momentum
global investment management

# Stewardship Report

*Reporting period: One year to end June 2025*

UK STEWARDSHIP CODE

Stewards of your investment success

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[1]*Responses are provided only for Principles 1 and 3, as they are the relevant principles for the investment consultant activities covered in this report.*

# A message from our Managing Director

***Welcome to the next edition of the Momentum Global Investment Management (MGIM) Stewardship Report, our annual publication where we report the activity and progress on our stewardship and sustainability journey.***

We take our responsibility as custodians of our clients' assets very seriously, and always endeavour to balance environment, social and governance (ESG) factors and stewardship principles with commercial considerations to ensure good outcomes for our clients. We believe that the most effective responsible investment (RI) strategy is implemented via ESG integration and engagement rather than through extensive exclusions and divestment; the best way to drive change and act as good stewards of our clients' capital, is to 'have a seat at the table'. Across all our third-party, direct investments and advisory portfolios we assess these practices, with the aim to mitigate material ESG risks and, in some instances, look for ESG opportunities.

As we delve into the next submission of our stewardship report, I take pause to reflect on what a busy year it's been and I am proud of how we have steered a steady ship, always with our clients at the heart of our decision making. We saw key political events, a rise in geopolitical uncertainty, regulatory changes, and - at a business level - we made some changes to streamline and enhance the work we do.

We took the decision to stop investing in direct equities and reorganised the team from a generalist structure to one with focus areas, namely portfolio management and research. This has offered us additional focus and enables each individual to be a specialist in their area, improving our offering overall.

A good demonstration of how the team works effectively together is via our sustainability-related activities and, in fact, this report itself. Eleven members of our investment team wrote this report with input from other departments.

This collaborative approach demonstrates our commitment to integration rather than outsourcing stewardship and sustainability responsibilities to those removed from our core investment team and processes.

This report demonstrates our progress during the year across the responsible investment landscape. Some highlights, which we explore in more detail throughout the report include:

- Leveraging new and existing relationships to refine and increase proxy voting processes
- Assessment of the availability and quality of climate data for our equity holdings with the intention to start reporting to clients in a meaningful way
- Monitoring engagement activity of our third-party fund managers and engaging directly where we are invested directly in investment trusts
- Continuing to align and collaborate with our colleagues in South Africa.

We are proud to share this 'new and improved' version of the report with you, and I hope you are able to get a strong sense of our business identity and culture while reading it. As always, we welcome your feedback or discussion on the activities and categories included in this edition.

**Andrew Hardy**
**Managing Director**

# Introduction to Momentum

Momentum Group Limited is one of Africa's largest life insurers and integrated financial services companies based in South Africa. It is the parent company of Momentum Investments, which includes our UK capabilities (MGIM, MISC, CAIM).

Momentum Investments Group, a division within Momentum Group Ltd, encompasses several businesses and includes approximately 800 staff globally, with 65 based in the UK. Our UK business maintains the culture, flexibility and creativity of a boutique whilst benefitting from the resources and stability of belonging to a larger corporation.

Our UK business has two legal entities and three distinct business lines:

1. Momentum Global Investment Management (MGIM), a legal entity and the brand for our core investment management capabilities in the UK,
2. Momentum Investment Solutions & Consulting (MISC), our investment advisory business, which is part of the MGIM legal entity; and
3. Crown Agents Investment Management (CAIM), a specialist investment manager that manages fixed income portfolios on behalf of official institutions globally, a legal entity wholly owned by MGIM since 2023 and operating out of our London office.

MGIM are a discretionary manager of single asset and multi-asset class portfolios, which are predominantly invested via third-party managers, with the remainder invested in direct securities. Investments in third-party managers are generally made via segregated accounts and pooled funds. Direct investments are generally limited to listed closed ended investment trusts and high-grade government and corporate bonds.

MISC is the institutional advisory team of MGIM, which was established in 2014. Our goal is to provide UK institutional clients with truly bespoke strategies, exceptional service, and independent advice through various governance models, including:

- Traditional Advisory
- Outsourced Chief Investment Officer (OCIO)
- Fiduciary Management

CAIM are a specialist investment manager, predominantly managing fixed income portfolios on behalf of institutions, particularly official institutions (such as central banks), globally. The business is supported by MGIM but targets a client base and investment strategies that differ from MGIM's.

Each of our teams integrates our company's culture behaviours which are underpinned by six behavioural themes:

At MGIM, we pride ourselves on being strong supporters of global best practice and developments in terms of sustainability.

This report adheres to both the Principles for Asset

**We obsess about how we make our clients feel**

**We embody unreasonable excellence**

**Our authentic connections make this a great place**

**We act with courage**

**We champion empowered ownership**

**We collaborate for collective success**

Owners and Asset Managers (because we are an asset manager), and the Principles for Service Providers (because we are also an investment adviser). As part of this dual submission, we have included a dedicated Service Provider section for our UK institutional advisory business (MISC). These appear under Principle 1 (SP) and Principle 3 (SP) later in the report and outline how our advisory services support client stewardship, identify systemic risks and integrate responsible investment considerations for our UK institutional clients.

CAIM remains a separate legal entity, although they are supported by various business functions within MGIM, such as compliance. Their investment process, clients and asset class mix is separate to that of MGIM. Therefore, we have referenced them within relevant sections, such as when discussing board composition, but for the majority of this report, they are excluded.

# SECTION A -
## Organisation, Beliefs and Approach

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

*This section is applicable to MGIM, including our advisory business MISC.*

**Established in the UK in 1998**

**20+ investment specialists, with an average of more than 21 years of investment experience**

**Assets Under Management[1]**

**MGIM - £4.7bn**

*64% Equity*

*10% Fixed income*

*26% Multi-asset*

**CAIM - £2.0bn**

**Assets Under Advice**

**MISC[2] - £5.0bn**

**Institutional Investors**

**Financial Advisers**

**Individual Investors**

*[1]AUM as at 30 June 2025.*

*[2]MISC (Momentum Investment Solutions & Consulting).*

### Who We Are (Our Organisation)

Momentum Global Investment Management Limited (MGIM) is a global investment manager, established in the UK in 1998. We design, build and manage outcome-based investment strategies which are delivered through single and multi-asset portfolios and tailored client solutions. We work closely with our institutional and adviser partners in the UK and Europe, Asia, the Middle East, South America and South Africa to manage solutions that meet the needs of our clients. In addition to investment management, we also provide investment advisory services to large UK Institutional clients such as pension schemes and charities through our MISC brand.

MGIM is a wholly owned subsidiary of Momentum Group Limited, a large South African insurance and investment business listed on the Johannesburg Stock Exchange.

Following the successful delivery of the 'Reinvent and Grow' strategy over FY2022-25, Momentum Group launched its 'Impact' strategy for FY2025-27. This strategic plan builds on previous strategies, leveraging our diversified portfolio to benefit all stakeholders through strong relationships and service excellence, while aligning with our core purpose to 'Build and protect our clients' financial dreams'. Our strategy comprises six strategic choices:

1. **Design simplified and impactful client experiences as a foundation for growth**
2. **Unlock the full potential of our businesses**
3. **Harness synergies of collaboration within our federated operating model**
4. **Optimise our cost base to grow earnings**
5. **Invest aggressively in advice to drive growth**
6. **Selectively expand our addressable market where we have a right to win.**

At the global operating level, our multi management business - of which MGIM is a part - has the following long term ambition:

***"To be recognised as a diversified, leading and trusted investment manager and partner, managing sustainable, top performing portfolios for our clients and their advisers across the globe."***

We want to be recognised as a leading and trusted investment partner that enables personalised experiences through outcome-based solutions for our clients and adviser partners. We aim to deliver meaningful financial results to our shareholders while also being a great place to work for our staff.

### Our Investment Philosophy (Our Beliefs)

Our outcome-based investment (OBI) philosophy focuses on delivering the target outcome each portfolio is designed to achieve, helping investors satisfy their life and spending goals. These outcomes are typically expressed as real return targets to be achieved over a minimum recommended holding period, with a clear focus on making the investment journey as smooth as possible.

We believe that valuations tend to revert towards a mean over the longer term. This underpins the valuation discipline we apply over time. We also recognise valuations can stay distorted for meaningful lengths of time, and we need to carefully consider the expected reversion profile, which is where fundamentals and technical research can challenge positioning based purely on valuation. In recognition of this we prefer to lean more heavily into the valuation support when valuations become particularly extended.

We believe that no one manager has a monopoly on excellence, and that no one manager will have best in class product across the range of asset classes into which we invest. For that reason we search for the managers that we believe are the best in their field, who can play their role in the portfolio and with whom ideally we can build a lasting partnership. Recent business initiatives have borne this out with commercial collaborations between Momentum and several of our key long standing global equity managers.

We believe that taking a long term approach to investing is the best way to both deliver on our client objectives and to act as a responsible investor. A long term approach allows us to build stronger relationships not only with our clients but also with the third-party managers we appoint. These managers, in turn, engage directly with underlying company management teams and boards through ongoing dialogue and proxy voting. Building a long-term relationship with our managers, particularly within segregated equity accounts, allows us to help shape our investment mandate with our responsible investing agenda (or policy).

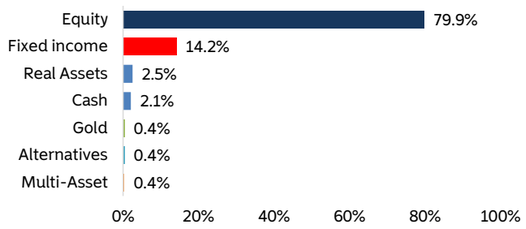
Assessing investment performance is also most meaningful through a long-term lens. Active management and its associated 'alpha' can be cyclical and is not predictable over the short term; however, it compounds over time. With this in mind, our strategic asset allocations embed long-term expectations, and we recommend a minimum holding period for our multi-asset strategies in order to allow these return drivers to play out.

### Our Investment Process (Our Approach)

We deliver on our OBI target outcomes by constructing well-diversified multi-asset portfolios, constructed and managed by our investment team. Having a diversified approach means we invest across a broad range of asset classes including:

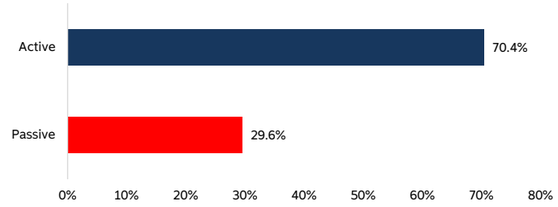
- Equities
- Fixed income
- Property
- Infrastructure
- Private equity
- Commodities
- Alternative investments

## Asset Class Breakdown*




**Figures may not sum up to 100% due to rounding.*

## Proportion of AUM that is actively managed vs. index-based




Our multi-asset portfolios are for the most part 'risk profiled', such that they would be expected to perform within a certain range based on their strategic allocations to equity, fixed income, real assets, alternatives and cash. The strategic asset allocation (SAA) for each risk profile is modelled quantitatively and reviewed every few years. Adjustments may be made due to changes in the underlying capital market assumptions (CMA) or the expected interaction of the asset class performance (covariance assumptions). Over the very long term however these tend to change very little, if at all.

Our approach to tactical asset allocation (TAA) - where a portfolio is pivoted around its strategic allocation - is anchored by a long-term, valuation-driven approach. This is supported by a fundamental asset class and/or regional assessment and technical indicators where appropriate. The MGIM investment team meets at least quarterly to reassess our medium-term asset class valuation and return assumptions, and appraise portfolio construction in light of the valuation, fundamental and technical considerations against the backdrop of the prevailing market environment.

For most asset classes, we invest through third-party managers via mutual funds, Exchange Traded Funds (ETFs) or segregated accounts. We also make limited direct investments in investment trusts, and high grade government and corporate bonds. We took the decision to cease investment in direct equities during 2025 in order to focus resources where we believe we can add more value for our clients. We use some derivatives for efficient and timely implementation; this could for example include FX forwards and exchange traded futures.

## What Responsible Investment Means to Us

Responsible investing forms part of our core beliefs at Momentum. We want to help people grow their savings, protect what matters to them and invest for the future in a responsible way to realise their financial goals. Sustainable and responsible investment practices are material factors underpinning investment outcomes for our clients and are key to our long-term success as a business.

We believe that by investing responsibly and in a long-term sustainable manner, our clients can experience a higher quality investment journey, mitigating the risks to invested capital associated with poor governance, social irresponsibility, and environmental disregard.

As stewards of our clients' capital, we need stable, functional and well-governed companies and financial ecosystems to deliver consistent and sustainable long-term targeted investment outcomes. We fundamentally believe that environmental, social, and governance (ESG) risks and opportunities are relevant to overall investment performance. A focus on long-term sustainability should be engrained in all processes and functions across our business, where possible.

From an investment management perspective, this means taking ESG factors into account when making investment decisions. We recognise that there are both risks and opportunities related to these factors and aim to incorporate them into our analysis, in the same way that we analyse other financial and economic aspects of our investments.

Beyond our sustainable product offerings, we do not actively pursue an 'Environmental' or 'Green' investment strategy. However, we are committed to ensuring our investments do not undermine the long-term sustainability of our investors, our business, the economy, society, or the planet. Where appropriate, we support allocating capital to issuers (companies and investment vehicles) that actively work to mitigate harm caused by ESG factors.

## The MGIM Investment Team

We have a well-resourced and highly experienced investment team, with over twenty people in the UK. We operate a unified MGIM-wide manager research and ESG integration process, ensuring that the same underlying philosophy, assessment criteria and stewardship expectations apply consistently across both advisory work and MGIM products. Although the core research framework is shared, its application naturally differs: for advisory clients, recommendations are tailored to individual objectives, governance budgets and existing portfolios, whereas for MGIM's investment products, research outcomes inform portfolio construction and ongoing monitoring within a fund context.

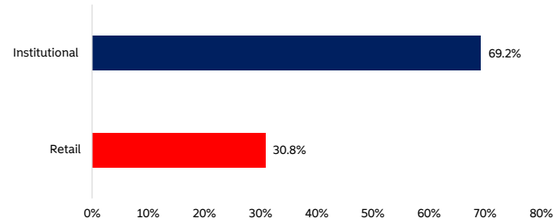
Prior to 2025, most team members had both research and portfolio management (PM) responsibilities, however, the team was restructured to allow individuals to focus on their core capability. Whilst a limited number of individuals may still share some responsibility across both lines, having the team structured in this way allows for clear accountability of performance at both an individual role and also investment performance level:

- The Research team is tasked with sourcing the investment funds and solutions that will comprise the bulk of client portfolios. This will principally include active strategies, passive mutual funds and ETFs (selection and oversight of managers is covered in more detail in a later section). The Research team members will also act as investment specialists for their asset class/coverage, providing views and input to the PM team and Asset Allocation committee as appropriate or when called upon
- The PM team is principally focused on the design, construction and implementation of MGIM's multi-asset funds and model portfolios, and their ongoing daily management. PM team members also lead on the main asset allocation research and will sponsor trade ideas for tactical inclusion where appropriate to the client mandate.
- This integrated team structure, positions us well to ensure high standards of stewardship across all our portfolios and to implement new or evolving responsible investment policies as appropriate.

## MGIM's Clients

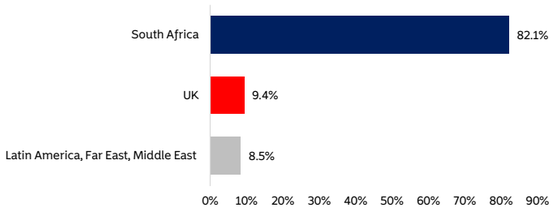
MGIM's asset management client base is primarily institutional investors, with most representing Group assets from South Africa. The majority of assets under management are from institutional investors and approximately one third of total assets are from retail, as shown below.

## Institutional/Retail Investor Split




Due to many of our asset management clients being financial advisers who recommend our products via life-insurance companies and platforms, we don't hold precise data on where underlying beneficiaries reside. Therefore, our assets under management (AUM) are split geographically based on where clients are headquartered, as shown below.

## Geographical Split



# SECTION B -
# Governance and Resources

*Describe how your governance and resources enable effective stewardship.*

*This section is applicable to MGIM, including our advisory business MISC.*

## 1. Governance Structures and Oversight

At Momentum Global Investment Management (MGIM), stewardship is not a siloed function but a core component of our investment proposition, rooted in the philosophy of our parent company, Momentum Group Ltd. Governance of stewardship is overseen by the MGIM Board, the Management Committee (ManCo) and the Responsible Investment Committee (RIC), in line with their fiduciary duties to clients and stakeholders. The MGIM Board reviews the appropriateness of our stewardship approach and finds it suitable given the nature of the mandates managed, the company's size, and our ability to effectively engage with investee companies and funds. Our research-based investment process integrates stewardship considerations alongside other investment characteristics, with day-to-day implementation delegated to the investment team, who incorporate ESG and stewardship factors into research, portfolio construction and manager oversight.

At Group level, Momentum Group Ltd - a signatory to the UN-supported Principles for Responsible Investment (PRI) since 2006 - provides strategic oversight of responsible investment through its Investment Committee and its Social, Ethics and Transformation Committee. These committees oversee responsible and economically sound investment practices across the wider business and ensure stewardship responsibilities flow from the Group Board through to individual analysts within MGIM.

Various committees provide additional oversight and challenge:

- MGIM Management Committee (ManCo): Includes the four executive directors and other senior managers within the business, co-opting other relevant staff members as needed. The ManCo meets formally every quarter and informally every fortnight.
- Responsible Investment Committee (RIC): Established in 2016, the Momentum Investments RIC provides oversight and monitors the relevance and integrity of our responsible investment practices and policies at a management level. This committee ensures alignment with global best practices. While it does not enforce decisions, it guides and seeks to influence the Group towards responsible investment choices. The RIC comprises seven voting members [AJ16.1]and includes standing invitations to the respective heads of the investment teams. Its responsibilities include: agreeing and defining the key responsible investment themes and goals in partnership with the Group on an annual basis; oversight of the practical implementation of RI Policies, the UN PRI principles, and the UK Stewardship Code principles; oversight of any material initiatives, goals, or developments relating to RI, ESG, and climate change. The RIC convenes formally every quarter.
- Responsible Investment Working Group (RIG): The RIG, led by RI specialist Jade Coysh, is responsible for operational execution or our RI approach. The group acts as the bridge between strategic intent and day-to-day investment activities and provides quarterly feedback to the RIC. It comprises representatives from the UK and South Africa, with three core members - including Jana Van Rooijen, Head of RI Momentum Investments, and Anna Jouneau, Senior Analyst within MISC, with additional members invited as needed.

To maintain effective governance, MGIM undertakes a series of regular assurance activities, including compliance reviews of policies and procedures, quarterly RIC oversight, maintenance of a central engagement register, quarterly proxy voting records, annual client reporting and periodic internal assurance reviews. Together, these processes ensure robust oversight, timely escalation and consistent application of stewardship expectations across the business.





## 2. Human Resources and Expertise

We operate a unified research and investment engine, rather than isolating stewardship in a separate department. Our investment team functions as the primary stewardship resource. We believe that portfolio managers and analysts - who know the assets best - are best placed to engage with them. Therefore, every member of the investment team is responsible for assessing the ESG and stewardship practices of the managers and companies they cover.

To support the generalist team, we employ a dedicated RI Specialist (appointed March 2023) to coordinate initiatives, provide thematic expertise, and formalise our processes. The UK team also draws on the resources of two dedicated responsible investment professionals within the wider Momentum Investments Group in South Africa.

To ensure our team remains effective, every member of the investment team completes regular ESG training modules. Most recently, continuous learning was achieved through the four Robeco Essentials courses: Sustainable Investing, SDG Investing, Climate Investing and Biodiversity Investing. Additionally, our RI Specialist has completed the CFA Sustainable Investing Certificate.

## 3. Systems, Data and Service Providers

Our stewardship activities are underpinned by a combination of proprietary systems and strategic external partnerships.

- **Momentum Analysis Database (MAD):** We utilise a proprietary cloud-based system, MAD, to centralise all investment research. This includes a dedicated engagement register that tracks interactions, objectives, and outcomes with fund managers and investee companies.
- **Data & Research:** We subscribe to Sustainalytics (via Morningstar) and Bloomberg for quantitative ESG data and controversy monitoring. We avoid using top-level 'ESG Scores' in isolation; instead, analysts use the underlying data points to challenge third-party managers and guide engagement agendas.

### Strategic Partnerships:

- **Robeco:** As our largest third-party manager relationship (approx. $2bn AUM), we leverage Robeco's extensive active ownership capabilities. We hold quarterly meetings to review their voting and engagement activities on our behalf. Additionally, we have access to some of their proprietary data around environmental footprint, and SDG scores.
- **Russell Investments:** For our model portfolio solutions, we utilise Russell Investments' Enhanced Portfolio Implementation (EPI). This partnership provides us with access to a dedicated active ownership team and proxy voting services, ensuring robust stewardship even where we hold assets indirectly.
- **Proxy Voting:** To cast votes for our investment trust holdings, we use Proxy Edge via Broadridge. This system manages the process of meeting notifications, voting, tracking, reporting, and record maintenance. Votes are cast according to the Momentum Group voting policy.
- **Reporting:** We use the third-party provider Clarity AI to produce SFDR analyses and reporting for the Article 8 Sustainable Equity Fund that MGIM manages in partnership with Robeco.

## 4. Incentives and Remuneration

We recognise that effective stewardship requires alignment of interest. As such, stewardship activity is explicitly considered in the annual performance evaluations of our investment staff. The quality of investment research - which must include ESG and stewardship analysis - is a key input in determining variable compensation.

Additionally, a portion of senior management remuneration is tied to ESG performance. For participants in the Group Long-Term Incentive Plan (LTIP), ESG factors account for 5% of the overall weighting, ensuring that leadership is financially incentivised to drive ESG performance.

# SECTION C -
## Policies, Processes and Review

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

*This section is applicable to MGIM, including our advisory business MISC.*

Effective stewardship starts with clear policies and a strong governance framework. Consistent with the UK Stewardship Code, we view stewardship as the responsible allocation, management and oversight of capital to deliver long term value for clients and beneficiaries.

Our policies outline how stewardship is embedded in investment processes, decision-making and engagement, and aim to promote consistency, accountability and alignment with our fiduciary duties and strategic objectives.

We regularly evaluate our policies and controls, adapting to feedback, regulatory developments and evolving best practice. Stewardship policies and processes are reviewed on an ad hoc basis, typically when a material change arises. In such cases, a member of the Responsible Investment Group (RIG) will review the relevant policy and propose amendments. These are discussed within the RIG, reviewed by senior management, and subsequently taken forward to the MGIM Management Committee (ManCo) for approval. Where a policy operates at Group level, changes are escalated to the Momentum Group Executive Committee for final approval.

Through clear policies and robust oversight, we aim to uphold strong governance, maintain transparency and deliver sustainable long term value for our clients.

### Responsible Investment and Sustainability Reporting (Policies)

MGIM maintains a dedicated Responsible Investing section on its website which includes links to the firm's RI policies that apply across the business:

- Responsible Investing policy
- Proxy Voting policy & Our Proxy Voting Approach
- Engagement policy
- Climate Change Investment policy

Momentum Group Ltd has a Climate Change Investment policy and Climate Decarbonisation Strategy in place. MGIM integrates this policy and strategy as far as possible and we continue to work towards full integration as we consider the most effective implementation of this.

MGIM do not have an exclusions policy that is applicable to all investments, however in 2024 we enhanced our Investment Management Agreements (IMAs) with newly appointed third-party managers by incorporating a Responsible Investment clause which includes a set of exclusions, detailed later in this section.

Our RI policies and processes are evolving, and we continue to monitor and improve them to ensure best practices. As part of this ongoing monitoring, the following updates have been made to our policies in recent years:

- 2023-24: Updated the scope and review sections in both the Responsible Investment and Engagement policies.
- 2024: Updated the Proxy Voting Policy to ensure it is practical and aligned with international best practices. Additionally, updated the scope and review sections to clarify Russell's role in voting the holdings on their platform on our behalf.
- 2025: Creation of a proxy voting approach document which outlines the practical application given the three different channels within the business. It includes the Russell EPI platform, the direct investments in listed investment trusts and third-party funds.

### Proxy Voting Policies and Processes

MGIM do not commit to voting on all matters arising, do not use default recommendations of proxy advisers and do not lend stock. Currently, clients do not conduct voting activity or instruct us on how to vote for their account, unless it is accommodated within the Investment Management Agreement (IMA) between the client and MGIM.





MGIM have a policy on proxy voting which serves as a guideline for the discretionary assets we may vote on directly. In addition to this, MGIM has a document outlining our proxy voting approach which outlines the specificities to the practical application of our voting process.

MGIM publish quarterly and annual voting summaries detailing votes cast in-house for direct equity investments (investment trusts), and on our behalf by Robeco and Russell Investments.

The key elements of our approach to voting are as follows. We:

1. Ensure adequate notice is given to shareholders ahead of meetings;
2. Review the performance of directors;
3. Review the structure of the board;
4. Ensure separation of key roles on the board;
5. Review the performance, remuneration and rotation of external auditors;
6. Review the remuneration of directors;
7. Review capital structures and other corporate actions; and
8. Escalate issues in line with our escalation policy.

### Engagement Policy and Escalation Process

Within our Engagement policy, we outline our engagement approach, engagement methods, escalation and how we evaluate the engagement outcomes. MGIM's approach to engagement differs by type of investment and asset class.

Where we outsource to third-party fund managers, we consider their approach to ESG as part of our assessment of their capabilities, focusing on an active engagement approach, advocating and mandating alignment where practical and monitoring progress. The fund research team are responsible for reviewing and monitoring engagement processes of third-party fund managers within their area of coverage and engaging directly with investment trust boards/management teams where relevant. Where we have investment management agreements in place with underlying investments managers, we are able to direct compliance with our principles. Note that our engagement policy outlines Momentum Investments' approach to active ownership although, in certain instances, there can be nuances between different business units due to differing locations, country-centric codes and policies, or for other business-related reasons.

With regards to investment trust holdings, if the initial steps of engagement and use of our voting rights prove unsuccessful, the MGIM analyst will first speak to company management, then the company advisers, and finally address the matter with the Board if concerns remain unresolved. It is unusual for us to meet with the Board unless we have serious reservations about the competence of senior managers or wish to express views directly on matters of corporate strategy. Whilst it is uncommon for us to intervene, we may also discuss our concerns with major shareholders to gauge how much influence we may be able to exert. If we remain unsatisfied or need to escalate further, we will follow our formal escalation process. This includes the possibility of withholding support at a proxy vote or, in extreme cases, divesting. Our escalation policy is detailed in our Engagement Policy, available on our Responsible Investing webpage.

***View all our Responsible Investing Policies here***

## Exclusions

MGIM's beliefs around responsible investment are centred around remaining invested and engaging for change. Therefore, we do not seek to apply extensive exclusions that limit the investment universe. Instead, we review the active ownership practices of our third-party managers and engage with direct issuers in instances of material issues where we think we can make a difference.

All of our portfolios exclude investments in businesses that are involved (directly or indirectly) with the production or distribution of cluster munitions. Before investing in a fund managed by a third party, MGIM's compliance team will obtain written confirmation of this from the provider. We also receive holdings from our third-party managers periodically, allowing us to monitor them using Sustainalytics (via Morningstar) in the same way.

For our direct investments in investment trusts we analyse and monitor this primarily through scrutiny of a company's pro forma accounts, familiarity with their management teams and directors, and using data from Sustainalytics and Bloomberg.

MGIM manages the Curate Global Sustainable Equity Fund which exhibits underlying sustainable objectives and adheres to the exclusion policy of Robeco Asset Management (level 2 exclusions), which can be found here: docu-exclusion-policy.pdf (robeco.com). An additional exclusion to help the fund meet its sustainable objectives, is the exclusion of metallurgical coal.

In 2024, we enhanced our Investment Management Agreements (IMAs) with newly appointed third-party managers by incorporating a Responsible Investment clause. This clause requires managers to strive to meet the objective of applying the exclusions detailed in the following table. We believe it is crucial for our third-party managers to adhere to these exclusions to promote better Environmental, Social, and Governance (ESG) practices. By doing so, we can ensure that our investments align with our commitment to sustainability, ethical standards, and social responsibility.



*Policy & Context Disclosure | SECTION C - Policies, Processes and Review*

| | Exclusion category | Screening measure | Revenue threshold |
|---|---|---|---|
| **Weapons** | ***Cluster munitions*** | Any direct involvement in production or distribution | >= 0% |
| | ***Controversial weapons**** | Revenue from production or services | >= 0% |
| **Fossil fuels** | ***Coal (Thermal & Metallurgical)*** | Revenue from extraction/mining | >= 10% |
| | | Revenue from power generation | >= 15% |
| | ***Arctic drilling*** | Revenue from extraction | >= 5% |
| | ***Oil sands*** | Revenue from extraction | >= 10% |
| **Other products** | ***Palm oil*** | Producers not subscribed to the RSPO (Roundtable on Sustainable Palm Oil), with all production certified | >= 20% |
| | ***Tobacco*** | Revenue from production | >= 0% |
| | | Revenue from retail | >= 10% |
| **Norms-based** | ***UN Global Compact breaches*** | Issuers in violation | N/A |

*Controversial weapons include anti-personnel mines, biological weapons, blinding laser weapons, chemical weapons, depleted uranium weapons, incendiary weapons, and non-detectable fragments.

# SECTION D -
# Conflicts of Interest

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

*The compliance policies and procedures detailed in this section apply to all of our UK businesses, including MGIM, our advisory business MISC, and CAIM.*

## Conflicts of Interest Policy

Our conflicts of interest policy, available on our website, ensures we manage conflicts fairly and in the best interests of our clients. This policy is communicated to all new staff when they join the company during the onboarding process. The policy requires that 'clients' interests are put first and that employees disregard any other relationship, arrangement, material interest or conflict of interest which may influence any service which the company may provide to a client.'

Given the nature of our business, the main types of conflict we are likely to encounter are those between the interests of MGIM or its employees and the interests of clients (firm and client) and conflicts between clients (client and client). All MGIM employees are responsible for identifying any actual and potential conflicts and notifying the UK Compliance team, which maintains a register detailing the systems, controls and procedures that are in place to manage the conflicts identified.

In the context of stewardship, conflicts of interest may arise where engagement, voting or escalation activities could be influenced by MGIM's own interests, those of its employees, or the differing interests or policies of multiple clients. Such conflicts are identified, assessed and managed through MGIM's conflicts framework to ensure stewardship decisions are taken independently and in the best interests of clients and beneficiaries. No stewardship-related conflicts of interest requiring disclosure were identified during the reporting period (as at 30 June 2025)

In compliance with the FCA Consumer Duty regime we have supplemented our existing policies and procedures into our business operations and decision-making processes, to ensure they permeate all aspects of our activities. This is to promote a culture that values fair treatment of customers that aligns with the Consumer Duty core principles.

Similarly, MGIM's Personal Account Trading Policy (PA Dealing Policy) requires employees to act according to the highest ethical standards, minimising the risk of conflicts of interests with clients, misuse of privileged or confidential information, insider trading, market abuse or interception of corporate opportunities. To ensure that the above is achieved, all employees are expected to comply with the spirit and intention of the PA Dealing Policy, as outlined in the Compliance Manual.

## Identifying Conflicts

In seeking to identify all possible conflicts that may arise in the delivery of our services, MGIM considers the following in relation to our business activities and the activities of our staff:

1. Conflicts between the firm (including its staff and related parties) and a client; and
2. Conflicts between one client of the firm and another client of the firm.

In applying the above relationships to our business activities (or the activities of our staff), it is worthwhile to identify specific factors which may indicate the occurrence of a conflict of interest:

1. Financial gain or loss at a client's expense;
2. An interest in the outcome of service or transaction which is distinct from the client's interest;
3. The existence of a financial or other incentive that favours the interest of one client over that of another;
4. All instances where the firm or a representative is in competition with the client; and
5. The receipt of an inducement from a third party which is beyond that of normal commissions or fees payable by law or under contract, or contrary to what has been disclosed to the client.





## Managing Conflicts

MGIM will always attempt, as far as possible, to manage any identified conflict of interest by imposing actions designed to mitigate the risk of any of our clients receiving unfair treatment. These policies of mitigation will not only consider the treatment of client interests in relation to the interests of the firm and its employees, but also the treatment between clients.

## Policy of Independence

MGIM expects employees to act independently in the face of an identified conflict of interest that may arise between MGIM and one or more clients, and/or between clients. This requires that employees:

1. Be competent to identify conflicts that may arise in the conduct of their normal work responsibilities;
2. Desist from treating a client in a manner that unfairly favours or prejudices that client based on specific information held about MGIM or another client. Accordingly, employees must in these circumstances formally disregard such information about MGIM, other client relationships, or their own interests in the performance of their duties to the client; and
3. Promptly notify the UK Compliance team where there is any uncertainty as to the existence of a perceived conflict or as to how to deal with a conflict in accordance with this policy of independence. The UK Compliance team will then be in a position to give the employee the necessary guidance thereon.

## Disclosure

This is used as a measure of last resort, where the effective organisational and administrative arrangements are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of client will be prevented. MGIM will consider disclosing the conflict of interest to one or more affected clients in circumstances where this is merited. The decision on whether or not it is pertinent to make a disclosure to the client will be made jointly by the Managing Director and Head of Compliance. All disclosures must be detailed and in a durable medium such that the client may make an informed decision whenever such a conflict may arise, setting out the arrangements that were in place to mitigate conflicts and the specific description of the conflict that is being disclosed. Such disclosure must be made in a manner appropriate to the client. From the information provided the client should be able to make an informed decision.

## Refusal to Act

In cases where MGIM considers that it has encountered a conflict of interest (in relation to a new client, proposed mandate, client request or other circumstance) that it is unable to mitigate or manage without risk to one or more clients, MGIM's Managing Director, together with the Head of Compliance will notify the client in writing that it is unable to provide the requested services to a client on suitable grounds appropriate to the circumstances.

## Information Barriers

Information barriers are artificial barriers to the flow of information between different functional areas within companies or groups of companies. MGIM currently operates an information barrier between our UK investment management activities and the investment management activities carried out in South Africa by other companies within the Momentum Group.

## Remuneration

To mitigate conflicts of interest, MGIM has a remuneration policy for persons involved in the provision of services to clients aiming to encourage responsible business conduct, fair treatment of clients as well as avoiding potential conflicts of interest in relationships with clients.

## Training

Training on this policy forms part of the induction process for all new employees. All existing employees receive regular training on how to implement and adhere to this policy as part of the annual training provided the UK Compliance team.

## Record Keeping / Obligation to Report

MGIM requires all employees to report identified client conflicts of interest to the UK Compliance team. The Compliance Manual refers employees to the firm's Conflicts of Interest Policy to ensure that employees act in an appropriate manner to facilitate the effective management of conflicts. Employees are required to notify the UK Compliance team if they suspect a situation giving rise to a potential conflict of interest. The UK Compliance team will then give due consideration to the circumstances on a case by case basis, before determining if it is in fact a conflict of interest to be logged in the company's register of conflicts, and how best to manage it. The UK Compliance team will seek to promptly respond to the staff member from whom the notification originated. Occurrences recognised by the UK Compliance team to represent conflicts of interest over and above those stated herein will be added to the firm's internal conflicts register. The register will be reviewed annually and will be utilised to update this policy as may be required. This policy and its updates will be distributed to all MGIM clients upon client take-on or as may be requested from time to time.

**Examples of how potential conflicts of interest are managed and mitigated:**

| Potential Conflict | Mitigation |
|---|---|
| ***Profits and losses incurred as a result of errors*** | MGIM subscribes to the principle of compensating clients for direct financial losses suffered as a result of errors or breaches arising from negligent acts or omissions by its employees (or secondees, contractors, service providers etc.) in the performance of MGIM obligations under investment management and advisory agreements entered into by MGIM. |
| ***Employee personal account dealing*** | Personal account trading of staff members is captured by MGIM's policy on personal account dealing, requiring scrutiny and pre-authorisation by senior management, prior to engaging in a trade for their own account. |
| ***Financial Promotions*** | All documents and templates issued by MGIM to our clients and affiliated intermediaries are checked for accuracy to ensure that our communications are clear, fair and not misleading. |
| ***Fee and cost disclosure*** | MGIM fully discloses its fees applicable to its clients within its investment management and advisory agreements. |
| ***Rebates*** | MGIM do not benefit from rebates or fee waivers that it may receive except as may otherwise be agreed in writing with the client concerned. |
| ***Commission Arrangements*** | Our inducements and research policy governs the treatment of third-party research to ensure it could not be construed as an inducement. We pay for third party research directly out of our own resources and require sub-investment managers to confirm that they have a research budget in place and a process to account for it and value it; and that research costs are unbundled. |
| ***Gifts, benefits or inducements*** | The purpose of the company's gifts and entertainment policy is to restrict and monitor the giving or receiving of gifts or entertainment which may appear to have the prospect of influencing the behaviour of the recipient in a way that may compromise the company's reputation or be in breach of FCA Rules. |



*Policy & Context Disclosure | SECTION D - Conflicts of Interest*

| | |
|---|---|
| ***Segregation of key functions*** | MGIM maintains a sensible segregation of duties to avoid risks inherent in the trading activities based on the size and nature of MGIM's activities. Investment instructions are subject to a 'four eyes' requirement of being signed off by two investment managers. Moreover, investment management and dealing areas are properly segregated from one another, as with trading on the one hand and cash management on the other (e.g. reconciliation and settlement). Additional controls are instituted that are considered adequate for the size of our operations. Staff employed in regulatory oversight and review roles must have no operational responsibilities. |
| ***Direct trading exposure*** | MGIM are not authorised to deal as principal and will not directly trade with a client as counterparty. In its capacity as investment manager, MGIM always acts as an agent on behalf of the client. |
| ***Client order and aggregation*** | Where the dealing desk receives an instruction to execute transactions in the same instrument for more than one client, the transactions will be aggregated where possible. Should the transactions not be executed in full, the executions will be allocated to clients in proportion to the size of their intended transactions. |
| ***Best Execution*** | MGIM implements trading according to its own Order Management and Best Execution Policy. |
| ***Proxy voting arrangements*** | In carrying out proxy voting arrangements, MGIM seeks to consider the interests of the client in preference to the firm's interests. MGIM are appointed as the oversight manager for SICAV clients. Contractual documents with our sub-investment managers require that they exercise proxy voting procedures in accordance with specified procedures. |
| ***Insider Trading*** | Should any staff member become a party to material non-public price sensitive information the UK Compliance team should be notified immediately. The details will be recorded on a 'restricted securities list' and a prohibition placed on dealing for clients. All requests for permission to place a trade for an employee's personal account are reviewed against the restricted securities list by the UK Compliance team. |
| ***Multiple responsibilities for different entities and distinct interests*** | All fund board members are bound by the relevant directors' code within the jurisdictions concerned and are expected to always act in the interest of the entity they represent rather than in the interests of MGIM. To mitigate this potential conflict, this policy predicates that all employees acting as board members are required to disregard the interests of MGIM as a management company and to make the interests of the entity for which they act as a director, their sole concern when making decisions. In cases where, in the opinion of the employee concerned, he/she is unable to act impartially and wholly in the interests of the entity concerned, such situation should be referred to the MGIM Compliance Officer to investigate and appropriately resolve in liaison with the Company's senior management. |

# SECTION E -
## Dialogue with Clients and Beneficiaries

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

*This section is applicable to MGIM, excluding our advisory business MISC.*

### Communicating with Clients

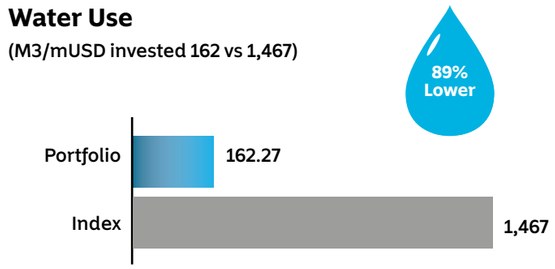
Permanent resources for clients and beneficiaries on our approach to stewardship can be found in the Responsible Investing section on our website. This includes our policies and Stewardship report. In addition, answers to ESG-related questions in our standard Request for Proposal are available upon request.

We use various methods to keep clients updated on our activities, catering to their different preferences. The most common are written reports, videos and group webinars. We also regularly engage with clients face-to-face. Much of the information we share with clients via these means will ultimately find its way into our annual Stewardship report submission, which therefore provides a useful summary of our activities, including progress against the stewardship objectives we've set; voting statistics; engagement activities; and case studies.

We provide enhanced reporting and updates on various ESG metrics for portfolios we manage with specific sustainable objectives, as shown below, however, we do not provide this data for other portfolios unless requested by a client. We believe that reporting sustainability-related portfolio improvements in real-world terms - such as the outcomes delivered by our Curate Global Sustainable Equity Fund - contribute to stronger client outcomes and support broader sustainability objectives.

**Water Use**

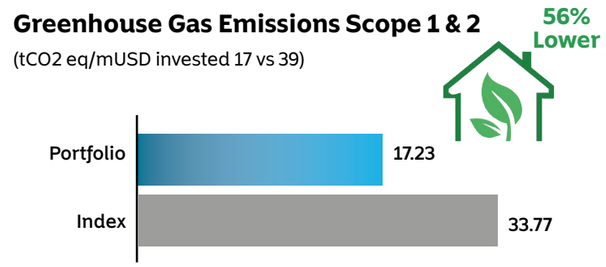
(M3/mUSD invested 162 vs 1,467)




The difference is equivalent to the annual water consumption of **20 People**

**Greenhouse Gas Emissions Scope 1 & 2**

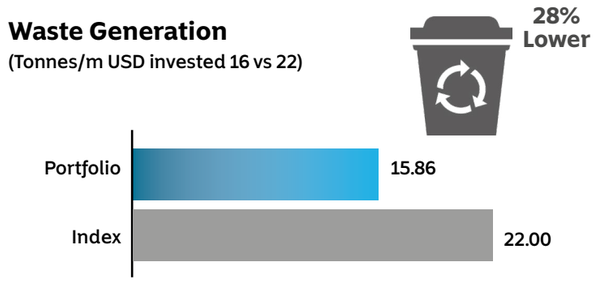
(tCO2 eq/mUSD invested 17 vs 39)




The difference is equivalent to the annual Co, eq produced by **3 People**

**Waste Generation**

(Tonnes/m USD invested 16 vs 22)




The difference is equivalent to the annual water consumption of **22 People**





Aligned with the FCA's Consumer Duty, MGIM remains committed to delivering good outcomes for clients across all aspects of the business. We ensure our products and services meet evolving client needs, offer value, and that product updates and client communications are communicated in a clear and accessible manner. Through ongoing monitoring and governance, we seek to act in our clients' best interests at all times, with transparency, fairness, and accountability at the core of our approach.

### Client Outcomes

Our primary measure of effectiveness in serving the best interests of our clients is through performance outcomes. These are regularly reviewed during quarterly Board and Product Governance Committee meetings, as well as monthly management committee meetings. We target outcomes linked to a hurdle above the cash or inflation rate in the relevant currency over appropriate medium term investment horizons. We also measure performance versus our peers, consider costs and provide an assessment of value (AoV) to clients in light of our responsibilities under Consumer Duty regulation.

### Seeking Feedback from Clients

We actively encourage feedback from our clients on all content we create, supported by clear contact channels and regular face to face meetings.

We did not run a formal client survey during 2025 as our focus was on implementing changes to improve client outcomes, formalise underlying processes and update documentation rather than gathering new external input. Our intention is to resume the survey in 2026 and collect client feedback to strengthen our evidence base and demonstrate active engagement. We are currently evaluating the most effective format - either a refreshed survey or a more interactive model such as a small 'client forum' - but have not yet finalised which approach will be implemented. If timing becomes too tight to run a fully robust process for the 2026 submission, we will plan this as part of next year's reporting cycle to ensure we collect meaningful, representative feedback. Our expectation is to re-establish a consistent annual feedback mechanism going forward, whether through a survey, forum, or a blend of both.

In addition to formal feedback, the ongoing information we collect via regular interactions throughout the year serves as a continuous barometer of client sentiment.

This approach gives us more granular and actionable insight than a single annual survey, particularly as clients increasingly expect stewardship discussions to be integrated into regular portfolio interactions.

We maintain close relationships with clients, viewing ourselves as an extension of their teams. Regular discussions allow clients to express views on stewardship priorities, reporting preferences and manager engagement expectations. This ongoing dialogue ensures that our activities remain aligned with client needs and values.

Feedback gathered across these touchpoints has influenced how we prioritise engagement themes, refine our reporting and evolve our stewardship objectives. This partnership-based model ensures our stewardship work remains aligned with client expectations, responsive to their values and positioned to deliver better outcomes for clients and the broader market.

# PRINCIPLE 1 -
# Integrating Stewardship and Investment

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

*This section is applicable to MGIM, including our advisory business MISC.*

## Our Approach

At MGIM, stewardship is embedded in our outcome-based investment philosophy. We believe responsible investing enhances risk adjusted returns and the quality of the journey for clients. ESG considerations are therefore integrated into research, selection, portfolio construction and oversight. This supports our long-term objective to be a trusted manager and partner and is reinforced by our Group 'Impact' strategy (FY2025–27), which sets clear stewardship priorities across the business.

## ESG Factor Integration and Active Ownership At MGIM

The majority of MGIM's assets under management are invested via third-party managers although we also invest directly into some investment trusts, SSA bonds and high-grade investment grade bonds. ESG factor analysis and active ownership form part of our research process across all investment types, albeit in different ways and to varying degrees. We incorporate ESG considerations at MGIM as follows:

1. A significant portion of capital is allocated to third-party managers, both through segregated mandates managed on Momentum's behalf and pooled investments (primarily UCITS funds). ESG considerations are typically analysed and documented in a research note, which includes ESG data (such as from Sustainalytics, Morningstar, Bloomberg etc.) and responses from fund managers (gathered through meetings and our proprietary responsible investment questionnaire). Third-party managed investments, including those managed by the third party themselves or where managed using an implementation manager, are usually voted for on our behalf and at the direction of the third-party manager, with voting reports supplied periodically. While we may inquire further into specific issues, external managers are typically closer to the investment and better positioned to make informed voting decisions. RI due diligence is standard. An asset class specific RI questionnaire (covering integration, resourcing, stewardship, escalation), meetings with Portfolio Managers/ESG specialists, and quantitative reviews (e.g., Sustainalytics via Morningstar) are embedded in our manager scorecards alongside traditional assessment pillars (people, process and performance). For direct holdings (investment trusts), ESG risks and active ownership considerations form part of the investment case and ongoing monitoring.

   We monitor managers' RI practices through regular meetings, quarterly voting/engagement reports from our largest managers, internal engagement registers, and RIC reviews.

2. For direct investment trust investments, portfolio managers consider ESG factors as appropriate to the mandate. We maintain an engagement register to record interactions with management, including engagements on ESG topics, and we can exercise our voting rights on all resolutions. Where needed, we escalate through issue focused challenge, voting, collaboration, or, in extremis, exiting positions.

3. For debt investments, we analyse ESG data from sources including Bloomberg, Sustainalytics, and Morningstar. However, there is typically less opportunity to act on ESG considerations, as debt holders do not have voting rights. Fixed Income portfolio managers can raise ESG matters in face-to-face meetings with issuers and may choose not to participate in upcoming issues if they believe the company's ESG practices are insufficient. However, such instances are rare, as most credit investments are made through third-party managers. In addition, most of MGIM's direct bond investments are made on the secondary market with no ability to influence issuance pricing or (sustainability) terms.





## Stewardship in a Climate Context

As we continue to strengthen and deepen our stewardship responsibilities to our clients, one area we continue to think about is climate data, analysis and impact. We are assessing how best to calculate and incorporate climate-related data into our investment research and oversight. In addition to reviewing Clarity AI and MSCI for potential use in carbon-emissions reporting last year, we have expanded our work in 2025 to explore climate-related datasets already available through our strategic partners (i.e. Robeco and Russell Investments). As equities form a large part of our universe and data for this asset class is more reliable, we are focussing our work in this area for the time being. This work remains exploratory, and our objective is to identify climate metrics that are both decision-useful and practical to integrate across our portfolios.

## Activities and Outcomes (illustrative examples)

Below are several examples to illustrate how stewardship informs our decision-making:

- **RI clauses in new IMAs:** For externally managed segregated assets, we set expectations (where feasible), request quarterly stewardship reporting, and maintain ongoing dialogue on engagement focus, escalation, and voting rationale. This strengthens manager alignment and is used within our flagship global equity mandates and new launches - ensuring ESG integration is contractually embedded and reportable. Our analysts challenge inconsistencies (e.g., on controversies, poor data coverage) and track progress in scorecards and RIC summaries. In extreme cases if alignment remains insufficient, we can redeploy capital.

- **Manager oversight via Russell EPI:** We appointed Russell Investments to run model portfolios on their Enhanced Portfolio Implementation (EPI) platform for part of our multi-manager equities exposure. Russell votes proxies under guidelines aligned with our principles and provides quarterly voting summaries which improves voting consistency and transparency. Russell have started to provide climate footprint and risk reports which we are currently reviewing and considering for use in reporting and decision making. This strengthens implementation and stewardship oversight and supports a scalable oversight model as AUM on the platform grows.

- **Direct ownership actions:** This includes voting on material items (e.g., director elections, remuneration) and engagement that leads either to improved terms or, where we believe value is not protected, reduced position sizes.

- **Systemic issue engagement (e.g., UK Investment Companies cost disclosure regime):** Combines market advocacy with investor protection considerations, contributing to regulatory forbearance while ongoing engagement seeks correct platform application -linking stewardship to market functioning and client outcomes.

## Areas where our stewardship approach is not applied due to limited impact

- **Sovereign debt:** Limited exclusion levers and inconsistent data make assessment challenging; we continue to review provider methodologies and focus our influence where feasible (e.g., manager selection).

- **Fixed income engagement:** with mainly secondary market exposure, levers for impact are narrower than in equities; we focus on manager capability to embed issuer level engagement and on allocation to managers with credible frameworks.

## How we evidence effectiveness

- **Process evidence:** RI questionnaires and scorecards, engagement registers, quarterly voting/engagement packs, and RIC minutes demonstrate that stewardship insight flows into decisions.

- **Outcomes:** (i) adoption of RI clauses; (ii) targeted escalations resulting in improved disclosure, voting alignment, or, where necessary, divest; (iii) sustainable strategies meeting footprint targets (water/waste/emissions) relative to benchmarks; and (iv) market wide advocacy that improved Client Consumer Duty alignment in cost presentation.

- **Data coverage and consistency (especially private markets and Scope 3):** we pressed managers for improved emissions and engagement reporting and are assessing provider enhancements to strengthen comparability.

# PRINCIPLE 2 -
# Promoting Well-Functioning Markets

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

*This section is applicable to MGIM, excluding our advisory business MISC.*

## Risk oversight by the investment team

As a high-conviction active manager, MGIM appreciates its responsibility to manage investment risk on behalf of our clients. Our fiduciary duty demands that this responsibility be undertaken with the highest standards of professionalism and governance. It means firstly we must appreciate the importance of a stable and well-functioning financial market to better serve clients and other stakeholders. Secondly, MGIM also understands its role in contributing to the long-term sustainability of financial markets and the wider economy by identifying and mitigating these systemic and market-wide risks. Both of these objectives are addressed by our investment process, which seeks to leverage MGIM's strong collegiate culture.

Our centralised investment process is set up to efficiently identify and react to systemic risks by ensuring adequate and focused coverage. The investment team consists of twenty-one individuals with decades of experience across a broad range of diversified sectors and asset classes. The team is split into a portfolio management team and a research team. The portfolio management team is responsible for deciding the strategic and tactical asset allocation of the different portfolios we manage, alongside assessment and monitoring of macroeconomic and geopolitical developments. The research team covers the underlying funds and securities we employ in our portfolios.

The investment team discusses market-wide and systemic risks in two formal recurring meetings as described below and, on an ad-hoc basis should the situation warrant it. Through these various meetings, the investment team assesses arising and potential risks in macroeconomics, geopolitics, market liquidity, as well as portfolio-specific risks, which can include ESG risks. Any concerns are discussed thoroughly, and depending on the outcome of the discussion, we will action or continue to monitor the risk, potentially with a higher level of scrutiny, if the team deems it necessary. The focus of each of these investment team meetings is detailed below and specific examples of market-wide and systemic risks identified throughout the course of last year are provided further on.

### 1. Weekly Investment Team Meeting

The full investment team meets on a weekly basis to discuss current developments or concerns that individuals or asset class workgroups may have. The various subgroups regularly present the latest news and analysis on their assigned asset classes covering fundamentals, technicals and valuations, as well as developments in the peer group that they monitor including useful information pertaining to relevant securities held in portfolios. This approach facilitates the sharing of information and points of view, and helps the wider team stay current on market-wide and systemic risks, which aids our client interactions and communications. All research and analyses are accessible to the team through our central research database (Momentum Analysis Database) and dedicated Teams channels, and active challenge and debate is strongly encouraged.

### 2. Quarterly Asset Allocation Meeting

The investment team meets on a quarterly basis for a full day to assess and debate the medium- to long-term outlook for each asset class in our investment universe. The outcome of which is a series of scores that inform how our portfolios should be positioned, from a tactical asset allocation perspective, relative to our Strategic Asset Allocation (SAA). Macroeconomics and longer-term risks are also discussed more generally in this forum.





## Policy Engagement

MGIM contribute to various initiatives on a selective basis where we either believe it is additive to our business or we are required to comply by legislation:

- Signatory of the UN Principles for Responsible Investment (UNPRI): asset-owner signatories since 2006
- UK Stewardship Code signatory since 2024
- Member of the UK Investment Consultants Sustainability Working Group (ICSWG) through representation in the MISC team.

Other Group level initiatives that MGIM are a part of, but are not directly involved in, include:

- Signatory to the Climate Action 100+ initiative. We service on the Eskom and Sasol engagement groups
- Support TCFD while progressing alignment to IFRS S2 and being cognisant of climate regulatory developments
- We are a voluntary participant in the annual CDP (formerly the Carbon Disclosure Project) and achieved a B score for 2023.

MGIM understands that contributing to the long-term sustainability of financial markets is not restricted to indirect inputs from portfolio construction, asset allocation and security selection. In addition, we strive to engage directly with regulatory bodies, policy makers and various other industry participants to share our experience and views such that together, we achieve the regulatory and policy environment that best enables us to manage investments to the benefit of our clients.

Our compliance team reviews regulatory guidance and, from time to time, will provide feedback to regulatory bodies if they deem it constructive. For example, they recently engaged with regulatory bodies and other industry participants in response to the draft Consumer Composite Investments (CII) regulations.

Our RI specialist is a member of a responsible investor network called Virtuvest which brings like-minded professionals across the investment industry together to discuss sustainable and ESG investing topics. They hold regular roundtables to discuss a range of topics in which feedback is collated and then sent to the relevant body.

One example of an MGIM-specific collaboration effort was the policy intervention to initiate legislative change on cost disclosures following the FCA guidance on implementing the PRIIPs and AIFMD regulations that Investment Companies be included in the aggregation of look through cost disclosure. Since 2022, MGIM had been liaising with a body of market participants (the action group), and in 2023 the matter was raised in both Houses of Parliament. This resulted in a Private Members Bill being tabled to remove Investment Companies from the legislation. Throughout 2024, numerous meetings and communications with lawmakers aimed to accelerate a solution. In October 2024, the FCA announced forbearance, allowing investors in Investment Trusts to exclude these expenses from their cost calculations, thus preventing misinformation about Fund and Fund costs. Following further engagement in 2025 to ensure proper application by retail platforms and continued collaboration in the FCA consultation on the Consumer Composite Investment (CCI) regime, the FCA finalised rules in December 2025 for the new CCI regime, designed to replace the PRIIPS framework which will be repealed on 6 April 2026.

## ESG Risk Assessment at MGIM

We prefer an active approach to security selection – both directly or through third-party managers – because it provides an additional layer of analysis beyond the simplicity of passive investing, which generally has a minimal/zero engagement with issuers and minimal or sub-par ESG integration and risk-mitigating processes. Our active discretionary management style enables us to allocate capital to investments which contribute positively on E, S, and G metrics, while avoiding those that detract from these metrics.

On the engagement side, we monitor and track engagement efforts of each investment trust holding in our portfolio. Concerning our third-party managers, we stringently assess their active ownership practices, and are therefore comfortable in delegating the engagement responsibility to them. Through regular communication we are then able to raise any concerns with managers and RI teams directly.

## Assessing MGIM's Responses to Risks

Whilst we do not quantitatively measure the effectiveness of identifying market-wide and systemic risks, we are confident that the team coverage, our processes, experience, meeting frequencies etc. is sufficient in ensuring we identify, discuss, address and monitor risks in a timely manner that ensures clients are not exposed to unintended risks in their portfolios.

We also strongly believe that by focusing on active management and minimising allocations to passive investments we contribute to effective price discovery and thereby promote the well-functioning of financial markets. This is demonstrated in the examples provided below.

## Examples of Market Events and MGIM's Responses

Throughout the year to June 2025, financial markets were shaped by shifting monetary policy expectations, geopolitical tensions, fiscal developments across major economies, and evolving technology sector leadership. Below we outline key risks identified during the year and how we responded.

### Deepseek (Chinese answer to US AI models)

Early in 2025, China's Deepseek released an advanced large language model (LLM) that reportedly matches or approaches the performance of leading Western models at much lower cost. Global markets reacted sharply with significant drops in US tech stock prices, including Nvidia, Microsoft, and Alphabet, as investors reevaluated the prospects for US AI dominance and concerns surfaced about the future profitability and 'winner-takes-all' dynamics in global AI. Our view at the time was that US stock valuations were already extended, especially the so-called 'Magnificent 7'. We continued to hold an underweight to the US, and the tech sector, with a preference for quality stocks and better-valued markets including Europe, the UK, and Japan. This held us in good stead as our portfolios outperformed in the first four months of 2025.

### Trump tariffs and subsequent US tech recovery

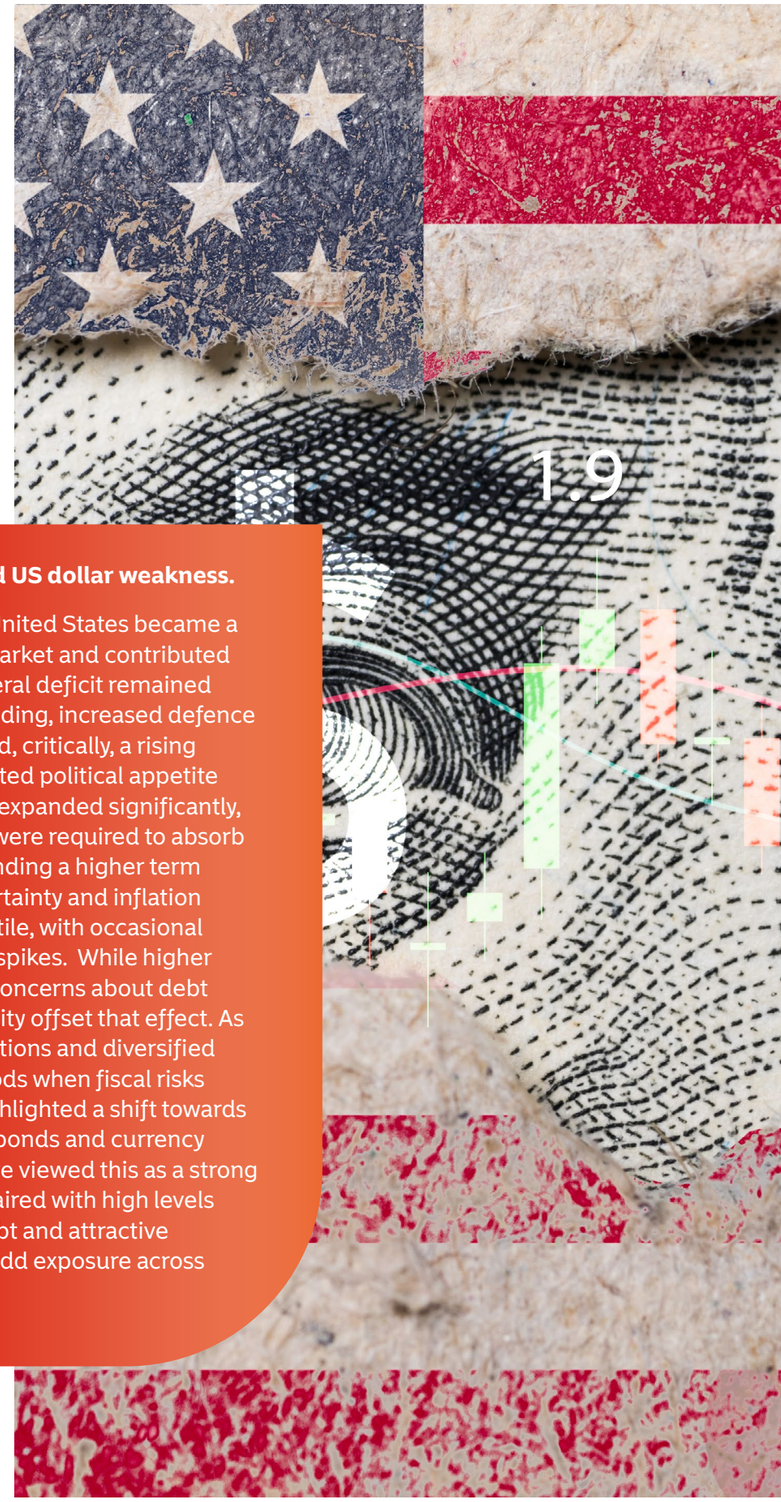
On 2 April 2025, President Trump announced an aggressive new tariff regime dubbed 'Liberation Day' – imposing a baseline 10% tariff on almost all imports into the United States, with reciprocal tariffs planned above that level for key trading partners. The policy pushed the average US tariff rate to levels not seen for more than a century, with heavy tariffs on certain sectors including autos, steel, and consumer electronics. Markets plummeted on the news as fears of trade disruption, cost inflation, and lower global growth took hold. Tech stocks, which rely on global supply chains and overseas sales, were hit particularly hard. Semiconductor firms suffered double digit declines as investors priced in higher costs and weaker demand. This created attractive entry points to reduce our US regional underweight. We were mindful of smoothing out the outsized representation of the Magnificent 7 in US stocks, by allocating to an S&P500 equal weight passive solution to avoid the high likelihood of US technology stocks being severely buffeted by President Trump's erratic policymaking. By 9 April, after the initial sell-off, President Trump announced a 90-day pause on most of the additional reciprocal tariffs beyond the 10% baseline on many countries except China, which faced continued higher duties. The announcement marked a significant relief rally in global equity markets, particularly the US, as the worst-case trade war scenario was deferred. Despite this reprieve, trade tensions were still elevated. Cognisant of these risks, we chose to remain underweight the US technology sector despite the significant rebound in valuations.

**Central Banks Pivot, monetary policy divergence and volatility in bond markets**

In 2025, bond markets experienced heightened volatility driven by diverging monetary policies, inflation uncertainty, and geopolitical risk. In the United States, persistently sticky core inflation and elevated fiscal deficits kept the Federal Reserve on a relatively hawkish path, even as markets anticipated eventual rate cuts. The combination of higher-for-longer policy expectations and rising Treasury issuance, rebuilt term premia and led to sharp swings in yields. Auctions occasionally saw weaker-than-expected demand, amplifying volatility, while safe-haven flows during geopolitical or tariff-related shocks caused temporary yield declines. In the UK, gilt yields were influenced by a softer growth backdrop and political and fiscal uncertainty. Eurozone bonds, particularly German Bunds, were less volatile but still sensitive to growth weakness, benefitting from anchored inflation expectations but reacting to peripheral spread widening. In Japan, long-standing low rates and Bank of Japan guidance limited absolute yield moves, though policy adjustments and global shocks transmitted volatility into JGB markets. We saw several opportunities in this space to benefit from style diversification, especially later in the year as yield curves steepened. We stood by our value equity style positions which outperformed as sectors such as banks thrived in a steeper yield curve environment. In response to general systemic risk; our company now forms part of the Global policy reform working group of the PRI.



*Activities and Outcomes Report* | *PRINCIPLE 2 - Promoting Well-Functioning Markets*

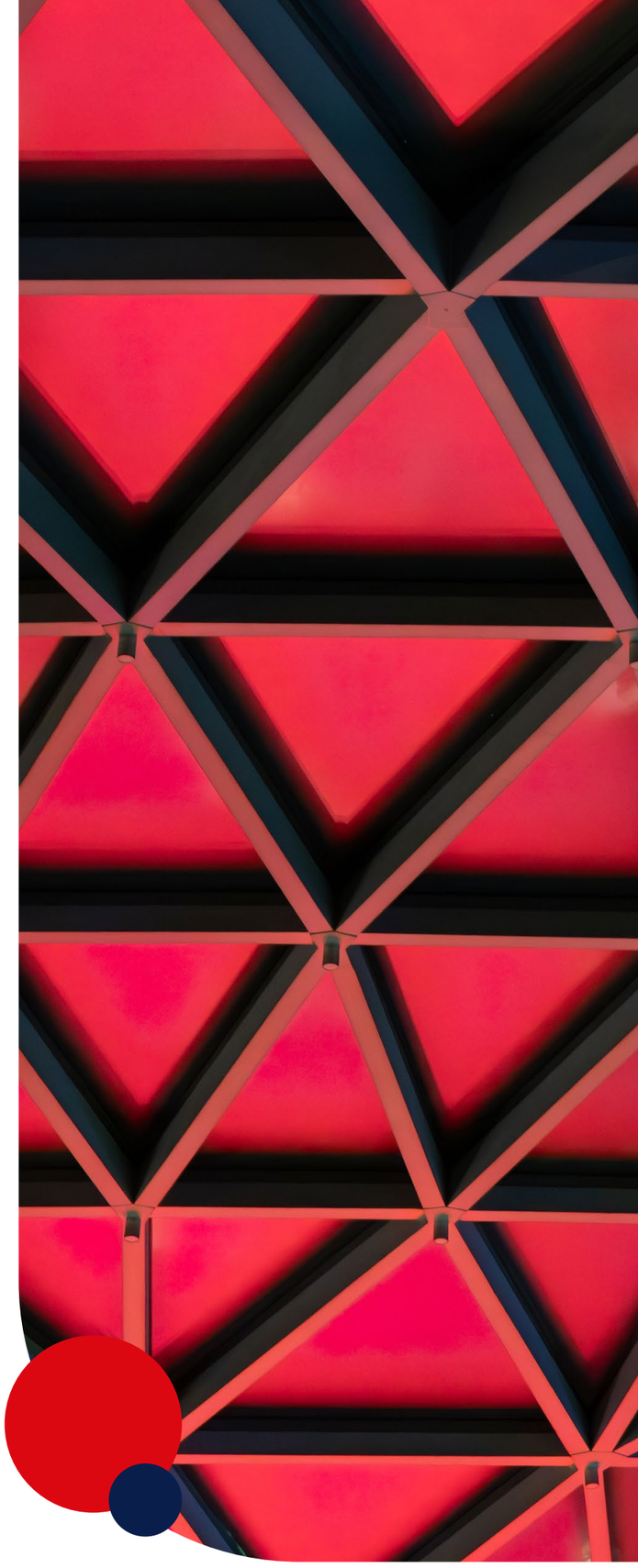



**Fiscal pressures in the United States and US dollar weakness.**

In 2025, mounting fiscal pressures in the United States became a key driver of volatility in the US Treasury market and contributed to periods of US dollar weakness. The federal deficit remained elevated, reflecting high entitlement spending, increased defence outlays, industrial policy commitments and, critically, a rising interest burden on existing debt. With limited political appetite for fiscal consolidation, Treasury issuance expanded significantly, particularly at longer maturities. Markets were required to absorb greater supply, leading to investors demanding a higher term premium as compensation for fiscal uncertainty and inflation risk. Long-dated yields became more volatile, with occasional weak auction demand exacerbating yield spikes. While higher yields would normally support the dollar, concerns about debt sustainability and long-term fiscal credibility offset that effect. As global investors reassessed reserve allocations and diversified exposure, the dollar softened during periods when fiscal risks dominated the narrative. Overall, 2025 highlighted a shift towards fiscally driven market volatility in both US bonds and currency markets. Early on in the US dollar slump, we viewed this as a strong catalyst for EM currencies appreciating. Paired with high levels of carry in EM local currency sovereign debt and attractive valuations in the asset class, we opted to add exposure across portfolios.

**Continued strength in gold, precious metals, and digital assets**

In 2025, gold, other precious metals, and select digital assets experienced a meteoric rise, driven by a convergence of macroeconomic, geopolitical, and market-specific factors. Gold surged as investors sought a hedge against heightened inflation uncertainty, persistent fiscal deficits, and volatile bond markets, particularly in the US and UK. Geopolitical tensions in the Middle East and trade-policy shocks, such as the April 'Trump Tariffs', reinforced safe-haven demand, pushing prices to multi-year highs. Other precious metals, including silver and platinum, benefitted from both safe-haven flows and ongoing industrial demand in green technologies, including electric vehicles and renewable energy infrastructure. Rising commodity prices were further amplified by supply constraints in key mining regions and investor positioning in commodity-linked ETFs. Digital assets, notably Bitcoin and Ethereum, also rallied sharply. Investors increasingly viewed cryptocurrencies as an uncorrelated asset class amid bond and equity market volatility, while renewed institutional adoption and supportive regulatory signals in key jurisdictions bolstered confidence. Regarding digital assets such as Bitcoin, despite the significant growth in the asset class, we have chosen not to add exposure due to its extremely volatile nature and lack of intrinsic value. In the case of Gold, we chose to slightly underweight positions but have maintained exposure because we felt the asset class continued to provide a good hedge against inflation and bouts of heightened geopolitical tensions.



# PRINCIPLE 3 -
# Engagement

*Signatories engage to maintain or enhance the value of assets.*

*This section is applicable to MGIM, excluding our advisory business MISC.*

## Our Approach to Engagement and How We Prioritise

Within our Responsible Investment Policy, we set out a series of 'goal posts' that guide our approach, including active ownership through voting and engagement. We consider engagement a core element of our fiduciary duty and a key lever for promoting long-term, sustainable value creation. Through engagement, we encourage investee companies and investment managers to strengthen governance, improve management of ESG factors and support responsible capital allocation. These objectives, and the principles guiding how we conduct and escalate engagement, are set out in our Engagement Policy.

While our overarching philosophy is consistent across Momentum Investments, engagement practices vary by business unit due to differences in jurisdictional requirements, local stewardship codes and regulatory expectations.

For MGIM, stewardship practices differ by investment type and asset class. The majority of assets are invested with external managers, with a smaller allocation held directly in investment trusts. The investment team is responsible for (i) monitoring engagement practices across funds and segregated mandates, and (ii) undertaking direct engagement with boards and management teams of issuers where relevant.

Our engagement methods are proportionate and tailored to each issuer or manager. Analysts may review publicly available disclosures, meet management privately or virtually, or raise issues formally in writing. Where progress is insufficient, we apply structured escalation, for example, withholding proxy support, raising concerns at shareholder meetings, supporting or filing resolutions, making public statements or, if necessary, divesting.

Given our resources and team size, we prioritise engagement based on:

- Materiality to financial performance and long-term value
- exposure and holding size
- client and beneficiary interests
- systemic importance.

## Engagement with Third-Party Fund Managers

We assess prospective managers using our proprietary RI questionnaire tailored to the asset class, covering active ownership practices, identification of material issues, engagement timelines, escalation processes and use of collaborative initiatives. These insights inform our Active Ownership Score on the fund scorecard, which supports monitoring and helps identify areas requiring deeper scrutiny.

Ongoing oversight includes periodic reviews of managers' engagement and escalation practices. Our largest external managers also provide quarterly reports on engagement activity, voting outcomes and progress against stewardship objectives. This information is consolidated for the Responsible Investment Committee, enabling comparison across managers, promoting good practice and ensuring accountability.

We engage directly with external managers or, where collective influence is more effective, through collaborative initiatives, as shown overleaf.





**Case Study:**
BP
*(Collaborative and Escalated Engagement)*

In February 2025, we joined a coordinated collaborative engagement led by Robeco, one of our key strategic partners, by co-signing an investor letter to BP alongside 44 other signatories representing £4.8 trillion in AUM. The letter called for stronger climate-related accountability and continued alignment with BP's 2019 Paris-consistency resolution, expressing investor concern about the company's revised and potentially removed 2030 hydrocarbon reduction target. It also requested that BP offer shareholders a renewed Say on Climate vote at the 2025 AGM and urged enhanced transparency, resilience, and clarity on long-term emissions implications. As Momentum holds exposure to BP through Robeco-managed funds, we considered it appropriate to support Robeco's ongoing engagement by joining this collaborative initiative. We also supported this engagement as its objectives aligned with Momentum Group Ltd.'s commitment to Paris-aligned investment practices and reflected a sound and proportionate stewardship response.

As at 30 June 2025, BP had significantly weakened its transition plan, increasing fossil-fuel expenditure from $8.5 billion to $10 billion per year and softening its emissions targets, while refusing to put its updated strategy to a Say on Climate vote. Although we and Robeco were disappointed with the changes, the updates could have gone further towards increased fossil-fuel investment, and the company has retained its 2050 net-zero ambition. Robeco continues to meet with BP as part of this ongoing engagement.

## Direct Engagement with Issuers

### *Listed Equities*

In early 2025, MGIM took a business strategic decision to cease research and investment in direct equities and our holdings now represent a negligible portion of assets, with only three remaining positions as at 30 June 2025. Given the minimal remaining exposure, direct engagement activity has ended.

### *Investment Trusts (Investment Companies)*

0.4% of MGIM's AUM is allocated to alternative assets such as property, infrastructure, private equity and diversified financials, accessed primarily through Investment Companies (ICs). These are listed UK equities with independent boards and external investment advisers, meaning our stewardship approach sits between that of direct equities and third-party funds.

Analysts maintain regular contact with IC management teams, including:

- bi-annual meetings around results
- quarterly discussions linked to NAV updates
- ad hoc engagement during corporate actions or shareholder votes.

Engagement focuses on governance, financial performance, asset-level management and alignment with stated objectives. Engagements are recorded in a central database, enabling monitoring of issues raised and progress over time. Where material issues arise, analysts deepen engagement until concerns are resolved or sufficient progress is demonstrated. Where appropriate, we may escalate matters or collaborate with other shareholders to enhance influence.

Given the governance structure of ICs, we do not set ESG targets for these vehicles. Instead, we review disclosures in reports and accounts, monitor outcome-based metrics and raise issues directly with management if performance deteriorates. Additional information on our approach is available via a short video on our website, where our Portfolio Manager discusses examples from the Real Assets Growth & Income (RAGI) fund, one of our specialist multi-asset strategies investing predominantly in a diversified range of listed real asset investment companies.

## Case Study:
### Private Equity Investment Trust

*(Collaborative and Escalated Engagement)*

We continued our engagement with a private-equity-focused investment trust held in one of our funds, due to concerns regarding governance and clarity on long-term direction. We held several meetings with the Chair during Q4 2024 and, alongside nine other shareholders representing approximately 28% of voting rights, we escalated the engagement by co-signing a letter requesting that the continuation vote be brought forward. We believed that an earlier vote would provide clarity for shareholders, the Board and the Manager, reducing prolonged uncertainty. Engagement is ongoing.

### *Fixed Income*

MGIM has a small allocation to direct government and corporate bonds. We do not engage on sovereign exposures, which are limited to developed markets such as US Treasuries and Gilts where investor influence is minimal. Our corporate bond positions are purchased in the secondary market, meaning terms are already set and opportunities for engagement are limited. Engagement is therefore not a material component of our fixed income process.

### *Other Alternatives*

We have minimal exposure to alternatives outside Investment Companies or third-party funds. Given the limited allocation and limited ability to influence underlying managers, we do not allocate engagement resources to these assets.

### *Engagement Case Studies*

The following examples, drawn from several of our key third-party fund managers across regions and asset classes, illustrate the stewardship activity undertaken on our behalf within our multi-asset portfolios. They have been selected because they are representative of our AUM and demonstrate the breadth of engagement across equities and fixed income.

We include both completed engagements, showing where managers have driven positive change, and ongoing engagements, reflecting our philosophy that sustained dialogue is often more effective than disinvestment. These examples highlight our continuous efforts to improve corporate behaviour and, where necessary, our use of escalation or collaborative approaches to address systemic risks. As the majority of our assets are managed externally, these case studies reflect engagement carried out by our third-party managers through the strategies we hold.



*Activities and Outcomes Report | PRINCIPLE 3 - Engagement*

## Robeco (various Equity Strategies) – Hazardous Chemicals (PFAS)

### *Engagement Summary*

Robeco, through the strategies we hold in our portfolios, launched a new engagement theme in Q3 2024 focused on hazardous chemicals, beginning with PFAS ('forever chemicals'). Five new company engagements were initiated in response to rising environmental, social and litigation risks, and accelerating regulatory action around PFAS.

### *Key Takeaways*

- PFAS pose material risks due to links with human health impacts, environmental persistence and growing litigation exposure
- Robeco is asking companies to increase transparency on PFAS use, develop timelines to phase them out and explore safer alternatives
- Robeco is undertaking this work bilaterally and through collaborative initiatives such as the Investor Initiative on Hazardous Chemicals (IIHC), supporting a more consistent approach across the sector.

### *Outcome*

This engagement theme was initiated in Q3 2024. Robeco has set clear expectations on disclosure and transition planning and will evaluate progress over the coming years as part of a structured, multi-year engagement programme. Engagement is ongoing.

## Lyrical Global Equity - eBay

### *Engagement Summary*

Lyrical met with eBay in December 2024 to discuss the company's net zero strategy. The engagement was considered medium priority due to eBay's SBTi-approved targets: a 90% reduction in Scope 1–2 emissions and a 20% reduction in Scope 3.9 (downstream transportation) by 2030. eBay had re-engaged with the SBTi on its net zero pathway after pausing progress in 2023 due to constraints around the use of offsets.

### *Key Takeaways*

- eBay is integrating internal teams to strengthen emissions analysis and delivery of its near-term Scope 3 target
- The company has already achieved a 45% reduction in Scope 2 emissions since 2019, supported by PPAs/VPPAs and operational efficiency measures
- Lyrical encouraged the company to increase ambition on Scope 3, incorporate Scope 3 into its net zero target, submit the updated target to the SBTi, expand renewable energy usage and scale the local pickup pilot in dense markets to reduce downstream transportation emissions.

### *Outcome*

The engagement strengthened Lyrical's understanding of eBay's evolving net zero strategy and provided a clear set of investor expectations regarding Scope 3 ambition and target formalisation. Lyrical will continue to monitor progress as eBay further develops and submits its updated net zero pathway to the SBTi. Engagement has concluded.

## Evenlode Global Equity - SGS (Société Générale de Surveillance)

### *Engagement Summary*

In January 2025, Evenlode expressed concerns to the CEO about the potential merger with Bureau Veritas (BV). The Head of Investor Relations confirmed the feedback was forwarded to the CEO. After the merger talks failed, Evenlode's fund manager and analyst met with the CEO to discuss the company's strategic direction and governance practices.

### *Key Takeaways*

- SGS's Strengths: Strong network and talent are crucial for client retention
- Past Mismanagement: Issues included weak incentive structures, unclear chain of command, and lack of commercial excellence. Significant personnel changes were made
- BV Merger: Intended as a takeover, not a merger of equals. CEO assessed the opportunity but lacked confidence in BV's management
- Future Focus: Emphasis on mature markets and high-growth sectors like PFAS and cybersecurity. Investments in commercial teams and incentive structures, with bonuses tied to cash generation.

### *Outcome*

Management acknowledged Evenlode's concerns. The BV merger did not proceed and the engagement provided valuable insights into SGS's decision-making process. Engagement has concluded.

## Robeco - Sovereign Engagement: Indonesia (Climate Policy)

### *Engagement Summary*

Through Robeco-managed strategies held in our portfolios, Robeco continued its sovereign engagement with the Indonesian government on climate policy. In February 2025, Robeco co-led an investor field trip to Jakarta with the Investor Policy Dialogue on Deforestation (IPDD) to engage ministries and regulators on climate alignment, sustainable finance and deforestation risks.

### *Key Takeaways*

- Indonesia's policy direction is material for investors due to its role as a major coal exporter and a country facing substantial deforestation pressures
- Engagement objectives included strengthening future climate commitments (2035 NDCs), improving disclosure frameworks and encouraging domestic financial institutions to support deforestation-free supply chains
- Robeco used both bilateral meetings and collaborative dialogue through IPDD to increase influence.

### *Outcome*

The engagement contributed to policymakers reassessing climate priorities ahead of Indonesia's updated 2035 NDC. Robeco will continue monitoring policy developments and maintain dialogue through IPDD as the government finalises its climate roadmap. Engagement is ongoing.



*Activities and Outcomes Report | PRINCIPLE 3 - Engagement*

## Candriam Global High Yield Bond - Volkswagen AG

### *Engagement Summary*

Candriam engaged Volkswagen AG over serious human-rights and governance concerns, including allegations of Uyghur forced labour at its joint venture with SAIC (Shanghai Automative Industry Corporation) and weak due-diligence practices across a 60,000-supplier network. Limited board independence further heightened risk. Despite engagements since 2020, both directly and through the Uyghur Forced Labour Investor Initiative, management remained largely unresponsive, prompting an escalation to the Board and investors in late 2024. Improved access in 2025 allowed direct dialogue with the CEO and the Head of Human Rights within Corporate Audit.

### *Key Takeaways*

- Allegations of complicity in Uyghur forced labour and an MSCI (Morgan Stanley Capital International) flag in 2022 highlighted significant human-rights and reputational risks
- Weaknesses in human-rights due diligence persisted across a large and complex supplier base
- Limited board independence raised concerns about Volkswagen's ability to oversee these risks effectively
- Engagement in 2025 revealed some progress, including greater transparency and a shift to a risk-based supplier-review process covering c.600 high-risk suppliers, replacing the outdated 'S-rating' system (compliance-focused scoring tool)
- Overall, the company's pace of improvement remained slow relative to the severity of the risks.

### *Outcome*

Despite incremental progress, Volkswagen's response was insufficient to mitigate heightened human-rights and governance risks. Candriam downgraded the company's Environmental, Social and Governance (ESG) rating from ESG5 to ESG7. Engagement remains ongoing.

# PRINCIPLE 4 -
## Exercising Rights and Responsibilities

*Signatories actively exercise their rights and responsibilities.*

*This section is applicable to MGIM, excluding our advisory business MISC.*

Our approach to proxy voting varies depending on whether MGIM has directly selected and invested in the security in question, or whether the security is held in a fund or account managed by a third-party manager. We exercise rights directly where we retain voting responsibility. For funds where voting is delegated to external managers, we monitor how those managers exercise voting on our behalf.

### Third-party Managers

For investments made via third-party managers, voting responsibility resides with that manager. We believe that this is appropriate because these managers, selected by the MGIM team, are closer to the business in question and are therefore best placed to assess matters put forward to shareholders for voting.

We recognise the need to engage with fund managers on a regular and ongoing basis to monitor and increase alignment with our Proxy Voting Policy, although, in some instances, country and regional factors may necessarily lead to a degree of variation.

Our third-party managers will typically vote on our behalf, in line with their own proxy voting guidelines, and provide proxy voting reports periodically.

We monitor voting by our third-party managers, particularly those where we have significant assets invested. We receive regular voting reports and discuss voting (alongside engagement) in regular update meetings with management.

Russell and Robeco undertake proxy voting on our behalf for a significant proportion of our AUM (c.47% of our assets). Their voting activity for the reporting period is summarised in the 'Voting Activity' section below.

### Listed Equities (Investment Trusts)

As mentioned earlier in this report, our listed exposure outside third-party funds is now through investment trusts.  Our primary stewardship activity is monitoring the investment trusts' boards and external managers. We do this by reviewing their voting policies, governance practices and engagement activity, and by assessing whether these are consistent with our stewardship expectations.

### Exerting Influence in Asset Classes Outside of Equities

We have some direct fixed income investments, but these tend to be seasoned bonds rather than new issues. Therefore, we do not receive reverse inquiries ahead of new issuance, giving us limited ability to influence prospectuses and covenants.

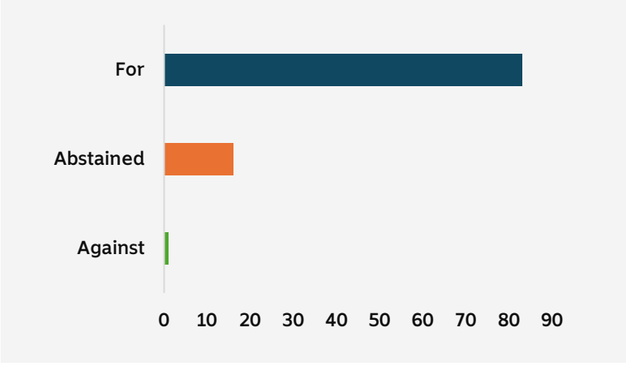
As a result, most of our influence comes through engagement with our third-party managers. Often, those managers will be able to exert additional pressure through equity voting in other parts of their businesses.

We do not hold real estate assets or private market assets directly, so again, our influence upon them primarily comes from engagement with our third-party managers.

### Voting Summary

#### *A - Direct Investments (Investment Trusts)*

Our voting history over the period is summarised below:




As shown, of the 496 resolutions over the period, we voted 'For' on 83.7% across our investment trusts and direct equities (for the period held, prior to sale), and against management 0.8% of the time.





### B - External Managers

Russell Investments is responsible for voting on a portion of funds, representing 12.5% of our AUM. From the start of 2025 (when Russell was appointed) to the end of Q2 2025, Russell exercised 1,493 votes, supporting management on 88.9%, voting against on 1.1%, and abstaining on 10% of proposals.

Robeco votes on our behalf for funds representing 34.2% of AUM. Between Q3 2024 and Q2 2025, Robeco exercised 22,181 votes, voting for 86.6%, against 11.9%, and abstaining on 1.5% of resolutions.

### Case Studies

The following voting examples are from various third-party fund managers, and our own votes for investment trusts. These funds have been selected as they are widely held across our multi-asset portfolios via segregated mandates and/or via open-ended funds.

#### Robeco – Systematic Equities (various third-party funds and segregated mandates)

| | |
|---|---|
| **Company** | Oracle Corp (US) |
| **Meeting Date** | 14 November 2024 |
| **Proposal** | Advisory Vote on Executive Compensation and Election of Directors |
| **Vote Instruction** | Vote Against |
| **Rationale** | »The compensation programme shows a disconnect between pay and performance<br>»Lack of performance-based long-term incentives reduces leadership accountability<br>»The peer group for benchmarking includes over a third of companies significantly exceeding Oracle's market capitalisation, raising concerns about inflated pay practices<br>»Despite repeated shareholder dissent, no meaningful changes have been made to the remuneration programme. Robeco also voted against all members of the Remuneration Committee for failing to address these issues |
| **Outcome** | The Say on Pay proposal received 77% shareholder support |

#### Russell – Global Equities (multiple global equity funds)

| | |
|---|---|
| **Company** | Centene Corp. |
| **Meeting Date** | 13 May 2025 |
| **Proposal** | Report on Contribution to Climate Change and Alignment with the Paris Agreement |
| **Vote Instruction** | Vote For (against management recommendations) |
| **Rationale** | »Stronger climate-related disclosure is financially material to Centene's long-term risk profile<br>»As a healthcare insurer with significant exposure to climate-related physical and transition risks, better transparency on Paris-aligned strategy would help investors assess capital allocation and resilience |
| **Outcome** | »22.84% of shareholders voted in favour<br>»Will monitor Centene's climate reporting and may escalate through further engagement if progress remains limited |

### Evenlode – Global Equities (third-party fund)

| | |
|---|---|
| **Company** | Medtronic (US) |
| **Meeting Date** | October 2024 |
| **Proposal** | Ratification of PwC as Independent Auditor |
| **Vote Instruction** | Vote Against |
| **Rationale** | »Opposed PwC's ratification as independent auditor due to their long tenure since 1963, despite annual re-elections and five-year lead-partner rotations<br>»The lack of plans for tendering every ten years and rotating every twenty, as per UK Corporate Governance Code best practices, influenced the decision |
| **Outcome** | »Engaged with the company about their reasoning. Will continue to engage and may escalate by voting against audit committee chair in the next year |

### Aikya – Emerging Market Equities (third-party fund)

| | |
|---|---|
| **Company** | Foshan Haitian (China) |
| **Meeting Date** | Q4 2024 |
| **Proposal** | Offer H Shares And List On The Hong Kong Stock Exchange |
| **Vote Instruction** | Abstained from voting |
| **Rationale** | »Abstained from voting on this proposal due to the company's strong balance sheet and focus on mainland China<br>»Did not have a strong view on the necessity of a secondary listing in Hong Kong and preferred to engage with management on the topic |
| **Outcome** | »Continue to engage with management regarding the necessity and implications of a secondary listing |

| | |
|---|---|
| **Company** | Downing Renewables and Infrastructure Trust |
| **Meeting Date** | Q2 2025 |
| **Proposal** | Continuation of The Company |
| **Vote Instruction** | Vote For |
| **Rationale** | »We believed that the trust's discount to net asset value and prospective yield were both realistic and sustainable<br>»Although there was a sizeable minority of shareholders (11%) who voted against continuation we considered the combined portfolio of underlying assets to represent an attractive strategic opportunity for potential buyers |
| **Outcome** | »The Board subsequently agreed to a takeover offer from a private investor, at a 24% premium to the trust's last closing price |

# PRINCIPLE 5 -
## Selection and Oversight of Managers

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

*This section is applicable to MGIM, including our advisory business MISC.*

The degree of influence MGIM can exert varies by investment structure. We have the greatest ability to specify stewardship expectations and influence outcomes within segregated mandates and model portfolio arrangements, while oversight of pooled funds is exercised through manager engagement, monitoring of voting and engagement activity, and capital allocation decisions.

### Manager Selection And Tendering

Manager selection is a core part of MGIM's investment process and is underpinned by proprietary, research-led due diligence. Stewardship considerations are embedded alongside traditional assessments of people, philosophy, process and performance.

During selection and tendering, MGIM explicitly evaluates:

- The manager's approach to ESG integration and stewardship
- Governance structures and resources dedicated to responsible investment
- Active ownership practices, including engagement and proxy voting
- Policies covering escalation, collaboration and conflicts of interest
- Alignment with Momentum's Responsible Investment beliefs and policies

All prospective managers complete a tailored Responsible Investment questionnaire, which forms the basis for detailed discussions with portfolio managers and ESG specialists. These discussions test stated policies against practical examples, including historic engagement outcomes and voting decisions.

Where MGIM appoints managers via segregated mandates, stewardship expectations are formalised within Investment Management Agreements (IMAs). In 2024, these agreements were enhanced through the inclusion of Responsible Investment clauses, requiring managers to integrate ESG considerations into their investment process, engage where material ESG risks are identified, vote proxies in line with stated policies, apply agreed exclusions where relevant, and provide regular stewardship reporting.

This approach allows MGIM to establish alignment at the outset of a mandate, while preserving managers' investment autonomy.

### Ongoing Engagement And Monitoring

Once appointed, managers are subject to ongoing monitoring led by designated primary and secondary analysts within the investment team. Monitoring is continuous and proportionate, reflecting the size, structure and strategic importance of each mandate.

Regular manager review meetings cover, among other matters:

- Portfolio positioning and performance
- Identification and management of material ESG risks
- Engagement priorities, progress and outcomes
- Proxy voting decisions, particularly where votes are contentious or inconsistent with expectations
- Changes to stewardship policies, resourcing or processes

For larger or strategically important relationships, MGIM requests and reviews periodic voting and engagement reports. These are summarised and discussed internally, including at Responsible Investment Committee (RIC) meetings, ensuring stewardship activity undertaken on our behalf is visible, challenged and subject to appropriate governance oversight.

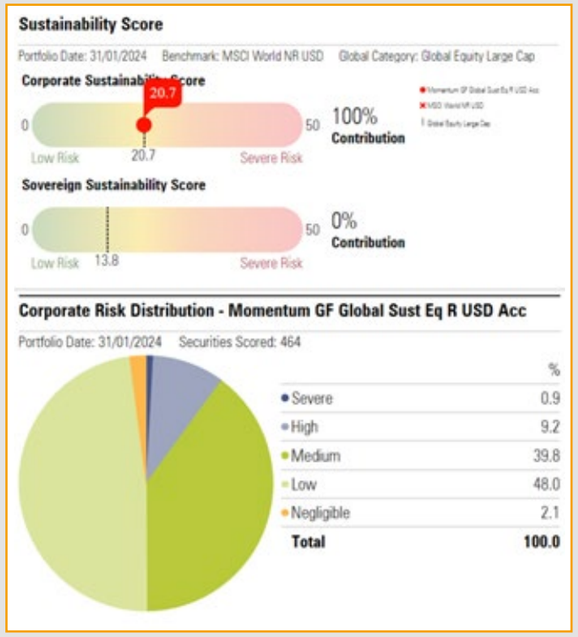


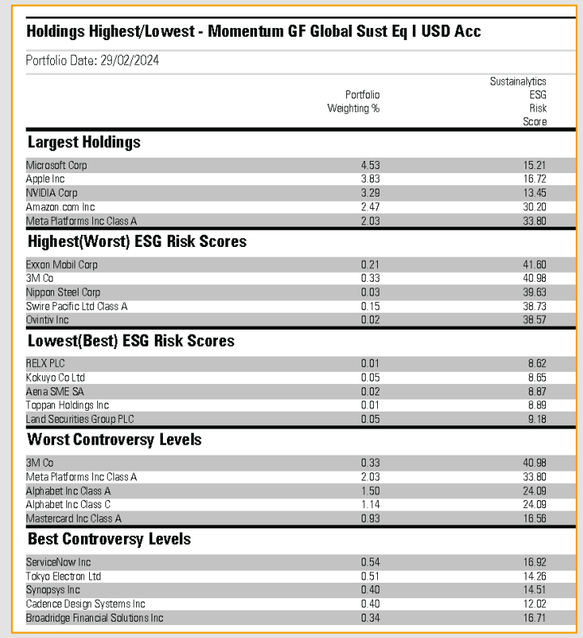


We also review the following key ESG indicators that are provided by Sustainalytics (via Morningstar), as a reasonably objective assessment of the risk's it to which investments are exposed to:

- Sustainability Score: Rank in global category and absolute score
- Product Involvement: Percentage in certain controversial or excluded activities/product lines
- Percent of AUM: With high/severe ESG risk scores

We have developed a standardised report template within Morningstar to facilitate quantitative analysis of funds from an ESG perspective compared to a selected benchmark. This template is accessible to all team members and covers various aspects including sustainability scores, breakdown of ESG risks, in-depth analysis of major holdings and those with the highest and lowest ESG scores, as well as those with the best and worst controversy levels. Additionally, it looks at average product revenue as a percentage of UN SDG involvement and carbon footprint. This template ensures consistency in our analysis across the team. Should disparities arise between our manager's evaluations of ESG metrics and those provided by external service providers, we engage in further discussions with the service provider to better understand these differences. Extracts from this report are shown below:

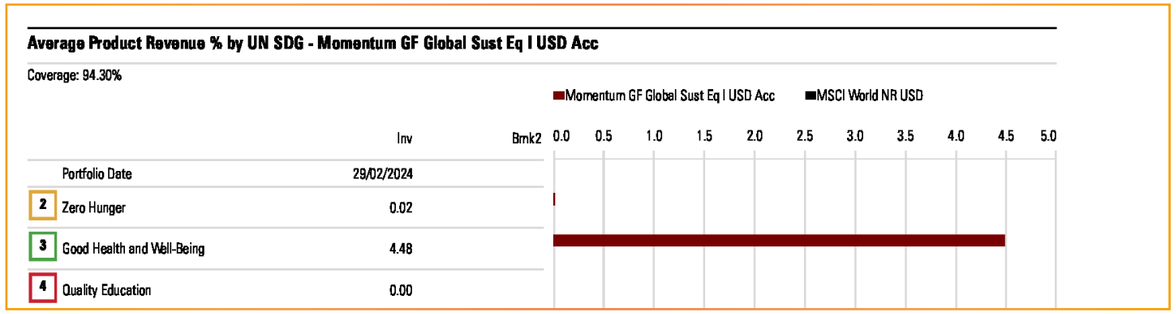


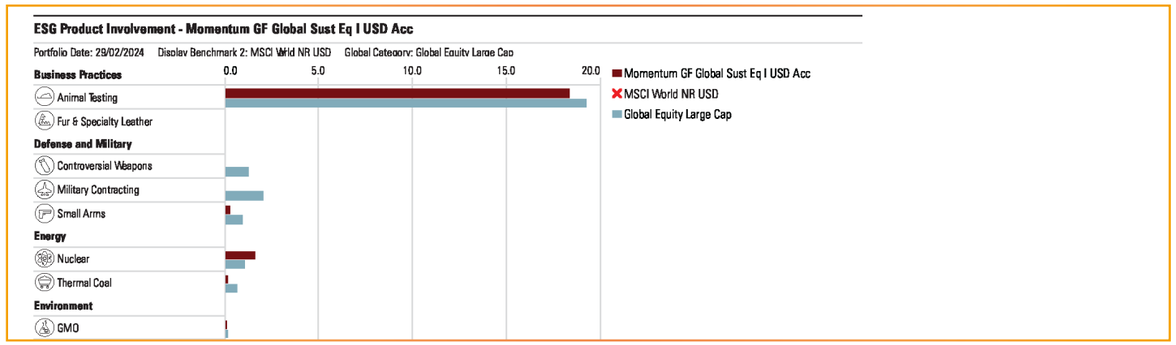



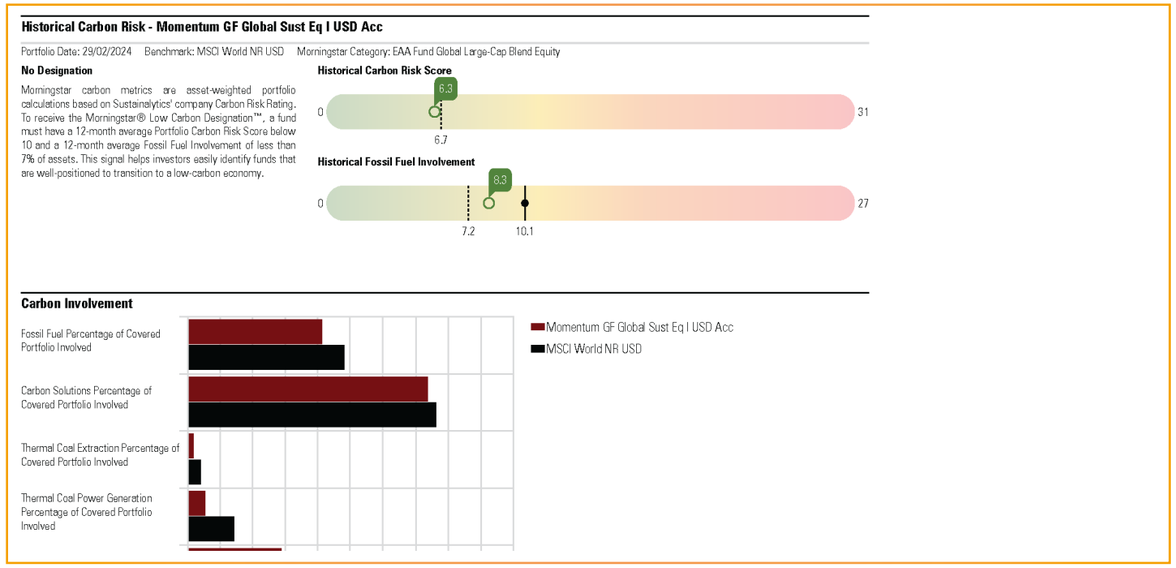
**Holdings Highest/Lowest - Momentum GF Global Sust Eq I USD Acc**

Portfolio Date: 29/02/2024

| | Portfolio Weighting % | Sustainalytics ESG Risk Score |
|---|---|---|
| **Largest Holdings** | | |
| Microsoft Corp | 4.53 | 15.21 |
| Apple Inc | 3.83 | 16.72 |
| NVIDIA Corp | 3.29 | 13.45 |
| Amazon.com Inc | 2.47 | 30.20 |
| Meta Platforms Inc Class A | 2.03 | 33.80 |
| **Highest(Worst) ESG Risk Scores** | | |
| Exxon Mobil Corp | 0.21 | 41.60 |
| 3M Co | 0.33 | 40.98 |
| Nippon Steel Corp | 0.03 | 39.63 |
| Swire Pacific Ltd Class A | 0.15 | 38.73 |
| Ovintiv Inc | 0.02 | 38.57 |
| **Lowest(Best) ESG Risk Scores** | | |
| RELX PLC | 0.01 | 8.62 |
| Kokuyo Co Ltd | 0.05 | 8.65 |
| Aena SME SA | 0.02 | 8.87 |
| Toppan Holdings Inc | 0.01 | 8.89 |
| Land Securities Group PLC | 0.05 | 9.18 |
| **Worst Controversy Levels** | | |
| 3M Co | 0.33 | 40.98 |
| Meta Platforms Inc Class A | 2.03 | 33.80 |
| Alphabet Inc Class A | 1.50 | 24.09 |
| Alphabet Inc Class C | 1.14 | 24.09 |
| Mastercard Inc Class A | 0.93 | 16.56 |
| **Best Controversy Levels** | | |
| ServiceNow Inc | 0.54 | 16.92 |
| Tokyo Electron Ltd | 0.51 | 14.26 |
| Synopsys Inc | 0.40 | 14.51 |
| Cadence Design Systems Inc | 0.40 | 12.02 |
| Broadridge Financial Solutions Inc | 0.34 | 16.71 |




Regardless of specific ESG requirements in a portfolio mandate, we give detailed consideration to any investment that is assessed as being below average on any key indicators. In such cases, we obtain additional information on the underlying drivers and, if appropriate, engage with the investment manager to incorporate that information into our assessment of the additional risks involved.

We address engagement, escalation, and collaboration practices during our due diligence process and ongoing monitoring meetings with third-party managers. While we assess and rate managers based on their approaches to these areas, we do not prescribe specific expectations but instead evaluate their processes as part of our overall assessment.





## Stewardship Oversight In Practice

To assess the effectiveness of delegated stewardship, MGIM regularly reviews specific engagement examples provided by managers. These case studies enable us to understand how managers identify material issues, set objectives, escalate where progress stalls, and determine outcomes.

Discussions during the reporting period included engagements relating to climate transition, governance standards, remuneration structures, human rights and supply chain risks. In several cases, dialogue with managers led to improved clarity on engagement objectives, enhanced reporting, or changes in approach.

These discussions are explicitly linked back to MGIM's own stewardship beliefs and long term investment objectives, ensuring consistency between expectations and implementation.

## Escalation And Accountability

Where managers fail to meet MGIM's expectations, issues are addressed through constructive engagement in the first instance. Escalation may include:

- Follow up meetings with senior investment or ESG leadership
- Increased monitoring or enhanced reporting requirements
- Formal feedback on areas of weakness in stewardship practices
- Reassessment of the manager's suitability within portfolios

In extreme cases, where concerns remain unresolved and are considered material, MGIM retains the ability to reduce or terminate allocations, particularly within segregated mandates where contractual control is strongest.

While such outcomes are uncommon, the ability to escalate and ultimately reallocate capital underpins accountability within MGIM's oversight framework.

We have not had to utilise these actions over the period which is not uncommon as we spend a long time conducting the initial due diligence and aim to be long term partners with third party fund managers.

## Continuous Improvement

MGIM recognises that stewardship expectations and reporting standards continue to evolve. Our approach to manager selection and oversight is therefore reviewed regularly, informed by regulatory developments, industry best practice and client feedback.

Over time, MGIM has strengthened stewardship alignment through clearer mandate design, more structured monitoring and deeper engagement with managers on stewardship outcomes. This process of refinement is ongoing and reflects our role as long term stewards of client capital.

### Examples of how our beliefs and approach have guided our stewardship, investment strategy and decision-making.

**01**

We continue to add-third party funds that offer superior sustainability metrics and/or active management processes. For example, in 2024 and early 2025, we added a new global high yield fund to several of our fund ranges. This fund focuses on sustainable themes, integrates ESG considerations into the investment process, and has demonstrated notable outperformance that comes from its focus on investing in the debt of companies with superior sustainability and quality metrics.

**02**

Over the past few years, we have successfully integrated a responsible investment clause into our Investment Management Agreements (IMAs) with several third-party managers overseeing segregated mandates. This clause outlines specific exclusions, encourages ESG integration into the investment process, and requires adherence to Momentum's Responsible Investment Policy (available on our RI webpage here). Our goal is to align our third-party managers' practices with our own wherever possible, demonstrating our ongoing commitment to embedding these principles across our investments.

# PRINCIPLE 6 -
## Monitoring Service Providers

*Signatories monitor and hold to account stewardship service providers.*

*This section is applicable to MGIM, excluding our advisory business MISC.*

MGIM selectively invests in issuers directly, but the vast majority of our assets are invested via third-party investment managers, who are appointed on a segregated basis or accessed through pooled investment vehicles and make use of a range of external service providers to support research, stewardship and implementation activities.

We use third party service providers to aid the screening, in-depth analysis and monitoring of all our investments. Our approach to selecting service providers is strategic and collaborative. The CIO and Responsible Investment Working Group, with additional input from the wider team, determine the data providers for ESG information and data. The ongoing suitability of these providers is reviewed regularly.

### Service Providers:

To enhance our investment process, we utilise various sources of information and analysis:

- Morningstar: Research tool used mainly for fund analysis and ESG data from Sustainalytics
- Bloomberg: Research tool predominantly for direct equities and ESG data for direct equities
- FactSet: Research tool used mainly for fund analysis and performance
- Clarity AI: SFDR reporting
- Company Reports: Meetings with management and boards
- Russell Investments' Enhanced Portfolio Implementation (EPI): Portfolio holdings, provided by third-party fund managers, are held on the platform. Proxy voting and reporting are undertaken on behalf of these holdings. Climate data and risk reporting which we are currently reviewing
- Specialist and Independent Research Services: Shore Capital, Numis, Jefferies
- Proxy Edge via Broadridge: Proxy voting platform for voting investment trust shares

While the vast majority of research is undertaken internally, we do also procure research services from several external providers to complement our own fundamental analysis at competitive rates using our own financial resources without recharging clients. Regular communication with numerous research providers aids in the price discovery process. MGIM Portfolio managers and analysts are the main consumers of research and continually appraise the quality and usefulness of the research received. The fee for research services is agreed and reviewed annually, with agreements structured to allow short notice periods for cancellation.

The interaction with research providers extends beyond data acquisition. We engage in discussions on methodologies between their analysis and our own. If expectations are not met, we escalate our level of service monitoring and bring ongoing concerns to the relevant group for review and potential action. We maintain close relationships with Morningstar to understand the methodologies behind the various sustainability and ESG data points incorporated into our standardised reports, as well as any additional data points that we are considering adding. As a result of our interactions, we decided against using overall fund-level Morningstar ESG scores because they do not provide a clear, reliable and easily defined rating; instead we use the underlying data to reach our own conclusions.

MGIM's engagement with external providers extends beyond traditional research domains. We increasingly find that providers of non-ESG specific research are incorporating ESG commentary and data within company research. For example, Shore Capital provides daily equity trading comments along with an ESG weekly digest, which occasionally touches on company-specific ESG news and updates. Some providers are also organising ESG-themed events and webinars.

ESG research on direct UK equities involves leveraging Bloomberg data for our current UK equity holdings, which captures key data points





and monitors their progress over time. Should any issues arise, such as lack of progress or a decline in metrics, they are flagged and addressed in subsequent meetings. We opted to use Bloomberg over Morningstar's Sustainalytics data in this space due to Bloomberg's more extensive coverage of mid-cap equities and the ability to analyse trends in companies over time.

Our key service providers with respect to stewardship are therefore our third-party investment managers and Sustainalytics (via Morningstar).

In 2024, we began using Russell's Enhanced Portfolio Implementation (EPI) service after over a year of discussions and planning. During this period, we conducted numerous due diligence meetings and spoke with two of their reference clients to assess the benefits and drawbacks of the service. Additionally, we ran a one-month test applying the EPI to a dummy version of our global equity fund. We formally adopted the service in Q3 2024 and continue to closely monitor the performance of Russell's models versus the manager's models. The implementation of EPI has resulted in substantial cost savings, including operational efficiencies from consolidating custody accounts and leveraging Russell's platform for lower fees. If successful, this approach could be expanded to other areas of the business, potentially delivering significant cost savings for our clients in the future. Should the service no longer meet expectations, we would reassess its suitability and consider alternative implementation arrangements.

We use Clarity AI for SFDR (Luxembourg) reporting, as well as analysis provided by Robeco (as manager of one of our Article 8 funds) who use Sustainalytics data.

Our team have tested Clarity AI for SDR (UK) reporting. However, we have since decided to take an unlabelled approach for our UK portfolios, while our Luxembourg funds remain out of scope for SDR, so we do not currently need to expand the scope of our ongoing analysis.

We have also considered using Clarity AI or MSCI for carbon emissions reporting, engaging with them multiple times to assess their data coverage and potential integration into our investment process. Simultaneously, we are evaluating similar options with our current service providers.

Third-party investment managers are a key service provider for stewardship activities. Detailed oversight of managers is reported under Principle 5.

### Use of Proxy Advisers

We do not use default recommendations of proxy advisers. We are notified of upcoming votes via the proxy voting services provided by our custodians. Primary analysts monitor each investment closely to ensure that we receive notification of all meetings and votes are cast in accordance with our Proxy Voting Policy.

As part of Russell's EPI service, we have access to Russell's proxy voting and engagement reporting, which is used to support and enhance our stewardship oversight. Russell provides a quarterly proxy voting summary that highlights significant votes, voting outcomes and the rationale underpinning key decisions, alongside a summary of engagement activity undertaken during the period. These reports are reviewed by the Responsible Investment Group to assess alignment with our voting policy and stewardship priorities.

For direct investments in investment trusts we use Proxy Edge via Broadridge to cast votes on our shares. The lead analyst will assess the data and information, and decide on how they prefer to vote, and then this will be implemented by the MGIM Operational team. These votes are tracked and monitored for reporting purposes.

### Oversight of Sustainalytics as an ESG Data Provider

We access Sustainalytics' ESG data via our Morningstar Direct license. This followed a thorough review process in 2020 of several ESG data providers: Sustainalytics, MSCI, RobecoSAM, FTSE Russell, RepRisk and ISS. We have also had subsequent meetings with FactSet and Bloomberg to explore their ESG data add-ons. Among these providers, Sustainalytics were deemed most suitable for our needs across coverage; scope; data sources; and analysis and output. Sustainalytics, owned by Morningstar, is an ESG research, ratings and analytics firm. Our prior familiarity with Sustainalytics data through Morningstar Direct access informed our decision.

To ensure data accuracy and consistency, members of our investment team maintain constructive two-way relationships with providers. Sustainalytics data is used to supplement analysts' research, with ongoing conversations with managers providing a real-time review of this data.

In the event of a decline in the quality of Sustainalytics data, we will reassess our original selection process and explore alternative options. Various team members regularly discuss and receive demonstrations of other service providers' tools to assess if there are better options that could supplement our existing offering, such as Clarity AI's carbon emissions analytics tool or Bloomberg's ESG data points for companies/equities.

This commitment to continuous evaluation and trialling of additional service providers ensures that we maintain the integrity and reliability of our ESG data sources.

## Our Process

We have established internal systems and governance processes to support the effective monitoring of service providers and the integrity of stewardship-related data and activity. All research, engagement and interactions with external service providers are centrally captured within our proprietary Momentum Analysis Database ('MAD'), which serves as a single source of reference for the investment team.

The database records engagement activity with both investment managers and service providers and prompts regular review meetings, supporting ongoing oversight and accountability.

Oversight of service providers is complemented by structured internal governance. The investment team meets weekly to discuss research insights and relevant stewardship-related matters. These meetings provide a forum to challenge external data, assess the usefulness of service provider outputs and identify areas where further clarification or engagement with providers is required.

## Monitoring And Escalation Framework

Service providers are monitored through ongoing assessment by the Responsible Investment Group and the investment team. Where issues relating to data quality, methodology, coverage or alignment with stewardship objectives are identified, these are escalated to the Responsible Investment Committee and may result in enhanced monitoring or reassessment of the provider.

# Service Provider Introductory Statement

## *UK Institutional Advisory Business (MISC)*

*This section is applicable to our advisory business MISC only.*

Momentum Investment Solutions & Consulting (MISC) is the brand name used for our UK institutional team of Momentum Global Investment Management (MGIM). As at 30 June 2025, we advise on c.£5bn of Assets Under Advice (AUA) across UK pension schemes and endowments. Established in 2014, we provide tailored investment advice and portfolio governance to UK institutional clients through both advisory and delegated models.

We operate a unified MGIM-wide manager research and ESG integration process, ensuring that the same underlying philosophy, assessment criteria and stewardship expectations apply consistently across both advisory work and MGIM products. Whilst the core research framework is shared, the way insights are applied naturally differs between advisory clients, where we tailor recommendations to individual objectives, governance budgets and existing portfolios, and MGIM's own investment products, where research outcomes inform portfolio construction and ongoing monitoring within a fund context.

Our goal is to provide UK institutional clients with truly bespoke strategies, exceptional service, and independent advice through various governance models, including:

- Advisory Services: Independent, bespoke advice across all aspects of investment policy. We help our clients set objectives, design strategy, and manage transitions, covering asset allocation, mandate design, manager research, and ESG integration. Our approach includes robust risk management and customised reporting to give clients confidence in making informed decisions.
- Delegated Services: End-to-end investment management tailored to our clients' needs. From portfolio design and implementation to ongoing monitoring and governance, we act as an extension of our clients' team. Whether through partial or full delegation, our flexible framework ensures the right level of support to meet our clients' objectives.

Within UK institutional, our clients are predominantly trustees of defined benefit corporate pension schemes and endowments.

We typically advise clients on investment portfolios that aim to outperform a gilt-based measure of their liabilities by 1% to 3% per annum. Our clients are long-term investors, generally with time horizons of 5-10 years or more.

### UK Institutional Client Base as at 30 June 2025

| AUA | UK pension schemes | UK endowments |
|---|---|---|
| > £1bn | 1 | 0 |
| £500m - £1bn | 2 | 0 |
| < £500m | 5 | 1 |
| TOTAL | 8 | 1 |

# PRINCIPLE 1 (SP) - Communicating with Clients

*Signatories monitor and hold to account stewardship service providers.*

*This section is applicable to MGIM, excluding our advisory business MISC.*

Signatories communicate with clients to understand their objectives and deliver services to support their stewardship.

As a service provider, we maintain structured, proactive and continuous engagement with our clients to understand and support their evolving stewardship priorities and reflect these in strategic advice, manager oversight and reporting. Our approach is intentionally relationship-led and outcome-focused, ensuring alignment with client objectives, regulatory obligations and governance structures.

## Understanding Client Stewardship Needs

Our UK institutional clients have a diverse range of investment objectives, time horizons, governance structures and investment beliefs, including in relation to environmental, social and governance (ESG) factors. It is our responsibility to thoroughly understand our clients' requirements to ensure our advice is appropriate and impactful.

At the start of each client relationship, whether advisory or delegated, we typically conduct an in-depth review of the investment strategy and investment beliefs to develop mutually agreed policies and investment objectives. This includes a detailed review of ESG and stewardship policies and how they are integrated into our clients' investment decisions. This initial process forms the foundation of our understanding, which we refine throughout the relationship via:

- Monthly internal client team meetings, where each client's ESG and stewardship needs are reviewed and incorporated into upcoming agendas
- Quarterly Investment Committee or Trustee meetings, where we present strategic updates, stewardship monitoring, and ESG reporting, and gather real-time feedback
- Ad hoc discussions prompted by regulatory changes, relevant market developments or manager-specific issues
- Annual formal reviews, where clients assess our performance, including our stewardship support and communication effectiveness

Any recommendations we make regarding ESG and stewardship matters are tailored to each client's beliefs, objectives and governance budgets. Where clients have not articulated explicit ESG beliefs, we offer a client-adoptable ESG belief set that several clients have used to define their ESG and stewardship policies:

1. **ESG factors can be financially material to security prices.**

   *We believe that ESG factors such as environmental disasters, poor labour practices and accounting failures can lead to poor performance. Therefore, active managers conducting security-level research should consider ESG factors in their investment research process.*

2. **Good active managers have considered how to best incorporate ESG factors into their investment process.**

   *ESG factors can be financially material so good active managers will consider them. An active manager's approach to ESG factors should be understood. Material weaknesses in their approach would count against their selection and retention.*

3. **Active ownership can improve investment returns.**

   *We prefer managers with clear stewardship policies and approaches and prefer effecting change through engagement over divestment.*

4. **Investment teams are likely to have stronger ESG analysis if the importance of ESG is recognised by their broader organisation.**

   *Stronger investment team approaches to ESG are likely to be found when the broader organisation shows strong ESG commitment. This can often be seen through broader resources and better internal discussion and debate. More detailed diligence on the strength of a manager's ESG approach may be required where their broader organisation does not show strong ESG alignment.*

5. **The impact of, and responses to, climate change creates a material financial risk.**

   *There is a wide range of uncertainty in both the future climate scenarios and the timing and choice of policy responses. A carbon tax, as just one example, could have financial implications for the profitability and competitive position of companies that are impacted. Climate change risks should be considered in the selection of individual investments by investment managers.*

## Delivering Advice Aligned to Client Stewardship Priorities

A significant component of our selection and monitoring focuses on how managers integrate ESG and exercise stewardship within their investment process. We assess ESG integration, review engagement and voting activities, and challenge managers where stewardship does not align with client priorities (e.g., climate, modern slavery, human rights, governance). We use the Pensions and Lifetime Savings Association (PLSA) voting and the Investment Consultants Sustainability Working Group (ICSWG) engagement templates to collate data and score managers as 'leading', 'catching-up', or 'behind' in reporting quality, engagement quality, and breadth of topics, enabling meaningful comparison, discussion and objective setting with clients.

## Monitoring Managers Against Clients' Expectations

We provide regular reporting to demonstrate progress against objectives, flag ESG/stewardship issues identified in monitoring, raise escalation where appropriate, and support clients in communicating stewardship priorities to managers. We produce a bespoke Annual Stewardship & Engagement report for clients who request it, consolidating voting and engagement activity as well as the manager scorecard. This tailored report gives clients targeted insights to support manager challenge and recognise effective engagement.

Whilst we do not frequently need to escalate issues with managers on behalf of clients, our governance framework allows for it where necessary. As part of our ongoing dialogue, clients set clear objectives and stewardship expectations, and where our monitoring identifies that a manager is not meeting these over time, we raise these issues directly with the manager. This may include requesting additional information, challenging their stewardship approach, or recommending that the client consider further action if expectations continue to be unmet. In practice, escalation is embedded within our broader stewardship and engagement process, and we revisit client priorities regularly to ensure that any concerns are addressed in a timely and proportionate manner.

## Supporting Client Knowledge and Decision-Making

We provide our clients with training and advice to inform their ESG and stewardship policies and to support compliance with UK pension scheme regulation. We also support pension scheme clients in drafting climate reports. To strengthen our own capabilities and the advice we bring to clients, we participate in the UK Investment Consultants Sustainability Working Group (ICSWG) to improve sustainability practices across the industry.

## Communication Formats and Frequency

We tailor communication to client preference, combining written reports, meetings and ad hoc consultations. Our key channels include:

- Quarterly strategic monitoring reports
- Annual Climate Metrics reports
- Annual Stewardship & Engagement reports.

A high-level summary of these reports is set out below:

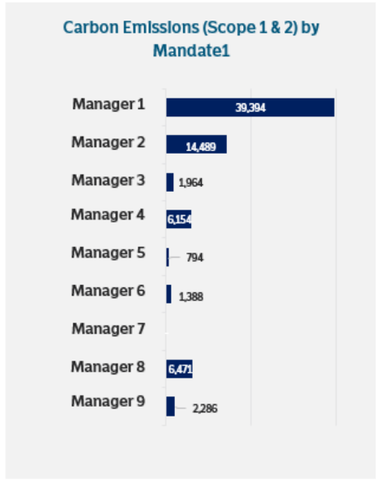
| Quarterly strategic monitoring reports | Annual climate metrics report | Annual Stewardship and engagement report |
|---|---|---|
| These reports demonstrate progress against the key investment objectives for each client and include a review of key risks, manager performance and any relevant manager updates.<br><br>ESG or stewardship issues identified as part of our manager monitoring on behalf of our clients will be flagged in these reports.<br><br>Where clients find it useful, we include a dashboard which summarises the key ESG exclusions applied at a firm and strategy level by the investment managers as well as the SFDR classification of the funds invested in. | This report includes a detailed assessment of climate emissions metrics and tracks progress against specific targets that clients have set.<br><br>The report allows clients to assess any changes in the total carbon emissions and carbon intensity of their portfolios due to changes within each mandate and as a result of changes to the overall asset allocation mix.<br><br>Data coverage remains an important issue for many of our clients. This report covers this issue, enabling our clients to assess the progress the investment managers and underlying entities are making in improving their climate metrics disclosures. | Includes a detailed review of voting and engagement activity on ESG matters undertaken by our clients' investment managers.<br><br>We use the PLSA voting template as well as the ICSWG engagement reporting guide to collate data from the investment managers.<br><br>We score the investment managers as 'leading', 'catching-up' or 'behind', as detailed in the section on Assessing and Monitoring Investment Managers below.<br><br>This report enables our clients to assess the frequency, breadth and outcomes of engagements being undertaken by the investment managers and the extent to which the topics that are being engaged on align with the ESG themes that our clients have identified as being of greatest importance. |

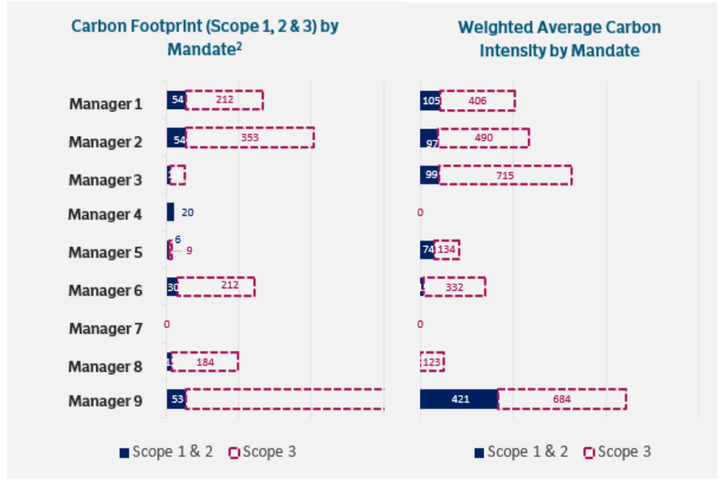




Examples of our reporting on climate emissions metrics, and on ESG and engagement activities, are shown below:

## Data for Carbon Metrics - mandates with available data




## Data for Carbon Metrics - mandates with no/poor data

| Manager | Timeline |
|---|---|
| Manager 10 | Able to report WACI but no other metrics. |
| Manager 11 | No response yet, previously have stated that carbon data would be available for the more recent funds (with Article 8 designation). No timeline was given for older vintages. |
| Manager 12 | Not responded despite several requests. |
| Manager 13 | Emissions data is only available for funds launched post 2013. |
| Manager 14 | Expect to be able to provide direct emissions data for private credit within the next few years. Were able to provide industry data which could be used for estimation. |
| Manager 15 | Were able to provide industry data which could be used for estimation. |
| Manager 16 | Data will be available in May. |
| Manager 17 | No response, previously stated that they have no timeline for reporting this information. |
| Manager 18 | Were able to provide industry data which could be used for estimation. |

The following table reflects the assessment criteria used to score managers according to whether they are "Leading", Catching-up" or "Behind" with respect to the quantity and variety of their engagements and quality of reporting

| | Quantity of Engagement | Variety of Engagement | Quality of Reporting |
|---|---|---|---|
| **Assessment Criteria** | Average of the percentage of entities engaged with, and total weight of the portfolio engaged with over the calendar year. | The number of engagements in each factor will then be grouped according to whether it is E, S, G or Business Strategy. | **High-Level Statistics**<br>1. Number of engagements.<br>2. Number of entities engaged with.<br>3. Percentage of entities engaged with.<br>4. Percentage of portfolio engaged with.<br>**Distribution**<br>1. Number of engagements for each ESG factor.<br>2. Number of substantial engagements for each ESG factor.<br>**Supplementary**<br>1. Engagement outcomes.<br>2. Case studies. |
| **Leading** | Greater than 66% | Where relevant the manager has engaged across each of E, S, & G with no more than 50% engagements in any one category. This assessment is overlaid with a quantitative judgement. | The manager has provided us with most, if not all, of the above, with the exception of engagement outcomes (hard for the majority of managers to report on) and a number of substantial engagements for each ESG factor (very subjective and hard to track). |
| **Catching-up** | Between 33% and 66% | Where relevant the manager has engaged across each of E, S, & G with no more than 75 % engagements in any one category. This assessment is overlaid with a quantitative judgement. | The manager has been able to provide the relevant high-level statistics, and ideally some (but not all) of the others. |
| **Behind** | Less than 33% | Where relevant the manager has engaged across only one or two of E, S, & G with more than 75% engagements in any one category. This assessment is overlaid with a quantitative judgement.. | The manager has not been able to provide high-level statistics. |





## Engagement Observations & Next Steps

**Observations:** We have set out below our key observations based on the responses we received from the managers:

**Quality of reporting:**
The engagement questionnaires were generally completed to a high standard. Reporting amongst corporate mandates was of notably higher quality than non-corporate, albeit this was expected. Reporting from the non-corporate mandates was often incomplete, although, some managers have made progress this year.

**Variety of Engagement**:
For those managers that have provided data, engagement generally covered a meaningful proportion of the portfolio. Engagement was often focused on environment or business strategy, but there was typically a sufficient variety of topics covered. Some managers did not engage on any governance issues.

**Key areas of engagement**:
The key areas of engagement have been in relation to the climate change, strategy and financial reporting and risk management. Engagement with areas identified as key priorities was generally present, although there remains room for improvement with respect to greater engagement on Modern Slavery and Diversity and Inclusion.

**Engagement Outcomes**:
Only managers 1 - 3 were able to provide outcomes of engagement. This metric remains an area where managers can make improvements.

## Corporate Mandates - Engagement Scores

| Manager | Quality of Engagement | Variety of Engagement topics | Quality of reporting |
|---|---|---|---|
| Manager 1 - MAC | ↑ | ↑ | - |
| Manager 2 - Private Debt | ↑ | ↓ | - |
| Manager 3 - Private Debt | - | - | - |
| Manager 4 - Private Debt | - | - | - |
| Manager 5 - Private Debt | * | * | * |
| Manager 6 - Private Debt | | * | |
| Manager 7 - Private Debt | * | * | * |
| Manager 8 - IG Credit | - | ↑ | - |

*Insufficient information has been provided by the investment manager to properly assess this category.

↑ Score has improved since last year ↓ Score has worsened from last year - Score remains unchanged from last year

## Assessing Client Communication Effectiveness

There are several ways in which we assess whether we are meeting our clients' overall requirements, including supporting the integration of stewardship and ESG issues:

- Formal annual reviews: Our pension scheme clients undertake a formal annual review of our broader performance against the objectives they have set for us. This includes the quality of advice and support that we have provided on ESG and stewardship matters. This ongoing review ensures that we continue to meet our clients' requirements and that they are happy with the service we provide.
- Informal review meetings: We hold informal review meetings with the relevant Board Chair or Chief Investment Officer to discuss feedback after the quarterly investment meetings. Follow-up actions from these meetings have led to further engagement with managers and increased awareness of probing managers on their ESG commitments.

## Case study – Demonstrating Client-led Communication

The following example illustrates how we worked closely with a client to understand their evolving stewardship priorities and provide tailored advice aligned with their objectives.

Context and objective. In 2025, one of our clients sought to implement a fossil fuel exclusion across their investments. We produced analysis to help the client define scope and thresholds and to assess manager alignment, potential risk/return impact, and implementation options.

Defining scope. We set out two categories to help the client calibrate ambition and practicality: (1) extraction and/or power generation (Group 1) and (2) distribution and/or sale (Group 2). We noted that including Group 2 can capture businesses not obviously associated with fossil fuels (e.g., retailers that sell fuel). To ensure consistency with existing exclusions, we recommended a pragmatic 5% revenue threshold.



*Activities and Outcomes Report* | *PRINCIPLE 1 (SP) - Communicating with Clients*

**Assessing manager alignment. We summarised positions across public and private markets. Illustratively:**

| | Aligned with Group 1 exclusion | Aligned with Groups 1 & 2 exclusion | Comments |
|---|---|---|---|
| **Manager 1** | Yes | Yes | Group 2 excluded unless Manager 1 determine the company has credible plans for climate risk mitigation. |
| **Manager 2** | Yes | Yes | 'Company A' investment discussed at trustee meeting. |
| **Manager 3** | Partially | Partially | No direct exposure, but when looking at the collateral pools within the underlying investments there is exposure. |
| **Manager 4** | Yes (but not restricted) | Yes (but not restricted) | No current fossil fuel investments, and it is highly unlikely there will be, but the fund is not formally restricted. |
| **Manager 5** | Yes | No | Group 1 exclusion has a 50% revenue threshold, but no current holdings. Group 2 can have up to 25% weight in the fund. |

Risk/return and implementation. Based on manager data, we did not expect a significant impact on the overall policy's risk/return from adopting the exclusion. We set out options to sell misaligned liquid/semi liquid funds and to allow illiquid/closed ended investments to run off rather than accept secondary market discounts, with exclusions applied to future commitments. The client adopted a Group 1 exclusion with a 5% threshold, aligning with its ESG and stewardship objectives while maintaining portfolio integrity.

# PRINCIPLE 3 (SP) -
## Responding to Market-Wide and Systemic Risks

*Investment consultants identify and respond to market-wide and systemic risks to promote well-functioning financial markets.*

*This section is applicable to our advisory business MISC only.*

As an investment consultant to large UK institutional investors, primarily defined benefit pension schemes, our clients are exposed to a broad range of systemic and market-wide risks, including those outlined in Principle 2 for asset managers. Our clients typically have long-term investment horizons and significant allocations to fixed income, as well as exposure to more complex strategies such as Liability-Driven Investment (LDI) portfolios, securitised credit and illiquid assets. These characteristics heighten sensitivity to systemic risks such as monetary-policy shifts, liquidity and collateral stresses, geopolitical developments, and changes in credit conditions.

We identify and monitor market-wide and systemic risks continuously through strategic monitoring, manager oversight, ALM modelling and regular client engagement. The systemic risks most relevant to our UK institutional clients are:

**1. Monetary policy risk affecting the yield curve**

Changes in global interest rate policy are a primary driver of gilt yields, discount rates and funding levels. Sudden shifts can materially alter liability valuations and affect both fixed income and growth asset performance.

**2. Liquidity and collateral risks**

Clients employing LDI strategies must remain prepared for collateral calls during periods of gilt market volatility. Rapid yield movements can create significant short-term liquidity needs.

**3. Geopolitical and political risk**

Elections, regulatory shifts, global conflicts and geopolitical tensions affect currency markets, commodity prices, risk premia and overall investor sentiment. These shocks can cause short-term dislocations and drive longer-term structural changes in asset class behaviour.

**4. Climate risk**

Climate risk is a material systemic risk for our clients, given their long-term horizons. These risks can influence long-term funding outcomes, asset-class behaviour and covenant strength. As part of our advice, we help clients assess portfolio sensitivity to climate scenarios.

**5. Credit risk**

Pension schemes often have material exposures to corporate bonds, multi-asset credit and private market lending. Credit spread widening, refinancing risk and increased default rates can all materially affect solvency and funding paths.

**6. Equity risk**

Pension schemes often have exposure to equity risk. Equity price movements can impact funding levels and the long-term ability to meet pension payments.





### Incorporating these risks into our advice

### Strategic Risk Assessment

For our UK institutional clients, we undertake formal and regular assessment of market-wide risks as part of our ongoing strategic monitoring. These risks are also evaluated during broader strategic reviews of clients' investment policies to ensure their long-term objectives remain appropriately aligned with prevailing market conditions.

When constructing portfolios, our focus is on diversifying the underlying sources of risk, rather than simply diversifying capital across asset classes. To achieve this, we assess risk through multiple complementary lenses, including:

- **Asset Liability Modelling (ALM):** Models calibrated based on historic market volatility, including stress periods such as the global financial crisis (GFC)
- **Scenario Analysis:** Based on past historic risk events (GFC, Dot-com bubble, Eurozone Gilt crisis)
- **Liquidity Analysis:** Understanding how resilient client portfolios are to rises in gilt yields and the assets available to support clients' liability hedges
- **Cashflow Analysis:** Assessing the impact of higher-than-average default experience

These lenses are combined with client-specific objectives and risk appetites to form balanced, resilient long-term strategies.

We also work with clients to establish investment risk registers that highlight key market risks and the controls in place to mitigate them. These risk registers are monitored at each client board/committee meeting, typically held quarterly.

### Risk Mitigation and Portfolio Construction

In addition to identifying systemic risks, we work with clients to implement practical mitigation tools that strengthen portfolio resilience. For interest rate and inflation risks, particularly relevant to schemes with liability-matching objectives, we support clients in designing and maintaining hedge programmes that align with their funding profiles. Where appropriate, we also advise on the use of currency hedging to manage unrewarded currency volatility stemming from globally diversified portfolios. Our strategic advice emphasises global diversification across regions, sectors and asset types, reducing reliance on any single macroeconomic environment and lowering exposure to localised shocks. These approaches ensure portfolios are more robust to systemic dislocations and better aligned with long term funding objectives.

### Climate and ESG Integration

Given the materiality of climate transition and wider ESG risks, we work closely with our clients to advise on climate metrics and climate scenario analysis, supporting them in preparing annual climate reporting in line with the latest climate reporting standards and recommendations. These analyses help clients understand how climate related systemic risks may influence long-term funding outcomes and asset class behaviour, enabling better aligned stewardship priorities.

### Manager Oversight and Stewardship Support

We believe that allocating to the right asset classes, and structuring mandates correctly will have a greater impact on outcomes than the selection of the investment managers used to implement each mandate. However, the selection of an investment manager significantly influences how ESG and stewardship are integrated into client portfolios, as the day-to-day assessment of ESG risks and engagement with underlying issuers is typically delegated to the selected investment managers. Because investment managers undertake the majority of stewardship activity on behalf of our clients, we monitor:

- ESG integration and risk management processes
- Engagement and escalation practices
- Quality and transparency of stewardship reporting
- Alignment of activity to systemic risks identified by clients

As discussed in Principle 1 (SP) for, our clients' managers are categorised as 'leading', 'catching up' or 'behind', on an ESG and stewardship perspective, enabling trustees to hold managers to account where stewardship practices fall short.

### Supporting Well-Functioning Financial Markets

As outlined under Principle 1 (SP), our communication framework ensures clients understand how market-wide and systemic risks, such as monetary-policy changes, liquidity pressures, geopolitical events and credit-market dynamics, affect their portfolios and funding paths. Through quarterly monitoring reports, trustee meetings and ad-hoc updates, we ensure trustees can make well-informed decisions that support long-term financial stability.

Beyond our client work, we contribute to the functioning of financial markets more broadly through industry engagement, policy input and thought leadership.

- Industry participation: We actively contribute to the UK Investment Consultants Sustainability Working Group (ICSWG), helping develop:
  - standardised engagement-reporting templates
  - enhanced manager-stewardship data frameworks
  - consistent ESG-disclosure standards across the industry

These initiatives improve transparency, comparability and stewardship quality across the UK institutional market.

- Regulatory and policy engagement: We participate in, or support client participation in, regulatory consultations on:
  - DWP reforms for DB schemes
  - climate-reporting frameworks
  - investment-governance standards



# Supporting Documents

**All the supporting documents listed below can be found on our dedicated Responsible Investing webpage.**

**Momentum Group Ltd Sustainability Report**

**Momentum Group Ltd Integrated Report**

**Momentum Metropolitan Life Ltd PRI Assessment Report**

**Momentum Metropolitan Life Ltd Transparency Report**

**Momentum Investments Stewardship Report**

**Momentum Investments Responsible Investment Policy**

**Momentum Investments Climate Change Policy**

**Momentum Investments Proxy Voting Policy**

**MGIM Proxy Voting Policy**

**Momentum Investments Engagement Policy**

***View all our Responsible Investing Policies here***

# Stewardship Signatures

The MGIM annual Stewardship Report for the year ended 30 June 2025 was reviewed and approved by the MGIM Manco who consider it to be a complete and accurate report on how we have applied the principles of the Code over the period.

**Andrew Hardy**
*Managing Director*

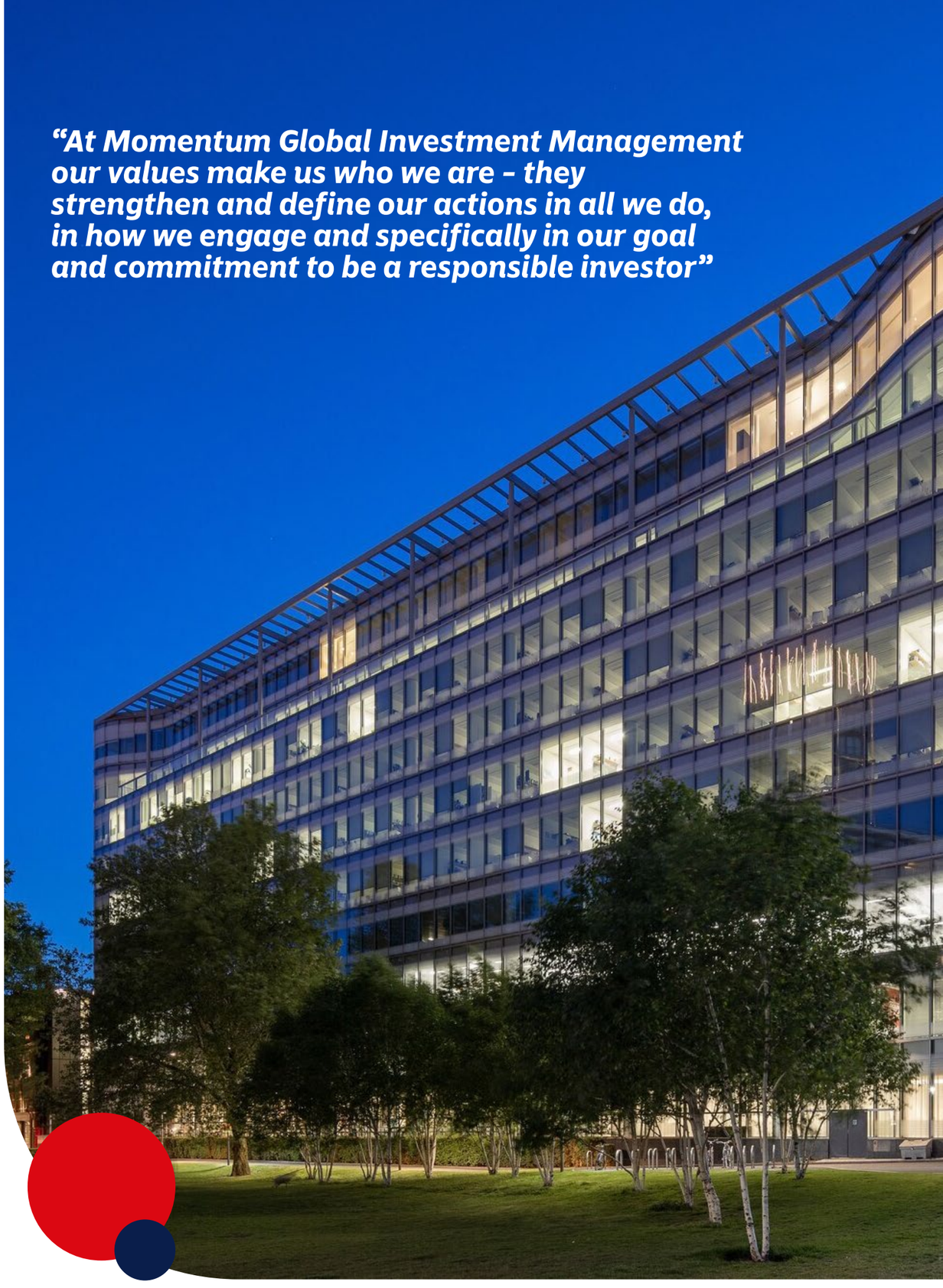
**Jade Coysh**
*Responsible Investment Specialist & Senior Analyst*

**Anna Jouneau**
*Senior Analyst*

**Philip Woolliscroft**
*Head of Legal, Risk & Compliance*

**Mike Adsetts**
*Global Chief Investment Officer*

***"At Momentum Global Investment Management our values make us who we are - they strengthen and define our actions in all we do, in how we engage and specifically in our goal and commitment to be a responsible investor"***



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