEVEL 18, ONE CANADA SQUARE CANARY WHARF, LONDON E14 5AX UNITED KINGDOM
TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

selection process. We have controls in place to verify there is no more than minimal country, sector and stock dispersion in every account.

- **Organisational & Operational Risk:** 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. 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 an independent, 100% Fisher-family- and employee-owned organisation focused on separate account asset management, our resources are entirely focused on investments. Being independent, we control all aspects of service delivery. Further, comprehensive disaster recovery programs minimise business continuity risk.

- **Information Security & Cyber Security:** We take a holistic approach to assessing and managing technology and cyber-security risk. A Risk Assessment team comprised of participants from multiple departments meets to produce, review and comment on technology risk at a regular interval. This team utilises information collected from both internal and external sources to assess risk to the technical environment. The Fisher Investments Information Security Department implements and maintains specific controls to address risk and identified gaps as outlined by the internal Risk Assessment team and third-party external auditors. Incident response plans have been developed and are regularly review and tested as part of the overall risk management program. 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 & Data Privacy:** We have strict policies and procedures in place to help ensure the security of client information. We employ TLS encryption for email communication between the Fisher Group and all of its custodians, helping ensure security for all information emailed along these channels. For emails to all other parties (clients, prospects, third-parties, etc.), confidential client information can be emailed only by way of password-protected, encrypted file attachment.

Promoting a Well-Functioning Financial System

Stewardship

From a stewardship perspective, our engagement activities and our participation in global responsible investment 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's participation in global responsible investment initiatives such the PRI, the UN Global Compact, the Climate Action 100+, the CDP, and the Task Force on Climate related Financial Disclosures (TCFD) may have a similar effect.

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TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

2021 Outcome
FI expanded our stewardship efforts by joining the PRI-convened Sustainable Commodities Practitioners' Group. The working group brings together asset owners and asset managers to build awareness and share current best practices in responding to commodity-driven deforestation, which is a systemic and financial risk. Large groups of investors, working together, may more effectively identify and respond to potential market-wide risks such as those detailed above in the section titled 'Climate Risk'.

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 group have written 30 books, including 11 from our founder Ken Fisher. The IPC's commentary and market perspective is 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.

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 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.

2021 Outcomes
Throughout the year, we continued to grow 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 ten Macro Minutes videos, half of which were focused on Responsible Investment (RI) topics: • Measuring scope 1, 2 and 3 carbon emissions • FI ESG-Integration video • Engagement Selection process • EU Taxonomy & Eco-Labels can combat greenwashing • Value in ESG

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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 expand our two podcasts, the *Market Insights* podcast and *Well-Read Investor* podcast. Our *Market Insights* podcast provides our latest thinking on global capital markets and current events. Our *Well-Read Investor* podcast features prominent authors and breaks down the concepts that impact the choices investors make.
In Q2 2021, a member of our Investment Policy Committee (one of FI's Portfolio Managers) hosted an ESG webinar for over 100 participants as part of the Institutional Investor ESG Forum. During this webinar, FI shared commentary and research on the subject of "Setting Worthwhile, Measurable & Achievable ESG Targets."
Below are some of the market-wide risks and topical subjects that we identified and shared with our investor base in 2021 through our Quarterly Reviews: • Interest Rates and Inflation • Politics Around the Globe • What Gridlock Does (and Doesn't Do) • US Government Debt Concerns • What A Strong US Dollar and Treasury Yields Say About Inflation • Impact of US 'Fiscal Stimulus' • The Impact of Global Regulations • Big Tech Legislation • Europe's Energy Crunch • Global Oil Demand and Supply • Putting China Evergrande in Perspective

Assessment of Effectiveness

As a training and knowledge-oriented organisation, our service philosophy begins with a commitment to transparency and responsiveness. At FI, 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 globally, in conjunction with our organisation-level efforts to manage internal risk, contributes positively to a well-functioning financial system.

One potential area of opportunity for FI in this space would be to engage directly with policymakers and market-leading organisations. Please refer to our examples of collaborative engagement in Principle 10 for more information on how we have engaged with other external stakeholders.

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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.

Compliance Monitoring

Compliance and Internal Audit Departments perform, no less than annually, both periodic and forensic testing of our written policies and procedures. This process is supervised by the respective heads of compliance for each Fisher Group entity, including FI's Chief Compliance Officer, who oversees FI's compliance programme and reports to FI's General Counsel, and FIE's Head of Compliance, who oversees FIE's compliance programme and reports to FIE's Director of Operations. 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 2021, 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.

Verification and Assurance

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

Proxy Voting Audit

We completed a proxy voting audit each quarter in 2021 to review the success of our voting activity, the results of which are 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.

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TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

Results of the proxy audit are discussed in Principle 12.

Internal Assurance Example #1:

2021 Outcome
Our Law and Compliance Department (Internal Audit Team) conducts annual audits of certain stewardship-related activities including our Proxy Voting Policy and Procedures, our Meeting with Issuers and External Parties Operating Procedures and our Guideline Exception Escalation Operating Procedures. In 2021, the Internal Audit Team requested to start the process to audit our PRI scores. However, PRI notified all signatories that assessment results would be delayed until 2022. The internal audit will happen after our assessment is received. Our objective is to obtain verification that we accurately and fairly described our activities. We evaluated several options to verify the report, encompassing both internal teams and external vendors. Ultimately, we determined that using our independent, internal auditor provided a timely, cost effective review that was consistent in quality to an external auditor. We believe the audit will provide valuable information and suggestions on how we can improve our processes and our disclosures.

External Assurance Example #1:

2021 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 Organizational Control (SOC 1) Report, which is available to our institutional clients upon request.

External Assurance Example #2:

2021 Outcome
To ensure our strategies meet our clients' expectations, we are actively pursuing eco-label certification for a select number of our strategies. The application process includes examination by an external auditor to ensure the strategy meets the label's strict criteria. We achieved the Austrian Osterrichisches Umweltzeichen (Eco-Label) certification for the Fisher Investments Institutional Emerging Markets Responsible Equity ex-Fossil Fuels Fund in 2020, and maintained that status throughout 2021. Further, as of July 2021, two of Fisher Investments' funds achieved the Belgium 'Towards Sustainability' label certification: the Fisher Investments Institutional US All Cap ESG Fund and the Fisher Investments Institutional Emerging Markets Responsible Equity ex-Fossil Fuels Fund.

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

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TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

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 2021, FI and its subsidiaries, including FIE, managed over £153 billion. This includes over 106,000 private clients and institutional assets valued at over £40 billion. Within our Institutional Group, we managed over £15 billion in assets with ESG/SRI guidelines across all of our strategies.

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

Region	Firm AUM By Client Domicile (Millions)	Institutional AUM By Client Domicile (Millions)	Retail AUM By Client Domicile (Millions)
US	£116,445.96	£13,437.48	£103,008.47
Europe and UK	£23,496.26	£13,898.71	£9,597.55
Middle East	£4,796.73	£4,795.91	£0.82
Asia	£6,581.39	£6,577.59	£3.80
Canada	£2,083.38	£1,207.85	£875.53
Australia	£313.68	£299.09	£14.60
Latin America	£25.43	£4.10	£21.33
Other	£90.11	£89.15	£0.96
TOTAL	£153,832.95	£40,309.88	£113,523.07

Other includes Bermuda, Bahamas, Channel Islands, Mauritius, and Zambia. Retail AUM is inclusive of Fisher Investments 401(k) Solutions Group.

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	AUM (Millions)	US	Europe & UK	Middle East & Asia	Other
Equity	£141,922.96	£105,675.63	£22,419.93	£11,377.94	£2,449.46
Fixed	£10,672.31	£9,711.86	£910.60	£0.15	£49.71
Cash	£1,237.67	£1,058.47	£165.73	£0.0327	£13.44
TOTAL	£153,832.95	£116,445.96	£23,496.26	£11,378.12	£2,512.61

Other includes Canada, Australia, Latin America, Bermuda, Bahamas, Channel Islands, Mauritius, and Zambia.

All assets as of 31/12/2021 are preliminary and subject to final reconciliation of accounts. Pound Sterling asset values were calculated by using the USD-GBP exchange rate as of 31/12/2021. Source: FactSet. Includes all assets managed by Fisher Investments (FI) and sub-managed for its wholly-owned subsidiaries as of 31/12/2021. FI and its subsidiaries consist of four business units – Fisher Investments Institutional Group, Fisher Investments US Private Client Group, Fisher Investments Private Client Group International, and Fisher Investments 401(k) Solutions Group.

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Understanding the Investment Time Horizon

Our investment time horizon is directly linked to the time horizon in we 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 consider future risks beyond our time horizon. The amount 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. We do this 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 in 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 provided at a cadence determined by 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 their 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 following some snapshots of our engagement reporting:

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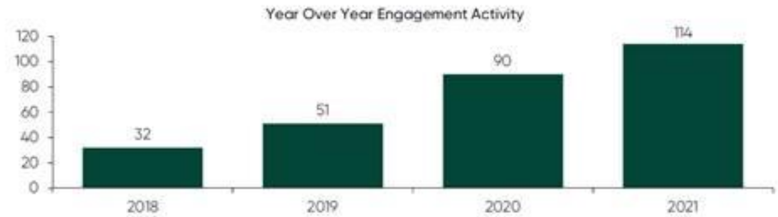
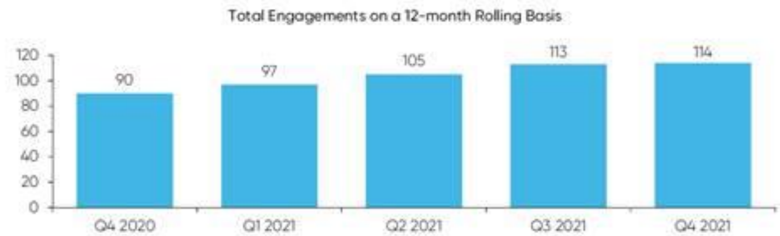
ENGAGEMENT ACTIVITY

Our engagement activity has grown steadily. The totals below reflect both newly initiated engagements and established, ongoing dialogues.





Data indicated above are based on engagement meetings for all institutional clients of Fisher Investments and its subsidiaries as of Q4 2021

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ENGAGEMENT HIGHLIGHTS

ENVIRONMENTAL, SOCIAL, & GOVERNANCE ENGAGEMENT

REGION:	DM NORTH AMERICA
SECTOR:	MATERIALS
ISSUE:	CLIMATE RISK, POLLUTION & WASTE, HUMAN CAPITAL, BOARD DIVERSITY
STATUS:	ONGOING

OBJECTIVE
Seek details on the company's announced GHG reduction commitments, encourage the company to meet its employee safety objectives and receive governance updates.

SUMMARY
FI met with a North American materials company to follow up on the company's commitments to enhance its disclosures aligned to its materiality framework.

Climate Strategy: The company published its second climate report, which committed to GHG emissions reduction target for its Indonesian operations that complement its initial public target to reduce the GHG emissions intensity in its Americas operations. The company also completed a climate scenario analysis to evaluate three climate pathways and committed to aligning its future climate-related disclosures to the Task Force on Climate-related Financial Disclosures (TCFD). Additionally, the company plans to submit its reduction targets to the Science Based Target Initiative (SBTi) to validate its reduction commitments to the Paris Agreement's goals.

FI inquired how the company plans to meets its reduction goals in Americas and especially in its mining operations in Indonesia given that its primary energy source is thermal coal. A few developments are going to help meet the goal: the Indonesian mine has been transitioned from open-pit to underground mining and the company is constructing a dual-fuel power plant to diversify the energy input from solely coal to biofuel, diesel and LNG (given the geography, other renewable options are prohibitive.) Across the portfolio, the company is decarbonising its electricity inputs by including wind, solar and battery power; accelerating the electrification of its fleet and equipment; and initiating process innovation across the board.

Employee Health & Safety: There were multiple fatalities at the company's Indonesian operations in 2020. FI inquired what the company's strategy is to meet its objective of zero workplace fatalities. The company emphasised its adherence to its fatal risk management and intends to use technological inputs, safety education and operational checklists to enhance its safety record.

Toxic Waste: FI raised the concern of toxic waste run-off from the tailings into the water sources. The company is committed to transparency in relation to its tailings management disclosures and enhancements. The publication of a human health impact assessment is scheduled shortly, which FI will evaluate for tailings management performance.

Governance: The board was refreshed in 2021 with five new independent directors joining the board. Four directors are female and multiple directors possess sustainability experience, which the company hopes to channel in its sustainability drive. FI inquired about the ESG metrics component in the executive compensation programme. The 2020 annual incentive programme now includes 25% ESG driven metrics on safety and sustainability objectives.

OUTCOME
Since our engagement dialogue in Q4 2020, the company has encouragingly completed scenario analysis to evaluate three climate pathways and committed to aligning its future climate-related disclosures to TCFD as we discussed. But the company is still evaluating potential net-zero commitments. We will continue to monitor the company's climate transition goals, safety programme and will evaluate the human health impact assessment report when it is published.

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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 welcoming the opportunity to conduct engagement alongside our clients, and inviting clients to request that FI engage a company on their behalf. 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 Example #1: Responsible investment is growing rapidly, and some institutional clients have expressed concern about the overall lack of ESG verification standards. To address their feedback and to ensure our strategies meet our clients' expectations, we began pursuing eco-label certification for a select number of our strategies. The application process includes examination by an external auditor to ensure the strategy meets the label's strict criteria.

2021 Outcome
As of July 2021, two of FI's funds achieved the Belgium 'Towards Sustainability' label certification: the Fisher Investments Institutional US All Cap ESG Fund and the Fisher Investments Institutional Emerging Markets Responsible Equity ex-Fossil Fuels Fund. Further, we have maintained existing certifications in 2021, such as the Austrian Osterrichisches Umweltzeichen (Eco-Label).

Client Feedback Example #2: Like many organisations, throughout 2020 and 2021 we ramped up ways of connecting with investors digitally due to the challenges presented by the global pandemic, which limited our ability to meet in-person. This included an increase in video calls, conference calls, and webinars to maintain connectivity with our clients and ensure we provide a level of service and communication that meets their needs.

2021 Outcome
We provided a virtual client learning "ESG Forum" for an institutional client's employees and consultant. During the session with 18 participants, we discussed the challenges and opportunities of ESG investing and responded to questions about ESG in our investment process.

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:

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- **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 discloses 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 a frequency better suited to the clients' requirements (e.g. monthly, semi-annually, annually, etc.).

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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 1990's, FI has qualitatively reviewed non-financial ESG factors alongside financial data on companies. As we have grown, ESG factor integration has taken an increasingly prominent role in FI's fundamental investment analysis from both a bottom-up and top-down perspective.

Top-Down ESG Investment Process

Sustainability Risks and ESG factors are among the many drivers considered by FI's Capital Markets Analysts and FI's Investment Policy Committee (IPC) when developing country, sector and thematic preferences. Environmental regulation, social policy, economic and market reforms, labour, and human rights are among ESG factors considered when determining country and sector/ industry allocations and shaping an initial prospect list of portfolio positions.

Capital Markets research analysts monitor how ESG factors may affect high-level portfolio themes. FI monitors key social policies driving wealth creation and economic growth, including, but not limited to: Infrastructure investment, tax policy, free trade, property, human, and labour rights, and government reform. Political factors affecting these social policies are integral to the top-down analysis, allowing us to be cognizant of the regulatory risk surrounding the ESG environment. Further, research analysts monitor responsible investments thematic opportunities and risks deemed material to returns. 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. labour strikes and resource nationalization) and litigation tied to environmental impact. Similarly, social thematic opportunities are considered including education, shifting consumer preferences (e.g. healthy eating, e-commerce) and poverty trends (e.g. basic needs, infrastructure development).

The IPC, with the assistance of our Securities Analysts, Capital Markets Analysts, and Fixed Income Analysts, determines the materiality of the ESG considerations based on the exposure among publicly-traded companies in these categories. Higher materiality could imply larger ESG-related risks or opportunities, and may influence sector and country weight preferences as well as individual stock selection.

Bottom-Up ESG Integration

Securities Analysts perform fundamental research on prospective investments to identify securities with strategic attributes consistent with the firm's top-down views and competitive advantages relative to their defined peer group. The fundamental research process involves reviewing and evaluating a comprehensive set of qualitative and quantitative data, including ESG factors, prior to purchasing a security. Factors considered in portfolios include, but are not limited to: shareholder concentration, corporate stewardship, environmental opportunities & liabilities, and human or labour rights

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controversies. Generally, FI would choose not to invest in companies when, in its opinion, security level issues:

- Violate a client's mandated ESG policy or
- Present an inordinate risk to a company's operational or financial performance, or
- Appear to present undue headline risk to share price performance.

Securities analysts monitor existing holdings as part of the ongoing research process and elevate meaningful ESG-related deterioration or opportunities at the company level. Each Capital Markets and Securities Analyst has access to a suite of tools from MSCI ESG Research including ESG Ratings, Sustainable Impact Metrics and ESG Controversies. These specialised tools assist in identifying opportunities, risks and controversies at the company level. Additionally, analysts utilise various resources from MSCI ESG Research, Sustainalytics, ISS, Bloomberg, and FactSet to monitor holdings and comply with applicable ESG guidelines.

A material contribution of our relative performance derives from sector, country, style and thematic decisions. As such, we do not expect security-level ESG restrictions or preferences to materially impact expected risk or return characteristics of the strategies, relative to the Benchmark over a market cycle. We believe our ESG-related research capabilities can help enhance portfolio relative performance, particularly in reducing exposure to countries, industries, and securities that may underperform as a result of their negative ESG risks.

Integration across Geographies, Asset Classes, and Funds

Our integration of ESG considerations in the investment process is overseen by a single body, the IPC, and is generally consistently applied across geographies, asset classes, and funds.

Geographic

In the application of ESG integration, when geographic differences occur, they are driven primarily by differences in local, regional or country 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 possible given the dispersion in non-financial data reporting practices between Emerging and Developed markets companies.

Asset Classes (e.g. Fixed Income)

From an asset class perspective, the detailed description of our process above is primarily relevant to our management of listed equities (which makes up 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. Given the pooled nature of the assets, our ESG analysis focuses primarily on information potentially affecting performance of countries and sectors. In fixed income strategies with an ESG focus, we commonly select pooled investment instruments, such as ETFs, with ESG characteristics (e.g., restrictions) that approximate those used by Fisher Investments in equity strategies. 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 consistent with our ESG integration in listed equity strategies.

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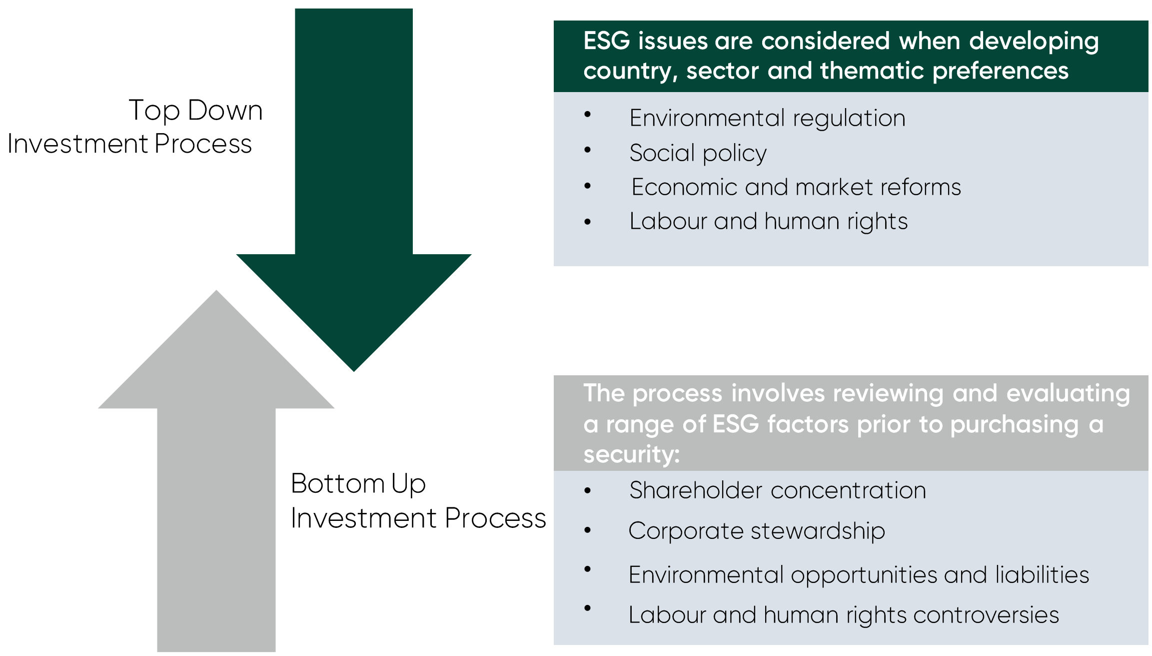
Funds

Within funds, while the integration of 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 funds.

ESG Application



Mechanical Negative Screening

Within our ESG strategies, we are able to refine prospective security lists further by applying mechanical ESG screens to the list of prospective securities, using clients' custom restrictions lists, MSCI ESG Research, and other data sources in separately managed accounts. Following is a sample of mechanical screens that can be incorporated. Ultimately, we work closely with each client to arrive at a restriction list of their preference.

LEVEL 18, ONE CANADA SQUARE CANARY WHARF, LONDON E14 5AX UNITED KINGDOM
TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

ESG Capabilities

SAMPLING OF AVAILABLE MECHANICAL SCREENS

DEFENSE AND WEAPONS

- Biological/chemical
- Conventional
- Depleted uranium weapons production
- Nuclear
- Civilian firearms
- Cluster munitions (any ties)
- Landmines (any ties)

BUSINESS ACTIVITIES

- Adult entertainment
- Alcohol/gambling/ tobacco
- Child labour controversy
- Genetic engineering
- Animal welfare
- Thermal coal extraction & power generation

GLOBAL SANCTIONS

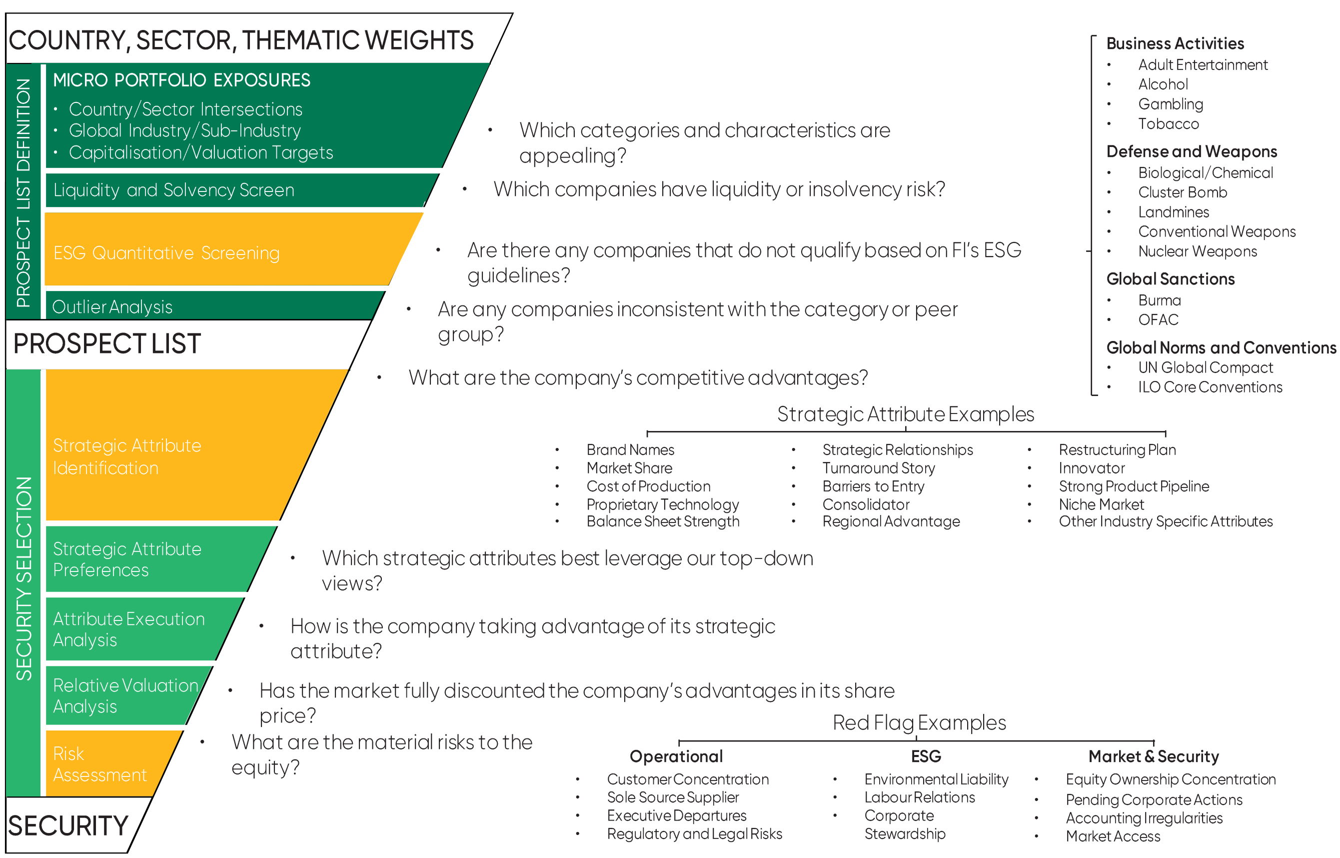
- US Office of Foreign Asset Control (OFAC)
- EU sanctioned entities
- Canada's Special Economic Measures Act (SEMA)
- Australian Department of Foreign Affairs and Trade (DFAT)

GLOBAL NORMS AND CONVENTIONS

- UN Global Compact
- ILO core conventions
- ESG Controversies
- The Norwegian Global Pension Fund restriction list

The following graphic displays our prospect list definition and security selection progression:

Prospect List Definition and Security Selection



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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 and sectors to increase the possibility of benefitting from top-down themes. Further, risk management controls identify unintended risk concentrations in the security selection process. Performance attribution is regularly monitored to confirm alpha is derived from intended sources.

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 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 Eze Order Management System (OMS). 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

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

ESG Stewardship Integration Example #1

2021 Outcome
In Q4 2021, FI engaged with a Chinese pharmaceutical company to discuss governance and regulatory issues surrounding its efforts to enhance access to medicines in China. The company has worked in 'data harmonization and sharing' efforts which aim to allow non-Chinese trial data to be used in Chinese drug approval decisions, bringing Chinese regulatory processes to match that with the US. In July 2021 China's Center for Drug Evaluation (CDE) issued guidance that drug approval applications needed to compare results to the current best standard of care, while the previous standard allowed for placebo controlled trials that set a much lower bar. The company was receptive to FI's guidance, as the company's top priority is in-lining best-in-class products to the Chinese markets.

ESG Analysis Integration Example # 2

2021 Outcome
In 2021, FI purchased a US-based photovoltaic solar power systems and modules manufacturer company to gain exposure to Information Technology companies with attractive growth prospects. The company is well-positioned to capitalise on the renewable energy transition demand in the long run. It continues to accelerate its transition to the more cost-efficient Series 6 module technology to retain its competitive edge. In addition, the company has favourable impact characteristics given 100% of its sales are derived from alternative energy sources, directly tying it to UN SDG Goal 7: Affordable and Clean Energy. Additionally, the firm's freshwater withdrawal intensity (m3/USD million sales) is over 24% lower than

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its peers. Internally, the firm has established a strong affirmative action policy to help workforce diversity, including in leadership positions. Further, the company continues to establish both global and local region networks and affinity groups, such as the Global Women's Network it launched in 2019.

ESG Analysis Integration Example #3

2021 Outcome
The IPC evaluated the inclusion of an Asian company in one of our Emerging Markets portfolios that is subject to the Austrian Eco Label certification, due to ESG driven changes in the investment universe. The company is driven by ecommerce parcel volume from Alibaba and other ecommerce players. The company is a growth-oriented name and a great fit for key themes such as ecommerce and growing middle-class consumption spend in China. However, our analysis raised a number of ESG concerns including multiple share classes that give controlling shareholding to founders. Second, the company operates labour-intensive courier service business, which has risk of work stoppages, industrial injuries, road accidents, etc. In addition, there was an unusual instance of poor internal control as a mannequin dressed in uniform was used as a security inspector rather than a real person. Although, individually none of the concerns disqualifies the company as an investment candidate, we found a number of companies with better corporate governance and employee practices that also fit our top-down themes. For example, the newly added companies have taken better steps to protect employees from the spread of COVID-19. Based on the ESG requirements of the strategy and availability of alternative stocks, the Investment Policy Committee chose not to include this China-based company in the portfolio.

LEVEL 18, ONE CANADA SQUARE CANARY WHARF, LONDON E14 5AX UNITED KINGDOM
TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

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 TPSP's 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 third-party service providers (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

Our Proxy Voting Committee oversees all aspects of Proxy Voting and 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 these Proxy Voting Policies and Procedures, and any proposed changes thereto 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.

2021 Outcome
FI conducts an annual review of ISS. For the reporting period 2021, the annual review will be completed in Q3 of 2022. In 2021, we also participated in the annual survey for ISS Consultation and provided feedback on proposed changes to proxy guidelines.

LEVEL 18, ONE CANADA SQUARE CANARY WHARF, LONDON E14 5AX UNITED KINGDOM
TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

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.

2021 Outcome
FI reviewed ISS ESG's engagements with companies held in our portfolio and found no material concerns. The relationship was renewed.

ESG Data Providers

FI makes wide use of data from multiple data services providers including ESG data from MSCI ESG Research. This ESG data is 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 (or FI's own) restrictions before and after purchase of the position. For example, this may include monitoring revenue generation in specific industries (gambling, weapons, alcohol, tobacco, etc.) utilising various resources from MSCI ESG Research and Eze Order Management System (OMS). Any violations or potential violations are elevated to the IPC for review.

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.

2021 Outcome
In 2021, a review of our current business needs led us to expanding our relationship with a second ESG data provider. We now have two ESG data providers.

LEVEL 18, ONE CANADA SQUARE CANARY WHARF, LONDON E14 5AX UNITED KINGDOM
TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

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 works 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 team to strengthen our ESG corporate engagement programme. In 2021, 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 expanded in 2021, adding a Project Coordinator to support the firm's Responsible Investment program. On a limited basis, we also began incorporating fixed income investments into our engagement activities (less than 1% of our total assets under management are in fixed income securities (e.g. corporates, municipal, mortgage-backed and sovereign) where engagement could occur. Therefore, no fixed income examples are currently available. We report our activities publicly and to our clients each quarter, as described in Principle 6.

2021 Outcome
In 2021, we increased the number of companies engaged by 27% over the previous year.

Engagement Focus Areas

We prioritise multiple factors in each ESG category.

LEVEL 18, ONE CANADA SQUARE CANARY WHARF, LONDON E14 5AX UNITED KINGDOM
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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 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
- Our third party ESG ratings provider significantly downgrades a company's rating
- A company's activity results in it being assigned a red flag (severe controversy)
- We decide against buying a security in an ESG portfolio for ESG-related reasons
- The company no longer complies with our ESG screens
- The company has salient environment, social and/or governance issues
- 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 violations. Because financial markets do not properly value the risks and opportunities associated with such macro issues, FI believes corporate engagement is a powerful tool for investors to address these portfolio-wide, interconnected risks.

We added biodiversity as a key theme in our 2021 corporate engagements, prioritizing three sectors – energy, consumer goods and materials – for the high impact that these sectors have on natural capital and biodiversity. We initiated engagements on specific issues of land degradation, deforestation, water stewardship, and pollution & waste (see examples below).

In 2021, FI joined the PRI-convened Sustainable Commodities Practitioners' Group. The working group brings together asset owners and asset managers to build awareness and share current best practices in responding to commodity-driven deforestation, which is a systemic and financial risk. Investors share their practices and work to align their engagement objectives, metrics and practices in collaboration with technical experts. Participation in PRI's working group has helped us enhance our expertise on relevant metrics, indicators, and assessment frameworks on sustainable commodities and natural capital associated with our thematic engagements focused on biodiversity risks.

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, which is then compared to peers within its sector, region and size, helps us understand the company's relative positioning. This analysis can highlight specific gaps in areas including but not limited to:

LEVEL 18, ONE CANADA SQUARE CANARY WHARF, LONDON E14 5AX UNITED KINGDOM
TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

- 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:
Our research of Company #1, an Australian consumer discretionary company with below average ESG ratings, showed that it had recently appointed a new chief ESG officer and published its first sustainability report. We noted that the emerging sustainability programme lacked a concrete and comprehensive action plan on environmental impact mitigation and sustainable sourcing of materials. We developed the engagement objective to ask the company to set key issue targets to meet the declared ESG commitments. We encouraged the company to gather baseline measurements so it can set robust environmental impact mitigation and emissions reductions targets.

Setting Engagement Objectives Example #2:
Some engagements are related to a specific ESG controversy. In those instances, our objectives are to seek appropriate remediation or additional public disclosures. When a military coup in early 2021 overthrew Myanmar’s democratically elected government, there were credible reports of widespread human rights violations connected to the ruling junta. Our research indicated that Company #2, an Indian information technology company, had a contract with a Myanmar bank, which was reportedly controlled by senior military leaders and used for financing their activities. Our engagement objective was to request the company address the business risks of providing financing (even indirectly) with an internationally sanctioned regime. To support the objective, we noted that the company was a signatory to the UN Global Compact and declared support for the “protection and elevation of human rights” globally in its human rights statement.

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 2021, all engagements were held by phone conference or video conference (31%) or email (69%). 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.

Engagement Example #1:

<u>Engagement Category:</u> Climate Change Strategy; Diversity & Inclusion

LEVEL 18, ONE CANADA SQUARE CANARY WHARF, LONDON E14 5AX UNITED KINGDOM
TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

Objective: Encourage operational alignment with Japan's recently announced climate commitments, and express support for the company's programme on Women's Participation and Advancement.

Engagement Summary: In October 2020, Japan's Prime Minister pledged that the country will be carbon neutral by 2050. As we considered the potential impact of the pledge on Japanese-domiciled companies, our engagement team sought a meeting with a Japanese automation company. The company was in the early stages of addressing sustainability, including implementing oversight by its board and collecting some of its facilities' environmental performance data. However, its approach to data gathering and disclosure made it difficult to compare its data to competitors. In 2021 and the early stages of 2022, we held an engagement to discuss the company's readiness to align with the Government's pledge, its environmental disclosures, and its programmes to increase the participation of women in its workforce.

In our discussions, we noted that although the company was developing a comprehensive measurement system that will eventually incorporate all of its facilities, it did not have a formal emissions reduction programme. The company's targets for emissions sub-indicators lacked the top-line goals that allow investors to compare its performance to its peers. We recommended the company map its Scope 1, 2, and 3 greenhouse gas emissions, and to set reduction targets at the category (rather than sub-indicator) level.

After the company published its annual ESG data, we reiterated our request for Scope 1, 2 and 3 emissions reduction targets that aligned with the Japanese Government's carbon neutral ambition. The company was very responsive and soon announced a goal of Net Zero emissions by 2050, along with 2030 interim targets for Scope 1, 2, and its largest source of Scope 3 emissions – Use of Sold Products:

- Scope 1 and 2 emissions: 42% reduction by 2030, using a 2020 baseline
- Scope 3 emissions: 12.3% reduction in the Use of Sold Products by 2030, using a 2020 baseline

Furthermore, the company announced its support for the Task Force on Climate related Financial Disclosures and began conducting scenario analysis. We believe its targets are ambitious and meaningful, and will put the company on a trajectory to align with Net Zero emissions even as it grows its market share.

Another priority for the company is women's employment and advancement. The company established targets that by 2020, 10% of the workforce and 5% of newly appointed executives will be women. To support the targets, it implemented many women and family-supportive programmes. Data released in 2021 showed it exceeded its goal of achieving 5% women among newly appointed executives, but had to extend the goal of 10% women in the general workforce. Despite recruiting headwinds associated with the COVID-19 pandemic, we believe its family-friendly policies are beneficial and should help the company achieve its goal.

2021 Outcome
Objective achieved. We commend the company for responding to its investors and setting ambitious long and medium-term climate targets. We also look forward to the company achieving its goals on women's participation. Engagement concluded.

LEVEL 18, ONE CANADA SQUARE CANARY WHARF, LONDON E14 5AX UNITED KINGDOM
TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

Engagement Example #2:

Engagement Category: Human Rights Policy

Objective: Persuade the company to take steps to address business-related human rights risks in Myanmar.

Engagement Summary: Beginning in mid-2021, FI collaborated with 35+ other institutional investors to engage a multinational energy company on business-related human rights risks in Myanmar. Investors asked the company to take steps to protect the safety of its workforce in Myanmar and, in accordance with its policies, ensure that it was not complicit in enabling human rights abuses.

The company began taking steps to reduce its risk exposure, including decommissioning a new deep water gas drilling project. The company also began suspending some cash distributions related to its in-country operations, however, it expressed concern that enacting additional financial restrictions in the absence of governmental economic sanctions would breach its legal obligations and subject its local affiliate's management team to arrest and imprisonment.

One of the company's core principles is the ability to operate in accordance with its internal safety guidelines. After the coup, the company was unable to access the villages around its operations due to security risks.

2021 Outcome
The company announced that due to the ongoing human rights concerns and the deterioration in the rule of law, it was withdrawing from Myanmar without seeking financial compensation.

The withdrawal is expected to be completed in 2022. To conclude this engagement, we will encourage the company to address worker protection issues throughout the period of its withdrawal and beyond, to the greatest extent possible.

Engagement Example #3:

Engagement Category: Biodiversity, Water Stewardship

Objective: Discuss the company's biodiversity, climate change and overall sustainability strategies.

Engagement Summary: FI engaged a South African mining company that supplies iron-ore to the global steel industry to discuss the company's sustainability programmes. The company adopted a Sustainable Mining Plan that guides its actions on biodiversity related to sustainable land use programmes, concurrent rehabilitation methods and detailed closure plans. In accordance with its net positive impact (NPI) biodiversity targets, the company has identified certain projects to undertake and is evaluating additional targets.

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TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

On its water stewardship practices, the company stated that its current operations are not in water scarce environments. The company has a water management plan, which aims to offset the water used from the aquifers by investing in infrastructure on drainage, trenches and dams to avoid water run-off. The company also highlighted that it adheres to stringent regulations and has reduced its freshwater use nearly 20% in recent years. Mineral waste management is also a priority and the company has been able to significantly reduce its overall waste footprint.

2021 Outcome
FI will continue to monitor progress on the sustainability programs and commitments made by the company.

Engagement Example #4

Engagement Category: Water Stewardship

Objective: Understand the company's environmental management performance on water stewardship.

Engagement Summary: - FI met with one of the largest pharmaceutical companies in Brazil to discuss the company's water stewardship and waste management programmes. The company noted that due to a drought in 2019, it developed a plan to mitigate any water supply risks that includes increasing water recycling and storage capacity at its industrial plants. While the company has not set formal goals related to water, it is focused on drastically increasing its water reuse and is on target to reach 90 billion liters reused by year-end. The company is discussing formal targets for both water use and waste disposal reduction.

2021 Outcome
We encouraged the company to set formal water neutrality goals. We plan to follow up after the next Sustainability Report is published.

Engagement across Categories

Given the global nature of our portfolios, we endeavour to engage across geographies, sectors and market caps (see charts below). However, an effective engagement programme is not one-size-fits-all. While 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 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.

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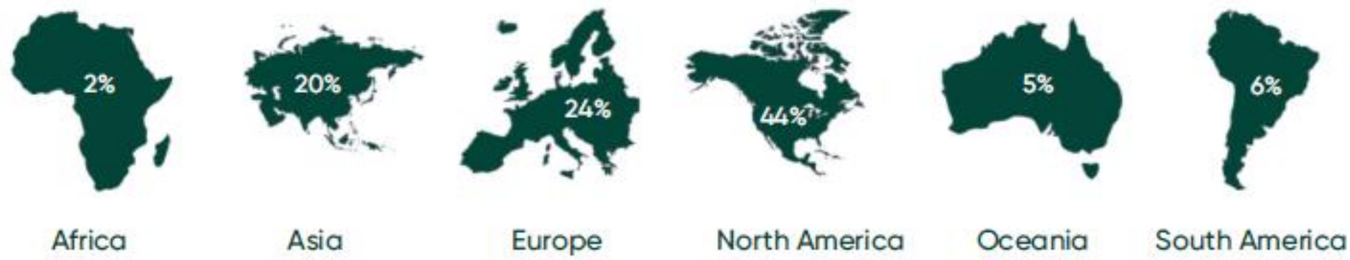
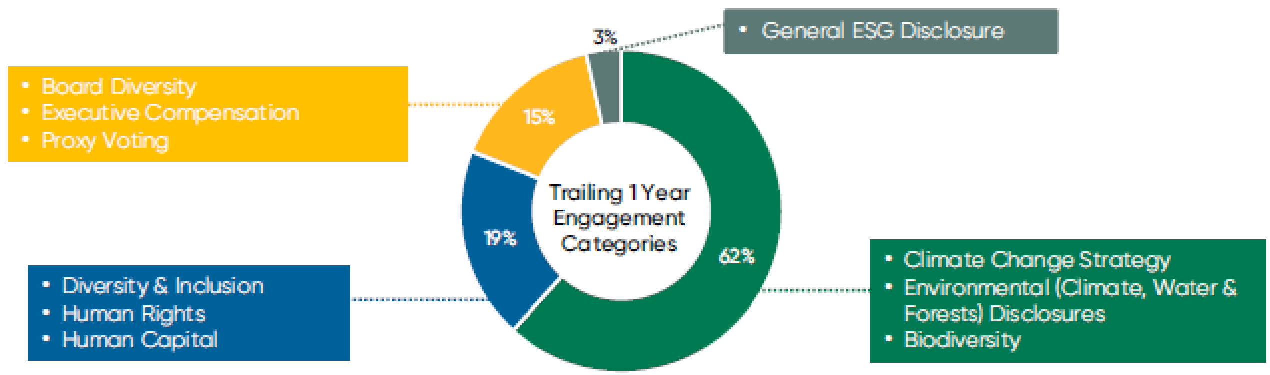
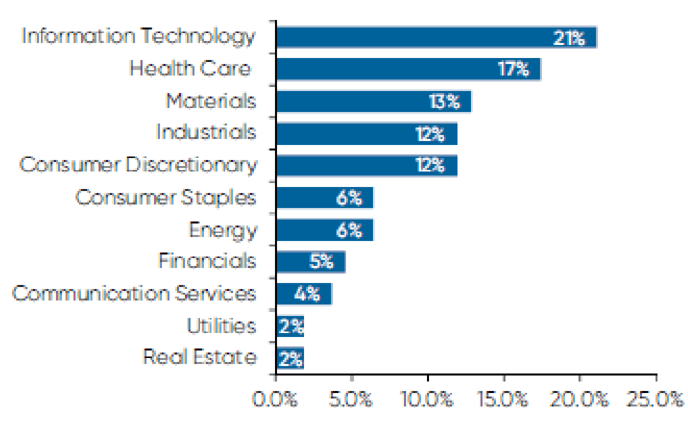
Geographic Distribution of Engaged Companies in 2021

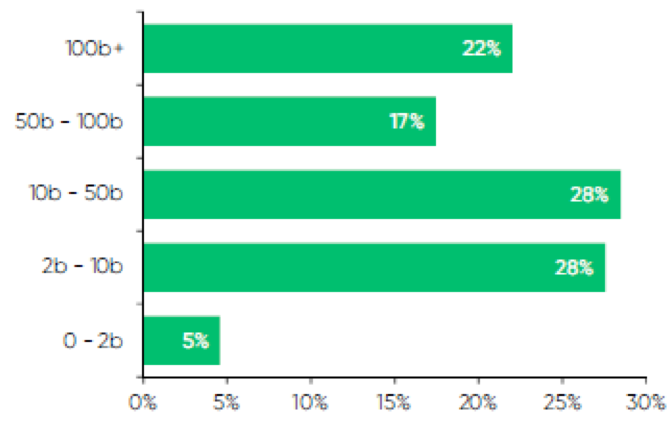


Engagement topics across E, S, and G categories in 2021



Engaged Companies by Sector & Market Cap (USD Billions) in 2021





Data indicated above are based on engagement meetings for all institutional clients of FI and its affiliates as of Q4 2021.

LEVEL 18, ONE CANADA SQUARE CANARY WHARF, LONDON E14 5AX UNITED KINGDOM
TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

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. As involving multiple parties in an engagement can increase complexities, we seek to ensure all collaborative engagements follow the PRI's "4 Cs" for success: commonality, coordination, clarity and clout. 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 2021, we participated in the following collaborative engagements:

Climate Action 100+
We are a signatory to this initiative, whose objective is to ensure the world's largest greenhouse gas emitters take necessary action on climate change. We co-lead an engagement team consisting of 30 institutional investors in six countries in an ongoing engagement with a large oil & gas company to persuade the company to take necessary steps to curb greenhouse gas emissions in alignment with a globally established target, strengthen its governance and improve its climate related financial disclosures.

2021 Outcome
The engagement achieved significant milestones, including establishing updated Scope 1 and Scope 2 emissions reduction targets, publishing a new climate impact report and disclosing 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. The transition plan is backed by approximately $1 billion in capex per year, although it appears the company will be able to ramp up quickly as viable solutions are identified.

CDP Non-Disclosure Campaign
We participated in CDP's 2021 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 organisations Climate, Water and/or Forest disclosure questionnaires–which are a valuable data source for investors and stakeholders. We engaged 62 companies in 17 countries, either as a lead investor or a co-signer. In total, the companies were asked to complete 75 questionnaires, of which 14 were returned by the deadline.

Level 18, One Canada Square Canary Wharf, London E14 5AX United Kingdom
Telephone: +44 (0)207 299 6848 • Fax: +44 (0)207 900 1698 • Email: institutional@fisherinvestments.co.uk

2021 Outcome
We expected a 10-12% success rate for this initiative, however the actual success rate was 18%, exceeding what we anticipated. Where FI was the leading investor, there was a 22.8% success rate.

Collaborative Engagement Service

In 2021, we 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.

2021 Outcome
We participated in 12 engagements covering topics such as bribery & corruption, labour concerns, cybersecurity and data privacy.

Collaborative Engagement Example

Objective: Persuade the company to take steps to address business-related human rights risks in Myanmar.

Engagement Summary: Beginning in mid-2021, FI collaborated with 35+ other institutional investors to engage a multinational energy company on business-related human rights risks in Myanmar. Investors asked the company to take steps to protect the safety of its workforce in Myanmar and, in accordance with its policies, ensure that it was not complicit in enabling human rights abuses.

The company began taking steps to reduce its risk exposure, including decommissioning a new deep water gas drilling project. The company also began suspending some cash distributions related to its in-country operations, however, it expressed concern that enacting additional financial restrictions in the absence of governmental economic sanctions would breach its legal obligations and subject its local affiliate's management team to arrest and imprisonment.

One of the company's core principles is the ability to operate in accordance with its internal safety guidelines. After the coup, the company was unable to access the villages around its operations due to security risks.

2021 Outcome
The company announced that due to the ongoing human rights concerns and the deterioration in the rule of law, it was withdrawing from Myanmar without seeking financial compensation.

The withdrawal is expected to be completed in 2022. To conclude this engagement, we will encourage the company to address worker protection issues throughout the period of its withdrawal and beyond, to the greatest extent possible.

LEVEL 18, ONE CANADA SQUARE CANARY WHARF, LONDON E14 5AX UNITED KINGDOM
TELEPHONE: +44 (0)207 299 6848 • FAX: +44 (0)207 900 1698 • EMAIL: institutional@fisherinvestments.co.uk

Principle 11: Engagement
Signatories, where necessary, escalate stewardship activities to influence issuers.

ESG factors of portfolio holdings are continuously monitored and 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 endeavor to be responsive to their shareholders. In situations where a portfolio company is either unresponsive despite repeated inquiries 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 has generally not been applicable.

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 or
- divest our holdings

If we activate escalation, we inform the management 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

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concerns. In these markets, we are likely to utilise proxy-related tools such as board accountability or voting for shareholder proposals on ESG issues.

In less mature markets, such as Asia or Latin America, engagement dialogues often begin with the goal of asking companies to adopt a sustainability plan or disclose ESG performance. Here the primary objective is to communicate investor expectations on ESG issues that are relevant for their business. For example, in early 2021 we spoke with a Malaysian energy company (described in Principle 9) and were able to emphasise the importance that investors place on global climate standards and adherence to UN Global Compact.

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 of the many 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. Therefore, in markets where ESG practices are less established, there is tremendous 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 #1:
FI engaged Company #1 (a global materials company) to inquire about its response to a negative social and cultural impact at one of its mining sites. The company enumerated its remediation efforts and described the impact mitigation programs for the local community. We encouraged that the company's response be holistic to address the community's concerns while reflecting adequate contrition in future management action.

2021 Outcome
In the subsequent annual general meeting, FI voted against the management proposal on executive remuneration report as the programme retained significant portion of the outstanding long-term awards for the outgoing CEO, who was ultimately responsible for the company's conduct. We also voted against the re-election of the Chair of the Sustainability Committee for governance failures by the board in overseeing environmental and social risks in company operations. Voting results later showed that more than 60% of shareholders voted against the remuneration report, while 26% of votes were against the re-election of the director nominee.

Escalation Example #2:
Following longstanding concerns about a board of directors' ability to provide proper guidance to a North American oil and gas supermajor, a shareholder proposed an alternate slate of director nominees. FI attended a webinar to gain additional information about the rationale for proposing an alternate slate, and also reviewed the board's recommendations. FI elected to employ its escalation options and voted in support of 75% of the alternate directors.

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2021 Outcome
All of the directors FI supported were elected to the board. We planned a follow up engagement meeting in 2022 to discuss how the new board members are influencing the company's strategy.

Escalation Example #3:
Our engagement with Company #3 (a North American omni-channel retailer) focused on the health & safety of its employees. The company had embarked on a massive hiring spree to respond to changing consumer demands due to the COVID-19 pandemic. The company highlighted its efforts to provide a clean and safe work environment for its front-line workers. In the subsequent annual general meeting, the company received shareholder proposals requesting reports on alignment of racial justice goals and starting wages for its employees, lobbying payments and policy and a request to create a pandemic workforce advisory council.

2021 Outcome
FI voted for each of the three shareholder proposals to encourage the company to be more responsive to its employee wellbeing and racial justice goals as well as show transparency in its lobbying activities. While none of the shareholder proposals received majority votes, we have continued to engage the company on issues employee relations and transparency in governance.

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Principle 12: Exercising Rights/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 of our institutional strategies, assets, and geographies (including all Funds 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.

While 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 Research Team Leader and reported to the Proxy Committee on a quarterly basis. Please refer to Principle 8 for more information on how we monitor ISS.

Voting Policy Disclosure

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

- Our Proxy Voting Policy is disclosed and publicly available, within our Engagement Policy, 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 2021, 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 Engagement Policy on the Institutional Group Website: https://institutional.fisherinvestments.com/en-gb/process.

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Proxy Voting and Outcomes Examples

Example #1: In Q2 2021 we engaged with the company secretary of Company #1 (a Chinese biotech firm) to discuss the board of director elections in the upcoming proxy vote. FI's proxy advisor had recommended against the nomination of a board director, and we sought clarification of her status. The company argued that the proxy recommendation is erroneous because it is based on the misclassification of another director (resulting in an excessive number of affiliated directors). The company presented evidence that the other director is duly independent of the company's management and therefore, the board has a sufficient ratio of independent directors. Furthermore, in accordance with the exchange listing rules, the company has adopted a comprehensive board nomination policy in 2019, which discloses detailed criteria for nominations, including board diversity in terms of gender, expertise, experience and independence.

2021 Outcome
In light of the company's evidence gleaned from direct engagement, FI supported the director's nomination in the proxy vote.

Example #2: We engaged Company #2 (a South American information technology firm) to discuss the composition of the board of directors. The company's founder serves in the dual roles of CEO and chairperson of the board. Due to occupying dual roles, FI's proxy advisor issued a recommendation to vote against his nomination as the Chairperson. Our research on the company and information from the dialogue led us to conclude that, as one of the co-founders who has led the company successfully for more than a decade, his leadership is important to the company's operations, vision and execution.

2021 Outcome
Upon evaluation of the company's disclosures, FI supported the nomination of the chairperson.

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[6] 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 their own independent proxy advisor.
- 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.

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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 of our clients. We frequently engage with company management on proxy voting issues.

Stock Lending & Monitoring Voting Rights

In general, we do not participate in stock 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 stock lending, we reduce the risk of 'empty voting' and any such instances are outside of our control.

Voting Proportions

In the reporting period 2021, we voted over 99.9% of the shares for which we were authorised to vote. The fraction of votes not cast was due to several factors including some of our institutional clients not meeting residency status requirements in issuing countries where votes were cast.

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. Our 2021 Proxy Voting Reports can be found here.

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 assesses the requested changes to determine if they are in the best interests of bondholders and our clients, and responds accordingly. Note, fixed income assets under management make up ~7% of our assets (see Principles 6 and 7); nearly 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.

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Conclusion

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 of Responsible Investments (PRI) and our commitment to this Code in our investment approach as we boldly pioneer tomorrow's investment solutions today.

Review and Approval Process

This report has gone through an extensive review and approval process by members of our Responsible Investment & Engagement vertical, Senior Managers within the Institutional Group, our research staff, and a member of our Investment Policy Committee. After finalizing our 2022 report, we reviewed the document with multiple levels of Senior Management and Legal Counsel, before presenting the final report to the Fisher Investments Europe Board of Directors for final approval and execution.

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Disclosures

[1] Fisher Investments Europe Limited, trading as Fisher Investments Europe (FIE), authorised and regulated by the Financial Conduct Authority (FCA), wholly owned by Fisher Asset Management, LLC, trading as Fisher Investments (FI). FIE outsources portfolio management to its parent company FI. FI is an investment adviser registered with the US Securities and Exchange Commission (SEC). As of 31 December 2021, assets valued over £153 billion USD. All assets as of 31 December 2021 in this document are preliminary and subject to reconciliation of accounts. FI and its subsidiaries consist of four business units – Fisher Investments Institutional Group (FIIG), Fisher Investments US Private Client Group, Fisher Investments Private Client Group International, and Fisher Investments 401(k) Solutions Group. 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 firm's private client accounts. 401(k) Solutions provides investment-related fiduciary and plan consulting services to employer sponsored retirement plans in the United States with less than $20 million USD in assets. 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 firm's strategies.

[2] As of 31 December 2021, assets valued over £153 billion GBP. All assets as of 31 December 2021 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.

[3] Great Place to Work selects winners of the Best Workplaces lists primarily based on employees' responses to their industry-defining Trust Index© Survey, taken as part of Great Place to Work® Certification. Results from the survey are highly reliable, having a 95% confidence level and a margin of error of 5% or less. Great Place to Work® is a recognised global authority on workplace culture and producer of important reviews, including the annual Fortune "100 Best Companies to Work For®" list. Great Place to Work® anonymously surveyed more than 2,100 employees of Fisher Investments and its subsidiaries as part of its comprehensive review process. The survey measured several factors including compensation, manager quality, overall workplace atmosphere and the pride that employees feel working for Fisher Investments and its subsidiaries. For more information, please visit: https://www.greatplacetowork.com/certified-company/1338751 *and* *https://www.greatplacetowork.com/our-methodology.*

[4] Fisher Investments UK was recognized on the 2021 UK's Best Workplaces™ for Women list by Great Place to Work® UK. Great Place to Work®, the global authority on workplace culture, anonymously surveys organizations' employees to identify how the organization fosters a positive work environment for employees. Based on survey results, Fisher Investments UK was recognized as one of the 2021 UK Best Workplaces™ for Women in the Large Companies category.

[5] 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, as of 31 December 2021.

[6] 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.

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