



RESPONSIBLE INVESTMENT POLICY

Developed Market Equities

September 2024

Table of Contents

- I. Approach.....2
- II. Governance.....2
- III. Integration.....2
- IV. Engagement.....3
- V. Collaboration.....4
- VI. Proxy voting..... 4
- VII. Conflicts of Interest.....4
- VIII. Reporting.....4

I. Approach

This policy outlines the key principles that underlie NS Partners' commitment to incorporating responsible investment considerations into our investment process. NS Partners' primary responsibility is our fiduciary duty to our clients which includes acting and investing with prudence. NS Partners believes that Environmental, Social and Governance (ESG) factors can play a material role in determining risk and return of securities and that all else being equal, over time companies with better or improving ESG practices will outperform those with poorer or deteriorating ESG practices. By ensuring that financially material ESG factors and their trajectory over time are captured in the investment process, our policy on responsible investing aligns with our duty to seek the best returns for our clients.

As a part of our commitment to responsible investing, NS Partners is a signatory of the United Nations Principles for Responsible Investment (UN PRI), a globally recognized voluntary framework for investment entities wishing to address ESG issues. Where consistent with our fiduciary responsibilities, as signatories of the UN PRI, NS Partners commits to the following six principles.

1. Incorporate ESG issues into investment analysis and decision-making processes.
2. Incorporate ESG issues into ownership responsibilities policies and practices.
3. Seek appropriate disclosure on ESG issues by the entities in which it invests.
4. Promote acceptance and implementation of the Principles with asset management participants.
5. Work together to enhance effectiveness in implementing the Principles.
6. Report on its activities and progress towards implementing the Principles.

II. Governance

NS Partners' board of directors provides oversight of all responsible investment activities. The Co-Chief Investment Officers provide management and supervision of responsible investment activities. The Investment Policy Committee attends meetings where new ideas for the portfolio are proposed and relevant ESG factors are discussed and, in addition, monthly regional stock meetings where portfolios are monitored for consistency and alignment with policies and material changes in ESG factors at the individual stock level are discussed.

III. Integration

NS Partners believes ESG factors can play a material role in determining risk and return of securities, as such consideration of ESG factors and their direction of travel in terms of improvement vs. deterioration forms an important part of the assessment when a new stock is proposed for the portfolio.

The ESG factors NS Partners considers include but are not limited to:

Environment

- Carbon emissions
- Net Zero alignment
- Other greenhouse gas emissions
- Waste products
- Water usage/management

Social

- Human Rights
- Compulsory/child labour
- Workplace safety
- Responsible supply chain management/procurement
- Diversity
- UN SDG Policies

Governance

- Shareholder rights
- Board diversity and independence
- Executive Compensation
- Corruption
- Disclosure

Stock notes contain an ESG section where ESG scores from MSCI and other providers, where available from Bloomberg, are analysed and other relevant ESG information is presented. The materiality of the ESG risk for each stock is considered and discussed as part of the stock selection process. Relevant and material ESG factors are different between sectors, regions and stocks, we do not apply the same criteria across all categories, instead we seek to assess the pertinent factors in each individual case and the impact on both risk and return. We do not systemically exclude regions, sectors, sub-sectors or companies, we assess each case individually. NS Partners gathers a broad spectrum of data to be used as part of the investment research process directly from companies and through sources such as Bloomberg and MSCI.

The portfolio is monitored on an ongoing basis for significant deterioration of a stock's ESG score, any material change in ESG related risks or controversies, when applicable this information is reviewed in the monthly stock meetings.

NS Partners does not believe that a commitment to responsible investment can be fulfilled by analysis alone, we believe engagement with the companies we invest in is crucial to deepening our understanding of the risks associated with relevant ESG factors and driving improvements in disclosure and transparency. We aim to be active owners of shares, entering into a constructive dialogue with our portfolio companies.

IV. Engagement

“Engagement” refers to interactions NS Partners may have with companies to exercise influence in relation to ESG issues. As an investment manager, NS Partners is committed to encouraging companies to adopt policies that enhance long term financial performance. Our objective for engagement is generally to promote disclosure and transparency regarding ESG risks and factors.

The investment team regularly meets with company management and addresses any relevant ESG concerns in these forums. NS Partners also uses proxy voting as a route to engage with companies, in cases where we are considering voting against management, we reach out to discuss the issues in greater detail before voting the shares (please see Proxy Voting section below).

V. Collaboration

In addition to conducting direct engagements with issuers, NS Partners may also participate in collaborative engagements and initiatives. These collaborations may involve other institutional investors, industry associations or advocacy groups and help us to pool resources and speak with a stronger unified voice to protect the interests of shareholders in the companies in which we invest on behalf of our clients. As a signatory of the UN PRI, NS Partners utilize the UN PRI Collaboration Platform as a source of collaboration opportunities.

The following lists NS Partners' collaborative initiatives:

- Principles For Responsible Investing (PRI)
- Climate Action 100+
- Task Force on Climate-Related Financial Disclosures (TCFD)
- International Corporate Governance Network (ICGN)

VI. Proxy Voting

NS Partners maintains a custom proxy voting policy and utilizes the proxy research and voting services of Institutional Shareholder Services (ISS) to help assess and vote proxies in accordance with this policy. ISS prepares recommendations with reference to NS Partners' policy for all proposals on which we are entitled to vote. NS Partners uses these recommendations as a guide; however, certain situations will warrant additional review. Where there is a recommendation to vote against management, we reach out to the company to gain a better understanding of the issue at hand. As a result of this engagement and our assessment of the relevant information, NS Partners may choose to vote contrary to the ISS recommendation.

As a signatory of the UN PRI, NS Partners takes into account ESG implications in our proxy voting. Specific proposals related to ESG issues will be reviewed and analyzed on a case-by-case basis, however NS Partners will generally vote in favour of proposals that seek to improve disclosure of environmental risks, generally vote in favour of shareholder proposals to improve transparency regarding social issues and generally vote in favour of proposals that encourage good governance and greater independence - provided it is in the best interest of shareholders.

VII. Conflicts of Interest

Conflicts of interest can arise. FCA Principle 8 and SYSC 10 place an obligation on firms to manage conflicts of interest fairly. We have a firm-wide policy that sets out how we will deal with actual or potential conflicts of interest. We seek to create an environment where staff awareness of conflicts of interests and potential conflicts of interests is conducive to identifying, preventing and resolving issues as they arise. Our core aim, is to always act in the best interests of clients, seeking to treat clients fairly in every interaction and communicate with them in an open and transparent manner.

VIII. Reporting

Proxy Voting

NS Partners provides a summary of its proxy voting record to its clients on a quarterly basis. Additional information is available to our clients on request.

UK Stewardship Code

Under COBS of the Financial Conduct Authority Handbook, NS Partners is required to make a public disclosure in relation to the nature of its alignment to the UK Stewardship Code. This is required annually and is available on our website. NS Partners is not currently a signatory to the UK Stewardship Code.

United Nations Principles for Responsible Investment

Since 2016, we have been signatories to the UN PRI. As a signatory, we report on our ESG activities, which includes stewardship and voting activities.

Responsible Investment Report

NS Partners reports annually on the firm’s ESG related activities and responsible investing initiatives in our annual Responsible Investment Report, available on our website.

Climate-Related Disclosure

As a supporter of the TCFD recommendations, NS Partners will publish its own TCFD-aligned disclosure, which will describe its approach to identifying, assessing, and managing climate-related risk in its investment process. Portfolio carbon footprint related data is disclosed under NS Partners’ annual Responsible Investment Report.

Responsible Investing Policies

NS Partners policies are reviewed annually and are available on our website.