



STEWARDSHIP REPORT

2025

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CEO STATEMENT

Dear Stakeholders,

As we present Pacific Asset Management's 2025 Stewardship Report, I am pleased to reflect on another year of progress in how we look to fulfil our responsibilities as long-term investors. In a complex and fast-changing environment, our commitment to responsible investment and active ownership remains a core part of how we seek to deliver outcomes for our clients. We continue to view stewardship as integral to effective asset management. It is not simply about oversight, but about understanding risk, value creation and resilience over the long term.

2025 was a strong year for Pacific Asset Management as a business. Assets under management grew to \$18.9 billion by year end, reflecting continued client confidence in our investment approach and long-term philosophy. Importantly, this growth has been matched by ongoing investment in people, systems and processes to help ensure that we continue to grow responsibly and with discipline.

During 2025, our stewardship activities continued to evolve, with a greater emphasis on top-down, systemic risks alongside our long-standing, portfolio-manager-led approach. While bottom-up engagement remains central to our philosophy, we believe this broader perspective represents meaningful progress. By focusing on cross-sector and market-wide issues, including those linked to climate, technology and resource intensity, we are better positioned to identify risks and opportunities that may affect portfolios across asset classes and geographies.

Throughout the year, we engaged actively with investee companies and external fund managers on a range of material topics, including climate-related risks, governance, capital allocation and transparency. We have continued to exercise our voting rights responsibly, guided by our

voting policies, which form a core component of our stewardship activities and support accountability and long-term value creation.

Technology continues to play an important role in enabling effective stewardship at Pacific. We have further strengthened our data infrastructure and analytical capabilities, leveraging advanced data systems and AI-enabled tools to improve portfolio monitoring, identify emerging sustainability risks and support consistent engagement across teams. These investments enhance collaboration, transparency and our ability to evidence stewardship activity and outcomes with greater clarity.

As we look ahead, our philosophy of "Move Forward" remains central to everything we do. We will continue to refine our stewardship practices, deepen our understanding of systemic risks and evolve our investment approach in line with a changing world. Our aim is not only to respond to today's challenges, but to help build a more resilient, forward-looking model of asset management for the future.

I invite you to read this report, which sets out in detail the stewardship and engagement activities Pacific Asset Management has undertaken throughout the year.



Matthew Lamb
Chief Executive Officer
Pacific Asset Management

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ORGANISATIONAL OVERVIEW

Describe your organisation, your investment beliefs, your clients or beneficiaries and how that informs your approach to stewardship

Pacific Asset Management (PAM) is a fresh and progressive asset manager, rethinking the conventions of how asset management works for advisers, institutions, investors, asset owners and the industry.

We are responsible for over \$18.9 billion of assets for our clients. As a privately owned business, unencumbered by legacy, we can rethink the conventions of asset management and move forward, making it better for all. With a fresh start, we've been able to create a more innovative and progressive model, moving the asset management model of today into one more relevant for the needs of tomorrow.

At PAM, we serve a wide range of clients, from institutional pension funds, insurers and consultants to wholesale and retail investors. We service clients globally, across North and South America, Europe and Asia. It is this breadth of clients, as well as geographic diversity, that we believe helps inform our sustainable viewpoint. With the market for sustainability rapidly evolving and shifting, as well as changes in regulatory frameworks, it is our belief that our sustainable philosophy is well positioned to address the needs of a wide-ranging client base. As a boutique asset manager, we can move quickly to adapt to these changes and to identify and benefit from market events, but we retain an institutional mindset and economies of scale at our size.

Investment capabilities and client base

At PAM, we run a range of strategies. Our business spans two main units in terms of managing assets:

Multi Asset Solutions: Technology enabled multi-asset solutions that cover core, income, passive and sustainable solutions for both UK and global advisers. Although these portfolios may include direct investments, most of the holdings are held through external managers.

Therefore, a little below 50% of our AUM is invested in external managers. Under this business unit, we mostly cover UK based retail clients. Nevertheless, this includes some exposure to global clients from UK advisers in different geographies. Solutions provided within this business line include:

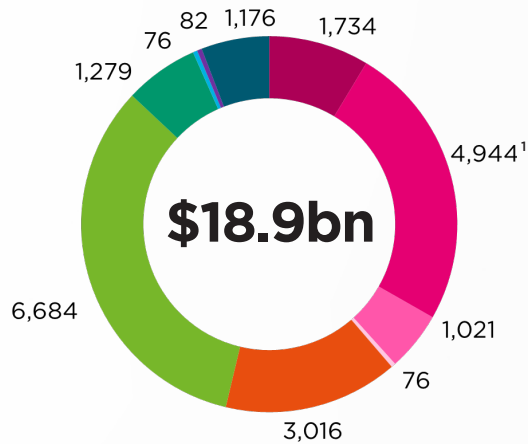
- **Core:** Blending passive management with the benefits of active multi-asset investing
- **Sustainable:** Investing to make a difference, whilst still being truly multi-asset
- **Passive:** Low-cost passive investments to meet a range of client objectives
- **Income:** Designed for investors who seek a regular income
- **Alternative Risk Premia:** Systematic non-directional factor investing

Single Manager Solutions: Our single manager business offers strategies where investment skill and experience have proven to outperform, by focusing on markets that are less efficient. These strategies cover: Emerging Market Equity, Global Opportunities Equity, North American Equity, European Equity, G10 Macro Rates and Global Active Credit. Clients for this business unit are more geographically diverse, with exposure to both UK and European wholesale clients, as well as institutional clients from North America.

These business models are roughly split 50/50 in terms of their AUM. A more explicit breakdown as of end of 2025 by teams can also be seen in the below chart:

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Assets Under Management, & Assets Under Influence (\$m)



\$18.9bn



1. Includes \$1,221 million invested within PAM MA UCITS as part of model portfolios which is excluded from total figure of \$18.9bn.

Source: Pacific Asset Management as at 31 December 2025.

1/ TECHNOLOGY ENABLED ADVISER SOLUTIONS

AUM & AUI: \$9.6 billion

Tech Enabled Multi-Asset Adviser Solutions & ESG Principled Investment

Multi-Asset Funds

Modern, blended unitised multi-asset strategies, including sustainable offering

Adviser Solutions

Software enabled, model-portfolio-as-a-service solutions

Alternative Risk Premia

Systematic non-directional factor investing: Isolating diversifying Risk Premia

IPX Tech Solutions

Tech-enabled administration

2/ SINGLE MANAGER SOLUTIONS

AUM: \$9.3 billion

Craft-based High Conviction Active Management

Emerging Market Equity

Pacific North of South Global EM Equity Strategy
Pacific North of South EM All Cap Equity Strategy
Pacific North of South EM Income Opportunities Strategy

Global Equity

Pacific Global All Cap Opportunities Strategy

US Equity

Pacific North American Opportunities Strategy

European Equity

Pacific Viewforth European Equity Strategy

Global Credit

Pacific Coolabah Global Active Credit Strategy
Pacific Coolabah Credit Alpha Strategy

Liquid Alternatives

Pacific G10 Macro Rates Strategy

Retail / Institutional Clients	Institutional / Wholesale Clients
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Culture And Purpose

Our philosophy as a business is summarised in two words: move forward. Move forward is a single organising thought around which we build everything for our clients, our business, our culture, our approach to innovation and the way we choose to invest.

For decades the asset management model has remained unbroken yet constrained by convention. We chose a different path. Move forward helps us to differentiate ourselves from our peers and the conventions of asset management and has been built upon the premise that we have evolved, progressed and innovated a different approach to a model where change is long overdue.

More than that, it's an invitation to our clients and partners in joining us to Move Forward, make things better, to be in the present and looking to the future - a future where there is a better, smarter alternative.

Pacific is unbound by conventions nor investment bureaucracy, but guided by our strong investment principles, we are able to jump when giants can't. Our robust investment research is constant and unwavering, using the power of our human capital combined with progressive technologies, we are uniquely poised to create funds and solutions designed around client and market's needs, quickly.

Our Goals



Move asset management forward

Be a new and innovative force for good in the world of asset management.



Provide progressive ideas and solutions

Always questioning the conventions to discover better ways to do things for our clients, partners and end investors.



Become recognised

For being brave, being pragmatic and above all focused on better processes and outcomes for our clients.



Embrace progress and evolution

Growing to become an intelligent choice, for those in the know.

To grow and develop because of all the above

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Responsible Investing & Stewardship Culture

We believe that in order to better safeguard the long-term interests of our clients we need to be a responsible investor and sustainability for us is a firm wide commitment. We strive to advance sustainable practices and remain committed to continuous improvement.

We believe that through diversity of thought, diversity of client base, and fostering an open and intellectually honest business environment will help make better investment decisions over the long term. We have built teams at PAM with years of experience, who believe that by synthesising a broad range of inputs, can make strong long-term investments. Through this research, we have identified that strong business often have characteristics that we seek: diversity of thought and background, a culture of leadership alignment and a willingness to listen to stakeholders. This leads to product innovation, efficiencies and industry leadership. We seek this across our investee companies and our own.

Our analysis of investments includes many factors, from traditional market based, to longer-term thematic impacts such as climate, diversity, social impact and many others. This includes stewardship and engagement, which we believe is a pivotal part of all investment strategies. As such, stewardship is embedded within each of the investment teams, with no one individual responsible for all stewardship strategy, but a culture of stewardship.

This decentralised approach to stewardship and responsible investment means that PAM teams think differently about how to integrate engagement into their investment processes and decision-making. This means that the standard approach towards stewardship is bottom-up, with PM's monitoring and communicating individually with companies in their portfolios and target list and driving change in this way.

Nevertheless, with expanded resource in a centralised stewardship function, we are increasingly looking towards top-down approaches. These would typically consider market-wide or systemic risks which may be relevant to more than one team. In such cases, the centralised function builds a stewardship rationale and objectives, which is then executed with assistance from the PMs. The case studies found in our Activities and Outcome report will show a difference between these two approaches to stewardship.

A Company-Wide Commitment To Responsible Investing

PAM is proud to be a signatory to the UN Principles for Responsible Investment (UN PRI). As a firm, this requires an understanding and integration of Sustainable investing concepts, education and identifying how our decisions impact the real world. As a result of becoming signatories, we commit to the following:

- We incorporate ESG issues into investment analysis and decision-making processes
- We are active owners and incorporate ESG issues into our ownership policies and practices
- We seek appropriate disclosure on ESG issues by the entities in which we invest
- We promote acceptance and implementation of the Principles within the investment industry
- We work together with other signatories to enhance our effectiveness in implementing the Principles
- We report on our activities and progress towards implementing the Principles

Technology plays a key part in everything that we do at PAM, including sustainability. We have primarily developed tools to engage with the advisor community and to help portfolio managers make decisions when faced with sustainability decisions, as well as informing our clients about how we think about sustainability issues. Two examples of tools we have developed include:

- EnlightenESG: A sustainability risk profiler, developed internally by PAM to better understand clients approaches and understanding of sustainability issues.
- ESGdb: An internal database of ESG scores, that tracks 50,000 stocks and 100 funds, designed to help inform portfolio managers about their investments

Building Teams At PAM

At PAM, fostering an inclusive and diverse workplace is critical to our success. Our aim is to employ the best people from the widest pool of applicants, to create an environment where people of not only different ethnicities, genders, ages, religions, disabilities and sexual orientations can succeed but different educations, personalities, skillsets, experiences and knowledge can too.

We firmly believe that by giving each of our employees a voice and embracing different perspectives will only help to improve client outcomes.

We are supporters of GAIN (Girls are Investors Network) and utilise the programme to run internships at PAM. GAIN is designed to inspire and empower the next generation of female and non-binary investment professionals by providing a platform for learning, career development and networking.

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CASE STUDY

ENLIGHTENESG

Outside of investment, PAM has supported several endeavours to attempt to improve the discourse around sustainable decision making for investors.

The overarching aim for the EnlightenESG profiler is to create a communication device. A way of structuring questions and responses to create an understanding of the priority of a respondents' approach to sustainability.

But more particularly, this enables the advisor to articulate how their clients' sustainability preferences are incorporated into their investment recommendations and the approaches of the selected investment managers selected. This creates transparency in the basis for the decision, transparency on the product implications, and thus the ability to be transparent on the ESG produce features.

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Open, accessible & standardised suitability profiler

We identified a need for an open, accessible, and standardised suitability profiler that ensures a positive solution for all. The EnlightenESG tool helps to personalise the investment journey. We do not believe that the investment community always has in its heart a will to do what is right for each client, as opposed to sell its wares.

Not a product push

This is important, as instead of pushing product on people that simply want to invest for a better future, we try to understand exactly how each individual thinks about sustainability.

A unique profile for everyone

Using a series of questions, the EnlightenESG profiler maps a unique profile to each user in our tool. The tool can highlight how an end user expresses their Sustainability goals, whether they are interested in a particular area of sustainability, or the potential risks associated with your decision making. This structure helps financial advisers map you to a product that is Sustainable and Suitable. This is important, as it means that unexpected outcomes are less likely.

The development and the series of questions and a rubric to support that discussion. But ultimately, it is the conversation and transparency in the proposed solution, which will determine the right client outcome rather than the rubric's "advisor guidance".

Pacific Asset Management's Open Commitment to Sustainability

EnlightenESG is our open commitment to ensuring that Sustainability meets suitability. It protects advisers and clients by helping them to make better choices, through intelligent profiling of appetites and attitudes to sustainability. In the process, it also supports the continued adoption of positive investing.



DISCLOSURE B

Resourcing for stewardship

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RESOURCING FOR STEWARDSHIP

Describe how your resources enable effective stewardship

Responsible Investment Governance and Oversight

The Chief Executive is formally responsible for Responsible Investment, ESG and Sustainability throughout the Firm. In 2021, the Firm created a new role, Chief Sustainability Officer (CSO), reporting directly to the Chief Executive Officer.

The Chief Sustainability Officer is responsible for delivering Pacific's sustainable investment strategy. The Firm also established the Responsible Investment Committee (RIC), one of many key Oversight Committees, chaired by the Chief Sustainability Officer, which reports on the Firm's progress to the Management Board and the PCP board of directors on a quarterly basis. The Committee meets quarterly to monitor and review responsible investment & stewardship activities, providing oversight on sustainability-related risk within the portfolios. The RIC includes members from the investment, compliance and sales teams. The role of the Responsible Investment committee is to:

- Review the Firm's responsible investment policy framework – including its Responsible Investment Policy, Proxy Voting Policy and Engagement Policy.
- Support ESG integration – driving continuous improvement in ESG data, tools and analysis
- Oversight of ESG related risk within the portfolios
- Compliance with ESG regulation
- Approval of PRI submissions
- Supporting engagement – both directly and via collaborative investor initiatives across equities and multi-asset classes
- Sharing and building knowledge – sharing relevant research, analysis and insights on sustainability themes and trends

- Monitoring progress with a focus on innovation and continual improvement
- Managing the group's sustainability reporting
- Ensuring the Firm's appointed external manager's political engagement activities are aligned with its commitment to the PRI principles.

All stewardship activities are recorded, and we have recently commissioned a third-party software tool, ESG Stream to aid with this. This application provides a centralised place for reporting on stewardship activities, and for monitoring and oversight.

We believe that incorporating a transparent platform for reporting stewardship activities will help improve the structures that underpin effective stewardship.

The RIC meets quarterly to monitor and review responsible investment and stewardship activities. The RIC provides oversight on sustainability-related risk within the portfolios.

Because management teams expect us to hold their company's shares for a long time, they are generally willing and often proactive about engaging with us. Subsequently, as we continue to build these relationships over several years, companies are more prepared to listen to our views and execute a shared vision that benefits both the investee companies and our clients. Our governance process has and continues to be developed over time. Policies and strategies are formally reviewed annually but we remain cognizant of any changes that occur in the industry. Portfolio managers are able to share their experiences, outcomes and best practice through the Responsible Investment Committee meetings and we endeavour to create an environment of open and continuous learning. We continue to leverage technology in all fields across the Firm and recognise the impact that it can have in the stewardship space.

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The RIC forms part of a broader set of committees, designed to provide full governance and risk oversight:

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Stewardship resourcing

At PAM, we have a fully integrated approach to sustainability. Our team has decades of experience in managing, designing and overseeing investment solutions, integral members to stewardship and governance oversight include:

CEO: Matthew was appointed Chief Executive Officer in October 2016. Prior to joining Pacific, Matthew was Managing Director and Global Head of Liquid Alternative Investment Sales at Deutsche Asset Management. From 2003-2015, Matthew worked at GAM where he was the UK and Middle East Head of Institutional and Funds distribution and Global Head of retail multi-asset sales.

CIO: Will is the Chief Investment Officer and Portfolio Manager of Pacific's range of multi-asset funds. Prior to joining Pacific, he worked at HSBC Asset management for 17 years, most recently as Portfolio Manager of a \$5bn range of multi-asset funds. He was also the Chairman of their Tactical Asset Allocation Committee, responsible for the tactical positioning of HSBC's \$30bn wealth business.

Chief Sustainability Officer: Will Thompson is the CSO and Portfolio Manager for PAM's Sustainable Multi-Asset Solutions and part of the Multi-Asset Investment team. Prior to joining PAM in 2020, Will was a Senior Portfolio Manager in the UK Multi-Asset team within HSBC AMG. Will was responsible for running the World Selection, Global Strategy and Multi-Asset Sustainable fund ranges with total AUM of \$14bn. Will holds a BA (Hons) in Politics, Philosophy and Economics from Durham University and is a CFA Charterholder.

Chief Compliance Officer: Amrusta is the Chief Compliance Officer at Pacific. Her responsibilities include the management of the firm's regulatory framework and ensuring ongoing compliance with all laws and regulations. Prior to joining in 2015, she was Chief Compliance Officer at Halkin Asset Management Limited. Before that, she spent 13 years at Coronation International Limited as Compliance Manager with the overall responsibility for the group's UK regulatory framework.

Investment Analyst: Lucian is an Investment Analyst specialising in ESG analytics and research. Lucian was previously Research Manager at Valuation Investors (a Global ESG Equity Fund Manager), responsible for portfolio construction, company valuations & portfolio analysis. Prior to that he worked at Close Brothers AM as a Financial Analyst on the Socially Responsible Investment team.

Senior Investment Analyst: Laura is a Senior Investment Analyst and joined Pacific in 2020 when Parallel Investment Management became part of the PAM Group. Laura provides fund selection analysis, performance attribution, and asset allocation for Pacific's multi-asset solutions range. Prior to joining Parallel in 2013 Laura worked as part of the client services administration team with investment trading platform provider, Novia Financial plc.

Sustainability & Project Lead: Ramon joined Pacific in 2025 after two years in sustainability consulting, following a 2023 internship with the firm. He is now responsible of coordinating stewardship efforts across the firm and enhance existing processes. He holds an MSc in Climate Change from the University of Leeds and previously earned a double degree in Law and International Relations in the Basque Country.

Although our approach to stewardship and responsible investment is decentralised and PM led, these individuals provide ad-hoc support on stewardship matters as when needed by the investment teams.

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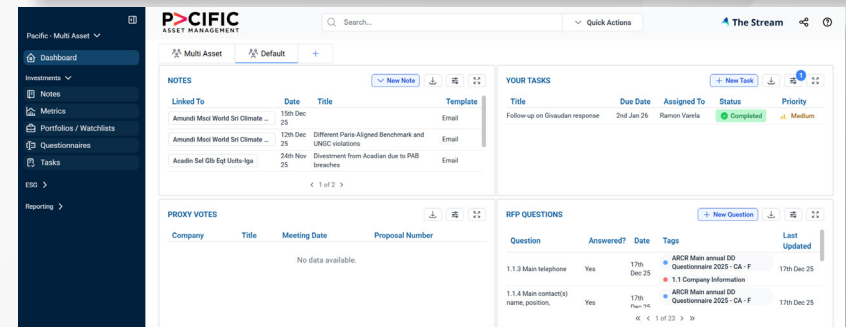
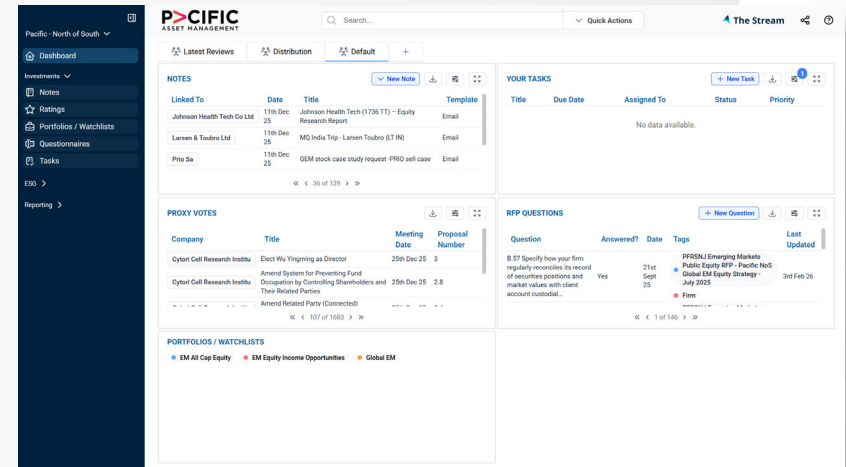
Stewardship Systems And Resources

In 2024, PAM decided to partner with a technology start-up, ESG Stream, to incorporate their stewardship and engagement tracking platform into the PAM stewardship process. The main rationale to establish this partnership was to ensure that stewardship and engagement activities across the firm were coordinated and transparent, enabling to leverage Pacific's collective efforts on this front.

Through the process, collaboration with ESG Stream has customised the platform, to shape it towards the stewardship and engagement activities the business undertakes. This includes teams across single stocks utilising the platform for logging their discussions with companies, as well as the multi-asset team in terms of their discussions with fund management houses.

Furthermore, investment teams are using the system more broadly as a research hub for their notes and meetings. This has increased collaboration across different departments, with sales teams now able to access specific stock examples at real time, as well as upload RFP questions into shared repositories. All of these functionalities are AI-enabled, meaning that users querying the information can access different data sources within the ecosystem (e.g., stock notes, meeting minutes, DCF models, and proxy votes) to understand an investment team's holistic view of a given security.

Historical proxy votes for Pacific can be found on the platform, and portfolios are linked from Pacific's database through an API connection to ensure ease of access to the latest positions and their associated research. The multi-asset team leverages the platform to send out annual and ad-hoc questionnaires to underlying managers, track responses, and analyse sustainability integration and engagement practices.



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Voting Resources

Pacific aims to vote all shares for which it has voting authority. The Firm retains the services of a proxy advisor (Institutional Shareholder Services (ISS)) to assist in implementing and administering proxy voting. ISS provides written analysis for each company resolution based on the Firm's policy. Pacific will vote with the independent research recommendations unless it chooses to override it based on its own analysis. The Firm additionally uses ISS's Socially Responsible Investing (SRI) overlay solution for proxy voting guidance from a sustainable finance perspective. Additionally, Pacific has implemented a custom policy by keeping consideration for DEI in senior-level appointment votes in the US. The Firm makes voting decisions for all its funds publicly available on an annual basis on its website.

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ESG Data Informing Stewardship

We use information provided by our third-party ESG data vendors to inform engagement activities. This represents a mixture of quantitative KPIs as well as qualitative ratings and analysis provided by these vendors.

ESGdb

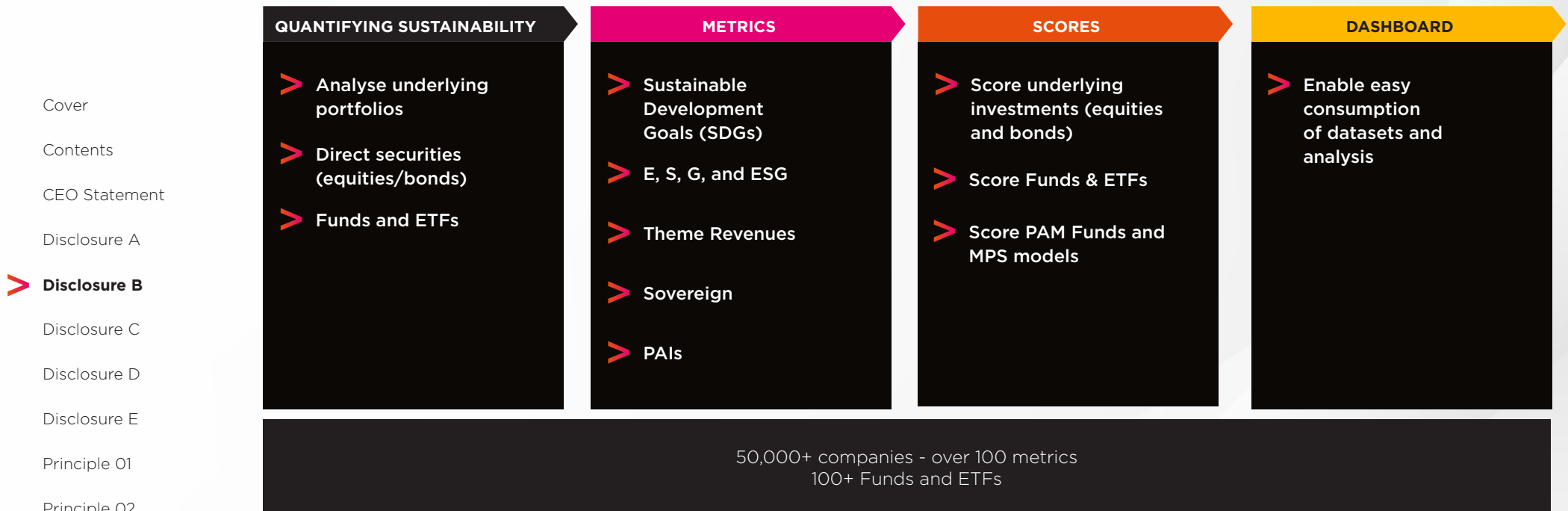
Pacific has recently formalised its ESG scoring methodology into a database covering 50,000 companies (and 100+ funds/ETFs). The core of this scoring methodology is utilising and adapting TruValue Labs (a FactSet company) data into metrics across SASB, UN SDG's and ESG scores, as well as other metrics.

The advantage of using TruValue data is that it uses natural language processing and is not reliant on company disclosures around ESG issues, which can be backwards looking and subject to company influence. This means data points are more reactive to change on ESG issues. ESGdb also allows us to create reports for PM teams on the ESG characteristics of their portfolios and individual investments, (used to identify potential engagement topics).

PAM ESG Scoring

Building our own ESG database

Lookthrough analysis on stocks, bonds and funds



Source: Pacific Asset Management 2026

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Clarity AI

Since 2025, we leverage Clarity AI's solutions to fulfil most of our sustainability regulatory requirements in our SFDR Article 8 classified funds. This has given us access to a full suite metrics mandated in EU regulations, including all mandatory and optional PAIs, revenue exposure to CTB and PAB benchmark exclusion lists, or EU Taxonomy Alignment, to name a few. These metrics cover a variety of asset classes, including equities, corporate bonds, sovereigns, and a variety of collective investment vehicles.

Through monitoring data provided by Clarity AI, we may identify divergencies from the manager's intended promotion of sustainability characteristics or their pre-set exclusions. This is particularly useful in our multi-asset fund range, as this provider offers look-through granularity of underlying exposures. Therefore, stewardship activities both with external managers and equity investments are informed by the insights provided by Clarity AI, as it can be seen in our case studies.

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MSCI ESG

North of South, our Emerging Markets Equity team, leverages MSCI ESG rating and controversy analysis to inform their cost of capital analysis. This system penalises companies where the team see potential ESG issues through an increase in Equity Risk Premium that reduces the value North of South place on their future cashflows.

Although initially this information mostly supports the teams' financial analysis, information gathered from MSCI reports, mainly surrounding company controversies, can be leveraged to carry out stewardship activities with investee companies.



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Policies and processes

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POLICIES AND PROCESSES

Describe your stewardship policies and processes, and how you review them

Responsible Investment and Engagement Policies

Pacific has a Responsible Investment and an Engagement & Proxy Voting Policy, which are reviewed annually by the Responsible Investment Committee, as described above, and can be found on our website:

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<https://www.pacificam.co.uk/documents/>

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Responsible Investment Policy

Pacific's Responsible Investment Policy sets out environmental, social and governance (ESG) considerations are integrated to the firm's fundamental investment analysis and risk assessment, forming a part of how longterm value, sustainability risks and opportunities are evaluated. The policy applies across all portfolios and asset classes. The policy outlines the aforementioned governance model in which the Chief Sustainability Officer and the Responsible Investment Committee oversee the firm's ESG strategy, data, risk monitoring and stewardship activities.

Pacific implements a decentralised approach to ESG integration, where portfolio managers retain autonomy to apply ESG insights in a manner consistent with their strategies and in accordance with the knowledge of their portfolio. This is supported by central functions, Pacific's proprietary sustainability database ESGdb, and thirdparty data vendors. Responsible investing integration is supported by materiality, mainly leveraging the SASB framework. Firm-wide exclusions include UN Global Compact Violators and companies deriving revenues from the manufacturing of controversial weapons.

Engagement & Proxy Voting

Our Engagement and Proxy Voting Policy details how Pacific fulfils its stewardship responsibilities through engagement with investee companies and the exercise of voting rights on behalf of clients. It outlines how engagement is embedded into investment strategies, and supported by ongoing research, company monitoring and direct dialogue with boards and management. Company engagement is determined through materiality factors informed by the SASB framework, as well as systemic market risks.

Pacific investment teams monitor companies through regular analysis of financial and non-financial information, management meetings and public disclosures, using this knowledge to undertake targeted engagement aimed at improving governance, strategy, sustainability practices and disclosure. Where concerns arise, Pacific has a defined escalation process that may include additional meetings, joint engagement with other investors, voting against management or, ultimately, divestment.

Voting is undertaken using independent research from Institutional Shareholder Services (ISS), using its SRI methodology to support recommendations. These recommendations are generally followed, yet portfolio managers hold the right to override them where its own analysis indicates an alternative outcome is in clients' best interests.



DISCLOSURE D

Conflicts of interest

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CONFLICTS OF INTEREST

Describe how you manage stewardship-related conflicts of interest to put the best interests of clients and beneficiaries first

Pacific has a dedicated conflict of interest policy. We provide investment management services which are targeted primarily at professional investors and advisors. These services could potentially give rise to conflicts of interest entailing a material risk of damage to the interests of one or more clients.

Our policy states that all individuals should avoid all Conflicts of Interest as much as possible. Where avoidance is not possible, such conflict or imminent conflict must be reported to the Compliance Officer, who will both devise a mitigation procedure appropriate to the situation and will ensure that both the conflict and the mitigation procedure are recorded in the Conflicts of Interest Register. Individuals are also encouraged to make use of the anonymous whistle-blowing facility provided to all employees.

When it is not possible to prevent a conflict arising, PAM will try to limit the impacts of conflicts and interests, and to put the interest of clients and beneficiaries first via:

Disclosure to the Client - clearly disclose the general nature and source of the conflict of interest to the Client before undertaking business for the client. The disclosure will be made in writing and include sufficient detail to enable the Client to take an informed decision about the service in the context of which the conflict of interest has arisen. A disclosure will only be made as a matter of last resort and is not considered to be a mitigant. All the controls detailed in this policy will continue to be applied in respect of that conflict, even where a disclosure is made.

Information Barrier - information held by one part of the business to be withheld from, or not used by, persons in another part of the business. The use of an information barrier will be established and enforced by the Compliance Department.

Declining to provide a service - where it is not possible to avoid a conflict of interest, Pacific may have no choice but to decline to provide the service requested.

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The conflicts of interest policy broadly cover:

Minor non-monetary benefits

- Where a minor non-monetary benefit incurs, it should be clearly disclosed, reasonable, proportionate and unlikely to influence firm behaviour.

Gifts and Hospitality

- The firm has in place policies and procedures to ensure that all members of staff do not offer or accepts gifts or inducements which may give the perception that decisions or actions are not impartial.

Personal Account Dealing

- The Firm's Personal Account Dealing Policy (as set out in the Code of Ethics) has been implemented in relation to personal account dealing and outside business interests to ensure that any conflicts of interest which may arise between a staff member's personal interests and the need to make impartial decisions are appropriately managed.
- A log of personal account dealing in affected securities, engaged in across the Firm is maintained by the Firm's Compliance Department. The log also captures evidence of all necessary approvals and contract notes.

Client orders and allocation of trades

- The Firm's Order Execution Policy is enforced to ensure fairness among the portfolios the Firm manages and to provide market prices from the most appropriate, approved counterparty available.
- Unless Client specific circumstances dictate otherwise, for example when clients instruct us to use a particular brokerage, the investment teams normally implement transactions in individual stocks for all Clients with similar mandates at the same time. The allocation of executed trades is also done in accordance with procedures designed to ensure fair treatment. When orders are completed, trades are pro-rated among participating Clients unless there is a significant reason not to do so.

Insider dealing

- The Firm has implemented an Insider Dealing Policy to explain insider dealing and articulate how the Firm identifies and manages inside information and mitigates the risk of insider dealing.

Remuneration

- The Firm's Remuneration Policy has been implemented to ensure that members of staff are remunerated appropriately and in a manner that promotes effective risk management, fair treatment of clients and mitigates conflicts of interests. The Firm's remuneration arrangements are reviewed annually to ensure that they do not give rise to conflicts of interest in relation to the activities or services provided by the relevant members of staff.

Information Barriers

- Information barriers and other measures may be put in place to enable the Firm and Relevant Persons to carry out business on behalf of Clients without being influenced by other information held within the Firm that may give rise to a potential conflict of interest. PCP also maintains, and periodically updates, its Restricted List of financial instruments that are prohibited or restricted from investment as a result of a conflict of interest or inside information.

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Potential conflicts

Within the multi-asset sustainability models and funds business, there is the possibility of conflicts of interest arising from the stewardship expectations of the team and those of appointed managers. In order to address this possible conflict of interest however, due diligence is completed at length prior to an investment being made in an underlying fund vehicle.

This due diligence covers the fund managers approach to a wide variety of stewardship and engagement issues, as well as broader approaches to sustainability issues. As such, by ensuring that the philosophy of the manager is aligned with that of PAM, this seeks to minimise the potential for conflicts of interest.

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DISCLOSURE E

Dialogue with clients

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DIALOGUE WITH CLIENTS

Describe how you maintain a dialogue with clients and/or beneficiaries

At PAM we service a wide range of clients, and we seek to engage with them consistently on our stewardship and engagement activities. Our client base is split roughly 50:50, between what we would consider retail (global and UK advisers), and institutional (insurers, asset managers, endowments, pension funds and consultants).

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Multi-Asset

In our multi-asset business, we have a constant communication flow with clients by giving them access to Pacific AdviserLabs, which provides access to strategy performance in real-time, as well as access to a suite of materials including strategy factsheets, and investment commentaries and outlooks. Some of these materials are adviser branded to enhance their value proposition with end-clients, ensuring better outcomes through education and technology. Additionally, we also provide monthly newsletters and quarterly webinars and video updates.

In relation to responsible investment, we update clients regularly on stewardship and engagement activities via regular stewardship and engagement summaries. Our client base is typically made-up of a number of large, strategic relationships with advice networks. Our stewardship communication takes the form of think pieces, describing our latest discussions with fund managers on thematic stewardship and engagement. An example of this is shown on the right:

The collage displays several key documents from Pacific Asset Management:

- LEAD HSC World 50:** A report discussing climate change and the role of renewable energy. It mentions that the firm is committed to climate change and that its clients are also committed to it.
- Subsidiary Global Sustainable Value Equity / Jans Henderson Global Equity Income:** A report detailing the firm's engagement with clients on climate change. It states that the firm has been engaged with clients on climate change for several years and that it has been successful in influencing their investment decisions.
- Chart 2 - Projected sources of energy to satisfy AI energy-demand, as well as associated emissions:** A line chart showing projected energy generation and emissions from 2020 to 2035. The chart shows that energy generation is projected to increase significantly, while emissions are projected to decrease.
- Introduction and Background:** A document discussing the firm's engagement with clients on climate change. It states that the firm has been engaged with clients on climate change for several years and that it has been successful in influencing their investment decisions.
- Chart 1 - Historical and projected electricity consumption of AI until 2030:** A bar chart showing historical and projected electricity consumption of AI from 2020 to 2030. The chart shows that electricity consumption is projected to increase significantly.
- LEAD HSC World 50:** A report discussing climate change and the role of renewable energy. It mentions that the firm is committed to climate change and that its clients are also committed to it.

Institutional & Wholesale Clients

Institutional client reporting can take the form of provision of specific data regarding a fund (i.e. carbon intensity, board diversity metric, voting records). This can be done with a client specific request or with an automated output from ESGdb – our sustainability database – or a third-party ESG data vendor. At our client’s request, we are able to provide a Responsible Investment Report on our ESG activities, reporting on the total number of engagements, the companies engaged with broken down by region, type and sector. We also highlight engagement case studies after these have been completed, as it is our view that ongoing engagement is most effective on a confidential basis.

Cover We host a number of client events per year across both multi-asset and institutional mandates and attend multiple conferences.

Contents Where appropriate, we utilise these forums to update clients on our engagement and stewardship activities, particularly for products that are sustainably oriented.

CEO Statement We actively seek feedback from all of our client segments on how best to disseminate all of the sustainable activities undertaken by PAM.

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Customisation

Some clients, particularly in institutional space, will ask for separately managed accounts that meet specific sustainability needs in terms of screening or other goals. We are able to support these requests using our trading and portfolio management technology and can also help clients to understand the performance impact on a historic basis of their decision to include or exclude certain sectors (for example in our fundamental equity business). We can also customise the stewardship or voting approach in these separately managed account structures.

Client Feedback

PAM maintains an ongoing dialogue with clients to gain a deep understanding of their investment goals, including their priorities and expectations around stewardship, particularly in areas like voting and engagement. We also gather client feedback through participation in industry events, that we host, these can include lunch and learn type events, client specific sustainability presentations or industry outreach with other asset managers. In addition, we are continually working to improve our client reporting capabilities, with a focus on streamlining and systematising our data delivery.

An example of this within our institutional client base includes a client to whom we provide quarterly marketing reports covering portfolio performance, holdings, and other relevant information, to which we incorporated carbon intensity reporting upon their request. On the multi-asset front, examples include the creation of new recurring documents such as our *World at a Glance series*, which looks at macroeconomic indicators beyond our portfolios, or clients looking for additional rationale during rebalances.

ACTIVITIES AND OUTCOMES REPORT



PRINCIPLE 01

Stewardship integration

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STEWARDSHIP INTEGRATION

Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries

Investment Styles And Asset Classes

Pacific specialises in active investing, and therefore the specific approach to ESG & stewardship integration used by each investment strategy will depend on their investment objectives, philosophy, asset class and investment timeframe. This allows for a holistic, targeted approach to investment as portfolio managers can consider all aspects of the company. The centralised sustainability function works with the portfolio managers to support and improve the integration approach within the investment strategies.

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Stewardship Topic Identification: Materiality

The Firm applies a materiality framework, informed by the Sustainability Accounting Standards Board (SASB) Materiality Map, to identify sustainability issues that are most likely to affect the financial condition or operating performance of companies within an industry. The most material issues at a company level are identified, evaluated and prioritised using fundamental research, engagement and additional data sources. These considerations are then included within Pacific's investment decision-making process.

SASB materiality is also utilised in generating proprietary ESG scores utilising the ESGdb dataset, which further helps to inform the investment teams of the key considerations at an industry level. In assessing materiality, Pacific seeks to understand how stewardship and engagement efforts effect sustainability outcomes. There is a process by which stewardship and engagement activities are logged and reviewed internally, to assess their impact at achieving the aims of the engagement. These engagement activities are reviewed in the quarterly Responsible Investment Committee, and internal challenges can be used to further engagement efforts. This helps Pacific ensure alignment and real-world outcomes with stewardship and engagement efforts across the business and industries for different teams. More information on how these stewardship initiatives are prioritised can be found on our disclosure under Principle 3.

Coordinating Stewardship

Pacific's Chief Sustainability Officer is also a portfolio manager within the business' multi-asset division. Amongst the multiple functions involved in his role, he is responsible for coordinating stewardship efforts across PAM. Since 2025, Pacific has hired a Sustainability & Project Lead to expand this central sustainability function and support in the coordination of stewardship initiatives. However, these functions represent one of the multiple sustainability responsibilities within an asset management business. As it is explained further below, this lack of a dedicated stewardship function leads to an engagement prioritisation system to maximise resources and efficiency.

As described above, given Pacific's approach to decentralisation of stewardship and responsible investment, engagement efforts are usually informed on a bottom-up basis. As active investment managers, Pacific PMs understand their investment best, with regular meetings with management, extensive analysis of company information and industry trends. On the other hand, the centralised sustainability function is knowledgeable of sustainability-linked systemic risks which may affect entire sectors or geographies these portfolio managers invest in.

As such, the sustainability function supports these teams on an ad-hoc basis on stewardship matters. On engagements, these are typically informed by relevant climate change, biodiversity or human rights – to name a few – topics which may represent significant risks to investee companies. Topics are prioritised based on both materiality – the relevance of the topic to a firm's operations – and potential impact. This centralised sustainability team identifies these risks and presents a case to an investment team, with previous understanding of their investment exposure and potential risks. The centralised team then coordinates engagement activities with the portfolio managers and investment analysts, trying to drive change.

Similarly, on voting practices, the centralised sustainability function is available to support investment teams in interpreting and supporting voting decisions based on ISS's SRI methodology research.

To support these activities, Pacific leverages The Stream to record and access investment research, engagement activities and proxy votes, as well as its internal technological capabilities to view real time portfolio positions.

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ESG And Stewardship Integration Across Teams

The below table provides a clear explanation of how each team considers these factors in their investment process.

	Team	ESG Approach	Stewardship Approach
	*Global All Cap	<ul style="list-style-type: none"> Negative screening Positive screening based on TVL scores, an LLM-based real-time calculator of company scores mapped out to SASB categories and E, S, G and ESG scores Monitor GHG emissions intensity and board gender diversity metrics 	<p>The team invest in small and mid-sized businesses, and when combined with a long-term holding period, this allows them to engage with the management of the companies in which they invest. The team usually meet with the management teams of investee companies on a regular basis to discuss different areas, such as performance-linked remuneration, stock buybacks, management structure etc. The team use a variety of techniques, including letters to management, to influence decision-making where possible.</p>
Cover Contents CEO Statement Disclosure A Disclosure B Disclosure C Disclosure D Disclosure E	Multi Asset	<ul style="list-style-type: none"> The team access metrics across carbon, social and governance factors of all funds they invest in Utilises Global Sustainable Investment Alliance framework for evaluating potential investments Negative screening Conducting a qualitative assessment of all fund management houses and fund approaches to sustainability, with a section covering the fund manager's approach to engagement and voting 	<p>The MultiAsset team view engagement as a critical part of managing sustainable investments. As such, engagement and voting activities form an important part of the research process when analysing potential investment opportunities and monitoring existing positions within the sustainable models.</p> <p>The team expect funds within the sustainable models to engage with their underlying holdings across a range of environmental, social and governance issues, as appropriate, with the intention of encouraging improvement. Whilst the team acknowledge that they cannot directly engage with companies, they continue to monitor developments and news to identify affected funds, understand their views, and assess the engagement activity subsequently undertaken.</p> <p>If a fund group provides a response that falls below the standards expected by Pacific, the issue will be escalated accordingly.</p>
> Principle 01 Principle 02 Principle 03 Principle 04 Principle 05 Principle 06	G10 Macro Rates	<ul style="list-style-type: none"> A comprehensive whitepaper was written by Dr Richard Marshall (Portfolio Manager) in 2022 on the ESG and Political impact of their underlying sovereign bond investments versus wider universe of sovereign investments This leverages data from Freedom House (a leading political freedoms NGO) and the World Bank to score sovereigns from an ESG perspective 	<p>The fund does not conduct engagement activity due to the nature of its investments.</p>

**The portfolio management team for the Global All Cap Equity Strategy changed during 2025; the above is a reflection of the current teams' approach.*

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Team	ESG Approach	Stewardship Approach
North of South	<ul style="list-style-type: none"> ESG analysis is built into the Equity Risk Premium models devised by the team Effectively penalises potential investment targets at company or sector level who score poorly The team provide carbon intensity data as standard for investors as well as monthly reporting which includes ESG updates on the portfolio and its holdings 	Engagement takes place on issues that can have a material impact on longterm value. This may include business strategy, performance, environmental and social issues, governance, and board-related matters. The team regularly engages with companies on ESG topics such as water intensity, energy intensity, waste disposal, and supply chain transparency. The Manager and the Investment Manager believe that sustainabilityrelated risks impact investment value, and that better longterm investment outcomes can be achieved through active engagement and the exercise of equity ownership rights.
North American Opportunities	<ul style="list-style-type: none"> Leverage in-house data our third-party providers such as True Value Labs and FactSet Norms based screening (minimum business practice and ethics standards) from a risk perspective The judgement made reflects the extent to which we believe ESG issues impact a stock's investment case, either positively or negatively 	Corporate governance and transparency are important issues for the team, and many of their engagement and stewardship activities are centred around these areas. Engagement typically focuses on matters that could affect valuation, including governance, transparency and communication with shareholders, and corporate strategy. The team also aims to vote in all AGMs and EGMs where they hold voting rights.
European Equities	<ul style="list-style-type: none"> The team tend to think about ESG thematically, it playing a larger role in investment related decisions in specific categories Companies that are competitively advantaged vs their peers when it comes to ESG are preferred, which is component of more sustainable success The team consider trends around regulation, taxation and other forms of oversight as critical to assessing the health of businesses and sectors 	We interact with current and potential portfolio companies numerous times a year and regularly devote sections of these conversations to providing feedback across a range of areas, with a particular focus on communication and reporting clarity, as well as capital allocation and actions we believe have the potential to crystallise value within the business. We provide regular feedback to IR consultants on communication and conversation quality, and to boards regarding their management teams, and have driven change at both the personnel and messaging level.

CASE STUDY

PASON SYSTEMS

Sector: Energy

Geography: Canada

Context

Pason Systems, a provider of rig sensors and software solutions, acquired Intelligent Wellhead Solutions in a move that represented a strategic shift from its traditional business. The acquisition aimed to diversify the company's revenue exposure away from new drilling activity towards well completions. Whilst the strategic rationale appeared logical, the transaction raised questions about execution and returns that required closer examination through direct engagement with management.

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Activity

We initiated discussions with Pason's management team to better understand the investment case for Intelligent Wellhead Solutions and to assess whether the acquisition was delivering on its stated objectives. Throughout these conversations, management maintained that the payback profile remained highly attractive and consistent with their original thesis. However, our parallel analysis of the financial statements told a different story. The incremental return on invested capital (ROIC) from this acquisition was materially below expectations, and we could not reconcile management's optimistic commentary with the actual numbers being reported. This disconnect between management's assertions and observable financial performance indicated potential issues with either the execution of the integration or the underlying assumptions of the deal itself.

Outcome

Given our concerns about capital allocation discipline and the gap between stated and delivered returns, we made the decision to reduce our position in Pason Systems.

CASE STUDY

CLEAN ENERGY ETF, MULTI-ASSET PORTFOLIOS

As referenced further under Principle 2 and Principle 5 disclosures, we have continued engaging with fund managers holding technology stocks on the expansion of data centres and the increased power-demand to run them. Whereas more information can be found in those sections on the rationale, how we conducted the engagement, and its results, an unintended outcome of this exercise was an active decision to increase our exposure to clean energy stocks within our sustainable and non-sustainable portfolios.

Cover Technology companies maintain their pledges to power this expansion with 100% renewable energy. Although these pledges are not fully being met, we understand that clean energy has the benefits of being both cheaper and faster to implement, as can be seen in the figures below. As a result, we added a position to a Clean Energy ETF, providing us with exposure to this theme.

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Systemic and market-wide risks & opportunities

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SYSTEMIC AND MARKET-WIDE RISKS & OPPORTUNITIES

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

Market-Wide And Systemic Risk Governance

PAM has several forums that seek to identify market wide and systemic risks within the financial system. These include:

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- **PAM Risk & Compliance Committee:** The Risk & Compliance Committee is responsible for identifying, assessing, evaluating, monitoring and reporting on compliance and risk related issues faced by the Group. For the most part this involves strong regulatory intelligence and forward-looking risk management. Processes include assessing the impact to the Group of specific issues, determining their expected likelihood and consequences, and developing and implementing management strategies. In a coordinated and collaborative approach, the Risk & Compliance Committee also monitors and provides assurance as to the adequacy and effectiveness of the Group's internal controls through ongoing compliance monitoring.
- **PAM Investment Management Committee:** The Investment Committee is responsible for assisting the Board in its oversight of investment risk, to provide advice and make recommendations to the Board on investment strategy, performance and governance. In particular the Investment Committee monitors investment risk within the Group to ensure the Group's aggregated investment positions are appropriate and to ensure that financial products offered by the Group confirm with their stated objectives and their available capacity.

As well as these forums, PAM investment teams meet weekly and present to the broad business weekly, with the focus often being on systemic risks within the asset classes that each of the teams covers, or markets more broadly.

The Group has compliance policies and procedures in place, and all employees receive ongoing training to instil a risk and compliance awareness and client orientated culture.

Sustainability And Market Functioning

Pacific considers systemic sustainability issues across its range of investment strategies. These are risks that are not isolated to individual company or sector issues but that pose systematic risks to investments in all asset classes. Examples of systemic sustainability issues can include the effects of climate change and natural disasters on asset pricing, the impact of structural social change and wellbeing. In order to understand and influence these risks, Pacific research not only the micro effects of sustainability but also the likely path of these issues at the macroeconomic level. As a signatory to the UN PRI, as mentioned in Principle 1, we seek to promote acceptance of the PRI principles across the investment community. Further, Pacific's approach to stewardship and engagement is focussed not just on individual company issues but at the systemic level when discussing with companies the risks their industries and economies face.

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The Firm aims to be a provider of the capital that will help innovative companies thrive and grow, working towards positive outcomes for its clients, delivering products and services that benefit the economy and society. In doing so, the Firm helps foster competition that causes companies with stronger ESG profiles to outperform their peers. We believe that the firms best placed from an ESG perspective will also benefit clients in financial return terms.

Pacific is currently working towards producing its first TCFD reports covering the calendar year 2025. Once these are published, it will offer a fresh perspective on how we consider the systemic risk of climate change within our company and our different investment strategies.

Moreover, Pacific runs sustainable portfolios within its multi-asset division. This represents around 5 to 10% of multi asset AUM, where exposure to systemic opportunities derived from the transition to net zero are prevalent in the portfolio. Other teams within Pacific also aim to catalyse opportunities surrounding the energy transition. For instance, as can be seen below, our engagement on data centres led to further understanding of potential expansion of clean energy worldwide to meet data centre-led power demand globally, with sustainable and non-sustainable teams adding positions to clean energy ETFs to benefit from this thematic opportunity.

Engagement With Policymakers

In 2025, Pacific has taken a more proactive approach towards regulatory engagement. With a significant growth in assets over the previous few periods, our firm's operations are in scope of increasing jurisdictions and regulatory obligations, especially on the sustainability front. As such, the below case studies demonstrate how we have engaged with policymakers in matters of sustainability to promote a better functioning of the market.

CASE STUDY

SFDR CALL FOR EVIDENCE

We responded to the European Commission's call for evidence on the future of the Sustainable Finance Disclosure Regulation (SFDR). The objective of this was to inform the reform of a regime, stemming from a September 2023 consultation with the objective of considering sustainability labels for financial products as well as streamlining the reporting frameworks.

A central concern raised by our firm was the ambiguity of the definition of "sustainable investments" under Article 2(17) of Regulation 2019/2088. This has resulted in divergent interpretations among market participants, undermining comparability and complicating product classification. It suggested that a more structured categorisation of products making sustainability-related claims would provide clarity. Any revised framework should, however, maintain sufficient flexibility to accommodate a wide range of investment strategies, including active and passive approaches and asset classes beyond public equities.

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Moreover, our response focused on encouraging a reporting framework which was more understandable for retail investors. We noted that the current language used within SFDR is highly technical and may be difficult for retail investors to understand, particularly within the precontractual and periodic disclosure templates. More navigable templates, or greater flexibility to present information in ways already familiar to clients, would reduce reporting burdens and improve communication.

Whilst many of our suggestions may only be reflected once the European Commission publishes the updated regulation's Regulatory Technical Standards (RTS), we welcome the proposal to launch a labelling regime. Given half our managed assets are in multi-asset products, we welcome the flexibility both in the sustainability characteristics different labels have, as well as the introduction of an article 9a category (with different sustainability objectives). The option for passive investments to be considered as sustainable is welcomed.

CASE STUDY

UK SUSTAINABILITY ASSURANCE CONSULTATION

Cover	<p>Pacific engaged with the UK Government's consultation on developing an oversight and registration regime for sustainability assurance. We welcomed the introduction of a registration regime but emphasised that the pace of progress must be accelerated. In its investment, Pacific relies heavily on company-reported sustainability information and has experienced the challenges caused by inconsistent reporting methodologies and limited assurance. For these reasons, Pacific argued that sustainability assurance should be mandatory from the outset rather than voluntary, to create greater market confidence and support the UK's wider regulatory ecosystem, including the forthcoming UK SRS 1 and SRS 2. Additionally, given the alignment between the EU's ESRS, the IFRS sustainability standards and the TCFD framework, we suggested providers should be capable of delivering high-quality assurance across multiple reporting standards.</p>
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Disclosure C	<p>As a result of the consultation, the HM Government is moving ahead with an interim voluntary registration and oversight regime for assurance provider. Although this will be voluntary, this interim method may have in part been set due to the governments perception that many respondents demanded prompt action in this area. The Government also recognised that some respondents requested this regime to be mandatory and may consider this in the long term.</p>
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Participation In Industry Bodies

Pacific's Head of US Institutional Sales, Sebastian Stewart, is Chair of the Independent Investment Management Initiative (IIMMI). Its purpose is to give boutique asset managers a unified voice on regulatory, policy and industry-wide issues, with membership of over 50 independent asset management firms collectively managing more than \$500 billion. Its work is centred on policymaker engagement to support regulation which considers the characteristics of its members as well as serving as a thought leadership body for boutiques.



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Escalation

We have not proceeded to escalate any issues on which we have engaged on this year in relation to market or systemic risks.



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ENGAGEMENT

Signatories engage to maintain or enhance the value of assets

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Our decentralised approach to stewardship means that most engagement activities are bottom-up, derived from stock analysis by investment teams and their subsequent meetings with management. Nevertheless, we are increasingly incorporating a top-down approach to engagement, mainly by considering cross-sector and cross-geographic sustainability risks such as climate change. When engagements are approached from a top-down perspective, they tend to leverage the support of the centralised sustainability function. Some case studies, as described in Principle 2, will demonstrate this approach clearly.

As resources are limited, these top-down stewardship efforts are prioritised through materiality and impact. As it will be explained further below, this year we prioritised methane emissions in the energy sector and data centre emissions from the technology sector. Following our materiality plus impact prioritisation framework, both those topics have seen selected because:

- Methane emissions from the oil & gas sector represent a third of global emissions, are underreported in emerging markets, and we had sizeable positions in some companies which increases our likelihood of having an impact.
- GHG emissions from data centres are projected to increase as fossil fuels are leveraged to power their expansion. Given our exposure to technology companies in our multi-asset portfolios, including sustainable ones, we engaged with underlying managers to understand how they are monitoring the issue and influencing companies to stand up to their renewable energy commitments.

The majority of Pacific's engagements are motivated by elements such as governance structures on areas including management incentives, capital allocation decisions such as share buybacks, and other issues focusing on enhancing the long-term value of our investments. These are usually portfolio manager led engagements. Nevertheless, within our strategies with a sustainability objective or an intent to promote environmental or social characteristics, engagements can focus on driving change in these areas.

Engagement Method

Direct, bilateral engagement is generally the preferred approach of our portfolio managers and investment teams. These usually involve company meetings (both virtual and in-person), as well as email correspondence or meetings at industry-events.

We believe that collaborative engagement can also be very effective and so are open to acting alongside like-minded shareholders where we consider it to be most impactful. A decision to join a collaborative engagement is made by the relevant portfolio manager on a case-by-case basis, ensuring that clients' best interests are advanced by the engagement. While adhering to all applicable rules and regulations, such as antitrust and competition laws, we believe that collaborative engagement can allow for effective communication of shareholder concerns. This reporting year we have not been involved in collaborative engagement initiatives. Prior to signing up to industry recognisable names such as Climate Action 100, we want to ensure that we have the resource and capacity to meaningfully collaborate in any initiative of this kind.

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Escalation

Escalation is a last resource measure for our firm. We typically hope to address any concerns we have about a company or fund management firm during regular meetings with company management. Where it becomes apparent that concerns have not been addressed, Pacific may decide to enhance its engagement activity by requesting further meetings with senior management. Escalation can take many forms, including holding additional meetings with management to discuss concerns, or raising the matter with non-executive directors or the company's advisers. Further escalation is possible by voting against a resolution put to shareholders, including the election of members of the board. Ultimately, if it is believed engagement is not producing the outcomes necessary to create and sustain long-term value, divestment may be considered. This year's report includes case studies on escalation through letters to management (see immediate below) and divestment (see Principle 5).

CASE STUDY

BML

Sector: Healthcare

Geography: Japan

Context and Activity

In 2024, the Pacific Tourbillon team began a focused engagement with BML, Inc., a long established leader in Japan's clinical laboratory testing sector. While the team had long admired the firm's operational consistency and market share gains, we identified a clear misalignment between its financial strength and market valuation. Our assessment showed that BML held ¥78.4bn in cash and ¥5.9bn in investments, amounting to nearly half of its balance sheet and around 70% of its market capitalisation, contributing to a forecast ROE of around 5%, far below what we consider appropriate for a business of its quality.

With this in mind, we wrote to the Board in May 2024, outlining practical steps to enhance capital efficiency and strengthen long term shareholder value. Our communication was constructive in tone and framed within the context of the revised Tokyo Stock Exchange Listing Rules and Corporate Governance Code, which we enclosed for reference. The letter highlighted three core recommendations:

- Setting a clearer ROE ambition, in our view at least 12%, to anchor decision-making
- Reforming executive incentives by tying long term pay to sustained improvements in capital efficiency
- Enhancing transparency, including clearer disclosure of expected returns on major projects and strengthening investor relations materials

Outcome

In 2025, BML published its updated Corporate Governance Report, which reflected several improvements consistent with the direction of our engagement. Most notably, BML introduced a more progressive remuneration structure. In addition to fixed pay, the company adopted performance linked remuneration to incentivise efforts that enhance performance and corporate value. It also introduced a restricted stock compensation system to reinforce value sharing between directors and shareholders. The level of performance linked pay and restricted stock awards is now determined by the degree of achievement against sales and operating income plans, representing a clear step towards the incentive alignment we had advocated. These measures reflect a tangible shift in the right direction.

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CASE STUDY

PETRORIO – PETRORECONCAVO

Sector: Energy

Geography: Brazil

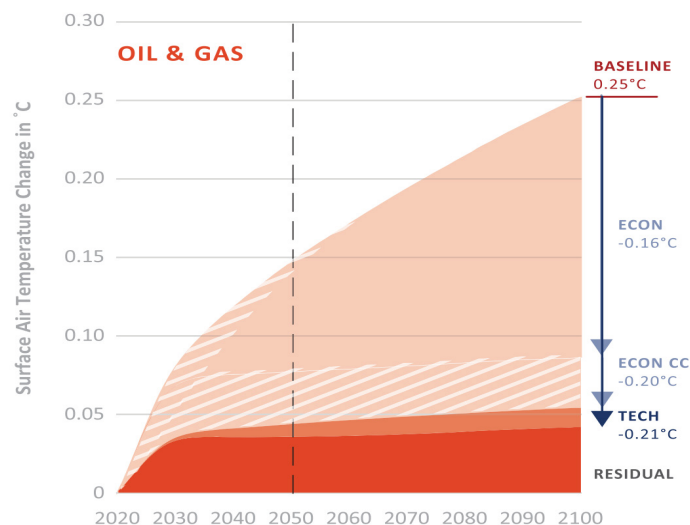
Engaging on methane emissions in the energy sector

Context

Our engagement on methane emissions during 2025 was driven by the increasing urgency of addressing shortlived climate pollutants and the central role methane plays in nearterm global warming. Methane has a significantly higher warming potential than carbon dioxide, particularly over shorter time horizons, meaning that rapid reductions can deliver immediate climate benefits. It is also widely underreported, with satellite measured emissions in regions such as South America often exceeding official inventories. Against this backdrop, we undertook an engagement programme across portfolio holdings in the oil and gas sector, seeking clearer disclosure, improved measurement practices, and credible mitigation strategies. This is because economically feasible mitigation in this sector alone could contribute to up to 0.16°C of cooling.

Following an initial round of discussions with various companies on their greenhouse gas emissions in 2024 (reported in our Stewardship Code of that year), it became evident that while some firms had begun exploring climate targets or referencing methane within broader greenhouse gas inventories, the level of detail and methodological rigour varied significantly. Mature oil fields are particularly susceptible to methane leakage, flaring and venting, making them a priority for scrutiny. This led us to focus on PRIO and PetroReconcavo, two companies operating in such environments and continuing to represent material exposures across our funds.

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*Figure from Ocko et. al (2021). Acting Rapidly to deploy readily available methane mitigation measures by sector can immediately slow global warming. Environmental Research Letters.

Objectives & activities

We sought improved transparency through separate methane reporting, year-on-year comparisons, and disclosure of emissions by source. We also encouraged companies to set methane specific reduction targets, adopt robust monitoring and verification methodologies, and participate in international frameworks designed to improve reporting quality and eliminate routine flaring. Ultimately, our goal was to ensure that companies not only recognised methane as a material risk but also backed this recognition with credible operational and strategic responses.

1. PRIO

PRIO had signalled an intention to develop science-based emissions targets, yet progress stalled when the Science Based Targets initiative paused the release of a final sectoral methodology for oil and gas.

While this presented a challenge, we encouraged the company not to allow the gap to impede progress. Instead, we suggested alternative standards and frameworks that could support interim target setting and maintain strategic momentum. A core component of our engagement has been encouraging PRIO to improve the transparency of its methane disclosures. Current reporting aggregates methane within broader Scope 1 emissions, offering limited insight into absolute emissions, sources, or mitigation efforts. We emphasised that separating methane from carbon dioxide, and aligning disclosures with frameworks such as OGMP 2.0, would significantly enhance comparability and credibility. We also encouraged PRIO to consider setting a standalone methane target and to join international initiatives aimed at eliminating routine flaring.

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2. PetroReconcavo

Our engagement with PetroReconcavo has targeted similar themes but began from a slightly different starting point. The company has developed an emissions reduction strategy, yet this lacks measurable or timebound targets. We requested further detail to understand the scope and level of ambition and to assess whether the strategy meaningfully addresses methane-related risks. PetroReconcavo operates smaller and sometimes remote fields, where venting can still occur, making a structured methane plan particularly important. Although the company has access to methane specific operational data, this information is not publicly disclosed. We questioned the rationale for withholding these metrics and strongly encouraged publication to align with investor expectations and improve sector-wide transparency. As with PRIO, we recommended that PetroReconcavo adopt a standalone methane target and explore membership of international no-flaring and disclosure initiatives.

Outcome

Both companies have engaged constructively, acknowledging methane as a priority topic and demonstrating willingness to discuss their current challenges. PRIO has considered alternative approaches to target setting, though disclosure improvements remain incremental. PetroReconcavo has clarified elements of its emissions strategy but has yet to define a target or commit to public methane reporting. In both cases, inertia largely stems from methodological uncertainties, perceived commercial sensitivities, and the operational complexities of mature field environments.

Our focus for the coming year will be to leverage the learnings from these conversations and expand them to other companies in our portfolios.

CASE STUDY

GREGGS PLC

Sector: Consumer Cyclical

Geography: UK

Context

Greggs has been in a significant capital investment phase, building new manufacturing and logistics facilities in Derby and Kettering to support future growth. The Derby site is completing this year, with Kettering following next year. As the company exits this period of elevated capital expenditure, we expect free cash flow generation to inflect materially, reaching approximately £150 million over the next couple of years, representing a 10% free cash flow yield at current valuations. This transition presents an important opportunity for management to optimise capital allocation and enhance shareholder returns.

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Activity

We have maintained ongoing engagement with Greggs' management on capital allocation strategy, specifically focusing on the opportunity for share buybacks as free cash flow generation improves. To support our discussions, we shared a detailed memo and white paper on share buybacks, outlining our perspective on the benefits of returning capital to shareholders at current valuation levels. Given the company's depressed share price and the attractive free cash flow yield on offer, we have actively encouraged management to commence a buyback programme as soon as the capital investment cycle completes.

Outcome

The engagement is ongoing, and we continue to monitor management's response and capital allocation decisions as the company's cash generation profile improves. Our position sizing (at 8% of NAV within our Global Equity portfolios) reflects our conviction in both the business quality and our ability to influence outcomes through constructive dialogue.



PRINCIPLE 04

Voting

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VOTING

Signatories actively exercise their rights and responsibilities

Voting is a fundamental part of the Firm's engagement approach and PAM is committed to ensuring the consistent exercise of voting rights associated with shares held in investment mandates. Through the implementation of the Engagement and Proxy Voting Policy, the Firm aims to enhance the long-term value of its shareholdings, foster corporate governance best practices and promote greater accountability and transparency in the companies invested in.

We also aim to exercise voting rights on all shares held by us, where it is in the best interest of its clients and where excessive costs or administrative burdens are not present. It is our policy to vote in all shareholder meetings. We do not engage in stock lending by default and therefore this does not impact our voting.

Institutional Shareholder Services (ISS), a leading independent corporate governance research provider, have been appointed to analyse corporate actions, management recommendations and make vote recommendations to assist the Firm in the independent assessment of governance issues. Pacific additionally uses ISS's Socially Responsible Investing (SRI) overlay solution for proxy voting guidance from a sustainable finance perspective. This policy is used for all funds, across Emerging Markets, US and Global equity vehicles. The only exception could be under separately managed accounts, where a client has indicated that they would prefer not to use the SRI methodology - we have the ability to take on client voting preferences for these SMAs. We do not, at this stage offer pass through voting, due to the operational challenges and diverse client base that we service within our UCITS fund range, however, it is something we would pursue if client feedback and technology develop to facilitate this.

There is a final discretionary overlay, where portfolio managers can go against the advice of ISS through their discretion, if they view the advice as not adhering to the voting policy set out by PAM.

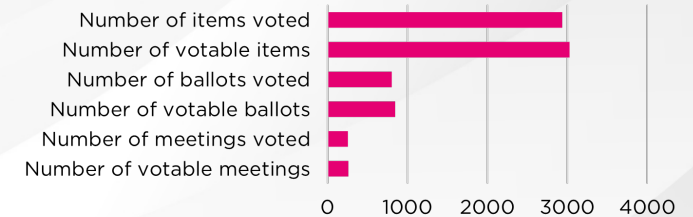
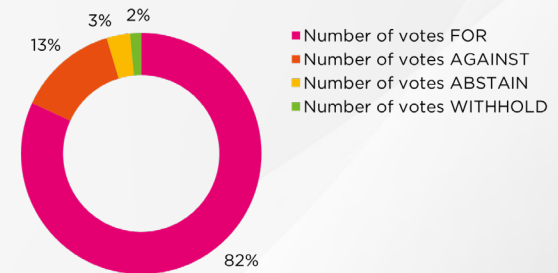
We have successfully voted in 3,029 items across PAM in 2025, including 397 votes against management. We successfully voted in 97.33% of overall meetings and 97.03% of overall votes. There were no conflicts of interest in relation to our voting.

Often, given our voting is more stringent than the broader investment community, our votes against company suggestions do not necessarily force a change of policy. We view that as a way of continuing a stewardship discussion with company management, explaining our ethos behind our voting methodology to help shape future discussions.

The Firm makes voting decisions for all its funds publicly available on an annual basis on its website.

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Number of votable items: 3029
Votes against: 397
Voted in 97.33% of meetings
Voted in 97.03% of votes



CASE STUDY

META PLATFORMS

Sector: Communication Services

Geography: USA

Vote on GHG Emissions

Supporting a Shareholder Resolution to mandate the disclosure of a Climate Transition Plan Resulting in New Renewable Energy Capacity

Cover In 2025, Pacific's centralised sustainability function coordinated a crossteam thematic engagement on data centre emissions, prompted by concerns over the rapid acceleration in electricity demand driven by AI growth. As described in further detail in the case study in Principle 5, data centre emissions have been a growing concern on which the multi-asset team has engaged for two years. With the Pacific Global All Cap Opportunities team holding a position in Meta, we took the opportunity to advance our research on the subject and exercise our voting rights in line with our thinking.

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Disclosure C A shareholder resolution had been presented in the 2025 AGM requesting Meta to publish a climate transition plan which would result in expanded renewable energy capacity. The reason for this was that Meta is currently relying on Renewable Energy Certificates (RECs) and Virtual Power Purchase Agreements (VPPAs) to claim 100% renewable matching. However, these instruments often lack additionality, failing to increase renewable capacity on local grids where data centres consume energy. This has led to a widening gap between firms' market-based Scope 2 accounting (often near zero) and their location-based footprint, which more accurately reflects their real world impact.

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Through research materials provided by our proxy advisor, we found that:

- Meta has not disclosed REC procurement breakdowns since 2022, when 37% of purchases were via VPPAs, which do not reduce emissions on local grids
- New evidence showed that Meta's expanding data centre in Louisiana will be supported by three gas power plants (-2.2-2.6GW), despite claims of 100% renewable matching
- Meta's market-based Scope 2 emissions are close to zero, while location-based emissions were up to 3,100x higher, indicating a material under representation of true climate impact
- Meta is an active supporter of the Emissions First Partnership, advocating for flexible Scope 2 accounting rules, in conflict with peers such as Microsoft and Alphabet who have committed to 24/7 clean energy sourcing

As a result, we voted in favour of the shareholder resolution and against management recommendation. Nevertheless, the resolution did not pass.

CASE STUDY

PAYPAL

Sector: Financials

Geography: USA

Votes against Board members on gender diversity grounds

In implementation of our custom SRI voting policy, which we have implemented as a result of our challenges to our proxy service provider for disregarding DEI considerations in US board election recommendations, we have continued to vote against management when their board nominees did not ensure sufficient gender and racial diversity.

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An example of this during 2025 was PayPal, where nominations for board members by management would lead to the appointment of a board with lower-than-expected gender and racial diversity considerations. However, after the AGM and due to the resignation of Rodney Adkins, PayPal appointed Deirdre Stanley as a board member in late June. Although not linked to our vote which was unsuccessful, this has led to a 45% female ratio on the board.



PRINCIPLE 05

Engaging with external managers

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ENGAGING WITH EXTERNAL MANAGERS

Signatories integrate stewardship considerations into their selection and oversight of external managers

Our multi-asset funds invest in external fund managers as part of the investment mandate. Before making any investment, PAM conducts a comprehensive initial due diligence process. This process includes a separate, independent sustainability review focused on:

- Evaluating the third-party manager's commitment to stewardship
- Assessing alignment with PAM's own beliefs and values
- Documenting findings in detailed investment and sustainable due diligence reports

Further to these reports, the team also annually requests due diligence reports from each of the fund management businesses, detailing their group level sustainability efforts and also the fund level sustainability, examples of what the questions cover include:

Group level DDQ

- Group level Voting, Stewardship and Engagement
- Responsible Investment team and oversight
- Collaborative partnerships
- UN PRI results

Fund level DDQ – circa 66 questions

- Carbon emissions using TCFD framework
- Science based targets initiative and net zero framework
- Engagement activities – focus on technology, water usage, sewage, chemical pollution
- Sustainable development goals analysis
- Diversity targets

This thorough approach ensures that our investments in external funds align with our commitment to responsible investing and effective stewardship.

We have strict performance review and escalation protocols. Monthly, a review of performance is undertaken, which includes a review of holdings and sustainability characteristics. If managers are not found to be meeting requirements, an initial escalation with questions to the manager is typically undertaken, this can be followed with a series of manager meetings, ultimately escalating to a divestment, if expectations have not been met. These are typically rare however, as we want to ensure our initial due diligence accurately identifies managers that we believe have strong sustainability characteristics, strong performance characteristics, and will continue to develop disclosures over time. This year, however, we present a case where we escalated our engagement and divested from an underlying manager on Case Study 2.

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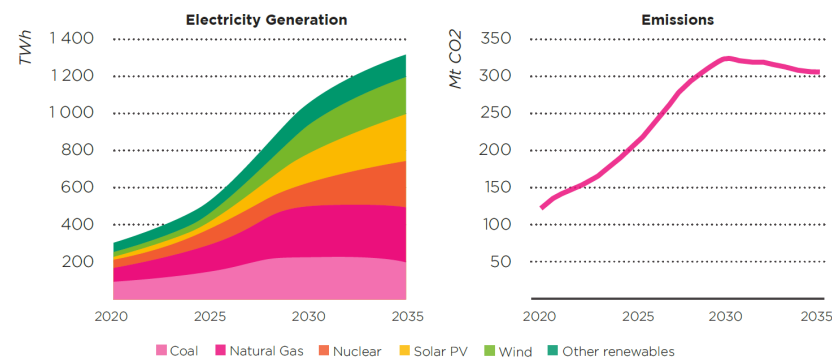
DATA CENTRE EMISSIONS

Context

In 2024, we began engaging with fund managers holding large technology names, driven by concerns that the rapid expansion of AI would significantly increase global electricity consumption. Initial estimates suggested that data centre demand could rise by more than 160% by 2030, a trend later confirmed by the International Energy Agency's 2025 *Energy and AI* report. We reported in our 2024 Stewardship Code report that we would test answers that ensured technology companies remained committed to power this expansion through 100% renewable energy.

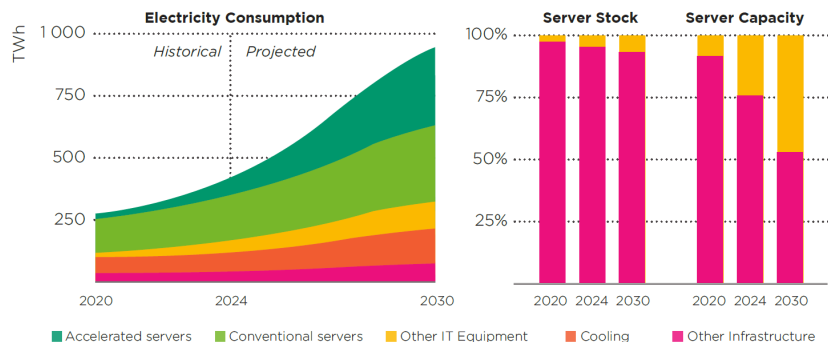
Upon further investigation and the publication of new research materials, these commitments often relied on complex carbon accounting techniques rather than genuine decarbonisation of local grids. Evidence from the US, for example, indicated a surge in planned gas-fired generation capacity linked directly to new AI-driven demand, raising questions about the credibility of "renewable matching" claims across the sector.

Chart 2: Projected sources of energy to satisfy AI energy-demand, as well as associated emissions



Source: International Energy Agency - Energy and AI Report 2025

Chart 1. Historical and projected electricity consumption of AI until 2030



Source: International Energy Agency - Energy and AI Report 2025

Against this backdrop, we sought to understand how our external managers were challenging companies on the emissions implications of data centre growth, and specifically on their 100% renewable energy commitments. As described in Principle 4, this was principally motivated by our holding in Meta under Pacific's Global All Cap Opportunity equity strategy.

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Activity

Through our look through technology and third-party partners, we identified companies with exposure to this data centre expansion. Starting with funds holding Meta, we asked our managers for their views on the shareholder resolution Pacific supported: UBS voted against but acknowledged the issue and continues to engage Meta on emissions reporting and the feasibility of 24/7 renewable energy; L&G voted in favour and included the company within its climate escalation programme.

Our discussions with managers holding Vodafone highlighted similar concerns. While the firm claims to match all purchased electricity with renewable sources, this is achieved largely through unbundled certificates that do not reflect actual grid decarbonisation. Schroders, whilst specifically engaging with the company on climate change since 2021, reopened dialogue following Pacific's request, seeking clarity on the drivers of increasing location based emissions. Vodafone confirmed they remained committed to their targets, yet sometimes they encounter local grid challenges to ensure additionality – however it's on the company's agenda. UBS and Janus Henderson had not historically challenged the company on this topic, but the latter initiated a new engagement after we raised the issue, questioning Vodafone's reliance on market based accounting and the limitations of deploying on site renewables or long term PPAs in emerging markets.

We also examined Microsoft's rising Scope 2 location-based emissions despite its commitment to match 100% of purchased electricity with renewables by 2025. Columbia Threadneedle shared insights from recent engagements, highlighting both the company's transparency about the challenge posed by growing AI related demand and its reliance on a mixed energy procurement strategy, combining large scale renewable contracts with nuclear energy and, in the short term, occasional natural gas generation paired with carbon capture. Janus Henderson, meanwhile, has scheduled engagement with Microsoft to scrutinise these commitments more closely.

Outcome

Taken together, this engagement round underscored the tension between rapid AI driven expansion and the slower pace of renewable energy deployment. While managers varied in the intensity of their stewardship, many recognised the growing disconnect between market based reporting and real world emissions. Encouragingly, the GHG Protocol has begun consulting on revisions to Scope 2 rules, favouring more transparent, location based methodologies, an approach we strongly support. Moreover, we found great satisfaction in managers which took our concerns seriously and, although they had not had this issue at the front of their mind, decided to start new engagement with underlying companies to address this.

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CASE STUDY

PARIS-ALIGNED BENCHMARK EXCLUSIONS AND ESCALATION

Context

Following the introduction of the ESMA fund naming guidelines, the Pacific Multi-Asset – Sustainable Balanced fund implemented Paris-Aligned Benchmark exclusion within its investment process. These exclusions are detailed below:

Cover	1. Companies involved in any activities related to controversial weapons;
Contents	2. Companies involved in the cultivation and production of tobacco;
CEO Statement	3. Companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
Disclosure A	
Disclosure B	4. Companies that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
Disclosure C	
Disclosure D	5. Companies that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
Disclosure E	
Principle 01	6. Companies that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels; and
Principle 02	
Principle 03	7. Companies that derive 50% or more of their revenues from electricity generation with a greenhouse gas intensity of more than 100 g CO ₂ e/kWh.

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Activity

As EU regulation mandates these screens to be implemented on a look-through basis, to improve our monitoring over this we underwent a process for selecting a new ESG data vendor, as detailed further in our Principle 6 disclosure. Based on the output of the assessment, we contacted different fund managers whose underlying holdings had been flagged by the system. As these are both revenue and controversy-based screens, we wanted to understand whether managers shared our and our third-party vendor's views on potential breaches, as well as their rationale to hold those positions.

Amongst those, we contacted a global equity manager who had changed the name of their fund by removing "sustainable" from it after the implementation of the ESMA fund name guideline. We initially identified the following issues: six holdings were involved in the oil & gas industry, although mainly related to ancillary services and distributions; three other names were linked to OECD violations.

Outcome

After unsatisfactory responses to justify their inclusion within the funds, as well as differing interpretations of their investment strategy's exclusion policy, we decided to divest our position from this fund completely.

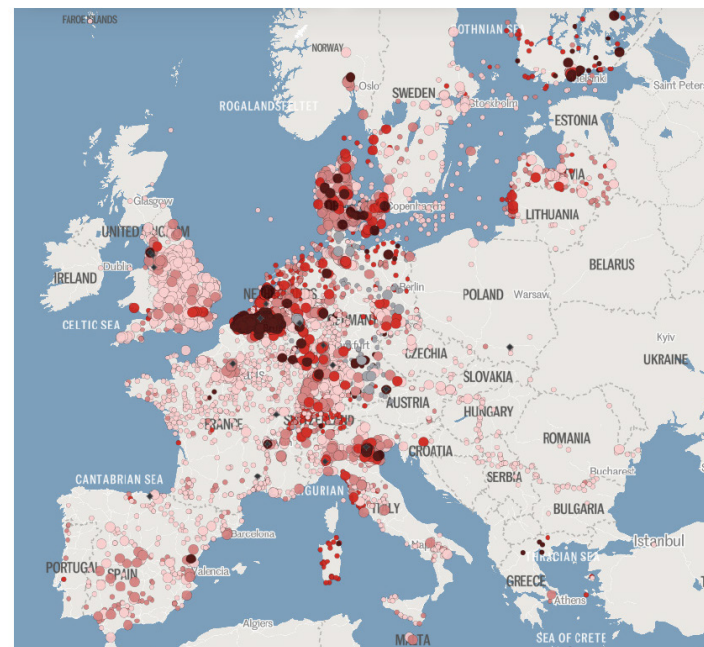
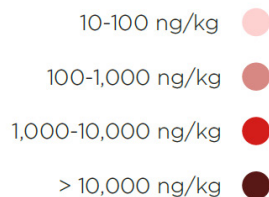
CASE STUDY

FOREVER CHEMICALS

Context

PFAS (per-and poly fluoroalkyl substances), often referred to as “forever chemicals”, have become a significant public health and environmental challenge due to their extreme persistence and widespread use across consumer goods, industrial applications and critical sectors such as medical equipment and semiconductors. Their resistance to degradation has led to extensive global contamination, with recent studies showing PFAS present in drinking water systems, freshwater fish, rivers, lakes and even polar ice.

Alarmingly, exposure has been detected in most human blood samples analysed, including umbilical cord blood, and the health risks linked to PFAS now span cancers, immune system impairment, hormonal disorders and neurodegenerative diseases. The growing scientific consensus, combined with escalating regulatory scrutiny and multi-billion dollar legal settlements in the United States, positions PFAS as both a material financial risk and an emerging area of investment opportunity, particularly for companies developing pollution reduction technologies and water infrastructure solutions.



Source: Le Monde, Watershed Investigations, 2023

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Activity

Against this backdrop, we assessed PFAS exposure across the Sustainable portfolios to understand whether underlying holdings included manufacturers of persistent chemicals. Our review identified only one such exposure: Johnson Matthey, held within the Janus Henderson UK Responsible Income Fund. While the company does produce certain hazardous substances, none are classified as persistent, and it ranks among the top performers globally on ChemScore's assessment of chemical sector safety. We intend to continue engaging with Janus Henderson to understand the targets and expectations attached to this holding, given the sensitivity of the sector.



ChemScore is run by the International Chemical Secretariat and looks at the world's top 40 chemical companies and ranks their performance across four categories: the toxicity of their product portfolio, research for safe alternatives, transparency, and phase-out of persistent chemicals.

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More broadly, we explored how our managers are addressing the systemic risks posed by PFAS, particularly through collaborative stewardship. Several fund groups within our Sustainable portfolios are active participants in the Investor Initiative on Hazardous Chemicals, a global investor coalition representing more than \$18 trillion in assets. Through this initiative, managers engage directly with chemical companies to improve transparency around hazardous chemical production, set clear KPIs for phasing out persistent substances, and accelerate the development of safer alternatives. Encouragingly, nine funds confirmed during our 2024 due diligence cycle that they had already engaged, were actively engaging, or planned to engage with companies on PFAS and chemical pollution.

Examples of these efforts include EdenTree's three year thematic engagement with chemical holdings, focused on water stewardship, hazardous chemical transparency and the phase out of higher risk substances. Columbia Threadneedle has also been active in its engagements with major chemical producers, addressing emissions, toxicity, biodiversity and the broader environmental impacts of the sector.

Their work has included promoting the issuance of blue bonds to finance improvements in coastal and marine ecosystems, as well as infrastructure upgrades across the UK water industry. Janus Henderson, meanwhile, incorporates explicit exclusions for companies producing substances subject to bans or severe restrictions, and has begun further engagement with firms in adjacent sectors—such as semiconductor equipment manufacturers—where chemical by products remain insufficiently disclosed.

Outcome

This work reinforced the robustness of the Sustainable portfolios' screening and stewardship processes. The limited direct exposure to chemical producers, combined with active and forward looking engagement from our underlying managers, has met our expectations and demonstrates a clear awareness of PFAS related risks. Nevertheless, given the scale of the challenge, we will continue to monitor developments closely and engage further where necessary to ensure that both fund managers and portfolio companies are contributing to the reduction of persistent chemical pollution.



PRINCIPLE 06

Engaging with service providers

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 **Principle 06**

ENGAGING WITH SERVICE PROVIDERS

Signatories monitor and hold to account stewardship service providers

Proxy Voting Suppliers

PAM has established and maintains a Proxy Voting Policy, which serves as the governing document for the use and management of ISS, our third-party service provider for proxy voting. The effectiveness of each proxy voting provider is assessed by PAM's Stewardship Committee. On a quarterly basis, the Stewardship Committee reviews various aspects, including the quality of recommendations provided by the third-party proxy voting advisor.

The key indicators used to monitor the performance of a proxy advisor include:

- The quality of the advice provided
- The timeliness of the advice provided

PAM retains discretion over whether to act on the proxy advisor's recommendations or pursue an alternative course of action. Instances where PAM votes against the proxy advisor's recommendations, along with the rationale, are documented and recorded. PAM utilises the SRI methodology for voting, which differs from the default ISS position on several environmental, social, and governance factors, including environmental impact, climate change, human rights, labour practices and corporate governance. Additionally, as disclosed in our 2024 Stewardship Report, we retain a custom methodology which considers DEI factors in voting decisions, unlike the off-the-shelf ISS SRI methodology.

ESG Data Providers

We utilise external data providers for ESG data, but supplement this by customising the data to fit our stewardship and engagement efforts and sustainability analysis.

Data Provider	Description	Usage
TruValueLab	<ul style="list-style-type: none"> • TruValueLab provides sustainability scores based on natural language processing for individual stocks and credits 	<ul style="list-style-type: none"> • We customise individual scores to build up E, S and G scores, UN SDG scores and SASB aligned scores • PAM provide feedback on scores, where we believe inaccuracies are present, we feed this back to the team at TruValueLab/FactSet
Freedom House	<ul style="list-style-type: none"> • Freedom house is an NGO that scores countries on the basis of freedoms afforded to citizens 	<ul style="list-style-type: none"> • We utilise Freedom House scores for building internal ESGP scores for government bonds, which track the environmental, social, governance and political characteristics of over 150 countries
Morningstar	<ul style="list-style-type: none"> • Morningstar provides look through data on a number of funds and carbon data on individual stocks 	<ul style="list-style-type: none"> • We utilise Morningstar data to aggregate holdings to generate fund scores for the multi-asset team's sustainable investment process
World Bank	<ul style="list-style-type: none"> • The World Bank provides data at a country level on carbon emissions, clean water, health and sanitation for citizens 	<ul style="list-style-type: none"> • We utilise World Bank data for building internal ESGP scores for government bonds, which track the environmental, social, governance and political characteristics of over 150 countries
Bloomberg	<ul style="list-style-type: none"> • Bloomberg provides data across a wide range of financial and sustainable data points 	<ul style="list-style-type: none"> • Bloomberg is used for data on an ad-hoc basis, including board composition, ESG scores, GHG targets
Clarity AI	<ul style="list-style-type: none"> • Clarity AI provides access to SFDR, and other EU-regulation related datapoints 	<ul style="list-style-type: none"> • Information on controversies, revenue screens, and PAI data informs engagement themes with managers and companies
MSCI ESG	<ul style="list-style-type: none"> • MSCI ESG provides ESG ratings and controversy analysis for individual stocks 	<ul style="list-style-type: none"> • The North of South team leverage these inputs for their Equity Risk Premium calculations as well as for engagement with firms

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CASE STUDY

SUSTAINABILITY DATA PROVIDER

During H2 2025, we began research to onboard a new sustainability provider to strengthen our SFDR oversight, as well as to inform our stewardship activities with underlying managers and equities. We leveraged IOSCO recommendations on due diligence on sustainability data providers to guide our research informing our questioning framework, including how providers source, verify and update data, how they balance reported versus estimated values, and how adaptable their systems are to evolving regulatory requirements.

We conducted a review of six vendors. Each was assessed against the same criteria: scalability, multipurpose functionality, data quality and transparency, regulatory competence and pricing. This assessment was conducted both through desktop-research, product specialist team meetings, and product trials.

Clarity AI ultimately emerged as Pacific's preferred partner because its platform offered better data governance, transparency and usability when compared to its peers based on our internal assessment. Lookthrough capabilities were significantly strong, allowing us to identify issues at both the fund and underlying security level, which directly improves stewardship and engagement pathways in the context of our business. Methodologies were accessible within the platform, and the balance between estimated and reported data was handled in a way aligned with regulatory expectations.

The platform demonstrated high coverage of our portfolios, especially compared to alternatives, and incorporated clear controls for controversies, PAB exclusions, PAIs and sustainable investment assessments. Its in-house regulatory expertise team is a plus, with purposebuilt modules for SFDR reporting and ongoing development of alert systems that will support live oversight.

This engagement strengthened our ability to meet SFDR requirements, improve oversight of external managers and ensure that the sustainability claims we make are supported by reliable, transparent data.

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