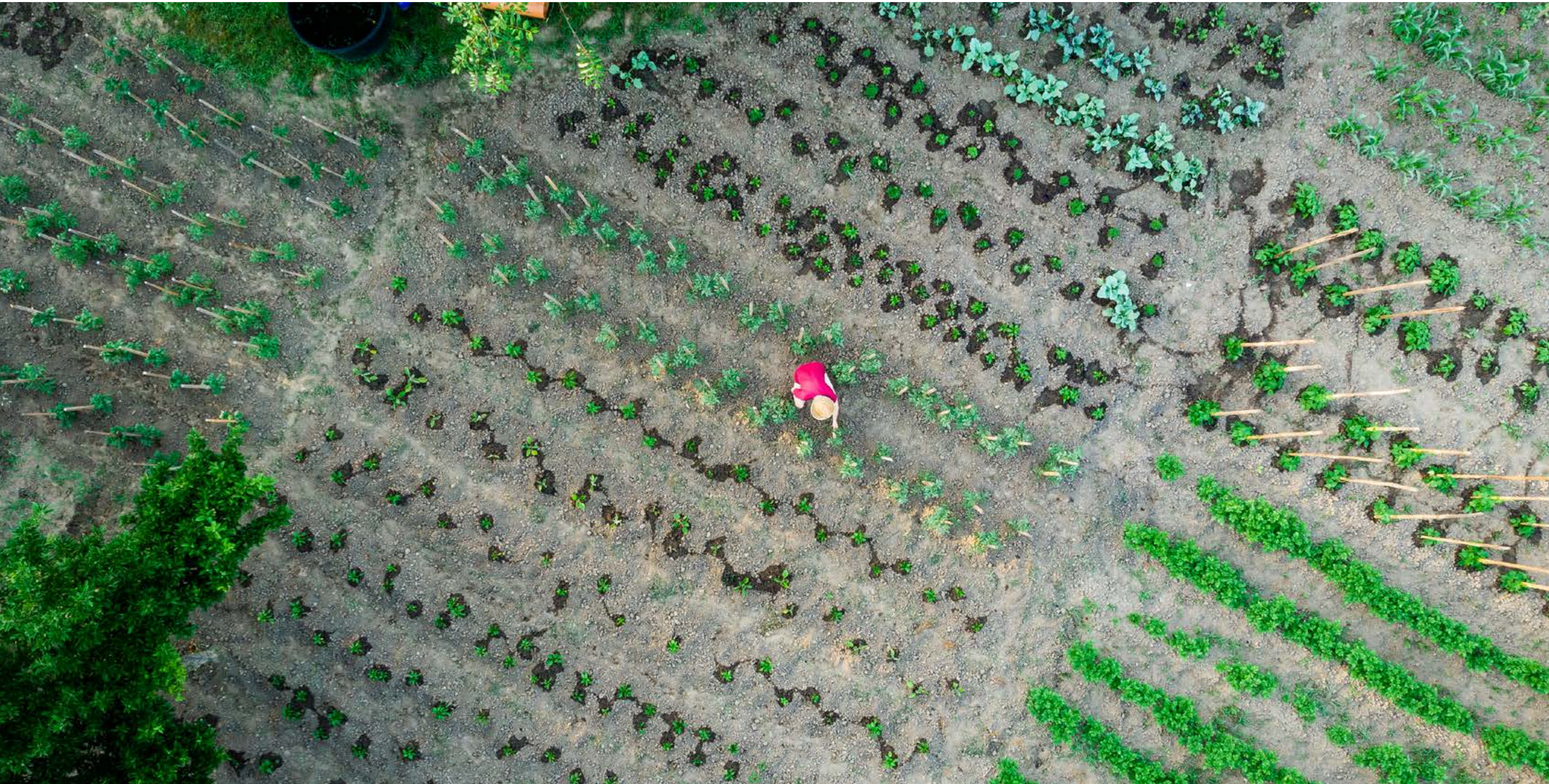
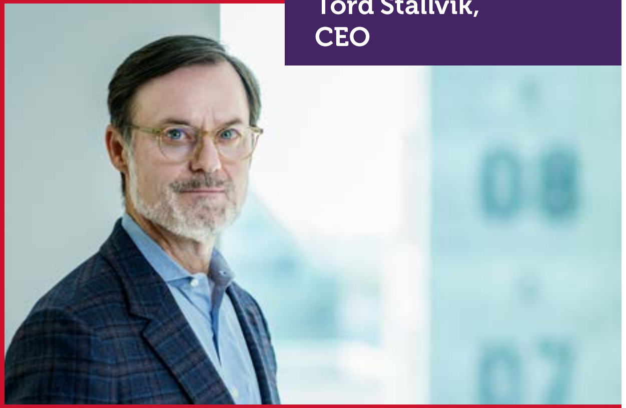
Stewardship Report 2022



Contents

Foreword



Tord Stallvik,
CEO

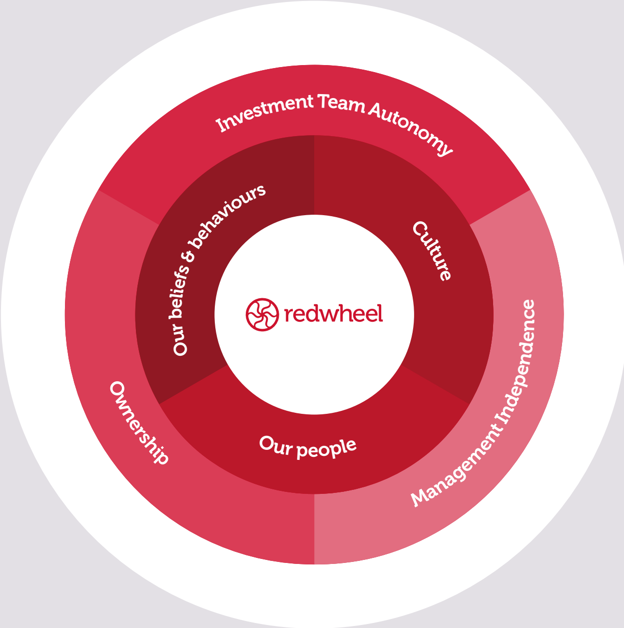
When I transitioned to the role of Chief Executive during the year it afforded me an opportunity to look at the organisation from a new perspective. While we always have to evolve to meet new challenges, our distinctive attributes remain the pillars of our strategy of considered long-term growth. Our focus on sustainability is aligned with being a good long-term partner to our clients, with the brand evolution designed to better enable us to communicate that goal.

Our new brand, Redwheel, gives us a platform to share our story, with the red wheel itself having been a feature in our old London office but more importantly serving as a visual representation of our organisation. The original wheel is a sturdy and functional object, representing resilience and professionalism, while also being an open and connected design. In the context of stewardship, this idea of circularity also resonates. As active owners, encouraging the companies in which we invest to demonstrate their ongoing resilience to evolving risk factors is iterative, dynamic, and without a defined end point.

Over the course of the year we continued deepening our resources dedicated to supporting sustainability initiatives. The creation of a new centralised sustainability function led by Chris Anker, independent of our investment teams, has helped to enhance the discourse within the business on sustainability matters, both in relation to investment activity and the business overall. The central sustainability function was subsequently expanded further, with two additional hires to help take forward our work in relation to data and analytics, as well as training and communications.

The creation of a Sustainability Forum now provides a monthly opportunity for all investment teams to come together in order to debate and discuss the rapidly evolving expectations of clients and regulators from an investment perspective, helping to enhance awareness and understanding of emerging requirements. Sessions during the year involved experts both from within the business and from outside and focussed on a range of different issues including materiality, the art of engagement, as well as issues relating to the EU's Sustainable Finance Disclosure Regulation.

New sustainability oversight arrangements have also been introduced. The Redwheel Sustainability Committee has been set up to monitor and challenge our investment teams on their individual approaches to integrating sustainability considerations in their investment and



stewardship activities, while taking into account evolution in regulatory and client expectations.

A significant piece of work was undertaken to comprehensively review all proxy voting arrangements, as well as to review and enhance formal policies and internal processes designed to support the delivery of responsible investment in practice.

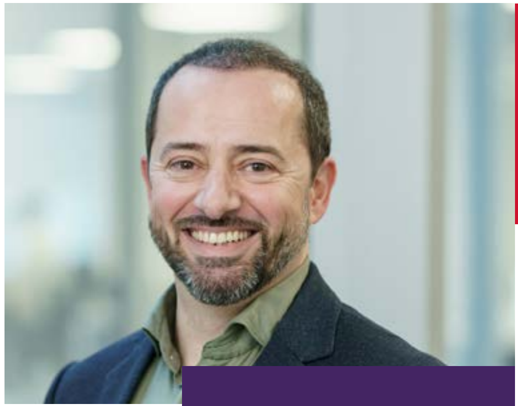
As well as a new policy approach to the identification of companies involved in the production of controversial weapons, the turn of the year saw publication of a new Redwheel Stewardship Policy[1]. This policy reflects the output of numerous conversations to agree and articulate how we as a business, and as a group of investors, are committed to acting as good stewards of clients' capital.

We have also expanded the number of organisations we are actively supporting in relation to responsible investment. The relevance of initiatives to the delivery of our clients' best interests remain the key factor when evaluating whether or not to join further similar organisations.

At the corporate level, we have committed to becoming net zero as a business by the end of 2022 and, in parallel, have committed also to working with our investment teams and clients on the issue of investment portfolio "net zero" alignment. Our sustainability approach continues to be delivered primarily through our programmes on social enterprise, environment, and diversity which together we refer to as SEED. A SEED Steering Committee now has formal oversight of activities, with work in each area being driven by employee volunteers from right across our business.

[1] See:www.redwheel.com/uk/en/individual/resources/

Introduction



Arthur Grigoryants,
Head of Investment Strategy

Redwheel's "Stewardship Report – 2022" represents a major step forwards in terms of demonstrating to our clients how we act in fulfilling our obligations to them, and how our investment teams uphold good standards of practice in relation to responsible investment, and stewardship in particular.

At the end of 2020, we reached full ESG integration across all our teams. Since then, we and our investment teams have continued to develop and enhance our approaches to responsible investment, reflecting changes in the world around us and the data and tools available. The development of a central Sustainability team has been key within this, created to provide support to teams, help coordinate activity, and develop and enhance our policies and oversight in relation to responsible investment. Our Head of Sustainability was appointed in 2021 with two further appointments in the first quarter of 2022 completing the first phase of development.

The team has a core responsibility for interfacing with the organisations of which we are a member in relation to sustainability issues, as well as identifying and recommending opportunities to participate in collaborative initiatives in partnership with our peers. However, consistent with the high-level of autonomy each team retains over its investment process, it remains the responsibility of individual investment teams to engage with the companies in which they invest. We believe that only in this way can clients be assured that our teams are genuine and authentic in their approach.

We think it is important for readers to understand also that:

- We have always had a clear client focus within our approach and feel passionate about standing up for minority shareholder rights.
- We view responsible investing and stewardship as critical and integral parts of our organisation's long-term strategy.
- We welcome the fast evolving market and regulatory expectations of best practice in our industry in respect of stewardship and the broader responsible investment agenda, and believe we can use this to further demonstrate our own alignment and commitment to servicing our clients.

Our new Stewardship Policy provides solid foundations on which all Redwheel's investment teams, both current and future, are expected to develop their own approaches. The themes that each team reflects in its activity can vary however; whilst 'macro' factors are likely to be widely reflected (e.g. climate, Covid resilience), engagement on more idiosyncratic factors will typically be selective (e.g. as part of supporting an investment thesis, or meeting the specific needs of clients). The pages that follow aim to make this clear.

There can be no doubt that across the entire UK investment industry, there is great change going on. More information is accessible to investment teams than has ever been the case through history; as a consequence, finding the marginally additive signals amongst the increased noise has never been harder. For asset managers, delivering for clients cost-effective products and services against a backdrop of increasing costs remains the perpetual challenge. Tools and techniques are constantly developing in response, and responsible investment managers are doing ever more to integrate these within their processes as they mature.

The delivery of good stewardship for clients remains a particularly significant priority within the UK. Fortunately, the UK is a market that is both well-regulated and well-regarded internationally for its support for stewardship. But despite the expansion we have seen to date, this does not mean that all the tools investors need are yet available; further enhancement will be needed before all the factors our teams believe are material over the truly long-term can be taken into proper account when investing today. Neither does it confirm that engagement success translates into financial performance each and every time; price sensitivity remains debatable in most instances.

Of course, a world of imperfect information and market inefficiency is what creates debate about the risk and return characteristics of investments, and which enables active managers to thrive, in particular those like Redwheel that embrace the pursuit of those marginally additive signals.

We hope you enjoy our updated and enhanced report and look forward to working with all our clients to ensure our products and services continue to meet their needs in the years to come.

Over the course of 2021, Redwheel has continued to deepen its resources dedicated to supporting sustainability initiatives.

Chris Anker, Head of Sustainability

Having not only a centralised Sustainability function, but also a Sustainability Forum and a formal Sustainability Committee, has helped to enhance the discourse within the business on sustainability matters, both in relation to investment activity and the business overall.

Further activity and internal debate has been facilitated via regular meetings of our "ESG Project". Featuring colleagues from across our business, these interactions have helped to ensure a solid understanding of the scope of emerging operational requirements, have enabled us to identify pragmatic solutions and, where appropriate, have catalysed an appropriate response from the core business.

Reporting has also been a major area of focus. Having become a signatory to the UN Principles for Responsible Investment in March 2020, we submitted on a voluntary basis our first response to the annual survey of PRI members. We continue to await our first assessment report, which we will in due course use to help us refine and further enhance our approach.

2021 also saw us publish – for the first time – a Stewardship Report presenting on a generalised basis the approach to stewardship followed by Redwheel's investment teams as well as aggregated statistics. It remains our aim that our stewardship reports should meet the standards required by the Financial Reporting Council in order for Redwheel to be confirmed as a signatory to the UK Stewardship Code.

Expanding the team was also a major focus over the year, leading to two new hires who were brought on board in early 2022 to help take forward our work in relation to data and analytics on the one hand, as well as training and communications on the other. At the same time, we have expanded the number of organisations we are actively supporting in relation to responsible investment, including engagement initiatives like ClimateAction100+ and policy-focussed groups such as the Institutional Investors Group on Climate Change. We remain discriminating in our approach though; relevance of initiatives to the delivery of our clients' best interests, as well as resource availability, remain important factors to consider when evaluating whether or not to join further similar organisations.

Helping the business and investment teams navigate an evolving and uncertain regulatory landscape while ensuring our advice remains coherent is likely to be a major theme for the Sustainability team in the year ahead. Making the best use of the data, tools and industry initiatives available to us to monitor portfolio positioning and approaches adopted by our investment teams will be critical. Equally important though will be to ensure that our teams are kept well appraised of developments in this fast moving field so that they can take into account new and emerging factors of significance within responsible investment and prioritise their stewardship work effectively whilst, simultaneously, we maintain coherence between the requests we make of the companies in which our teams invest and the standards we uphold as a business.

The report that follows attempts to reflect against each of the 12 Principles in turn how we as a business and as an aggregated group of asset managers approached stewardship across 2021. The report also provides an indication of how we would in future hope to act in certain specific circumstances where we do not have case studies to report, in line with the guidance provided by the Financial Reporting Council.

There of course always remains more to do and, looking forward, 2022 will see many of us at Redwheel working hard to prepare for the advent of the EU Sustainable Finance Disclosure Regulation "Regulatory Technical Standards"; our hope is that the introduction of new technology to help manage stewardship activity, improving both internal tracking and external reporting, should help significantly. We look forward to saying more on this and many other issues as well in next year's report.

Principle 1 – Purpose, strategy and culture

Our purpose as a business is simple: to deliver savings solutions for clients that meet risk and return expectations over the long term.

Redwheel is an independent provider of investment services and is an organisation that aims to achieve alignment with clients, long-term stability and maintain a high level of professionalism.

Our active investment heritage is built on a foundation of innovation, original thought and high conviction investing, underpinned by an ownership structure that includes broad employee share participation to reinforce long-term commitment to the development of the organisation.

We have 169 people including 54 dedicated investment professionals working across 7 independent teams

169

We specialise in providing solutions for

- Developed & Emerging Market Equities
- Convertible Bonds
- Income

We manage $23.9bn as at 31 December 2021 for our clients, from offices in London, Miami and Singapore

$23.9bn

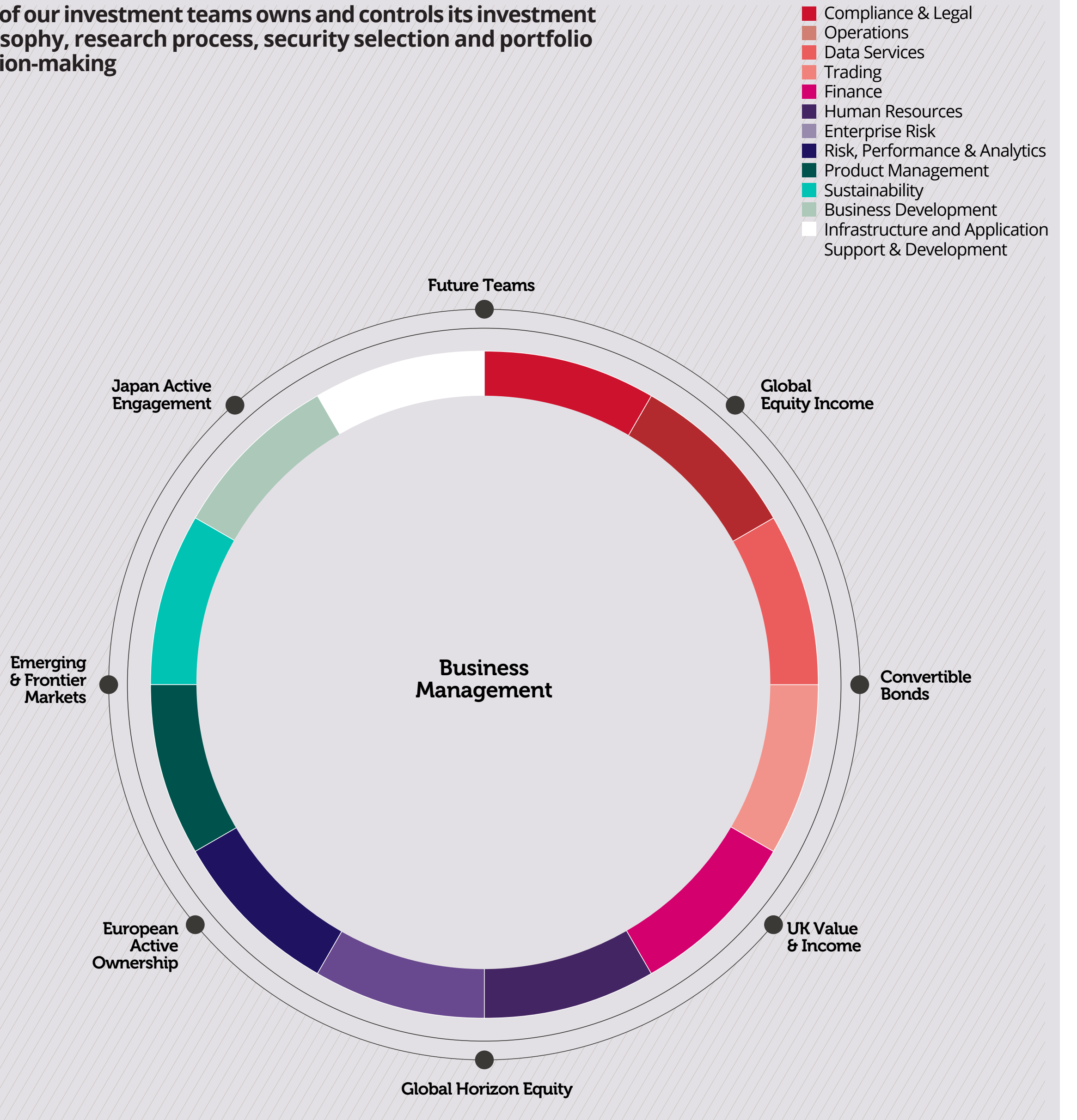
Our organisational model is focused on enabling experienced, accomplished and well-supported fund managers to operate with a high degree of investment autonomy, free from unnecessary restrictions, and a focus on achieving superior investment returns. Cultivating and harnessing the productive intellectual capital of all our employees is thus a key aspect of our ethos, as is enhancing our ability to collaborate effectively, supporting our ability both to remain relevant for clients and to attract new investment teams to expand our offering over time.

We manage a range of truly active investment strategies, with the aim of helping our clients meet their long-term financial objectives. Currently, we have seven investment teams working at Redwheel, each of which is comprised of experienced investment professionals with expertise in specific fields. Each team is led by people who are distinguished in their chosen area and demonstrate a total commitment to the responsibilities they have to their clients.

In striving to achieve our goals as a business, and given the differing investment beliefs of our investment teams, our client-focussed strategy is to constantly re-evaluate and, to the extent possible, predict the long-term needs of our teams' clients as well as the expectations of relevant regulators. Through cultivating and maintaining close relationships and through effective cascade of information, we aim to ensure that our corporate core remains adequately resourced to provide effective and sustainable support to all our investment teams in terms of operations, risk management, product management, data management, legal and compliance, sales support, HR, finance, and technology.

We have a strong sense of responsibility to provide the highest standards of investment management: highest standards of investment management, providing, clear information that helps our clients understand what we are doing, and a stable organisation that is both long-term and trustworthy. As a business, we draw strength from our three defining attributes: autonomy, independence and ownership.

Each of our investment teams owns and controls its investment philosophy, research process, security selection and portfolio decision-making



Source. Redwheel

As stewards, these attributes reinforce our accountability to clients in the following ways:

- **Autonomy** – investment teams bear primary responsibility for the design of investment processes and the role of stewardship within this.
- **Independence** – teams act largely independently of one another, and with minimal input from management. In this way, each investment team can focus on meeting the needs of its specific clients and target markets.
- **Ownership** – being a majority employee-owned structure, Redwheel is inherently a resilient organisation, well-placed to provide sustainable client outcomes and insulated from exogenous sources of conflict in relation to stewardship.

We and our investment teams also strongly believe that the consideration of both material financial and material sustainability factors within a fully integrated investment process can help to enhance assessments of risk and return. Active stewardship is vital within this to protecting and enhancing the long-term interests of our clients, on the one hand as part of risk discovery and risk mitigation, whilst on the other supporting the implementation of best practice, reducing the adverse environmental and social impacts of operations, and encouraging investment in long-term value creation opportunities.

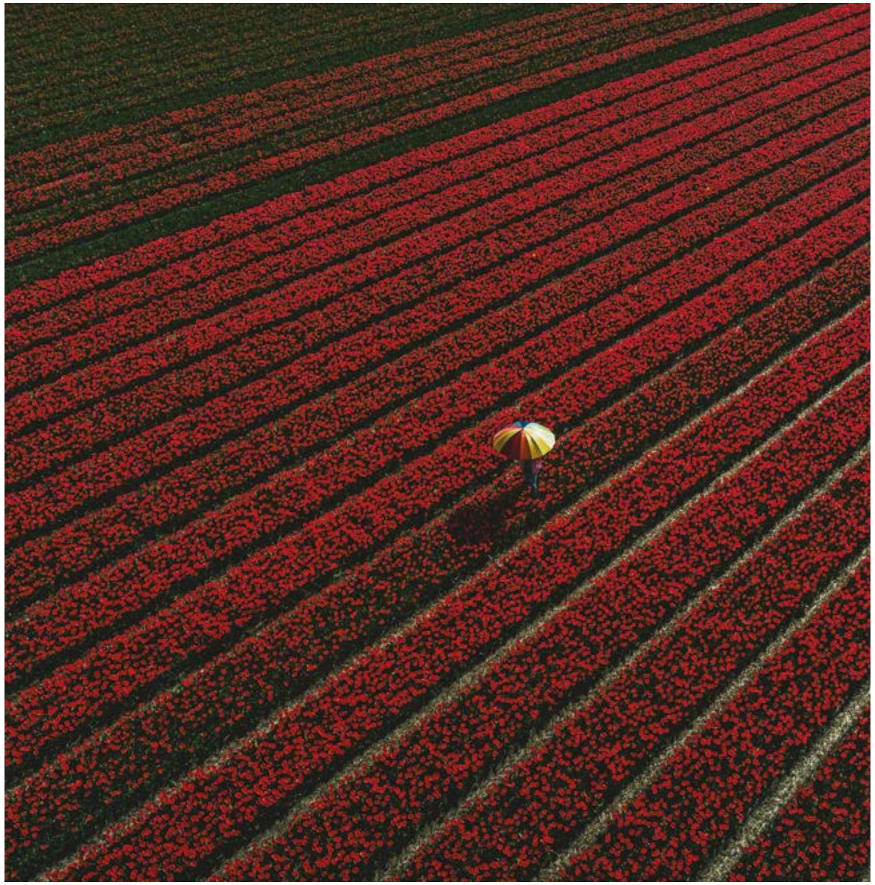
The approaches used by our investment teams to integrate sustainability considerations do vary however, reflecting the specifics of relevant markets and strategies. However, all teams recognise the desirability of excluding controversial weapons from portfolios; our policy in this regard is set at the firm level and all investment teams are required to implement it. All teams also co-invest alongside clients, creating a natural alignment of interests across the chain.

Responsibility for stewardship rests primarily with members of relevant investment teams. Oversight of responsible investment and stewardship activities is provided at an executive level by our Head of Investment Strategy Arthur Grigoryants, whose regular interactions with the heads of investment teams also ensures frequent reflection on evolving client interests.

Decisions in relation to the specific themes and activities to reflect within investment approaches (including in relation to stewardship) remains the responsibility of the portfolio managers and analysts of the relevant strategies, and reflecting the specific interests of strategically important clients is an important consideration within this. As a client focussed business, we also monitor the extent to which our purpose and beliefs remain relevant and effective in helping us to serve the best interests of our clients through regular reporting on our activities (including the sharing of case studies and voting records) and the debate in our interactions with them which ensures a constant dialogue in terms of both direction and depth of stewardship.

Taken all together, our approach enables our investment teams to connect deeply with the concept of stewardship, helps assure our clients that we are an effective steward of the capital they entrust to us, and helps us be an authentically responsible investor.

We recognise though that developments in this field are occurring quickly. Historically we relied upon an informal ESG Working Group to monitor developments in this connection; however, in recognition of the rapidly increasing interest around stewardship and responsible investment more generally on the part of both clients and regulators, we appointed a Head of Sustainability who joined at the start of 2021 to lead the development of our ESG and sustainability work on a dedicated basis. This in turn catalysed the recruitment of a wider team within the core business and for numerous activities to be undertaken as part of ensuring the delivery of effective stewardship (see overleaf).



Governance
Sustainability Committee formalised in December 2021 to provide oversight of ESG integration and stewardship.

Policy development
Stewardship policy developed to meet evolving market and client expectations, accompanied by substantial revision and restatement of our Controversial Weapons policy[2].

Systems development
Proxy voting arrangements comprehensively reviewed and new controlled processes developed and scheduled to enhance oversight of activity.

Training
Our new Sustainability Forum was created to provide a platform for collaboration, discussion and debate in relation to responsible investment developments and practices. Meetings were held in most months thereafter, in one of which our European Focus team provided a comprehensive overview of their investment approach which is built around the concept of 'deep engagement', sharing their significant experience of stewardship and engagement with our other teams. Two further sessions in the year were dedicated to discussions on the concept of materiality featuring presentations from specialist broker research teams, whilst those in the last quarter of the year focussed repeatedly on policy development issues.

Communication
A company-wide briefing was held to announce the launch of our "ESG2.0" strategy, led by Head of Investment Strategy Arthur Grigoryants and Head of Sustainability Chris Anker. Further regular communications have been provided to senior management in relation to sustainability issues via our fortnightly Business Update Forum (for cascade within teams).

[2] See: www.redwheel.com/uk/en/individual/resources/

Principle 2 – Governance, resources and incentives

We are an independent business, majority owned by current Redwheel personnel, and supported by an external long-term focussed shareholder.

Within our management structure, the investment teams at Redwheel have a high degree of autonomy with regards to their investment processes and, as such, the approach to incorporation of ESG considerations adopted by each investment team will differ, as will the approach to stewardship. Nonetheless, all of our investment teams have acknowledged experience in their specific fields and are led by fund managers that demonstrate a total commitment to the responsibilities they have to their clients.

In line with their investment freedoms, each investment team is also responsible for developing internal policies and procedures for ESG integration within their respective investment mandates. Rather than use targeted financial rewards to drive the adoption of stewardship and its consideration within investment decision making, we have found that using this approach puts responsible investing into practice in a manner that is meaningful and genuine. It has also led to the identification of "ESG champions" within each investment team, although responsibility for stewardship activities (engagement and, where applicable, proxy voting) is shared amongst portfolio managers and analysts. Oversight of each team's 'success' in integrating sustainability factors within their investment processes is provided via our newly formalised Sustainability Committee whose remit is to ensure that teams meet their commitments in relation to responsible investment and to provide constructive challenge to teams where enhancement is considered to be required. The Committee is supported by the Sustainability function which also leads in the ongoing review and selection of products and services that are 'decision useful' for our teams and will also help us assess and monitor teams' approaches to integration.

Looking across the full wavefront of our stewardship activity, individuals involved comprise juniors and seniors, the younger and the older, men and women, and also reflect a variety of different educational backgrounds and nationalities. Responsibility for determining the size and composition of each team, and the skills that in aggregate are needed to manage client assets responsibly, rests with portfolio managers; they are free to add headcount to their teams and to obtain expert third party resource at any time.

Redwheel Investment Teams	Asset class
Emerging and Frontier	Equity
Value and Income	Equity
Global Horizon	Equity
Global Equity Income	Equity
European Focus	Equity
Nissay Japan Focus[3]	Equity
Convertibles	Fixed Income (Investment grade)

For example, our European Focus team retains specialist expertise in the form of an external forensic accountant in order to help hold accountable the management of the companies in which they invest, whilst our Emerging and Frontier Markets team comprises around 20 analysts providing specialist insight at a country level whose knowledge will be drawn on as appropriate ahead of engagement with relevant issuers.

Our Emerging and Frontier Markets team has also appointed a dedicated ESG research and integration lead. Marina Bulyguina, formerly a company analyst within the team, has been the team's ESG lead since 2018, becoming fully dedicated to ESG matters in early 2021. As part of her role, Marina is responsible for promoting awareness of industry best practices, and for implementing responsible investment across Emerging and Frontier strategies. Responsibilities also include engaging with investee companies on sustainability issues. In recognition of the importance of effective ESG integration to the success of the strategy, the team has further strengthened its capabilities with the recruitment of Anel Pena to support Marina.

As regards the specific issue of diversity, both as it applies to our investment teams and our broader business, during 2021 we appointed Roxy Kennedy as dedicated Head of HR (our CFO having previously held joint responsibilities). Roxy's work is at an early stage but over time her experience will help us build tools and approaches that support the continued development of our people, while also ensuring that diversity, equity and inclusion is central to the further development of our team. As leader of the Diversity workstream of our SEED programme, she is already helping to enhance the broader business' understanding and awareness of diversity issues, as well as equity and inclusion. Areas of active focus include supporting Redwheel's people managers to help them be more effective including in conducting performance reviews, overseeing staff engagement programmes in relation to culture and job satisfaction, and supporting development of new approaches for our business e.g. the introduction of our new maternity/paternity leave policy. Through these programmes, our people managers will be empowered to consider more effectively the skills of the people around them and the need for training/recruitment in order to address knowledge gaps, including in relation to fulfilling stewardship obligations.

In terms of stewardship administration, teams retain responsibility for allocating and prioritising engagement resource, record keeping and reporting stewardship activity. No team uses dedicated third party engagement services as part of the delivery of stewardship obligations, although clients may choose to do so in relation to the assets Redwheel manages for them. For more on our approach to the use of service providers, please see commentary under Principle 8.

[3] For the Redwheel Nissay Japan Focus fund, primary responsibility for portfolio management and stewardship rests with Nissay Asset Management (based in Tokyo, Japan); additional support in relation to stewardship and governance is provided by two UK-based Japanese speaking advisors.

The basis on which stewardship is undertaken varies in accordance with the specifics of the strategy, the geography of focus, and idiosyncratic industry and company-level factors. Engagement can be effected by a variety of means; direct 1:1 with management or board directors; collaborative engagement via investor initiatives or, more rarely, in direct co-ordination with other investors; and, in more extreme cases, via public comment and use of investor rights beyond mere participation in shareholder meetings.

Of primary relevance to our equity teams, proxy voting is effected via ISS' ProxyExchange platform; across 2021 teams' vote decisions were informed by ISS' benchmark research, as well as a variety of other relevant inputs, although since January 2022 the recommendations our teams receive have reflected the ISS Climate Voting Policy. Investment teams retain full discretion to vote as they see fit under the circumstances, although must record the rationale for any vote cast against management or which differs from the recommendation received from ISS.

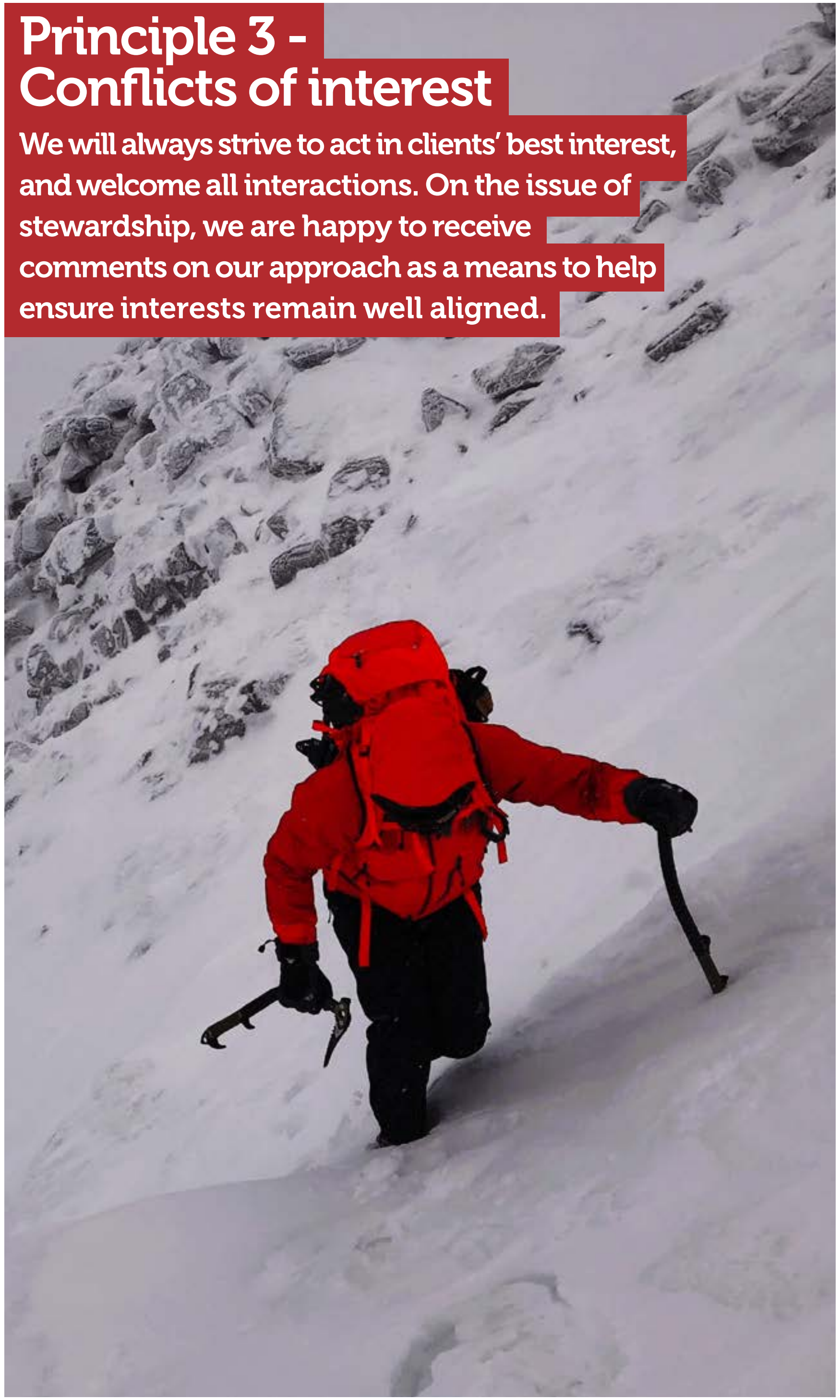
Oversight of teams is provided in a variety of layers. Day to day, our central Sustainability function is available to support our teams in relation to their responsible investment activities. On a monthly basis, Head of Investment Strategy Arthur Grigoryants meets with Heads of Investment Teams to discuss investment issues and the extent of any new or emerging concerns, including in relation to responsible investment. On a quarterly basis, teams are also assessed via our newly formalised Sustainability Committee whose remit is to ensure that teams meet their commitments in relation to responsible investment and to provide constructive challenge to teams where enhancement is considered to be required.

Whilst all teams are encouraged to educate themselves in relation to responsible investment, since early 2021 regular training and updates have been provided via our monthly Sustainability Forum, led by our central Sustainability function. Given the low degree of commonality in holdings and investment processes, teams are typically somewhat insulated from one another: Forum meetings thus provide a unique opportunity within Redwheel for our investment teams to come together for discussion and debate. Whilst "ESG champions" attend most frequently, all team members are welcomed.

The Sustainability Forum also provides a key mechanism for us to consult with investment teams on their collective appetite for developing firm-level policy relating to responsible investment issues. Through working groups convened by our Head of Sustainability, involving all our ESG champions, we were able in late 2021 to develop formalised policy in relation to Stewardship and a refreshed policy on Controversial Weapons. Related documents are public and serve to reflect the common baseline that all teams have now agreed to adopt. Policies are reviewed annually.

Principle 3 - Conflicts of interest

We will always strive to act in clients' best interest, and welcome all interactions. On the issue of stewardship, we are happy to receive comments on our approach as a means to help ensure interests remain well aligned.



Our firm-level Conflicts of Interest policy sets out the principles and guidelines for identifying, managing, recording and, where relevant, disclosing actual or potential conflicts that may constrain the extent to which our staff and partners are able to act in the best interests of clients. The policy can be accessed via the Redwheel website[4]. It is applicable to all Redwheel staff and partners and is updated annually.

As outlined in the policy, all staff are required to identify actual or potential personal conflicts of interest in the first instance, and to raise issues or concerns with Redwheel's Compliance team; where it is established that issues have potential to affect the day-to-day operation of distinct business areas, the introduction of formal monitoring and oversight (e.g. through the implementation of controlled processes) may be required.

Our Compliance team maintains a Conflicts of Interest 'Map' which documents the different types of conflicts inherent to our business and the associated controls for each potential conflict. Conflict types are gathered into three principal categories: Client; Operational; and Policy. The team also maintains a Conflicts of Interest Register for one-off events that do not fit the Map.

The Conflicts of Interest Policy, Register (both at an individual and corporate level) and Map are reviewed by the Redwheel Executive Committee and Board on an annual basis.

Whilst our approach has been stable historically, the Conflicts of Interest Policy was enhanced during the year in relation to Personal Account Dealing in order to ensure that we continue to closely align with industry best practice in this area. The new approach supports more effective management of conflicts between personal interests and client interests; extensive consultation with staff was undertaken in order to raise awareness prior to the introduction of the enhancements.

With the introduction of a new Redwheel stewardship policy, Redwheel's process for managing conflict of interests relating to stewardship was also reviewed and formalised. Extending from the review of proxy voting arrangements, to oversight of the management of conflicts of interest has been enhanced, with exceptions reports now provided as standard to relevant bodies, to highlight and record instances where votes deviated from policy in respect of companies with whom business conflicts exist.

[4] See: www.redwheel.com/uk/en/individual/resources/

No stewardship-related conflicts of interest were identified during 2021 as requiring active management. Nonetheless, a number of types of conflict relating to stewardship are recognised as having potential relevance on an enduring basis to our business:

1) **Client conflicts arising from retention of 'engagement overlay' service providers** – the appointment of external engagement providers by clients in respect of funds we manage creates potential for engagement activities to become misaligned. In 2021 we sought, as a matter of priority, to deepen our understanding of the engagement objectives of a particular third-party engagement provider appointed by one of our clients and proactively opened lines of communication to take account of client needs and ensure stewardship activities undertaken by third parties were reflected back into portfolio management in a timely manner. In this way, we hope we have made a constructive contribution to the development of the stewardship approach applied by the third-party provider and managed the risk of interests becoming conflicted.

2) **Conflicts arising between clients** – over time one or more clients within a strategy may develop more explicit stewardship aims and objectives which may not align with those of the manager or other clients in the strategy. Each team will strive to represent the centre of gravity of client and target market views, which we see as the most effective way to fulfil our fiduciary duties (refer to Principle 6). However, should client views become highly polarised, it may not be possible for our teams to service aggregate stewardship needs effectively.

3) **Cross team holdings** – where multiple investment teams hold securities of a common issuer, conflict can arise in relation to voting and engagement given that there is no requirement for all teams to hold common views on a particular company. Information on the holdings of Redwheel strategies is not routinely shared between investment teams, and so the identification of conflict risk cannot be delegated to teams. Our central business therefore monitors regularly for issuers held across multiple Redwheel teams. Where two teams hold securities in a commonly held company and intend to participate in a shareholder meeting, our Head of Sustainability will convene meetings with relevant team members ahead of the meeting to encourage alignment of vote intentions and if necessary record any irreconcilable disagreement.

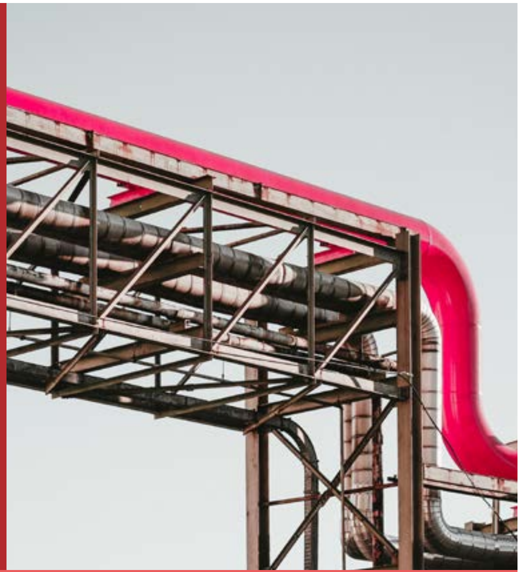
4) **Conflicts of time horizon** – As mentioned above, objectives as regards stewardship can and do change through time. The importance of certain issues can also rapidly escalate and require urgent responses from investee companies. Where a company's responses are deemed to be insufficient, divestment will likely be considered. However, for strategies investing in illiquid companies or adopting large positions, there is a reduced ability in practice for investors to exit positions at speed and so the threat of divestment has much more limited value; as such, even if clients would prefer to see a manager use the threat of sudden divestment as part of an engagement strategy, embracing these structural barriers and engaging using alternative mechanisms (e.g. through pursuing Board positions) may be more appropriate in context.

5) **Where we hold shares of companies with which we have a material business relationship** – Conflict can also arise with respect to companies with which we have a material business relationship. As part of monitoring the extent to which conflicts exist in practice, our Compliance and Enterprise Risk teams review material business relationships on a quarterly basis. Where any of our investment teams invest in such companies, a record is maintained of proxy voting activity and supplied to relevant oversight bodies as part of monitoring the existence and management of conflicts on an ongoing basis.

Examples of the practical management of conflicts of interest:

European Focus Fund

Redwheel's European Focus Fund (EFF) takes meaningful ownership stakes in a small number (<15) of listed European companies. The team frequently hold positions in small and mid-cap companies that account for <5% of share capital, but on occasion can hold significant positions in individual names. The team's typical investment horizon is 3-5 years, but in some cases they will remain invested for substantially longer. 'Deep engagement' with a strong and active focus on governance is a core feature of the strategy and, as part of its approach, the EFF team may from time to time seek appointment to the board of directors of investee companies. However, unlocking investment potential can take significant time as businesses go through periods of transformation. To help provide stability and support delivery of outcomes which may only occur over the truly long-term, the redemption of client capital is therefore constrained in some share classes.

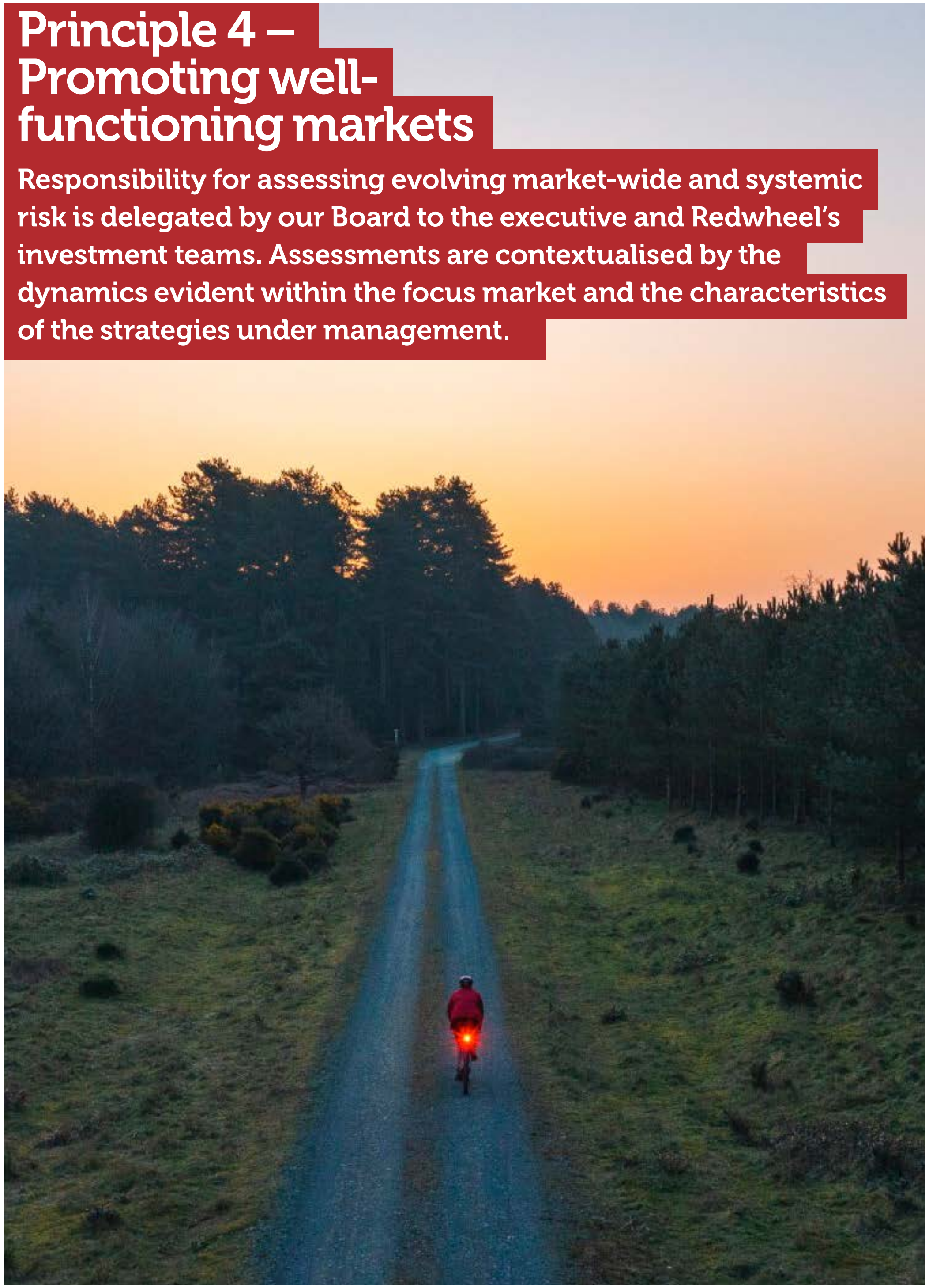


TotalEnergies SE

The French integrated oil and gas company was held by two of our teams at the time of its annual meeting in May 2021 at which a number of proposals were raised including an advisory vote on the company's Sustainable Development and Energy Transition plan. For one team, the plan was not considered to be sufficiently ambitious, and so the decision was taken to register dissatisfaction by opposing the related proposal. Meanwhile, for the other team, the company was felt to be moving in the right direction, on which basis the proposal could be supported. For this proposal, as well as others raised at the meeting where different votes were cast, specific rationales were shared between team members in order to manage conflict risk.

Principle 4 – Promoting well-functioning markets

Responsibility for assessing evolving market-wide and systemic risk is delegated by our Board to the executive and Redwheel's investment teams. Assessments are contextualised by the dynamics evident within the focus market and the characteristics of the strategies under management.



Within our approach to portfolio management, primary responsibility for the identification and evaluation of risk rests with individual portfolio managers. Where risks are considered to be significant in the context of the management of a particular fund, our portfolio management teams will seek to understand the potential impact of future risk events to the financial performance of relevant issuers and develop their investment thesis around this. Portfolio weights may be adjusted as part of managing the overall risk and return characteristics of the relevant investment product, ensuring that the product continues to meet client expectations.

Within this work, our portfolio managers have a responsibility to assess whether:

- The risk is relevant in context (are portfolio holdings actually exposed to the risk?)
- The risk is material (could a relevant future risk event without appropriate management have an appreciable impact on the valuation of the company?)
- The risk is bearable (could a company survive the risk event?)
- The relevant risk event is likely to occur within the time horizon relevant for the product (would action be needed if a future risk event occurred only at some point far off in the future?)
- The risk event is likely to be acute (i.e. experienced only for a short period of time and so not requiring of a substantive review of the central investment thesis) or persistent over much longer periods (and therefore directly relevant to the assessment of companies' enduring ability to remain investable)
- Recommending alternative options to address the risk (for instance, a company could set up a formalised workstream to measure and monitor relevant ongoing risk exposure as well as make recommendations to management on the need for additional resource or a change in strategic direction as part of risk mitigation or avoidance) have potential to be well received by management and so would serve to reinforce conviction in the investment.

Objective assessment of managers' exposure to investment financial risks is provided on a day-to-day basis by our dedicated Risk, Performance and Analytics (RPA) team. Our Risk Committee, chaired by our Head of Investment Strategy, provides formal oversight of investment teams' exposure to risk (relating to factors such as interest rates, liquidity, FX etc.) through consideration of the scenario modelling and assessments undertaken by the RPA team in respect of our funds and strategies.

As regards market-wide and systemic risks that might be considered to relate primarily to sustainability themes, portfolio managers again remain responsible for identification and evaluation. Numerous inputs inform the work undertaken to assess and consider which risk factors might be considered relevant in context; major reports from authoritative supra-institutional groups like the World Economic Forum are used particularly to help us develop and enhance understanding of the evolving state of market and systemic risk, both on a relative and absolute basis. Additional sources of information that we use to contextualise our understanding of the evolving risk environment include ESG surveys that are issued throughout the year by brokers, consultants and other third party organisations. As a result of this monitoring, our newly created central Sustainability function is now actively engaged in identifying tools and techniques that can help our investment teams better assess and monitor exposure to and management of sustainability risk factors, with work prioritised in the three areas of:

Climate

Human rights (including modern slavery)

Biodiversity

These issues are consistently identified in the work we follow as being areas of concern for asset owners.

From an investment perspective, our teams' responses to these risks and others, as well as related opportunities, is in practice effected both through portfolio management (as outlined above) and stewardship. This can involve both engagement and proxy voting. Success in managing portfolios in relation to the dynamic risk landscape is ultimately gauged through assessment of assets under management and client satisfaction. Our teams are rewarded based on their ability to understand risk and to identify baskets of companies which, under the circumstances, are likely to generate compelling return characteristics for invested clients over a particular time horizon. Failure to adapt to the evolving risk landscape would not serve clients' best interests. However, given the fast evolving world of sustainability, the identification of risks that are material in context is not always straightforward; it is for this reason that we have created a dedicated Sustainability function, whose responsibility it is to support and advise our investment teams (as well as our Executive and our Board) in identifying what is material today and what may be material tomorrow, and to help reinforce the importance of internal consistency.

To emphasise the importance of climate considerations within stewardship for example, the decision was taken at the end of 2021 to obtain default proxy voting recommendations that reflect the ISS Climate Policy; all our teams retain discretion to vote as they believe is appropriate under the circumstances, with any deviation from the default recommendation recorded. In this way, climate considerations are given greater prominence when holding companies to account. In parallel, we are also experimenting with tools to help us evaluate 'portfolio temperature alignment' as part of developing a more comprehensive approach to understanding portfolio positioning as regards climate change and the significance of individual positions to the overall portfolio characteristics.

Capita plc

Businesses highly reliant on human capital, like Capita plc, were amongst those worst affected by Covid. Held by two of our teams, Capita is a significant holding within both strategies, as well as being a name in which we have a significant overall position.

Conversations with the company throughout the pandemic focussed mainly on supporting the development of a revised business strategy. The previous management regime's inorganic growth strategy had saddled the company with significant burdens both in terms of complexity and debt. The new CEO Jon Lewis was just starting to turn the company around when Covid struck, immediately impacting cash flows and putting yet more pressure on an already stretched balance sheet.

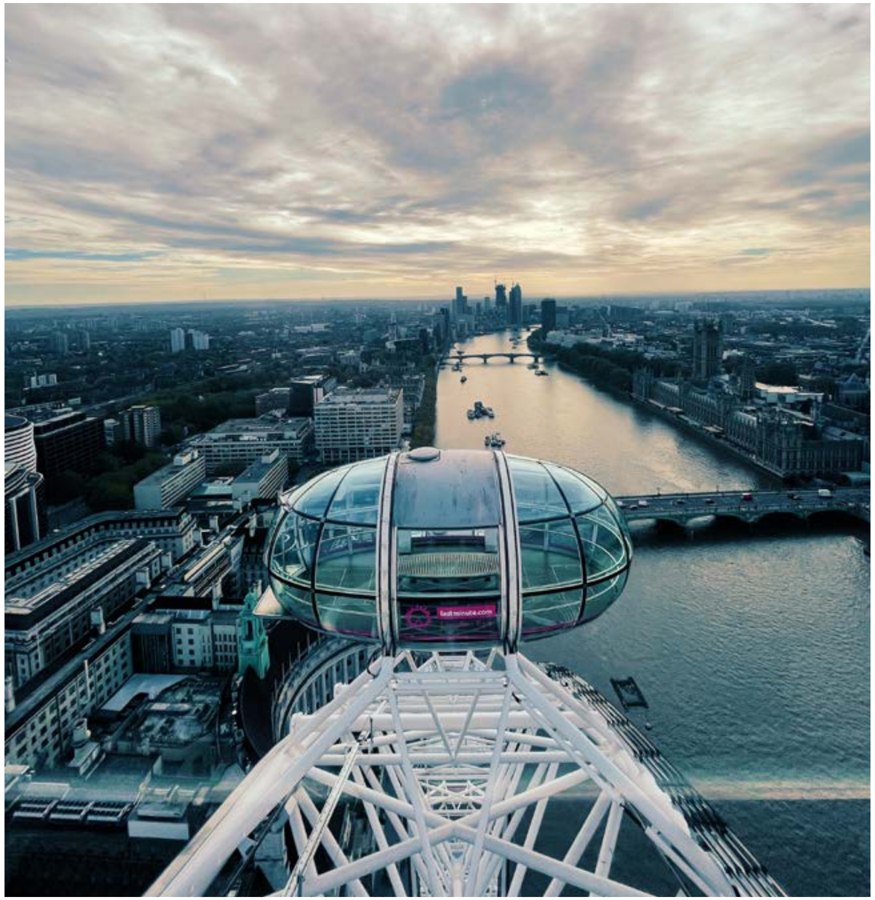
We engaged repeatedly with the company over the period, offering ongoing assurance as it sought to develop its new strategic vision whilst at the same time holding management to account for protecting the business to the extent possible from the impact of Covid. Whilst shares continued to struggle over the period, management rose to the challenge presented by the pandemic and have now launched a new strategy. This sets the platform for a simplification of the business through non-core asset disposals and more stretching efficiency targets which should, if executed effectively, ease pressure on the balance sheet, the business and its staff, and improve market sentiment towards the company overall.

Participation in industry initiatives, contribution and assessment of effectiveness

We are actively engaged in a number of initiatives promoting the introduction of progressive policy and thus better functioning markets. Our involvement helps ensure that, as perceptions of risk evolve through time, we can contribute to efforts designed to encourage legislators and regulators to adapt laws and guidance in relation to applicable standards of practice. Companies subject to those laws and/or regulatory oversight must necessarily respond in an appropriate manner. In this way, risk can be managed through the introduction of enhanced requirements binding on all participants in a sector/market. Failure to act in accordance with these requirements may leave companies at risk of litigation or otherwise identified as a sector laggard, creating a reputational disadvantage.

We have historically interacted regularly with peers to promote well-functioning markets. Over time, we have looked to formalise our interactions through involvement in structured industry initiatives. Evidencing our continued commitment to stewardship, a number of new memberships were taken up during the year, helping us to demonstrate real alignment between the practice that responsible investors typically advocate and our active support for organisations leading work in related areas. The full list of memberships as at the end of 2021 is shown in the table below. We envisage adding to this list selectively over the years to come, recognising that active involvement requires sufficient resource to be available.

Investor Forum	Joined in: 2020
UN Principles for Responsible Investment	Joined in: 2020
ClimateAction100+	Joined in: 2021
Institutional Investors Group on Climate Change (IIGCC)	Joined in: 2021
Investment Association – Sustainability & Responsible Investment Committee	Joined in: 2021
Thinking Ahead Institute	Joined in: 2021
Corporate Governance Forum	Joined in: 2021
Pensions and Lifetime Savings Association - Stewardship Advisory Group	Joined in: 2021
Independent Investment Management Initiative - ESG Working Group	Joined in: 2021
Sustainability Accounting Standards Board (SASB)	Became licensee in: 2021
CDP	Joined in: 2021



Across 2021, in particular through our involvement in the Investment Association's Sustainability & Responsible Investment Committee particularly, we supported multiple responses to UK and European regulatory consultations relating to investment. Matters pertaining to the EU's Sustainable Finance Disclosure Regulations were at the fore within this work. Separately, we also gave direct input to consultations raised by the Pre-Emption Group and by the Taskforce on Pension Scheme Voting Implementation.

ClimateAction100+

During the year, we joined the ClimateAction100+ initiative and became co-leader of the collaborative engagement with Indian conglomerate Reliance Industries (please see commentary under Principle 10), leveraging our experience in emerging markets. Through this work, we have been able to contribute to efforts that have seen the company announce in June 2021 its intention to invest over USD 10bn into green technologies. We are also a member of the initiative's collaborative engagement with global oil major Shell plc. We continue to monitor periodically for opportunities to participate directly in other collaborative engagements organised through ClimateAction100+; however, many in-scope companies are not held by our teams and even where they are, many engagements have been closed to new joiners since we became a member, frustrating our ability to enhance our level of participation.

Working with other stakeholders to promote continued improvement of the functioning of financial markets

During the course of 2021, in large part as a result of the creation of a central Sustainability function, Redwheel significantly expanded its approach to working with peers in pursuit of well-functioning markets.

Of particular note is the work our Frontier and Emergingg markets team undertook in relation to Kaz Minerals (also discussed under Principle 11) after an announcement was made that the company would be taken private. Having received a derisory offer from the company for the shares we held, we strived to work with peers in defending our clients' interests. Regrettably, many of our peers closed their positions early in the process whereas we and a select band advocated publicly for a markedly higher price which, eventually, the company offered. Despite our relatively small size, through holding out and making our views known publicly, our clients and all Kaz Minerals minority shareholders who had not yet settled benefitted appreciably from the uplift in price.

In a separate exercise, we also took the decision to work with a peer having failed to gain traction with a Canadian mining company. Having identified concerns both over the company's approach to climate risk management, and the roles of the Chair and CEO in addressing shareholder concerns, we organised a meeting with a peer that had a much large shareholding than us to exchange high level views on the company's performance. Through this 'indirect' engagement, we were able to add colour to the peer analyst's understanding of the situation which we hope will in time result in our collective views on relevant issues being made known to the Board and so encourage a more effective response.

Meanwhile, ahead of COP26 we co-signed the Global Investor Statement to Governments on the Climate Crisis[5] and the Investor Letter to the Presidential Committee on Carbon Neutrality in South Korea[6],in recognition of the systemic importance of climate risk. These letters, addressed to governments and drafted to encourage the creation of more supportive policy environments that would enable investors to direct more capital toward financing climate solutions, formed a central aspect of the collective work being undertaken at the time by responsible investors on climate change. We also joined the Institutional Investors Group on Climate Change precisely in order to help support their work to promote progressive climate policy within financial markets.

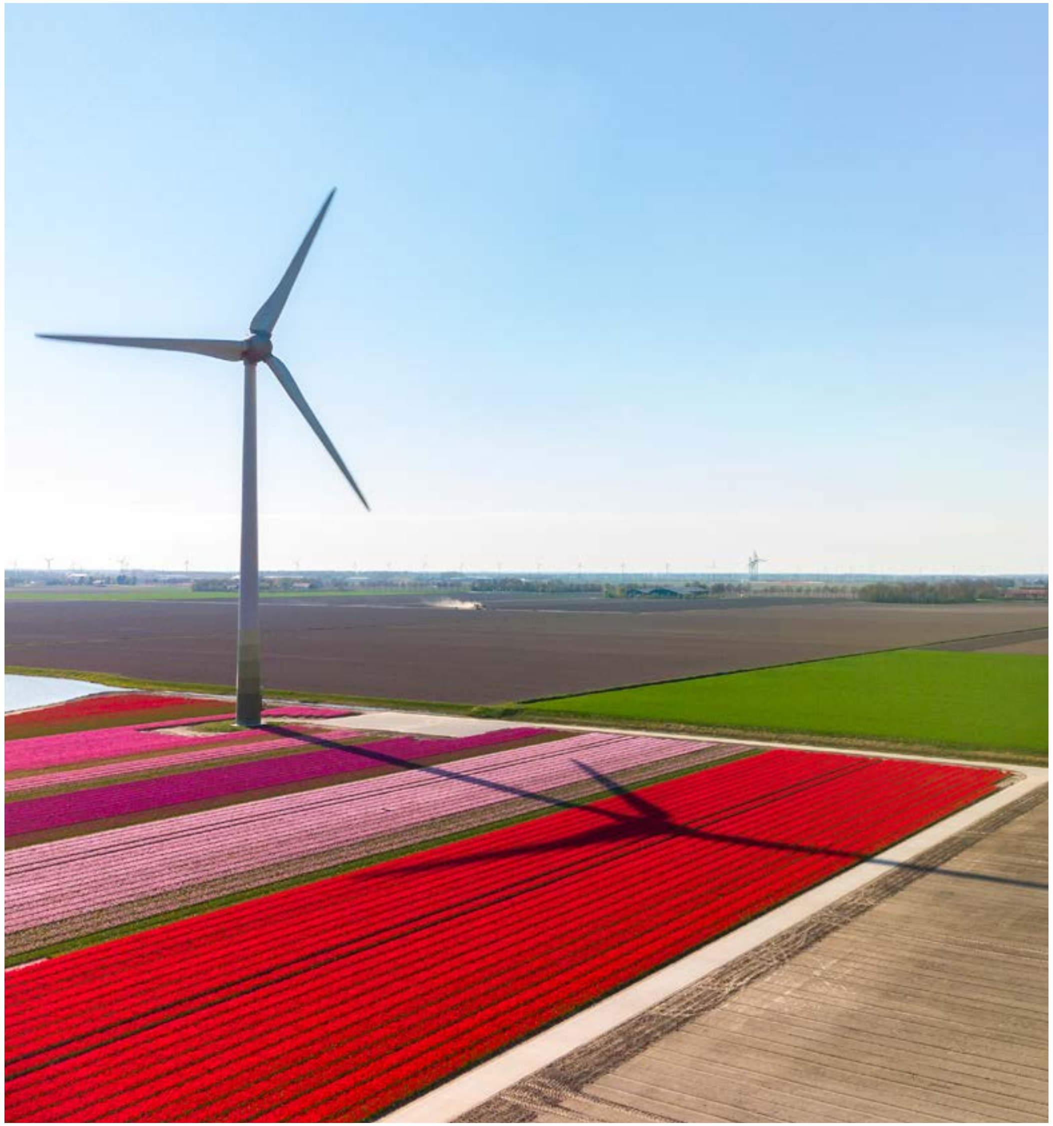
[5] See: www.iigcc.org/resource/global-investor-statement-to-governments-on-the-climate-crisis-2021-update/
[6] See: www.climateaction100.org/wp-content/uploads/2021/10/111021_Letter_CA100-letter-to-the-CCN_Public.pdf

During the year, we also participated in a number of novel forums to support the production of white papers seeking to articulate best practice around other more specific issues. Our convertible bond team engaged in a series of roundtables organised by the Investment Association as part of producing a report on "Stewardship in Fixed Income" (yet to be published). Our Head of Sustainability meanwhile participated in a series of meetings coordinated jointly by the Investor Forum and the London Business School, as part of the production of a report entitled "What does stakeholder capitalism mean for investors?" (published in January 2022)[7]. Our Head of Investment Strategy Arthur Grigoryants also took part in a series of meetings that took place across the year, organised by the Thinking Ahead Institute, to help develop a framework for institute members to use in formulating corporate climate beliefs (published as a series of reports in April 2022).

These interactions, as well as the training sessions organised through our monthly Sustainability Forum (which in 2021 hosted two sessions with sustainability broker researchers to enable our ESG champions to receive an update and participate in debate relating to 'materiality' across a range of themes), and our participation in external events like the launch of the Dasgupta review on the economics of biodiversity, provide us with the opportunity to educate ourselves on the significance of related issues. They also help us enhance our understanding of how investment approaches can be developed to take greater account of relevant risks and opportunities.

As well as continuing to support better functioning markets through active engagement in the work of organisations like the Investor Forum and the Independent Investment Management Initiative (formerly the New City Initiative), we also participated in the client roundtable organised by our proxy voting research provider ISS. Further information on our interactions with ISS is provided under Principle 8.

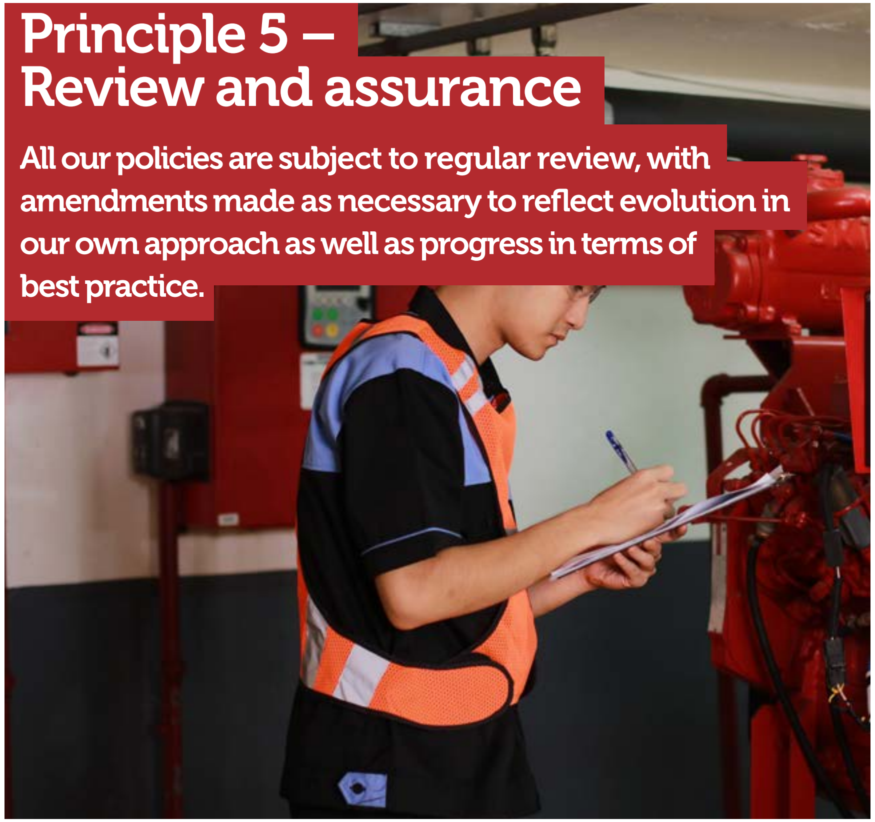
Lastly, it should be noted that our work to identify and monitor sustainability risk exposure is not confined to our investments. As a business, through our SEED programme, we have put significant focus in recent years on understanding the environmental impact of our operational footprint. We are now committed to becoming net zero as a business by the end of 2022. In parallel, we have committed also to working with our investment teams and clients on the issue of investment portfolio "net zero" alignment.



[7] See: www.investorforum.org.uk/wp-content/uploads/securepdfs/2022/01/Stakeholder-Capitalism_Report.pdf

Principle 5 – Review and assurance

All our policies are subject to regular review, with amendments made as necessary to reflect evolution in our own approach as well as progress in terms of best practice.



Early in 2021, following the appointment of our Head of Sustainability, a comprehensive policy review was undertaken in relation to responsible investment. The approach previously adopted was agreed as requiring improvement, as a consequence of which a new Stewardship Policy was developed and our Controversial Weapons policy was revised. Our overarching ESG policy will be reviewed in 2022.

Our new Stewardship Policy was drafted primarily by our Head of Sustainability but developed in close consultation with the ESG champions of our investment teams through a series of roundtable discussions. The scope of the policy is intended to reflect the breadth of issues on which we are most frequently asked to comment by strategic partners, clients and prospects. It articulates more clearly than was the case previously;

- Our collective commitment to stewardship
- Preferred approaches to engagement and escalation
- Details on our approach to proxy voting
- The management of conflicts of interest
- Our approach to stock lending and how we deal with shareblocking.

The policy also describes a number of key reference frameworks that our teams use when assessing standards of governance, and highlights the importance to our teams of the issues of remuneration, climate change, and director accountability to shareholders. The policy is binding on all teams and applies to all assets managed at Redwheel.

Our Compliance team retain a policy register of all Redwheel policies and within this our Head of Sustainability is identified as the owner of the Stewardship Policy i.e. has primary responsibility for undertaking an annual review of the policy and for maintaining it in good standing. The policy was approved by Heads of Investment Teams and our Compliance team; the policy was also approved by our Head of Investment Strategy as the Executive Committee member responsible for the relevant business area although, going forwards, approval of policy and the amendment of policy relating to responsible investment will be a responsibility of our Sustainability Committee which was created at the end of 2021 and has been described in earlier sections of this report. Our Executive Committee has ultimate oversight of the policy register. The Redwheel Board is not formally required to approve policy as it has already delegated responsibility for policy development to the executive.

Specific to proxy voting, annual assurance is provided in the form of the ISAE 3402 audit of our risk management controls framework. The external audit service is provided by BDO and conducted in accordance with the guidance issued by the International Federation of Accountants in its Technical Release AAF 01/06. The identification of issues in the audit would serve as a prompt to consider enhancement to pre-existing controls.

Assurance and assessment of our approach is enhanced also by the annual assessment of our engagement activity by the UN PRI. Having joined the PRI in 2020, we completed the PRI member survey on a voluntary basis in 2021, and intend to incorporate in the ongoing development of our approach the feedback we receive to our first submission (scheduled for Summer 2022) as well as future editions.

On the issue of reporting, work continues to improve and enhance the ability of our core business to support engagement reporting which, for the time being, is produced largely by our investment teams themselves. As such, the nature and content of reports can and does vary. It may also not necessarily reflect engagement activity undertaken by the core business in relation to relevant issuers and/or themes. We know though that for many clients stewardship reporting is an area of growing interest and that they would prefer to receive reports on a regular basis; it was in part for this reason that we reviewed a number of service offerings over the course of 2021 that could be used to help record engagement activity; we are actively considering making greater use of such a service in future.

Principle 6 – Clients and beneficiary needs

We are client focussed in everything we do and provide reporting as requested.

Engagement can be both pro-active and reactive, but in either case is undertaken cognisant that whilst some sustainability issues are material in investment terms, others are not. Our activity tends to concentrate on issues likely to have an impact on the investment thesis which we believe is the most effective way to serve the interests of all clients, although we will from time to time engage on issues where the investment materiality argument is less widely accepted; this could for example occur where a team manages assets for a client on a segregated basis and conducts engagement on a narrow set of issues of specific significance to them. For instance, were any of our teams to manage assets for a charity engaged in tackling knife crime, in acting as the client's agent our stewardship with retailers might include discussion of policies and approaches applicable to knife sales.

An indication of our clients and assets under management follows, covering pooled funds as well as segregated accounts (both those in respect of which we have stewardship authority and those in respect of which we do not). (breakdown is provided overleaf as at 31 December 2021)

The significance to our business of UK investments, UK clients, and pension funds, encourages us to pay particularly close attention to developments in relation to UK asset owners and pension schemes.

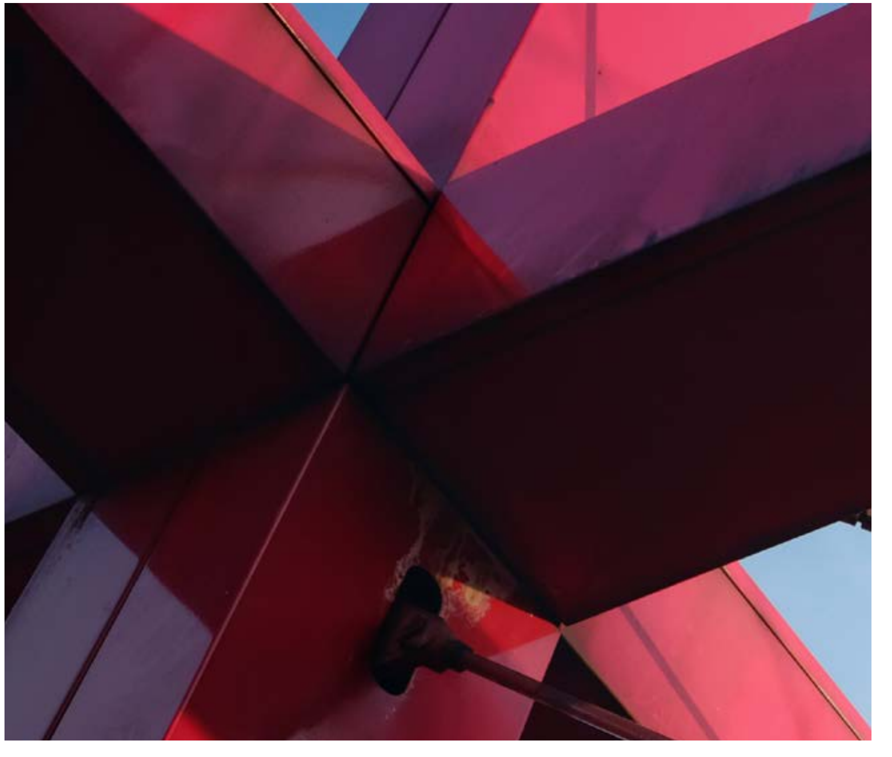
Time horizon

We recognise that many clients, as owners of substantial assets and with liabilities extending out decades into the future, are exposed to risks that play out over the long-term. Within the context of our work to help clients achieve their long-term goals, all our investment teams adopt a similarly long-term focus although there are however practical limitations to this; for instance, the risk/return models used by our equity teams are relatively insensitive to events that play out in the medium to long-term and so in practice these events do not always have a clear bearing on investment theses; meanwhile, our convertible bonds team operates in a market where the average maturity is around seven years, meaning that investments are largely insulated from events playing out only in the long-term as these will occur after the typical bond matures.

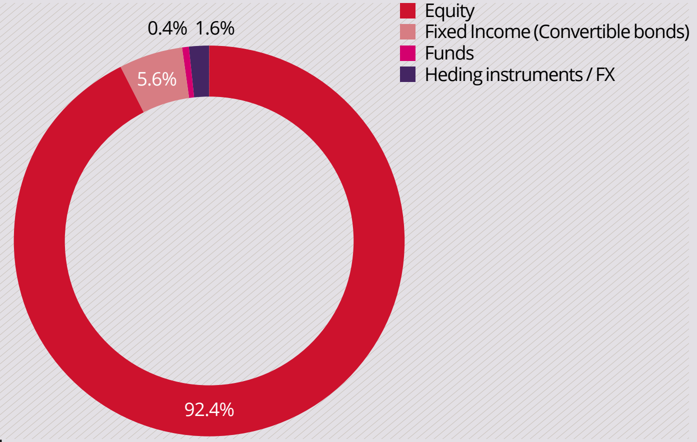
For these reasons, whilst sustainability factors of primary relevance over the longer term may feature in stewardship activity, it remains the case that they may in a practical sense play a rather more limited role in the management of portfolios on a day-to-day basis, not least given the implied discount factors that must be applied when modelling far out into the future.

We are conscious that client views can vary here though and we do look to adapt our offering where we can to meet client needs. For instance, an adjusted version of our core Emerging Markets fund is provided to a Dutch client. As well as applying a suite of client specified exclusions, the team also manage the fund against a carbon emissions intensity target that the client provides and updates from time to time. This enables the client to benefit from the knowledge of our analyst team whilst obtaining a product customised to meet the needs of end beneficiaries.

Analyst approaches do vary across sectors though; for example, in respect of capital intensive sectors where payoff periods can be considerably protracted as compared to other sectors (e.g. mining versus technology), analyst forecasts will typically look further forward to assess future profitability and thus valuations today.

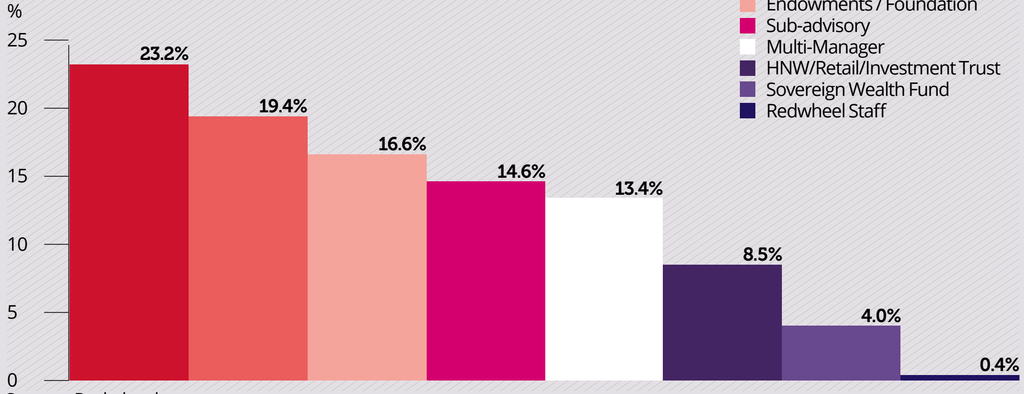


Asset class



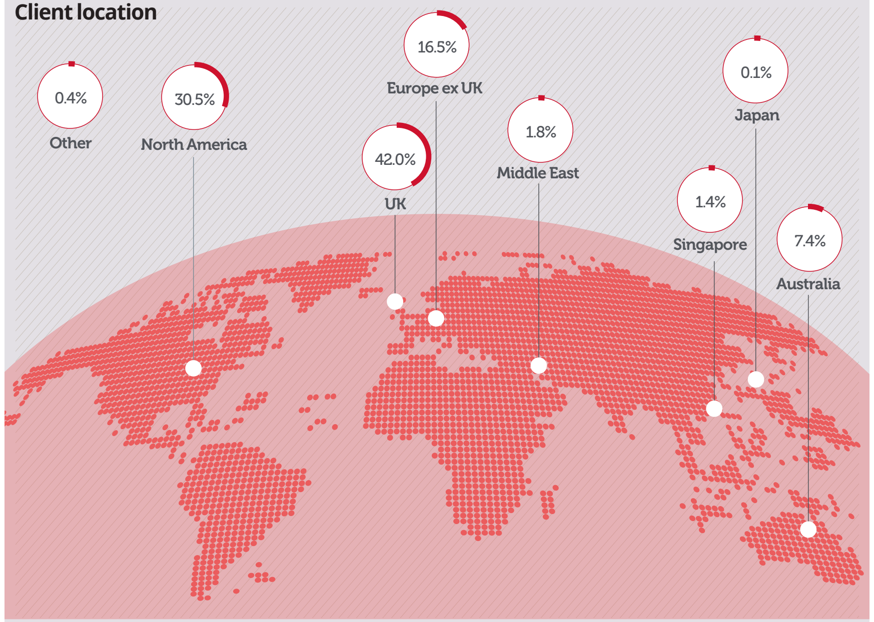
Source: Redwheel.

Client type



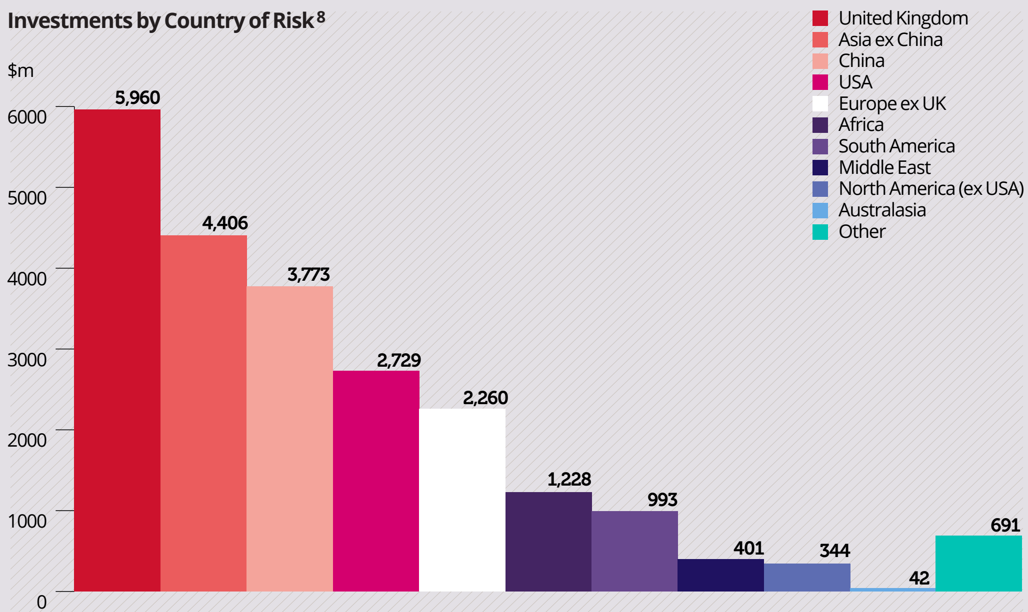
Source: Redwheel.

Client location



Source: Redwheel.

Investments by Country of Risk[8]



Source: Redwheel.

[8] For reasons of length, aggregated data is presented. In total, our teams invest in almost 70 different markets.

Consultation and alignment of interests

We speak regularly to clients in segregated mandates, wealth managers and private banks allocating to our strategies on behalf of clients, platforms distributing our funds on a wholesale basis, and investment consultants. The opportunity to debate and discuss directly with them the outcomes of our stewardship activity provides a valuable mechanism for us to continually monitor the extent to which our processes remain robust as well as the need for any enhancement. Our teams place great value in being able to retain the trust of clients and so welcome direct input on their stewardship work as well as the opportunity to learn more about the themes of ongoing and evolving significance to clients.

Through regular interactions we also strive to develop and maintain close relationships both with strategic partners and investment consultants in order that we can understand the evolving expectations of their clients and agree pragmatic approaches to support them. From this work, we know that focussing our stewardship in future on 'Principal Adverse Impacts' (a set of factors identified under the Regulatory Technical Standards of the EU's Sustainable Finance Disclosure Regulation) will be of vital importance as part of delivering on client expectations.

Consulting directly with underlying clients i.e. those investing via platforms, private banks and wealth managers, remains challenging though, not least on account of the lack of information that is passed through to us to enable us to identify who they are and what their specific stewardship preferences might be. In our experience, clients are reluctant to provide explicit direction; many would seem yet to develop distinct stewardship expectations that they would wish us to follow.

Accordingly, for the time being we prefer to concentrate our efforts on understanding the evolving needs of our most strategically important clients and their representatives. We supplement this with regular monitoring of investment news services and the output of responsible investment membership organisations to assess the evolution of expectations in the wider market. We are very conscious also that the responsible investment landscape is changing fast, making it challenging for clients to establish what their needs are on a given issue before they are asked to turn to something else. With so much in debate, needs can end up being expressed imprecisely or otherwise at a very high level; whilst we are relatively confident that as a service organisation we are able to meet the majority of our clients' stated needs, there remains ambiguity over whether these statements reflect what is expected in practice.

The majority of clients appoint us as manager of their assets on the basis that our investment teams will take full responsibility for stewardship activities. Where a client elects to appoint a third party engagement overlay partner, we will typically make contact with that third party proactively to understand whether there may be opportunities to undertake mutually supportive stewardship work in respect of holdings in the relevant fund. Our sense is that clients appreciate us being pro-active here; certainly we are yet to hear that adopting this approach is unwelcome.

Reporting to evidence our stewardship activity in practice is available on request, and can include case studies and voting reports, as well as the wider responsible investment characteristics of portfolios. Where requested, written reports are typically provided on a quarterly or annual basis. Updates are also available through client meetings. Onboarding and leveraging new technology to enhance our reporting capabilities is a key priority for 2022.

Communication

In addition to the reports and client interactions mentioned above, our stewardship activity is now under assessment by the UN PRI for the first time. Whilst in our first year it is not our intention to make our transparency or assessment reports public, future iterations of our submissions will be made publicly available as a matter of course. Full records of our proxy voting activity going back to 1 January 2021 are also now available for inspection via our website.

Principle 7 – Stewardship, investment and ESG integration

Our Environment, Social and Governance policy provides the basis for all responsible investment activities including the integration of environmental, social and governance considerations across all funds.

Our firm-level policies relating to responsible investment together describe the commitment that we and our investment teams make to responsible investment. Central within these is our overarching ESG policy, which reflects our enduring commitment to acting as a responsible investor and to the integration of environmental, social and governance considerations within investment activity. More specific commitments relating to stewardship are recorded within our Stewardship policy; commitments relating to the avoidance of investment in companies engaged in the production of cluster bombs, landmines and biological and chemical weapons are recorded within our Controversial Weapons policy[9].

At the product level, the specific approaches adopted in integrating sustainability considerations within investment approaches is documented for each investment team. All teams retain a high level of autonomy over their investment processes and so, consistent with this, these documents are developed and curated by the teams themselves.

At the issuer level, the ESG factors considered material by each of our investment teams can and do vary given the nature of the strategies they manage, the geographies in which investee companies are based, and the asset classes in which investments are made. For instance, whilst all teams integrate sustainability considerations within investment research, it could be the case that one team may adopt an approach that favours companies with good standards of ESG risk management whilst another, facing a very different opportunity set, may instead prefer to avoid companies with a track record of involvement in ESG-related controversy due to the comparatively lower standards of ESG risk management within the market as compared to e.g. Western Europe. A third team meanwhile might incorporate both these approaches.

As such, the ESG issues our investment teams may consider across the lifetime of an investment include, amongst other things:

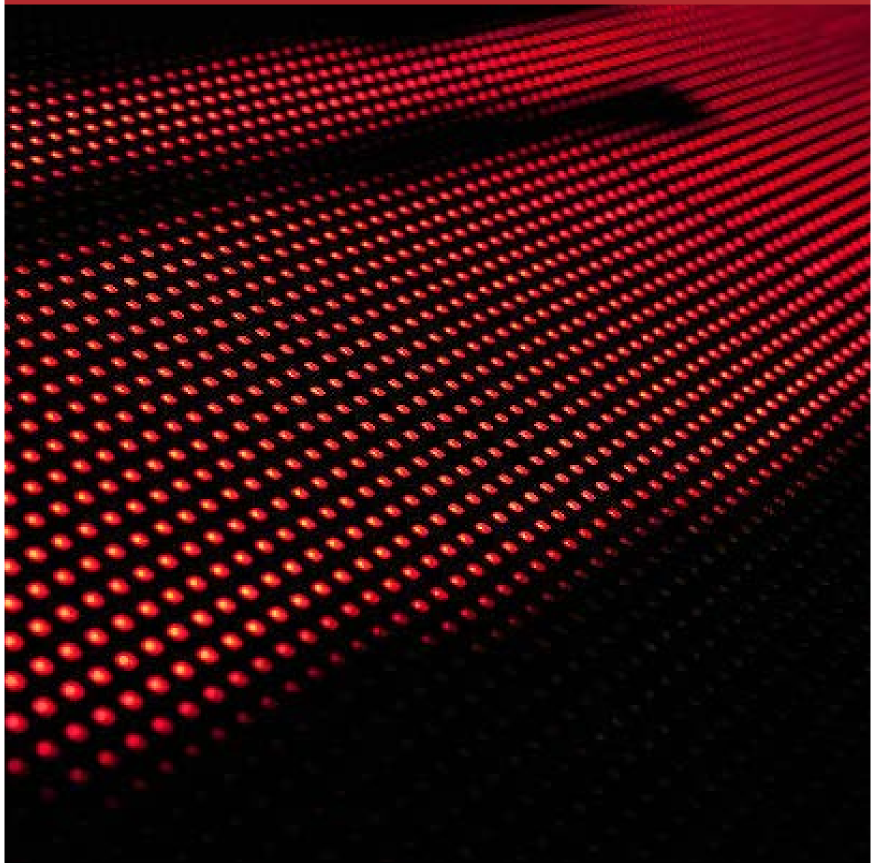
- A company's overall approach to ESG risk management, including the assessment of specific aspects considered by the relevant team to be material within the context of their investment thesis
- The track record of involvement in ESG controversies, and the quality of management's response to those controversies
- Corporate governance characteristics such as board independence, board diversity, and respect for minority shareholders
- The extent to which a company's products/services are aligned to or support the delivery of sustainability outcomes
- Trends over time in relation to these factors

Issuer-level considerations

A variety of information is used by our portfolio managers and analysts to support the identification of ESG factors that have potential to have a material impact on the investment thesis. For instance, as well as drawing on their own skill and experience as active investors, our teams will often use objective external references when considering which issues may be most material given an issuer's sector and its operational footprint. Key references include:

- The Sustainability Accounting Standards Board (SASB®) materiality map
- Research provided by specialist ESG brokers
- ESG risk ratings and ancillary data available from third party research providers such as Sustainalytics.

[9] Policies can be accessed via the Redwheel website: https://www.redwheel.com/uk/en/individual/resources/



Each team will leverage these inputs, as well as other services provided by third parties, in different ways and to different extents. However, all teams recognise the importance of climate considerations within portfolio management and corporate efforts in relation to emissions reduction, emissions management and carbon intensity regularly feature in investment theses across all teams. As described later in the report, on the issue of proxy voting, all teams receive recommendations reflecting the ISS Climate voting policy, ensuring that climate issues are considered when teams make decisions over the votes to cast at shareholder meetings.

Over the lifetime of an investment, stewardship will be undertaken as part of the ongoing process of information discovery and review of investment theses, as well as to commend investee companies to adopt new approaches where our teams believe that change is required. Depending on the size of holding, our track record of engaging with the issuer, and other factors besides, engagement may be taken either directly or through participation in collaborative initiatives.

For some teams, stewardship plays a particularly significant role within the delivery of the wider strategy. For instance, as discussed previously under Principle 3, our European Focus team engages deeply with companies to identify and unlock hidden value, using corporate governance – including, from time to time, taking seats on company Boards – as an enabler. Through the promotion of improved standards of internal operations, oversight and governance, the team seeks to apply management consultancy and stewardship techniques directly to the delivery of investment returns. Where governance approaches improve, a consequential improvement in the management and mitigation of environmental and social liabilities created through the course of operations would normally be expected. Drawing on their extensive collective experience, the team has built a strong track record of identifying opportunities for European companies to harness efficiencies, embrace new opportunities, and deliver improved returns to shareholders. The situation is somewhat similar for our Nissay Japan Focus Fund which follows a similar process to unlocking value through engagement within their focus universe (Japanese companies), albeit without going so far as to take seats on Boards.

The specific issues reflected within stewardship will also vary in accordance with the nature of the investee company's business model. For capital intensive businesses, stewardship will (on a relative basis) focus more on issues that may not manifest until sometime into the future (e.g. climate change), whereas for capital light businesses this may be less pressing given the lower probability of future emissions being 'locked in' as a result of decisions made today by management.

Security selection and portfolio management

As for security selection and portfolio management, sustainability considerations will be considered typically only to the extent they are material in the context of managing the overall characteristics of the relevant product.

Convertible bonds

Our convertible bond team's approach to stewardship is somewhat different as compared to the approach followed by our equity teams.

Whilst having a more senior claim over assets than shareholders in the event of a corporate bankruptcy, bondholders (including convertible bondholders) have no formal claim on a company's profits; whilst they have rights to participate in bondholder meetings, they have no rights to participate in AGMs. As such, bondholder stewardship is largely constrained to engagement.

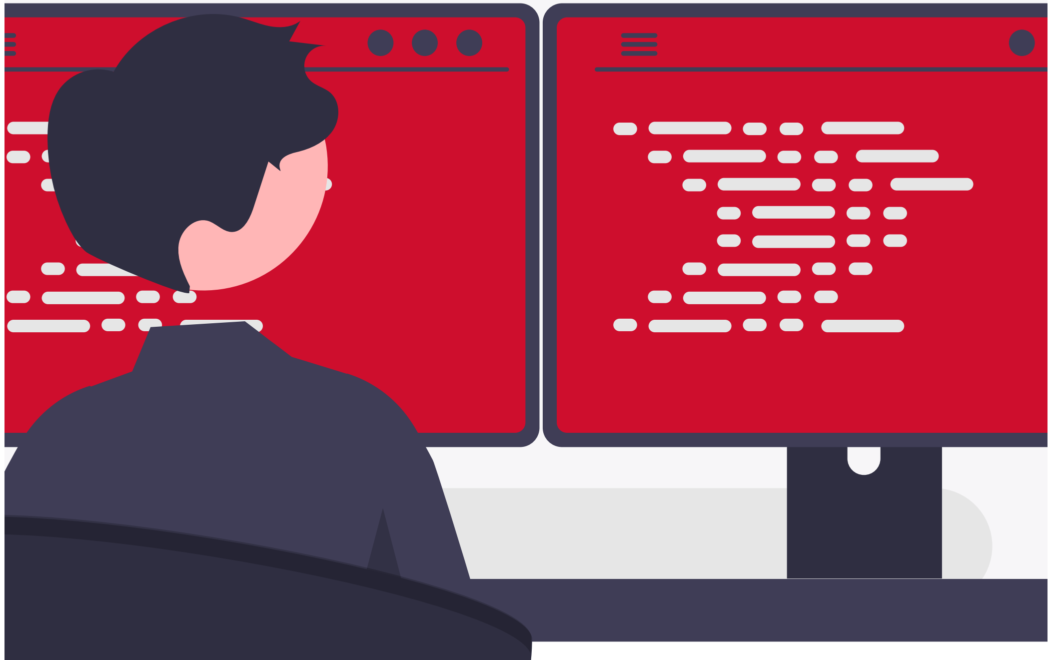
Market mechanics however mean that there is little scope for engagement at the point that bonds are issued, making it hard to consider sustainability issues at the security level. The overall maturity of the stewardship market within fixed income is also somewhat less developed than for equity issuers, in large part reflecting the differences already highlighted.

Our team does strive to engage favoured issuers to support the consideration of sustainability issues within the holistic assessment of governance and credit risk. Sustainability issues can also be considered as part of the assessment of company valuations given the scope that exists for the team to hold bonds to maturity at which point they would convert into shares although, in practice, holding bonds past conversion is rare.

In recognition of the fact that the needs of convertible bond investors might not be well understood, the team volunteered to join a working group, organised by the UK's Investment Association, which through a series of meetings arranged across the year aimed to establish stewardship best practice in relation to fixed income investments. Not only did sharing their perspective help improve broader understanding of the needs of convertible bond investors, but through debate with peers about how best to effect stewardship within the asset class the team was able to reflect on its own process and identify opportunities for enhancement. The final report is scheduled to be published by the Investment Association in 2022.

Principle 8 – Monitoring managers and service providers

All third-party service providers are subject to constant rolling review. Critical service providers are subject to additional oversight measures.



We retain a number of third-party service providers to help facilitate specific aspects of our investment approach, including research on environmental, social and governance issues, as well as in respect of proxy voting.

In depth due diligence is conducted before entering a relationship with a new service provider or expanding the service provision of an existing provider. Trials, quality, and utility reviews are a vital aspect of ensuring services meet immediate needs and that the methodologies and assumptions underpinning solutions are sufficiently robust and transparent to enable us to meet the evolving needs of our clients and wider stakeholders; assessing the extent to which scope exists for us to work with providers to refine the service offering over time is also an important consideration at this stage.

Prior to selection, a vendor questionnaire must be completed by the principal service user. This is sent to relevant departments (e.g. Legal, Operations, HR) for input and scrutiny prior to approval. As part of supplier onboarding, third party vendors are asked to sign Redwheel's Supplier Code of Conduct or are assessed by Redwheel on a range of factors including modern slavery statements, carbon footprint management and diversity and inclusion. We plan to further enhance our approach to monitoring vendor progress in these areas over time.

Once appointed, service provider reviews are conducted on an annual basis. This involves the completion of a standardised questionnaire by the service provider, with responses collated and reviewed by our Enterprise Risk team as well as designated business owners. Based on these responses, any areas of emerging concern can then be identified and prioritised for attention, with the Enterprise Risk team engaging with principal service users within our business to establish the potential risks to the delivery of services as anticipated.

ISS and Sustainalytics are subject to continual monitoring and feedback throughout the year. Concerns and queries relating to the overall delivery of services are typically raised directly with relevant account managers by the Head of Sustainability. Queries specific to data and research (e.g. potential discrepancies, errors, inaccuracies, or issues with the quality and timeliness of services) are more typically raised by analysts as consumers of the data. A review of responses to queries will be incorporated as part of annual service reviews. Should concerns persist of a sufficient extent/severity, this may ultimately bear upon our decision to maintain a business relationship with the provider in question.

Engagement with ISS during 2021

Our Head of Sustainability worked closely with our ISS account manager over the course of 2021 as part of the comprehensive review of our proxy voting arrangements. Through this work, a number of improvements were made such as to make greater use of scheduled reporting to enhance accuracy, transparency and to streamline internal and external reporting to the benefit of our clients (see Principle 6).

During the year Redwheel also contributed to the annual ISS client roundtable on benchmark policy, where clients had been asked for input in relation to the three themes of diversity, remuneration and climate.

Analysts also regularly contacted ISS local market analysts regarding research throughout the year, with one issue being escalated to the ISS Global Head of Research on account of the strength of conviction that the ISS recommendations were excessively lenient.

Principle 9 – Engagement

Engagement is typically conducted diplomatically and discreetly. It is also normally conducted directly, but may also occur via collaborative initiatives arranged by organisations of which we are a member

Engagement with issuers is central to Redwheel's approach to stewardship. As outlined in our Stewardship Policy[10], our investment teams engage with a view to achieving distinct outcomes. These include:

- Enhanced disclosure to support price/information discovery (i.e. fact finding to inform investment decisions)
- Securing a commitment to take action or make changes, and ensuring that this occurs
- Gain improved understanding of a company's thinking in relation to specific issues/themes

Given the nature of Redwheel's business model (discussed under Principle 2), responsibility for engagement rests with each investment team. Where engagement is undertaken through collaborative initiatives, relates to securities held across multiple teams, or otherwise relates to good market formation, additional support is provided by Redwheel's central sustainability function.

The materiality of sustainability factors within our investment thesis and the quality of an issuer's approach to managing them will influence the selection and prioritisation of issuers for engagement, and the issues on which conversations are focussed. Teams may also raise awareness of emerging best practice, encourage a focus on new opportunities, and seek to address/reduce adverse sustainability impacts arising through the course of operations.

The need for intervention, and the manner in which this is approached, will be determined with respect to a range of factors including:

- Engagement/proxy voting history with the company
- Percent of market cap held, significance of company within strategy, and expectations of engagement success
- Extent to which concerns are 'acute' (one time) or 'chronic' (persistent)
- Extent to which we see risk to sector view or to specific investment thesis
- Marginal benefit of the engagement outcome in securing continued investment
- Company's pre-existing involvement in stewardship initiatives of relevance

[10] See:www.redwheel.com/uk/en/individual/resources/

Value and Income – Anglo American PLC/ Thungela Resources LTD

Issue: Thermal coal has come to represent a stranded asset risk to miners, and large asset allocators exposed to mining companies like Anglo American.

At the end of 2020, Anglo American stated that the "Planned divestment of South African thermal coal production capacity expected no later than May 2022 – May 2023". The company delivered on its promise, spinning off its South African thermal coal business, Thungela, in June 2021. The Value and Income team wrote about the event for Investment Week, posing the question as to whether the spin off would imply the company could now be eligible for investment by Norges Bank Investment Management (the company having been added to the NBIM exclusion list for its exposure to thermal coal).

In July, NBIM announced that they had decided to remove Anglo American from their exclusion list. This action by the $1tn fund sent a powerful signal to corporates exposed to hydrocarbon assets, in particular thermal coal assets. At the global level, it is debatable whether the result is as climate friendly as claimed, but it offers a clear incentive for companies to divest their dirtiest assets.

The spin off resulted in investors receiving one share of Thungela for every ten shares of Anglo American held. For our UK team, due to the difference in share price of Anglo American and Thungela, the resulting Thungela position was less than half a percent of the position in Anglo American, less than 0.05% for the UK Income Strategy. The decision thus had to be made by the team either to increase the weight or to divest the shares.

Outcome: The team engaged with the separate Anglo American and Thungela management teams to fully understand the implications of the spin off, the Thungela strategy, and its prospects. The wide range of potential future liabilities for environmental rehabilitation weighed heavily on the investment thesis. It was recognised also that these future liabilities may serve to encourage the company to extend the life of its coal mines and/or develop new mines as a way to push liabilities further into the future. While Anglo American was running the mines down, this would be a change of direction at the asset level. Such action would not only run counter to the delivery of the Paris Agreement, but could also make the position hard to liquidate in the future, both due to the illiquidity of the shares and the likely lack of willing buyers for coal assets. The conclusion was reached to divest the Thungela shares.

Depending on the nature of the specific concern and issuer in question, engagement may be proactive (i.e. risk/opportunity driven) or reactive (i.e. event driven). For instance, whilst teams with significant positions in UK companies may expect to be consulted formally on remuneration arrangements, those investing in companies based elsewhere may need to be more proactive in raising concerns and making recommendations.

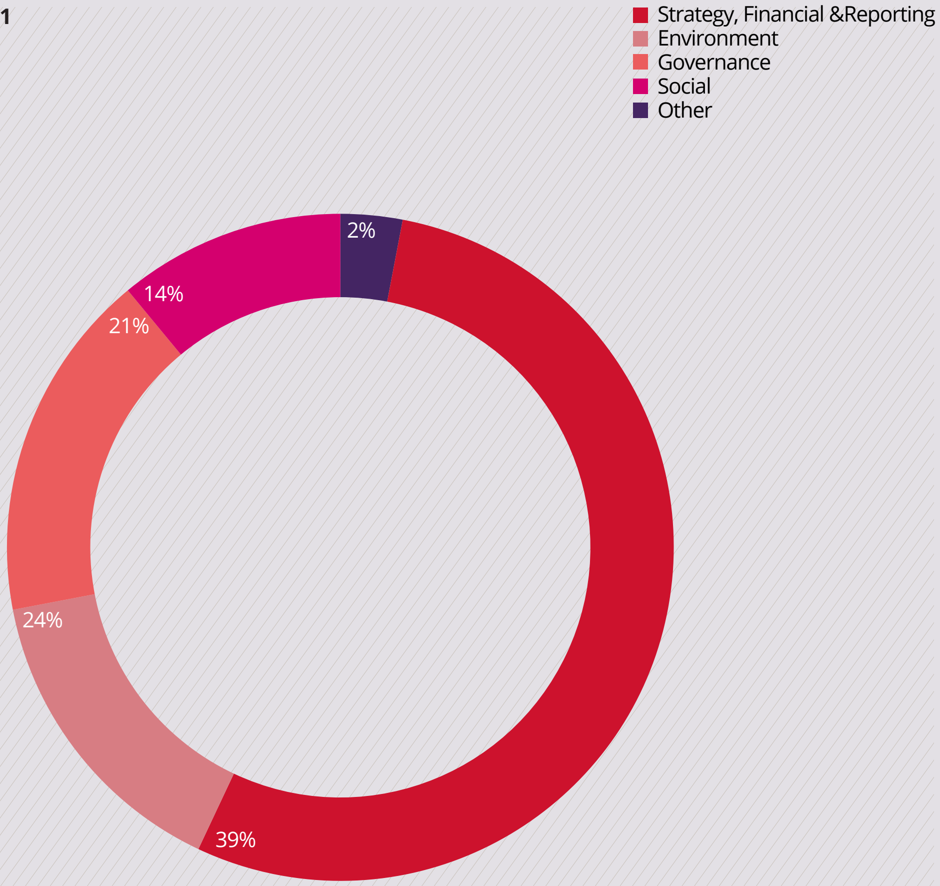
Ongoing holistic research provides the main mechanism for each team to identify and prioritise issues for discussion on a pro-active basis. For example:

- Our Emerging and Frontier Markets team's ESG analysis forms an integral part of issuer due diligence. Results are summarized in a multifactor score card included in each research report, and updated on a quarterly basis. Identification of significant ESG related issues and information gaps occurs early in the process. Companies ranked below average against the team's proprietary ESG scorecard are prioritized as targets for engagement.
- Our Global Equity Income team invests in companies where there is potential for transition. As such, portfolio holdings may present what might be considered as negative ESG characteristics. Research identifies management's willingness to address salient ESG challenges, and investors' ability to support management and hold them accountable on relevant issues.
- For our Nissay Japan Focus Fund, receptiveness or resistance of the management of a company to a notional change agenda forms a key aspect of the investment thesis. The "engageability" of management is assessed by the team prior to investment, with the team preferring to focus on companies open to change and to avoid investment in companies where the risk of confronting deeply entrenched management opposition is high. In cases when the initial assessment proves to be excessively optimistic in this regard, the team will typically look to liquidate the position rather than expend engagement effort likely to go unrewarded.

2021 Engagement overview

Over the course of 2021 Redwheel investment had 650 substantive interactions with over 120 companies. While teams typically touched on more than one topic during their discussions, the chart on the right provides an indication of the topics that were discussed in 2021 and their prevalence.

Engagements by topic 2021



Source. Redwheel

*Excludes engagements undertaken by our European Focus fund and our Convertible Bond team. Further detail on the approaches adopted by these teams is provided under Principle 7.

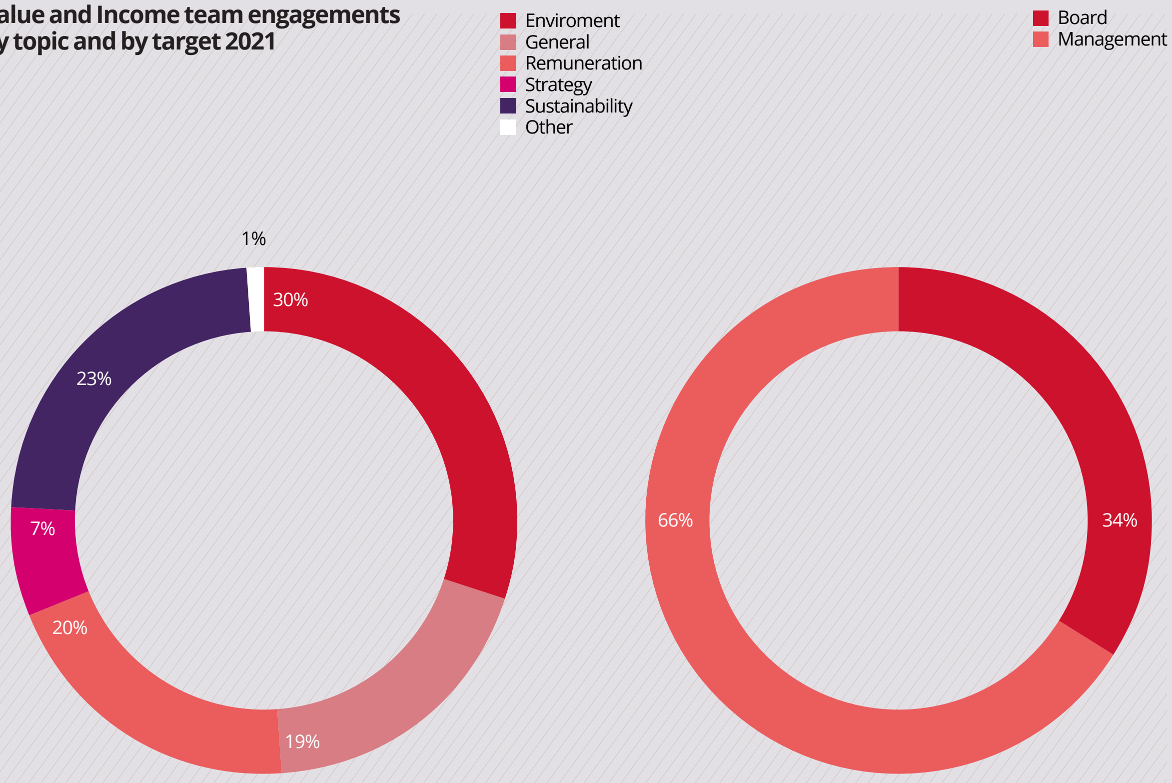
The reporting guide produced by the ICSWG[11] provides a helpful framework for segmenting our engagements within the four categories of E,S,G, and Strategy.

Using the sub-topics suggested within the guide, we can report that under Strategy engagements focussed most commonly on 'sustainability reporting' and 'strategy and purpose'. Under Environmental, engagements on Climate Change represented 20% of interactions, whilst under Governance, 'Remuneration' was the dominant subtopic closely followed by board effectiveness. Under Social, there were no clearly dominant themes.

At team level, specific engagement subtopics may have particular significance. For instance, board diversity and board independence are issues of great importance to our Emerging and Frontier Market team and so feature particularly prominently within the engagements they undertake. For the Nissay team, social issues have a particular significance with diversity and worker welfare receiving considerable attention. For our European Focus team, capital allocation is a primary consideration.

Overall, remuneration and climate change were the dominant subtopics across Redwheel investment teams throughout the year. The objectives for climate-related engagements were strongly informed by frameworks from and recommendations and insights of the organisations of which Redwheel is a corporate member (e.g. CDP, IIGCC, ClimateAction100+).

Value and Income team engagements by topic and by target 2021



Source: Redwheel.

[11] The UK Investment Consultants Sustainability Working Group (ICSWG) Engagement Reporting Guide, November 2021, www.icswg-uk.org/resources

The UK Value and Income team approach to remuneration

Remuneration is an issue of both significant importance and of active engagement for the UK Value and Income team.

The team has developed a standalone team policy on remuneration which is shared with investee companies to guide discussions on policy development and to and facilitate conversations about issuers' thinking in relation to executive compensation.

The policy is aligned with the guidance of the Pensions and Lifetime Savings Association, the Investment Association and the UK Corporate Governance Code. However, in some areas, the team seek to push standards even higher with the aim of increasing long-term thinking and encouraging greater alignment of management to shareholder interests.

The team prefers to engage directly, concentrating efforts on those companies where it is a major shareholder, and sharing the remuneration policy in writing where this is not the case.

More detail on the team's approach to stewardship and remuneration specifically is available within its strategy specific Stewardship Report[12].

[12] See: redwheel.com/uploads/2022/04/c770a005d2dece5d06f7cbb540d590b5/redwheel-uk-value-income-stewardship-report-2021-sales.pdf

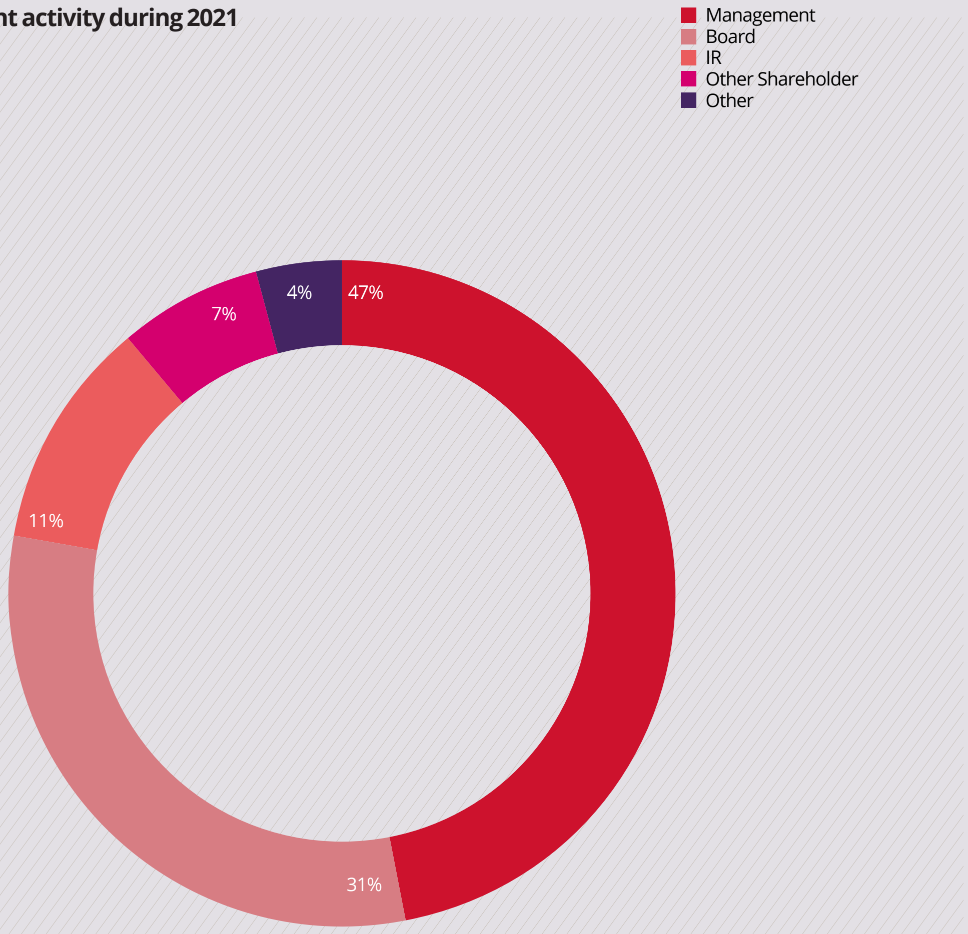
Methods of engagement

As mentioned, engagement is typically conducted diplomatically and discreetly. It is also normally conducted directly, but may also occur via collaborative initiatives arranged by organisations of which we are a member. The size of the holding, where Redwheel is on the shareholder register and the nature of the issue will determine whether the team should collaborate with others. 10% of Redwheel's engagements were collaborative in 2021 (see more on collaborative engagements under Principle 10).

During 2021 Redwheel investment teams tended to communicate their concerns and recommendations orally but regularly reinforced their views in writing. Over two thirds of engagement efforts in 2021 were in person or via video/phone calls, 30% were in writing either via letter or email.

Executive management was the primary target of engagement activity in 2021 followed by members of the Board of Directors. Different teams applied different approaches, reflecting the maturity of stewardship in their focus markets. For instance, whereas Investor Relations tended to be the primary target for our Emerging Market and Frontier team, our UK Equity Income team preferred to engage with members of the Board e.g. in relation to strategy, governance or remuneration; the team will also look to engage the Board should it feel that management have provided an insufficient response and they wish to apply greater pressure e.g. on specific topics such as emission reduction targets.

Target of engagement activity during 2021



Source. Redwheel

*Excludes engagements undertaken by our European Focus fund and our Convertible Bond team. Further detail on the approaches adopted by these teams is provided under Principle 7.

Engagement by team
Number of votes and percentage

Source. Redwheel

How engagement differs by team

For teams that invest in equity, there is far more scope for engagement that supports 'active risk management' than there is for teams investing in fixed income; for them, alternative stewardship activities may be more appropriate, such as supporting the development of novel stewardship approaches and so contributing to the development of market best practice. As noted under Principle 4, during the year our convertible bond team engaged in a series of roundtables organised by the Investment Association as part of producing a report on "Stewardship in Fixed Income".

Almost 30% of substantive engagements conducted by Redwheel investment teams in 2021 were with UK listed companies.

Meanwhile the European Focus team and Nissay team put stewardship and shareholder engagement at the core of their investment strategies. Through their engagements with companies, they look to adhere to a framework of best corporate governance for shareholders. As discussed under Principle 3, the European Focus team conduct 'deep engagement' with a strong and active focus on governance a core feature of the strategy. Here the engagement method is more akin to strategy consultancy. In the context of the Japanese market, we work closely with the team at Nissay Asset Management who have the largest and best resourced stewardship team in Japan. In this way we can leverage specialist local knowledge in clients' best interests[13].

[13] The Stewardship Report produced by Nissay Asset Management is available at: www.nam.co.jp/english/responsibleinvestor/pdf/ssreport.pdf

Convertible bonds

Direct engagement with issuers is undertaken by our Convertible bonds team but, as compared to Redwheel's equity teams, it plays a reduced role in the delivery of the wider strategy. This reflects a number of characteristics of the asset class such as:

- the limited window of opportunity to conduct due diligence on bond issuers as new bonds come to the market
- the relatively nascent market for stewardship within the asset class
- the absence of a right to vote at AGMs for bondholders, and
- the fact that the issuer of the convertible bond may not be the issuer of the equity security into which the bond converts.

As a consequence, alternative approaches are adopted to promote stewardship. For instance, the team actively engages with counterparties to raise awareness of the value of stewardship to credit investors, in particular the sustainable finance teams within banks, as financiers of convertible bonds, to request that they use their influence to encourage enhanced disclosure of sustainability criteria by the underlying issuers of bonds.

The team also participates in market initiatives designed to support the development of stewardship in fixed income; across 2021, the team participated in numerous roundtables convened by the Investment Association as part of the development of new industry best practice guidance which is expected to be published in 2022.

Where opportunities to engage with issuers do arise, the team will not only seek enhanced disclosure as part of information discovery in relation to issues considered to have potential to impact the ability of the issuer to pay back investors, but also recommend as appropriate the issuance of "specific use of proceeds" bonds as a means to help issuers raise capital more effectively. As a matter of course, the team has a preference to invest in green bonds over corporate use of proceeds bonds (provided there is no financial detriment from doing so), and will also prioritise the consideration of issuers with better ESG characteristics when evaluating bonds of otherwise comparable characteristics.

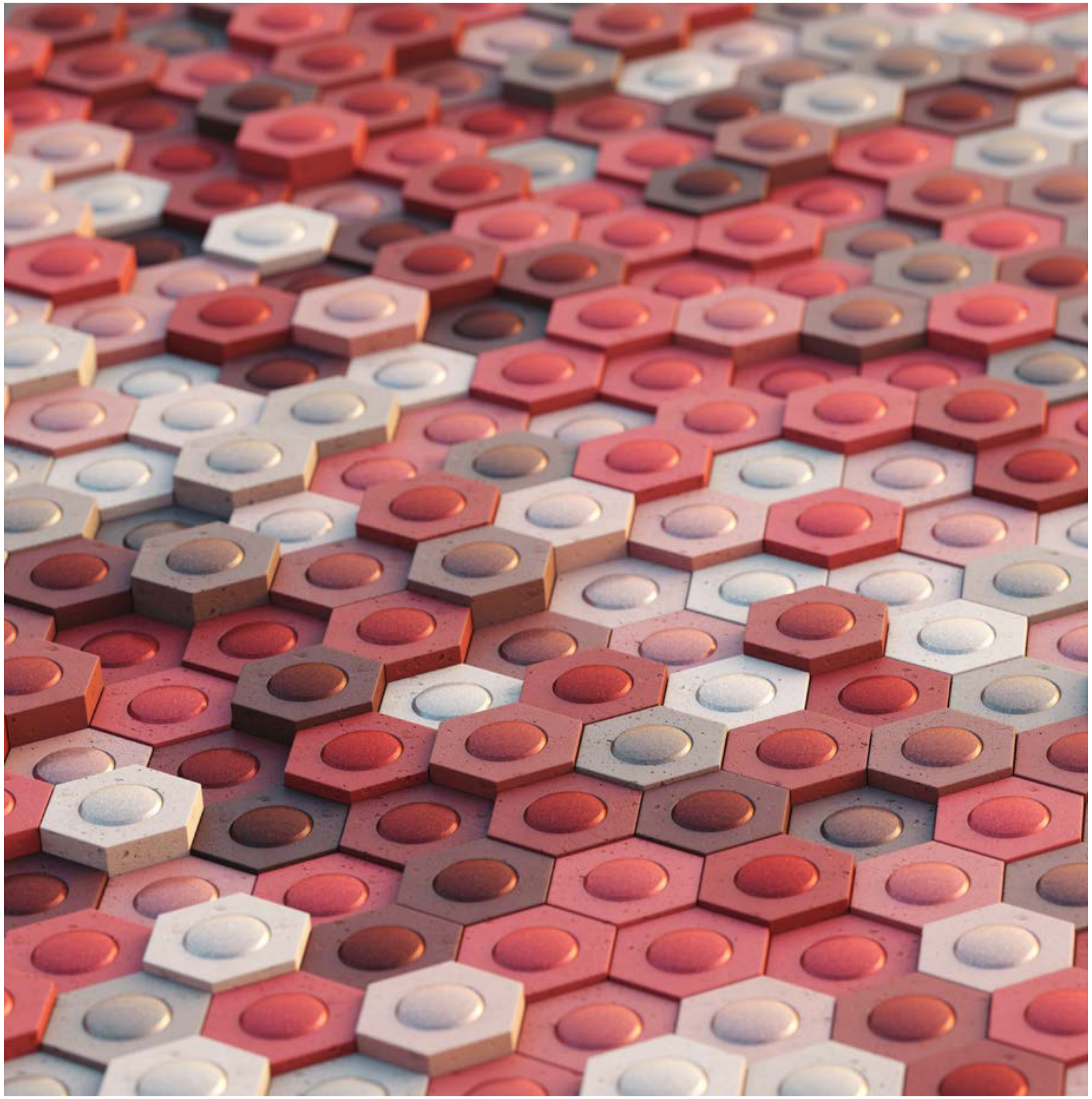
Measuring the success of engagement

Measuring the success of engagement is often a complex endeavour. It depends on both the type of engagement and its goals. Some engagements will be undertaken in order to nudge issuers in a certain direction or otherwise to confirm that they remain committed to a strategy or certain principles (such as low financial leverage and the avoiding of acquisitions). Others however will be much more resource intensive, and may play out over the longer term.

Assessments of engagements are currently highly qualitative and dependent largely on how issuers respond to our teams. Assessment of impact over the long-term is however more reflective of the issuers actions in the future in relation to related matters.

Some engagements, for example on remuneration policy, have relatively binary outcomes. If the remuneration chairperson incorporates feedback from one of our investment teams on policy design, that is a success. However, if the team's suggestions do not appear in the final proposal, that could be considered a failure, even if the objective was to raise awareness of our views in recognition that we are one voice amongst many on the company's share register. Conversely, where a company sets more stringent emissions targets but these do not exactly meet our team's recommended approach, this could be both a success and a failure.

Success is also hard to attribute credibly to a single shareholder's endeavours, particularly when it is known that other investors are pursuing the same or similar objectives. It is for this reason that our teams do not overstate their contribution where corporate practice changes.



Global Horizon – IPG Separation and Independence of Chairman and CEO

Our Global Horizon team has been encouraging the Interpublic Group (IPG) to make improvements to its governance for a number of years, seeking a split of the combined CEO and Chairman roles, and the appointment of an independent non-executive Chairman. In Q1 2021, the company made the announcement that it would be separating the roles of CEO and Chairman which the team applauded, but was frustrated to see that the Chair would be the former Chair/CEO. Whilst such practice may be standard in some countries, the team consider this to reflect a poor standard of governance not least because the elevation of CEO to Chair can stymie the new CEO's ability to bring about change. In Q4 2021, an independent, non-executive Chairman was announced. The team congratulated the company on this change and recognised the outgoing Chair's significant contribution in the turnaround of the company.

List of companies with whom Redwheel equity teams engaged across 2021

ABC Mart
ADES
Akastor
Alliance Global Group
Anglo American
Anglo American Platinum
Asahi Intecc
Aviva
Ayala Corp.
Banco Bradesco
Bangkok Dusit Medical Services
Barclays
Barrick Gold
Basware
Bloomberry Resorts Corp.
BP
Brixmor
BT Group
Capita
Cavco
Centrica
Citigroup
CK Hutchison
Clinigen
Coats
Corbion
Cosmos Pharma
CostCo
Currys
Daifuku
Eagle Materials
EMGS
Endeavour Mining
En-Japan
Ericsson
Essentra
Eversource
Fancl
Federal Realty
First Pacific
Forterra
Gfk
Giken
GlaxoSmithKline
GMO Payment Gateway
Halyk Bank
Hartalega Holdings
Hennes & Mauritz
Hitachi Zosen
Hoa Phat Group
Hochschild Mining
Homeserve
Huazhu Group
Huntington
Hyve
Ibiden
Infomart
Informa
InterGlobe Aviation
IPG
Italmobiliare
JCU
Just Systems
Kaz Minerals
Kazatomprom
Kongsberg Gruppen
Koninklijke Phillips
Lasertec
Lazard
Liberty Media/Charter
LivaNova
Live Nation
Lixil
M3 Inc.
Marks & Spence
MediaTek
Meituan
Microsoft Corporation
Milbon
Mitie
Miura
MonotaRO
Nabtesco
Nakanishi
Natwest Group
Newmont
Nihon M&A Center
Nova Ljubljanska Banka
Nykaa
Olympus
PACCAR
Pearson
Pinduoduo Inc.
Prosegur
Reliance Industries
Relo Group
Robinsons Land Corp.
Rosneft
Royal Dutch Shell / Shell
Royal Mail
RPS
Ryohin Keikaku
Samsung Biologics
Samsung Electronics
Seplat Energy
Serco
Shenzhen Kangtai Biologics
Sibanye Stillwater Ltd.
Solar
Standard Chartered
Svenska Handelsbanken
Telefonica
The Progressive Corporation
Thungela
Total / TotalEnergies
Tribal
TSMC
Tullow Oil
United Bank Ltd (Pakistan)
Vectura
Vincom Retail
Vingroup
Vivo Energy
VTB Bank
Windforce
WPP
Yakult Honsha
Yoma

The names shown above are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations or advice. No investment strategy or risk management technique can guarantee returns or eliminate risks in any market environment.

List of issuers with whom Redwheel's Convertible Bonds team engaged across 2021

Akamai
Amadeus
Brenntag
Cellnex
Dropbox
EDF
Evonik
Falck
Iberdrola
LEG Immo
LG Display
Neoen
Nutanix
ONSemi
Safran
Schneider
Sika
Singapore Exchange
Umicore
Western Digital
Zalando

The names shown above are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations or advice. No investment strategy or risk management technique can guarantee returns or eliminate risks in any market environment.

Principle 10 – Collaboration

Collaboration is considered and used when appropriate.

While direct engagement is generally the preferred approach of Redwheel investment teams, collaborative engagement may also be used to further specific objectives where they feel a combined voice will increase the chances of success. It may also be appropriate where executive management or a board of directors is resistant to engaging on specific issues, or where an investment team's position in a company is comparatively small.

As discussed under Principle 9, investment teams are guided in the identification of collaborative engagement opportunities by the central Sustainability team whose role is focussed on monitoring market developments in relation to responsible investment. Over the course of 2021, Redwheel investment teams participated in a number of collaborative engagements, three of which are detailed below.

THE INVESTOR FORUM

Engagement with Barclays via the Investor Forum

Issue: At Barclays' 2021 AGM, a shareholder proposal was raised by environmental NGO Market Forces calling on the company to phase out lending to fossil fuel companies. The company had set out a new policy in 2020 to become a net zero bank by 2050, aligning their portfolio of financing activities to the Paris Agreement, increasing restrictions for financing in energy sectors, and increasing green financing by £100bn by 2030. Market Forces said Barclays had not gone far enough.

At the time, the Value and Income team considered the company to be lagging European peers with regards to the energy transition, and a past laggard on ESG issues in general. Whilst the team did not consider the 2020 policy to be particularly robust, it was recognized as being a jumping off point for the company; it was expected that the bank would build on that plan over subsequent years.

The team recognized though that the new Chair, Nigel Higgins, had made good attempts to build a message of purpose for the bank. In the 2020 annual report letter to investors, he said "Over the last year, the Board has spent significant time looking at Barclays' purpose, and how the organisation can make a real difference to society, not least in the preservation of our environment."

To help further that effort, the team participated in a collaborative engagement organized through the Investor Forum, to demonstrate the collective interest of the UK asset management community in understanding how the culture of Barclays would change and the scope for enhancement of transition plans. Further bilateral engagement followed between the team, the Company Secretary and the Group Head of Public Policy and Corporate Responsibility.

Outcome: Having engaged with the company and having been given commitments that Barclays would include a 'Say on Climate' proposal at its 2022 AGM, the team decided to vote against the Market Forces proposal. Since the 2021 AGM, the team has continued to engage constructively, in the belief that the CEO's exit during the year affords the Chair the necessary opportunity to change the culture within the bank, as his 2020 statement set out to do. Engagement is ongoing, recognising that the "Say on Climate" proposal is likely to be a major event in the 2022 proxy season.

Tackling conflict minerals in the semiconductor supply chain

In November 2021 Redwheel joined a collaborative initiative, co-ordinated through the UN PRI Collaboration Platform and backed by a total of 160 investors with collective assets under management of US$6.6 trillion. The initial engagement took the form of a letter sent to 29 global companies either significantly reliant on or otherwise significantly involved in the production of semiconductors.

Issue: Long and complex supply chains can mask risks for purchasers and the consumers of end products. The production of certain commodities is particularly exposed to human rights abuses, and there have been instances in the past of purchasers inadvertently financing armed conflict through reliance on commodities produced through poorly overseen processes. Investor confidence in the ability of semiconductor manufacturers to track the provenance and integrity of source minerals has been low historically, yet this is considered to be key sustainability risk for the sector according to Sustainability Accounting Standards Board (SASB). The supply of semiconductors has been highly impacted as a result of the pandemic, yet demand shows little sign of slowing given the emphasis placed on technological solutions to help the world achieve its decarbonization goals. Scrutiny of companies involved in the production of semiconductors has thus never been higher. Yet traceability of vital component materials remains poor.

Recipients of the letter were asked to take take a lead in the development of conflict mineral free supply chains by doing the following:

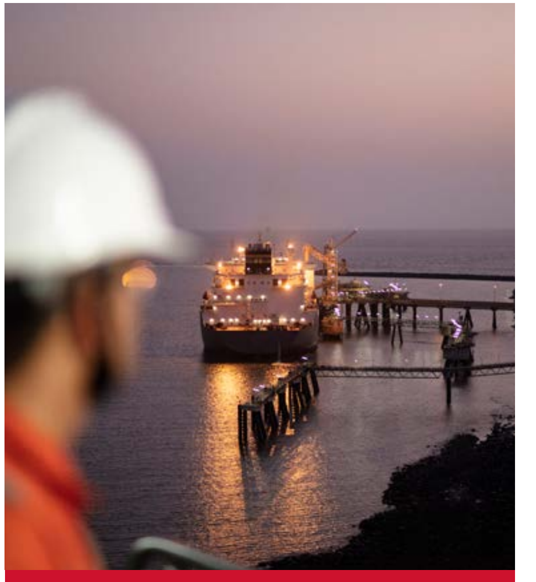
- Develop and invest in technological solutions to improve traceability, possibly block chain
- Increase transparency and reporting on minerals from mine to product.
- Encourage and participate in industry wide collaboration to improve industry practices
- Impose and enforce harsher sanctions on non-compliance
- Reduce demand for new materials by improving recycling initiatives

Outcome: It is extremely early days for this multi-year engagement but it is clear already that tracing mineral provenance is an extremely complex challenge for companies.

Engagement with Royal Dutch Shell

Issue: Shell's upstream exposure to oil and gas exploration and production presents shareholders with significant and obvious carbon risks. While Shell demonstrated early leadership on the transition among peers, it has been surpassed by the likes of TotalEnergies, ENI and BP, who all have increased their ambition on emission reduction and on transition to a low carbon business. In April 2021 management set out their strategy to be carbon neutral by 2050; the transition plan was hotly debated by investors. While the transition strategy was considered by some to be a step forward, it fell short of setting and applying meaningful medium term targets.

Outcome: Whilst the proposal ultimately received the assent of shareholders, Redwheel teams voted against the company's plan and for the shareholder proposal requiring more detailed targets. Our teams' ongoing concerns centre on the low ambition of the company in the 2020s and 2030s, with much of the reduction anticipated to come only in the 2040s. This implies the company will be outside the net zero pathway for a substantial part of its plan. The plan also places significant reliance on nature based offsets and new technologies without discussion of the global availability of the former, and whether there will be sufficient latitude for the oil industry to justify their significant planned use alongside more essential sectors, such as agriculture. With the latter, some demonstration projects are underway, but there are no clear milestones set out in the plan by which investors can judge whether sufficient progress is being made to keep the plan on track. To help accelerate progress on engaging on these issues, Redwheel joined the ClimateAction100+ collaborative engagement with Shell. Engagement is ongoing.



Engagement with Reliance Industries through ClimateAction100+

In March 2021, the Redwheel joined ClimateAction100+ and quickly became involved in the collective engagement with India's Reliance Industries focussed on emissions disclosure, carbon footprint reduction and sustainable energy transition.

The engagement group agreed on specific objectives; these were communicated to the company. Subsequent to this, multiple meetings have been held with Reliance Industries to re-confirm the company's commitment to carbon neutrality by 2035, improve emissions disclosure and trace a manageable pathway towards gradual reduction of the carbon footprint. In one of these, the company shared its plans to restructure its Oil-to-Chemicals (O2C) business, working in cooperation with Chart Industries to develop blue and green hydrogen production at the Jamnagar refinery operated by Reliance.

Shortly afterwards, the Company announced an ambitious USD 10bn investment in renewable power generation. A new Energy Business segment was created and post investment roll-out 4 gigafactories will be launched including (1) an integrated solar module factory, (2) an energy storage battery factory, (3) an electrolyzer factory, and (4) a fuel cell factory. Reliance Industries has also committed to contribute 100GW of solar capacity towards India's 2030 renewable target of 450GW.

After five months of collaboration, a member of our Emerging and Frontier Markets team became a co-lead in the engagement. Engagement priorities were at the same time amended to focus on the following:

- Outline of short-term targets and milestones [2025/30].
- Provision of current emission data compliant with the TCFD framework.
- More communication on climate strategy, progress and capex.
- Confirmation of environmental clearance pre-FID and/or M&A in the New Energy segment.

All group participants were encouraged to hold individual meetings with the company, to assure multiple re-iteration of the engagement objectives, and report these interactions to the group as well as seek support for our engagement from their clients and other investors.

The Emerging and Frontier Markets team held additional meetings with Reliance Industries in the fourth quarter of 2021 in which they discussed business development along with progress towards carbon emissions disclosure and reduction as per our engagement objectives. Our team learned that investment in the New Energy Business is in fact accelerating and , while acknowledging progress and giving the company credit for the transition strategy implementation, discussed with the company the benefits of SBTi certification.

Furthermore, as co-lead in the collaborative project, our team also notified Reliance Industries of the upcoming assessment vs net-zero benchmark as per the timeline published on the CA100+ website at www.climateaction100.org/news/climate-action-100-shares-net-zero-company-benchmark-update-and-timeline-for-2022/

Assessment versus the benchmark will be a key focus area going forwards.

Principle 11 – Escalation

We approach stewardship strategically, and adopt a flexible approach.

As a responsible steward of client capital, we have a strong preference for engagement over divestment. Where our attempts to engage are ignored or rebuffed, or we believe management's response has been ineffective, we may seek to escalate in accordance with the approach outlined in our Stewardship Policy:

- Engage bilaterally / collaboratively
- Engage at more senior level
- Write formally to shareholder representatives i.e. non-executive directors
- Make public statement / Attend AGM
- Vote against specific proposal at shareholder meeting
- File shareholder proposal
- Form concert party

Escalated engagement is normally subject to prior consultation with the Head of Investment Strategy, General Counsel and Chief Compliance Officer, and our Executive Committee in view of the increased attention this can bring. Examples of the use of escalation follow.

Kaz Minerals

Having made public statements across the fourth quarter of 2020, during the first quarter of 2021 our Emerging and Frontier Markets Team called again for the revision of the hostile takeover bid by Nova Resource of Kaz Minerals, as a result of which shareholders had been invited to accept an offer of GBp 640 for their shares. The team engaged repeatedly with Kaz Minerals' management, directors and other shareholders throughout the quarter, supplementing this with public statements[14] to raise awareness of our efforts to achieve fair value for minority shareholders who had not at that time accepted the company's offer. An improved offer was made but we continued to believe our shares were undervalued; only when the offer reached GBp 869 (over 35% more than offered originally) did we reach the decision to accept.

Vivo Energy

Again disenchanted by the offer received for its shares, our Emerging and Frontier Markets Team engaged the Board of Vivo Energy regarding the take over of the business by energy trader Vitol Group. The team considered that the Vitol offer materially undervalued the company relative to its growth prospects, and recognizing it had only a small position in the company again publicly opposed the recommendation to accept the offer[15]. In this case, with little prospect of being able to petition successfully for improved terms (either with other shareholders or alone), the team was left with no choice but to accept the offer.

Royal Dutch Shell

As discussed above under Principle 10, our teams voted in support of a shareholder proposal raised by the NGO Follow This, which demanded greater cuts in emissions as compared to the company's own strategy. Shell's capital expenditure plans were felt to be moving in the wrong direction from what is required to achieve the goals of the Paris Agreement, that ignoring absolute emissions was not appropriate, that more could be achieved in terms of Scope 1 and Scope 2 reductions, and that there were credibility challenges to the use of carbon offsets. Ahead of the AGM, our intention to oppose the company's plan and to support the shareholder proposal was declared publicly[16].

At the AGM, the Follow This proposal received support from 30% of votes cast; the team's position was further validated by the subsequent decision by the Dutch court to mandate the company to reduce global emissions, and the publication of the International Energy Agency's report highlighting the need to halt capital expenditure on developing new fossil fuel assets.

Whilst the company's own plan achieved majority support, the significant vote in support of the Follow This proposal, coupled to the further developments mentioned and others besides since the AGM, has ensured that the breadth and depth of the company's emissions reduction plans have remained under scrutiny.

UK Pharmaceutical company

Our Global Horizon team participated in exploratory conversations with other UK investors to establish whether there might be scope for collaborative engagement with the company in view of perceived weakness on the part of management in delivering long-term value to shareholders. The hypothesis was offered that the company had underperformed over a sustained period and that the collective voice of UK investors could potentially provide an effective 'wake up' call. Ultimately, it was determined that collaborative engagement did not enjoy broad support given other commitments made by the company and the outstanding schedule of events at which investors had the opportunity to monitor for related developments; accordingly, no action was taken.

LivaNova

In 2021, our European Focus team took the unusual decision to vote against all directors seeking re-election, retaining support only for the newly elected Todd Schermerhorn. The team had built a significant position in the company but had become frustrated with the Board during the year and its ambition to deliver effective strategic oversight in the interests of long-term shareholders, reaching the conclusion to signal this dissatisfaction both in private and in public through a vote against the majority of the Board. All directors were re-elected. The team continues to engage with LivaNova in pursuit of unlocking value for clients.

[14] See: www.redwheel.com/uk/en/institutional/insights/to-the-board-of-directors-kaz-minerals-plc/
[15] See: www.ft.com/content/1b1c333b-ede8-4f0c-94ba-4912e01e38af
[16] See: www.reuters.com/business/energy/royal-dutch-shell-investor-rwc-back-follow-this-propsal-agm-2021-05-13/

Principle 12 – Exercising rights and responsibilities

As a responsible investor, we recognise and aim to use appropriately and proportionately the rights and responsibilities accruing to us across all our investments.

For our equity teams, a key aspect of stewardship activity is the use of voting rights. We do not as a business engage in stock lending; as such, all teams cast votes in respect of all stock held at the record date of relevant meetings. We maximise the number of ballots we vote by requiring our custodians to send both ballots and holdings to our proxy voting partner ISS; by sending holdings data, ISS is able to source on a pro-active basis any ballots that have for whatever reason not been provided through the normal chain of custody.

Across all teams, we aim to cast votes in respect of all shares where we have authority to do so; despite this, shareblocking and the need to address other local market technicalities (including the filing of authorised powers of attorney) can occasionally frustrate our ability to participate in the voting process. As a consequence of this, votes were not successfully registered at around 7% of all individual meetings in 2021; it should be noted however that this figure is likely overstated due to a number of relevant meetings being postponed and rearranged to address issues of quorum. Expressed on a "shares held at record date"-weighted basis, the number of shares not voted was around 7%. The inadvertent expiry of a Power of Attorney in Brazil, and the long lead time for a replacement to be put on file, explains the vast majority of rejected votes.

Responsibility for voting rests with the relevant investment team. Given that we do not as a matter of policy support client directed voting in pooled funds, the approach adopted by each team is framed through recognition of the need to meet the expectations of their respective clients as well as evolving market best practice. Considering how best to reflect the centre of gravity of client views is a critical component within this, as is calibrating the voting approach to ensure consistency with the application of broader stewardship responsibilities. Where voting rights are formally delegated to Redwheel, stewardship examples and vote reports are provided on request, to facilitate discussion and debate on our approach.

Teams have a general preference to support management; however, as required, dissenting votes may be cast across all proposal types. In formulating vote decisions, the process followed reflects the stewardship approach of each team. In the main, teams draw on their own past engagement experience (we do not use third party engagement service providers although our clients may do so) as well as other information sources including corporate governance research issued by ISS.

All teams receive by default recommendations reflecting ISS's Climate Voting Policy research which is an extension of ISS' Sustainability Voting Policy. The Climate Voting Policy serves to place greater emphasis on climate considerations when formulating vote recommendations as compared to other ISS voting policies. ISS research is an input to, rather than the sole determinant of, the voting decisions taken. Each team retains full discretion to vote as it believes is appropriate under the circumstances, with the rationale recorded for any vote deviating from policy or otherwise opposing management. Where teams have established positions on corporate governance matters (e.g. remuneration), these will be reflected in the votes cast to the extent that relevant proposals are presented at a company's AGM.

Given that teams may hold securities issued by a common issuer, it is possible – albeit rare in practice – that at the same shareholder meeting two or more teams are eligible to vote and have differing opinions as to how votes should be cast. Where two teams hold securities in a commonly held company and intend to participate in a shareholder meeting, our Head of Sustainability will convene meetings with relevant team members ahead of the meeting to encourage alignment of vote intentions and if necessary record any irreconcilable disagreement.

A statistical review of voting across 2021 follows for those meetings where we were able to vote, in respect of which votes were cast identically across all ballots. A note is also included on our approach to voting the meeting of TotalEnergies SE, where our teams disagreed on the votes that should be applied, under Principle 3.

Full records of our voting activity going back to 1 January 2021 are also now available for inspection via our website [17].

The issues considered when determining how to cast a particular vote are informed particularly by the proposal type. Where the proposal relates to directors, independence and tenure are primary considerations, as is the extent to which relevant individuals have specific roles in relation to oversight (e.g. remuneration, audit, nominations). Where the proposal relates to remuneration, a wide variety of factors may be considered e.g. excess, pay for performance, short vs long term structure, application of malus/clawback, relevance in context of metrics/targets, peer group selection, application of discretion by the committee, and/or shareholding requirement. In respect of shareholder proposals, the basis for a vote against the proposal may include that fact that the request is spurious, vexatious, and/or requests action in an unreasonable amount of time.

Fixed Income

Within our approach to stewardship, we do not have a specific approach to: seeking amendments to terms and conditions in indentures or contracts; seeking access to information provided in trust deeds; to impairment rights; or reviewing prospectus and transaction documents. Prospectus documents are reviewed as new bonds come to market to ensure that terms are as stated, in particular to understand which eligible projects may be covered as part of supporting the issuance of specific use of proceeds bonds.

Vote results

We do not systematically capture the results of the meetings at which our teams vote. Whereas for some markets full disclosure is provided (e.g. UK, USA), in many other markets results are only made available on a pass/fail basis. From our ongoing monitoring, we are not aware that any management proposal we faced last year was opposed by the majority of meeting attendees.

To the extent possible, the results of a past AGM and the responsiveness of management in relation to any significant expression of dissent by shareholders is measured through the commentary received from third parties like ISS in respect of the subsequent AGM. In markets were disclosure standards are high, teams may elect to seek clarity on the response at an earlier stage, on the basis that they can gauge the extent of shareholder concern for themselves using the vote data published by the company.

[17] See: www.redwheel.com/uk/en/individual/sustainability/

Statistical Review of Proxy Voting: Calendar Year 2021

Table 1 – Meeting level

Number of meetings voted	481
Number of meetings voted with	186
>1 vote against management	39%

Table 2 – Proposal level – management proposals, by type

ISS recommendation	For/Refer				Abstain				Withhold				Against					
Redwheel vote	For	Abstain	Withhold	Against	For	Abstain	Withhold	Against	For	Abstain	Withhold	Against	For	Abstain	Withhold	Against	**Total**	**%**
Antitakeover Related	43			1												1	**45**	**0.89**
Capitalization	542			1									9			50	**602**	**11.96**
Director Related	2029	8	1	17		153		2			6		30			135	**2381**	**47.32**
Miscellaneous	26			1													**27**	**0.54**
Compensation	264			3									17			82	**366**	**7.27**
Preferred/Bondholder	18			1													**19**	**0.38**
Reorganisations and Mergers	148			1									2			33	**184**	**3.66**
Routine Business	1330			2									6			70	**1408**	**27.98**
TOTAL	**4400**	**8**	**1**	**27**	**0**	**153**	**0**	**2**	**0**	**0**	**6**	**0**	**64**	**0**	**0**	**371**	**5032**	**100**

For
Abstain
Withhold
Against

Table 3 – Proposal level – shareholder proposals, by type

ISS recommendation	For			Abstain			Against				
Redwheel vote	For	Abstain	Against	For	Abstain	Against	For	Abstain	Against	Total	%
Corporate Governance	3								1	**4**	**2.92**
Director Related	53		1		23				11	**88**	**64.23**
Health/Environment	3		1				1		5	**10**	**7.30**
Other	11						2		4	**17**	**12.41**
Routine Business	3								7	**10**	**7.30**
Social / Human Rights	4								3	**7**	**5.11**
Total	**77**		**2**		**23**		**4**		**31**	**137**	**100**

- For
- Abstain
- Against

Table 4 – Management Proposals - Votes against ISS recommendation

Vote cast	# where ISS recommendation was not followed	# where ISS recommendation was followed	% overruled within category
For	64	4400	1.43
Abstain	13	153	7.83
Withhold	1	6	14.29
Against	28	372	7.00
Total	**106**	**4932**	**2.10**

Table 5 – Shareholder Proposals - Votes against ISS recommendation

Vote cast	# where ISS recommendation was not followed	# where ISS recommendation was followed	% overruled within category
For	4	77	4.94
Abstain	0	23	0.00
Against	2	31	6.06
Total	**6**	**131**	**4.38**

Table 6 – Meetings by region

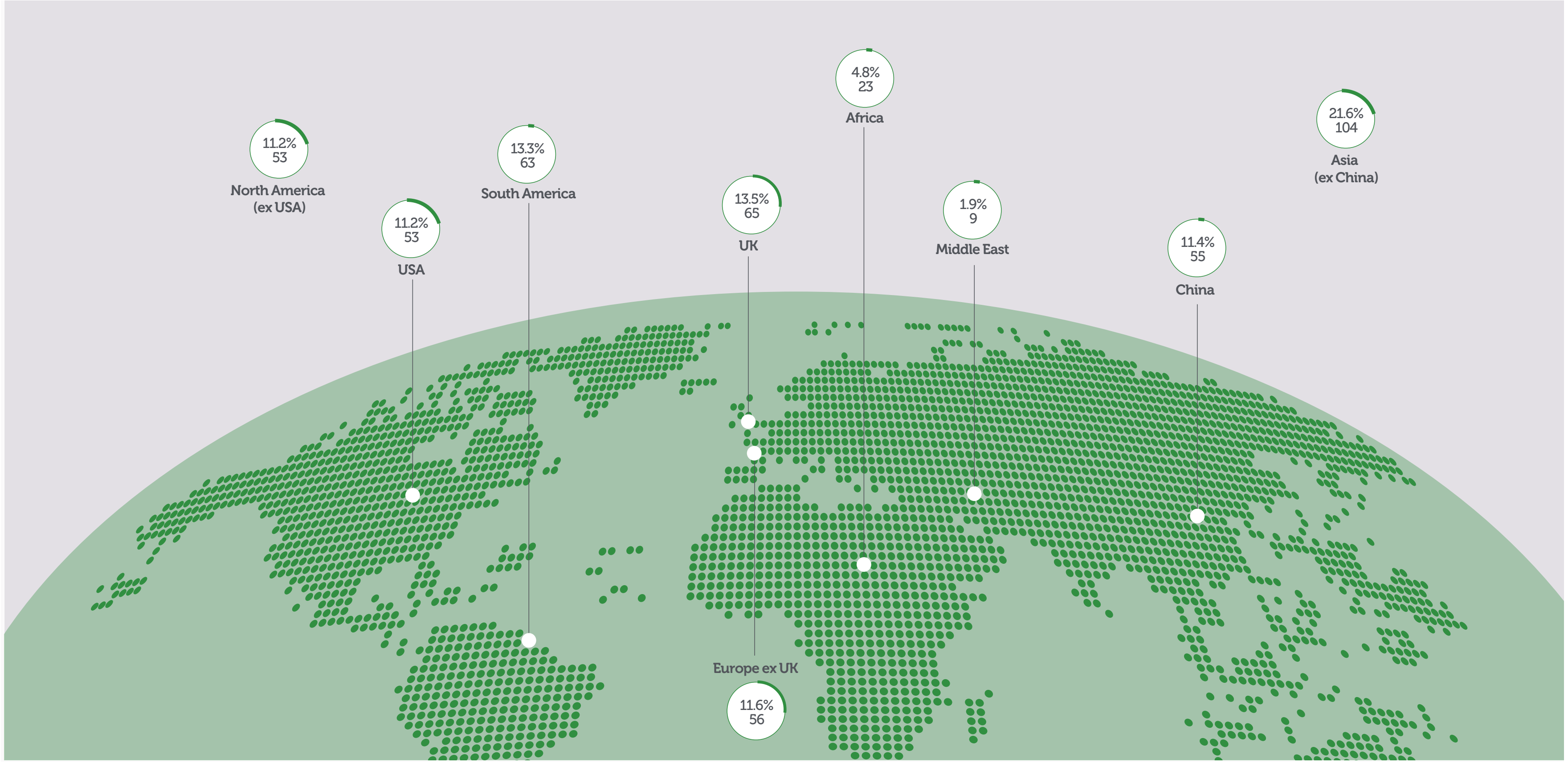


Table 7 – Significant votes

The table below highlights where both (1) we dissented from supporting a management proposal, or supported a shareholder proposal, and (2) we departed from the vote recommendation provided to us by ISS.

Company Name	Item	Proposal	Rationale	Vote Cast
Amazon.com, Inc.	7	Report on Promotion Data	Support efforts to improve diversity	For
Citigroup Inc.	8	Report on Lobbying Payments and Policy	Support improved disclosure	For
Hennes & Mauritz AB	18	Disclose Sustainability Targets to be Achieved in Order for Senior Executives to be Paid Variable Remuneration; Report on the Performance of Senior Executives on Sustainability Targets	Support improved disclosure	For

Table 7 – Significant votes (continued)

Company Name	Item	Proposal	Rationale	Vote Cast
Royal Dutch Shell plc	21	Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions	More appropriate commitment level than company's own plan	For
ADES International Holding plc	1	Approve to Allot, Sale, or Transfer of Treasury Shares without Preemptive Rights	Does not enhance shareholder value	Against
Eversource Energy	2	Advisory Vote to Ratify Named Executive Officers' Compensation	Remuneration related	Against
Georgia Capital plc	3	Re-elect Irakli Gilauri as Director	Support appointment of independent chair	Against
Hochschild Mining plc	1	Approve Matters Relating to the Demerger of Aclara Resources Inc. from the Company	Does not enhance shareholder value	Against
Informa plc	5	Re-elect Mary McDowell as Director	Remuneration related	Against
Informa plc	7	Re-elect Helen Owers as Director	Remuneration related	Against
Informa plc	19	Authorise the Company to Call General Meeting with Two Weeks' Notice	Remuneration related	Against
LivaNova plc	1.1	Elect Director Francesco Bianchi	Multiple governance concerns	Against
LivaNova plc	1.2	Elect Director Stacy Enxing Seng	Multiple governance concerns	Against
LivaNova plc	1.3	Elect Director William Kozy	Multiple governance concerns	Against
LivaNova plc	1.4	Elect Director Damien McDonald	Multiple governance concerns	Against
LivaNova plc	1.5	Elect Director Daniel Moore	Multiple governance concerns	Against
LivaNova plc	1.6	Elect Director Alfred Novak	Multiple governance concerns	Against
LivaNova plc	1.7	Elect Director Sharon O'Kane	Multiple governance concerns	Against
LivaNova plc	1.8	Elect Director Arthur L. Rosenthal	Multiple governance concerns	Against
LivaNova plc	1.9	Elect Director Andrea Saia	Multiple governance concerns	Against
MITIE Group plc	4	Re-elect Derek Mapp as Director	Remuneration related	Against
MITIE Group plc	9	Re-elect Jennifer Duvalier as Director	Remuneration related	Against
Pearson plc	4	Re-elect Elizabeth Corley as Director	Multiple governance concerns	Against
Pearson plc	10	Re-elect Sidney Taurel as Director	Multiple governance concerns	Against
Petroleo Brasileiro SA	4	In Case Cumulative Voting Is Adopted, Do You Wish to Equally Distribute Your Votes Amongst the Nominees below?	Prefer to concentrate votes on minority shareholder nominees	Against
Royal Dutch Shell plc	20	Approve the Shell Energy Transition Strategy	Disenfranchises minority shareholders	Against
Telefonica SA	6.1	Approve Scrip Dividends	Does not enhance shareholder value	Against
Telefonica SA	6.2	Approve Scrip Dividends	Does not enhance shareholder value	Against
TomTom NV	4	Approve Remuneration Report	Remuneration related	Against
Unilever plc	2	Approve Remuneration Report	Remuneration related	Against

The names shown above are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations or advice. No investment strategy or risk management technique can guarantee returns or eliminate risks in any market environment.

SRD II Compliance statement (COBS 2.2B)

Research consumed in the formulation of our proxy voting decisions includes research provided by Institutional Shareholder Services (ISS). This research informs but is not determinative of the final voting decisions applied. Ultimate responsibility for voting rests with the relevant investment team.

All votes are executed on the ISS Proxy Exchange platform.

We do not use third party engagement service providers.

Our engagement policy currently in force should be interpreted with particular reference to the commentary provided in respect of Principles 1, 3, 5, 6, 7 and 8-12, and our approach to evaluating the medium- to long-term performance of a company should be interpreted with particular reference to the "Environment, Social and Governance Policy" disclosed on our website.

Most significant votes for 2021 are as shown in the Statistical Review of our 2021 Stewardship Report.

Redwheel is a registered trademark of RWC Partners Limited.

The term "RWC" may include any one or more RWC branded entities including RWC Partners Limited and RWC Asset Management LLP, each of which is authorised and regulated by the UK Financial Conduct Authority and, in the case of RWC Asset Management LLP, the US Securities and Exchange Commission; RWC Asset Advisors (US) LLC, which is registered with the US Securities and Exchange Commission; and RWC Singapore (Pte) Limited, which is licensed as a Licensed Fund Management Company by the Monetary Authority of Singapore.

RWC may act as investment manager or adviser, or otherwise provide services, to more than one product pursuing a similar investment strategy or focus to the product detailed in this document. RWC seeks to minimise any conflicts of interest, and endeavours to act at all times in accordance with its legal and regulatory obligations as well as its own policies and codes of conduct.

This document is directed only at professional, institutional, wholesale or qualified investors. The services provided by RWC are available only to such persons. It is not intended for distribution to and should not be relied on by any person who would qualify as a retail or individual investor in any jurisdiction or for distribution to, or use by, any person or entity in any jurisdiction where such distribution or use would be contrary to local law or regulation.

This document has been prepared for general information purposes only and has not been delivered for registration in any jurisdiction nor has its content been reviewed or approved by any regulatory authority in any jurisdiction. The information contained herein does not constitute: (i) a binding legal agreement; (ii) legal, regulatory, tax, accounting or other advice; (iii) an offer, recommendation or solicitation to buy or sell shares in any fund, security, commodity, financial instrument or derivative linked to, or otherwise included in a portfolio managed or advised by RWC; or (iv) an offer to enter into any other transaction whatsoever (each a "Transaction"). No representations and/or warranties are made that the information contained herein is either up to date and/or accurate and is not intended to be used or relied upon by any counterparty, investor or any other third party.

RWC uses information from third party vendors, such as statistical and other data, that it believes to be reliable. However, the accuracy of this data, which may be used to calculate results or otherwise compile data that finds its way over time into RWC research data stored on its systems, is not guaranteed. If such information is not accurate, some of the conclusions reached or statements made may be adversely affected. RWC bears no responsibility for your investment research and/or investment decisions and you should consult your own lawyer, accountant, tax adviser or other professional adviser before entering into any Transaction. Any opinion expressed herein, which may be subjective in nature, may not be shared by all directors, officers, employees, or representatives of RWC and may be subject to change without notice. RWC is not liable for any decisions made or actions or inactions taken by you or others based on the contents of this document and neither RWC nor any of its directors, officers, employees, or representatives (including affiliates) accepts any liability whatsoever for any errors and/or omissions or for any direct, indirect, special, incidental, or consequential loss, damages, or expenses of any kind howsoever arising from the use of, or reliance on, any information contained herein.

Information contained in this document should not be viewed as indicative of future results. Past performance of any Transaction is not indicative of future results. The value of investments can go down as well as up. Certain assumptions and forward looking statements may have been made either for modelling purposes, to simplify the presentation and/or calculation of any projections or estimates contained herein and RWC does not represent that that any such assumptions or statements will reflect actual future events or that all assumptions have been considered or stated. Forward-looking statements are inherently uncertain, and changing factors such as those affecting the markets generally, or those affecting particular industries or issuers, may cause results to differ from those discussed. Accordingly, there can be no assurance that estimated returns or projections will be realised or that actual returns or performance results will not materially differ from those estimated herein. Some of the information contained in this document may be aggregated data of Transactions executed by RWC that has been compiled so as not to identify the underlying Transactions of any particular customer.

The information transmitted is intended only for the person or entity to which it has been given and may contain confidential and/or privileged material. In accepting receipt of the information transmitted you agree that you and/or your affiliates, partners, directors, officers and employees, as applicable, will keep all information strictly confidential. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information is prohibited. The information contained herein is confidential and is intended for the exclusive use of the intended recipient(s) to which this document has been provided. Any distribution or reproduction of this document is not authorised and is prohibited without the express written consent of RWC or any of its affiliates.

Changes in rates of exchange may cause the value of such investments to fluctuate. An investor may not be able to get back the amount invested and the loss on realisation may be very high and could result in a substantial or complete loss of the investment. In addition, an investor who realises their investment in a RWC-managed fund after a short period may not realise the amount originally invested as a result of charges made on the issue and/or redemption of such investment. The value of such interests for the purposes of purchases may differ from their value for the purpose of redemptions. No representations or warranties of any kind are intended or should be inferred with respect to the economic return from, or the tax consequences of, an investment in a RWC-managed fund. Current tax levels and reliefs may change. Depending on individual circumstances, this may affect investment returns. Nothing in this document constitutes advice on the merits of buying or selling a particular investment. This document expresses no views as to the suitability or appropriateness of the fund or any other investments described herein to the individual circumstances of any recipient.

AIFMD and Distribution in the European Economic Area ("EEA")

The Alternative Fund Managers Directive (Directive 2011/61/EU) ("AIFMD") is a regulatory regime which came into full effect in the EEA on 22 July 2014. RWC Asset Management LLP is an Alternative Investment Fund Manager (an "AIFM") to certain funds managed by it (each an "AIF"). The AIFM is required to make available to investors certain prescribed information prior to their investment in an AIF. The majority of the prescribed information is contained in the latest Offering Document of the AIF. The remainder of the prescribed information is contained in the relevant AIF's annual report and accounts. All of the information is provided in accordance with the AIFMD.

In relation to each member state of the EEA (each a "Member State"), this document may only be distributed and shares in a RWC fund ("Shares") may only be offered and placed to the extent that (a) the relevant RWC fund is permitted to be marketed to professional investors in accordance with the AIFMD (as implemented into the local law/regulation of the relevant Member State); or (b) this document may otherwise be lawfully distributed and the Shares may lawfully offered or placed in that Member State (including at the initiative of the investor).

Information Required for Distribution of Foreign Collective Investment Schemes to Qualified Investors in Switzerland

The representative and paying agent of the RWC-managed funds in Switzerland (the "Representative in Switzerland") is Société Générale, Paris, Zurich Branch, Talacker 50,

P.O. Box 5070, CH-8021 Zurich. In respect of the units of the RWC-managed funds distributed in Switzerland, the place of performance and jurisdiction is at the registered office of the Representative in Switzerland.

Contact us

Please contact us if you have any questions or would like to discuss any of our strategies.

invest@redwheel.com | redwheel.com

Redwheel London
Verde, 4th Floor
10 Bressenden Place
London
SW1E 5DH
T: +44 20 7227 6000

Redwheel Miami
2640 South Bayshore Drive
Suite 201
Miami
Florida 33133
T: +1 305 602 9501

Redwheel Singapore
80 Raffles Place
#22-23
UOB Plaza 2
Singapore
048624
T: +65 6812 9540