Responsible Investment Stewardship 2025 →

Wealth & Investment Management

We take a values-driven approach to sustainable wealth creation through a global, active and direct investment philosophy. Operating and regulated across jurisdictions, we are focused on delivering the right outcomes for clients, employees, shareholders and society.

Contents

Foreword

Thoughtful and responsible stewardship of client capital is central to how we invest. As active and direct investors, we believe the most effective way to create long-term value for clients while also delivering credible sustainable benefits for society over time, is by combining rigorous fundamental research with constructive corporate engagement and the considered use of voting rights.

This Stewardship Report explains how we have applied that approach over the year, the outcomes we have sought for our clients, and the progress we are making as W1M continues to evolve following the merger of Waverton Investment Management and London & Capital.

We remain committed to transparency and accountability in how we discharge our responsibilities as stewards of our clients' capital. Accordingly, we report in line with the Financial Reporting Council's UK Stewardship Code, focusing on clear governance, robust policies and processes, and – most importantly – evidence of our activities and outcomes. Oversight sits at the highest levels of the firm, with our Board and Sustainability Committee providing challenge and direction, and our Investment team accountable for delivery day-to-day.

A defining feature of our model is integration. Our Investment team is responsible not only for security selection and portfolio construction, but also for engagement and voting. This matters because stewardship is most effective when it is informed by deep knowledge of the company or issuer, an understanding of the factors most financially material to specific industry groups (including those related to environmental, social and governance issues), and a clear view of what will protect and enhance long-term value.

This year also marks an important step in bringing together two strong investment businesses under one stewardship approach. We have made progress in aligning governance, reporting and data across legacy platforms, clarifying accountabilities, and embedding shared expectations for how we evidence stewardship outcomes. While some complexities remain – particularly around the different pools of assets – our direction of travel is clear: a single, consistent approach that delivers the same high standard of stewardship for clients across business channels and jurisdictions.

Engagement remains a core part of our investment process and an important expression of our active ownership. Over the year, our Investment team met with more than 500 companies around the world and across all sectors. As long-term investors, we focus on building constructive relationships with management teams, seeking to better understand their business, the industries in which they operate and their direction of travel. Direct dialogue also gives us the opportunity to exchange views with management and to encourage better corporate behaviours if needed. This is shown in the case studies provided in the engagement section on pages 41 to 43.

We also view voting as an essential stewardship tool to help influence higher corporate standards. The voting section sets out our approach, the extent of our activity and where we have voted against management or diverged from proxy adviser recommendations. It also explains how this year's reporting reflects the practical realities of integration, including the temporary impact of fund convergence on the voting universe.

Looking ahead, we will continue to strengthen our relationship with investee companies, evolve how we evidence outcomes, refine our processes, and invest in the people, data and systems that support effective stewardship. I would like to thank colleagues across W1M for their professionalism and focus in a year of significant change, and our clients for their continued trust. I hope you find this report a clear and useful account of how we are delivering on our stewardship responsibilities.

Guy McGlashan
Chief Executive Officer

Signatories of

PRI Principles for Responsible Investment   UK STEWARDSHIP CODE

W1M (through the Waverton Investment Management business) has been a signatory to the PRI since 2019 and the UK Stewardship Code since 2022

Policy and Context Disclosure

W1M at a glance

An industry leading wealth and investment manager working with private clients, charities, trusts, institutions and financial advisers.

Who we are

£24.5bn

Assets under management*

*As at 31st December 2025

c.350

Employees

30

Person Investment team

20

Years' average experience

AUM by business area

Private Client Group	51.8%
Adviser Solutions	28.6%
Insurance Solutions	11.8%
Charities	7.8%

AUM by asset class

Equities	61.4%
Bonds	25.6%
Alternatives	8.4%
Cash	4.4%
Diversified investment funds	0.2%

AUM by region

North America	42.9%
United Kingdom	19.4%
Europe ex UK	14.5%
Rest of world*	8.1%
Asia Pacific ex Japan	7.1%
Japan	6.4%
Emerging markets	1.5%

*Includes miscellaneous funds and ETFs which cannot be easily allocated to other regions

Source: W1M. As at 31.12.25

AUM by client type

Retail	83.3%
Professional	16.7%

A selection of awards from 2025

PAM Awards
Winner | Investment Performance High Growth Portfolios

PAM Awards
Winner | Client Service Quality High Net Worth

LSEG Lipper Fund Awards 2025
Winner | European Capital Growth Fund

W1M at a glance *continued*

About W1M

W1M is a leading international wealth and investment management firm, formed in 2024 through the merger of Waverton Investment Management Group Limited and London and Capital Group Limited.

W1M specialises in working with high-net-worth and ultra-high-net-worth individuals and families, charities, trusts, institutions and financial advisers.

Our investment process, shaped by the needs of our clients, is delivered through a personalised, active and direct approach to portfolio management. This approach leverages an investment philosophy built on high-conviction, research-led decision making, drawing on deep expertise to navigate global markets and align portfolios with our clients' objectives.

Our client propositions are underpinned by our cross-border and cross-asset class expertise in the form of an institutional-quality Investment team working with highly experienced Portfolio Managers, Wealth Managers and tax professionals. This underlines our capacity to service a wide range of client types both domestically and overseas.

Understanding client requirements and providing solutions comes first in everything that we do, and is part of our core philosophy.

Our purpose and values
Our purpose statement, 'Navigating complexity to deliver prosperity', reflects our commitment to guiding clients through everchanging macroeconomic environments with clarity and confidence.

Following the merger between Waverton and London & Capital, we are in the process of actively embedding this purpose into our daily business. We are aligning teams, processes, and decision-making frameworks to ensure that every action we take reflects our shared commitment to navigate complexity and deliver prosperity.

We have a core set of values that serve as the foundation for our culture and guide how we work together and how we serve our clients.

Trust
We do the right thing, always – we will earn trust by always doing the right thing in the right way.

Partnership
We are one team, better together – we will continue to be an exceptional team if we work together with mutual respect and kindness.

Excellence
We deliver the exceptional – we will succeed if we collectively and consistently strive to perform to the highest standards.

Enterprise
We are dynamic and adaptable – we will drive growth by tackling challenges head-on.

We believe that our values encapsulate the essence of W1M's character and our culture. These values are what differentiate us in how we do what we do.

Our investment philosophy

Our firm belief in the benefits to clients of a genuinely Global, Active, Direct and Conviction investment approach has remained unchanged since our business was founded in 1986.

W1M has always invested in the people and processes that drive client outcomes and, today, all WIM clients, benefit from the institutional capabilities of our award-winning central Investment team. We have a differentiated and repeatable process and a proven track record of navigating market cycles and rotations, generating value primarily through our bottom-up security selection but with asset allocation decisions also contributing positively over time.

Investment objectives
For all our client channels, we maintain a range of investment strategies across different risk profiles. Client strategies are managed to clear risk and return objectives, principally focused on achieving a return in excess of inflation (i.e. a real return) over the long term. The margin is determined by the degree of risk clients are prepared to accept and is expressed in terms of CPI+X%, where CPI is the Consumer Price Index in their base currency and X is the target margin of return above inflation. This is a long-term objective that may not be relevant over shorter periods.

Effectiveness of our stewardship activities
The clearest measures of the effectiveness of our stewardship activities are the investment returns we generate for clients, the quality of our client service and longevity of our client relationships. We will outline our approach to these in the following sections of this report.

Our investment beliefs

1

Global

Provides clients with the widest set of potential investment opportunities. W1M offers dedicated expertise across all asset classes and regions.

2

Active

We firmly believe in the benefits of active management, both in terms of asset allocation and security selection. This helps us to avoid areas of risk of capital loss and better protect client capital in periods of drawdown.

3

Direct

We invest predominantly in direct equities, bonds and alternatives, providing greater control over portfolio construction and greater transparency for clients around what they own.

4

High conviction

Our portfolios are concentrated but broadly diversified. The best risk management technique is knowing and understanding what you own.

5

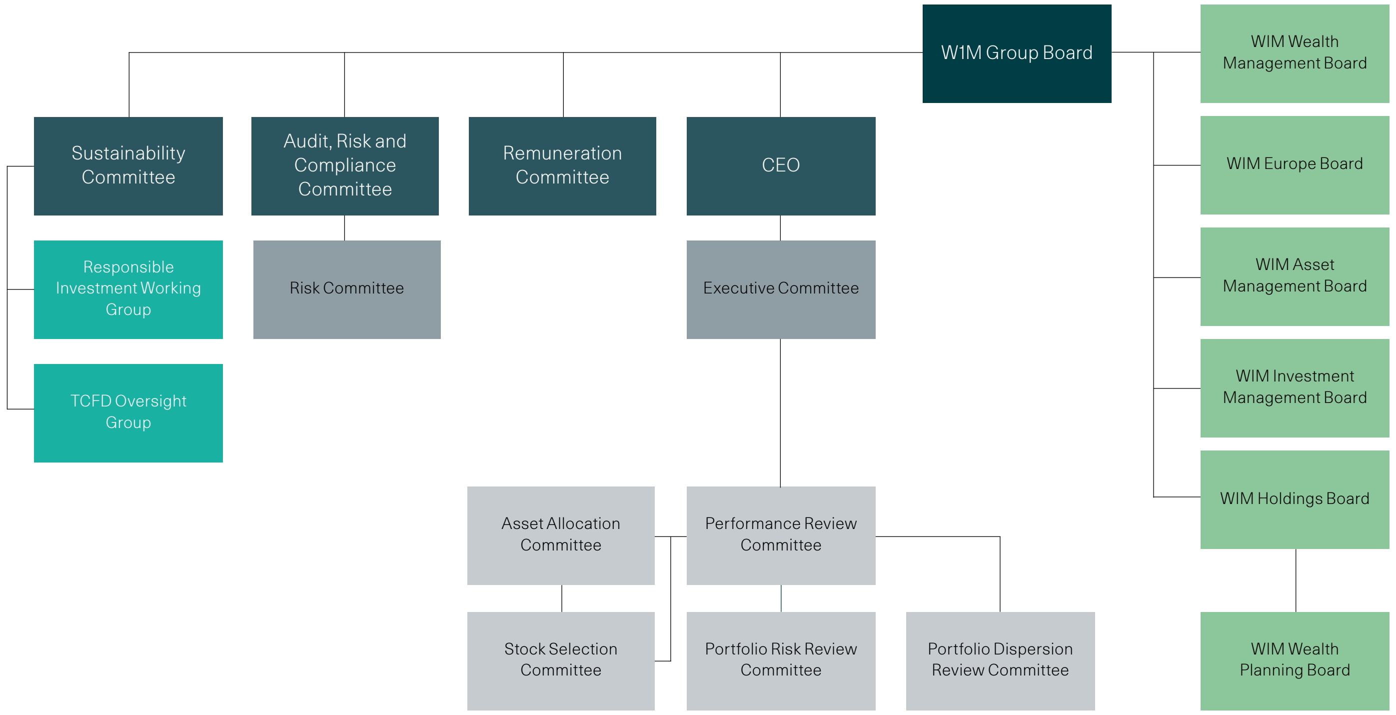
Responsible investment

Environmental, social and governance factors are intrinsically linked to the long-term financial sustainability and returns of an investment, thereby forming a natural part of good fundamental research. Our integrated approach also uses engagement and voting to help encourage better corporate behaviours.

Stewardship governance

At W1M, we seek to apply best in class principles to make our governance as effective as possible.

Stewardship governance structure



Our structure ensures clear line of sight from Board level down to the executing teams, with crossover between various parts of the business to ensure a broad perspective on activities and risk. We have robust business continuity plans in place, covering a range of topics including severe disruptions to our infrastructure and succession planning.

Sustainability Committee
W1M's Sustainability Committee (SusCo) oversees our sustainability strategy as well as our regulatory reporting and adherence to global standards, such as the Principles for Responsible Investment, FRC Stewardship Code and FCA Climate-related disclosures.

SusCo comprises two independent non-executive directors, the CEO, Chief Operating Officer and Head of Equities. It includes standing invitations to the Corporate Sustainability Manager, Chief Financial Officer, Chief Marketing Officer and Chief People Officer.

The Committee's remit is to promote and support W1M's long-term sustainability agenda, which includes our integrated responsible investment approach, stewardship reporting and responsible business activities – focusing on inclusion and talent development, minimising our environmental impact and contributing to the wider community. The Committee meets at least quarterly and is chaired by independent non-executive director, Alexandra Innes.

In addition, SusCo hosts external speakers, subject matter experts or industry partners to bring external insight and perspective on relevant topics several times a year.

Stewardship governance
There are several oversight committees to cover the full investment process, one of which is the Asset Allocation Committee (AAC), chaired by our Chief Investment Officer (CIO) and comprised of senior members of the Investment team, with all asset classes represented. The AAC meets monthly and is responsible for setting asset allocation guidelines for the firm across equities, fixed income, alternatives and cash.

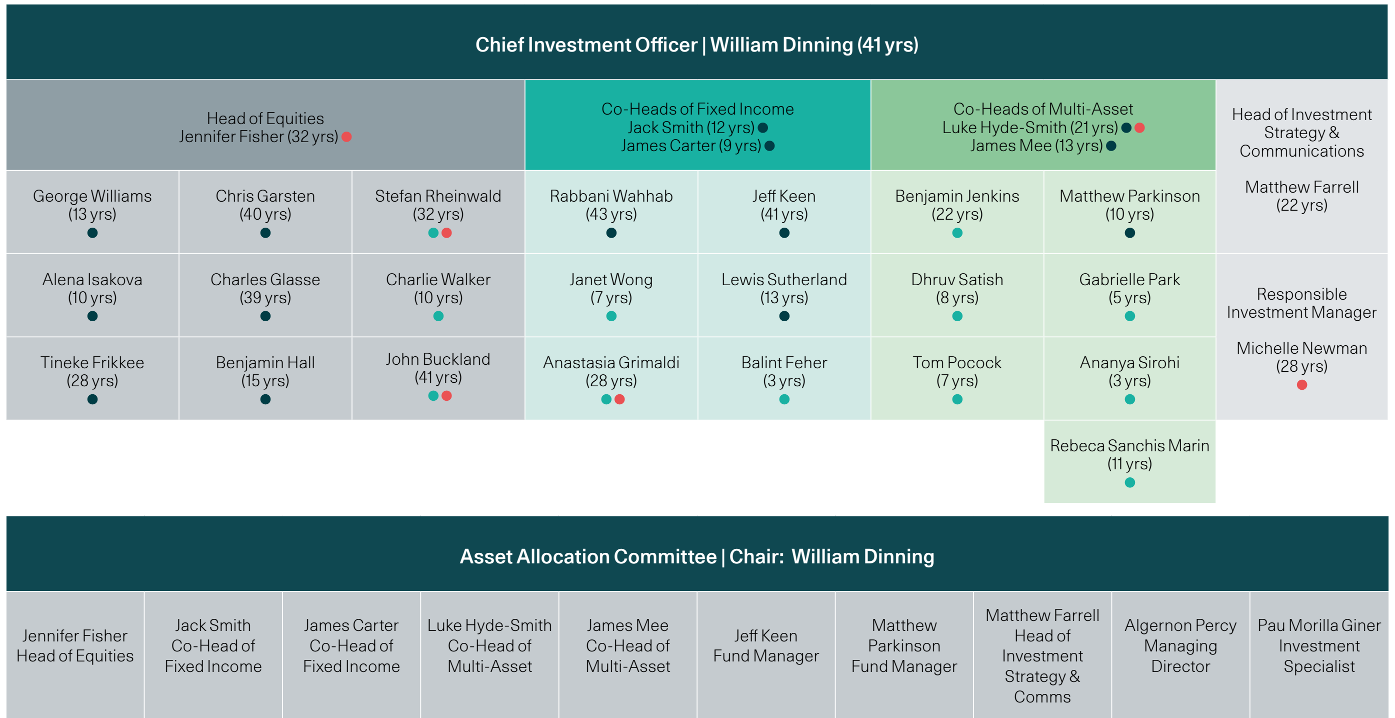
W1M applies a "bottom-up meets top-down" approach to asset allocation. Regular dialogue with companies has always been an integral part of our investment process, providing both a clearer understanding of individual businesses and industries, as well as important current and forward-looking insights on real economic activity. The AAC blends this with an analysis of macro data focused on four factors: Liquidity, Growth, Inflation and Interest Rates, to provide as much visibility as possible regarding the outlook from a macroeconomic, regional, industry and consumer perspective.

Investment team
Over 10 years ago, the former Waverton Investment Management business made the decision to invest in the creation of a centralised Investment team, with specialist and dedicated expertise across asset classes and regions. W1M continues to invest in the people and processes that drive client outcomes, and this decision recognised the evolution of the company and the need to leverage our investment expertise more effectively to meet the requirements of a growing business and wider range of client channels.

Importantly, it was also an acknowledgement of the level of detailed due diligence required to consistently meet the financial objectives of our clients against a backdrop of increasingly complex markets, shifting geopolitical challenges, rapid digital transformation, and greater scrutiny on environmental, social and governance (ESG) factors and sustainability.

Our Investment team comprises 30 individuals with average experience of over 20 years, and split between dedicated Fund Managers and Analysts. The team is led by our CIO, William Dinning, with the Heads of each asset class reporting to him. The Head of Investment Strategy and Communications and W1M's Responsible Investment Manager also report directly to the CIO.

Investment team



As at 01.01.26

● Fund Managers (14 total) ● Analysts (11 total) ● Responsible Investment Working Group (6)

Stewardship governance *continued*

Role and responsibilities of the Investment team
The Investment team performs a dual role, maintaining governance and oversight responsibility for all firmwide equity, fixed income and alternative assets, as well as managing W1M's multi-billion pound fund range. The team provides portfolio managers across the different client channels with investment recommendations including asset allocation targets, individual security selection and portfolio construction guidelines.

The team is based out of our London office and sits together, facilitating more effective collaboration and short lines of communication. Constructive debate is encouraged, enabling members of the team to draw on the experience, knowledge and skill set of all asset class teams when identifying trends and making decisions. Our shared location also means members of the Investment team are readily accessible to W1M's portfolio managers and clients.

The team conducts its own detailed fundamental analysis and is responsible for all idea generation. Direct engagement with companies forms a key part of our due diligence process and the team meets with over 500 companies a year, both in London and overseas. It reviews information from a wide range of different sources including corporate reports, industry expert research/insights and other third-party research to take into consideration a wide diversity of opinion.

We share our research and investment updates with client-facing colleagues through our internal research portal. This enables timely dissemination of the team's latest views, investment recommendations and relevant news. It also allows for efficient access across the firm to the backlog of our internal research.

Genuinely integrated stewardship approach
As part of our genuinely integrated approach to ESG, the Investment team is not only directly responsible for all the fundamental due diligence on and selection of investee companies and other securities, but also for all corporate engagement and voting decisions. This enables us to assess a company's sustainability from all important angles.

Responsible Investment Working Group
The Responsible Investment Working Group (RIWG) oversees the coordination and implementation of our integrated ESG approach, as well as our stewardship activities, across the Investment team. Since 2025, each asset class team has specific performance objectives designed to support our integrated approach, and performance against these targets is monitored by the RIWG.

Working Group members are drawn from across the Investment team, with all asset classes represented and a depth of ESG experience that is shared with the wider team and client-facing colleagues. The RIWG provides updates at least quarterly on relevant topics at our inhouse investment meetings, and works directly with the client channels to raise awareness and understanding of W1M's approach to responsible investment. The group is chaired by the Responsible Investment Manager.

Monitoring performance
The Investment team is overseen by our Performance Review and Portfolio Risk Review Committees, who are supported by data analytics from the Performance & Risk team. These committees review investment performance on a regular and ongoing basis to ensure our portfolios and funds operate within the guidelines of their respective mandates.

At the portfolio level, the Portfolio Dispersion Review Committee monitors the performance of client portfolios within each risk mandate across the firm, and requires portfolio managers to validate returns if portfolios are identified as outliers.

Training
As the understanding of and approaches to ESG and sustainability issues continue to evolve, we remain committed to providing the training and tools to help our investment professionals remain up to date with the activities of the Investment team and any refinements to our approach, as well as broader developments in the industry.

Staff are encouraged to undertake ESG-related training, such as professional qualifications and to attend in-house sessions. As 2025 was an integration year, we ensured that all colleagues, including new joiners, received an introduction to our corporate sustainability strategy, our integrated investment approach, and the systems and resources available to support it.

Systems and technology to support stewardship activity
The Investment team has access to specific sustainability data from a select number of providers, including CDP and ESG and climate risk data from MSCI (multi-asset), Moody's (credit) and Morningstar (third party funds). While these resources can provide useful reference points, we do not use ESG ratings or scores as a decision driver in either our security selection or portfolio construction.

The team also has significant partnerships with data providers FactSet, Bloomberg and AlphaSense, to use their financial services technologies. Within their offerings they are now providing AI tools which are being used to summarise or analyse third party research, transcripts, company filings and expert interviews. At this stage, it is more of a productivity tool than a replacement for forward-looking investment analysis and fundamental stock selection.

While we organise and record corporate engagement activity ourselves, we partner with Glass Lewis, a leading independent proxy advisory firm on voting matters and receive their assessments and recommendations on all management and shareholder proposals. While our voting often aligns with Glass Lewis, members of the Investment team review each proposal individually.

As part of our genuinely integrated approach to ESG, the Investment team is not only directly responsible for all the fundamental due diligence on and selection of investee companies and other securities, but also for all corporate engagement and voting decisions.

Policies and processes

W1M has adopted the Responsible Investment Policy first published by Waverton Investment Management in 2019.

While this approach has been refined over time, the core principles we outlined then remain firmly in place today. In fact, our conviction in the merits of a forward-looking, pragmatic and genuinely integrated approach to responsible investment has only strengthened.

Our approach
We have always chosen to acknowledge a period of transition, to incorporate companies across the entire supply chain, and to focus on direct engagement with company management over blanket exclusions, as a better and more credible way to bring about positive change.

We also remain firm in our view that this is the most effective way to achieve the dual objectives of meeting our fiduciary duty to clients, while also helping to encourage the corporate behaviours needed to deliver progress in ESG standards over time. The industry and regulators have acknowledged a broader approach towards sustainability in the last few years, and it is also interesting to see how investor perceptions towards areas that were previously frequently excluded by negative screening, such as fossil fuels and defence, have shifted since Russia's invasion of Ukraine in 2022 and even more so by the recent escalation of tensions in the Middle East.

Integrating investment and stewardship
We believe our investment approach lends itself to producing positive and credible outcomes for clients from a wider sustainability perspective, for example:

High conviction: while some associate more concentrated portfolios (c.40 stocks in a W1M global equity portfolio) with higher risk, we believe that the best risk management technique is knowing and understanding what we own. Building constructive relationships with investee companies is a key part of this, providing a deeper understanding of their business model and strategic direction, more effective monitoring of operational performance, and a fuller assessment of management quality, corporate culture and governance standards – insights that cannot be gained from screening or corporate reports alone.

Active and Direct: being active and predominantly direct investors provides us with the added advantage of having full control over what we own (and what we choose not to own) on behalf of clients. Our Investment team is directly responsible for all due diligence on and selection of investee companies, for all discussions with company management and all voting decisions. This genuine integration of all aspects of investment and stewardship enables us to assess a company's sustainability from all angles and, in conjunction with our investment approach, also provides clients with greater transparency on what they own and, importantly, more detailed insights as to why.

Fundamentals matter
We emphasise "sustainability from all angles" as the importance of "financial" sustainability has sometimes been overlooked by select impact and sustainability approaches in the past. For example, the long-term viability of a number of popular "new era" and "green technology" stocks borne during the post-GFC period of low-cost and widely-available credit, came under greater financial scrutiny when interest rates rose during 2022-23 as inflation rates spiked. It then became increasingly apparent that a company's ability to generate free cash flow and its equity valuation, do in fact matter when looking to achieve both strong investment returns and positive sustainability outcomes over the long term.

As we witnessed during the dot.com bubble, a strong theme does not necessarily translate into a good investment. Apparent winners often gain massive momentum before the company's fundamentals have been fully considered, increasing the risk of significant share price declines and capital losses for clients, especially given the prevalence of passive solutions and the growing influence of retail investors in today's markets.

Responsible stewardship
We pride ourselves on being thoughtful stewards of our clients' capital and our approach is focused on four elements which we review in more detail in the "Activities and Outcomes" section later in the report:

1. ESG integration
The consideration of ESG factors (both risks and opportunities) forms a natural part of our detailed fundamental analysis and security selection process. Identifying, prioritising and investigating those that are material to specific industry groups is not only integral to the assessment of a company's long-term financial sustainability, but also its real-world environmental and social impact.

2. Impactful engagement
We engage with companies both directly and as part of collaborative initiatives, preferring constructive dialogue with management over blanket exclusions, as a more effective way to encourage better corporate behaviours and positive outcomes.

3. Voting with intention
We vote on our clients' behalf to help drive higher corporate standards and enhance shareholder value.

4. Promoting transparency
We provide detail on all our stewardship activities, including case studies and updates on our progress in reports we publish annually. This covers all asset classes including equities, alternatives and fixed income.

Our approach to screening
While W1M has adopted an integrated rather than exclusionary approach to responsible investment, we recognise that some clients will still wish to implement negative screening policies to reflect their personal beliefs. We have a long history of managing these policies within segregated mandates, and understand the trust clients place in us to achieve their objectives.

Responsible Investment Policy
Our policy document sets out how we incorporate all elements of responsible investment (including the integration of ESG factors in our investment decisions, engagement and voting activities, as well as wider corporate stewardship standards) into our investment process. The policy is reviewed and approved by the W1M Sustainability Committee annually, unless significant changes are implemented during the year.

For further information, please review our Responsible Investment Policy on our website

Assurance
Our corporate policies and governance are regularly reviewed, with internal audit services provided by an external partner. The audit plan reflects our strategic objectives and risk profile, establishing a three-year cycle of audit priorities, which is reviewed annually. Each year, parts of the business undergo internal audit based on risk factors and other considerations. We are committed to implementing audit recommendations, with progress reviewed by internal auditors, the Risk Committee, ARCC, and the Board.

Although we have not sought external verification of our stewardship processes, we have been signatories to the FRC's UK Stewardship Code since 2022 and the Principles for Responsible Investment since 2019, meeting their annually assessed standards. In addition, we continue to receive positive client feedback that validates our approach – doing what we say we do, being able to explain why, and providing practical examples of delivery in practice.

Conflicts of interest

In line with the regulatory requirements that apply to W1M, we are committed to act in the best interest of our clients and treat all our clients fairly.

We maintain a Conflicts of Interest Policy as per below and on our website, which identifies applicable conflicts and sets out the controls and processes in place to mitigate risk.

For further information, please review our Conflicts of Interest Policy on our website

Where conflicts of interest are identified, they are mapped and categorised on the internal Conflicts Register, which is maintained by the Compliance team. Each new conflict is reviewed and assessed by the team to ensure the controls in place mitigate the risk sufficiently.

On a periodic basis, Compliance conducts independent assessments of conflicts of interest as part of the monitoring programme. This reviews the controls in place against each identified conflict of interest to ensure they are appropriately designed and operating effectively. Each assessment is risk-rated according to the findings noted. The policy and register are both reviewed on an annual basis by Compliance and the Board, to ensure they remain fit for purpose.

All new employees undergo strict training and guidance on internal policies and procedures as well as the expectations of our regulators. This covers all scenarios where conflicts of interest can arise, such as gifts and hospitality, personal account dealing and market abuse.

Additionally, in light of W1M's fiduciary obligations to its clients, and the potential for conflicts to arise from business activities undertaken outside employment, all employees are required to disclose any outside business interests. Any approved outside business interests or external appointments will be recorded by the Compliance team. Employees are asked to confirm if they have any outside business interests on an annual basis within the Fitness and Propriety attestation.

Conflict review and assessment

1	2	3	4
Identify	**Assess**	**Escalation**	**Review**
Registration in Conflicts Register.	Compliance to review conflict and assess risk	Where risk cannot be fully mitigated, conflicts are subject to review at Board level	Annual Board level review

Our approach to managing potential conflicts of interest

	Potential conflict	Risk management approach
1	Where W1M acts as a discretionary investment manager for clients, a conflict could arise between W1M, the investee company or a client when exercising voting rights.	The responsibility for voting decisions sits with the Investment team who undertake the fundamental analysis and build and maintain the relationship with investee companies around the world. Decisions are proposed by the relevant specialist within the team and approved by the regional or global equity fund managers. Voting decisions for investment companies are made by the Multi-Asset team. In the unlikely event a conflict was to arise, the voting recommendation of our proxy voting service provider, will be instructed.
2	Where an employee or officer of W1M also serves as an officer of an investee company, W1M may utilise its voting rights in a manner that personally benefits the employee or benefits W1M over the shareholders and W1M clients.	W1M maintains an Outside Business Interests log that records the external roles undertaken by all employees and officers. There are strict procedural controls in place to prevent such external investee companies to be held in client accounts, thereby mitigating the voting rights risk. If such a scenario were to arise, W1M would abstain from the vote to ensure a fair and independent vote is held by the remaining shareholders. Compliance obtains and assesses each external interest and role undertaken by new hires from a client risk perspective.
3	Where an employee or officer of W1M also holds external roles, such as advisory board memberships, non-executive roles and investment committee memberships for other companies, W1M may utilise its discretionary investment powers to recommend and purchase these companies for client portfolios outside of the investment process to the benefit of the employee or W1M, over the client.	W1M's Outside Business Interests log records the external roles undertaken by all employees and officers. There are strict procedural controls in place to prevent such external roles from being undertaken, and an independent risk assessment by Compliance on the roles undertaken. System configurations are in place to alert the team to trades involving these companies. All outside business interests will be reported to the Board on a periodic basis.
4	Incentive structures for W1M's Investment team that increase the risk of inappropriate recommendations, risk- taking and short-termism in conflict with maximising shareholder value over the long term.	W1M's Remuneration Policy, maintained and implemented by HR, and overseen by the Remuneration Committee, ensures that employees are not remunerated solely based on performance of stock recommendations or short-term client performance. Remuneration arrangements are designed to encourage behaviours that are aligned to our values, deliver good client outcomes and fair value, and do not incentivise practices that could conflict with clients' best interests.
5	Where WIM's engagement with potential or current investee companies gives rise to inside information, this could be utilised by employees or officers of W1M to the detriment of clients, other shareholders and the wider structure of the markets and may deviate from the recommendation in line with our investment approach.	Employees and officers are informed about the Market Abuse Regulations upon joining W1M and trained on Market Abuse Regulations periodically thereafter. Compliance acts as gatekeeper for the receipt of inside information. W1M makes use of an external trade surveillance tool to screen all trades for the risk of market abuse, including inside information.

Client dialogue

At W1M, our clients come first in everything we do and ensuring that our services are suitable for each client is at the core of our business.

Our investment approach and stewardship activities are designed to achieve real returns that meet our clients' investment objectives over the long term, in conjunction with the delivery of excellent client service.

Communicating with our clients
Throughout the year, we produce regular and ad hoc market commentary, investment and financial planning insights which are distributed to our clients as appropriate, and via multiple media formats. We ensure that clients are briefed and kept up to date with our investment horizons and expected returns, which is fundamental to the way we manage their assets. The CIO, with input from other members of the AAC, reviews our capital market assumptions (CMA) at least every five years and this can lead to changes to our Strategic Asset Allocation (SAA) targets. In turn, this may impact the way our portfolios are managed in order to ensure we meet clients' investment objectives, while also remaining within their risk appetite and tolerance for loss.

The latest CMA review was completed at the end of 2025 and an updated report with supporting analysis and the rationale behind our decisions published in early 2026.

At the start of all new client relationships, in annual reviews, or when client requirements significantly change, we provide a guide to our investment mandates, which details the asset class exposures and investment time horizons that we consider when constructing portfolios. These time horizons are an important consideration since they seek to allow time for the portfolio to recover from any drawdowns. This central document is reviewed as part of our Consumer Duty programme to ensure it is effective and provides clients with all the information they need in an accessible way.

Commitment to consumer duty
Consumer Duty aims to increase the responsibility of firms to ensure they consistently deliver good client outcomes. At W1M, we are confident that our standards align with these requirements. We place our clients' needs at the centre of our decision-making and maintain a strong culture of doing what is right for them.

We have a suite of metrics with defined thresholds that enable us to assess performance and evidence that we are meeting our Consumer Duty obligations. As part of our commitment to delivering good client outcomes, our Consumer Duty Steering Committee, appointed by the Executive Committee, regularly reviews these metrics to provide group wide oversight and monitor outcomes in line with the Consumer Duty Principle.

We also seek feedback from our clients and partners. Our aim is not only to support clients to make informed decisions that meet their needs, but also to ensure they receive products and services that are suitable and provide fair value.

Client reporting
We provide clients with regular reports to keep them updated on their assets and how they are performing. Clients can choose more simplified reports and every client has the option of printed or digital copies, with the majority of clients now accessing their valuation documents through our online client portal. Each quarter, all clients receive a full valuation of each portfolio, a record of all income and capital movements and a performance report. They also receive a quarterly investment publication called Market Perspectives. This publication, authored by one of our most experienced portfolio managers, has proven to be very popular with its readers.

We continue to prepare MSCI ESG Risk and MSCI Climate Risk Reports for our Funds, Global Recommended Portfolio and specific client portfolios on a quarterly and ad hoc basis. These reports provide data across a range of ESG metrics, and compare them to a market benchmark. When the Investment team identify anomalies in the data, they engage with MSCI and the company concerned for clarification purposes or, in some instances, to highlight errors in the underlying data that need to be corrected. See our case study on page 54 for further information.

Communicating our responsible investment approach
Every year, we publish a series of corporate reports on our stewardship approach, engagement and voting activities, as well as our climate strategy. These are all available on our website, along with our Responsible Investment policy and latest Principles for Responsible Investment (PRI) Assessment report. Our Investment team also supports client-facing colleagues in client engagements, including webinars and forums, to help raise awareness and understanding of our approach.

Building relationships that last
As part of our client engagement, we host a range of formal and informal events throughout the year, both online and in-person. We know our clients value the personal contact beyond their regular review meetings and so do we. Some of these events are more investment focused, and others more social. The attendance and feedback from these events inform us how our clients like to engage and help us to build trusted, lasting relationships.

Seeking client views
Understanding the views and expectations of our clients is essential. We continually seek feedback in a variety of ways:

- Formal feedback on pitches
- Formal review meetings
- Relationship management
- Ad-hoc feedback
- Client surveys
- Client Advisory Council
- Events and roundtables

Activities and Outcomes Report

Principle 1
ESG integration

Introduction

We have always chosen not to implement blanket exclusions at the corporate level, preferring to adopt a more pragmatic approach to "sustainability" that acknowledges a period of transition, and uses engagement and voting as a more effective way to encourage better corporate behaviours and, ultimately, positive change.

Investment approach
We continue to believe in the benefits to clients of our long-standing investment approach – Global, Active, Direct and High Conviction. We have a differentiated and repeatable investment process and a proven track record of navigating market cycles and rotations, generating value primarily through our bottom-up security selection but with asset allocation decisions also contributing positively over time.

The delivery of long-term sustainable value
We have already highlighted the strength of our conviction in the merits of a pragmatic, forward-looking approach to responsible investment, where the assessment of material ESG factors is naturally integrated into our fundamental analysis. We have been consistent in our approach, having always chosen to acknowledge a period of transition, to incorporate companies across the entire supply chain, and to focus on direct engagement with company management over blanket exclusions, as a better and more credible way to bring about positive change.

We continue to believe that this is the most effective way to achieve our dual objective of meeting our fiduciary duty to clients, while also helping to encourage the corporate behaviours needed to deliver progress in ESG standards over time.

Responsible stewardship
We pride ourselves on being thoughtful stewards of our clients' capital and our approach is focused on four elements. The first will be covered in this section and the others in the remaining parts of the report:

1. ESG integration
2. Impactful engagement
3. Voting with intention
4. Promoting transparency

ESG scores do not capture the direction of travel
Use of negative screens, a reliance on ESG scores or blanket exclusions of certain industry groups, not only tend to be backward-looking, but also fail to acknowledge that under good management and with technology evolving at an ever more rapid pace, companies can change for the better. Importantly, blanket exclusions also remove a seat at the table and the opportunity for us to exchange views with management at the highest level. We provide some examples of our engagement activity later on in the report.

ESG integration
We view the assessment of ESG factors (both risks and opportunities) an integral part of good fundamental research, rather than something separate to consider. Good governance is central to delivering a sustainable business in all its forms (durability, returns for shareholders, improving ESG standards) and so the review of a company's governance standards and practices has always been an essential part of our analysis.

Similarly, when evaluating other factors that could impact (either positively or negatively) a company's ability to generate free cash flow and sustain high, or improve, returns on capital over the long term, it is difficult to ignore material environmental or social factors that could have significant operational, financial and reputational consequences for its business.

ESG factors are, therefore, intrinsically linked to the long-term returns of an asset, and we employ a bespoke framework that highlights the ESG issues most financially material to specific industry groups, and ensures they are considered and investigated in a consistent manner across the Investment team. It also provides a formal foundation for our engagement activities and, importantly, is a far more effective way to evaluate real-world environmental and social outcomes.

Our framework is adapted from the Sustainability Accounting Standards Board's (SASB) ESG materiality framework and based around its five sustainability pillars. We select the six most financially material topics for each of the 150+ Global Industry Classification Standards (GICS®) sub-industry groups, with an assessment of corporate governance standards included as a core element within our due diligence on all companies, and "other material factors" also incorporated to capture any ad hoc controversies.

The importance of materiality
As an example, the energy source and more efficient use of energy in high-emitting, capital-intensive companies producing materials such as cement, steel and chemicals, not only have potentially significant cost implications for their business, but will also have a meaningful impact on 'absolute' carbon emissions (based on Scopes 1, 2 and 3) on a global basis.

By contrast, the pharmaceuticals industry only produces a very small proportion of the world's total emissions, so our focus is better placed on assessing their track record and standards around product quality and safety, access and affordability, selling practices and product labelling. Serious lapses in any of these areas could not only cause widespread social harm, but could also carry significant reputational and operational risks, with the potential to undermine the company's financial sustainability.

Similarly, issues compromising the security and privacy of a digital platform's user data could have material social consequences for its users, as well as reputational (loss of users, advertisers) and cost implications (upgrading of systems, payment of fines) for the company that undermine its long term financial viability.

Portfolio outcomes
What we have found is that our investment approach tends to produce portfolios and funds with above-average ESG quality metrics and below-average carbon risk when compared with global benchmarks. This reflects the fact that companies with poor or deteriorating ESG standards usually fail our detailed security selection process on fundamental grounds. Without any portfolio restrictions, this has naturally avoided some of the most frequently requested ethical exclusions such as tobacco, controversial weapons, adult entertainment and gambling.

We continue to have exposure to fossil fuels, nuclear power and defence, but in some cases the exposure is less than 10% of the company's revenues which is deemed acceptable under many ethical screens. As mentioned above, with the significant escalation of geopolitical tensions in recent years, a growing number of investors are now adopting a different view towards energy and defence exposure in investment portfolios and have rolled back prior exclusions. As ever, it is an area that remains subjective and dependent on an individual's values.

Materiality framework

1	2	3	4	5
Leadership and governance	Environment	Social capital	Human capital	Business model and innovation
Business ethics and behaviour	Energy management / GHG emissions	Product quality and safety	Labour practices	Material sourcing / supply chain management
Remuneration policies	Water and wastewater management	Selling practices and product labelling	Health and safety	Product design and lifecycle management
Systematic risk management	Waste and hazardous materials management	Access and affordability		Physical impacts of climate change
Critical incident risk management	Biodiversity / land use	Customer welfare		
		Data security and consumer privacy		
		Human rights and community relations		

The Equities team seek to identify companies where the market underappreciates the quality of the business. This can either be the long-term sustainability of high returns on capital (i.e. driven by enduring competitive advantages) or a structural improvement in returns on capital from lower levels, enhancing the business quality. Both have strong track records of outperforming the broader market over time. Typically, we look for opportunities with a 3-5+ year investment horizon.

Stock selection
We evaluate each company through the lens of our four key attributes:

1. Durability
A sustainable competitive advantage providing pricing power and, in turn, the ability to sustain high or improve returns on capital over the long term.

2. Opportunity
An opportunity to grow future free cash flow (FCF), either sustaining steady FCF growth or a positive inflection in FCF as margins and returns on capital improve.

3. Alignment
Efficient capital allocation and aligned management incentives.

4. Valuation
A fundamentally attractive valuation given the opportunities and risks.

Focus on FCF
The market typically focuses on non-GAAP earnings per share, which are susceptible to manipulation and generous adjustments by management. Our focus on FCF (cash flow from operations less capital expenditure) helps to look through these accounting judgments, with the added benefit of normalising valuations across geographies that may have different accounting standards. Analysing a company's ability to grow free cash flow provides a clearer measure of a company's long-term financial sustainability, and is a core part of our "Opportunity" attribute analysis.

Integration of ESG factors
The identification of our four key criteria ensures a thorough review of both quantitative and qualitative factors, including those related to ESG. We assess ESG factors in the same way as any other material factor that could impact a company's financial sustainability and long-term investment performance (positively or negatively), either by enhancing or undermining its competitive position (Durability) or impacting the ability to grow FCF over the long term (Opportunity). Understanding corporate governance standards and management incentives is also a core part of our "Alignment" attribute analysis.

Acknowledging that there continue to be good reasons for some regional differences in governance practices, we do not look for a "one size fits all" approach when assessing individual companies but consider in the context of regional and industry standards.

A review of governance standards is central to an assessment of a company's sustainability in all its forms and forms an essential part of our analysis. Similarly, when evaluating factors that could impact (either positively or negatively) a company's ability to generate free cash flow and sustain high, or improve lower, returns on capital over the long term, it is difficult to ignore material environmental or social factors that could have significant operational, financial and reputational consequences for its business.

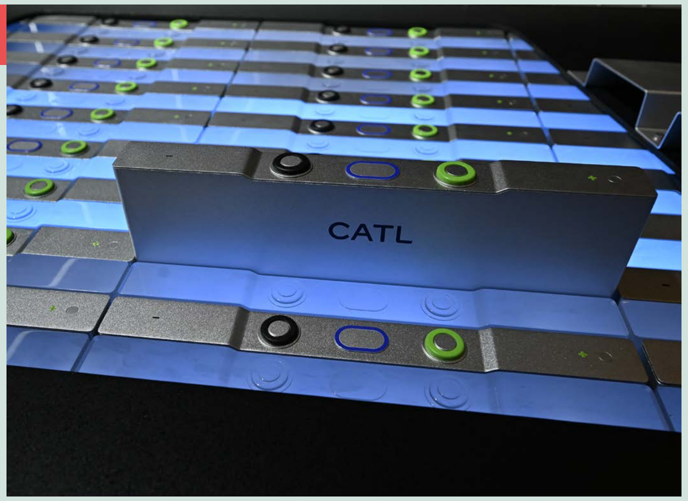
Fundamental assessment of material ESG factors

Assess ESG impact on a company's business model	Assess ESG impact on corporate fundamentals	Assess qualitative factors
Long-term demand trends Customer preferences Regulation Competitive position Physical and systemic risks	Market share Profitability Capital requirements Free cash flow and ROIC Solvency	Governance standards Business strategy Remuneration policies Reputation and corporate culture Financial transparency
Durability	Opportunity	Alignment

Is the valuation attractive once all ESG risks and opportunities are taken into account?

Valuation

Case studies
Over the next couple of pages, we provide case studies to highlight two very different businesses with distinct ESG factors to consider. This year, we have chosen two Chinese companies. As a firm, we have had little or no direct exposure to China in recent years, with poor corporate governance standards, a lack of financial transparency, inefficient capital allocation and the risk of unpredictable government interference usually preventing companies from meeting our selection criteria. Over the last 18 months, however, we have found a number of attractive investment opportunities.



CATL (China)

CATL was a new position in our funds and client portfolios in 2025. A global leader in battery technology critical to electrification and the energy transition – meeting our fundamental selection criteria, demonstrating high ESG standards and a clear climate transition pathway.

Description
A global leader in advanced battery technology. Specialises in the manufacturing of lithium-ion batteries for electric vehicles and energy storage systems, as well as battery management systems. It holds a 37% global market share, equal to the next three independent producers combined.

Durability	– Superior scale and vertical integration allows for cost advantages (Cost/Gwh) that drive attractive margins and returns on capital – Larger R&D investment spending is widening its technology lead vs. peers, reinforcing its competitive advantage
Opportunity	– Attractive end market dynamics - demand for batteries is growing c.20% per year for the next 5-10 years – Opportunity for further market share gains due to CATL competitive advantages – Potential for improved margins, as industry supply-demand dynamics improve (over-capacity in China led to bankruptcy of unprofitable peers)
Valuation	– We think the company could generate HK$30 of EPS in 2028 – Runway for high-teens growth continues beyond 2028 – The company has net cash on the balance sheet – Valuation attractive in relation to the growth potential and quality of the business
ESG quality	– CATL is an industrial manufacturing business with high energy requirements and, in turn, high emissions. It is one of the top 15 contributors to W1M's financed emissions – Any improvements in energy efficiency and / or lower cost energy sources can, therefore, have a significant impact on both its operating costs and total emissions – The company currently sources 65% of its power from renewable sources, achieving a 45% reduction in emissions per unit of production in 2024 – It achieved carbon neutrality in core operations in 2025 and aims to achieve carbon neutrality across the battery value chain by 2035 – Its subsidiary, Brunp, carries out battery recycling – achieving a recovery rate of 99.6% for Nickel, Cobalt and Manganese and 91% for Lithium. In 2024, CATL recycled 100,000 batteries – Strong governance practices and management of supply chains is in line with global standards

Case study

Kanzhun (China)

A recent addition to our Asia-Pacific Fund, Kanzhun offers an attractive investment opportunity. The company meets our fundamental selection criteria and displays high ESG standards.

Description
Kanzhun operates China's leading online recruitment platform, Boss Zhipin. Enterprises pay a fixed fee for posting job listings on the platform, and in return can communicate with candidates. Its algorithm finds candidates most suitable for the role. The company has 63m monthly average users (MAUs) and 14m verified enterprises on its platform, spanning both blue- and white-collar jobs. Assessing the company through our four key attributes:

Durability	– Network effect from both its scale and technology advantage, which combined help to improve matching capabilities – Superior scale gives operating leverage, allowing for cheaper pricing and enhancing the value proposition for enterprises
Opportunity	– This has driven consistent market share gains, such that it now has 50% MAU share – This should expand further as penetration of online recruitment grows, and the online recruitment market itself continues to consolidate – Monetisation of the platform remains low, with only 35% of enterprises being charged for job listings, and ARPU (average revenue per user) at only $14 per month for those that are paying. A pricing uplift alone will improve platform monetisation – The above dynamics are expected to translate into strong FCF growth and sustainability (or even improvement) of high ROIC over the next 3-5 years – Potential risks: (1) health of the Chinese economy and impact on the labour market – (2) AI could disintermediate the platform and act as an agent providing "intelligent matching" of online candidate and job postings, bringing new competitors into the market
Alignment	– The company is run by its Founder, Zhao Peng, who owns 29% of the company – It is a negative, however, that the share class he owns have super-voting rights – Stock-based compensation (SBC) has been extremely high in recent years (14% of revenue), not uncommon for tech companies, but essentially paid for by shareholders. When questioned, however, management confirmed that SBC will decline in absolute terms going forward – Meanwhile, it has made consistent increases to its dividend payout policy and share buyback programme as profitability and cashflow generation has improved. While shareholder returns could be higher, this appears prudent given the company has only been FCF positive for two years
Valuation	– Valuation attractive given the quality and growth profile of the business and while there are risks (see above and below), we believe these to be more than reflected in the valuation
ESG quality	– **Customer welfare:** data driven platform businesses face potentially material social and financial risks related to job fraud, misleading postings, algorithmic bias, and unequal outcomes for lower-skilled or less digitally savvy users, which could damage trust and platform engagement – **Mitigation:** Kanzhun mitigates these risks through real-name authentication for employers and candidates, AI-driven fraud detection, and content moderation to filter misleading or illegal job listings. Ongoing investment in matching algorithms and user experience aims to improve placement quality and retention, reinforcing the platform's network effects while aligning commercial success with positive employment outcomes – **Data security:** As a large-scale online recruitment platform, Kanzhun handles sensitive personal data, including resumes, employment history and employer hiring needs, making data security and privacy a material ESG risk. Regulatory scrutiny is elevated in China's internet sector, with potential financial and reputational consequences from data breaches or non-compliance – **Mitigation:** The company addresses these risks through centralised data governance, encryption, access controls, and internal compliance frameworks aligned with China's evolving data protection regime. Proactive investment in cybersecurity infrastructure and regulatory compliance reduces downside risk – **Labour practices:** Kanzhun's labour-related ESG exposure is primarily indirect, reflecting its role as an intermediary in the labour market rather than a large-scale employer. Risks include facilitating low-quality or non-compliant employment practices by third party employers, as well as internal challenges around talent retention in a competitive technology labour market – **Mitigation:** The company seeks to mitigate these risks by enforcing platform rules on employer conduct, removing non-compliant listings, and promoting transparency in job information

We take an active approach to fixed income, adjusting duration, credit and currency exposure in line with our economic outlook. We invest with conviction, using relatively concentrated portfolios so our best ideas can drive returns, while maintaining appropriate diversification across geographies and sectors.

Our aim is to deliver attractive income and positive returns, outperforming market benchmarks while limiting downside volatility. A key role of the fixed income allocation is to diversify the wider portfolio, particularly in more challenging market conditions. To support this, we maintain sufficient duration exposure and keep allocations to speculative-grade credit low.

Our strategy blends top-down and bottom-up analysis. The top-down view guides our positioning along the yield curve and helps us prioritise industries, regions and currencies. Bottom-up research and relative-value analysis help identify mispriced opportunities that can offer both income and potential capital appreciation as spreads normalise.

An active, high-conviction approach uses diversification and derivatives to manage volatility and deliver defensive characteristics, with negative correlations in risk-off periods. Returns are driven by disciplined positioning across the three core pillars of duration, credit and currency, fully integrated with ESG analysis and engagement.

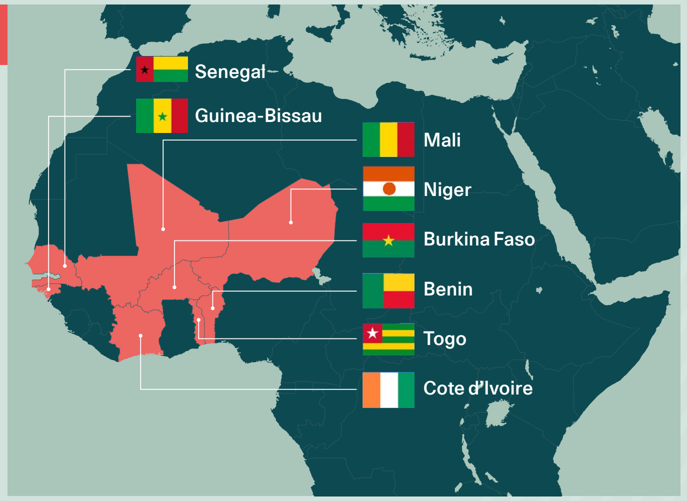
Selection process
We use a combination of qualitative and quantitative analysis to identify issuers that meet our fundamental ESG criteria, aligned to W1M's materiality framework.

Exercising influence
Fixed income investors cannot vote at AGMs, but we do exercise our rights in corporate actions when available. These range from administrative decisions to ESG-related matters. In 2024, we voted on eight corporate actions, most of which related to issuer buyback offers ahead of maturity.

Green bonds
While we invest in some green and sustainability bonds, we do not view them as a substitute for rigorous fundamental ESG analysis. We prefer a holistic assessment of each issuer and remain cautious of green or sustainability-labelled issuance where the underlying ESG credentials are weak.

Case study

West African Development Bank



The West African Development Bank (BOAD) is the joint development financing institution of the West African Economic and Monetary Union member states. BOAD's mission centres on poverty reduction and economic integration by financing projects across key sectors such as infrastructure, energy, agriculture, and education through loans, equity investments, and guarantees.

In February 2025, BOAD issued a landmark sustainable subordinated bond, representing a significant step in the region's transition towards responsible finance. As participants in the new issue, we played an active role in supporting BOAD's sustainability ambitions and reinforcing our commitment to stewardship in emerging markets.

This was BOAD's first public subordinated bond. In fact, prior to this the bank had raised subordinated debt only privately.

The bond was structured as a subordinated instrument, designed to strengthen BOAD's capital base while directly funding projects aligned with its sustainability framework. The issuance attracted robust investor interest, reflecting confidence in BOAD's governance and its transparent approach to sustainable development.

BOAD's sustainability framework serves as a blueprint for evaluating and selecting projects with measurable environmental and social impact. The framework prioritises investments in renewable energy, green infrastructure, and inclusive growth, ensuring that proceeds are deployed in ways that advance regional resilience and prosperity.

As participant in the bond issue, we engaged with BOAD's management, reviewing the sustainability framework, and advocating for best practices in impact reporting. Our involvement helped foster dialogue around sustainable finance and encouraged rigorous monitoring of project outcomes.

While BOAD has not yet issued a sustainability report for 2025, we have been monitoring its progress and were pleased to see its recent projects and achievements, including a 20bn West African CFA franc loan for the rehabilitation and asphalting of the Orodara-Mali border trunk road section (130km) in Burkina Faso, and a similar size loan to finance the construction and equipment of six agricultural and agri-food vocational high schools in Senegal.

The Alternatives process at W1M is managed by a dedicated Alternatives team, which operates as a specialist subset within the wider Multi-Asset strategies. This team is responsible for the active management of several funded vehicles, as well as a recommended alternative model specifically tailored for discretionary portfolios. Their approach combines the use of collective investment vehicles with the selection of individual alternative securities, ensuring these are appropriately included in W1M's recommended holdings. It adopts W1M's ESG and materiality framework, where appropriate.

In the financial services context, the term 'Alternatives' covers a broad universe, but for W1M, it is defined as non-traditional asset classes, distinct from conventional equities or bonds. The team further categorises Alternatives into two main sub-asset classes: Absolute Return and Real Assets.

Real Assets are defined as long-only, return-seeking alternatives intended to generate equity-like returns over the long term from sources differentiated from equity beta and bond duration. The investment universe for Real Assets includes Property, Infrastructure, Asset Finance, Specialist Lending, and Commodities. These sub-asset classes provide a wide spectrum of investment opportunities, offering exposure to both risk and return.

Despite the diversity within the Alternatives universe, the underlying asset classes share common traits. Notably, they are linked to global economic growth to varying degrees and tend to deliver rising returns in a positive economic environment. This structured, multi-faceted approach ensures that the Alternatives process at W1M is robust, diversified, and responsive to changing market conditions, supporting the broader objectives of portfolio resilience and sustainable performance.

The Absolute Return category is designed to deliver positive returns across most market environments and provide portfolio protection during periods of market stress. This sub-asset class is divided into three distinct groups:

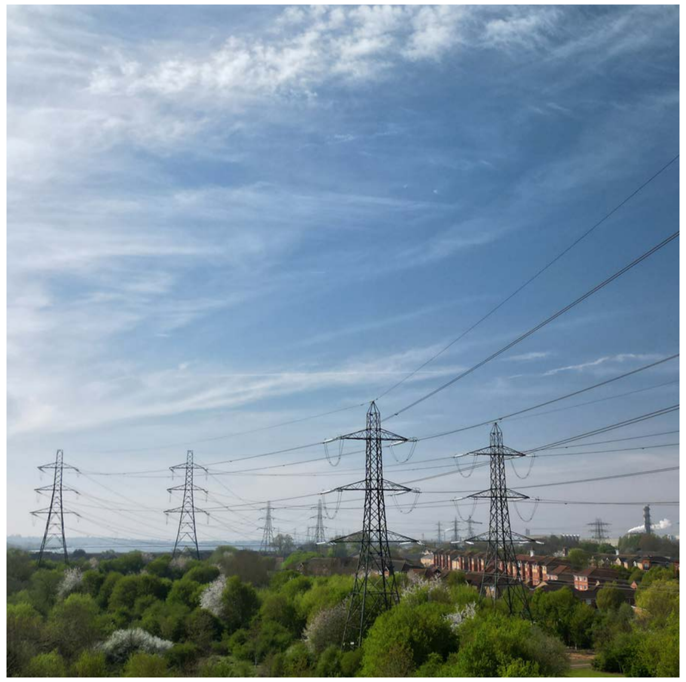
Specialist Fixed Income:
Includes short duration bonds, covered bonds, floating rate notes, inflation-linked securities, and asset-backed securities. These are generally GBP denominated and investment grade, accessible either directly or via funds.

Structured Opportunities:
Comprises bank-designed investments, both primary and secondary, which offer differentiated risk and return profiles. These typically leverage in-house expertise and target specific investment themes using bespoke notes, aiming to enhance portfolio diversification and deliver defined risk-adjusted returns.

Absolute Return Strategies:
Encompasses a range of collective investment schemes, including Market Neutral, Long/Short, Merger Arbitrage, Targeted Return, Absolute Return Bond, Global Macro, and Managed Futures. Funds are classified according to their volatility and risk profile to ensure accurate categorisation.

Investing in the future – power, grid and decarbonisation
The global shift to a low-carbon economy presents significant opportunities for innovation, economic growth, and job creation. Investments in renewable energy, energy efficiency, sustainable infrastructure, and digitalisation - including artificial intelligence - have been underway for many years, yet the scale of transformation required means there is still much to do.

Opportunities in low-carbon solutions span multiple asset classes, each offering distinct potential for value creation. Within Real Assets, we are investing with a clear future focus: meeting rising electricity demand, modernising the networks that deliver it, and accelerating the transition to a lower-carbon energy system. Across power, we target beneficiaries of electrification—from transport and industry to data centres—alongside critical equipment and services that keep systems reliable through the transition. In grid, we favour businesses positioned for multi-year transmission and distribution upgrade cycles, as ageing infrastructure is reinforced and expanded to integrate renewables and improve resilience.
And in decarbonisation, we allocate to owners and enablers of renewables and storage, where energy security and policy support continue to drive deployment. Together, these themes aim to capture durable, long-term growth while supporting a more secure, efficient, and cleaner energy future.



We are positioned across key areas benefiting from power demand, grid modernisation, and the renewable buildout.

Real assets exposure to the energy transition

Grid expansion and upgrade	Power generation	Decarbonisation through renewables and storage
National Grid / SSE Upgrading ageing transmission and distribution networks	**GE Vernova** Gas and wind turbines	**Greencoat UK Wind / Infratil / Brookfield Renewable Partners** Wind; Solar; Hydro assets globally
Vinci / Quanta Services Grid and renewable maintenance services	**Texas Pacific Land** Traditional energy land interests	**Quanta Services** Infrastructure services for electric power

Principle 2 Promoting well-functioning markets

As a business, we rely on the ability to invest in stable and well-functioning financial markets to serve our clients and other stakeholders. Equally, as responsible stewards of capital, we have an obligation to contribute to the long term sustainability of financial markets.

W1M's six pillar risk framework ensures we monitor and review all potential areas of market wide risk and systemic risks to the business, including:

Six pillar risk framework

1	2	3	4	5	6
Extreme downside risk	Absolute risk	Active risk	Stress tests	Liquidity risk	Concentration risk

The risk framework is a quantitative risk monitoring tool that was developed by W1M to support well-functioning financial markets.

Within our risk governance and oversight structure, there are three committees with specific oversight for investment performance and risk:

- Performance Review Committee
- Portfolio Dispersion Review Committee
- Portfolio Risk Review Committee (PRRC)

The latter is responsible for identifying and managing market risk. The PRRC is supported by the Performance and Risk team, which sits independently from the Investment team and monitors risk daily. W1M's Board is kept informed of potential risks to the business and how these risks would impact the company.

Stress test
A key part of the PRRC's remit is to identify systemic risks and review the exposure of client assets to them. The systemic risks are built into stress tests using a third-party factor-based risk model (FactSet MAC Model). These tests are incorporated into our risk monitoring systems and form part of our six-pillar risk management framework. Stress tests are performed monthly and are reviewed formally on a quarterly basis by the PRRC. Stress tests are reviewed individually and are aggregated when we set risk limits, referencing the risk profile of portfolios when setting these limits.

Case study

Global Risk Matrix – strengthening portfolio risk oversight

In the second half of 2025, the Portfolio Risk Review Committee (PRRC), supported by the Performance & Risk team, introduced a Global Risk Matrix (GRM) to enhance the firm's forward-looking oversight of portfolio risk.

The initiative was developed to strengthen the way macroeconomic, geopolitical and financial risks are identified, monitored and incorporated into portfolio management decisions across W1M's multi-asset strategies.

The GRM provides a structured framework for identifying and ranking the most significant global risks that could affect client portfolios. The framework maintains a Top 10 set of global risk scenarios, each assessed based on probability, potential portfolio impact and the transmission channels through which risks may affect asset classes. Alongside the core Top 10 risks, the PRRC also maintains a watchlist of emerging risks, enabling the team to monitor developments that may not yet represent systemic threats but could evolve into more material portfolio risks.

For each scenario, the PRRC defines trigger points linked to observable market indicators, including commodity prices, credit spreads, bond yields and macroeconomic data. These indicators are monitored regularly to assess whether the probability of a given risk scenario should be revised.

To strengthen this process, W1M has implemented daily risk monitoring supported by AI-assisted analysis, which reviews global news flow, market indicators and research commentary against the GRM trigger points. Potential developments are flagged to the Performance & Risk team and escalated to the PRRC and Investment team where appropriate.

The GRM also forms the basis for portfolio stress testing using the FactSet MAC risk model, enabling the team to assess how W1M portfolios may behave under severe but plausible market scenarios. In addition to the GRM scenarios, the firm maintains a library of over 35 stress scenarios, combining historical market events such as the Global Financial Crisis and COVID-19 with structurally modelled scenarios including inflation shocks similar to those experienced in the 1970s.

The framework strengthens W1M's risk governance and investment oversight, helping the firm identify emerging threats earlier and manage portfolios with a clearer understanding of the evolving global risk environment.

Monitoring climate risk

Climate change presents market-wide and systemic risks. Assessing climate risk remains challenging due to inconsistent corporate disclosures and varying measurement methodologies. Through our memberships of Climate Action 100+ and the CDP, we support the adoption of common standards and improved transparency around corporate disclosures on environmental impact. Both initiatives allow us to collaborate with others to encourage wider implementation of more standardised disclosures, and also provide the Investment team with access to global corporate environmental data to inform our investment analysis.

For further information, please review our contributions to improving climate disclosures in Principle 3.

The availability of reliable and consistent carbon data – particularly for global portfolios – continues to limit accurate assessment of portfolio carbon footprints and net-zero pathways. We expect well-managed companies to be forward-thinking in their allocation of capital, to mitigate transition and physical risks, adopt innovative technologies and practices, and maintain robust contingency plans in the event of severe weather-related damage and disruption. For further information, please review our case study overleaf on how we engage with companies on climate-related risks.

Each year, we publish a Task Force on Climate-related Financial Disclosures (TCFD) report on our website, which outlines our approach to identifying, assessing and managing climate-related risk.

Capturing the opportunities
Climate change and the transition to a low-carbon economy also presents significant opportunities for innovation, economic growth and job creation. Investments in renewable energy, energy efficiency, sustainable infrastructure, and digitalisation (including artificial intelligence) has progressed for many years, but substantial further transformation is required.

We seek to capture opportunities across the value chain and across asset classes with a focus on energy transition, power and utilities, and digital infrastructure. Select corporate bonds also offer compelling opportunities aligned with climate objectives.

For further information, please review how we explore these opportunities in Principle 1.

Case study

Engagement on climate

Addressing the impacts of climate change remains critical for companies and wider society, as the consequences are increasingly tangible and disruptive. The severe weather events experienced in 2025 — including heatwaves, flooding, droughts and storms across multiple regions — underscored the growing risks to human safety, infrastructure, supply chains and economic stability.

Continued action on climate change is therefore essential not only to mitigate future risks, but to support sustainable economic growth, protect communities and ensure that organisations are equipped to operate responsibly in a rapidly changing environment.

Issue

As long-term investors and responsible stewards of our clients' capital, we fully recognise our responsibility to help drive positive environmental change. We also acknowledge that meaningful change on a global scale will take time and believe this necessitates a pragmatic approach, where we actively engage with companies in all sectors and focus on their direction of travel.

Action

During 2025, we targeted our engagement on those companies that had reported emissions above their absolute emission reduction pathways. We have been monitoring and reporting annual progress as part of our obligations under TCFD since 2023. All have different emission profiles and explanations for their reported progress.

In 2024 and 2025, we engaged with 24 companies regarding their climate transition plans and emission reduction targets. Of these, we engaged with seven in both 2025 and 2024, and six were new conversations in 2025.

Outcomes

Below, we highlight some examples of discussions we had during the course of 2025. These serve to demonstrate the challenges companies still face measuring and tackling their emissions (across Scopes 1, 2 and 3), and the importance of engaging with the respective company management teams to gain a more detailed understanding of their ambitions and targets. Where there are significant deviations from their reduction pathways, it is important that we fully understand why and ensure we are comfortable that they remain on track to achieve their long-term targets. Given our 3-5+ year investment horizon, these conversations are therefore ongoing.

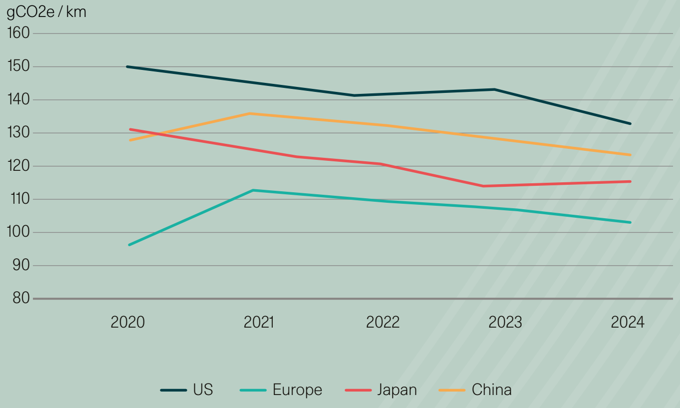
Kongsberg Gruppen is an international technology company, headquartered in Norway, and a longstanding holding in our European Dividend Growth Fund. The company supplies advanced systems to the defence, maritime and aerospace industries. In 2024, it significantly increased the disclosure of Scope 3 emissions coming from the use of sold products. This was not only a reflection of the refinement of its calculation methodology, but also the expansion of the base of product sales included in the calculation.

99% of its emissions come from three product categories (predominantly ship propellors), of which a third came from variable pitch propellors. The emissions disclosed, however, have to include those of the customer's entire vessel over the 25-year life of Kongsberg's propellor. This meant that emissions from use of sold products almost doubled in 2023 (versus previous disclosure), and the 2021 base year data (on the which Science Based Targets initiative (SBTi) approved targets were based) increased by 128%. As a consequence, Kongsberg is reviewing its emissions data and targets and had planned to resubmit its SBTi targets in 2026.

However, the separation of Kongsberg Maritime from Kongsberg Defence & Aerospace announced in October 2025, means this will not happen until new plans for each company have been formulated. The maritime business argues that lower International Maritime Organisation (IMO) adjusted figures are more realistic, given the long life of propellors. However, adopting IMO targets mean ships will need to be retrofitted with new technologies (e.g. new engines, e-fuels, AI for ship routing and electrical systems when docking etc.) in order to improve ship operating efficiency.

The challenge for Kongsberg is that its reported emissions and the achievement of its Scope 3 reduction targets will now be beholden to the shipping industry delivering future improvements. Thus, the company will need to devise new approaches and metrics to measure progress, and we will continue to engage with them on this topic.

Fig 1. Toyota - new passenger vehicle gCO2e/km



Source: Toyota/W1M

Toyota Motor is the world's largest automobile manufacturer and a leader in hybrid technologies. The stock is widely held across our client portfolios and the company has been a long-standing focus of our engagement, with eight meetings held in 2025 to discuss a wide range of ESG topics. We have reported previously on the company's climate transition plans and vehicle electrification strategy. Toyota's approach centres on hybrid electric vehicles to meet diverse customer needs across global markets - balancing affordability, sustainability and practicality - while progressively expanding its battery-electric vehicle (BEV) offering through new platforms and technologies. We believe this strategy remains well-founded.

Toyota's sustainability framework is anchored in achieving carbon neutrality across the full vehicle life cycle, recognising that manufacturing emissions from standard EV batteries are significantly higher than for hybrid batteries, and that BEV emissions are heavily influenced by the carbon intensity of the electricity grid in the region of manufacture. However, our primary concern from a financed emissions perspective is that Toyota's absolute emissions, including Scope 3, continue to rise even though Scope 1 and 2 emissions are declining and remain below their target pathway.

Toyota's SBTi target for Scope 3 emissions (i.e. those generated from the use of sold products) is a reduction of 33% by 2030 (versus 2019) per vehicle per kilometre driven. Without projections, disclosure of assumptions about future vehicle production, sales mix and kilometres driven, however, it is impossible to derive an absolute emission pathway to 2030 (based on the intensity targets) against which we can assess progress.

Nevertheless, historic data does indicate that in most major markets, emissions intensity is trending downward. The 4-year compound annual growth rates (CAGR) ranges from plus 1.7% in Europe to minus 3.2% in Japan – see chart below. This compares to a required overall global average reduction of around 3.6% per annum (11-year CAGR from 2019 to 2030 to deliver a 33% total reduction). While Toyota is therefore not far behind its stated ambition, absolute emissions will remain elevated until the provision of low-carbon electricity generation globally, expands materially.

Principle 3
Impactful engagement

Impactful engagement

We are committed to contributing to improvements in corporate practices, public disclosures and outcomes across the ESG spectrum over time. Our engagement focuses on areas where we believe we can be most effective in encouraging better behaviours, while also fulfilling our fiduciary duty to our clients to enhance or protect shareholder value.

We engage with companies both directly and as part of collaborative initiatives, preferring constructive dialogue with management over blanket exclusions, as a more effective way to encourage better corporate behaviours that will deliver positive, credible outcomes.

Engagement over exclusions
We firmly believe building constructive long-term relationships with investee companies is one of the most effective ways to help drive higher corporate standards. Use of negative screening or blanket exclusions of certain industry groups not only tends to be backward-looking but also fails to acknowledge that, under good management and with technology evolving at an ever more rapid pace, companies can change for the better.

From an environmental perspective, for example, while excluding oil and gas producers from investment portfolios would immediately improve "carbon metrics" (as well as W1M's corporate-level financed emissions), in reality it neither removes carbon emissions from the world's atmosphere nor necessarily accelerates the path to a low carbon world. Importantly, it also removes a seat at the table and the opportunity for us to exchange views with management of these companies at the highest level.

Direct engagement has, therefore, always been central to our investment process. This enables a deeper understanding of a company's business model and strategic direction, more effective monitoring of operational performance, and a fuller assessment of management quality, corporate culture and governance standards – insights that cannot be gained from screening or corporate reports alone.

545
Company meetings
(2024: 558)

70%
of meetings one-on-one or in small groups
(2024: 57%)

81%
of meetings with senior management
(2024: 78%)

Impactful engagement *continued*

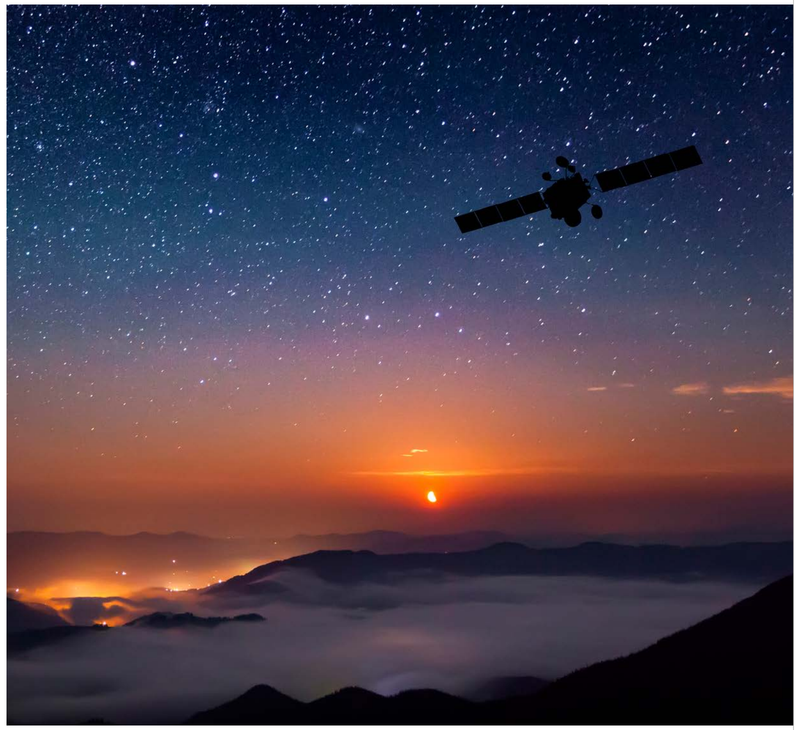
The responsibility for engagement sits with the Investment team who undertake all the detailed fundamental analysis and are best placed to assess every aspect of a company's sustainability. These meetings also provide a forum for us to advocate for the strong governance practices and efficient allocation of capital that underpin resilience and long-term financial sustainability.

Meeting with management around the world
During 2025, we participated in over 545 meetings with companies worldwide. Consistent with previous years, approximately 50% of our meetings were with companies in which we are invested. We meet with many others, however, not only as part of a continuous review of potential investments, but also because these conversations provide valuable insights into the health of the real economy and the competitive dynamics of an industry.

They can also highlight the relationship with and practices of those that may be suppliers to or customers of our investee companies, which is particularly important given the greater scrutiny given to ESG standards throughout a company's supply chain.

Our meetings also include a number of private companies developing potentially disruptive new technologies, products and services. Our Head of Equity Research recently published an Insights* piece on Japan's evolving space industry, with "space security" and "space sustainability" already a hot topic and likely to gain even more attention with the planned mega-IPO of SpaceX in the US in 2026. Most of these companies are still private but these meetings provide fascinating insights into what is being developed and how national security as we know it today, will change in the future.

*S Rheinwald, 'Japan's evolving space industry: opportunities and government support' (W1M, 12th March 2026)



Our meetings also include a number of private companies developing potentially disruptive new technologies, products and services.

ESG engagement topics
We engaged with companies across all eleven GICS Sectors (MSCI Global Industry Classification Standards) in 2025, with the breadth of topics shown in the chart opposite. These align with SASB's (the Sustainability Accounting Standards Board) five pillar ESG framework, from which our own materiality framework is adapted. Over the next few pages, we provide a selection of engagement case studies carried out by the Investment team in 2025.

Our approach to escalation
We build constructive relationships with investee companies and conduct thorough analysis before investing. Risks are initially assessed using our materiality framework, and concentrated portfolios allow close monitoring on an ongoing basis. If concerns arise, we engage with company contacts and escalate to senior management if required. Divestment occurs only if engagement fails or shareholder value is threatened. This approach applies to all asset classes.

Fig 2. ESG engagement topics

Leadership and governance	**25.8%**
Business ethics and behaviour	
Board structure and remuneration	
Environment	**33.3%**
Energy management/GHG emissions	
Water and wastewater management	
Waste and hazardous materials management	
Biodiversity/land use	
Social capital	**21.5%**
Product quality and safety	
Selling practices and product labelling	
Access and affordability	
Customer welfare	
Data security and consumer privacy	
Human rights and community relations	
Human capital	**3.2%**
Labour practices/health and safety	
Business model and innovation	**10.8%**
Material sourcing/supply chain management	
Product design and lifecycle management	
Physical impacts of climate change	
Other	**5.4%**

Source: W1M. As at 31.12.25

Collaborative engagement

We are selective in our collaborative engagements, focusing our time on those initiatives where we believe we can be effective in helping to drive positive outcomes with real-world benefits.

Collaborating to improve climate disclosures
Since 2021, we have participated in two collaborative climate-focused initiatives – Climate Action 100+ and CDP. Both are aimed at improving the reliability and consistency of corporate environmental disclosures, the necessary building blocks to a more accurate assessment and comparison of companies' performance and progress against targets.

This was the fifth year we have actively supported CDP's Non-Disclosure Campaign, targeting companies who do not disclose data through CDP's climate-related questionnaire. CDP (formally Carbon Disclosure Project) was founded in 2000 as a non-profit organisation in London, with the ambition of transforming capital markets by making environmental reporting and risk management a new business norm. The organisation subsequently shortened its name to CDP to reflect a broader scope covering deforestation, water, plastics and supply chain, alongside climate change.

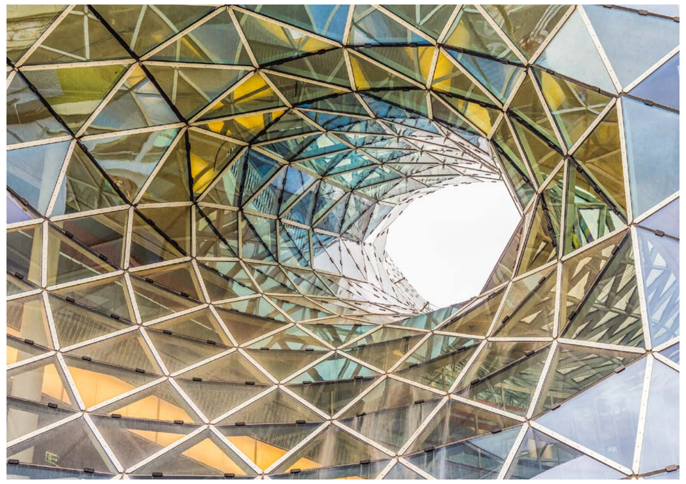
Meaningful progress has been made
Since 2021, we have seen significant improvement in the quality of corporate disclosures and it is noteworthy that the number of companies with SBTi-validated GHG emission reduction targets has now reached over 10,000 globally, with a further 2,700 with targets or commitments. This is after SBTi validated 2,800 new companies in 2025. Japan now has the highest number of validated companies globally—over 2,000—followed by the United Kingdom, the United States and China.

Reports also show that while the number of companies making submissions to CDP declined c.10% in 2025, the quality improved with Scope 3 GHG emissions disclosure (covering supply chain and use of sold products) increasing 10%, and starting to approach disclosure levels for Scope 1 (own energy use) and 2 (purchased electricity).

Future collaborations
W1M (predominantly under the former Waverton business) has been an enthusiastic collaborator with CDP for a number of years, and this has been successful. However, it is apparent that the evolution of corporate disclosures, both voluntary and regulatory, in annual reports and ESG/Sustainability Reports means the purpose for which CDP was originally founded is becoming less impactful. It has achieved its original goal of environmental reporting becoming a business norm.

Going forwards, therefore, we will be reviewing a wider range of collaborative initiatives to ensure we not only make the most effective use of our time, but also focus our efforts on areas that still need significant improvement in practices or standards.

CDP Climate Action 100+



Case study

Yum China (E, S)

Headquartered in Shanghai, Yum China is one of the largest quick serve restaurant (QSR) companies in the country, owning the rights to the KFC and Pizza Hut brands in China.

Issue
The company has introduced a number of medium-term targets for carbon intensity, including a 66.3% reduction in Scope 3 by 2035 in absolute terms and net zero GHG by 2050. Yum China was the first Chinese restaurant company to introduce Science Based Targets, and we view it as an industry leader for disclosure. However, our analysis indicates that the company's carbon emissions have continued to grow in recent years despite the introduction of these goals. This is because, despite successfully reducing emissions per restaurant, the company's store rollout programme meant an increase in total emissions, in absolute terms.

We believe Yum China continues to demonstrate strong governance, not just by Chinese standards but also when compared with higher international standards. We will, however, continue to monitor its emissions pathway closely to ensure its improving store metrics become more clearly evident.

Action
We engaged with the company on the reasons for the inconsistency between its targets on emissions reduction and the ongoing increase in carbon emissions in absolute terms. We also sought to understand why emissions KPIs had been removed from executive compensation, in favour of targets on salt and sugar reduction.

Outcome
The company explained the various levers for improvement in its carbon emissions, and the reasons why its journey towards its 2035 target will not be a linear downward path. The majority of emissions arise from the feeding and production of meat and poultry, with "purchased goods" accounting for 75% of emissions. The company is working on new approaches towards animal feeds that can help with improvements here. They have also introduced training and targets around carbon emissions across their entire supply chain. This ensures there is an end-to-end focus on improving carbon intensity. Finally, they believe that the reduction in carbon intensity will also be a function of the broader rollout of renewable energy in the Chinese economy, which is growing at pace. For Yum China, their renewable power consumption increased +370% in 2024*.

As regards the change in KPIs for executive compensation, the company also explained that they want execution compensation plans to stay simple, and therefore only want one ESG KPI at one time. They had emissions included in the 2023 LTIP, but felt they also needed to signal their focus on the social "health benefit" to consumers of reducing salt and sugar, and hence the switch.

*2025 data not available at time of publishing.

Case study

Shell (E, S, G)

Shell is a global integrated oil and gas company, with a leading position in LNG and exposure to cleaner power solutions via its investment in EV-chargers (the largest provider globally), solar and wind power generation, bio-fuels, and carbon capture and storage technologies.

Source: Shell

Issue

Oil & gas companies face potentially material financial risks not only from an environmental perspective, but also social, health & safety and governance issues. In early 2025, we noted a meaningful increase in prior year process safety events, and an MSCI ESG rating downgrade resulting from lower scores for two particular key issues – (1) Biodiversity and Land Use and (2) Toxic Emissions and Waste. This led to specific engagements with Shell's CFO, Chair of the Remuneration Committee and Investor Relations (IR).

Action

The company has been vocal about its focus on improving profitability through operational efficiencies and disposals. During a small group call with Shell's CFO, we asked how we could be assured that the step up in focus on operational efficiencies was not to the detriment of employee safety, given the increase in 2024 process safety events.

The CFO stated that there had been no cuts in this aspect and that all maintenance spending was on track. Following this, the CFO contacted IR and they proactively provided more details by email. To corroborate and further improve our understanding, we raised this issue again with the Chair of the Remuneration Committee (Remco) during another group meeting.

With regard to the MSCI ESG rating downgrade, we contacted IR directly with specific queries around alleged deteriorating trends in (1) Biodiversity and Land Use and (2) Toxic Emissions and Waste, to which IR responded quickly and concisely.

Outcome

We learned that the increase in operational process safety events was mostly in divisions that were up for sale (Nigeria onshore oil, Singapore refinery). The board of Shell is aware that in similar circumstances in future, extra attention is needed to support employees worried about their jobs. With various safety approaches being refreshed, we will monitor closely and expect improving future trends. We also questioned the apparent unambitious 2024 personal safety bonus target with the Remco Chair, and learned there is more to be done to improve contractor safety but that the target set was industry leading (and exceeded by Shell).

The inconsistencies within MSCI's ESG analysis were confirmed by IR, who themselves had interacted with MSCI on this topic. From the company's perspective, there had been no deterioration in Shell's disclosure or performance related to Biodiversity and Land Use in the period prior to the downgrade. Regarding Toxic Emissions, three facilities were in the process of renewing their certification at the time of reporting, hence the reduced disclosure. However, the underlying performance had not declined. This provides another example of the shortcomings of relying solely on third party ESG data to make investment decisions, and we will check whether the level of certification has moved back to 100% in the next report.

Urban Logistics REIT (G)

Urban Logistics REIT is a UK real estate investment trust specialising in last mile logistics assets, and a long-standing holding in our Real Assets and Multi-Asset funds.

Issue

In early 2025, the company was trading at a persistent discount to net asset value (NAV), driven by concerns over scale, governance, and market sentiment toward smaller REITs. As a top 10 shareholder, we had long identified the company as a candidate for engagement to unlock shareholder value.

Despite owning high quality last mile logistics assets in an improving market, the company continued to trade at a steep discount to NAV, largely due to its subscale size compared with listed peers. Alongside these structural issues, investors had long been uneasy about governance, particularly the Chair's perceived lack of independence and the Board's limited responsiveness to shareholder concerns. These issues were amplified when the company announced a plan to internalise its management structure in March 2025 at a cost exceeding £10m, funded entirely by shareholders. The proposal appeared poorly timed, value destructive, and reactionary. Matters worsened when the company publicly suggested major shareholder support for the plan, despite this being untrue.

Action

Throughout March 2025, members of our Investment team engaged with the company's Board, strongly opposing the internalisation and presenting alternative structures. When the Board remained unresponsive and unwilling to engage, we worked collaboratively with other parties including Achilles Investment Company (an activist shareholder), to requisition an Extraordinary General Meeting. Proposed resolutions included removing the Chair, replacing two directors and cancelling the internalisation plan. This required extensive legal coordination across the shareholder group.

Outcome

Over a short two month period, the coordinated activism by W1M, Achilles and other key shareholders delivered a decisive and transformational outcome. The pressure exerted through direct engagement, public scrutiny and the threat of governance changes, created the conditions for LondonMetric Property to step forward with a public takeover offer at a substantial premium to the prevailing share price in April 2025.

Following the offer, Urban Logistics paused internalisation and Achilles withdrew the EGM requisition. Its share price rallied sharply, rising c.40% from December lows. The episode marked one of our most successful engagement cases in the REIT sector to date, following earlier work on PRS REIT, and demonstrates the impact of well coordinated stewardship in driving meaningful outcomes for shareholders.

Case study

Principle 4
Exercising rights and responsibilities

Voting with intention

As active managers, we use voting where we feel there is an opportunity to enhance or protect shareholder value. An integral part of this is to help influence corporate behaviours in a way that will contribute to positive environmental, social and governance outcomes.

The data presented in this year's report reflects a voting universe comprising the holdings in Waverton and London & Capital's respective equity funds, covering the majority of our AUM invested in equities. Following the convergence of AUM over the last year and merger of the funds in December 2025, the proportion of meetings and proposals voted on in 2025 is higher than previous years, but is likely to remain elevated only temporarily. The merger also introduced a number of complexities around different pools of assets, which continue to influence how voting is reported.

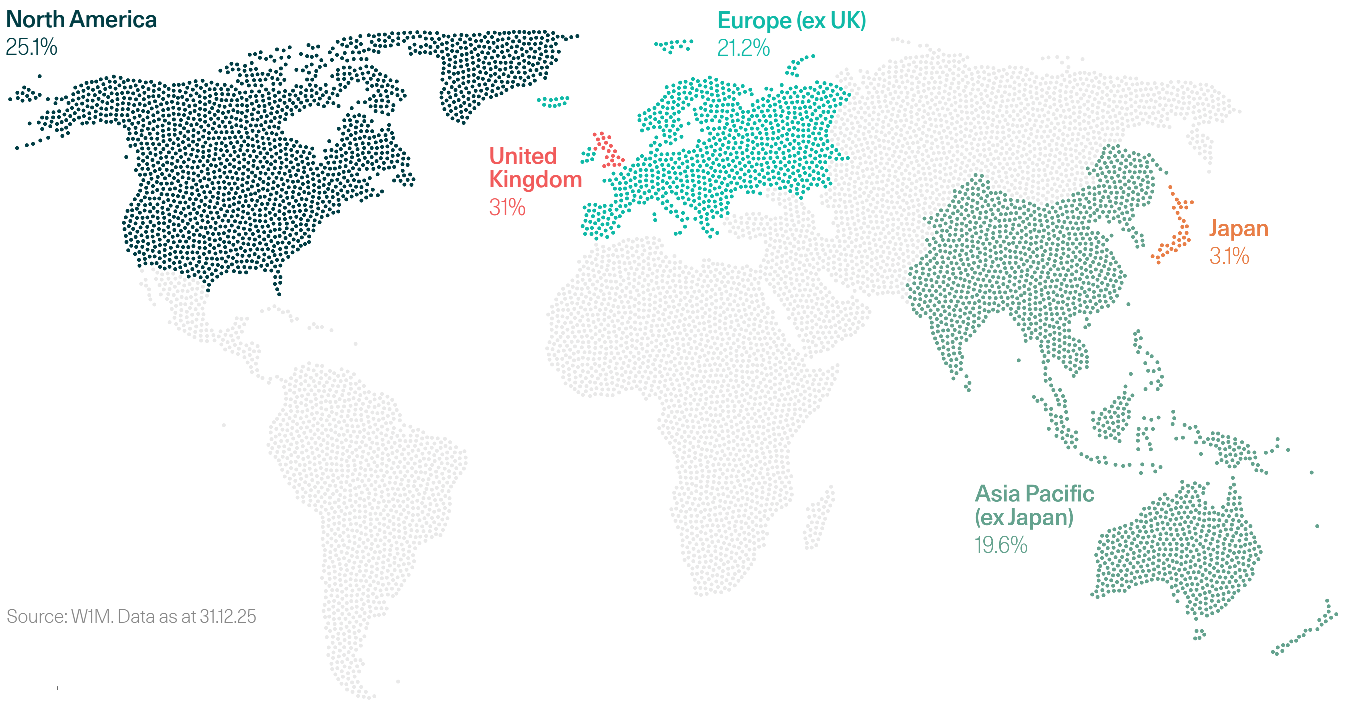
As in prior years, there is a small minority of holdings on which we do not vote. These include non-discretionary holdings, external custody accounts and a long tail of legacy positions – typically single-stock holdings being transitioned from other managers or securities where unusually large capital gains mean the client has instructed us not to sell.

Our approach to voting
Consistent with our broader stewardship responsibilities, voting decisions sit with the Investment team, as part of our integrated approach to responsible investment. We continue to partner with Glass Lewis, a leading independent voting advisory firm.

We receive their analysis and recommendations for both management and shareholder proposals and review each one on a case-by-case basis. Particular attention is given to recommendations against management or proposals on more contentious issues, where we may have strong views either For or Against.

We provide a summary of our voting activity on page 47, and a full breakdown of company-level proxy voting decisions is available on our website. The chart below highlights the geographic distribution of voting proposals in 2025.

Fig 3. Shareholder meetings voted by region



Source: W1M. Data as at 31.12.25

Voting with intention

Voting activity 2025
As a combined business, we continued to vote on the majority of our equity AUM, with 95.2% of votes cast in support of management proposals (see figure 4). This high level of support reflects the Investment team's rigorous due-diligence process and our preference for investing in well-managed companies with strong, or clearly improving, governance standards.

Our focus in this report remains on those proposals which feature recommendations or vote decisions Against either management or shareholder proposals, or where our decisions diverge from Glass Lewis recommendations. These are particularly noteworthy given that most AGM proposals are routine – such as board appointments, administrative approvals and financial statements – and rarely contested. Management proposals continue to account for the majority of our voting proposals at 98%.

As in previous years, our voting remained closely aligned with Glass Lewis with 99.8% of votes matching their recommendations. One notable exception was a board appointment at Hitachi, where we supported management despite Glass Lewis' recommendation to vote against. Following our engagement with Hitachi, we were satisfied that the director nominee held strong management, financial and accounting expertise, deep business knowledge, and that board independence remained robust with four out of five committee members independent.

Having had minimal exposure to equity markets in the Asia Pacific ex Japan region (especially China) for many years, we have found several attractive investment opportunities over the last 18 months, resulting in a higher number of Asian stock holdings within our equity exposure. This resulted in a near doubling of the number of meetings voted on in Asia Pacific ex Japan in 2025 (50 vs. 28), of which 38 were ordinary AGMs and the balance "special" meetings.

On page 49 we highlight examples of how we have voted against management and our rationale.

255
Number of meetings voted

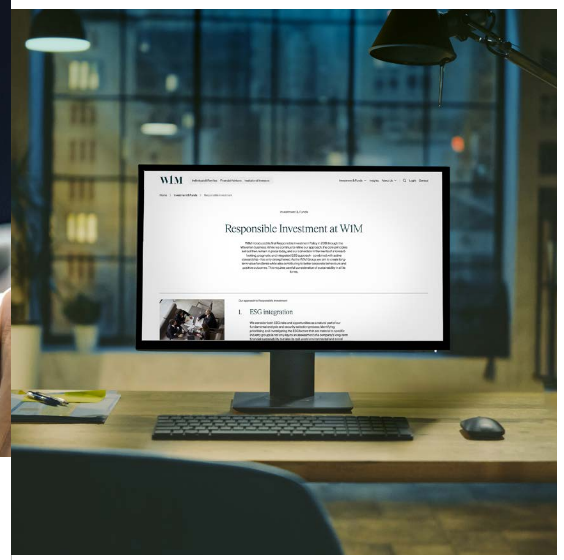
3423
Number of proposals

95.2%
Percentage of votes with management

Management proposals
We opposed 132 management proposals in 2025, down from 153 in 2024, continuing the downward trend observed over the past two years. Almost all proposals we voted Against fell within two Governance-related sub-categories: Board-related and Compensation (see figure 5). We closely monitor governance structures and standards to ensure effective board level oversight, and also assess whether management remuneration policies are structured to incentivise the efficient capital allocation that will drive durable, long-term shareholder value.

The two regions where we voted Against management proposals most frequently were Asia Pacific ex Japan (37%) and North America (35%). In almost two-thirds of the cases, the focus of our Against voting was Board-related, which largely ranged from insufficient independence, lack of appropriate skills and overcommitment i.e. serve on too many company boards. This was followed by Compensation, where almost half the related votes were attributed to European companies. Common factors for our dissent included the disconnect between pay and performance.

Shareholder proposals
Shareholder proposals continued to decline year-on-year, largely due to ongoing regulatory and political constraints in North America, where most proposals were still concentrated. Of the 74 shareholder proposals we were eligible to vote on, we voted Against 72%.



Over two thirds related to social and environmental issues. In 2025, we considered 13 environmentally focused proposals (17 in 2024), all of which we voted Against. These primarily focused on extra reporting requirements, which we assessed as already sufficient. We concluded that the additional reporting would not enhance shareholder value or materially reduce risk. We remain committed to monitoring our investee companies' environmental performance and engaging where appropriate.

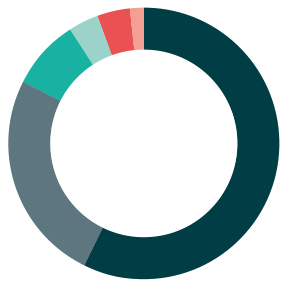
Figure 6 illustrates the proportion of votes cast For and Against by ESG category.

Fig 4. Alignment with management

With	95.2%
Against	4.5%
Abstain/Withold	0.3%

Source: Broadridge/Glass Lewis/W1M

Fig 5. AGAINST management proposals by governance sub-category*



Board-related	57.3%
Compensation	25.2%
Capital management	8.4%
Changes to company statutes	3.8%
Meeting admin and other	3.8%
Audit/financials	1.5%

Source: Broadridge/Glass Lewis/W1M

Fig 6. Voting on shareholder proposals by ESG pillar 2025 *

For	
Social	27.8%
Governance	44.0%
Against	
Environment	100.0%
Social	72.2%
Governance	56.0%

Source: Broadridge/Glass Lewis/W1M

*Due to reporting limitations, the ESG data reflects 90% of proposals.

Voting with intention

Examples of how we have voted during 2025
We highlight opposite examples of where we voted against management and our rationale. While not always successful in achieving our desired outcome, there was notable dissent from other shareholders for several proposals we also did not support. This helps to ensure management are aware of shareholder concerns, which we often discuss in follow-up meetings with management. For example, we engaged Thermo Fisher on its failed advisory vote on an executive compensation proposal. They acknowledged the shareholder feedback and will be publishing a proxy statement where they will describe actions taken by the company in response to the vote in Spring 2026.

As mentioned earlier, almost all of our voting is in line with Glass Lewis recommendations, with less than 10 occasions where we voted contrary to Glass Lewis. GCP Asset Backed Income Fund* (see table opposite) is an example of where we voted against both management and Glass Lewis, following our engagement with and in-depth knowledge of the company.

Company	Proposal	W1M vote	Rationale	Meeting results
Thermo Fisher Scientific United States	Advisory vote on executive compensation	Against	Disconnect between pay and performance and concerns with pay practices	**Proposal failed** 63.7% Against
Tencent China	1) Re-elect Li Dong Sheng (NED)	Against	1) Lack of committee independence and attendance concerns	**Proposals passed** 1) 16.9% Against
	2) Authority to issue shares w/o pre-emptive rights	Against	2) Issue price discount not disclosed	2) 30.8% Against
Air Liquide France	Re-elect Aiman Ezzat (NED)	Against	Low attendance at meetings	**Proposal passed** 14.1% Against
GCP Asset Backed Income Fund* United Kingdom	Re-elect Alexander Ohlsson (Chair)	Against*	Dissatisfied with quality of leadership and not acting in shareholders' best interests	**Proposal passed** 19.6% Against
Sumitomo Mitsui Financial Group Japan	Re-elect Isao Teshirogi (NED)	Against	Lack of committee independence and overcommitment	**Proposal passed** No data reported
GE Aerospace United States	Re-elect Directors: 1) Stephen F. Angel	Against	1) Concerning pay practices	**Proposals passed** 1) 7.7% Against
	2) Catherine Lesjak	Against	2) Concerns with board demographic disclosure	2) 6.3% Against
	3) Advisory vote on executive compensation	Against	3) Concerning pay practices and excessive grants	3) 29.0% Against
Visa United States	Shareholder proposal – regarding mandatory director resignation policy	For	Adoption could promote board accountability and ensure responsiveness to shareholder concerns	**Proposal failed** 16.9% For
Advanced Micro Devices United States	1) Advisory vote on executive compensation	Against	1) Disconnect between pay and performance	**Proposals passed** 1) 14.3% Against
	2) Approve director liability insurance	Against	2) Not in best interests of shareholders	2) 12.5% Against
	3) Shareholder proposal – length of share ownership required to call a special meeting	For	3) Existing special meeting right is overly onerous	**Proposal failed** 3) 12.1% For

Note: Voting examples listed above relate to management proposals, unless stated otherwise.

Principle 5
Monitoring external managers

Our third-party fund management activity represents a relatively small proportion of our overall business, but we apply the same rigorous oversight and stewardship standards to these external managers as we do across our core investment activities.

Third-party funds
Our fund selection process involves ongoing research, evaluation, and monitoring. For those funds in which we invest, we maintain a close and regular dialogue with the management team, seeking to meet them at least every 12 months but more frequently if there is an important event, such as unusual levels of volatility or an identified change in investment style.

We monitor our asset managers' activity via formal and informal processes against the selection criteria. On a weekly basis, portfolio and fund performance is reviewed and discussed by the Multi-Asset Strategies team. The team scrutinise the collective's performance, delving into style biases, sector biases and peer group performance. Attribution reports are analysed and look-through analysis is provided where available.

Where funds are not meeting our performance expectations, the team will escalate by assigning additional analysis and follow-up to the relevant analyst. More informally, we actively monitor existing holdings' daily performance via a watch list. Performance monitoring is supported via internal teams, and input from Morningstar, a leading global research, data and management firm.

Monitoring engagement and escalation
The direct (equities and bonds) escalation process in relation to third-party funds is delegated to external managers. In line with our own approach, however, we expect all our funds (and their respective investment teams) to actively monitor their investments and escalate appropriately as per their engagement process.

We regularly review our third-party funds holdings to ensure managers are monitoring their underlying holdings accordingly. We do this via ongoing reviews, ad hoc discussions, and regular reporting. Where a fund manager is unable to provide this service, they do not meet our thresholds for continued investment.

It should be noted we have an even higher threshold of escalation and engagement for ESG-specific funds. For these funds, we require detailed engagement processes to be in place as well as effective client reporting such as annual engagement reports, so that we can monitor and challenge their actions.

Principle 6
Monitoring stewardship service providers

We assess and rate all service providers that support our corporate and investment activities according to their contribution to our processes and client service.

Service providers
Our Risk Committee identifies critical providers who may hold or process our client data. We have a risk-based monitoring approach and conduct additional due diligence for critical providers, including quarterly reviews with any concerns escalated to the Risk Committee. We also conduct annual due diligence and cyber security assessments, and screen critical providers annually against sanctions or regulatory fines.

Third-party research and data providers
The Investment team uses third-party research providers to complement their own fundamental analysis and to provide an important diversity of opinion through discussions with industry/regional/asset class specialists. This includes access to information provided by specialist ESG data providers.

The availability of high-quality, transparent, reliable, and consistent ESG data continues to pose significant challenges for the investment industry. Despite advances in the industry, data discrepancies and gaps remain prevalent, underscoring the importance of rigorous selection and ongoing evaluation of research and data providers. Our approach ensures that we maintain access to the most credible information, enabling informed investment decisions and effective stewardship. For further information, please review our engagement with MSCI overleaf.

Review process
We regularly review our third-party research providers to ensure their services deliver value-add and meet the needs of our Investment team, while also evaluating new providers. Mid-year, the CEO and heads of the asset class teams formally meet to discuss whether any changes are required to existing arrangements both within and across asset class teams. Every November, we conduct a full annual review to decide what external research we will need for the following year.

We judge value using both quantitative and qualitative factors. The team logs all interactions with analysts, industry specialists and companies in our internal research portal. This helps us see how much and what kind of research we use and access we have each year. We check and share this information across the team at least twice a year, to gauge whether the research fees are fair for the amount and quality of research consumed.

Proxy voting provider
Our voting process is based on proxy voting reports and recommendations (subject to our review) provided by Glass Lewis. Following the outsourcing of our operations to SEI in 2023, their strategic partner, Broadridge Financial Services, facilitates the voting. The responsibility for voting decisions sits with the Investment team, who undertake the fundamental analysis and maintain the relationships with investee companies around the world. Decisions are proposed by a specialist within the relevant regional team and approved by the regional and/or global equity fund managers. Voting decisions for investment companies are made by the Multi-asset team.

Voting instructions are provided to the Corporate Actions team, who submit decisions through Broadridge Financial Services. The team verifies each instruction against the latest positions on our workflow dashboard, noting that Glass Lewis recommendations may occasionally change at short notice, requiring reassessment. Corporate Actions operates a two-stage review process to ensure all submissions are thoroughly checked. After each voting period, we review regular and annual reports summarising voting activity and outcomes. We also use the ProxyEdge platform to monitor voting status, upcoming meetings and to generate reports on our overall voting activity.

Case study

Monitoring and engaging with MSCI

MSCI is a leading global provider of financial market data, including indices, risk management analytics and ESG data

Issue
In 2025, we engaged with MSCI across a range of topics, with ESG rating changes the most significant area of activity. Alongside routine monitoring of controversies, business involvement, ESG scores and rating changes for companies and portfolios, we increased our resources dedicated to validating the information cited in MSCI ESG Reports and the rationale for rating changes. Where appropriate, this verification work also included targeted engagement with companies affected by rating actions (primarily downgrades).

Action
We raised multiple queries with MSCI to obtain clarification and, where warranted, challenged the basis for specific rating changes. This work strengthened our understanding of issuers, enhanced relationships with investor relations teams, and encouraged more effective information exchange between companies and MSCI (supported by improvements to MSCI's portal for information exchange). It also deepened our knowledge of MSCI methodologies and data availability. We escalated key findings to MSCI's specialist sector teams and senior management, who acknowledged gaps in historic processes, data management and quality and have endeavoured to rectify these. They also considered our recommendations to improve report accuracy and consistency.

Outcome
To date, however, ratings we consider to be incorrect have not been reversed. MSCI are, however, launching an upgraded ESG Ratings model in Spring 2026. The enhanced approach is expected to deliver:

- Updated methodology with an enhanced focus on financial relevance
- Greater transparency, including clearer visibility of the factors driving rating changes
- More granular, investment-focused data (c.200 new data points)
- Faster data updates
- Closer alignment with global standards to support consistent cross-market comparisons

MSCI's initial analysis of simulated scores and rating outcomes suggests that, while some individual company ratings will move up or down, the average industry-adjusted scores (IAS) for W1M's Global Recommended Portfolio (GRP) —a proxy for the firm's equity portfolio—will be slightly higher. As a result, the letter rating for the GRP (December 2025) should remain at AA.

Glossary

Term	Description
Carbon footprint	The amount of greenhouse gases (GHGs), expressed as CO_2 equivalents, that are emitted directly or indirectly as a result of a specific activity.
Carbon intensity	A measure of carbon dioxide and other greenhouse gases, expressed as CO_2e, per unit of activity.
Carbon neutral	A state where CO_2 emissions are counterbalanced by carbon offsets without necessarily having reduced emissions.
CDP (Formerly Carbon Disclosure Project)	CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
Financed emissions	The indirect GHG emissions that are attributed to an investor based on its ownership percentage of the company that emits those GHG's. Attribution is based on an equity ownership approach, whereby the investor 'owns' an equal percentage of a company's GHG emissions as it does of a company's total market capitalisation.
Greenhouse gases (GHGs)*	Gases that absorb and trap heat from the Sun in the Earth's atmosphere. Includes the following gases that are covered by the UNFCCC/ Kyoto Protocol: carbon dioxide (CO_2), methane (CH4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF_3).
Net zero*	A state of balance between anthropogenic emissions and anthropogenic removals. It can refer to net zero CO_2 emissions or net zero GHG emissions, which also includes non- CO_2 GHGs. Net-zero GHG emissions must be achieved at the global level to stabilize temperature increase, and targets set using the SBTi Net Zero Standard must cover all NFCCC/Kyoto GHG emissions.
Science Based Targets initiative (SBTi)	The SBTi is a collaboration between the CDP (formerly Carbon Disclosure Project), the United Nations Global Compact, the We Mean Business Coalition, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). SBTi defines and promotes best practice in emissions reductions and net zero targets in line with climate science.
Scope 1	Direct GHG emissions occur from sources that are owned or controlled by the company.
Scope 2	Indirect emissions from purchased electricity, heat, and steam for use in business operations.
Scope 3	All other indirect emissions that are a consequence of the activities of the company but occur from sources not owned or controlled by the company (e.g. supply chains and customers).

*As defined by the Science Based Targets Initiative

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