SKERRYVORE GLOBAL EMERGING MARKETS EQUITY STRATEGIES

Sustainability & Stewardship

Annual Report

12 months to end of June 2026

Skerryvore
ASSET MANAGEMENT

Contents

Front cover: Khao Lak Lighthouse near Phuket, Phang-Nga, Thailand

For professional investors only

This document is issued and approved by Skerryvore Asset Management Ltd
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The information provided in this document relating to specific stock examples should not be considered a recommendation to buy or sell any particular security.

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Far-sighted & Fair-minded

As long-term investors and responsible stewards of our clients' capital, we aim to grow returns while addressing sustainability risks that may materially affect the companies we invest in.

This report aims to provide greater insight into how we have been thinking about and assessing sustainability issues for the businesses we have considered, invested in and engaged with over the past 12 months[1].

INTRODUCTION

At Skerryvore, we look to invest in quality businesses led by aligned owners and management teams with long track records of treating their stakeholders fairly. This is especially important in emerging markets, where standards of governance, regulation and capital allocation can vary widely. We value long-term thinking, appropriate regard for minority shareholder interests and a responsible approach to reinvesting capital.

When assessing quality, we consider franchise durability, financial strength, balance sheet resilience and behaviours that support long-term value creation. We often find that the highest quality companies understand how sustainable conduct can reinforce competitive advantage, including through a strong reputation. Where these qualities are present, we can be patient, while remaining disciplined on valuation. Our aim is to build portfolios that compound capital and deliver attractive absolute returns over time, rather than owning good companies at any price.

We see sustainability as an important part of business quality, not as a separate objective or a priority above investment returns. Where environmental, social and governance (ESG) factors may have a material financial impact, we assess them alongside franchise strength, alignment, and financial characteristics. This helps us build a fuller picture of risk, return and durability, strengthening our due diligence and supporting better risk-adjusted outcomes.

Our bottom-up research brings together quantitative and qualitative analysis, company disclosures, third-party data, news sources and direct engagement. Our stewardship activity, be it engagement or proxy voting, helps us monitor sustainability-related risks, understand management decisions and governance, and encourage stronger disclosure and practices.

We focus on issues that may materially affect long-term returns and aim to hold companies accountable for the commitments they make.

What's in this Report?

Our latest bottom-up carbon emissions assessment shows encouraging progress in portfolio companies' reporting, target setting and alignment with carbon neutrality. In **Tracking Progress on Carbon Emissions: From Ambition to Accountability**, we share portfolio-wide insights and include a snapshot of our analysis of our ten largest holdings by weight[1].

This proprietary work now also underpins our revised approach to monitoring aggregate portfolio emissions progress. In the **Considering Carbon Risk** section, we set out our portfolio's current absolute and relative emissions position, explain our methodology and share why, after reviewing more opaque climate scenario models, we believe our in-house approach is more useful to our investment process. It also provides us with more constructive insights for engaging with management teams as we monitor progress towards carbon neutrality by 2050.

Finally, we summarise our engagement and stewardship activity over the past 12 months, highlighting the range of issues addressed and the work undertaken by the investment team. While Skerryvore is not an activist investor, we focus on the matters we consider most material and encourage behaviour that supports long-term shareholder value.

We hope you find this report useful, and we would be pleased to hear from you if you have any questions or feedback.

1. As of end June 2026

Sustainability & Stewardship Working Group

Over the past 12 months, our Sustainability & Stewardship Working Group has supported a range of regulatory and client-driven requirements. Its work has focused on four main areas: reviewing policies, procedures and data services; completing mandatory and voluntary reporting; supporting evidence gathering and due diligence; and overseeing how the investment team integrates sustainability. Together, these activities help ensure our communications across jurisdictions are compliant, clear and consistent, and aligned with our investment philosophy and strategies.

Further Information

For more detail on Skerryvore's approach to sustainability and stewardship, please see our policy and guidelines documents, annual voting summary and latest UNPRI assessment report on our website. You can also find additional sustainability-related insights from the investment team's bottom-up research there in the Reflections section.

Tracking Progress on Carbon Emissions

FROM AMBITION TO ACCOUNTABILITY

In 2022, we began a project to better understand how our portfolio companies are addressing their carbon footprints. This involved assessing which emissions are being measured, the targets companies have set, and the credibility of their pathways to achieve them. This bottom-up analysis allows us to track progress over time, prioritise our stewardship activity, and assess performance against our own climate-related commitments[1].

With four years of data, we are increasingly able to move beyond static disclosures and evaluate real-world progress. This is particularly relevant in the context of the Paris Agreement, which marked its 10th anniversary in December 2025. Many companies are now approaching their first meaningful decarbonisation milestones, providing a clearer basis on which to assess execution against ambition.

Recalibrating Ambition

Although many companies set bold early targets, historically, execution has often proven challenging. One global study found that over 70% of companies have fallen behind on initial targets, often reflecting early over-ambition and an underestimation of execution complexity[2]. Against this backdrop, it has been encouraging to review our portfolio holdings' progress and see that the majority with targets are on course to reach their goals.

Cipla, however, is a good example of one that may have set the original bar too high. The Indian pharmaceutical company, with its large manufacturing footprint, set a demanding target to reach carbon neutrality for its domestic operations by the end of 2025. Even though it is likely to fall short of that goal, progress to date has been notable: Scope 1 and 2 emissions[3] have declined by 58% since 2020, supported in part by increased adoption of solar power[4].

Importantly, this shift towards renewable energy is already creating tangible cost savings, too. Cipla is reviewing its carbon targets, and we anticipate an updated, more realistic short-term target will be published in due course. Indeed, many of our companies have now moved on to 2030 targets, so we will track progress towards this next milestone in the coming years.

Diverging Disclosure

Sustainability reporting standards vary in both type and scope across the emerging markets universe[5], which creates challenges when comparing one company with another. We are also seeing notable differences in the pace of improvement from country to country. For example, we have been pleasantly surprised by the seriousness with which some of our investments in China take sustainability reporting, and the detail they give. Understandably, companies with global brands, such as medical equipment manufacturer **Shenzhen Mindray** and home appliance maker **Midea**, have led the way. Both companies have set themselves realistic targets of reducing their Scope 1 and 2 emissions intensity by 2030.

Domestic-focused companies are catching up, as shown by **Yifeng Pharmacy** disclosing data that conforms with Global Reporting Initiative standards, although it has not yet set itself any climate-related goals.

In contrast, improvements in many Indian corporates have stalled since the introduction of mandatory business responsibility and sustainability reporting (BRSR) by the Indian stock exchange regulator in FY2023. The change forced companies to quickly up their game and report on various ESG metrics but also gave them plenty of scope to choose how they report. This has led to data comparability issues and some corporates providing the bare minimum to comply with the rules.

We encourage all companies in which we invest to improve their reporting standards but it's in India, not China, where we need to nudge a little harder.

The Cost of Keeping Cool

For grocery retailers and other cold-chain-dependent businesses, refrigerants are often viewed as a relatively small operational consideration. However, their climate impact is disproportionately large. With global warming potentials (GWPs) thousands of times greater than CO_2, even modest leakages can dominate direct emissions, turning what appears to be a technical detail into a central decarbonisation challenge.

Poland-focused grocery retailer **Jerónimo Martins** provides a clear example of how a sustained, structured approach can deliver both environmental and financial outcomes. Since 2015, the company has systematically phased out high-GWP refrigerants in favour of natural alternatives such as carbon dioxide, ammonia and propane. Today, approximately 73% of its distribution centres and 64% of stores operate on low-GWP systems. This transition has been underpinned by €790 million of investment in energy-efficiency and lower-GWP technologies since 2017, generating an average payback period of around three years. In total, the programme has avoided approximately 1.25 million tonnes of emissions while also delivering tangible operating cost savings[6].
By contrast, **Walmart de México** remains at an earlier stage of this transition. Refrigerants currently account for close to half of its operational emissions, representing the single largest barrier to achieving its 2040 zero-emissions target. As such, the pace of technology deployment will be a key determinant of progress, and this is something we will continue to engage on.

The Multinational Advantage

Another clear theme emerging from our analysis is the extent to which companies embedded within multinational systems are progressing more rapidly than many locally controlled peers. Our **Coca-Cola bottlers** provide a strong illustration. They stand out not only for the depth of their emissions disclosure, but also for the breadth of reporting across material sustainability issues, including water stewardship, packaging and human rights. This is matched by tangible progress: they have already achieved meaningful reductions in operational emissions and exhibit some of the highest renewable energy penetration levels within the portfolio.

That said, operating in emerging markets continues to present structural challenges. This is evident in **Heineken's** Indian subsidiary, **United Breweries**. Despite committing to a 2040 net zero target, the company has yet to fully map its Scope 3 emissions, reflecting the complexity and fragmentation of local supply chains.

Capture the FLAG?

Scope 3[7] has long been a point of contention for those predisposed to argue the finer details of accounting, yet its purpose has always been useful: to capture the full breadth of a company's value chain impact. In recent years, we have seen more and more categories being added to the exhausting calculation, pushing companies to better articulate what sits within and beyond their direct control. Against this backdrop, the emergence of FLAG versus non-FLAG reporting marks a meaningful shift.

FLAG refers to Forestry, Land, and Agriculture. A few of the more progressive companies, particularly those who operate both in emerging and developed markets, have begun to make the distinction within their Scope 3 disclosures. In many ways, this parallels the market-based versus location-based distinction in Scope 2, highlighting that some aspects of the value chain are way out of their control. The hard reality is that transforming global value chains is not simple: roughly one-eighth of humanity works in FLAG-related sectors, overwhelmingly skewed to agriculture[8]. Ensuring small-scale farmers in India or Africa align with Paris Agreement targets is not easy.

Breaking out FLAG helps draw lines around the scale of this complex issue. Looking ahead, a key question will be whether this distinction becomes a tool for companies to alter their long-term targets. It is important we continue to monitor and engage with companies on how they are tackling this global challenge.

Where Climate Hits Capital

For financial institutions, climate exposure ultimately converges in Scope 3, Category 15: financed emissions. This is where the reckoning occurs, capturing the emissions generated by businesses enabled through bank lending.

Why does this matter? The growing damage from a warming planet is already creating both direct and indirect impacts. Directly, physical events are feeding through into asset quality.

For example, in the Philippines, it is estimated that for every 1% increase in storm damage caused by a typhoon, non-performing assets increase by 2.3%[9]. Indirectly, there is a rising risk of stranded assets. As certain activities become uneconomic to finance, asset values can fall, leaving lenders exposed to impairments. This risk is not confined to large infrastructure projects. In Australia, for instance, it is estimated that 1 in 10 homes could become uninsurable by 2035[10]. Such outcomes would effectively render properties unsellable, weakening collateral values and, in turn, bank loan books. There is also the possibility that a more latent indirect risk is building: legal liability for banks financing the largest emitters of carbon.

Against this backdrop, India remains a laggard on financed emissions disclosure. The country's 2070 net zero target reflects, in part, its structural dependence on fossil fuels. Currently, only one bank – Yes Bank – fully reports financed emissions. **HDFC Bank** has begun a pilot with the Partnership for Carbon Accounting Financials (PCAF), and only a couple of peers are at early stages of disclosure[11].

Among the 35 largest banks, only six have set net zero targets. **Kotak** stands out as one of just two banks to have conducted climate scenario analysis, assessing how a changing climate could impact its loan book[12].

As investors in Kotak and HDFC Bank, it is in our long-term interest to continue pushing for stronger disclosure and to think about risks to both assets and reputation.

Conclusion

Our bottom-up analysis continues to benefit from the improving depth and consistency of company reporting, but it also reinforces the importance of looking beyond disclosure alone. The most useful insights come from tracking whether targets are credible, whether progress is translating into operational change, and where structural challenges remain. Although performance is uneven across markets and sectors, the overall direction is encouraging: more companies are measuring what matters, setting clearer and more realistic objectives, and beginning to demonstrate delivery.

It is this progress that we believe will enable these companies to thrive in the future and support good long-term returns. We will continue to build on this work, using the evidence gathered to inform investment decisions, focus our stewardship priorities, and engage with companies where better disclosure, stronger execution or more credible pathways are still needed.

TABLE 1. – EMISSIONS ANALYSIS SUMMARY

Skerryvore GEM Equity Strategies (Representative Portfolio) - Top 10 holdings by weight

Name	Absolute Scope 1+2 Emissions* tCO_2e (2025)	Renew-able Energy use* % (2025)	Company Emissions Targets#		Country Net Zero Target Year	Target Assessment#	Alignment†
			Short-Term Target & Year	Long-Term Target & Year			
HDFC BANK	362,877	3.2%	No target	Target 2032	India 2070	Target	Committed to aligning
CIPLA	167,370	41.0%	Target 2025	No target	India 2070	Target	Not aligned
SHOPRITE HOLDINGS	2,281,557	7.2%	Approved SBT 2030	Target 2050	South Africa 2050	Approved SBT	Aligning
TSMC	13,337,783	20.1%	Target 2030	Target 2050	Taiwan 2050	Target	Aligning
STANDARD BANK	160,033	6.6%	Target 2030	Target 2050	South Africa 2050	Target	Aligning
MIDEA GROUP	2,098,936	12.0%	Target 2030	Target 2060	China 2060	Target	Not aligned
ADVANTECH	24,931	16.2%	Approved SBT 2030	Approved SBT 2050	Taiwan 2050	Approved SBT	Aligning
BID CORP	321,348	3.3%	Target 2034	Target 2050	South Africa 2050	Target	Aligning
HEINEKEN HOLDING	1,033,000	88.0%	Approved SBT 2030	Approved SBT 2040	Netherlands 2050	Approved SBT	Aligning
RAIA DROGASIL	26,330	100.0%	Target 2030	No target	Brazil 2050	Target	Committed to aligning

Source: Skerryvore. Using fiscal year end data available (in company sustainability reports and disclosures) as of 30 June 2026.

* Using all commercially reasonable efforts.

Includes approved science-based target (SBT) / committed SBT / target / no target - in line with methodology (page 10)

† Includes aligned / aligning / committed to aligning / not aligned - in line with methodology (page 10)

1. See the 'Considering Carbon Risk' section of this document (page 9 and 10) for more detail.
2. Aldy, J.E., Bolton, P., Kacperczyk, M., & Halem, Z.M. Journal of Applied Corporate Finance (2023), 35(2) 26-34. Behind schedule: The corporate effort to fulfil climate obligations.
3. Scope 1 emissions are those that a company directly owns and controls; Scope 2 are indirect emissions from purchased energy.
4. Cipla Annual Report FY2024-25, p. 16.
5. See, for example, our 2023 article on 'The data challenge': www.skerryvoream.com/uk/insights/long-view/data-challenge and from 2022 'Raising the Standard' www.skerryvoream.com/uk/insights/long-view/raising-standard.
6. Jeronimo Martins Climate Transition Plan (April 2026), pp. 16 and 25.
7. Scope 3 emissions are indirect emissions from a business's supply chains. See our 2024 article, 'Do you know your Scope 3 from your Scope 4?' www.skerryvoream.com/uk/insights/long-view/do-you-know-your-scope-3-your-scope-4.
8. Food and Agriculture Organization (July 2025 update). Employment indicators 2000–2023 (July 2025 update); Skerryvore.
9. World Bank Blogs (18 April 2023). Banking sector risks in the aftermath of climate change and environmental-related disasters.
10. ABC News (14 January 2025). One in 10 homes could become uninsurable by 2035, analyst warns.
11. Climate Risk Horizons. (May 2026), p. 32. Small Steps for a Big Problem: Despite Climate Crisis, Indian Banks Stuck In Compliance Mode.
12. Climate Risk Horizons (December 2024), pp. 31 and 28. India's banks moving too slowly in face of climate crisis.

Considering Carbon Risk

As long-term investors with a fiduciary duty to be responsible stewards of our clients' capital we look to maximise returns and in doing so address any sustainability risks to overall performance from investee companies.

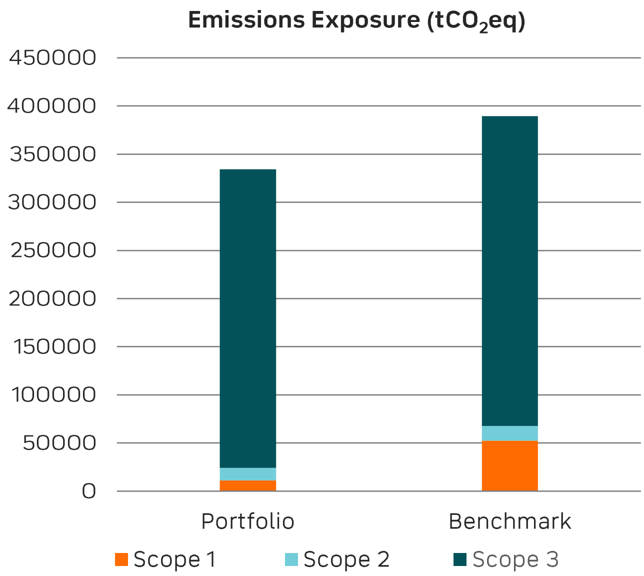
We consider environmental, social and governance (ESG) factors to be a subset of a more holistic definition of a sustainable business. Assessing how these factors influence the risk, return and longevity of investments provides a more thorough due diligence process, which should lead to better risk-adjusted returns.

We believe that stewardship plays an important role in the managing of sustainability risks and that our engagement and proxy voting activity support the realisation of long-term value for our clients.[1]

Portfolio Activity

There were no significant portfolio actions related to sustainability issues during the period.

PORTFOLIO EMISSIONS EXPOSURE VS BENCHMARK[2]



Portfolio Carbon Emission Reporting

Analysis of the GEM Strategy highlights that the portfolio has a significantly lower Scope 1 and 2 emissions exposure than the emerging markets benchmark.

We look for all investee companies to have a level of commitment to lowering carbon emissions over time and undertake to hold them to account in relation to their targets and progress. This includes encouraging those investee companies yet to set formal targets through our engagement process.

Monitoring Portfolio Emissions Progress

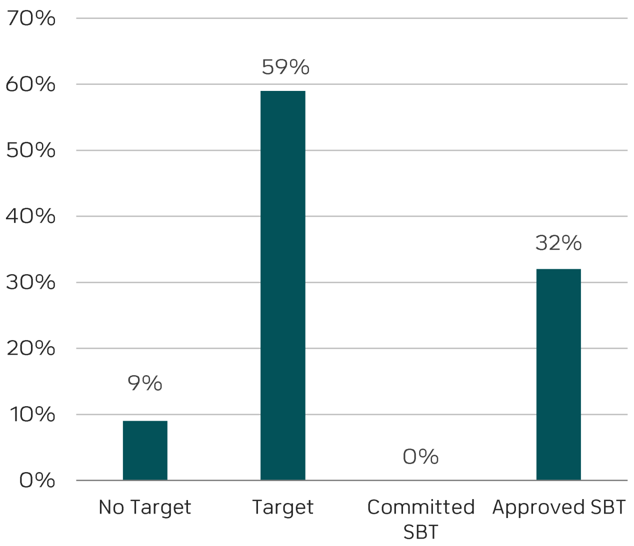
Assessment of investee companies' commitment and progress in the reduction of carbon emissions is undertaken through our bottom-up research work and is supported using third-party data. More detail on this is included on the following page.

We believe this approach is currently more valuable to the monitoring process than some other predictive climate models and importantly provides constructive insights for engagement with company management teams, particularly as we look to manage progress in aligning with the target of carbon neutrality by 2050. Our ability to evidence alignment pathways will continue to develop over time.

Our analysis of company strategies, activities and how they are aligning to emissions targets is undertaken annually and is summarised in the charts on the following page for the GEM Strategy. A fuller company-level review of our annual analysis is discussed, with insights and observations, in the previous section of this report.

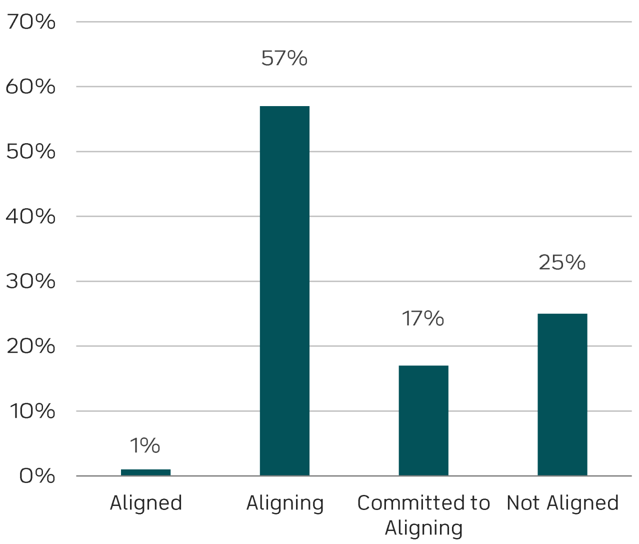
1. More detail on our sustainability and stewardship policies is available in the Sustainability section our website.
2. Skerryvore; S&P CapIQ & iShares MSCI EM ETF benchmark as of 30 June 2026.

CLIMATE TARGET ASSESSMENT[3]



91% of the portfolio's value is committed to a climate related target. 9% do not yet have a formal target.

TARGET ALIGNMENT[3]



75% of the portfolio's value is aligned or aligning to a target of carbon neutrality by 2050. 25% of the portfolio is not yet aligned through adequate target setting.

Climate Target & Alignment Assessment Methodology

Our approach is deliberately bottom-up, assessing whether each portfolio company has credible climate-related targets that support alignment with carbon neutrality by 2050.

Companies are classified according to the strength of their commitments: no target, target, committed science-based target, or approved science-based target. We consider both short-term and long-term targets, with science-based alignment requiring broad coverage of Scope 1 and 2 emissions and, where material, Scope 3 emissions.

For each company, the methodology reviews any 2050 carbon-neutrality or net-zero commitment, and relevant country-level net-zero commitments. Overall alignment is then categorised as aligned, aligning, committed to aligning, or not aligned. A company is only considered aligned if it has already achieved carbon neutrality, while it is considered aligning where it combines a 2050 carbon-neutrality target with credible interim targets.

Portfolio reporting then aggregates holdings by target classification and alignment status, excluding cash where appropriate. In practical terms, the assessment asks whether portfolio companies have credible climate targets and whether those targets follow a net-zero or carbon-neutrality pathway.

The answers help identify where companies are progressing, where gaps remain and where engagement can encourage stronger targets and delivery.

3. Source: Skerryvore. Using fiscal year end data available (in company sustainability reports and disclosures) as of 30 June 2026. Using all commercially reasonable efforts. Includes absolute, relative and renewable energy targets. SBT – Science-Based Target.

Engagement Highlights

Engagement enables us to gather insights, provide feedback, and offer constructive challenge where appropriate. As long-term investors in high-quality businesses, we rarely encounter issues that require significant engagement or proxy voting. However, we remain actively engaged on matters that could affect long-term value. We believe effective engagement begins with understanding the rationale behind management decisions. We seek owners and leadership teams whose actions are aligned with their commitments and aim to understand how they are addressing the key challenges facing their businesses. We also expect that strong management teams will continually assess competitive, operational, societal, and environmental risks, helping to support resilient businesses and long-term value creation.

The following examples illustrate engagements undertaken over the past 12 months.

COMPANY	ENGAGEMENT TYPE	ENGAGEMENT DETAIL	INVESTMENT OUTCOME
Bank Central Asia	Environmental	BCA among other banks has been noted as an indirect contributor to deforestation because of financing companies that operate in the soft commodity sector, with specific focus on palm oil. We have in the past discussed with them the need to improve Scope 3 disclosure.	In a recent meeting, management indicated that higher-quality corporate customers tend to operate in more sustainable ways. As a bank, they do not lend to greenfield plantation projects, which they consider high risk, and note that supply certification has improved steadily over the past five years. They avoid doing business with lower-quality operators because these are too risky, rather than specifically to reduce Scope 3 emissions. Among the barriers to Scope 3 disclosure across the sector is the absence of a common reporting approach, and management expects IFRS-driven solutions to emerge by 2028. Remains a holding in eligible accounts/strategies.
Bid Corp	Governance	Discussion of short-term incentive targets for senior management. We felt the reduction in the headline earnings growth target from +4-8% in constant currency to +3-7% represented a low bar for the CEO and CFO, and voiced our concerns in a meeting with management.	Management pointed out that these targets are set by the remuneration committee before the remuneration report is then voted on by shareholders. The reduction in the target is only for the current fiscal year and reflects the weakness of the economies of some of the largest businesses, a factor that is outside of management's control. Long-term incentive targets are unchanged. We voted in favour of the remuneration report but will continue to monitor targets to ensure they are fair. Remains a holding in eligible accounts/strategies.

Engagement Highlights

COMPANY	ENGAGEMENT TYPE	ENGAGEMENT DETAIL	INVESTMENT OUTCOME
Century Pacific	Environmental	In a recent review of emissions, Century had been flagged as not having a net zero target. When we discussed this with the company, management explained that this was because they were unable to set out in detail how they would achieve net zero, given the current state of power infrastructure in the Philippines. Rather than commit to a target they did not yet know how to achieve, the company preferred to be transparent and acknowledge that uncertainty. It is not, however, standing still, and continues to roll out initiatives to bring emissions down over time.	We regard the company's candour on this target as a sign of quality: even though it causes them to flag on investors' screens, they would rather be open about the fact that they cannot yet see a clear path to net zero. We are conscious that many other companies commit to targets knowing that their current management teams will not be in place when the target date arrives. This is less of a concern in a family-run company such as Century. We will continue to discuss progress with them. Remains a holding in eligible accounts/strategies.
Infosys	Governance	Infosys received a tax demand for nearly $4 billion in India alleging evasion of goods and services tax (GST) on overseas work.	After following up in a meeting, it became clear that the tax demand had been withdrawn by the Indian government. We will continue to monitor. Remains a holding in eligible accounts/strategies.
Mega Lifesciences	Governance	Clarification sought on the nature and extent of certain non-audit fees paid to KPMG.	Management clarified that this related to a one-off engagement with KPMG's cybersecurity team in Singapore. The company recognises the threat of ransomware to its operations across more than 30 markets, and the engagement helped to develop a plan for a stronger IT framework. Remains a holding in eligible accounts/strategies.
Raia Drogasil	Governance	Board independence and changes to past remuneration schemes have been highlighted at previous AGMs by proxy advisers. While we supported the company in these votes, we wanted to engage further to better understand both issues.	We spoke with the new CEO about how a recently appointed independent director is drawing on her retail experience to help with new store decisions. The company is open to adding further outside expertise to the board along these lines. This is a good example of finding the right person for the board rather than appointing directors to meet quotas. On the change to the long-term incentive scheme, we remain satisfied that the performance criteria are unchanged and that the scheme forms part of a sensible overall package designed to encourage alignment with shareholders. Remains a holding in eligible accounts/strategies.

Engagement Highlights

COMPANY	ENGAGEMENT TYPE	ENGAGEMENT DETAIL	INVESTMENT OUTCOME
Sarantis	Environmental	Discussion to understand Sarantis' emissions decarbonisation roadmap introduced in 2025, and how it supports the company's ambition to reach net-zero carbon emissions across its value chain by 2050.	Sarantis completed an extensive emissions measurement and target-setting exercise in 2024. It has set a target to reduce Scope 1 and 2 emissions by 42% between 2023 and 2030, aligned with the Science Based Targets initiative (SBTi), and confirmed it is currently on track. Scope 3 emissions remain the most complex area, with data collection ongoing and a mid-term reduction target expected to be defined by 2027. Management also confirmed that emissions reduction has been incorporated as a KPI in the Long-Term Incentive Plan (LTIP) from the 2025 cycle. Remains a holding in eligible accounts/strategies.
Sendas Distribuidora	Social	The company has flagged as a violator in the most recent quarterly PAI assessment, with our data provider highlighting forced labour as a high risk in its supply chain. We have already done a significant amount of work on the supply chain and believe the company stands out in terms of its policies. Nonetheless, it merits further follow-up.	We discussed with senior management the treatment of workers in the cold chain and how they audit suppliers in light of forced-labour accusations. The responses were mixed, with some of the difficulty attributed to the complexity of labour laws across different Brazilian states. In mitigation, they have changed procedures for cold-chain workers and will work with third-party certifiers as they begin selling their own directly sourced private-label products in stores later this year. We will continue to engage and track improvements. Remains a holding in eligible accounts/strategies.
Standard Bank	Environmental	Standard Bank had been named in a recent report on deforestation so in a meeting with senior management we challenged them on their approach to sustainable financing.	Management were open in their response noting that projects, such as an oil pipeline between Uganda and Tanzania that they are funding, are important for the development of local economies. They stressed a need to balance environmental issues with social issues, most notably low-income levels. Projects such as these will enable poorer countries to utilise their natural resources and develop faster, enabling them to reach a stronger position from which they can then tackle climate change-related environmental issues. We understand management's point of view but will continue to monitor their approach to sustainable financing. Remains a holding in eligible accounts/strategies.

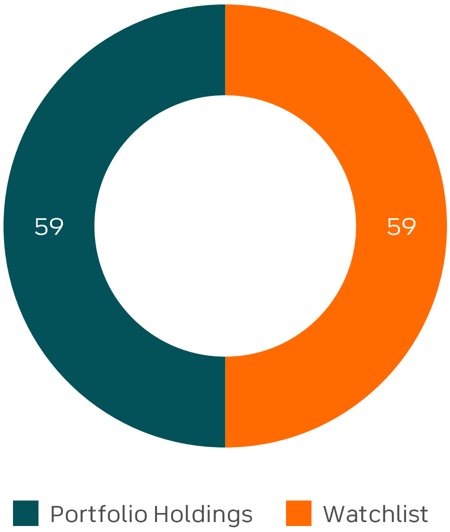
Engagement Highlights

COMPANY	ENGAGEMENT TYPE	ENGAGEMENT DETAIL	INVESTMENT OUTCOME
Qualitas	Governance	Discussion with senior management on an amendment to the articles of association. A proposal was made at the last two AGMs to give the company's Board of Directors the ability to block any shareholder from taking more than a 10% stake. Skerryvore voted against these proposals on behalf of its clients on the basis that it creates a poison pill for a possible acquisition of the company that may not be in the best interest of minority shareholders.	While Skerryvore voted against the proposal, the agenda item was approved at the annual shareholders meeting. They acknowledged our concerns and explained that the aim is to prevent a surprise hostile takeover. They also pointed out that this approach is common for companies in Mexico. We will continue to engage. Remains a holding in eligible accounts/strategies.

Corporate Engagements

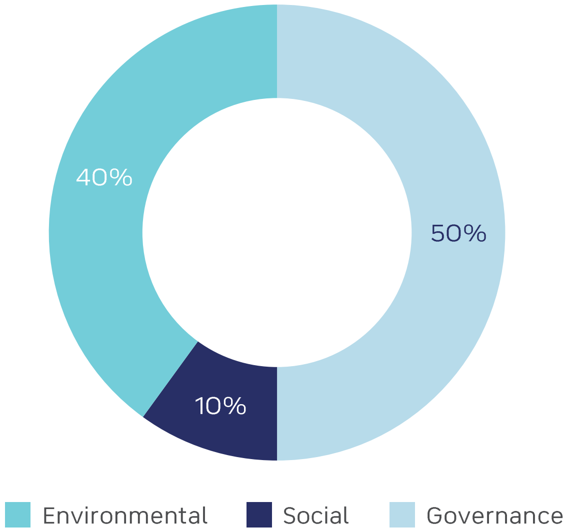
Company Meetings[1]

12 months to end June 2026



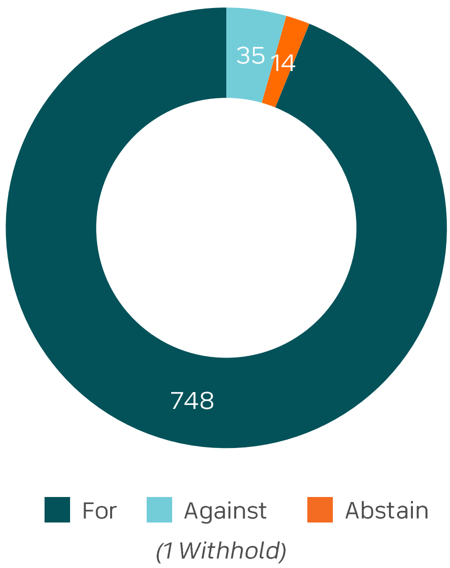
Sustainability Engagements – Portfolio Holdings[1]

12 months to end June 2026



Proxy Voting Overview[2]

12 months to end June 2026



Votes Against Management Rationale[1]

Poor corporate governance	13
Not in best interest of minority shareholders	6
Sold out of position*	5
Bundled election of directors	4
Potential dilution greater than 10%	4
Lack of disclosure	3
Ad hoc	3
To support election of an independent candidate put forward by minority shareholders	1
Total	**39**

*Abstain votes relating to companies no longer held

[1] Skerryvore GEM Strategies, Skerryvore
[2] Skerryvore GEM Strategies, ISS ProxyEdge, based on Total Proposals Voted

Our Sustainability Principles

1. WE WILL SEEK TO OWN BUSINESSES WE BELIEVE ARE SUSTAINABLE

As with accounting data, sustainability metrics rarely tell the whole story. We examine the reasons and behaviours behind the reported figures to understand how a company operates and whether its approach can be sustained.

2. WE WILL SEEK FAR-SIGHTED COMPANIES THAT SEE SUSTAINABILITY AS A COMPETITIVE ADVANTAGE

We consistently find that the strongest companies recognise that sustainable behaviour can create a long-term advantage. This is often driven by the value of a positive reputation and the benefits it brings.

3. WE WILL SEEK TO ADDRESS NEW CONCERNS THROUGH ENGAGEMENT OR DIVESTMENT

Before investing, we seek to avoid companies with sustainability-related concerns. Over time, however, new information may change our assessment. Where engagement encourages improvement, we will pursue it; where it doesn't, we will divest.

4. WE WILL ACTIVELY ENGAGE WITH COMPANIES TO PROMOTE A RANGE OF RECOGNISED GLOBAL STANDARDS

Company standards have historically been relative, often based on local laws or the social norms of a company's country of domicile. As successful firms expand internationally, they must increasingly measure themselves against leading global peers. International investors are also applying global standards more consistently, which can materially affect share prices.

5. WE WILL ENCOURAGE BETTER TRANSPARENCY AND WORK WITH THOSE WHO PROMOTE IT

Disclosure is generally improving, but not all disclosure is useful. We encourage companies to improve transparency in line with global best practice and to be open about the material challenges of operating sustainably.

6. WE CANNOT ASK COMPANIES TO BEHAVE SUSTAINABLY IF WE DO NOT DO SO OURSELVES

We must look to meet the standards we encourage others to adopt by examining our own business and improving our impact. Although we are a small firm, that does not lessen our responsibility when seeking to influence others.

About us

INTRODUCTION

The Skerryvore lighthouse marks a treacherous reef of rocks that lies off the west coast of Scotland and was built to stand the test of time.

Skerryvore Asset Management Ltd, ("Skerryvore" or "Skerryvore Asset Management") is an investment manager authorised and regulated by the Financial Conduct Authority in the UK and is a registered investment adviser with the U.S. Securities and Exchange Commission ("SEC"). Skerryvore provides emerging market focussed strategies to institutional clients and funds globally.

Skerryvore is wholly owned by Skerryvore AM LLP, which was established in 2019 as an investment partnership set up to create a business with the independence to pursue and protect its long-term investment philosophy.

Our strategies aim to generate absolute long-term returns by investing responsibly in emerging markets. This is based on an unwavering focus on the quality of the businesses in which we invest. We believe in managing clients' money as we would our own, aligning our interests with our clients' and never losing sight of the trust that is put in us to be responsible stewards of capital.

ALIGNMENT

Our investment philosophy stresses the importance of alignment. Emerging markets present a distinctive context in which to operate a business, with constant evolution – and sometimes revolution – in economic, political, regulatory and financial conditions. Investing alongside managers and owners with good reputations that share our belief in a long-term approach to investment is an important way to align interests.

As a business, we aim to put our investment philosophy into practice. Our remuneration policy is designed to ensure alignment with client outcomes. All portfolio managers have invested in strategies run by Skerryvore, and the terms of investment require holding these investments for a minimum of three years. Consistent with our investment philosophy and process, this underpins an absolute rather than a relative return mindset that clients can expect from us.

Important Information

For professional investors only

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As at the date of this document, the Firm manages the following Emerging Market Equity strategies; the Skerryvore Global Emerging Markets Equity Strategy ("GEM Equity") and the Skerryvore Global Emerging Markets Equity All-Cap Strategy ("GEM All-Cap"), each a "Strategy".

Skerryvore provides this material as a general overview of the Firm, our processes and our investment capabilities. It has been provided for informational purposes only. It is not a recommendation of, or an offer to sell or solicitation of an offer to buy, any particular security, Strategy or investment product that may be referred to herein and must not be construed as investment or financial product advice. The Firm has not considered any reader's financial situation, objective or needs in providing the relevant information. For the avoidance of doubt, this information has not been tailored to the needs of the recipient.

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The information provided in this document relating to specific stock examples should not be considered a recommendation to buy or sell any particular security.

An investment in a Strategy should be viewed as medium to long term. Potential investors in Emerging markets should be aware that investments in these markets can involve a higher degree of risk. An investment should only be made by those persons who could sustain a loss on their investment. It should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors. The value of investments and the income from them may go down as well as up and may be subject to sudden and large falls in value. An investor may lose their entire investment.

The Firm's research for this document is based on current public information that the Firm considers reliable, but the Firm does not represent that the research or the document is accurate or complete and it should not be relied on as such. The views and opinions contained herein are those are those of Glen Finegan and his team. They do not necessarily represent views expressed or reflected in other Firm investment communications or strategies and are subject to change.

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- Past performance does not predict future returns. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested.
- The Strategies do not hedge currency exposure. If the currency of the investment is different from the local currency in the country in which you reside, the figures shown in this document may increase or decrease if converted into your local currency.
- Equity prices fluctuate daily, based on many factors including general, economic, industry or company news. In difficult market conditions, a Strategy may not be able to sell a security for full value or at all. This could affect performance.
- Investments in Emerging markets can involve a higher degree of risk.

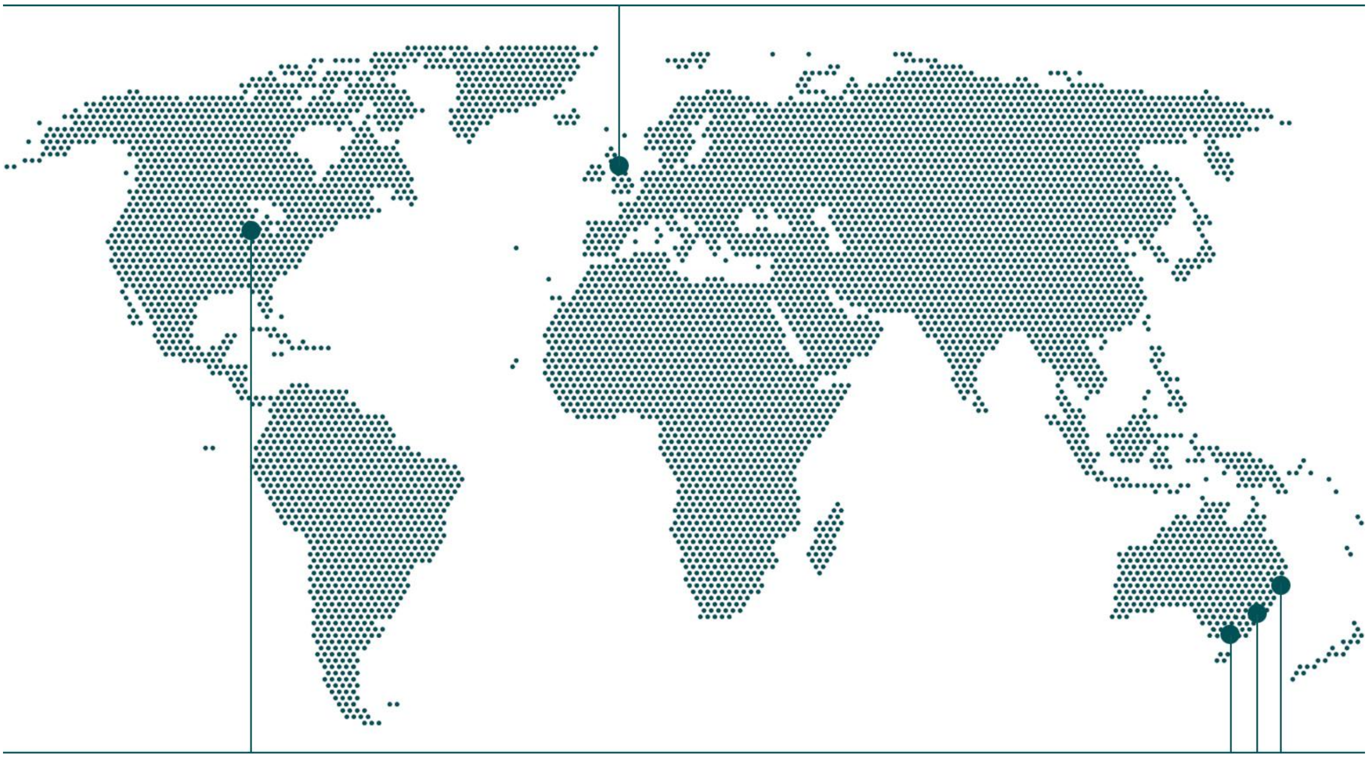
Contacts

SKERRYVORE

45 Charlotte Square, Edinburgh EH2 4HQ
clients@skerryvoream.com

Ian Tabberer
Portfolio Manager
Ian.Tabberer@skerryvoream.com
+44 (0) 131 202 3074

Sarah Monaco
Investment Director
Sarah.Monaco@skerryvoream.com
+44 (0) 131 202 3086



OUR GLOBAL DISTRIBUTION PARTNERS

FRONTIER ONE LLC - USA
1033 Skokie Boulevard, Suite 260
Northbrook, IL 60062

Jason Ciaglo
jciaglo@frontieronellc.com

Bill Forsyth
bforsyth@frontieronellc.com

BENNELONG – AUSTRALIA
Level 21, 20 Bond Street, Sydney NSW 2000

Bennelong House, 9 Queen Street
Melbourne VIC 3000

Level 38, Riparian Plaza
71 Eagle Street, Brisbane QLD 4000

client.experience@bennelongfunds.com

SKERRYVORE ASSET MANAGEMENT

Tel: +44(0) 131 202 3070

Email: clients@skerryvoream.com

www.skerryvoream.com

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